2024 ANNUAL FINANCIAL REPORT

CONNECTING
ECONOMY
AND SUSTAINABILITY
IN AN INTEGRATED
THINKING

INTEGRATED REPORT
(Translation from the Italian original
which remains the definitive version)

FERROVIE DELLO STATO ITALIANE

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Board of Directors	
Chairman	Tommaso Tanzilli
CEO and General Manager	Stefano Antonio Donnarumma
Directors	Caterina Belletti
	Pietro Bracco
	Tiziana De Luca
	Franco Fenoglio
	Loredana Ricciotti
Board of Statutory Auditors	
Chairwoman	Rosalba Cotroneo
Standing Statutory Auditors	Sergio Duca
	Marino Marrazza
Alternate Statutory Auditors	Letteria Dinaro
	Francesco Tulimieri

COURT OF AUDITORS' MAGISTRATE APPOINTED TO AUDIT FERROVIE DELLO STATO ITALIANE SPA FOR THE 2024 FINANCIAL YEAR

Piergiorgio Della Ventura

OFFICER IN CHARGE OF FINANCIAL REPORTING

Fabio Paris

INDEPENDENT AUDITORS

PricewaterhouseCoopers SpA

CHAIRMAN'S LETTER

The Chairman

Dear Shareholder,

FS Group's 2024 results have matured in a macroeconomic environment of moderate growth (in Italy GDP +0.7%, in line with Eurozone growth), marked by uncertainty on the geopolitical scene and international relations.
Inflation is back under control (1%, compared to 5.7% in 2023) and the ECB has been progressively cutting rates (from 4.5% at the beginning of 2024 to 3.15% at the end of December), but the production system has had to deal with the appreciation of some factors of high strategic value, including energy.

The FS Group's Annual Financial Report 2024 has also been prepared in accordance with the European Sustainability Reporting Standards (ESRS) required by the Corporate Sustainability Reporting Directive (CSRD) and Legislative Decree no. 125/2024. The traditional structure of the directors' report on operations has been enriched with specific in-depth notes on the sustainability issues related to the business activities and extensive sections devoted to risk analysis, stakeholder relations, results and environmental, social and governance sustainability indicators, prepared in accordance with the new ESRS standards. These are major new features, which are the result of rigorous methodological coordination by the administrative departments of the Parent Company FS and the contribution given by all Group companies.

In terms of results of operations and financial performance, the year 2024 recorded a significant increase in operating revenues (Euro 16.5 billion, +11.7% compared to 2023), which were contributed to, in particular, by Passenger Transport (+11.8%), Freight Transport (+18%) and Urban sectors (with proceeds of approximately Euro 0.4 billion obtained from the sale of the former Farini and San Cristoforo railway yards in Milan). Profit margins at the EBITDA (Euro 2.2 billion, +0.6%) and EBIT (Euro 0.3 billion, +1.5%) level were preserved, with a worsening of the balance of financial operations, which contributed, decisively, to a net loss of Euro 208 million.

With the support of our institutional stakeholders, we have further strengthened our commitment to the renovation and upgrading of the rail and road mobility system in our country, intensifying works and interventions planned in local areas. Capital expenditure, almost all of them (96%) made in Italy, reached Euro 17.6 billion (+7% compared to 2023), and mainly concerned rail (64% of the total) and road (21% of the total) infrastructure, as well as passenger and freight transport (accounting for 13% and 2% of the total, respectively).

The high volumes of new tenders called and awarded during 2024 - amounting to Euro 17.2 billion and Euro 15.2 billion, respectively, considering infrastructure networks alone - confirm the Group's ability to be a driver of growth, employment, and infrastructure development, in

line with what we have envisaged in the Group's Strategic Plan, which we presented on 12 December 2024, and which allocates approximately Euro 100 billion of investment in the five-year period from 2025 to 2029.
The growth in volumes of operating and investment activities was financed both by bringing liquidity back to the 2019 level (Euro 1.5 billion) and through new financial debt (with a net increase of Euro 0.7 billion in 2024). The debt ratio (NFP/Equity) remained at a low level, standing at 0.32 (+0.05).
Market appreciation for our bond issues and the ratings we received from specialist agencies confirm the soundness and balance of our financial and capital structure.

The **Railway Infrastructure** Sector, as mentioned above, has been engaged in the implementation of a massive investment program on the network (Euro 11.2 billion, +4%), with a record number of construction sites for works on safety, technological equipment, maintenance and development of the entire national network. Particularly strategic are the interventions related to the Terzo Valico dei Giovi line and the Verona-Vicenza, Brescia-Verona and Naples-Bari sections.

The **Road Infrastructure** Sector carried out hundreds of works of maintenance, improvement and development on the national road network, with investments of more than Euro 3.6 billion (+13%). The main activations took place in Abruzzo and Lazio (SS 260 Picente State Road and Lungotevere in Sassia underpass in Rome), Campania and Basilicata (SS 268 of Vesuvio and SS 95 of Brienza State Roads), Sardinia (SS 125 Orientale Sarda and SS 131 Carlo Felice State Roads), and Sicily (SS 117 Centrale Sicula State Road).

The **Passenger Transport** Sector increased traveller volumes in all segments of rail transport and more than proportionally to the increase in supply: High Speed (passenger-km +6.6% compared to 2023, against an increase in supply of 5.8%, measured by train-km travelled), Intercity (+4.5%, train-km +3.6%), and Regional (+7.2%, train-km +0.7%) lines.
The intensive investment plan on the infrastructure and technology network has had significant impacts on the punctuality of rail transport services. 73% of Frecce trains (-2.6 p.p. compared to the figure reported in the Annual Financial Report 2023), 82% of Intercity trains (-3.1 p.p.) and 91% of Regional service trains (-0.7 p.p.) arrived within 10' of the scheduled time, with consequent effects on overall traveller satisfaction as well. Since the beginning of our term of office we have identified punctuality as a priority area of attention, also defining, while waiting for the conclusion of the massive planned investment programme, appropriate short-term actions for the reduction and mitigation of inconvenience, including through transparent, timely and effective communication tools with travellers.

In terms of quality, reliability, and efficiency, we expect very positive effects from the acceleration of the renovation of the fleet for Regional transport (106 trainsets delivered in 2024, +8 compared to 2023) and restructuring of rolling stock (106 locomotives, 209 coaches, 11 trainsets refurbished in 2024, compared to 80 coaches and 15 trainsets renovated in 2023).
In LPT road services, investments in new buses (a total of Euro 283 million, about 4.5 times the investments made in 2023), as well as other actions defined in coordination with relevant

institutional partners, may contribute positively to the improvement of data on passenger volume (passenger-km -3.6%, bus-km +2%) and passenger satisfaction (2024 surveys in line with the previous year).

In the **Freight Transpor**t Sector, which is heavily penalized by the current macroeconomic environment (with an 8.8% vs. 2023 drop in volumes transported in the European Union, according to UIC estimates), the acquisition of the Exploris Group, operating in Germany, has allowed for a significant increase in both the volumes of freight transported (+18% in tonne-km) and the offer of transport services (+17% in train-km). For the first time in the history of the FS Group, freight transport in foreign countries exceeded (both in terms of tonne-km and train-km) that carried out in Italy: a particularly positive sign within a business segment that is inherently international and is in line with the trajectory of development and integration that we defined in the Strategic Plan. Customer satisfaction surveys showed an average rating of 7.6/10, which rewards the commitment of colleagues engaged in this operational sector and is a positive sign for the future.

In the **Urban** Sector, the final sale of the former Farini and San Cristoforo railway yards in Milan is a major milestone in the plan that, through the projects defined in our Strategic Plan, will lead to the best exploitation – with a view to urban regeneration - of the FS Group's non-operating real estate assets, as well as to the strategic rethinking of the parking offer, which will be suitably expanded and oriented towards the promotion of intermodal transport.

The FS Group's Annual Financial Report 2024, in compliance with the new common European standards, provides a comprehensive and reasoned overview of the results and the main projects underway in the areas of environmental (energy efficiency, use of renewable sources, reduction of emissions, responsible management of water resources and waste, disposal and recycling of materials, etc.), social (employees, supply chain, support to communities and local areas, etc.) and governance sustainability.
Among cross-cutting initiatives, in the awareness that sustainability is a strategic factor for generating value in the long term, the Board of Directors has established a dedicated board committee to support decisions on ESG issues related to the Group's activities and the dynamics of interaction with various stakeholders.
Particular attention is paid to the supply chain, which is involved in a plan of sustainable growth through the adoption of an ESG rating system which, to date, has involved more than 450 partner companies and will be extended to 5,000 operators by 2026.
From an environmental point of view, we are particularly proud of the results obtained from the application of the criteria prescribed by the European Taxonomy: 88.3% of our investments (+3.5 p.p. compared to 2023), 60.6% of revenues (in line with 2023), and 40.8% of operating costs (+5 p.p.) are qualified as "environmentally sustainable."
In the social sphere, people - our employees and collaborators, but also the people in our supply chain, our customers, and the communities in the local areas in which we operate - are at the centre of our Strategic Plan, which is oriented toward ever greater identity, inclusiveness, and collaboration.
With specific regard to our employees, whose number is close to 100,000, the indicators demonstrate the daily focus on health and safety, training, diversity, and the growth

and enhancement of our people. The FS Group is undergoing a generational change of exceptional magnitude: with 9,736 new hires in 2024, we have come close to 50,000 new hires in the last five years, a process of change that we have the responsibility to manage rigorously and effectively, from every point of view and at all levels while also preserving the principles and ethical values that everyone recognizes in the people of the FS Group.
With regard to governance, the FS Board of Directors is aware of the extent to which the internal control and risk management system constitutes an indispensable safeguard for the effective implementation of the strategy and the protection of the transparency and reliability of the FS Group's actions.
For these reasons, we have established a specific Control and Risk Committee within the Board, with investigative, advisory and propositional functions.
In addition to updating the 231 Model, in 2024 we devoted special attention to training on anti-corruption and anti-bribery procedures and policies, with 42,901 people involved in specific training courses and additional awareness-raising initiatives involving the entire FS Group.
In a context in which we are entrusted with exceptionally large investments and the execution of strategic works for the country's future, integrity and reputation represent fundamental assets, to be safeguarded with rigor and daily accountability, the soundness of the internal control and risk management system assumes absolute importance.

In looking to the future, the Ferrovie dello Stato Italiane Group will continue to operate with responsibility, vision and coherence, within the framework of the Group's Strategic Plan 2025-2029, to contribute to the implementation of a modern, sustainable and integrated mobility system, serving the country and the territories in which it operates.

The Chairman
Tommaso Tanzilli

THE GROUP IN SHORT

The Ferrovie dello Stato Italiane Group's integrated annual report

This FS Group's Integrated Annual Report consists of the Annual Financial Report, which includes the consolidated and separate financial statements of Ferrovie dello Stato Italiane SpA ("FS Italiane SpA") and the directors' report, which meets the provisions of the Italian Civil Code and complies with the regulations of Legislative Decree no. 125 of 6 September 2024, which implements Directive (EU) no. 2464 of 14 December 2022 as regards corporate sustainability reporting (Corporate Sustainability Reporting Directive, CSRD). The Directors' Report also includes the Report on corporate governance and ownership structure.

It should be noted that, as permitted by Article 9.1, paragraph 119, of the Annex to Commission Delegated Regulation (EU) 2023/2772 of 31 July 2023, supplementing Directive 2013/34/EU of the European Parliament and of the Council as regards sustainability reporting standards, certain information required by the CSRD is included in the "Consolidated Sustainability Reporting" section by reference to other specific paragraphs of the Directors' Report, in accordance with the criteria set forth in paragraph 120 of the same Annex below.

Disclaimer

This document and, in particular, the sections "Strategic plan", "Consolidated Sustainability Reporting", and "Outlook", contain forward-looking statements based on current expectations and projections of future events. By their very nature, these statements present inherent risks and uncertainties. They refer to events and depend on circumstances that might, or might not, occur or arise in the future and, as such, cannot be fully relied upon. Actual results may differ, even significantly, from the data in these statements due to myriad factors, including, but not limited to, the geopolitical turmoil, volatile and deteriorating capital and financial markets, changes in raw material and energy prices, changes in macroeconomic conditions and economic growth and other changes in business conditions, climate change, changes in legislation and the institutional context (both in Italy and abroad), difficulties in carrying out production and providing services, including restrictions to the use of the infrastructural railway/road network, the use of plants and supplies and many other risks and uncertainties, most of which are exogenous to the Group.

KEY AND GLOSSARY

Non-GAAP performance indicators

Below is a description of the criteria used to determine the non-GAAP performance indicators used in this report, as well as of the criteria applied to the IFRS financial statements, useful in monitoring the Group's economic and financial performance.

Gross operating profit: the difference between revenue and operating costs.

Operating profit: the sum of gross operating profit, depreciation, impairment losses (impairment gains) and provisions.

Gross operating profit margin: percentage indicator calculated as the ratio of gross operating profit to revenue.

Operating profit margin – ROS (return on sales): sales profitability indicator calculated as the ratio of operating profit to revenue.

Net operating working capital: the sum of inventories, contract assets, current and non-current trade receivables and current and non-current trade payables.

Other assets, net: the sum of assets and advances from the Ministry of Economy and Finance (MEF) for grants, other current and non-current assets and other current and non-current liabilities.

Working capital: the sum of net operating working capital and other assets, net.

Net non-current assets: the sum of property, plant and equipment, investment property, intangible assets and equity investments.

Other provisions: the sum of post-employment benefits and other employee benefits, the provision for litigation with employees and third parties, the provisions for sundry risks, deferred tax liabilities and deferred tax assets.

Net invested capital (NIC): the sum of working capital, net non-current assets, other provisions and net assets held for sale.

Net financial position (debt) (NFP/NFD): the sum between current financial liabilities, non-current financial liabilities, and related derivatives, net of cash and cash equivalents, other current financial assets, other non-current financial assets and concession assets, less of contract advances.

Net financial debt: is determined in accordance with ESMA guidance no. 39 issued on 4 March 2021, as the sum between current financial liabilities, non-current financial liabilities, and related derivatives, net of cash and cash equivalents, other current financial assets, and concession assets, less of contract advances.

Equity (E): the sum of share capital, reserves, retained earnings (losses carried forward) and the profit (loss) for the year.

Debt/equity ratio: the ratio between net financial debt and equity.

Capital expenditure: this indicator reflects the trend in Group investments of the year and includes the Group's investment programmes/projects (including investments via leases or special purpose vehicles) to support business development. These programmes/projects consist of investments in property, plant and equipment, concessions and other intangible assets, excluding financial investments (i.e., those relating to equity investment transactions). Specifically, the indicator is calculated as the algebraic sum of investments of the year/in progress in: i) property, plant and equipment, ii) intangible assets; iii) investment property; iv) change in concession work; v) trading property, net of asset acquisitions between Group companies.

Sustainability glossary

The following terms are frequently used in relation to the Consolidated Sustainability Reporting.

Climate change adaptation: the process of adjustment to actual and expected climate change and its impacts.
Aligned activity/environmentally sustainable activity: an economic activity that is aligned with the taxonomy, i.e., that meets the requirements of article 3 of Regulation (EU) 852/2020.
Enabling activity: an economic activity that directly enables other activities to make a substantial contribution to an environmental objective.
Transitional activity: an aligned economic activity for which there is no technologically and economically feasible low-carbon alternative but that nevertheless has greenhouse gas emission levels that correspond to the best performance in the sector or industry, does not hamper the development and deployment of low-carbon alternatives and does not lead to a lock-in of carbon- intensive assets.
Eligible activity: an economic activity described in the delegated acts adopted pursuant to article 10 of Regulation (EU) 852/2020, irrespective of whether such economic activity meets one or all of the technical screening criteria in the applicable delegated acts.
Capital expenditure KPI (proportion of CapEx): the proportion of an economic activity's CapEx which is taxonomy aligned.
CSRD – Corporate Sustainability Reporting Directive: Directive (EU) 2022/2464 as regards corporate sustainability reporting implemented in Italy through Legislative Decree no. 125 of 6 September 2024.
Double materiality assessment (DMA): process by which the company identifies any relevant impacts, risks and opportunities associated with sustainability issues. Double materiality has two dimensions: impact materiality and financial materiality. A sustainability issue meets the criterion of double materiality if it is relevant from an impact perspective, from a financial perspective, or from both perspectives.
Do Not Significant Harm (DNSH): the principle of not doing any significant harm to any of the environmental objectives and targets.
Circular economy: an economic system in which the value of products, materials and other resources in the economy is maintained for as long as possible by improving the efficiency of use in production and consumption so as to decrease environmental impact and minimise waste and the release of hazardous substances at all stages of the life cycle, including through the application of the waste hierarchy.
Financial effects: effects of sustainability-related risks and opportunities which affect the company's financial position, results of operations and cash flows in the short-, medium- or long-term.
Expected financial effects: financial effects that do not meet the criteria to be shown in the financial statement items in the reporting period and are not part of the current financial effects.
Current financial effects: financial effects for the current reporting period recognised in the main documents of the financial statements.
European Financial Reporting Advisory Group (EFRAG)): a technical, non-political body that deals with accounting standards at the international level.
Scope 1 Greenhouse Gas (GHG) Emissions: direct GHG emissions from sources that are owned or controlled by the company.
Scope 2 Greenhouse Gas (GHG) emissions: indirect emissions from the generation of electricity, steam, heat or cooling, purchased or acquired, which the company consumes.
Scope 3 Greenhouse Gas (GHG) emissions: all indirect GHG emissions (not falling within Scope 2 GHG emissions) generated in the value chain of the reporting company, including upstream and downstream emissions. They can be divided into Scope 3 categories.
Entity-specific disclosures: sustainability issues not listed within the thematic European Sustainability Reporting Standards (ESRS) but identified as "specific" based on the context analysis performed as part of the "double materiality" process; in addition to the disclosure requirements laid down in the three categories of ESRS, when a company concludes that an impact, risk or opportunity is not covered, or not covered with sufficient granularity, by an ESRS but is material due to its specific facts and circumstances, it shall provide additional entity-specific disclosures to enable users to understand the company's sustainability-related impacts, risks or opportunities.
European Sustainability Reporting Standards (ESRS): reporting standards related to sustainability information and used by undertakings subject to the CSRD.
Own workforce/own workers: the group of people who are in an employment relationship with the

company ("employees") and non-employees, who are either people with contracts with the company to supply labour ("self-employed people"), or people provided by companies primarily engaged in "employment activities" (NACE Code N78).

Greenhouse Gases (GHGs): the gases listed in Part 2 of Annex V to Regulation (EU) 2018/1999 of the European Parliament and of the Council[1], including carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), sulphur hexafluoride (SF_6), nitrogen trifluoride (NF_3), hydrofluorocarbons (HFCs) and perfluorocarbons (PFCs).

Sustainability-related impacts: effects that the company has or could have on the environment and people, including effects on human rights, connected with its own operations or business relationships. Impacts can be actual or potential, negative or positive, short-, medium- or long-term, intended or unintended, reversible or irreversible. Impacts indicate the company's contribution, negative or positive, to sustainable development.

Intergovernmental Panel on Climate Change (IPCC): the Intergovernmental Panel on Climate Change is the scientific forum formed in 1988 by two United Nations bodies, the World Meteorological Organization (WMO) and the United Nations Environment Programme (UNEP) for the purpose of studying global warming.

Environmentally sustainable investment: an investment in one or several economic activities that qualify as environmentally sustainable under Regulation (EU) 2020/852.

IROs: Impacts, Risks and Opportunities.

Worker in the value chain: an individual performing work in the value chain of the company, regardless of the existence or nature of any contractual relationship with the company. For the purposes of ESRS, workers in the value chain include all workers in the company's upstream and downstream value chain who are or can be materially impacted by the company, including impacts related to the company's own operations and value chain, including through its products or services, as well as through its business relationships. This includes all workers who are not included in the scope of the company's own workforce ("own workforce" includes both those who are in an employment relationship with the company, i.e., employees, and non-employee workers, who are either individual contractors supplying labour to the company, i.e., "self-employed workers," or workers provided by companies primarily engaged in employment activities under NACE Code N78).

Non-employee workers: non-employee workers in a company's own workforce include both individual contractors supplying labour to the company ("self-employed workers") and workers provided by companies primarily engaged in "employment activities" (NACE Code N78).

Child labour: work that deprives children of their childhood, their potential and their dignity, and that is harmful to physical and mental development. It refers to work that:

i. is mentally, physically, socially or morally dangerous and harmful to children; and/or
ii. interferes with their schooling by depriving them of the opportunity to attend school; obliging them to leave school prematurely; or requiring them to attempt to combine school attendance with excessively long and heavy work.

A "child" refers to a person under the age of 18 years. Whether or not particular forms of work can be defined as "child labour" depends on the age of the child, the type and hours of work performed, and the conditions under which it is performed. The answer varies from country to country and from industry to industry. According to ILO Minimum Age Convention No. 138, the minimum age for admission to employment or work shall not be less than the age of completion of compulsory schooling, and, in any case, shall not be less than 15 years.

Metrics: qualitative and quantitative indicators that the company uses to measure and communicate the effectiveness of the implementation of its sustainability policies, including against its goals over time. Metrics are also used to measure the company's performance with respect to its stakeholders, the environment and the business.

Climate change mitigation: the process of holding the increase in the global average temperature to well below 2°C and pursuing efforts to limit it to 1.5°C above pre-industrial levels, as laid down in the Paris Agreement.

1. Regulation (EU) 2018/1999 of the European Parliament and of the Council of 11 December 2018 on the Governance of the Energy Union and Climate Action, amending Regulations (EC) No 663/2009 and (EC) No 715/2009 of the European Parliament and of the Council, Directives 94/22/EC, 98/70/EC, 2009/31/EC, 2009/73/EC, 2010/31/EU, 2012/27/EU and 2013/30/EU of the European Parliament and of the Council, Council Directives 2009/119/EC and (EU) 2015/652 and repealing Regulation (EU) No 525/2013 of the European Parliament and of the Council (OJEU L 328, 21.12.2018, page 1).

Harassment: a situation in which unwanted conduct related to a ground that is the subject of protection against discrimination (for example, gender under Directive 2006/54/EC of the European Parliament and of the Council[2], or religion or belief, disability, age or sexual orientation under Directive 2000/78/EC of the Council[3]) is adopted with the purpose and effect of violating the dignity of a person and/or creating an intimidating, hostile, degrading, humiliating or offensive environment.
Next Generation EU (NGEU): a program that includes the tools to support the Member States of the European Union.
Economic operator: a person or entity, including non-profit, which, regardless of legal form and public or private nature, can offer its services in the market under national law.
Operating expenditure KPI (proportion of OpEx): the proportion of an economic activity's OpEx which is taxonomy aligned.
Sustainability-related opportunities: environmental, social, or governance events or conditions of an uncertain nature that, if they were to occur, could have a material positive effect on the company's strategy or business model, or on its ability to achieve its goals and create value, and consequently could influence the company's decisions and those of the partners with whom it does business regarding sustainability issues. Like any other opportunity, sustainability-related opportunities are measured as a combination of the magnitude of the impact and the probability of its occurrence.
Representative Concentration Pathways (RCPs): climate scenarios expressed in terms of greenhouse gas concentrations rather than emission levels. The number associated with each RCP refers to the Radiative Forcing (RF) expressed in units of Watts per square meter (W/m^2) and indicates the magnitude of anthropogenic climate change by 2100 compared to the pre-industrial period.
AR: application requirement.
Sustainability-related risks: environmental, social, or governance events or conditions, uncertain in nature, which, if they were to occur, could have a material adverse effect on the company's strategy or business model, or on its ability to achieve its objectives and create value, and consequently could affect the company's decisions and those of the partners with whom it does business regarding sustainability issues. Like any other risk, sustainability risks are a combination of the magnitude of the impact and the probability of its occurrence.
Safety: refers to the set of measures taken to protect people and property from accidents, diseases and natural disasters. For example, prevention of occupational accidents, protection against natural disasters, and management of risks related to ergonomics and postures fall within the sphere of safety.
Security: it covers measures taken to prevent intentional acts and protect people and property from the consequences of such acts. This includes the prevention of theft, assault, sabotage and arson. Security thus focuses on preventing and countering deliberate acts that have the intent to harm.
Sustainable Development Goals (SDGs): set of goals that take into balanced consideration the three dimensions of sustainable development (economic, social, and ecological) and aim to end poverty, combat inequality, address climate change, and build peaceful societies that respect human rights.
Stakeholder engagement: the process of continuous interaction and dialogue between the company and its stakeholders that enables the former to listen, understand and respond to the interests and concerns expressed by the latter.
Sustainability matters: the themes by which sustainability issues applicable to the Group's reporting segments are structured.
Topic, Sub-topic and Sub-sub-topic: by which sustainability issues are structured under the ESRS.
Turnover KPI (proportion of turnover): the proportion of turnover from products or services associated with taxonomy-aligned economic activities.
Turnover and CapEx associated with aligned activities financed with bonds or debt instruments (Adjusted KPI): the proportion of revenue and capital expenditure related to taxonomy-aligned activities financed with bonds or debt instruments, respectively.

2. Directive 2006/54/EC of the European Parliament and of the Council of 5 July 2006 on the implementation of the principle of equal opportunities and equal treatment of men and women in matters of employment and occupation (OJEU L 204 of 26.7.2006, page 23).
3. Council Directive 2000/78/EC of 27 November 2000 establishing a general framework for equal treatment in employment and occupation (OJEU L 303 of 2.12.2000, page 16).

Terms and acronyms of recurrent use

The following terms are frequently used in this Integrated Annual report in relation to the company's operations.

Computerised interlocking system: electronic management system for control and signalling and station safety.
ARIS (all-relay interlocking system): this centralised system has one single button to control routes and routing and automatically shunts each individual body affected by the route.
TRA: Transport Regulatory Authority.
ATC (automatic train control): this system automatically controls the train's speed. It is the technological and functional evolution of the ATP (Automatic Train Protection). ATC systems consist of conventional and innovative signalling systems and can be based on continuous signal repetition (CSR) or continuous digital signal repetition (CDSR).
HS/HC (High Speed/High Capacity): this is the system of lines and means specifically developed for high-speed transport and the consequent high-capacity transport.
GPC (Government Programme Contract) with RFI or Anas: this is a long-term contract between the Ministry of Infrastructure and Transport ("MIT") and RFI or Anas, defining investment projects and other terms and conditions, such as network maintenance, to encourage the development of the railway system.
PSC (Public Service Contracts): these are contracts between the MIT/Ministry of Economy and Finance ("MEF") and Trenitalia SpA whereby the former reimburses the latter for the cost of public passenger transport services that could not otherwise sufficiently self-fund.
CER: Community of European Railway and Infrastructure Companies.
ICEPSD: Interministerial Committee for Economic Planning and Sustainable Development.
FEES: Fund for Energy and Environmental Services.
Main line: this is a particularly important series of railway lines in terms of traffic volumes and the transport role that it plays, as it joins major network centres or hubs.
ERA (European Railway Agency): agency establishing the mandatory requirements for European railways and builders in the form of technical interoperability specifications applicable to the European railway system. The ERA sets common safety targets, along with the related methods and common safety indicators, in compliance with Directive no. 2004/49/EC, as amended.
ERTMS (European Rail Traffic Management System): this is the system that integrates the various railway networks in the EU from a functional and operational standpoint and provides for the European Train Control System.
ETCS (European Train Control System): this is the overall network of the various national ATC.
FS or FSI or FS Italiane: Ferrovie dello Stato Italiane SpA.
FSE: Ferrovie del Sud-Est e Servizi Automobilistici Srl.
FSSU: FS Sistemi Urbani SpA.
DMI: Detected Mobility Index.
MEF: Ministry of Economy and Finance.
MIL: Mercitalia Logistics SpA.
MIR: Mercitalia Rail Srl.
MIT: Ministry of Infrastructure and Transport.
MINT: Ministry of the Interior.
Hub: a railway area that generally coincides with major metropolitan destinations presenting highly dense and relatively complex medium-size to large stations and other railway systems that are interconnected by various lines, built to manage various traffic flows and alternative routes, or service loops.
Doubling: this is the transformation of a single track to a double track.
RFI: Rete Ferroviaria Italiana SpA.
CCS/CTC (Command and control system/large network central traffic control system): this regulates traffic on the main lines and hubs, outperforming traditional centralised traffic control systems.
ICRMS: the internal control and risk management system.
TSCS (Train speed control system): this is the first functional stage of the ATC system for constant control over train speed, making it possible to activate the emergency brakes if the train exceeds the maximum speed allowed on the line or if it proceeds past stop signals.
TIS: technical interoperability specifications.
HCT: High-Capacity Trains.
TELT: Tunnel Euralpin Lyon Turin SAS.
TERALP: Terminal Alp Transit Srl.
Terminal: this is the intermodal transport infrastructure for the transfer of large load units between carriers, with or without warehouses of modest size.
Tonne-km: this is the product of tonnes transported multiplied by kilometres travelled. It is, therefore, the sum of the kilometres effectively travelled by the

tonnes transported over a given period of time. It is the commercial performance indicator for freight transport.
LPT: local public transport.
Combined transport: this is intermodal transport mainly carried out by rail, river or sea, when the initial and terminal journeys are by road. Combined transport uses specific carriages and coded lines for the sections by rail.
Intermodal transport: this is transport using two or more modes of transport (road, rail, sea or river) with the transfer of load units from one mode to another without breaking up the load, i.e., using a roadway vehicle or intermodal transport unit (containers, swap bodies and semitrailers).
Train-km (tkm): this is the number of train events per kilometre travelled. It is, therefore, the sum of kilometres travelled by all trains over a given period of time. It is the performance indicator for the railway network operator’s production.
Passenger-km (pkm): this is the number of passengers multiplied by kilometres travelled. It therefore reflects the sum of kilometres effectively travelled by all transport service passengers over a given period of time (pkm). It is the commercial performance indicator for passenger transport.

THE FUTURE IS FOUNDED ON HISTORY

1905

Azienda Unitaria delle Ferrovie dello Stato is established on 1 July 1905, based on the unification of: stations and a consistent style of carriages. The railway system is designed and built in accordance with one, unified national criterion.

1927

Together with the Naples Margellina station, the Rome-Naples express line is inaugurated. It is the first line of its kind, designed for high-speed trains.

1936

The first Italian electric train is built: the ETR 200, paving the way for high-speed transport.

1953

The ETR 300 arrives on the Rome-Milan line, and is immediately renamed the Settebello, after its seven carriages. Its innovative shape is emblematic of the Reconstruction period and Italian design.

1976

The first electric tilting train is built: the ETR 401, commonly known as the Pendolino. Designed by Ferrovie dello Stato and Fiat Ferroviaria to reach speeds of up to 250 km/h, the Pendolino is a milestone in the path towards Italy's HS rails.

2009

The Bologna-Florence line, almost entirely in tunnels, and the Novara-Milan line are opened. The HS line from Turin to Salerno is completed. These lines add 1,000 km of HS rail to the country, changing Italians' way of life and how they get around.

2015

Frecciarossa 1000 sets a new high speed record: 390.7 Km/h.

2018

FS Italiane group on 18 January 2018 after the contribution of the entire equity investment in Anas from MEF to FS SpA.

2019

10 years of high speed: the transport system that changed the country: 350 million passengers, 20 million tonnes of CO_2 saved, with technological know-how of world renown.

2020

Despite the Covid-19, the FS Italiane group drives the country with calls for railway and road tenders worth over €21 billion (over 45% of the country's contracts).

1989

On the direct Rome-Florence express line, the ETR X 500 reaches speeds of 317 Km/h, setting Ferrovie dello Stato's official record. The ETR Y 500 breaks the record soon after when it hits 321 km/h.

1992

Ferrovie dello Stato becomes a company limited by shares.

1999

The Company is divided into business segments, which will lead to the creation of Ferrovie dello Stato group in the new millenium.

2005

The new HS Rome-Naples line is completed and is the first to adopt the innovative ERTMS/ETCS. Engineers arrive from around the world, including Japan, the US, China and Russia to study the system, which boasts safe, quite railway transport at 300 km/h.

2008

Ferrovie dello Stato group opens the HS line connecting Milan and Bologna. The works include an extraordinary suspension bridge over the Po River. Trains running on the new line set another record for Italian speed: 362 km/h.

2021

Under the NRRP, the FS Italiane group plays a key role in the transformation and development of Italy with over €25 billion assigned to the group companies as implementing bodies, equal to more than 11% of the NRRP funds.

2022

The new business plan introduces a new governance system and revises the FS Italiane group's organisation. The new organisational structure harnesses the potential of the different group companies and their synergies.

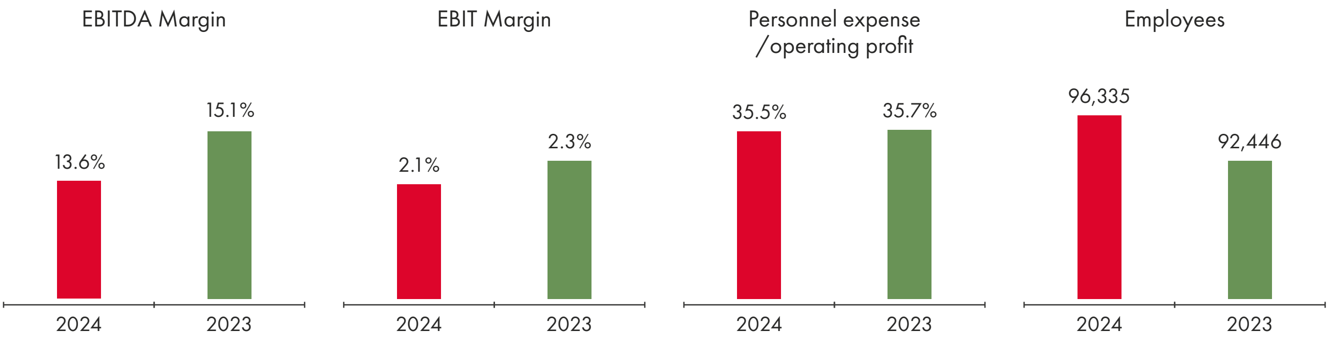
2023

2023 closed with €16 billion in investments, marking a record year for the FS Italiane group in terms of capacity and development.

2024

By its new strategic plan, the FS group aims at strengthening the rail and road network resilience, improving the service quality, supporting the completion of the infrastructure and fostering an increasingly sustainable mobility.

Consolidated results

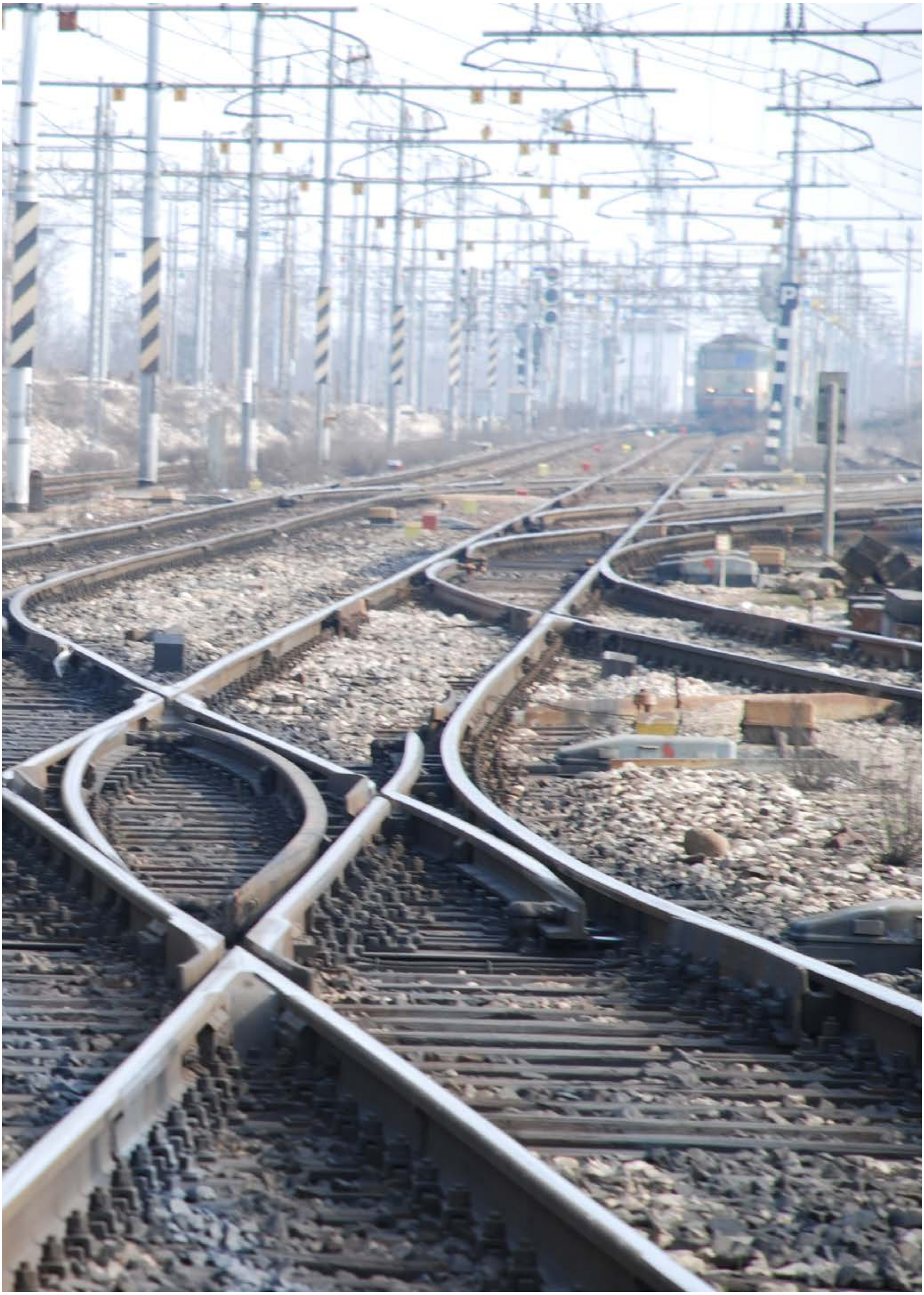


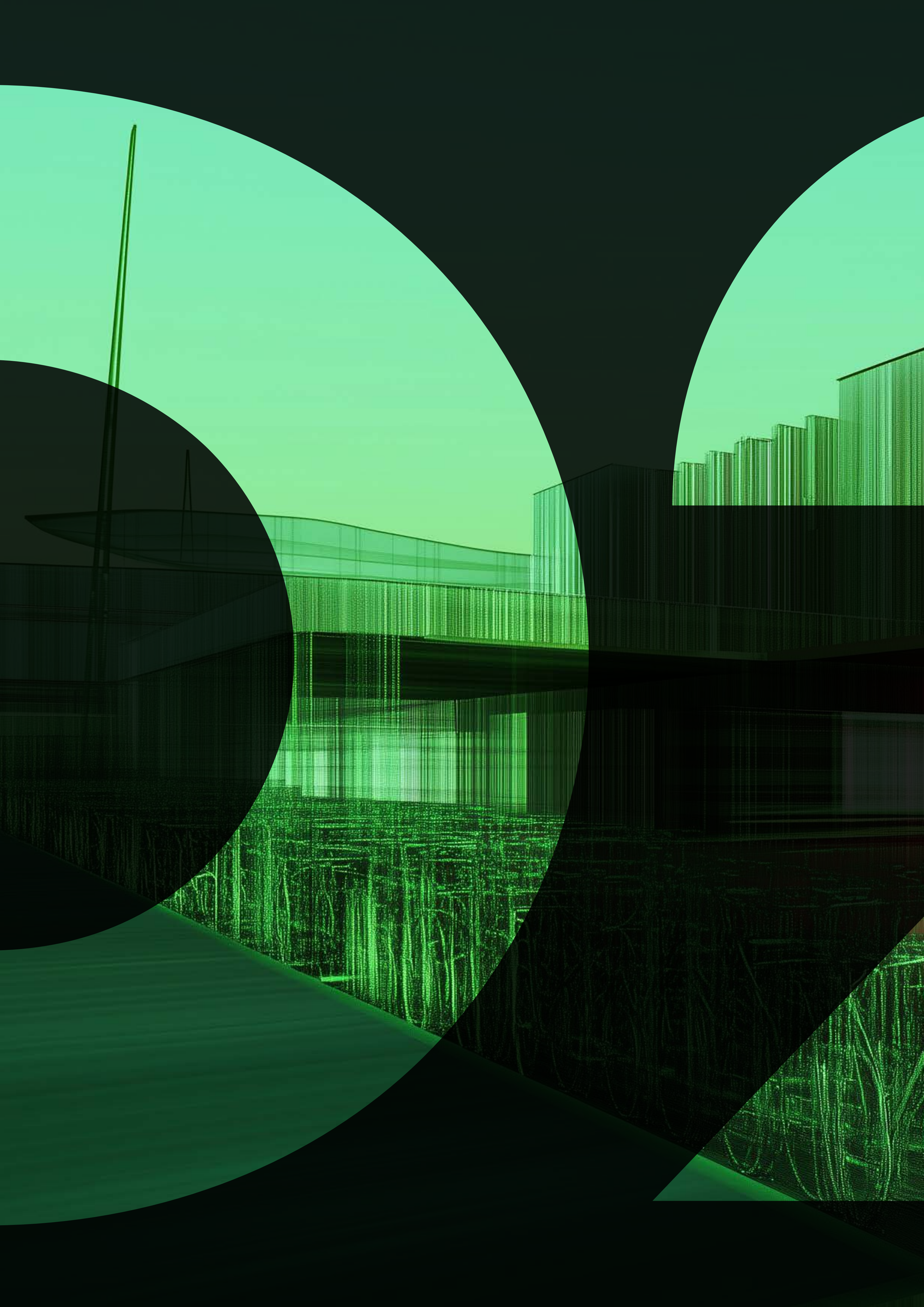
millions of euros

Financial highlights	2024	2023	Change	%
Revenue	16,529	14,804	1,725	11.7
Gross operating profit (EBITDA)	2,242	2,228	14	0.6
Operating profit (loss) (EBIT)	343	338	5	1.5
Profit (loss) for the year	(208)	100	(308)	(>200)

	31.12.2024	31.12.2023	Change	%
Net invested capital (NIC)	55,248	53,247	2,001	3.8
Equity (E)	41,752	42,089	(337)	(0.8)
Net financial debt (NFD)	13,496	11,158	2,338	21.0
Capex	17,559	16,423	1,136	6.9
Total cash flow generated/(used) in the year	(1,105)	(409)	(696)	170.2

Sustainability highlights	Measurement unit	2024
Greenhouse Gas (GHG) emissions– Scopes 1 and 2	tCO_{2e}	2.5 million
Water consumption	m^3	17 million
Special waste sent for recovery	%	97
Final number of employees	number	96,335
Economic operators/suppliers registered with the ESG assessment campaign	number	452
CapEx KPI – Environmentally sustainable investments	%	88.3





Directors' Report

THE RELEVANT SCENARIO

Macroeconomic environment

In 2024, global economy showed good adaptation and resilience[4]. Robust market conditions and declining inflation helped sustain moderate growth, albeit characterised by downward risks and high uncertainty, accentuated by the instability of the international environment due to the prolonged conflict in Ukraine and the widening of clashes in the Middle East. The major economies continued to show heterogeneous trends: while GDP performance in the United States was higher than expected, China witnessed a slowdown in growth; the Eurozone, on the other hand, slightly more than stagnated, although it showed signs of recovery from the third quarter of the year.

Indicators for international trade saw a significant rise in the second and third quarters of the year, driven by the sharp increase in US and Chinese trade. More recent data point to a slowdown for the fourth quarter and, looking ahead, the outcome of the US presidential election is an element of uncertainty for international trade in goods and services, due to the Trump administration's announced protectionist policies. On the consumer price side[5], inflation trends tended to decline in 2024, in the Eurozone more than in the US, despite the expected rebound in November, mainly due to base effects related to energy prices. Energy commodity markets showed moderate volatility, with the price of gas in Europe showing an uninterrupted upward trend in the second half of the year, reaching almost 50/mwh[6] at the end of December, from a low of 24/mwh in March. The price of crude oil (Brent), after a moderate increase in the first months of the year, fell due to the weakness of Chinese demand and the increase in supply, and at the end of December it was trading at around $75/barrel, at a three-year low.

Against the backdrop of substantially lower inflation, the major central banks continued their work on easing monetary conditions. The European Central Bank, after its first intervention in June, made three further cuts in policy rates while the Federal Reserve cut interest rates by 50 basis points in September, followed by a further cut of 25 points in November.

In considering this scenario, according to Prometeia estimates, growth in global GDP came to +3.1% in 2024 compared to 2023 while the trend in world trade appeared to be growing by +2.3%. Growth projections for 2025 suggest a slight decline in the global GDP growth rate (+2.8%), which will involve both industrialised (+1.5%) and emerging countries (+3.5%).

In this context, the Italian economy went through the turbulent historical period initiated by the pandemic with better results than the average of the Eurozone countries, and Italian GDP quickly recovered and exceeded 2019 levels. In the course of 2024, however, growth gradually lost speed, showing a partly expected slowdown, considering that our country's excellent performance was largely attributable to the abundant fiscal stimulus and above all to the Superbonus (tax deduction for expenses related to renovation of residential buildings), which are temporary measures destined to produce a negative rebound once they are over. In spite of the significant contribution of the public component supported by the NRRP, and the substantial resilience of household spending, in fact, investments appeared to fall sharply in the second half of 2024 and the export performance was also lower than expected, suffering more than expected from the difficulties of Germany, with which we share a development model based on manufacturing and exports. Italy ended 2024 with a GDP growth of +0.7% compared to the previous year. The consumer price index for the entire national community, moderating during the year, saw growth of 1% compared to 2023.

4. Source: Prometeia macroeconomic data, December 2024.
5. In December 2024 the index of consumer prices (ICP) for the Eurozone was 2.4% on an annual basis, and the corresponding ICP for the US was 2.9% on an annual basis.
6. Values refer to the reference natural gas price for European markets (Title Transfer Facility, TTF).

Performance of target markets

The most recent Isfort report on the mobility of Italians[7] has confirmed that there remains a 5-10% gap for local public transport while for suburban vehicular flows and medium- and long-haul rail transport the recovery in volumes is complete compared to the pre-pandemic period (2019). Isfort's data also show that future mobility demand scenarios for the next 20 years will be affected by projected sharp population declines. In the median scenario, a decrease of -7% at 2044 in travel is expected, due to the decline in youth mobility (in the age group of 14-19 years), which will not be offset by the concomitant growth in mobility of the elderly (in the age group of 75-84 years). The consolidation of the pool of "smart-workers" (3.75 million in 2025, according to estimates by the Polytechnic University of Milan), is expected to further contribute to curbing the demand for mobility while the effects of the persistent growth in tourist flows should not be overestimated, considering that the low impact of tourists over the population is total.
The analysis of the results, as aggregated on a national scale, conducted by the FS Group, shows that mobile population was equal to about 37 million people in 2024 (about 74% of the target population, represented by Italian phone SIM card owners), and that each traveller makes an average of 2.5 trips per day for a total distance travelled of about 60 km/day.
With a trend in registrations that was lower than expected and down by -0.5% compared to 2023, the year 2024 was a critical year for the Italian auto market. The transition to zero-emission mobility showed no signs of acceleration, and the market share of electric cars confirmed the value posted in 2023 (4.2%) compared to a European figure of 13.6%, as estimated by ACEA, the European Automobile Manufacturers' Association. The low penetration of electric vehicles raises concerns about meeting emission reduction targets under European Regulations, and poses the risk of penalties for manufacturers as early as 2025.
Although sales volumes have declined, the average price of cars registered in Italy reached €30,000[8], up sharply from €21,000 in 2019, the pre-Covid year.
In the road segment, the automatic statistical traffic detection device of the "PANAMA" system, operated by ANAS (the management company of the Italian road and motorway network), recorded, in the total vehicle segment[9], a slight growth (+0.5%) in the IMR (Detected Mobility Index), compared to 2023. The increase in the passage of heavy vehicles was +1.1% compared to 2023.
With regard to airline passengers, based on data from Eurocontrol[10], in 2024 total flights on the European network were 10.7 million, up +5% on 2023 and equal to 96% of the level achieved in 2019. Southern European countries, among them Italy (+8%) and Spain (+8%) experienced the greatest growth in daily flights.
According to Assaeroporti, passengers carried in Italy in 2024 were about 220 million, up +11.1% on 2023, with one-third of the travellers on the domestic segment and two-thirds on the international segment (the latter recovering strongly).
The cargo sector, too, recorded sharp growth: the figure of 2024, with 1.2 million tons transported, showed an increase of +15.3%[11] compared to 2023, surpassing the historical record of 2017. About 62% of freight transited through the Malpensa hub, which therefore retains its national leadership.
Despite the uncertainty brought about by geopolitical tensions that affected trade routes[12], 2024 was a year of expansion in the global container market, and according to initial estimates provided by Ship2Shore[13], Italy recorded a new record in containers handled in ports, reaching 12 million TEU.
In 2024, the ports of Genoa, Savona and Vado Ligure (Western Ligurian Sea ports) achieved growth of +2.9% in terms of TEU handled compared to 2023, a trend that was also confirmed by the port of La Spezia, which showed an increase of 8.7%. The Adriatic ports, which have suffered the most from the effects of the Red Sea crisis, showed instead a reduction for Trieste (-1.2%), Venice (-2.5%), Ravenna (-7.9%) and Ancona (-12.4%). Finally, significant growth was recorded for Gioia Tauro, which achieved a new historical record in terms of TEU

7. Isfort, 21st Report on the mobility of Italians, December 2024.
8. Centro Studi Fleet&Mobility estimate.
9. Total vehicles consist of the sum of the two classes of vehicles considered, i.e. light- and heavy-duty vehicles. Light-duty vehicles group motorcycles, cars, and other vehicles with a payload of less than 3.5 tons. Heavy-duty vehicles group all other vehicles such as trucks, tractor-trailers, etc., with a payload above 3.5 tons.
10. Eurocontrol, European Aviation Overview, January 2025.
11. Source: Assaeroporti, the change is net of postal services. The overall change is +15% on 2023, with 1.25 million tons transported.
12. As a result of the Red Sea crisis, ship transits in the Suez Canal decreased by -50%, compared to 2023.
13. Ship2Shore is an online Magazine on maritime and transport economics, which annually conducts a statistical survey on Italian ports, in cooperation with terminal companies and port authorities.

handled in 2024 (+11% compared to 2023).
As for the cruise industry, the research and consulting firm Risposte Turismo estimated that passengers handled in Italian ports were 14.2 million in 2024, again up from 2023 (13.8 million).

Traffic performance of major European railway companies

On 27 November 2024, the European Parliament approved the new European Commission and appointed the new European Commissioner for Sustainable Transport and Tourism who, in his letter of appointment, set out the priorities that will guide his mandate, with specific regard to the rail sector:

- completing the TEN-T corridors by 2030;
- planning for a European High-Speed rail network that would quickly connect EU capitals, including through night trains, and speed up freight transport;
- proposing a regulation to introduce a single digital rail ticket for travel between EU countries, so that European citizens can buy a single ticket on a single platform, obtaining passenger rights for the entire journey;
- modernising the transport system through digital technologies, including the European Rail Traffic Management System (ERTMS);
- designing a Sustainable Transport Investment Plan, confirming support for transport decarbonisation solutions.

According to provisional data released by the UIC (Union Internationale des Chemins de Fer, International Union of Railways), in the first nine months of 2024, passenger traffic volumes in the EU showed growth of 4.1% on the same period of 2023; this trend depended mainly on the excellent performance of FS, RENFE, DB, and PKP, which, at the end of the first nine months of 2024, saw growth in passenger-km volumes transported of +6%, +7.2%, +3.2%, and +14.9%, respectively, on the same period of 2023.

As for freight traffic, based on the last update released by the UIC for January to September 2024, tonne-km transported in the EU showed a decrease (-8.8%) on the same period of 2023. The negative performance can be attributed to the weak macroeconomic environment and geopolitical tensions, and the worst performers were Germany's DB (-6.8%), Poland's PKP (-21.5%) and Czech freight operator CD (-10.7%).

LEGISLATIVE AND REGULATORY FRAMEWORK

Infrastructure

Rail infrastructure

RFI, for the effects deriving from the **Concession Deed signed in 2000** between the MIT and FS, operates, on an exclusive basis, as the Sole Manager of the national railway infrastructure and is therefore obliged to implement the plans defined with the Government regarding investments for infrastructure development and network maintenance. The scheme entrusted with regulating the economic and financial issues of the concession relationship is the Programme Contract, as provided for in Legislative Decree no. 112 of 15 July 2015, which transposed Directive 2012/34/EU, as amended.

Government Programme Contract – Investments (GPC-I) is aimed at regulating the sustainable planning of infrastructure investments related to safety and compliance with legal obligations, technologies for circulation and efficiency improvement, interventions to increase the performance of existing lines, and interventions for the construction of new railway works to modernise and develop the network. The **GPC-I 2022-2026**, which followed the new procedure provided for in Decree Law no. 152/2021, was approved by ICEPSD by resolution no. 25 published in the Official Gazette on 9 November 2022 and concluded its authorisation process with the signing between MIT and RFI on 20 December 2022.

The **GPC -I** allocates additional contractual resources of roughly €13 billion, which will finance investments for improving the performance and accessibility of the railway service.

During the year, the **2024 Update of GPC-I 2022-2026** was approved by supplementary deed signed between RFI and MIT on 29-30 May 2024 and with the issuance of MIT/MEF Decree no. 235 on 20 September 2024 (the procedure was completed on 12 November 2024 with registration by the Court of Auditors under no. 3901). Under the Deed, a net balance of resources amounting to €3.5 billion (+€7.6 billion in new resources and -€4.1 billion in defunding) was agreed as per contract, bringing the value of ongoing works financed from €124.6 billion in the 2023 Update to €127.7 billion. The resources are mainly for ongoing works and the continuation of programs related to safety, technological development, and the station plan.

Government Programme Contract – Services (GPC-S) governs the financing of routine and non-routine maintenance of the Network, aimed at ensuring the usability of the network under conditions of safety and reliability, as well as the financing of other operating charges related to railway operations (traffic, safety, security, rail navigation) and assistance services to Passengers with Reduced Mobility (PRM). The **GPC-S 2022-2026** was approved by the ICEPSD by resolution no. 24 published in the Official Gazette on 9 November 2022 and concluded its authorisation process with the signing between MIT and RFI in December 2022.

The **GPC-S** makes provision for about €1.1 billion per year for operations and routine maintenance and about €2.2 billion per year for work on account of investment in non-routine maintenance. Furthermore, the main key element of this Contract is the transfer of a set of projects from the GPC-I to the new GPC-S, as they are closely related to recurring maintenance operations, which are also aimed at safety, so as to ensure more efficient and effective planning and implementation.

During the year, the **2024 Update of the GPC-S 2022-2026** was approved by a supplementary deed signed between RFI and MIT on 1 August 2024 and the issuance of MIT/MEF Decree no. 235 on 7 October 2024 (the procedure was completed on 3 November 2024 with registration by the Court of Auditors under no. 3859). The Update incorporates additional resources of €2.4 billion for non-routine maintenance as per contract, including €2.1 billion for the financing of the 2025 year provided for under the Superbonus Decree Law and €150 million for Network Management Activities, of which €50 million for the 2023 year and €100 million for the 2026 year; and the completion, on 30 September 2023, of the temporary operation of the passenger-only fast public maritime transport service between the ports of Messina and Reggio Calabria and vice versa by RFI following the awarding of the service to a new contractor.

Road infrastructure

Anas, under the terms of the **Concession Deed signed in 2002** with the MIT, is responsible for operating the road and highway network of national interest and related maintenance work. The **Government Programme Contract (GPC)** entered into between the MIT and Anas governs the use of the resources assigned to Anas for the development of infrastructure and to deliver services in relation to the network under concession. In particular, the contract governs:

- the construction, maintenance and operation of the toll-free road and motorway network, directly operated by Anas and the related services;

- the financing of the activities;
- service level agreements, works schedule, penalties and methods for verification by the Ministry.

The GPC 2016-2020 was renewed for 2021-2022. During the meeting held on 27 December 2022, the ICEPSD approved the Additional Deed to the GPC 2016-2020 between the MIT and Anas, establishing the allocation of the resources under Article 1, paragraph 397, of Law no. 234 of 2021 (2022 Budget Act), totalling €4.5 billion.
At its meeting on 21 March 2024, the ICEPSD approved, with requirements, the proposed **MIT-Anas GPC 2021-2025**. The procedure was concluded on 9 November 2024 with the registration by the Court of Auditors of MIT/MEF Decree no. 256 of 22 October 2024. With regard to funding, it is planned to allocate within the new GPC the resources from the 2023 Budget Act (€2.25 billion) and 2024 Budget Act (€3.75 billion).
"Expenditure on services," as shown in the GPC, takes on a forecasting character and the related activities will be modulated during the year and will be covered by the usual planning and financing schemes. The latter provision was subjected, in the ICEPSD approval phase, to a requirement that postpones the definition of the coverage of activities to a subsequent discussion between MIT and Anas aimed at setting out the level of services to be rendered by Anas and the quantification of the related compensatory grants. This has been reflected in the plan through a remodulation of the forecast of costs for services for the years 2024, 2025 and subsequent years under the plan.

Regulatory Measures

The following is a summary of the main European, national and regulatory measures that occurred during the year and had a significant impact on the rail and road Infrastructure Sector.

Decree Law no. 5 of 19 January 2024, on **"Urgent provisions for the implementation of infrastructure interventions related to the Italian presidency of the G7"**, as converted with amendments into Law no. 30 of 13 March 2024, provides for the appointment of an Extraordinary Commissioner in order to speed up procedures and activities related to infrastructure functional to the G7, as well as simplifications in procurement procedures.

Decree Law no. 10 of 5 February 2024, on **"Urgent provisions on the governance and interventions under the competence of "Infrastrutture Milano Cortina 2020-2026 SpA"**, as converted with amendments into Law no. 42 of 27 March 2024, authorises in favour of Anas the expenditure of €17.73 million for the year 2032 and €25 million for each of the years 2033 and 2034 to cover the charges related to the maintenance and safety of the road network, also in order to ensure the overall accessibility of the territories affected by the sporting events at the Winter Olympic and Paralympic Games Milan Cortina 2026. It also establishes that RFI shall be identified as the implementing party of the interventions related to the complementary works in the railway sphere connected to the holding of the Olympic and Paralympic Games. Finally, it provides that, for the construction of the works for which Infrastrutture Milano Cortina 2020-2026 SpA intends to make use of Anas for the phases of awarding and execution of the works, the coverage of the costs shall take place through the payment of grants by the MIT, based on the financial framework of the related works, upon the signing of a specific agreement for the definition of the interventions awarded to it and the related financial costs, which are established within the limit of 9% of the aforementioned financial framework and implemented when updating the programme contract between the Ministry and Anas.

Decree Law no. 19 of 2 March 2024, on **"Additional urgent provisions for the implementation of the NRRP"**, as converted with amendments into Law no. 56 of 29 April 2024, provides for numerous rules impacting the Infrastructure Sector. In particular, it stipulates that, in order to enable the timely implementation of the NRRP interventions and the achievement of the related objectives within the stipulated deadlines, the extent of the **initial advances that can be paid in favour of the implementing entities is normally equal to 30%** of the allocated grant, without prejudice to any higher percentages provided for by specific provisions of law. In addition, it provides that, pending the update of the MIT/RFI GPC-I, the **sources of financing for the rail interventions included in measure M3C1 of the NRRP should be remodulated** to allow for their immediate implementation. The measure refers the remodulation to a MIT decree, which will also provide for a reconnaissance of the national resources that become available as a result of the remodulation of the NRRP for measures under MIT's responsibility to be finalised as part of the update of the GPC-I for the year 2024. In implementation of this provision, there was the enactment of **MIT/MEF Decree no. 148 of 23 May 2024**.
On the subject of **simplifications**, Decree Law no. 19/2024, with regard to interventions no longer financed with NRRP resources, which are at an advanced stage of planning, allows the application of

the rules already provided for interventions financed with NRRP resources and also adopts rules for the simplification of the prior verification of whether there is an archaeological interest. Subsequently, **Decree Law no. 60 of 7 May 2024**, on **"Additional urgent provisions on cohesion policies"**, as converted with amendments into Law no. 95 of 4 July 2024, amended the rules of the NRRP-INECP (Integrated National Energy and Climate Plan) Committee, specifying that this body be appointed to carry out not only the environmental impact assessment (EIA) procedures of the projects assigned to it (as provided for in current legislation) but also strategic environmental assessments (SEAs) integrated with the EIA procedures related to the same projects.

Decree Law no. 39 of 29 March 2024, on "Urgent measures on tax benefits as per Articles 119 and 119-ter of Decree Law no. 34 of 19 May 2020, as converted with amendments by Law no. 77 of 17 July 2020, other urgent measures on tax matters and related to exceptional events, as well as related to tax authorities" (**Superbonus** tax credit), as converted with amendments into Law no. 95 of 4 July 2024, provides, in particular, for an **overall increase in resources for RFI's GPC-S** both on account of investment (to 2043) of €1,826.1 million, with an improvement in cash flow in the three-year period 2026-2028, and on account of operations of €200.4 million in total, in the two-year period 2026-2027.

On 9 April 2024, by **Prime Minister's Decree, Autostrade dello Stato SpA** was established under Article 2, paragraph 2-septies, of Decree Law no. 121/2021. The company will be responsible for the operation of state highways under concession through in-house awarding. It shall also take over the functions and activities to date attributed to Anas with regard to state toll highways.

With regard to the **installation of plants powered by renewable sources, Decree Law no. 63 of 15 May 2024**, on **"Urgent provisions for agricultural, fishing and aquaculture undertakings, as well as undertakings of national strategic interest"**, as converted with amendments into Law no. 101 of 12 July 2024, provides for limitations on the installation of PV plants with ground-mounted modules in areas classified as agricultural under town planning programmes, but without prejudice to sites and plants in the availability of FS Group companies and operators of rail infrastructure, as well as of highway concessionaire companies. In addition, the stipulated limitations do not apply in the case of projects aimed at establishing a Renewable Energy Community, as well as in the case of projects implementing the other investment measures of the NRRP and the NCP, or any projects necessary to achieve the objectives of the NRRP.

Decree Law no. 76 of 11 June 2024, on **"Urgent provisions for post-disaster reconstruction, civil defence interventions and the holding of major international events"**, as converted with amendments into Law no. 111 of 8 August 2024, provides for grants for the 2009 and 2016 earthquakes, the 2023 floods and funds for strengthening safety and security. It includes **rail infrastructure under specific plans** for the better resolution of hydrogeological instability and provides that RFI will provide, as implementing party, the interventions aimed at the definitive securing and restoration of damaged rail facilities, and appoints Anas to carry out the interventions to combat the instability of the slope burdening the routes and areas contiguous to the flooded territories in Emilia Romagna, Tuscany and Marche.

Decree Law no. 89 of 29 June 2024, on **"Urgent provisions for infrastructures and investments of strategic interest, for the criminal trial and in the field of sports"**, as converted with amendments into Law no. 120 of 8 August 2024, provides for amendments to Decree Law no. 35/2023 on "Urgent provisions for the implementation of the stable link between Sicily and Calabria", as converted into Law no. 58/2023 to ensure compliance with the timetable of **Stretto di Messina**'s operations. It provides for the identification, through MIT decrees to be adopted by 31 December 2025, of **works for the implementation of Trans-European Transport Network (TEN-T) projects** and their extraordinary commissioners, who are appointed from among the management staff of RFI and Anas. It allocates €10 million for the year 2027 and €20 million for each of the years 2028 and 2029 for infrastructure works in the Liguria region.

Decree Law no. 131 of 16 September 2024, on **"Urgent provisions for the implementation of obligations arising from acts of the European Union and from pending infringement and pre-infringement procedures against the Italian Government"**, as converted with amendments into Law no. 166 of 14 November 2024, aims, among other things, to resolve the infringement procedure for the failure to secure the TEN-T trans-European road network by providing that the request for the commissioning of the TEN-T tunnels (listed in Annex 1 of the measure) must be submitted by 31 December 2027.

Decree Law no. 153 of 17 October 2024, on **"Urgent provisions for the environmental protection of the country, the rationalisation of environmental assessment and authorisation procedures, the promotion of circular economy, and the implementation of measures regarding the remediation of contaminated sites and hydrogeological instability"**, as converted with amendments into Law no. 191 of 13 December 2024, provides for amendments to the Consolidated Environmental Act (Legislative Decree no. 152/2006, as amended) with regard to the order of priority of the examination of projects at the Environmental Impact Verification Committees of the Ministry of the Environment and Energy Security (priority is defined as, among other things, projects declared to be of preeminent national strategic interest and projects exceeding €25 million as value for the national production system). A subsequent Decree of the Ministry of the Environment and Energy Security, to be adopted in agreement with the Ministry of Culture and the MIT, is deferred to set out the new priority criteria for the consideration of projects. Pending the adoption of such a Decree, the following are to be considered as priorities: projects concerning green or renewable hydrogen power plants; interventions of modification, even substantial, for refurbishment, upgrading or complete reconstruction of plants powered by wind or solar energy; on-shore PV and on-shore agrivoltaics projects with a nominal capacity of at least 50 MW; and on-shore wind projects with a nominal capacity of at least 70 MW.
Furthermore, amendments to the Consolidated Environmental Act were provided for with regard to referral to the EIA-SEA Committee, subjection of projects to EIA and silence consent.

Decree Law no. 155 of 19 October 2024, on **"Urgent measures on economic and tax matters and in favour of local entities"**, as converted with amendments into Law no. 189 of 9 December 2024, provides for a cash advance of €1,050 million for 2024 from the **resources allocated to RFI** under the GPC-S 2022-2027 (on account of investment), as well as the increase **in favour of Anas** from the resources allocated for the financing of the GPC 2021-2025 by €183 million for 2024 and the resources of the Anas investment fund (Article 1, paragraph 868, of Law no. 208/2015) by €117 million for 2024 according to the following allocation constraints:

- €30 million for non-routine safety maintenance works;
- €74 million for the "bridges, viaducts and tunnels" programme;
- €13 million for earthquake-damaged road system rehabilitation works.

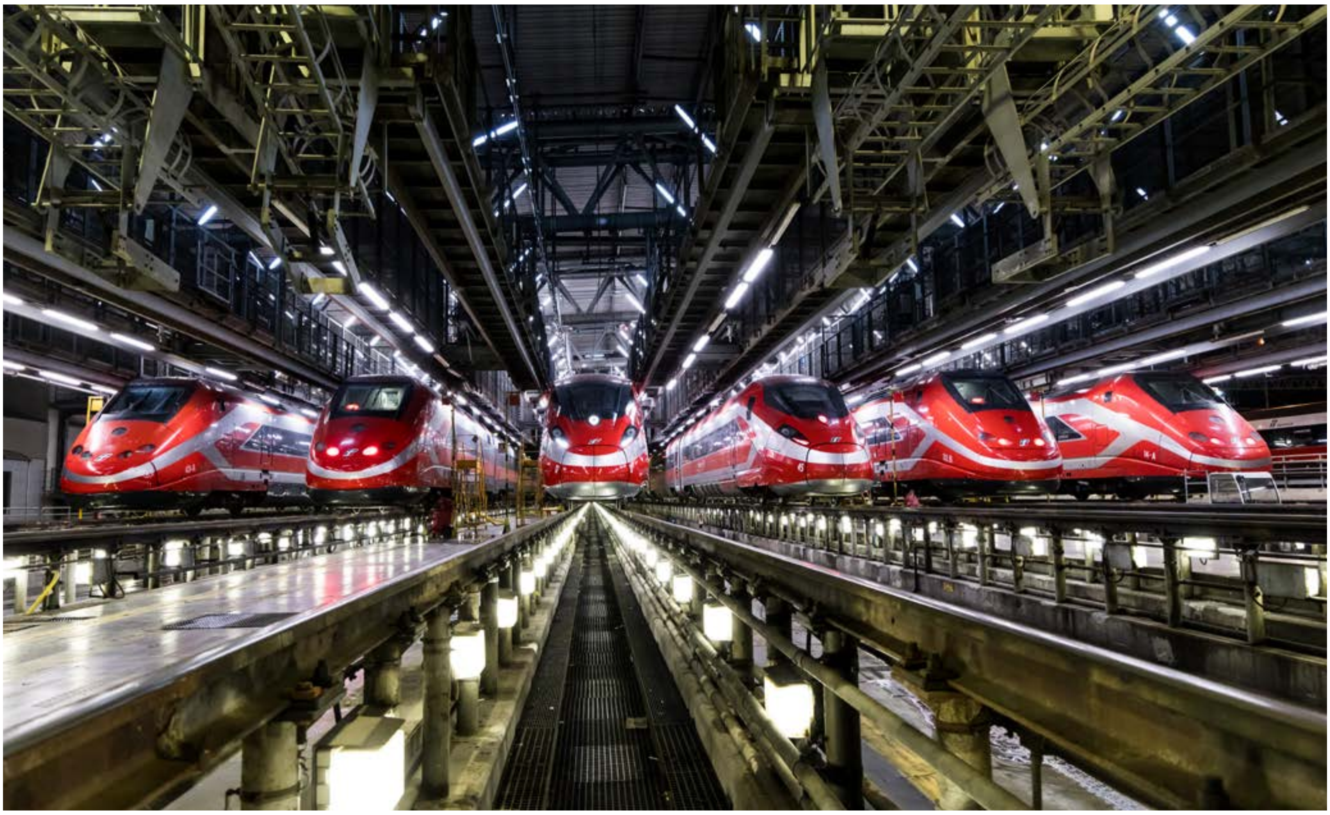
Provisions are also adopted with regard to the new company for the in-house operation of state toll highways, **Autostrade dello Stato SpA**, by which it is allocated a sum of €343 million in order to strengthen its capital structure to carry out the acquisitions of all rights and obligations from **Anas** arising from the latter's ownership of the shareholdings held in the following companies:

- Concessioni Autostradali Venete — CAV SpA;
- Autostrada Asti Cuneo SpA;
- Società Italiana per Azioni per il Traforo del Monte Bianco;
- Società Italiana Traforo Autostradale del Fréjus SpA — SITAF.

Furthermore, it is established that the consideration Autostrade dello Stato shall paid Anas for the shareholdings is to be determined in an amount corresponding to the net book value of the recognition of these rights and obligations, as resulting from the balance sheet approved by the BoD of Anas referring to a date no earlier than four months after the transaction and, in any case, within the limit of the resources set aside for strengthening the capital structure.
With regard to the NRRP, new rules are laid down with regard to **checks and controls**, which place additional obligations on the implementing entities, providing that, as a necessary prerequisite for the purposes of certifying expenditure, the subsequent performance of checks for which they are responsible, and audits on compliance with the requirements, they must ensure the timely implementation of the interventions for which they are responsible and the proper use of the funding allocated:

- by carrying out the legality controls and administrative-accounting checks required by their respective legal systems;
- by verifying the eligibility of expenditure under the NRRP and compliance with the obligations undertaken when financing the interventions;
- by keeping the supporting documentation on record and making it available to the competent national and European Union authorities for their respective supervision and audit work;
- by ensuring the periodic updating of the ReGiS computer monitoring system with data on the financial, physical and procedural progress of interventions.

Also noteworthy is the adoption of supplementary measures to reduce payment times on the part of public



authorities. In particular, among other provisions, the MEF is given the possibility to make transfers, as an advance payment, from the resources of the Next Generation EU - Italy Fund within 15 days as from the requests made by the aforesaid authorities in order to allow the central authorities holding NRRP measures to use the necessary resources for transfers in favour of the implementing entities of the interventions.

Law no. 177 of 25 November 2024, on **"Interventions in the field of road safety and delegated powers to the Government for the revision of the highway code under Legislative Decree no. 285 of 30 April 1992"**, provides for rules impacting the Infrastructure Sector. Of particular note are the provisions laid down with regard to the **safety of rail crossings** by which:

- the matter of level crossing signs and signals, in the event that it has a clear height lower than the minimum height required by the standards for construction, is referred to an agreement between the entities owning the infrastructures;
- it is provided that, at level crossings without barriers or half-barriers, a luminous device, integrated with an acoustic signal device, may be placed under the responsibility and at the expense of the railway operator to warn of the train's passage in good time. The installation of such devices is mandatory in case of insufficient visibility;
- penalties are tightened which are imposed on those who infringe the rules of conduct in the vicinity of level crossings;
- it is provided that the installation of luminous devices is also allowed to the operator of the rail infrastructure, at its own expense, subject to an agreement with the entity that owns or operates the road.

Furthermore, we must note the rule governing the **safety of rail tunnels**. It is provided that, pending the adoption of the interministerial decree laying down guidelines on rail safety, the managers shall, if there is an accident, ensure, at their own expense, the safe accessibility by rescue teams and fire brigades to tunnels longer than 1,000 meters, through the provision of specialist and suitable equipment, means and facilities. For this purpose, on the basis of the analysis and reconnaissance of specific local situations, the managers shall prepare the annual programme setting out the operational methods of safe accessibility by rescue teams and fire brigades within the framework of the resources available for the operation and maintenance of the network, without new or increased burdens on the public finance, and in cooperation with the National Fire Department. Managers shall inform the MIT and the National Agency for safety of railways and road and highway infrastructure of such programs on an annual basis.

Law no. 207 of 30 December 2024, on **"State budget for the financial year 2025 and multi-year budget for the three-year period 2025-2027"**, provides for measures related to **spending authorisations in favour of RFI, Anas and TELT.**
With regard to **RFI**, it authorises the expenditure of:

- €482 million for **2025** and €614 million for **2026**, for a total of **€1,096 million** for the two-year period, in order to finance the residual needs and higher charges resulting from the implementation of the railway interventions provided for in the NRRP under the responsibility of MIT;
- **€1,158 million in total from 2027 to 2036** for financing the GPC-I, to cover the increased needs of the interventions being executed and the continuation of the works in progress;
- **€1,334 million in total from 2027 to 2036** for financing the GPC-S (non-routine maintenance);
- **€1,540 million in total from 2025 to 2030** for financing the GPC-S (routine maintenance).

With regard to **Anas**, the resources allocated to it for financing the GPC 2021-2025 are increased by a total of **€2.022 billion from 2027 to 2036**.
With regard to **TELT**, the resources allocated to it for the completion of works related to the new railway link Turin-Lyon - international section are increased by a total of **€1 billion from 2027 to 2033**.
With regard to additional provisions of interest, it should also be noted that:

- the inclusion of a provision by which it is stipulated that **plants for the generation of energy from renewable sources directly interconnected to the railway traction power supply infrastructure** are among the infrastructures supporting the rail infrastructure for the construction of which the simplified procedure applies for the awarding of public contracts related to the NRRP and NCP;
- the introduction of multiple amendments to Article 26 of Decree Law no. 50 of 2022 ("aid") bearing urgent provisions on public works contracts. In particular, we note the **extension of the Fund for the continuation of public works for contracts already underway to 31 December 2025**, for NRRP, non-NRRP works and framework agreements (referred to in Article 26, paragraphs *6-bis*, *6-ter* and 8 of Decree Law no. 50/2022), as well as the extension of **contracts awarded to general contractors by FS Group companies** as well (referred to in Article 26, paragraph 12, of Decree Law no. 50/2022) to 31 December 2025;
- the adoption of rules aimed at the signing of a new **single agreement between MIT and Anas** to be approved by ministerial decree, adopted by MIT in agreement with the MEF (amendment to Article 2 of Decree Law no. 121 of 10 September 2021). It is envisaged that, when the new agreement is signed, the term of the related concession is adjusted to the maximum term of 50 years. The effectiveness of the provisions is **subject to prior notification to the European Commission**, pursuant to Article 108 of the Treaty on the Functioning of the European Union;
- the increase of €1.532 billion in the resources allocated to the **Bridge over the Strait of Messina** and an expenditure authorisation for the execution of **related works** totalling €500 million;
- an increase in the **Armed Forces** contingent of 800 staff members to ensure the **continued safety of the sites of major rail infrastructures**.

Finally, **Decree Law no. 202 of 27 December 2024**, on "**Urgent provisions on regulatory terms"**, as converted with amendments into Law no. 15 of 21 February 2025, provides for the **extension of the rules on expensive materials for general contractors of FS Group companies to 31 December 2025** with respect to interventions which are also financed in part with NRRP resources. The payment is subject to MIT verifying whether there are actual additional requirements, which must be requested by RFI by 31 January 2026. For this purpose, **an expenditure of €175 million is authorised for each of the years 2025 and 2026.**

Passenger

The Italian domestic rail passenger transport market (medium and long-distance) has been fully liberalised since 2001, subject to reciprocity conditions in the case of foreign-based companies and their subsidiaries (Law no. 388 of 23 December 2000). In the European sphere, however, the liberalisation process was concluded only in December 2020, with the adoption by the European Union of Directive (EU) 2016/2370 (Fourth Railway Package), which granted all railway companies the right of access to the railway infrastructure for the operation of the aforementioned services.
High-Speed passenger transport services are, therefore, now subject to market rules and provided in Italy currently by two operators (Trenitalia SpA and Nuovo Trasporto Viaggiatori SpA), which compete with each other to profitably serve the demand for transport.
Rail transport services subject to "public service obligations" are, on the other hand, delivered through the public service contract, concluded by the State (for medium- and long-distance services) and by the Regional Governments (for LPT services), in order to ensure transport services adequate to social and spatial planning needs, which the railway company, if it considered its own commercial interest, would not perform.
Regulation (EC) 1370/2007 (as amended by Regulation (EU) 2016/2338) establishes the criteria by which a public authority can provide public service obligations, identifying competitive bidding as the ordinary way of awarding service contracts (for rail service contracts, a transitional period was provided for, which ended in December 2023), with some specific exceptions (i.e.: in-house, emergency measure in case of service discontinuance, etc.).
With regard to road passenger transport, long-distance service (i.e., involving at least three regions) was fully deregulated in January 2014; for LPT - also governed by the aforementioned Regulation (EC) 1370/2007 - the general principle of awarding service contracts by tender applies.
The Transport Regulatory Authority (TRA), established in 2011, was given - among other things - the powers to ensure full contestability of the market and protection of passenger rights by road and rail. With specific reference to the LPT sector, the Authority has adopted a set of measures that serve as a "regulatory framework" for Regional Governments and local authorities on the awarding of services.

Trenitalia holds a contract related to passenger rail transport services of national interest (Intercity day and night services), subject to the public service obligation regime. This Service Contract has a 10-year term (from 1 January 2017 to 31 December 2026) and includes the network of medium/long-distance connections between medium and large urban centers. Trenitalia also holds 20 service contracts for regional rail transport services, which are also subject to the public service obligation regime. These service contracts have terms between 9 and 15 years and include metropolitan, regional and supra-regional services in Italy's Regions and Autonomous Provinces, with the exception of Lombardy (where Trenitalia operates with Trenord) and Emilia Romagna (where Trenitalia operates with Trenitalia Tper). Trenitalia is also present in some European countries through its subsidiaries.

Netinera operates in **Germany** and holds 18 contracts for passenger rail transport services and 2 contracts for LPT services. The total term of transport contracts is generally between eight and twelve years for old contracts in the rail sector and between ten and twenty-two years for new contracts. The longest transport contract will expire in 2038.

Hellenic Train operates in **Greece** and holds a contract related to passenger rail transport services subject to the public service obligation regime. This Service Contract has a ten-year term as from 14 April 2022 and covers the entire Greek state rail network.

Trenitalia C2C operates in **the United Kingdom** and holds a service contract to operate passenger rail services between London Fenchurch Street and Shoeburyness in Essex. During 2023, the contract was extended until 20 July 2025. After the United Kingdom's exit from the European Union (Brexit), the Public Service Obligations service is governed by "Statutory Instruments 2023 No. 1369", with provisions that are largely equivalent to Regulation (EC) 1370/2007.

Busitalia provides LPT services in Veneto (Province of Rovigo and Padua), Umbria (entire region) and Campania (Province of Salerno), governed by 21 service contracts, 7 of which through majority interests in consortium companies (contracts in force in the Umbria region); in 2019, following the award of a tender procedure, the company confirmed its presence in the Padua area until 2030. Busitalia is also present in the Netherlands through its subsidiary **Qbuzz**, delivering LPT services in the areas of Groningen Drenthe (until December 2029), Utrecht (until December 2025), DMG (until December 2033), Zuid Holland Nord (until

September 2029) and Fryslan (until October 2034), governed by as many contracts.

Regulatory Measures

The following is a summary of the main legislative measures, of a European, national and regulatory nature, which occurred during the year and had a significant impact on the Passenger Sector.

Regulation (EU) 2024/1610 of the European Parliament and of the Council as regards strengthening the CO_2 emission performance standards for new heavy-duty vehicles, including those for use by public transport passengers, came into force on 14 May 2024. The Regulation aims to strengthen the CO_2 emission reduction requirements for heavy-duty vehicles, contributing to the reduction of net greenhouse gas emissions and incentivising the increase of zero-emission heavy-duty vehicles placed on the EU market. It sets out CO_2 emission reduction targets by 2030 for specific subgroups of heavy-duty vehicles defined according to their technical characteristics, including vehicles used for city public transport, and adjusts related public procurement rules accordingly.

Regulation (EU) 2024/2847 of the European Parliament and of the Council on horizontal cybersecurity requirements for products with digital elements (Cyber Resilience Act, CRA) came into force on 10 December 2024. This new legislation introduces for all sectors, including railways, enhanced security requirements for all products with digital features to ensure resilience from cyber threats and enhanced information requirements on security properties. These provisions shall apply from 3 years after entry into force (December 2027). During this period, the rail operator sector (combined in CER), together with the manufacturer sector (UNIFE), are expected to cooperate together with the European institutions to ensure full harmonization of updated cybersecurity requirements for products and systems used in the sector against existing interoperability regulations.

Decree Law no. 89 of 29 June 2024, on **"Urgent provisions for infrastructures and investments of strategic interest, for the criminal trial and in the field of sports"**, as converted with amendments into Law no. 120 of 8 August 2024, provides for **exemptions to the ban on the traffic of wagons equipped with open-flush toilets and used for passenger transport** to rolling stock that have completed their 25th year of service on the date the conversion law came into force.

Law no. 207 of 30 December 2024, on **"State budget for the financial year 2025 and multi-year budget for the three-year period 2025-2027"** provides for major measures for the Passenger Sector. Specifically:

- the increase in resources allocated to the financing of Local Public Transport, including regional rail, by €120 million for the year 2025;
- the possibility for Regional Governments and metropolitan cities to also use the resources already allocated under the national Strategic Plan for sustainable mobility for the financing of buses for use in extra-urban areas with diesel or hybrid exhaust gas emission under the most recent Euro standard.

With regard to the **compensation of lower revenues in the period of the epidemiological emergency from Covid-19** for the local public transport sector, **Decree no. 329 of 20 December 2024**, registered with the Court of Auditors on 7 January 2025, provided for the final allocation of the fund resources covering the period from 23 February 2020 to 31 March 2022. With regard to this period, the final allocation under the decree is €3,198 million (€1,591 million for the year 2020 and €1,607 million for the year 2021-1st quarter 2022). In detail, the decree allocates the remaining resources of €200 million, including €93 million from the resources set aside under the Budget Act 2023 and €107 million from the resources set aside under Decree Law no. 145/2023.

Logistics

The rail freight market is characterised by a well-established regime of "competition in the market", multiple operators competing with each other to profitably serve the demand for transport. Liberalisation has, in fact, been underway in Italy since 2001 and in the Euro-unified framework since 2007.
In order to enable optimal use of the international freight transport network and improve its interoperability, the European Union has laid down rules for the establishment and organisation of international rail corridors (Regulation (EU) No 913/2010).
The TRA has regulated – also in execution of the provisions of the Fourth Railway Package (Directive 2012/34/EU) -procedures and criteria to be followed to ensure fair and non-discriminatory access to services provided in rail freight stations, railway sidings, maintenance facilities and on port rail infrastructure.
The national regulatory framework provides for some forms of support of direct interest to Mercitalia Logistics and its subsidiaries: in particular, reference is made to the so-called Ferrobonus measure (to support intermodal transport by rail) under Article 1, paragraph 648, of Law no. 208/2015 and the incentive to rail freight companies under Article 1, paragraph 294, of Law no. 190/2014, aimed at boosting demand for rail freight transport services. In addition, the NRRP National Complementary Plan (NCP) referred to in Decree Law no. 59/2021 provided grants for the purchase of rolling stock by enterprises in the rail freight transport sector of interest to the Logistics Sector.

Regulatory Measures

The following is a summary of the main legislative measures, of a European, national and regulatory nature, which occurred during the year and which have a significant impact on the Logistics Sector.

Decree Law no. 19 of 2 March 2024, on **"Additional urgent provisions for the implementation of the NRRP"**, as converted with amendments into Law no. 56 of 29 April 2024, provides, in order to increase the domestic logistics capacity, for a simplification of procedures, processes and checks aimed at document dematerialisation and computer exchange of data and information. It stipulates, in particular, that the Port System Authorities shall, by 30 June 2024, ensure interoperability between the Port Community Systems of the same Authorities and the national logistics platform for the port network, through the implementation of a digital system that allows the exchange of data between public authorities and private entities operating in the freight transport and logistics sector.

Law no. 207 of 30 December 2024, on **"State budget for the financial year 2025 and multi-year budget for the three-year period 2025-2027"**, sets out major measures for the Logistics Sector. Specifically:

- the provision for a rule that gives each Port System Authority the option of allocating a grant of up to €1 million in favour of **rail shunting service operators serving the port area**, based on rail traffic targets set out by the Authority. This option may be exercised until 31 December 2026, and the sums shall be paid within the resources available under current legislation and without using any administration surplus;
- the provision for the so-called **reverse charge** mechanism in contracts for the **handling of goods**;
- the increase in the resources allocated to **Ferrobonus** measure (to support intermodal transport by rail) with the allocation of an additional €10 million per year as from 2025.

Urban

The companies making up the Urban Sector operate in ensuring real estate services and handling urban regeneration, intermodal solutions, and logistics in urban areas at the first and last mile of the supply chain.

Regulatory Measures

The following is a summary of the main legislative measures, of a European, national and regulatory nature, which occurred during the year and which have a significant impact on the Urban Sector.

Decree Law no. 19 of 2 March 2024, on **"Additional urgent provisions for the implementation of the NRRP"**, as converted with amendments into Law no. 56 of 29 April 2024, rearranges the financial resources allocated by the NRRP-bis Decree Law (Decree Law no. 152/2021) to the implementation of integrated urban plans by metropolitan cities, providing that these will be financed for €1.5 billion from the resources released by the NRRP review, rather than from the Revolving Fund for the implementation of the Next Generation EU-Italy.

Decree Law no. 60 of 7 May 2024, on **"Additional urgent provisions on cohesion policies"**, as converted with amendments into Law no. 95 of 4 July 2024, provided that, within 30 days from the date of entry into force of the decree, there would be the signature of a memorandum of understanding (which actually took place on 16 July 2024) by the President of the Council of Ministers and the Extraordinary Government Commissioner with regard to **environmental remediation and urban regeneration interventions** in the Bagnoli-Coroglio area. The costs of the interventions, amounting to €1,218 million for the period 2024-2029, must be covered by the resources allocated for the Campania Region under the ICEPSD Resolution on "Development and Cohesion Fund 2021-2027."

Decree Law no. 113 of 9 August 2024, on **"Urgent tax measures, extensions of regulatory terms and economic interventions"**, as converted with amendments into Law no. 143 of 7 October 2024, makes amendments to the regulations on urban regeneration interventions provided for in the 2020 Budget Act. The amendment aims, on the one hand, to design two different procedures for the use of the allocated sums, distinguishing the interventions included in the NRRP from those not included in this plan, and, on the other hand, to set out procedures and deadlines to be met for the implementation of the interventions. On the other hand, additions are made to the regulations on the works financed by the fund aimed at strengthening the NRRP interventions by Municipalities with a population over five hundred thousand inhabitants, in order to make these works subject to the verification powers vested in the NRRP Mission Structure and the State General Accounting Department - Inspectorate General for the NRRP.

Regulatory measures of cross-cutting interest to the FS Group

ESRS G1-5 – Political influence and lobbying activities

The following is a summary of the main legislative measures, of a European, national and regulatory nature, which occurred during the year and which are of significant relevance across the whole Group.

On 13 June 2024 there was the approval of **Regulation (EU) 2024/1679 on Union guidelines for the development of the trans-European transport network (TEN-T Regulation)**, amending Regulations (EU) 2021/1153 and (EU) No 913/2010 and repealing Regulation (EU) No 1315/2013 to guide the planning, development and operation of transport networks, in order to enable sustainable forms of transport, better multimodal and interoperable solutions and greater intermodal integration of the entire logistics chain. It also promotes the upgrading and creation of the routes necessary for regular passenger and freight transport flows throughout the European Union by establishing the need for seamless connections between neighbouring countries. It lays down rules for the implementation of projects of common interest with high added value in Europe, which should contribute to the development of the trans-European transport network through the creation of new transport infrastructure, the maintenance and modernisation of existing infrastructure and measures promoting its resource-efficient use and resilience.

Decree Law no. 113 of 9 August 2024, on **"Urgent tax measures, extensions of regulatory terms and economic interventions"**, as converted with amendments into Law no. 143 of 7 October 2024, deals, among other things, with the management of the resources attributable to the National Plan for Complementary Investments to the NRRP, for the amounts set forth in Annex 3 to the aforementioned Decree, providing for the allocation and unavailability, until 30 September 2024, involving the resources covered by the joint report submitted to the ICEPSD by the Minister of the Economy and Finance and the Minister for European Affairs, Southern Italy, Cohesion Policy and the NRRP on 9 July 2024. Annex 3 includes a table showing, for each programme of the National Complementary Plan, the amounts set aside, totalling €756.7 million. Insofar as it is of interest, we must note the provision set aside for:

- renewal of rolling stock for rail freight transport - locomotives, wagons and railway sidings;
- renewal of bus, train and green ship fleets;
- upgrading of regional railway lines;
- last/second-to-last mile rail and road network;
- safe roads - monitoring system for remote control of bridges, viaducts and tunnels on the main road network operated by Anas and concessionaires.

An exception to this provision is provided for in order to meet existing legally binding expenditure obligations, as well as to cover any charges deriving from the provisions on tax credit for investments in the Special Economic Zone for the South of Italy - Single SEZ (Article 1 of the same measure), up to €750 million.
It is also envisaged that the central Authorities in charge of the NRRP interventions, in order to ensure the necessary cash for the payments pertaining to the implementing entities, shall provide for the transfer of the necessary financial resources up to the cumulative limit of 90% of the cost of the intervention to be borne by the NRRP, within 30 days from the receipt of the request for transfer. For this purpose, it is envisaged that the requesting implementing entities shall provide documentation certifying: the amount of the expenditure effected; the competence checks carried out; and the audits on compliance with the specific requirements of the NRRP. The definition of the criteria and procedures for the implementation of the regulations is delegated to a decree of the MEF.

Legislative Decree no. 125 of 6 September 2024 gave implementation to Directive (EU) 2022/2464 - **Corporate Sustainability Reporting Directive (CSRD)**. The CSRD has amended Regulation (EU) No 537/2014 and Directives 2004/109/EC, 2006/43/EC and 2013/34/EU with regard to sustainability reporting of large companies and groups in order to make them more suitable and effective in supporting the European Union's transition to a sustainable economy. According to the CSRD's provisions, as from the 2024 financial year, FS SpA - as a Public Interest Entity - shall prepare their sustainability reporting on the basis of the new standards (European Sustainability Reporting Standards, ESRS), and this reporting will have to be included in a specific section of the consolidated report on operations, which forms an integral part of the Annual Financial Report.

Legislative Decree no. 147 of 10 September 2024, insofar as it is relevant, gave implementation to Directive (EU) 2023/959, amending Directive 2003/87/EC, establishing a s**ystem for greenhouse gas emission allowance trading within the European Union**, and to Decision (EU) 2015/1814 concerning the **establishment and operation of a market stability**

reserve for the European Union greenhouse gas emission trading system. Insofar as it is relevant, it should be noted that the measure provides for the possibility that the proceeds of the auctions for the allocation of emission allowances may also be used for purposes aimed at accelerating the uptake of zero- and low-emission vehicles, or to provide financial support for the deployment of refuelling and recharging infrastructure, including in fast mode for light- and heavy-duty vehicles, as well as fully interoperable for zero-emission vehicles, and the deployment of alternative fuels in the distribution network or for measures aimed at encouraging a shift to public transport and improving multimodality. Furthermore, with the adoption of the directives under review, the scope of application of the EU-ETS was broadened, extending the obligations under Directive 2003/87/EC to emissions from maritime transport. In particular, it is envisaged that the allocation of allowances and the application of surrender obligations for maritime transport shall apply to 100% of the emissions of ships on intra-EU routes and ships within a port of a Member State with increasing allowances to be surrendered in 2025, 2026 and from 2027.

Insurance obligation for catastrophic risks

Some provisions supplementing the regulations were issued during the year in relation to the insurance obligation for catastrophic risks provided for under the Budget Act for 2024.
Specifically, **Decree Law no. 155 of 19 October 2024** on **"Urgent measures on economic and tax matters and in favour of local entities"**, as converted with amendments into Law no. 189 of 9 December 2024, provides for a clarification regarding the subject matter of the **insurance cover required by the policies**, which must now refer to the assets (land and buildings, and plant and machinery, as well as industrial and commercial equipment) recognised in the balance sheet and used for any reason in business activities, with the exclusion of those already covered by similar insurance cover, even if taken out by parties other than the entrepreneur who uses them.
Law no. 193 of 16 December 2024, on **"Annual Market and Competition Law 2023"**, provides for a regulation on the **supervision of such insurance contracts**, entrusting IVASS (Italian Institute for Insurance Supervision) with the operation of a portal whose purpose is to allow the transparent comparison of insurance contracts entered into to cover any damage caused by natural disasters and catastrophic events.
Finally, **Decree Law no. 202 of 27 December 2024**, on **"Urgent provisions on regulatory terms"**, as converted with amendments into Law no. 15 of 21 February 2025, extends to **31 March 2025** the deadline, initially set by the Budget Act 2024 at 31 December 2024, by which companies operating in Italy are required to take out such insurance contracts to cover damage to land and buildings, and plant and machinery, as well as to industrial and commercial equipment, directly caused by natural disasters and catastrophic events occurring in the country.

Rail tunnel safety

Decree Law no. 202 of 27 December 2024, on **"Urgent provisions on regulatory terms"**, as converted with amendments into Law no. 15 of 21 February 2025, provides for the **extension to 30 April 2025 of the terms relating to the adaptation of the rolling stock circulating on rail infrastructures and tunnels, respectively, to safety criteria.**

Corrective provisions to the New Code of Public Contracts

In addition, **Legislative Decree no. 209 of 31 December 2024**, on **"Supplementary and corrective provisions to the code of public contracts, under legislative decree no. 36 of 31 March 2023"** is of interest to the entire FS Group. The measure, adopted in implementation of Article 1, paragraph 4, of Law no. 78/2022 (Delegated powers to the Government in the matter of public contracts), consists of 97 articles and lays down supplementary and corrective provisions to the Code of Public Contracts referred to in Legislative Decree no. 36/2023.

Provisions on exceptional transport

Within the scope of **Law no. 15 of 21 February 2025**, on **"Conversion into law, with amendments, of Decree Law no. 202 of 27 December 2024, bearing urgent provisions on regulatory terms"**, we note the adoption of provisions that apply to the regulation of Article *7-bis* of Decree Law no. 146 of 21 October 2021. More specifically, it is envisaged that the term initially set at 30 March 2025 for the suspension of the effectiveness of the provisions laid down in the ministerial decree, which sets out the guidelines on **transport in exceptional conditions**, is postponed to 30 March 2026. Paragraph 2 of the same article is also reworded in order to lay down the rules which in the meantime are applicable to this type of transport. Finally, paragraph *2-bis* is amended in relation to the definition of the national Plan for transport in exceptional conditions by the technical committee established for this purpose at the MIT, extending the term from 30 October 2024 to 31 December 2025.

RISK MANAGEMENT

Risk Management Framework and Governance

ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model(s)

The Group's risk management activities, which form an integral part of the Internal Control and Risk Management System (ICRMS), are carried out in accordance with the rules and methodologies set out in the specific Framework, inspired by the Corporate Governance Code and national and international best practices, including the UNI ISO 31000:2018 standard "Risk Management - Principles and Guidelines" and the "COSO Enterprise Risk Management Framework - Integrating with Strategy and Performance".

The Risk Management organisational unit of FS, operating within the Risk and Anti-Corruption area, ensures the direction and coordination of the relative activities carried out by the companies of the Group, through the definition of strategies and policies, of which it also guarantees the monitoring, implementation control and reporting to the corporate governance and control bodies and to the internal stakeholders, with particular reference to the Control and Risk Committee.

The company Risk Management organisational units implement the strategies, guidelines and policies defined by the Holding Company, ensuring the monitoring of risks at the relevant company.

The risk approach adopted envisages that risk analyses are conducted by the Risk Management function, together with the process managers concerned, in a differentiated manner depending on the characteristics of the activity being assessed:

- enterprise risk management, concerning all aspects of corporate operations;
- strategic risk management, concerning strategic planning and operational programming;
- international & project risk management, concerning project initiatives and capital allocation, also abroad.

In continuity with the past, in 2024 the main Group companies carried out a risk assessment campaign focused on process risks and one dedicated to the identification of top risks & opportunities on the strategic objectives of the Industrial Plan, with methodological coordination by the Holding company.

In compliance with the Governance model adopted by FS, the risk analyses relating to health and safety (including those provided for by Legislative Decree no. 81/2008, as amended and supplemented), and the safety of infrastructures, transport and traffic, as well as the technical-operational and environmental regulatory compliance, fall for all purposes within the full and exclusive sphere of decision-making, management and operational autonomy of the individual Group companies and of the persons in charge, in accordance with the laws and regulations in force.

In addition, a dedicated risk analysis is included in the Consolidated Sustainability Reporting, "Stakeholder engagement and double materiality process" section. For further details on these issues, please refer to the dedicated paragraphs.

RISK CATALOGUE

In carrying out its risk management activities, the FS Group adopts the following taxonomy divided into four macro-categories (Strategic, Operational, Regulatory, ESG):

STRATEGIC

Risks linked to market changes, macroeconomic shocks and unexpected investment fluctuations

Market	Risks arising from market changes which can compromise or reduce the capacity of creating added value and profitability
Macroeconomic	Risks which reflect macroeconomic shocks that can affect a country, a continent or have a worldwide impact
Financial	Risks involving unexpected investment fluctuations (exchange rate, interest rate, liquidity)

OPERATIONAL

Risks linked to the business, the network and the infrastructure, the technology systems, the supply chain, the organisation, health and safety, project and brand management

Business & Development	Risks affecting the capacity of creating added value, maintaining and developing business
Infrastructure and Means	Risks affecting the management and development of the network and of the (road and rail) infrastructure as well as the fleet (trains, buses, vessels)
Technology & Digital	Risks linked to the digital transition process, the development and management of IT systems
Supply Chain	Risks linked to the supply chain (suppliers' qualification, negotiation process, contract management)
People & Organisation	Risks arising from the lack of internal skills, inadequacy of training programmes, of the turnover planning process and inefficacy of the recruitment and retention policies
Security	Risks linked to the physical and logical security of people, business, assets and proprietary information or under the responsibility of the FS group
Safety	Risks connected with environmental protection activities, workplace and operational safety
Design and Implementation	Risks connected with the design and implementation of job contract works, projects and programmes
Brand and Communication	Risks connected with the spreading of reports, communications or other notices with wrong information, inaccurate or incomplete information

REGULATORY

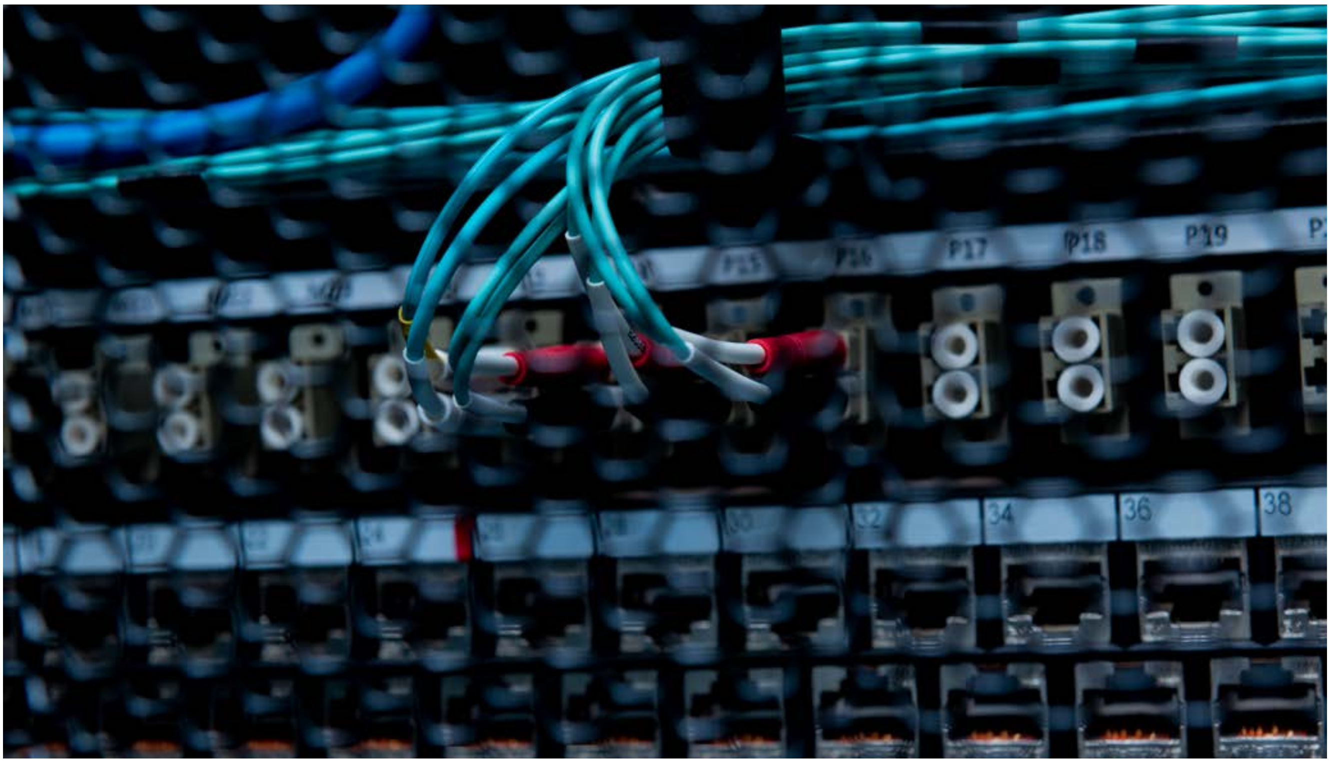
Risks linked to the infringement of laws and regulations, changes in the regulatory framework and issue of unfavourable acts, contract non-performance and disputes

Compliance	Risks of infringement of laws and international and/or national regulations
Regulatory	Risks anticipating an adverse change to the regulatory framework and the issue of unfavourable acts/provisions
Legal and Contractual	Risks around dispute management and contract non-performance

ESG

Risks linked to the environment and the climate change, to social and governance issues

Environment	Risks connected with the climate change and a policy for a transition to low-carbon economy
Social and Human Rights Protection	Risks connected with social tensions and failure to respect or low respect for human rights
Governance	Risks connected with corporate governance rules and with the process of assignment of delegated powers
Ethics	Risks deriving from unintentional incorrect or corruptive behaviours put in place by persons inside and outside the Group in order to obtain improper or illicit advantage



The main events to which the FS Group is potentially exposed and the main management actions taken are summarised below, including, but not limited to:

Strategic risks		
Risks	**Management actions**	**Opportunities**
Market		
- Changes in customer habits, needs and preferences - Entry of new competitors - Exposure of foreign invested capital to political, social and economic changes (Country Risk)	- Customer retention activities through the improvement of the quality of service offered, dynamic pricing policies, differentiated marketing actions by segments and technological investments for the integration of sales channels - Strengthening and modernization of the fleet - Partnership with major operators	- Market orientation toward environmentally sustainable mobility - Growth in tourism, leisure and bleisure travel - Industrial re-shoring and near-shoring
Macroeconomic		
- Global or macro-area geopolitical instability - Unfavourable macroeconomic environment - Inflationary scenario and price increases - Commodity and raw material price volatility - Economic and financial crisis in business-relevant sectors	- Continuous monitoring of trends in key macroeconomic indicators and commodity and energy price trends - Energy efficiency of both fleet and industrial facilities including through self-generation of renewable energy - Search for insurance coverage and stipulation of contractual clauses (fuel surcharge) - Reorganisation of business chains for specialisation and expansion of the range of services offered to customers	
Financial		
- Inadequate disbursement of public grants or funds - Inadequate definition and management of financial needs - Non- or delayed fulfilment of financial asset/liability obligations (credit risk/ liquidity risk) - Fluctuation of interest rates - Failure to renew the concession for the operation of state roads/highways (revocation or adjustment)	- Re-prioritisation of investments - Monitoring cash flows, financing, and liquidity needs - Opening dedicated credit lines - Search for alternative forms of financing (e.g. green finance, European funds, regional funds, funds from other ministries) - Review of economic and financial plans for service contracts - Definition of minimum requirements for financial counterparties - Due diligence of new relevant customers - Hedging transactions through derivative instruments - Lobbying	- Access to funds through sustainable finance instruments

Operational risks

Risks	Management actions	Opportunities
Business & Development		
- Critical issues in the definition, implementation and updating of strategies and the commercial offer - Critical issues in the definition, implementation and updating of inorganic growth projects - Failure to renew and award service concessions/contracts - Inadequate definition and development of urban regeneration projects	- Creation of multidisciplinary teams to prepare the Intercity offer - Activation of replacement services on lines subject to priority investment - Market monitoring and engagement of all stakeholders to develop projects that meet their expectations/needs	- Market orientation toward environmentally sustainable mobility
Infrastructure and Means		
- Inadequacy or obsolescence of rail and road infrastructure - Unavailability of rail and road infrastructure - Inadequacy of the manufacturing and maintenance network - Inadequacy or obsolescence of the fleet	- Capacity upgrading of the rail network and enhancement of stations and related services - Advanced diagnostics and predictive maintenance - Contingency Plan - Enhancement of alternative and infomobility services to customers - Fleet renewal	
Technology & Digital		
- Concentration of essential services on digital platforms - Critical issues in the design, development, upgrading and implementation of technology and digital architecture and infrastructure - Unavailability of infrastructure and technology and digital tools - Inadequacy or obsolescence of infrastructure and of technology and digital tools - New vulnerabilities related to the introduction of technological and digital tools	- Distribution of essential services across multiple digital platforms - Updating technological and organizational "up-to-date" measures - Adoption of Group common platform - Training and awareness initiatives - Upgrading of the Cyber Security Operation Center (C-SOC) - Creation of an Integrated Project Team	- New digital (Artificial Intelligence) and technological (Quantum Computing) tools
Supply Chain		
- Inadequacy of manufacturing organisations - Difficult availability of goods and services - Inadequate performance of the supplier/contractor - Dependence on critical suppliers or contractors - Inadequate qualification, selection and contracting of the supplier/contractor - Inadequate definition of the requirements of goods, services and works	- Periodic monitoring of the procurement plan and any related updating of the requirements plan - Definition of flexible contractual instruments - Insourcing of critical processes - Opening up the market through international tenders - Agreements through Italian and European industry associations - Increased purchase of materials to guarantee investments - Vendor rating - Periodic analyses of turnover, dependence and concentration of the supplier base	- New digital tools (Artificial Intelligence) for the development of a spending analysis system

Operational risks

Risks	Management actions	Opportunities
People and organisation		
- Changes in personnel expectations (e.g. work-life balance) - Shortage of professionals with specialised or emerging skills (key people) - Inadequate staff sizing - Inadequate remuneration policies - Critical issues in relations with trade unions	- Talent Performance Development system - Reskilling - Retention - Remuneration, training and job diversification policies - Development and optimization of tools and methodologies to support selection and training processes - Diversity&Inclusion plan and interventions to support the Group's company people (internal caring, social policies, engagement) - Signing of agreements and understandings related to labour organisation - Upating of recruitment plan - Agreements and talks with trade unions	- Improved reputation on ESG issues with positive effects on the Group's attractiveness on the labour market - Adoption of digital technologies to develop new capabilities/skills (e.g. AI, automation, natural language processing, virtual reality simulations)
Security		
- Destruction, damage or theft of company assets and property - Assaults on staff, customers, suppliers or third parties in facilities or vehicles under the Group's responsibility - Undue online presence and unauthorised access to assets - Inadequate crisis management - Cyber-attacks including through AI and QC tools - Loss of confidentiality, integrity or availability of information	- Activation of Enterprise Data Management methodologies and solutions - Enhanced local asset control and monitoring - Updating and upgrading of technological and organisational security measures - Improved staff protection equipment and specialist training courses - Updating of the Travel Security model - Definition of procedures and adoption of tools for crisis management - Verification of emergency plans through exercises, also in coordination with companies at significant risk adjacent to the infrastructure - Agreements/Memoranda of understanding with Bodies and Authorities	
Design and Implementation		
- Critical issues in the coordination of job orders, projects and programmes - Changes in progress - Critical issues in the validation, testing, delivery and/or commissioning - Critical issues/delays in the construction of infrastructure works	- Risk-based approach (Project Risk Management) - FS-NRRP steering committee - Monitoring the physical, economic and financial performance of infrastructure measures - Interaction with Public Bodies and other national and international stakeholders - Re-engineering and optimisation of processes	

Regulatory risks

Risks	Management actions	Opportunities
Compliance		
- Non-/partial compliance with regulations, rules and standards - Lack of/late detection of changes in regulations, rules and standards	- Definition, implementation and monitoring of compliance programs - Monitoring of legislative and regulatory developments - Training/information initiatives	
Regulatory		
- Changes in legislation, regulations and standards - Unfavourable or late acts/measures - Critical issues in relations with institutional stakeholders	- Strengthening institutional relations - Remodulation and reprioritising of investments - Early use of public debate and other forms of stakeholder engagement	- Legislative orientation towards environmentally sustainable mobility
Legal and contractual		
- Breaches of contract by or against the company - Non-compliance of contractual clauses with company rules and procedures - Litigation with counterparties (suppliers, customers, personnel, bodies, associations, communities, etc.)	- Monitoring litigation developments - Accounting provisions for litigation losses (if any)	

ESG risks		
Risks	**Management actions**	**Opportunities**
Environmental		
- Natural disasters - Extreme weather and climate events and chronic climate change - Critical issues in the definition, implementation and updating of adaptation or transition plans - Counterparty's failure to comply with the Group's environmental sustainability principles	- Implementation of the Climate Change Adaptation Plan - Vulnerability assessment of assets and territories - Scenario analysis for assessing business impacts and resilience - Real-time monitoring of climate phenomena, assets and territories - Definition of procedures and adoption of tools for crisis management - Planning of asset-specific adaptation interventions - Sustainable Supply Chain Management project - Design and implementation of natively climate-resilient assets - Improved institutional relations on restoration and increasing resilience of the infrastructure system - Contractual/insurance clauses for environmental risk coverage - Insurance policies	- Access to funds through sustainable finance instruments - Availability of more sustainable and efficient means
Social issues and protection of human rights		
- Discriminatory practices - Counterparty's failure to comply with the Group's social sustainability principles	- Group Code of Ethics - Internal and external training, information and communication campaigns - Diversity&Inclusion initiatives - Sustainable Supply Chain Management project	
Ethics		
- Bribery, fraud and collusive arrangements between employees and counterparties, both public and private - Criminal infiltration of FS Group processes	- Group Code of Ethics - Group Anti-Corruption Policy - Definition of procedures and adoption of tools for whistleblowing - Corporate management and control models - ISO 37001 certification - Adherence to the United Nations Global Compact - Internal and external training, information and communication campaigns - Signing of conventions, protocols and agreements with Authorities/Bodies	- Access to funds through sustainable finance instruments

REPORT ON CORPORATE GOVERNANCE AND THE OWNERSHIP STRUCTURE

Introduction

This section of the directors' report provides a description of the key corporate governance policies that the FS Group follows and which the FS Holding company, has defined. Furthermore, this section meets the specific disclosure requirements of article 123-bis (Report on corporate governance and the ownership structure) of Legislative decree no. 58/1998 - Consolidated Finance Law with respect to the information required by paragraph 2.b[14]. In addition, this section includes the information indicated in the directive of the Ministry of Economy and Finance ("MEF") of 24 June 2013 *"regarding the adoption of the criteria and methods for the appointment of members of the Board of Directors and the remuneration policies for senior managers of companies directly or indirectly controlled by the MEF"* with respect to the request addressed to issuers of financial instruments listed on regulated markets in order to illustrate and justify the remuneration policies in place for directors with special powers in the "Report on corporate governance and in the financial statements", based on the recommendations of the Treasury Department. This Report also meets the new requirements of the CSRD Directive regarding, in particular, ESRS G1 and ESRS G2.

14. FS SpA, as the Entity issuing bonds listed on regulated markets in the EU, with Italy as the originating member state, is accordingly considered to be a Public Interest Entity under article 16 of Legislative decree no. 39/2010 and is subject to the regulatory obligations in place in Italy and the country where the bonds are placed. However, FS SpA has not issued shares traded on regulated markets or multi-lateral trading systems. Accordingly, it exercises its right under article 123-bis.5 of the Consolidated Finance Law to not publish the information required by paragraphs 1 and 2 of said article, except for that required by letter b of paragraph 2.

The Group

FS SpA is wholly owned by the State through the sole shareholder, the "MEF", which exercises its ownership powers jointly with the Ministry of Infrastructure and Transport (the "MIT").

The corporate purpose of FS SpA is governed by article 4 of Articles of Association (also available on the Company's website) and is focused on the mission assigned to the Parent Company, considering the Group's organisational structure provided for by the Strategic Plan. It consists in managing investments in companies operating in the sectors indicated in article 4 of the Articles of Association, providing general strategic guidance, defining and coordinating of the Group's business model.

Specifically, the Group's organisational structure provided, at 31 December 2024, for four business hubs[15], each covering its respective business area:

- Infrastructure (consisting of RFI SpA as Hub lead company and its subsidiaries, plus Anas SpA, Italferr SpA and the railway infrastructure part of Ferrovie del Sud Est Srl[16]);
- Passenger (consisting of Trenitalia SpA as Hub lead company and its subsidiaries, plus Busitalia Sita Nord Srl and the transport services part of Ferrovie del Sud Est Srl[16]);
- Logistics (consisting of Mercitalia Logistics SpA as Hub lead company and its subsidiaries);
- Urban (consisting of FS Sistemi Urbani SpA as Hub lead company and its subsidiaries, plus Grandi Stazioni Immobiliare SpA).

Furthermore, completing the Group structure are the companies that provide shared services (e.g., Ferservizi SpA, Fercredit SpA, FSTechnology SpA, FS Security SpA and FS International SpA).

In line with its structure, the Group adopted a governance model consisting of two separate levels of management and coordination:

- the first level, in which the Parent Company provides strategic guidance and financial support, by directing and coordinating the Hub lead companies and the shared service companies;
- the second level, in which the Hub lead companies provide guidance, coordination and technical-operational control over the companies in their division, by directing and coordinating them as owner or based on contracts.

The corporate governance structure of FS SpA and its main subsidiaries is organised according to the traditional system: the Shareholders' Meeting appoints a Board of Directors (BoD) which is responsible for management and a Board of Statutory Auditors responsible for controls. The Shareholders' Meeting also appoints, upon the proposal of the Board of Statutory Auditors, the Independent Auditors. Pursuant to article 12 of Law no. 259/1958, the Court of Auditors' Magistrate, appointed to control financial management attends the meetings of the BoD and the Board of Statutory Auditors.

According to the Articles of Association, the BoD: (i) appoints the Chief Executive Officer (CEO); (ii) can delegate powers to the Chairperson, based on the shareholders' resolutions; (iii) establishes committees responsible for investigating, consultation and proposals, where necessary; and (iv) appoints the Officer in charge of Financial Reporting (also "Financial Reporting Officer", or "FRO") as per article 154-bis of the Consolidated Finance Law.

As of 31 December 2024, FS SpA's share capital amounted to €31,062,952,307.00, and was fully paid up[17].

The current FS SpA's corporate governance structure is illustrated below, referring the reader to the following sections for any details.

15. FS's Board of Directors meeting held on 21 March 2025 approved the issuance of the new Group Governance Model in accordance with the FS Group Rules. A structure is established which provides for the identification of the following Business Units (BUs): (i) Infrastructure – Railways BU headed by Rete Ferroviaria Italiana SpA; (ii) Infrastructure – Roads BU headed by ANAS SpA; (iii) Transport – Freight BU headed by Mercitalia Logistics SpA; (iv) Transport - International Passengers BU headed by FS International SpA; (v) Transport – Passengers BU headed by Trenitalia SpA. The aforementioned companies are qualified as "Business Unit Lead Companies". In compliance with the regulations in force and without prejudice to the full operational, organizational and risk management autonomy of the direct and indirect subsidiaries, FS performs functions of strategic guidance, supervision and implementation and financial coordination of the common business design of the Group and carries out direction and coordination activities with respect to the BU Lead Companies of the other Companies that are directly controlled by FS. Each BU Lead Company carries out technical and operational coordination and control over its subsidiaries. The new organisational structure aims to achieve a shift from a mixed approach (performance of management and coordination activities on both a participatory and contractual basis) to a "vertical" approach on a participatory basis only of the direction and coordination activities within the Group.

16. The company left the scope of consolidation from 5 August 2024 because of the Council of State's judgment no. 6983/2024.

17. In execution of the resolutions passed by the Extraordinary Shareholders' Meeting of FS on 29 November 2023:
- with effect from 15 January 2024, the share capital was reduced from €39,204,173,802.00 to €38,579,767,278.00;
- with effect from 25 March 2024, the share capital was reduced from €38,579,767,278.00 to €31,062,952,307.00.

SHAREHOLDERS' MEETING

BOARD OF STATUTORY AUDITORS

Rosalba Cotroneo
Chairwoman

Sergio Duca
Marino Marrazza
Standing Statutory Auditors

Letteria Dinaro
Francesco Tulimieri
Alternate Statutory Auditors

BOARD OF DIRECTORS

Tommaso Tanzilli
Chairman

Stefano Antonio Donnarumma
Chief Executive Officer and General Manager

Caterina Belletti
Director

Pietro Bracco
Director

Tiziana De Luca
Director

Loredana Ricciotti
Director

Franco Fenoglio
Director

Corporate Affairs and Corporate Governance
BoD Secretary

INDEPENDENT AUDITORS

PwC SpA

SUPERVISORY BODY

Maurizio Bortolotto
Chairman

Liliana Cataldi

Desirèe Fondaroli

COURT OF AUDITORS' MAGISTRATE APPOINTED TO OVERSEE FINANCIAL OPERATIONS

Piergiorgio Della Ventura

Valentina Papa
Delegate

REPORTING DIRECTLY TO THE CEO AND GENERAL MANAGER

Francesco de Leo
Chief Global Strategy & International Officer

Gian Luca Orefice
Chief Human Resources Officer

Massimiliano Garri
Chief Technology, Innovation & Digital Officer

Giovanni Papaleo
Chief Shared Services Officer

Salvatore Iannicelli
Chief Security Officer

Fabio Paris
Chief Financial Officer

Giuseppe Inchingolo
Chief Corporate Affairs, Communication & Sustainability Officer

Davide Salzano
CEO Office

Roberto Massi
Chief Risk Officer

Mario Antonio Scino
Chief Legal Officer

GOVERNANCE, APPOINTMENT AND REMUNERATION COMMITTEE

Franco Fenoglio
Chairman

Pietro Bracco

Loredana Ricciotti

CONTROL AND RISK COMMITTEE

Pietro Bracco
Chairman

Caterina Belletti

Tiziana De Luca

SUSTAINABILITY COMMITTEE

Caterina Belletti
Chairwoman

Franco Fenoglio

Loredana Ricciotti

CHIEF AUDIT OFFICER

Alessandro Perrino

OFFICER IN CHARGE OF FINANCIAL REPORTING

Fabio Paris

Shareholders' Meeting

The Shareholders' Meeting of FS SpA, composed by the sole shareholder, the MEF, is subject to the provisions of law and the Articles of Association. In 2024, the Shareholder's Meeting was held once in ordinary session.

FS SpA's Board of Directors

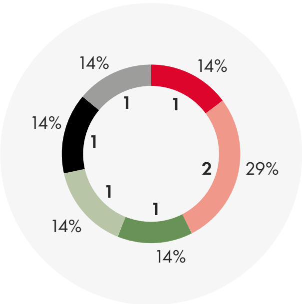
Composition and appointment

Pursuant to article 10 by the Articles of Association, the BoD is made up of three to nine members appointed by the Shareholders' Meeting. To accept directorship and remain in office, candidates must meet the requirements of the applicable legislation, the Articles of Association and the MEF's directives. The regulation of the BoD (as per the paragraph "Roles and duties") requires that the aforesaid board verify compliance with these requirements after appointment and subsequently once a year. To this end, the directors (i) issue a statement certifying that they meet the requirements when they accept the candidature and the office, (ii) renew such statement each year and (iii) immediately notify the BoD of any changes that occur.
The BoD is also required to assess, with the support of the competent board committee, whether the directors also meet the independence requirement after they have been appointed and subsequently each year, based on the directors' specific statements to this effect. The independence requirement - as defined by the Corporate Governance Code for Listed Companies approved by the Corporate Governance Committee promoted by Borsa Italiana S.p.A - is applicable to FS SpA solely for the composition of the board committees.
The Articles of Association allows Directors to whom management powers of the BoD have been continuously delegated, pursuant to article 2381 paragraph 2, of the Italian Civil Code to hold the position of Director in no more than two additional Boards of Directors of companies limited by shares (excluding positions in subsidiaries or associates); while for Directors to whom such powers have not been delegated, they may hold the position of Director in no more than five additional Boards of Directors of companies limited by shares.
The Articles of Association also require that the composition of the BoD ensures a balance of the genders so that at least two-fifths of the members are of the gender with fewer members, without prejudice to compliance with applicable legislation.
With the approval of the 2023 financial statements by resolution of the Shareholders' Meeting on 27 June 2024, the term of office expired for the management board appointed for the 2021-2023 three-year period, which was composed of seven members: Nicoletta Giadrossi (Chairwoman), Luigi Ferraris (CEO), Pietro Bracco, Alessandra Bucci, Riccardo Barbieri Hermitte, Paola Gina Maria Schwizer and Tommaso Tanzilli.
As a result, the Shareholders' Meeting held on 27 June 2024 resolved to appoint a new Board of Directors for the three-year period 2024-2026 (until the date of the Shareholders' Meeting to approve the 2026 financial statements),composed of seven members: Tommaso Tanzilli (Chairman), Stefano Antonio Donnarumma, Caterina Belletti, Pietro Bracco, Tiziana De Luca, Franco Fenoglio, and Loredana Ricciotti.
On the same date, the Board of Directors appointed Mr. Stefano Antonio Donnarumma as CEO and General Manager.

ESRS 2 GOV-1 – The role of the administrative, management and supervisory bodies

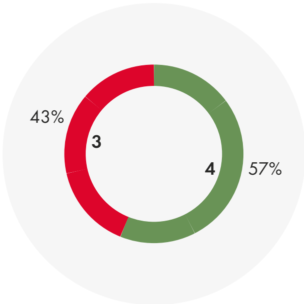
Regarding the diversity of board members in office until 27 June 2024, the following should be noted:

Background diversity



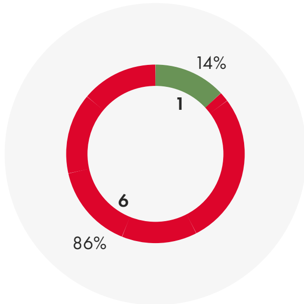
- Economic/administrative planning
- Strategic/ Corporate Governance
- External/ institutional relations
- Marketing
- Legal/taxes
- Risk Management

Gender diversity



- Man
- Woman

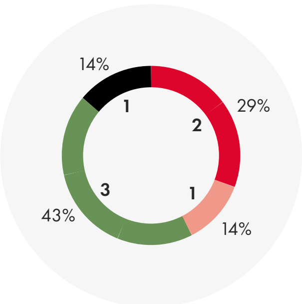
Diversity by age



- 30-50
- >50

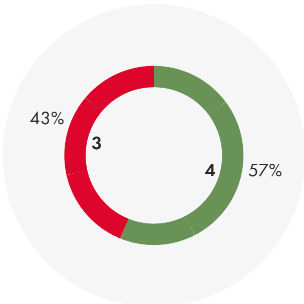
Regarding the diversity and experience in relation to the company's sectors, products and geographical locations found in the composition of the management body in office as from 27 June 2024, the following should be noted:

Background diversity



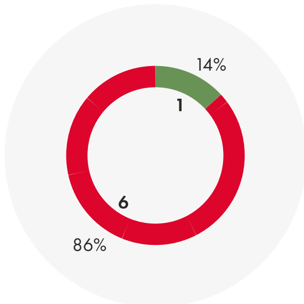
- Business specialist
- Economic/legal
- Legal
- Economic/governance

Gender diversity



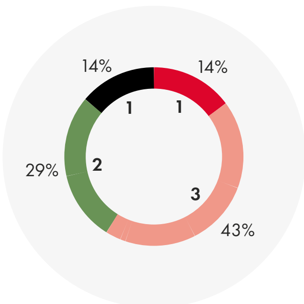
- Man
- Woman

Diversity by age



- 30-50
- >50

Experience in the Group businesses



- Infrastructure
- Transport
- Logistics
- Tourism

Independence requirements were verified on five of the seven members of the Board of Directors in office, i.e. on all the "non-executive" members of the Board of Directors, with the exception of the CEO (since he is an "executive" member[18]) and the Chairman (since, although he is a "non-executive" member[19], the related independence requirement is not relevant for the purposes of the composition of board committees):

- for the BoD in office until 27 June 2024, four of the five "non-executive" members considered were "independent" (57%), as assessed by the Board of Directors itself at the BoD meeting held on 10 April 2024;
- for the BoD appointed on 27 June 2024 and in office for the three-year period 2024-2026, four of the five "non-executive" members considered were "independent" (57%), as assessed by the Board of Directors itself at the BoD meetings held on 23 July 2024 and 3 April 2025.

It should be noted that there are no representatives of employees and other workers on the administrative, management and supervisory bodies of FS SpA.

Roles and duties

FS SpA's management body operates as collective body in the form of the Board of Directors.
The BoD is responsible for managing the company and carrying out all operations necessary to achieve the corporate purpose. In accordance with the Articles of Association, FS SpA's BoD also resolves on certain matters otherwise reserved to the extraordinary Shareholders' Meeting's meeting (such as mergers and demergers, where provided for by law, establishing and closing branches and updating the Articles of Association to meet regulatory provisions). In accordance with article 2410 of the Italian Civil Code, FS SpA's BoD also approves bond issues.
Pursuant to the Articles of Association, the BoD delegates its duties, to the extent permitted by article 2381 of the Italian Civil Code, to one of its members (the CEO). Following the Shareholders' Meeting resolution, the BoD can delegate duties, including operating duties, to the Chairperson on the aspects that may be delegated pursuant to the law, indicated by the Shareholder, and determine their actual content.
The BoD of FS SpA, with the resolution passed on 27 June 2024, substantially confirmed the governance structure that the company had adopted in previous terms of office, and therefore specifically indicated the matters and powers exclusively reserved to the BoD and the special duties to be assigned to the Chairperson (as authorised by the Shareholders' Meeting), so that the CEO is given all the remaining powers of administration. In particular, in addition to the matters that cannot be delegated under law, the BoD retained exclusive responsibility for economic and strategic decisions such as: defining - upon the CEO's proposal - the company's and the Group's strategic guidelines; approving the company's and the Group's long-term

18. Please refer to the paragraph on "Meetings and functioning" for details on the content of the delegated management powers of the CEO.
19. Please refer to the paragraph on "Meetings and functioning" for details on the content of the authority granted to the Chairman.

business plan and annual budget; resolutions concerning financial transactions for amounts above a certain limit; resolutions on the purchase/sale and lease of companies and business leases, on the purchase/sale of equity investments above a certain percentage of ownership; non-recurring transactions involving the "strategic companies" that are direct subsidiaries of FS SpA and deciding how to vote at the Shareholders' Meetings' of the same companies; appointing the Boards of Directors and Boards of Statutory Auditors of the "strategic companies". For details on the reporting flows to the BoD, reference should be made to the paragraph "*Meetings and functioning*" further on.
The BoD has therefore entrusted the CEO with all powers to manage the Company except for those assigned to the Chairperson and those that the BoD exclusively retained (in addition to the powers that cannot be delegated by law); pursuant to article 12 of the Articles of Association, the CEO also ensures that the organisational and accounting system is consistent with the nature and size of the business and reports to the BoD and to the Board of Statutory Auditors at least once every three months on the general performance of operations and outlook and on the company's and its subsidiaries' most significant transactions in terms of size or characteristics.
At the meeting held on 27 June 2024, the BoD also assigned the Chairman - with the Shareholders' Meetings' prior authorisation of the same date - specific duties regarding:

- representation in external and institutional relations in coordination with the CEO;
- the coordination of internal control activities, guaranteeing the liaison between the Internal Audit Department and the BoD and - jointly with the competent committee - checking and monitoring (i) the procedures to ensure that related party transactions are transparent and substantially and formally proper, and (ii) the safeguards for conflicts of interest.

The Chairperson and CEO have separate powers of representation of FS SpA pursuant to article 13 of the Articles of Association.

Meetings and functioning

BoD Regulation

During the meeting on 7 October 2024, the BoD approved, with the prior approval of the Governance, Appointments and Remuneration Committee and considering the principles and recommendations of the Corporate Governance Code for Listed Companies, a regulation (the "BoD Regulation"), the text of which is in substantial continuity with that adopted for the previous term of office and which, in line with the Articles of Association and supplementing them, establishes the operating rules for the Board of Directors and, in particular: (i) how meetings are called and minutes are taken; (ii) the procedures for the management of reporting to directors; (iii) the Board's self- assessments; and (iv) protecting the confidentiality of information.
Specifically, the Chairperson calls the meetings of FS SpA's BoD and presides over them. The BoD meets at least once every two months and, in any case, whenever the Chairperson or CEO believes a meeting is necessary or whenever most of its members or the Board of Statutory Auditors present a justified written request.
The Board met 12 times in 2024, with each meeting lasting an average of two hours and ten minutes and with Directors' overall participation rate of 98.67%.

Chairperson's role and information to directors

Under the BoD Regulation, the Chairperson, in the exercise of the duties assigned thereto by the law and the Articles of Association, promotes the best functioning of the BoD and the overall corporate governance system.
To this end, with the secretary's assistance, the Chairperson organises and coordinates the BoD's meetings, ensuring that board discussion is efficient and that the BoD resolutions are the result of useful and adequate debate with the knowledgeable, well-reasoned contribution of all members. Specifically, including through the Secretary, the Chairperson:

a. liaises between the CEO/General Manager and non-executive directors;
b. defines, having discussed it with the CEO/General Manager, the proposed calendar of BoD meetings;
c. the calling of the BoD meetings, with a notice that contains, among other things, the list of matters to be addressed and how to participate, which must be sent at least five days before the date scheduled for the meeting (or, in urgent cases, at least two days before) to each Director, standing Statutory Auditor and the Court of Auditors' Magistrate;
d. sees that the pre-meeting updates and additional information provided during the meetings enable the Directors to act in an informed manner;
e. sees that the board committees' work is coordinated with that of the BoD;
f. in agreement with the CEO/General Manager, ensures that Company's managers and Group's managers/directors, as well as external consultants or experts, in BoD meetings to provide useful information or details on the items of the agenda;
g. sees that all Directors and Statutory Auditors, during their term of office, may participate in initiatives to provide them with adequate knowledge of the sectors

in which the Company and Group operate, business activities and changes therein, the principles of proper risk management and the applicable regulatory and legislative framework (i.e., board induction meetings);

h. ensures the adequacy and transparency of the BoD's self-assessment ("board review"), with the support of the Governance, Appointments and Remuneration Committee;

i. sees that the resolutions of the Shareholders' Meeting and the BoD are executed.

Specifically, as regards the information flows, through the Secretary, the Chairperson takes steps so that the documentation supporting the discussion of the items of the agenda is made available in advance of the date of the meeting, generally at least three days before (at least two days before if an urgent meeting is called). Where possible, the documentation is made available when the notice of call is sent.

The Directors, standing Statutory Auditors and the Court of Auditors' Magistrate receive information not only to discuss the matters for resolution by the BoD but they also receive periodic reporting on the following matters (including but not limited to those below):

- the general performance of operations and outlook;
- the activities carried out by the CEO/General Manager as delegated/attributed, the Group's activities, the most significant impact on the financial statements, related party transactions and atypical or unusual transactions;
- the implementation of the annual and long-term business plan;
- prior information on transactions and decisions of strategic importance for the Company and/or of significant value, as defined by the BoD;
- the Chairperson's activities during the year in the performance of their duties;
- any other activity, transaction or event deemed necessary to bring to the attention of the Directors and the Statutory Auditors.

The Secretary of the Board of Directors

The appointment of the Secretary of the BoD is governed by the Articles of Association and the BoD Regulation, which also states its requirements and duties. Specifically, the BoD approves the appointment and revocation of the Secretary, upon the Chairperson's proposal. The term of office coincides with that of the BoD that appointed the Secretary.

The Secretary must meet the requirements of professionalism, experience, and independence.

The Secretary supports the Chairperson (to which the Secretary reports) and provides, with unbiased judgement, assistance and advice to the Board on any relevant aspect for the proper functioning of the corporate governance system.

Board Committees

For the Board term of office 2021-2023, (i) the Control, Risk and Sustainability Committee, and (ii) the Governance, Appointments and Remuneration Committee were established with the BoD's resolution of 16 June 2021. For the same board term of office, the BoD also resolved to appoint a director as the Sustainability manager on 28 February 2023.

For the Board term of office 2024-2026, (i) the Control and Risk Committee, (ii) the Governance, Appointments and Remuneration Committee, and (iii) the Sustainability Committee were established with the BoD's resolution of 23 July 2024. Their composition, functioning and duties are established in specific regulations approved by the BoD when they were set up.

A. *Board committees/Sustainability manager terminated on 27 June 2024*

Control, Risk and Sustainability Committee (terminated on 27 June 2024)

The members of the Control, Risk and Sustainability Committee are: Pietro Bracco (non-executive and independent), Chairman; Riccardo Barbieri Hermitte; Paola Gina Maria Schwizer (non-executive and independent). This Committee is responsible for supporting the BoD's evaluations and decisions with respect to:

- its approval of periodic financial and non-financial reports;
- the internal control and risk management system;
- the sustainability profile related to FS's activity and its interaction with all stakeholders.

Governance, Appointments and Remuneration Committee (terminated on 27 June 2024)

The members of the Governance, Appointments and Remuneration Committee are: Tommaso Tanzilli (Chairman); Pietro Bracco; Alessandra Bucci, with non-executive and independent roles.

This Committee supports the board's evaluations and decisions regarding:

- governance (inter alia: board review; directors' independence; composition of the Group companies' Boards of Directors; the holding of several offices and the non-compete agreement);
- appointments (inter alia: co-opting directors; methods of recruiting and naming key managers; appointing the key subsidiaries' corporate bodies; succession plans for key managers);

- remuneration (inter alia: remuneration of executive directors with special duties; remuneration policy and incentives for managers; HR development policy).

Sustainability Manager (terminated on 27 June 2024)

On 28 February 2023, the BoD resolved to appoint Alessandra Bucci, an independent director, as the Sustainability Manager, with the task of: i) acting as a liaison between the Control, Risk and Sustainability Committee and the BoD; ii) collaborating in the organisation of special induction sessions for the BoD; and iii) participating as permanent auditor in the meetings of the Control, Risk and Sustainability Committee dealing with the subject.

B. *Board Committees established by BoD's resolution of 23 July 2024*

Control and Risk Committee

The following are members of the Control and Risk Committee: Pietro Bracco (non-executive and independent) Chairman; Caterina Belletti (non-executive and independent) and Tiziana De Luca.
This Committee is responsible[20] for supporting the decisions of the Board of Directors regarding:

- approval of periodic financial and non-financial reports;
- internal control and risk management system.

Governance, Appointments and Remuneration Committee

The following are members of the Governance, Appointments and Remuneration Committee: Franco Fenoglio (non-executive and independent) Chairman, appointed by BoD's resolution of 23 July 2024; Pietro Bracco and Loredana Ricciotti with non-executive and independent roles.
This Committee is responsible for supporting the BoD's evaluations and decisions on:

- governance (inter alia: board review; directors' independence; composition of the Group companies' Boards of Directors; the holding of several offices and the non-compete agreement);
- appointments (inter alia: co-opting directors; methods of recruiting and naming key managers; appointing the key subsidiaries' corporate bodies; succession plans for key managers);
- remuneration (inter alia: remuneration of executive directors with special duties; remuneration policy and incentives for managers; HR development policy).

20. ESRS 2 GOV-1 – The role of the administrative, management and supervisory bodies
Specifically, it should be noted that, in accordance with the related Regulations, the Control and Risk Committee of FS SpA, in assisting the administrative body, performs, among other things, the following tasks:
- with specific regard to the **approval of periodic financial and non-financial reports:**
a) it evaluates, having heard the Officer in charge of Financial Reporting, the Independent Auditors and the Board of Statutory Auditors, the proper use of accounting principles and their homogeneity for the purposes of preparing periodic financial reports;
b) it reviews and evaluates the reports prepared by the Officer in charge of Financial Reporting, on the basis of which it expresses an opinion to the BoD regarding the adequacy of the powers and resources assigned to the Officer in charge of Financial Reporting and the effective compliance with administrative and accounting procedures;
c) it assesses the suitability of periodic information, both financial and non-financial, to properly represent the company's business model, strategies, the impact of its activities and the performance achieved, coordinating with the Sustainability Committee for the profiles within its competence;
d) it reviews the content of periodic non-financial information relevant to the internal control and risk management system;
e) it provides observations, having heard the Board of Statutory Auditors, on the results set out by the Independent Auditors in the letter of suggestions, if any, and in the additional report addressed to the Board of Statutory Auditors;
- with specific regard to the **internal control and risk management system:**
a) it gives opinions and/or submits proposals on the internal control and risk management system, consisting of the set of rules, procedures and organisational units aimed at the effective and efficient identification, measurement, management and monitoring of the main impacts, risks and opportunities, to contribute to the sustainable success of the Company;
b) it gives opinions on specific issues concerning the identification of the main business impacts, risks and opportunities and supports the evaluations and decisions of the administrative body relating to the management of impacts and risks arising from prejudicial facts of which the latter has become aware;
c) it provides preliminary opinions on the appointment and dismissal of the head of the Internal Audit function, and on the definition of his remuneration, as well as on additional issues associated with the said function;
g) it may entrust the Internal Audit function with the performance of audits on specific operational areas, giving notice thereof to the Board of Statutory Auditors;
h) it gives opinions in the possible decision on the assignment to the Board of Statutory Auditors of the supervisory functions pursuant to Art. 6, paragraph 1, letter b) of Legislative Decree no. 231/2001 and holds periodic meetings with the Chairman of the Supervisory Board in relation to the requirements of Legislative Decree no. 231/2001;
i) it makes proposals for the possible adoption of measures to ensure the effectiveness and impartiality of judgment of the other corporate functions involved in controls (such as risk management and legal and non-compliance risk monitoring functions) while verifying that they are provided with adequate professionalism and resources;
j) it gives preliminary opinions on the main corporate rules and procedures relevant to the internal control and risk management system submitted to the BoD's for approval, assessing their possible subsequent amendments or additions;
k) it submits proposals on the coordination and information flows between the various parties involved in the internal control and risk management system, to maximise the efficiency of the system itself, reduce duplication of activities, and ensure the effective performance of controls;
l) it monitors the activities for the transposition of new regulations into the Company's internal procedures, as well as the subsidiaries' timely transposition of relevant procedures issued by the Parent Company FS.

Sustainability Committee

The following are members of the Sustainability Committee: Caterina Belletti (independent) Chairwoman; Franco Fenoglio and Loredana Ricciotti, with non-executive and independent roles.
This Committee has the task[21] of supporting the decisions of the Board of Directors regarding sustainability issues related to FS's business activity and its dynamics of interaction with all stakeholders.

Directors' fees

Pursuant to the Articles of Association, the directors receive reimbursement for the expenses incurred in the performance of their duties. The Shareholders' Meeting may also determine an annual fee for the term of office. Furthermore, it is not permitted to pay attendance fees and there is a limit to the fees that the members of committees that advise and make proposals, where necessary, within the board, may receive (pursuant to article 2389, paragraph 3 of the Italian Civil Code, the limit is set at not more than 30% of the fee resolved for the office of director).
For FS SpA's BoD in office until 27 June 2024: (i) the Shareholders' Meeting established the fees for the Directors and the Chairwoman of the BoD during the meeting of 26 May 2021 when the Shareholders' Meeting also recommended to the BoD the total maximum fee (including the meeting fee) for the Chairwoman permitted by article 2389, paragraph 3 of the Italian Civil Code, in the event of the assignment of powers; (ii) during the meeting on 3 June 2021, the BoD, following the Shareholders' Meeting decisions, assigned the powers for the matters authorised and determined the total amount of the fee for Ms. Giadrossi's fee as Chairwoman; (iii) during the meeting on 30 June 2021, the BoD resolved on Mr. Ferraris' fee as CEO (pursuant to article 2389, paragraph 3 of the Italian Civil Code, including his fee as Director), taking account of the opinion given by the Governance, Appointments and Remuneration Committee. The aforementioned fee resolved upon for Mr. Ferraris includes fixed and variable components, the latter linked to the achievement of objective and specific annual targets which the BoD defined upon the proposal of the Governance, Appointments and Remuneration Committee.
In accordance with the BoD resolution of 16 June 2021, the members of the board's committees receive additional fees equal to 30% of the fees determined by the Shareholders' Meeting for Directors, in accordance with the Articles of Association.

With regard to the BoD appointed on 27 June 2024: (i) the fees due to the Board members and the Chairman of the BoD were set by the Shareholders' Meeting held on 27 June 2024; at the same meeting, the BoD was, in addition, recommended the maximum total remuneration (including the Shareholders' Meeting emolument) to be awarded to the Chairman, pursuant to Article 2389, paragraph 3, of the Italian Civil Code, in the case of delegated powers; (ii) at the meeting held on 27 June 2024, the BoD, following the decisions of the Shareholders' Meeting, granted powers on the matters authorised by the Shareholders' Meeting and determined the total amount of the remuneration of the Chairman, Mr. Tommaso Tanzilli; (iii) at the meeting held on 6 August 2024, the BoD set the fees due to Mr. Stefano Antonio Donnarumma as CEO (pursuant to Article 2389, paragraph 3, of the Italian Civil Code, including the fees awarded for the office of Director) and as General Manager, taking into account the opinion of the Governance, Appointments and Remuneration Committee.
For the members of the Board Committees, a Board resolution of 23 July 2024 resolved to allocate - in accordance with the provisions of the Articles of Association - an additional remuneration equal to 30% of the fees set by the Shareholders' Meeting for Directors.

The tables below, including the notes, details the total annual fees approved for:

– FS Chairwoman and CEO in office until 27 June 2024 (TABLE A)
– FS Chairman and CEO/General Manager appointed on 27 June 2024 (TABLE B)

In addition, the Committee provides fairness and appropriateness opinions and performs the tasks set forth in the procedure for related-party transactions adopted by the Company; it also ensures agreements with the Chairman of the BoD in verifying and monitoring (i) the procedures that ensure the transparency and substantive and formal correctness of related-party transactions, and (ii) the safeguards for conflicts of interest.

21. ESRS 2 GOV-1 – The role of the administrative, management and supervisory bodies
Specifically, it should be noted that, pursuant to the relevant Regulations, the Sustainability Committee of FS SpA:
a) oversees sustainability issues related to the company's business operations and the dynamics of its interaction with all stakeholders, including by monitoring relevant impacts, risks and opportunities;
b) reviews and evaluates: (i) sustainability policies aimed at ensuring the creation of value over time for the generality of shareholders and all other stakeholders in a medium- to long-term horizon in compliance with the principles of sustainable development; (ii) the guidelines, objectives, and consequent processes, of sustainability and sustainability reporting submitted to the BoD on an annual basis;
c) monitors initiatives, including international sustainability initiatives, and the Company's participation in them;
d) reviews the general layout and structure of the content of the consolidated sustainability reporting, as well as the completeness and transparency of disclosures provided by them and their consistency with the principles set forth in the reporting standard used, coordinating with the Control and Risk Committee for the matters within its competence.

TABLE A (Fees due to the Chairwoman and CEO in office until 27 June 2024)

	Euros
CHAIRWOMAN OF THE BOARD OF DIRECTORS[22]	**Annual fees for the Chairwoman**
Fixed remuneration	238,000
Variable component	-
CEO	**Annual fees for the CEO**[23]
Fixed remuneration[24]	645,000
Variable component[25]	125,000

TABLE B (Fees due to the Chairman and CEO/General Manager in office from 27 June 2024)

	Euros
CHAIRMAN OF THE BOARD OF DIRECTORS[26]	**Annual fees for the Chairman**
Fixed remuneration	238,000
Variable component	-
CEO/GENERAL MANAGER	**Annual fees for the CEO and General Manager**
Fixed remuneration: as CEO[24] as General Manager	 120,000 500,000
Variable component: as CEO as General Manager[25]	 - 150,000

ESG and sustainability issues

Pursuant to article 12 of the Articles of Association, the BoD pursues the sustainable success of business activities, with the aim of creating long-term value for the benefit of shareholders, considering the interests of other stakeholders relevant to the Company.

ESRS 2 GOV-2 – Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies

ESRS 2 GOV-4 – Statement on due diligence

During 2024, while also availing itself of the board committees mentioned above (one of which has specific expertise on sustainability), the BoD addressed ESG issues both in relation to specific projects and on, among others:

- the update of the Group's Industrial Plan;
- the approval of the Annual Financial Report, including the NFS pursuant to Legislative Decree no. 254/2016;
- the approval of the Sustainability Report;
- periodic reports from Internal Audit, Ethics and Reporting Committee and Supervisory Board;
- periodic Anti-Corruption reports, including on the UNI-ISO 37001:2016 certification project.

In addition, in order to inform the aforementioned bodies about the impacts, risks and opportunities identified by the FS Group for the purposes of consolidated

22. The total annual gross fees of the Chairwoman pursuant to Article 2389 of the Italian Civil Code, shown in the table, include the fee that the Shareholder's Meeting has determined for the office of Chairperson of the BoD (€50,000). In accordance with the clause in the Articles of Association regarding the directors' expenses for the performance of their duties, the Company provides the outgoing Chairwoman (until 27 June 2024 as she is not a resident of Rome) with a flat in Rome at a monthly maximum cost of €5,000.
23. An amount of €1,360,492 was also paid to the outgoing Chief Executive Officer.
24. It includes the emolument approved by the Shareholders' Meeting for the office of Director amounting to €30,000.
25. Amount to be paid upon achievement of 100% of preset company annual targets (target value), both objective and specific, as defined by the BoD of Ferrovie dello Stato Italiane SpA upon the proposal or with the favourable opinion of the Governance, Appointments and Remuneration Committee; the amount due as an annual variable component is calculated in proportion to the parameters (under/over/target) linked to the level of performance expressed annually according to the methods set out in the Group policies.
26. The total gross annual fees paid to the Chairman pursuant to Article 2389 of the Italian Civil Code, shown in the table, include the fee awarded by the Shareholders' Meeting for the office of Chairman of the BoD (€50,000).

sustainability reporting, the departments responsible[27] for the "double materiality" process required by the ESRS have presented the "sustainability issues" found to be relevant[28]; the BoD, with the favourable opinion of the Sustainability Committee and the Control and Risk Committee, approved the results at its meeting held on 24 January 2025.

ESRS 2 GOV-3 – Integration of sustainability-related performance in incentive schemes

ESRS 2 GOV-4 – Statement on due diligence

The FS Group considers climate considerations in the remuneration of members of the administrative, management and supervisory bodies, involving the entire population of executives and middle managers identified in positions of high relevance to the corporate mission (top management), as well as certain specific professional skills of particular relevance to the achievement of business objectives.
In particular, the 2024 incentive policy has provided for the definition of a cross-sectional indicator, common for the entire population involved in the Management By Objective (MbO) process, which measures the Group's commitment to combating climate change by relating a numerator that measures total capital expenditure, net of advances - with impacts in terms of economic, social and environmental sustainability - to a denominator that measures environmental sustainability through the proxy of CO_2 equivalent emissions under the E1-4 disclosure requirement. The percentage of remuneration recognized in 2024 is 10%.
The target also provided for an "entry gate" given by the percentage of environmentally sustainable investments under Regulation (EU) 2020/852, which must not be less than 80% with respect to total investments.

Criteria and methods for the appointment of BoD members of FS SpA's direct and indirect subsidiaries

In accordance with the MEF Directives (finally including the MEF Directive of 31 January 2023) and in compliance with current legislation - FS SpA's BoD has drafted general criteria for the selection of candidates for positions on the Boards of Directors and the Boards of Statutory Auditors of the Group companies, also to create a balance of diversity on such boards.
Specifically: identifying the best candidates in terms of professionalism and skills and, except for the specific corporate governance structures, to achieve an optimal mix also considering also age and gender, in the pursuit of the companies' sustainable success; valuing the in-house skills of Group employees; abstaining from appointing the Directors of the Holding company, unless they have been assigned ongoing management duties within the same Holding company; establishing that remuneration is all-inclusive, with the appointed members required to return the fees.
FS SpA has transposed these criteria in its internal policies and has established procedures to follow for the renewal of the corporate bodies of all FS Group companies. Furthermore, in accordance with the abovementioned Directives, for the subsidiaries indirectly controlled by the MEF, before appointing the members of its bodies, FS SpA informs the MEF of the outcome of its preliminary assessment of the quality and aptitude of the potential candidates.

27. The Sustainability Reporting & Compliance function for impact materiality and the Climate Risk Resilience function for financial materiality.
28. The list of impacts, risks, and opportunities associated with sustainability issues presented to the administrative, management and supervisory bodies can be found in the paragraph on the Stakeholder management and double materiality process of the Consolidated Sustainability Report.

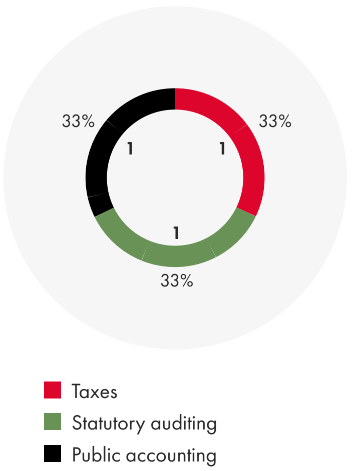
BOARD OF STATUTORY AUDITORS

In accordance with the Articles of Association, the Shareholders' Meeting appoints a board of Statutory Auditors comprised of three standing Statutory Auditors. The Shareholders' Meeting is also required to appoint two alternate Statutory Auditors. The Articles of Association explicitly require a balance of the genders on the board of Statutory Auditors, so that at least one standing Statutory Auditor and one alternate Statutory Auditor must be of the gender with fewer members, without prejudice to compliance with applicable legislation. By resolution of the Shareholders' Meeting on 3 May 2022, the standing Statutory Auditors Rosalba Cotroneo as Chairwoman, Sergio Duca and Marino Marrazza and the alternate Statutory Auditors Letteria Dinaro and Francesco Tulimieri were appointed for the three-year period 2022, 2023 and 2024 and, in any case, until the Shareholder's Meeting for the approval of the 2024 financial statements.

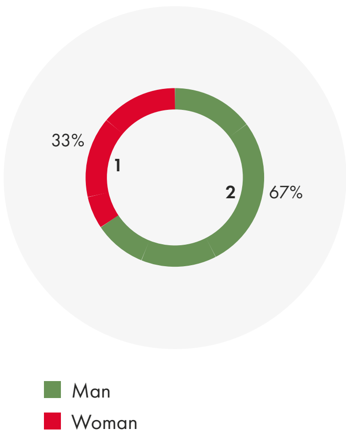
ESRS 2 GOV-1 – The role of the administrative, management and supervisory bodies

The diversity and experience of the members of the Board of Statutory Auditors, in relation to the sectors, products and geographical areas of the company in the reporting period are illustrated below:

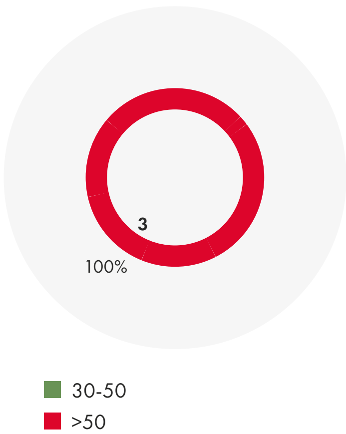
Background diversity



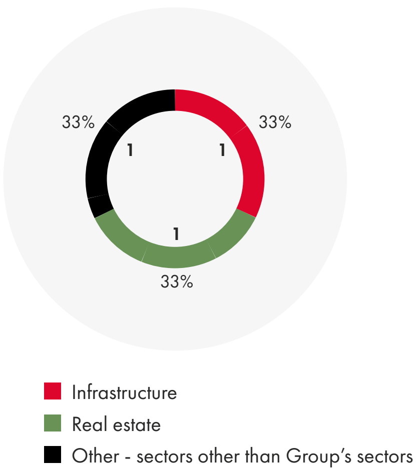
Gender diversity



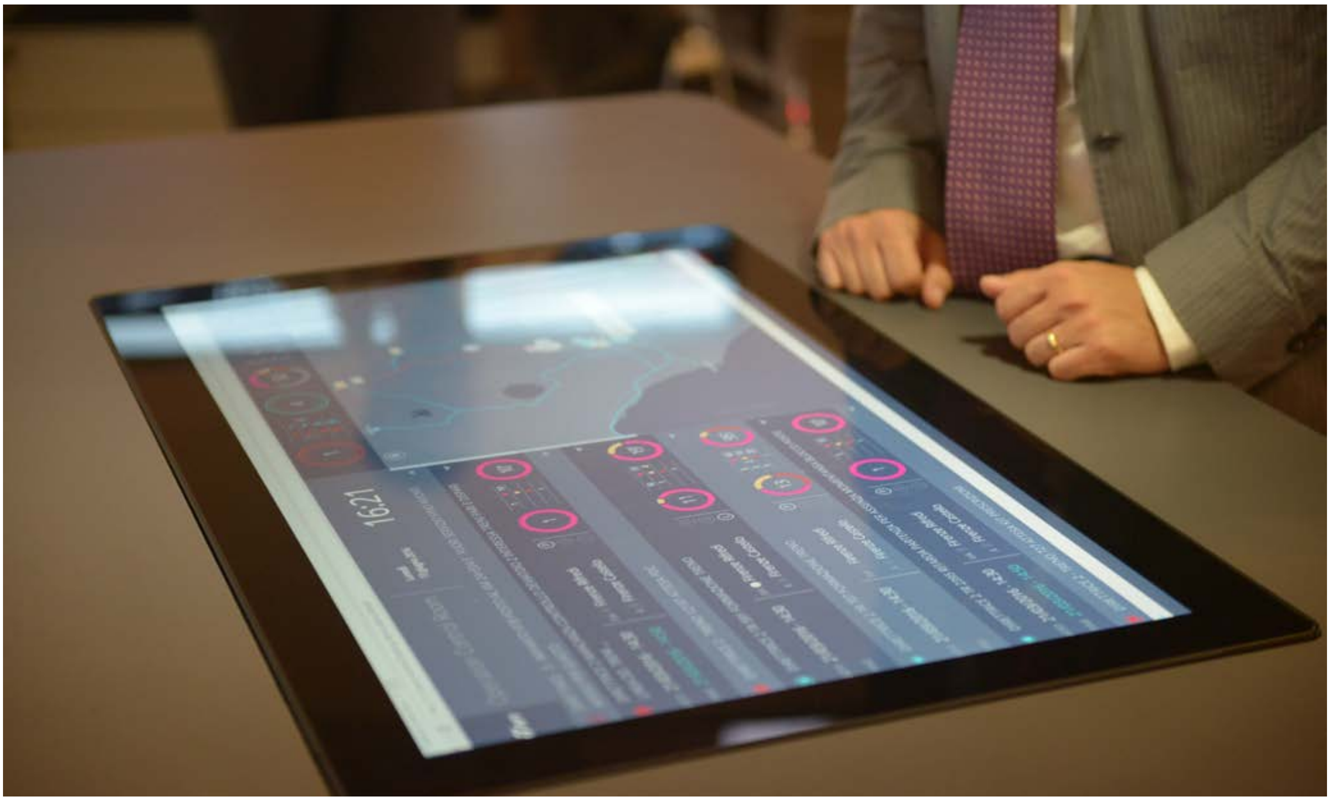
Diversity by age



Experience in the Group businesses



Regarding competence, as resulting from the letter of appointment, a member is a manager of the MEF, and the other two have solid experience in the professional world. Both alternate Statutory Auditors are employees of the MEF. All the standing and alternate Statutory Auditors hold university degrees in economics and trade and are registered certified auditors.
The Board of Statutory Auditors monitors compliance with the law, the Articles of Association and the principles of correct administration, particularly with respect to the adequacy of the Parent Company's organisational, administrative and accounting system and that it functions properly. When the Holding company became an entity of public interest, as previously explained, its Board of Statutory Auditors also became the "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 and its subsidiaries.
The Board of Statutory Auditors met 17 times in 2024, with each meeting lasting an average of two hours and twelve minutes, and an average participation rate of 100%. The average participation rate of Statutory Auditors in the 12 BoD meetings of the year was 94.46%.



ESRS 2 SBM-2 – Interests and views of stakeholders

ESRS 2 GOV-4 – Statement on due diligence

The FS Group recognises the importance of stakeholder engagement, which enables the listening and inclusion of stakeholders who influence or could influence its activities. The ongoing management of relationships with its stakeholders, through a programmatic and proactive approach that uses various tools to engage stakeholders, is a key priority for FS. This approach is intended to guide the Group's strategic choices, since it firmly believes that understanding their expectations and satisfying their interests guarantee the effective creation of long-lasting value.
For more details on the stakeholder engagement process, please refer to the paragraph on Stakeholder management and double materiality process of the Consolidated Sustainability Reporting.

THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

The internal control and risk management system (ICRMS) consists of the set of tools, organisational structures, standards, and rules aimed at sound, sustainable and proper business management in line with the business targets set by the Board of Directors, with an adequate process for the identification, measurement, management and monitoring of main risks, as well as through the structuring of adequate information flows aimed at ensuring the circulation of appropriate information to enable the various parties involved in the ICRMS to carry out the role entrusted to them.

An effective ICRMS promotes informed and tracked decision-making and helps to ensure the achievement of the objectives of safeguarding corporate assets, efficiency and effectiveness of business processes, reliability of financial and sustainability reporting, and compliance with laws and regulations, the Articles of Association, and company regulatory frameworks. It should be pointed out that even if overall adequate and functioning, the ICRMS can only provide "reasonable assurance" on the achievement of the above objectives. This is because the ICRMS aims to mitigate risk through risk management, not to completely eliminate the inherent risk inherent in each management and control process.

The Company uses the "Controls - Integrated Framework" model issued by the Committee of Sponsoring Organizations of the Treadway Commission in 2013 (CoSO Report)[29], as an internationally recognized framework for the implementation, analysis and evaluation of the ICRMS.

The ICRMS provides for the following three levels of control:

- level 1 controls: to ensure the correct performance of operations and an adequate response to the related risks. This activity also includes the periodic verification of the effectiveness and efficiency of the design and actual operation of the controls, in order to: *i)* establish that they act in accordance with the goals assigned to them, *ii)* verify that they are adequate with respect to any changes that have taken place in the operations, *iii)* seize and promote any opportunities for improvement. The responsibility for defining and carrying out these controls lies with Management, which is performed at every level of the organisational structure and is carried out within the framework of daily operations;
- level 2 controls: to monitor the main risks to ensure the effectiveness and efficiency of their treatment, as well as to monitor the adequacy and functioning of controls (put in place for the safeguard of the main risks). It also provides support to the first level in designing and implementing appropriate management systems for key risks and related controls. It is the responsibility of specific company functions entrusted with monitoring and management of specific categories of risk such as, but not limited to, Data Protection, Compliance, Anti-Corruption and the Officer in charge of Financial Reporting;
- 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. It is the responsibility of independent, non-operating units, such as the Internal Audit function.

Level 2 and 3 control functions operate within their responsibilities by planning and reporting their work from a risk-based perspective.

The roles and responsibilities of the main parties involved in the ICRMS are described below.

Internal Audit

Internal auditing is independent and objective[30], provides assurance and serves an advisory purpose, to improve the company's efficiency and effectiveness through a professional and systematic audit approach, aimed at assessing and improving control, risk management and Corporate Governance processes.

Within the FS Group, the head of the Internal Audit function reports to the BoD, the Chairperson of which ensures a liaison between the Internal Audit function and the BoD. The company's Control and Risk Committee - where one has been set up - monitors the Internal Audit function's autonomy, adequacy, efficiency and effectiveness, jointly with the BoD Chairperson.

The BoD, subject to the opinion of the Control and Risk Committee, having consulted the Board of Statutory Auditors, upon the proposal of the BoD's Chairman, and in agreement with the CEO: i) appoints the Internal Audit manager, a role in FS SpA currently held by Mr. Alessandro Perrino, Chief Audit Officer; ii) approves the fixed and variable fee of the head of Internal Audit, in line with the company's remuneration policies; iii) approves the budget of the Internal Audit function, as part of the company's budget process, ensuring that the Internal Audit manager is provided with adequate resources to perform the duties assigned to them. In compliance with the Group's Governance Model, the structure of the

29. Integrated with *"Enterprise Risk Management Framework – Integrating with Strategy and Performance"* (CoSO ERM) for risk management processes.
30. The head of the Internal Audit function has no responsibilities in any operational area and has direct access to all information relevant to the performance of their duties.

Internal Audit in the FS Group provides for the Internal Audit function at FS SpA and its direct subsidiaries; in the remaining subsidiaries of the Group, both Italian and foreign, the establishment of an Internal Audit function is defined in agreement by the Sub-Holding company Internal Audit function with the Internal Audit function of FS SpA, considering: i) the specificities and risk profiles, and ii) efficiency criteria, subject to the objective of an effective supervision of the ICRMS, and the performance of internal auditing activities according to the guidelines and methodologies set out by the Internal Audit function of FS SpA.
In accordance with the Group's Governance Model, FS SpA's Internal Audit function performs, in addition to the institutional role within the organisation, a guidance, coordination, and implementation control role, from a methodology perspective, on the internal audit processes adopted by the FS Group companies through:

- defining and updating the guidelines, operating models, methods of auditing and monitoring and controlling whether they are properly applied;
- identifying the digitalisation requirements of internal auditing processes;
- defining continuous improvement programmes and verifying that they are applied and are properly aligned with international standards, including through external quality reviews.

For the 2024 financial year, the Internal Audit function verified, both on an ongoing basis and in relation to specific needs and in compliance with international standards, the operation and suitability of the ICRMS through an audit plan, based on a structured process of analysis of the main risks, prepared by the Internal Audit manager and approved by the BoD, after consultation with the Control and Risk Committee and after hearing the Chairman, the CEO and the Board of Statutory Auditors. It also prepared periodic reports providing adequate information on its activities and forwarded them to the Chairmen of the Board of Statutory Auditors, the Control and Risk Committee, and the BoD, as well as to the CEO. The Internal Audit Departments provide operational support to the Supervisory Bodies of the companies and subsidiaries without their own Internal Audit Department in the performance of the supervisory activities.

"Risk" process

On 13 July 2023, the "Risk" Governance Model was published, which, in compliance with the FS Group Governance Model, defines the roles and macro-responsibilities of the Holding Company, Hub Lead companies, Sub-Holding companies/Companies of the Group and the related system of interrelationships in risk management. The Model identifies, within the "Risk" process, three areas, each of which is overseen by a dedicated organisational unit, all operating in the Risk & Anti-Corruption area:

- Risk Management, within which the Holding Company performs functions of guidance and coordination of risk and opportunity management activities related to business processes, the industrial plan and the development of initiatives and projects (including abroad); in particular, it defines and updates the FS Group Risk Management Framework, which sets out the overall system of rules, tools and taxonomies adopted for risk management by all Group Companies, assigning roles and responsibilities and defining information flows to corporate and Group top management, governance and control bodies, third-party stakeholders, risk specialists and process owners.
- Risk Funding & Transfer, within which the Holding Company performs functions of guidance and coordination of the Group's risk funding and transfer activities. It collects the protection needs of subsidiaries and, considering mutuality among them, selects the best insurance solutions on the market in terms of wording and pricing. It also defines risk retention and self-financing strategies.
- Climate Risk Resilience, within which the Holding Company performs functions of guidance, coordination and monitoring of activities for the management of physical and transitional risks related to climate change and other relevant ESG risks identified in accordance with Directive (EU) 2022/2464; in particular, the Climate Risk structure sets out and updates the Climate Risk Resilience Framework, standards for the implementation of adaptation actions, also in order to ensure compliance with EU Taxonomy, and provides reporting to corporate governance and control bodies and internal stakeholders.

Anti-Corruption

The "Anti-Corruption" Governance Model defines the roles and macro-responsibilities in anti-corruption matters, and the system of interrelationships between the Holding company and the Group Companies. The Holding Company's Anti-Corruption function, operating in the Risk & Anti-Corruption area:

- ensures the definition of Group strategies, guidance, policies, guidelines, and standards in the anti-corruption matter;
- oversee compliance for preventing corruption, including by verifying the fulfilment of the general requirements of the management system for the prevention of corruption, monitoring its implementation and reporting to governance and control bodies;
- supports the Chief Risk Officer in the centralised

oversight of the company anti-corruption functions.
In implementation of the Governance Model, the anti-corruption functions of the Group Companies ensure:
- the implementation of strategies, directions, policies, guidelines and standards set by the Holding company;
- the adoption of the Anti-Corruption Framework and related implementation, monitoring and updating.

Data Protection Department

In accordance with Regulation (EU) 2016/679 (the General Data Protection Regulation – "GDPR"), the FS Group applies its own operating model for the protection of personal data, the "Personal Data Protection Management Model" Guidelines and Procedure no. 35 of 1 August 2023 (sc. Data Protection Framework), which lays out the fundamental data protection principles while defining the implementation roles at the FS Group companies along with the structure of macro responsibilities and information flows from and to the BoD, top management, the units involved in the development of the Data Protection Framework and those involved in the processing of personal data, to protecting personal data of individuals as much as possible. The Guidelines consist of direction and coordination measure with Group validity, which is adopted by the Hub Lead companies and other companies subject to direction and coordination by FS SpA while respecting their prerogatives of autonomy and independence.
Furthermore, a Data Protection organisational chart has been defined for the FS Group, with the following key managers:
- Data Controller;
- External Data Controller;
- Data Controller Manager;
- Data Manager;
- Data Handlers;
- System Administrator.

The DPO of FS SpA is the person appointed upon the proposal of FS SpA's CEO (Data Controller), to whom the DPO reports, specifically regarding the DPO's duties under article 39 of the GDPR. In 2022, FS SpA's CEO, approved the appointment of a DPO from outside the company as Data Protection Officer, which was finally renewed with effect from 11 December 2024.
In FS SpA there is the Data Protection Department, which is a function reporting directly to the Head of Legal Affairs, through which the latter ensures the connection between the DPO of FS SpA and the corporate organisation and performs the role of general strategic guidance and implementation coordination of the Group regarding data protection, overseeing the areas of Governance, Law & Legal Standards and Operations.
The Data Protection Department function performs for all intents and purposes a second-level role.
The corporate DPO is appointed by the BoD of the respective company, to which they functionally report.
The Data Protection Manager acts as the contact person for the DPO of Hub Lead companies, the DPO of Sub-Holding companies, and the DPO of FS SpA.
Moreover, the Group has implemented an IT system for the governance of processes relating to the protection of personal data.

Compliance

In 2019 FS SpA defined the "FS Italiane Group Compliance Model", with a description of the organisational aspects and processes regulating it.
In line with the organisational solutions adopted by the other control levels (2 and 3) of the ICRMS, a "decentralised" Group Compliance Model is designed, with the Holding Company, in the Legal Affairs area, having a Compliance structure as Group Functional Manager and Compliance structures/safeguards in the subsidiaries. Specifically:
- the FS Compliance structure defines the Group Compliance Model, ensuring its implementation in the Holding Company with reference to the regulatory perimeter of intervention that provides for a direct oversight role, in the areas of Business & Trade Compliance and Legislative Decree no. 231/2001, and a support role to the specialist functions that oversee the areas of Anticorruption, Antitrust, Data Protection, and Sustainability. It also provides specialist and methodological support to the Compliance structures/safeguards of subsidiaries on issues related to the implementation of the Group Compliance Model;
- the Compliance structures/safeguards of the Group's subsidiaries adopt the Compliance Model according to their own organisational and business specifics, as well as the operational complexity of their work, ensuring its implementation at the corporate level, each of them with reference to the regulatory perimeter under its own competence and with reference to the phases and activities under its own responsibility, and ensuring the application of methodologies consistent with those described within the Group Compliance Model.

ESRS 2 GOV-5 – Risk management and internal controls over sustainability reporting

FS SpA's Officer in charge of Financial Reporting

In 2007, as per the request of the shareholder MEF, FS SpA created the position of "Officer in charge of Financial Reporting", and the position became legally mandatory in 2013 pursuant to article 154-bis of the Consolidated Finance Law when the Parent subsequently issued bonds

listed on the Dublin Stock Exchange[31]. At present the position is held by Mr. Fabio Paris[32], Chief Financial Officer, in office until the approval of the 2026 financial statements. It should be noted that as from 2024 (the first year of application of the CSRD), the Officer in charge of Financial Reporting of FS SpA has also been entrusted with the responsibilities of certification regarding sustainability reporting, pursuant to article 154-bis, paragraph 5-ter, of the Consolidated Finance Law.
Article 16 of FS SpA's Articles of Association establishes that: 1) the BoD appoints the Officer in charge of Financial Reporting for a period not less than the term of the BoD's office and is not to exceed six fiscal years, after obtaining the opinion of the Board of Statutory Auditors; 2) the Officer in charge of Financial Reporting must meet honourability requirements already established for the Directors and must be chosen according to criteria of professionalism and expertise from among executives having experience commensurate with the scope and complexity of the position.
The powers and means for carrying out the tasks assigned to the Officer in charge of Financial Reporting, as well as the information flows and interrelationships of the Officer in charge of Financial Reporting with corporate bodies, and control bodies and functions are formalised in the Regulation of the activities of the Officer in charge of Financial Reporting, approved by the BoD on 2 August 2023.
To reinforce and more effectively implement legislation, given the size and complexity of the FS Group, the BoD of the Holding Company has promoted the appointment of Officers in charge of Financial Reporting by its main subsidiaries as well, from the beginning.
The following subsidiaries have appointed Officer in charge of Financial Reporting: RFI SpA, Trenitalia SpA, Anas SpA, Mercitalia Logistics SpA, Mercitalia Rail Srl, Busitalia-Sita Nord Srl, Ferservizi SpA, Fercredit SpA, FSTechnology SpA, Ferrovie del Sud Est Srl[33], FS Sistemi Urbani SpA and Italferr SpA.

Main characteristics of the risk management system and internal controls over financial reporting

The purpose of the ICRMS over economic and financial reporting, pursuant to article 123-bis paragraph 2.b of the Consolidated Finance Law (Report on corporate governance and the ownership structure), is aimed to provide reasonable certainty about the reliability, accuracy, accountability and timeliness of information itself, in compliance with the provisions of the relevant accounting standards.
The Holding Company's Officer in charge of Financial Reporting defines and updates the Group's Internal Control Model over Economic and Financial Reporting (the sc. "262 Model"), according to the Group's organisational, operational and governance structure, as well as the regulatory framework (article 154-bis et seq. of the Consolidated Finance Law) and the applicable international standards (CoSO Report). The Holding Company's Officer in charge of Financial Reporting defines the standards for administrative/accounting and tax procedures and the methodologies for auditing that the controls are adequate and effectively operate, and provides instructions for the issuing of Certifications on internal controls over financial reporting, which, as from this year, have been integrated to also include sustainability issues, supervising the proper implementation of the guidance provided within the Group. The subsidiaries' Officers in charge of Financial Reporting implement and maintain the internal controls over corporate financial reporting, thus ensuring continuously exchanging information flows with the Holding Company's Officer in charge of Financial Reporting.
Considering the new Governance of the FS Group and with the aim of further enhancing the effectiveness and efficiency of the internal control system, it should be noted that the Group's 262 Model was, among other things, updated in order to enhance the role of the Sub-Holding Companies' Officers in charge of Financial Reporting in coordinating the 262 activities at the indirect subsidiaries of FS (Model approved by the BoD of FS SpA on 28 September 2023).
The Group's 262 Model is characterised by the following main aspects:

- the central role of the Process Owners/Control Owners, belonging to the various company structures, for the purpose of defining and maintaining over time an adequate internal controls system over financial reporting;
- it is "risk based" nature, whereby priorities and interventions are defined based on the 262 risk assessments;
- it is dynamic based on any changes in the business operations, organization, regulatory framework as well as the developments and best practices within the context of the ICRMS;
- it can be integrated into other control models, providing for an accurate mapping of controls on

31. As a result of this, FS SpA became a Public Interest Entity, pursuant to article 16 of Legislative Decree no. 39/2010, since it is a company as "Issuer of Listed Financial Instruments."
32. Appointed by FS BoD's meeting held on 29 October 2024, after obtaining the favourable opinion of the Board of Statutory Auditors, to replace Mr. Marco Fossataro, former Chief Financial Officer.
33. It should be noted that the company left the consolidation scope as from 5 August 2024 because of the Council of State's judgment no. 6983/2024.

processes and the related owners aimed at preventing the risks of misreporting/fraud.

To the efficiency of the entire control system, the 262 Model is coordinated with the Group's other control models, such as, for example, the Tax Control Framework (TCF) and the Anti-Corruption Model. For this reason, 262 controls relevant to fiscal and/or anti-corruption risks are marked as such and are included in all stages of the 262 process. The 262 controls and procedures also represent safeguards for the companies' 231 Models. It should also be noted that work commenced in 2024 on the project to integrate the 262 Model with the Sustainability Control Model.

As required by the 262 Model (*GR_MdG_Internal Control and Risk Management Model over Economic and Financial Reporting of the Ferrovie dello Stato Italiane Group_no.43_v.01*) the control process over financial reporting consists of the following stages:

(1) definition of Administrative and Accounting Guidelines, which consist of the guidelines/minimum control requirements aimed at preventing the risks of financial misreporting/fraud, and tax risks, to be complied with by all subsidiaries included in the Group's consolidation scope. They are defined for the main processes and are issued by the Holding Company's Officer in charge of Financial Reporting, both in Italian and English;

(2) definition of the "relevant" companies in "262 specific-scope", on an annual basis and applying specific quantitative criteria (companies' contribution measured as a percentage to specific values of aggregate financial statements), as well as any qualitative considerations, for which full application of the Model is required and, if necessary, the appointment of Officer in charge of Financial Reporting. For these companies, significant processes are identified, i.e. those that contribute to the financial statements values with amounts exceeding a specific percentage of the Aggregate Gross Profit or Aggregate Shareholders' Equity, with the addition of qualitative considerations (if any). For other companies, if there is one or more significant processes, there is a selective application of the Model (so-called other "partially relevant" companies);

(3) definition of the Group's Activity Plan, on an annual basis, by the Holding Company's staff of the Officer in charge of Financial Reporting, in collaboration with staff members of Sub-Holding Companies and other companies, which describes the activities inherent in the 262 process (companies in scope, procedural coverage requirements, monitoring of controls, action plans, etc.) supporting the issuance of Certifications and the main project initiatives. The Group Activity Plan is presented to the Holding Company's BoD and to the competent corporate Boards of Directors (in case of appointment of the Officer in charge of Financial Reporting);

(4) process mapping (Risk & Control Assessment) refers to the detection of the processes' activities and related ownership, as well as the identification and evaluation, on impact and probability parameters, of the "262 risks" and related controls while also assessing multi-compliance issues (TCF, anti-corruption etc). The phase is carried out by the Officer in charge of Financial

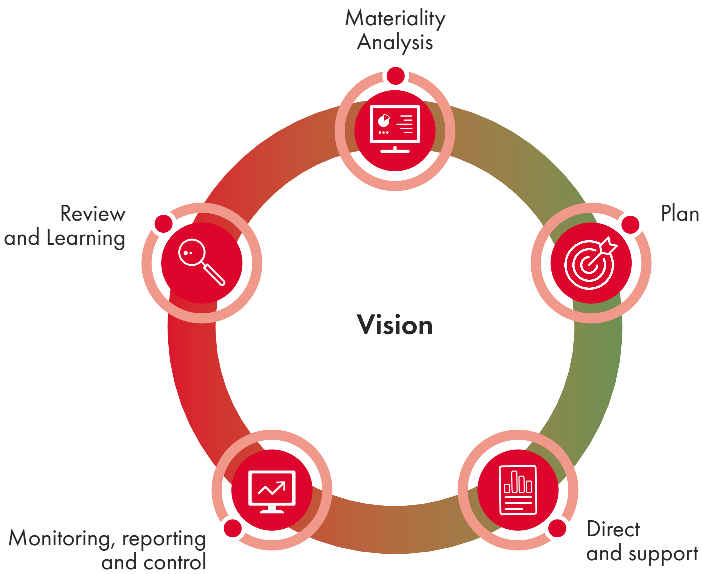
Reporting/CFO staff members and the relevant Process Owners;
(5) definition of administrative and accounting procedures (PAC, *procedure amministrativo contabili*) by the Officer in charge of Financial Reporting/CFO staff members. PAC, consisting of the narrative and the control matrix, is embodied in the representation of the process and related controls to safeguard against risks 262. The Process Owners validate the PACs by competence, and they are issued, depending on the type, by the Holding Company's Officer in charge of Financial Reporting or the company Officers in charge of Financial Reporting/CFOs. Prior to their issuance, they are subjected to a Quality Assurance (QA) activity carried out, by competence, by the Officer in charge of Financial Reporting of Holding or Sub-Holding companies. In the case of Fiscal/Fiscalized PACs, QA is also carried out by the Tax Compliance Manager;
(6) monitoring through Self-Assessment, i.e. the control and process owners self-certification process regarding the 262 procedures/controls have been adequately designed and are effectively applied in the relevant period, by filling out specific questionnaires that they receive through the information system. This entails the ongoing involvement of the company structures to make it increasingly reliable to source the information and data used for financial reporting while also facilitating the updating of procedures;
(7) monitoring through Testing activities, i.e. tests concerning the adequacy of the design and effective operation of the controls provided for in the PACs in accordance with audit standards and methodologies under the responsibility of an Independent Team (staff members of Officer in charge of Financial Reporting/CFO of companies, Internal Audit structures, third-party services companies, TCF staff for fiscal controls, synergies with the Independent Auditors). Furthermore, where applicable, the 262 Test work is integrated into the planned Audit activities (sc. Combined Assurance methodology).
The Testing process consists of the following steps: 1) definition of annual Group's Independent Testing Plan, setting out the timing and teams; 2) identification of testing procedures (test scripts); 3) performance of the tests; and 4) analysis and preliminary evaluation of any weaknesses. The staff members of the Holding or Sub-Holding companies' Officer in charge of Financial Reporting may conduct QA activities on the test scripts, on a turnover basis, to check their compliance with the Group standards;
(8) management of deficiencies and Action Plan is the stage where all non-conformities detected in the various 262 sub-processes are analysed and evaluated and specific actions are identified with deadlines and relevant owners. The action plans defined by the staff of the Officer in charge of Financial Reporting/CFO together with the process owners are supervised and monitored for the purpose of their effective implementation;
(9) preparation of the Report on the activities performed during the reporting period by the Holding company's Officer in charge of Financial Reporting, following the completion of the process described above, transmitted to the BoD for approval of the draft financial statements. **The Certifications on the separate and consolidated financial statements** are then issued, jointly signed with the CEO, **pursuant to article 154-*bis* of the Consolidated Finance Law, according to the CONSOB schemes**. As already noted, as from 2024, due to the responsibilities entrusted to the Holding company's Officer in charge of Financial Reporting regarding sustainability reporting pursuant to article 154-*bis*, paragraph 5-*ter*, of the Consolidated Finance Law, **the Officer in charge of Financial Reporting also issues, jointly signed with the CEO, the Certification over sustainability reporting according to the CONSOB scheme**. To support the issuance of the aforementioned external Certifications by the Officer in charge of Financial Reporting and CEO of the Holding Company, all consolidated subsidiaries issue their own company Certification for financial and sustainability issues while also activating the Chain of Certifications to the heads of departments of the top executives reporting to the CEOs/Chairpersons. The Officers in charge of Financial Reporting also issue, jointly signed with the CEOs of companies, the external Certification on company financial statements and transmit the Reports on the activities carried out to their respective Boards of Directors. Model 262 also provides for the issuance of Certifications by the Group Shared Service - Ferservizi (as outsourcer of administrative services) and FSTechnology (as outsourcer of IT services).
All stages of the above process are coordinated and supervised centrally by the Holding Company's Officer in charge of Financial Reporting staff with the support, as far as indirect subsidiaries are concerned, from Sub-Holding Companies' Officer in charge of Financial Reporting staff and are carried out with support from a dedicated information system. The diffusion of 262 Model in the FS Group is also pursued through ongoing communication and training activities for the various parties involved, on the ICRMS over financial reporting processes.
As for relationships between the Officer in charge of Financial Reporting and the various control bodies/structures, the Regulation for the Officer in charge of Financial Reporting defines the inter-relationships and information flows. The Officer in charge of Financial Reporting collaborates on an ongoing basis with the other control structures to share activities plans, the outcome of

such activities and action plans to create synergies and optimise the control processes within the Group.
Lastly, to support Law no. 262/2005 Compliance Model and, in general, with the purpose of enhancing the Group's ICRMS, the Group has defined its Models for:

- "SoD - Segregation of Duties" to ensure that responsibilities are defined and duly assigned without functional overlapping or operational assignments that concentrate critical activities on one single operator;
- "ITGC - Information Technology General Controls" with the aim to define internal controls over IT processes to ensure the continuous and correct functioning of the corporate application systems that process the data used in financial reporting.

Sustainability Governance Model

The Sustainability Governance Model (SGM) defines the governance and designs the management processes by which FS intends to ensure the integrated oversight of the three dimensions of sustainability (economic, social and environmental), promoting their integration into the Group's business management. By implementing the SGM, the Holding Company thus defines a system to support the continuous improvement of the sustainability profile of the Group Companies and their respective organisations while respecting the autonomy, peculiarities and specific operational requirements of each Company.
The SGM applies to all policy and coordination processes carried out by FS SpA and involves all Group Companies, direct and indirect domestic and foreign subsidiaries, with a view to creating long-term value for all stakeholders.
The SGM, divided into different processes, is conceived as an iterative path that aims to improve the performance of FS SpA and all operating companies. The processes revolve around a Group vision and are aimed at defining, monitoring and achieving medium to long-term goals and targets, set by considering the company expectations of stakeholders with whom the Group interacts.



The following is a list of the processes and related goals that constitute it:

- Vision: to define the long-term projection of the Group's role in the economic, social and environmental context in which it operates.
- Materiality Analysis: to identify "material" sustainability matters - considering the criteria of impact materiality and financial materiality - through continuous dialogue with stakeholders, to identify shared strategic priorities and develop new opportunities for value creation.
- Plan: define ESG directions, goals and targets consistent with the vision and the principles and criteria outlined in the Sustainability Policy.
- Direct and support: provide support - through the definition of guidelines, management tools, training courses, etc. - to the competent departments of FS and the operating companies to ensure the implementation of planned actions and the pursuit of defined goals.
- Monitoring, reporting and control: define the tools and methods for monitoring, measuring, analysing, verifying, evaluating and reporting on the Group's sustainability results and performance.
- Review and learning: ensure the continuous improvement of the Group's SGM.

The FS Group's Sustainability Governance Model is inspired by:

- the 10 principles of the United Nations Global

Compact, pertaining to human rights, labour standards, the environment and anti-corruption;
- the 17 Sustainable Development Goals adopted by the United Nations General Assembly on 25 September 2015, with the 2030 Agenda;
- the Organization for Economic Co-operation and Development's guidance provided in the G20/OECD Principles of Corporate Governance, international standards launched to support policy makers in assessing and improving the regulatory, legal and institutional framework related to corporate governance, with the aim of supporting economic efficiency, sustainable growth and financial stability;
- the A1000 Stakeholder Engagement Standard, specifically developed to drive stakeholder engagement, embracing the entire value chain to preserve and develop the Group's assets.

Internal control and risk management system over sustainability reporting

ESRS 2 GOV-5 - Risk management and internal control over sustainability reporting

The Control Model related to sustainability reporting is being updated to make it synergistic, including with the other safeguards of the overall ICRMS of FS and the FS Group; specifically, with a view to economy, integration and efficiency of the organisational process, the latter is being integrated with the Group's Model 262. This integration is intended to benefit, where applicable, from the process and safeguards already implemented in Model 262 itself by also including risks/controls to ensure the proper formation of the Consolidated Sustainability Reporting.
The Holding Company's Sustainability Reporting & Compliance function constitutes compliance oversight within the Internal Control and Risk Management System over sustainability reporting.
The identification of the scope of control activities is carried out through a risk-based approach, with the aim of ensuring the reliability and accuracy of sustainability reporting, considering:
- the results of the Group's double materiality analysis;
- the relevance of KPIs for reporting and communication, inside and outside the Group, on data and/or information related to other processes such as Management by Objective (MbO), business plan goals and targets, green/sustainability bond reporting, etc.);
- the company's contribution to the KPI categories/areas subject to audit;
- sampling criteria based on the principle of "rotation" to ensure that all companies are monitored;
- any critical issues that emerge during the reporting process.

Based on the identified scope, the Plan of control activities is defined for verifying the FS Group's sustainability information correctness and reliability.
In order to prevent and mitigate risks related to the completeness and integrity of data, as well as the accuracy of the results of any estimates, the control activities carried out by the Group companies include mechanisms of "segregation of duties" (SoD), in which data owners verify the consistency between the stated information and the rules laid down within the so-called "Sustainability Information Account Plan"; subsequently, data are verified by the process owners until final approval by the sustainability managers of the Group companies.
With the aim of assessing the adequacy and actual application of the planned controls, third-party tests are carried out, the results of which are summarised in audit reports within which Action plans are also formalised for the management of any deficiencies and areas for improvement.
After completing the activities required by the Model, Certifications are issued as described within the paragraph pertaining to 262 Model.
All stages of the process described above are coordinated and supervised by the Holding Company's Sustainability Reporting & Compliance function with the support, as far as indirect subsidiaries are concerned, from the Sub-Holding Company's sustainability functions and are carried out with the help of a dedicated information system.

Tax Control Framework

FS SpA, which is sensitive to the need to ensure the promotion of a corporate culture marked by principles of honesty, fairness and compliance with tax regulations, to protect its reputation, has joined, along with its most important subsidiaries, Trenitalia SpA and RFI SpA, the cooperative compliance programme under Legislative Decree no. 128 of 5 August 2015.
The admission to the cooperative compliance requires the adoption, in the broader context of the corporate governance and internal control system, of an effective Tax Control Framework, which can be structured into the following areas:
- compliance risk, as the risk of omitted or incorrect execution of tax compliance;
- interpretation risk, as the risk of misinterpretation of tax regulations;
- tax fraud risk, as the risk of committing tax crimes of a fraudulent nature, because of relevant conduct by third parties.

FS SpA, as the Holding Company, has, therefore, outlined and implemented a tax control framework consistent with the goals set out in the FS Group's Tax Strategy. This process is structured in the Tax Risk Control Model of the FS Group. The Model is synergic with the other safeguards of the overall ICRMS of FS SpA and the FS Group and, without prejudice to its legal and functional autonomy, from a perspective of economy, integration and efficiency of the organisational process, it benefits, where applicable, from the 262 Model safeguards, as well as, as a general feature, from the other company tools of safeguarding provided for other control purposes.

Planning and management control system

In line with the strategic guidelines and goals that the BoD has defined, in the Administration, Finance & Control area:

- the **Planning & Control** department ensures the management of the medium to long-term planning process for the definition of the Budget and the Group's Business Plan and monitors and checks the implementation;
- through Control Management activities, with a specific focus on the progress of the final accounts and on the analysis of deviations, to identify their possible causes while promoting appropriate corrective actions and evaluating the performance of those responsible as part of the Management By Objectives model.

In addition, the **Group Global Strategy** Function, with a view to generating economic, environmental and social value for all stakeholders, ensures the definition of strategic guidelines, positioning and lines of development of the Group's businesses; and the **Corporate Affairs, Communication & Sustainability** Function ensures the definition of the Group's sustainability strategy, from a perspective of generating economic, environmental and social value for all stakeholders, and the development, consolidation and monitoring of related goals and targets.

Independent Auditors

On 21 March 2023, the Shareholder's Meeting of FS SpA approved the assignment of the engagement for the statutory audit of the financial statements of Ferrovie dello Stato Italiane SpA, as well as of its subsidiaries, as from the 2023 financial year to PricewaterhouseCoopers SpA. In accordance with the special applicable provisions of Legislative decree no. 39/10 (article 16 and subsequent), after FS SpA became a Public Interest Entity, the term of the engagement for the statutory audit of the financial statements is nine years (2023-2031).
To preserve the independence of the Independent Auditors, in accordance with Regulation (EU) no. 537/14 and Legislative decree no. 135/2016 on statutory audit of the financial statements, there is a specific procedure, defining the principles and operating methods for the assignment of engagements in addition to statutory audit of the financial statements to independent auditors and/or entities in their network. FS SpA's Board of Statutory Auditors expresses a binding prior opinion on whether the respective Group company should assign additional engagements to the Independent Auditors or entities in the same network.

The Court of Auditors' Magistrate appointed to oversee the financial operations of FS SpA

As from 1 January 2024, as resolved during the meeting of 8 November 2023, the Court of Auditors appointed Section President Piergiorgio Della Ventura to oversee the financial management of the Parent Company.
As resolved during the meeting of 17 January 2024, the Court of Auditors named Valentina Papa as deputy Magistrate to oversee the financial operations of the Company, which had been previously held by Mr. Roberto D'Alessandro.

OTHER CORPORATE GOVERNANCE PRACTICES

The Code of Ethics

The FS Group's Code of Ethics, updated with resolution of the Board of Directors of 28 February 2018, is a "charter of fundamental rights and responsibilities" whereby the Group establishes and clarifies its ethical and social responsibilities and commitments to all internal and external stakeholders. The FS Group's Code of Ethics, which the Group companies are required to adopt via a resolution of the respective BoDs, applies to corporate bodies, managers, employees and everyone who, directly or indirectly, permanently or temporarily, transacts and interacts with Group companies. The Code of Ethics sets out the Group's fundamental values, establishes standards of conduct for each stakeholder category and the implementation and control model for compliance with the Code of Ethics.
The Code of Ethics is widely published on the FS Group's intranet and internet sites and compliance with its provisions is a fundamental part of employees' contractual obligations. Contracts agreed by Group companies also require third parties to comply with its principles.

Processing of corporate information

The processing of corporate information within the FS Group complies with the provisions of Regulation (EU) 569/2014 on Market Abuse (MAR), as amended by Regulation (EU) 2024/2809, aimed at combating market abuse.
In 2024, in accordance with current corporate procedures, activities related to the processing of corporate information, has continued. They started in 2016 with the adoption by FS SpA's Board of Directors of the "Regulation for the internal management and disclosure of insider information and the processing of confidential information" (the Insider Dealing Regulation).
In order to avoid the risk of the company being held liable for conduct by people within it or related to it, arising from the untimely or premature disclosure of data and information of a privileged and/or confidential nature, the Insider Dealing Regulation therefore defines the principles, mandatory conduct, roles and responsibilities for the processing and management of the Group's insider and confidential information, and is directed at parties such as Directors, Statutory Auditors and employees of FS SpA and its subsidiaries, consultants, as well as all those who regularly or occasionally have access to privileged/confidential information (so called insider). In application of the Insider Dealing Regulation and in compliance with MAR, FS has put in place the above procedure, as well as has adopted, from 2018, a "Code of Ethics for the identification of insiders and the notification of transactions involving FS financial instruments undertaken by them" (the "Internal Dealing Code"), which regulates mandatory conduct, roles and responsibilities of persons, such as the members of the BoD, the standing Statutory Auditors and Chief Officers of FS Italiane SpA, as well as all other parties that were identified previously by FS SpA's CEO, that have regular access to insider information directly or indirectly relating to FS SpA, and have the power to make management decisions that affect the company's future direction and outlook. The same obligations also apply to persons closely associated with the parties referred to above.

Organisational, management and control model pursuant to Legislative decree no. 231/2001 (Models 231) and the Supervisory Bodies

The Guidelines for the application of Legislative decree no. 231/2001 within the FS Group of 31 October 2023, which replaced the previous procedures introduced since 2002, promote the adoption and effective implementation of organisational, management and control models to prevent unlawful acts covered by Legislative decree no. 231/2001 by the FS Group companies, and the establishment of a Supervisory Body vested with autonomous powers of action and control.
The aforementioned Guidelines specify the criteria for the composition (either collective or single member based on the complexity of the company) and appointment of the Supervisory Body, as well as the requirements and causes of ineligibility, disqualification and dismissal of its members, as well as the related information flows. With reference to information flows to the supervisory body, in December 2022, FS formalised in a special procedure the roles, responsibilities, frequency and operating procedures of the process of managing these flows.
Moreover, the Guidelines, in addition to the Article of Associations of the Supervisory Body and the relevant section of the General Part of FS's 231 Model, establish that the Supervisory Body is composed of: (i) at least two members from outside the Group, one of whom - meeting the specific requirements of Legislative decree no. 231/2001 - is named Chairperson; and (ii) the head of the Internal Audit Department or of another member from outside the Group. The non-Group member who is not Chairperson may be a member of the Board of Statutory Auditors.
FS SpA's Supervisory Body currently consists of three

external members, Maurizio Bortolotto, with the role of Chairman, Liliana Cataldi and Desirèe Fondaroli and was appointed by the BoD on 20 December 2023 for a term of three years.
FS SpA has set up the 231 Team coordinated by the Compliance Department. The 231 Team's duties include initiating, upon the Supervisory Body's proposal or recommendation, activities for the updating of FS SpA's 231 Model, and preparing, following the Supervisory Body's examination, proposed updates to the Model and ensuring regular reporting to the Supervisory Body.
In addition, in line with best practices, during 2023 FS SpA adopted an International Compliance Program, i.e., a tool for the Group's foreign companies aimed at promoting behaviour based on the principles of loyalty, fairness, honesty and integrity through the definition of measures aim to prevent, mitigate and manage corporate responsibility risks, to be adopted in compliance with the relevant local regulations.
FS SpA's 231 Model[34] (General Part) and the International Compliance Program are published in Italian and English on the "Ethics, Compliance and Integrity" web page of the company's website. It includes sections on the Code of Ethics, the 231 Model, the Anti-Corruption Policy, the ABC system, the Antitrust Compliance Programme, and the Whistleblowing system. Periodic training is carried out on the Model.

Anti-corruption management system and policy

ESRS G1-1 – Business conduct policies and corporate culture

ESRS G1-3 – Prevention and detection of corruption and bribery

The FS Italiane Group acts honestly and lawfully and with fairness when conducting business. In this context, it adopts an Anti-Corruption Framework which defines the architecture of the management system for the prevention of corruption across the FS Group, through:

- documents applicable at Group level: Code of Ethics and Anti-Corruption Policy;
- documents applicable at company level: organisational, management and control model adopted pursuant to Legislative decree no. 231/2001 and Anti-Corruption Management Model[35].

The Anti-Corruption Policy[36] (Policy), the transposition of which is mandatory for all FS Group companies[37], defines and communicates the Group's strategy for preventing and combating corruption, based on the "zero tolerance for corruption" principle, with the aim of:

- standardising and integrating in a unified framework for the Group Companies, both Italian and foreign, the principles and safeguards for preventing and combating corruption;
- raising awareness of the rules and behaviour that Group people, wherever they operate (including abroad), and third parties with whom the Group establishes professional or business relationships (suppliers, business partners, consultants, etc.) are required to observe.

In fact, the Policy, which provides for control principles and standards of behaviour for 14 areas classified as "at risk," also binds third parties who interact with Group Companies. To ensure that it is fully knowable and requires compliance by all recipients, it is published, also in English, on the Companies' websites and intranets and referred to in the formats of contracts with third parties and in the standards of employment contracts through a specific clause.
The Policy provides for cross-cutting control principles and standards of behaviour for 14 areas considered most at risk:

- relations with the public administration (in all its forms);
- relations with third parties;
- business partners, promoters and business consultants;
- gifts and hospitality;
- facilitation and extortion payments;
- relations with political and trade union organizations;
- consultancy, specialist and professional assignments;
- work, supply and service assignments;
- extraordinary transactions;
- personnel selection, recruitment, management and development;
- sponsorships, co-marketing (and/or partnerships), contributions and donations;
- obtaining and managing public or private funding/contributions;
- real estate management;
- accounting records.

The FS Group does not allow any conduct that is contrary to the principles, requirements and prohibitions under the Policy and the applicable anti-corruption regulations, providing, otherwise, for the imposition of disciplinary sanctions and the adoption of contractual remedies.

34 . It should be noted that on 27 February 2024, the updated version of 231 Model was approved by the FS Board of Directors considering the latest legislative developments and changes in the company organization related to the internal control and risk management system.
35. The Anti-Corruption Management Model was published in its first edition (2018) under the name "Anti-Bribery&Corruption management system".
36. The Anti-Corruption Policy was approved on 6 July 2022 by the FS Board of Directors and updated by board resolution on 27 February 2024.
37. FS Italiane Group means the Italian and foreign Companies controlled by FS SpA pursuant to Article 2359, paragraph 1, numbers 1) and 2), of the Italian Civil Code. Italcertifer SpA is not subject to management and coordination.

The Anti-Corruption Management Model (AC Model)[38] implements, at the corporate level, the strategies defined in the Policy, adapting them to the specific legal and operational reference context: through the AC Model, Group Companies identify, also based on targeted risk assessments, their risk areas and the related prevention, control and organisational tools. The AC Model requires, among other things, the conduct of periodic anti-corruption risk assessments and monitoring activities and requires the implementation of specific plans to mitigate any risks and critical issues detected.
The standards of behaviour identified in the anti-corruption documents are transposed into company rules and provisions, to make it more immediate to identify the rules to be observed in the performance of activities and facilitate their application. Company provisions relevant to anti-corruption show the "Anti-Corruption" tag at the opening and identify the recipients (Company, employees and/or third parties) and the relevant process.
Corporate Anti-Corruption functions take care of reporting on the matter to corporate governance and control bodies and internal stakeholders as identified in the AC Model.

ESRS G1-4 – Incidents of corruption or bribery

In 2024 there were no incidents of corruption established by a final conviction, nor were there any fines under Legislative Decree no. 231/2001 imposed on Group Companies.

Whistleblowing reports

ESRS G1-1 – Business conduct policies and corporate culture

The FS Group has a procedure to manage whistleblowing reports concerning the Group sent by people within the FS Group or third parties.
FS SpA adopted the procedure to manage whistleblowing reports, finally updated in 2023 in compliance with Legislative decree no. 24 of 10 March 2023 on whistleblowing, which constitutes a Group direction and coordination measure with direct applicability for Italian subsidiaries and applicability with integration for foreign subsidiaries. The Procedure governs, at Group level, the reception, analysis and processing of reports (including anonymous reports) on any facts that may integrate: (i) violations of the Code of Ethics, and/or of 231 Model, and of the procedures that constitute its implementation and/or of the Anti-Corruption Policy and of the Anti-Corruption Management Model, and/or company rules in any case capable of causing damage or prejudice, even only in terms of image or reputation, to the FS Group; (ii) administrative, accounting, civil or criminal unlawful acts; (iii) unlawful conduct relevant under Legislative Decree no. 231/2001; and (iv) violations of European Union law and additional unlawful conduct pursuant to Legislative Decree no. 24/2023.
The reports can be sent, also anonymously, to the Ethics and Reporting Committee and/or the FS Supervisory Body through the following reporting channels: (i) computerised platform, accessible from corporate websites and company intranet; (ii) regular mail; (iii) electronic mail; (iv) telephone line with automatic response system (Interactive Voice Response) with voice recording and counterfeiting, integrated into the computerised platform and active from March 2024; (v) verbally, by means of a statement made by the whistleblower, at a specific hearing, to the FS Ethics and Reporting Committee/Supervisory Board, recorded in the minutes and signed by the whistleblower.
The computerised platform is the preferred tool for sending and managing reports, as it is best suited to ensure, by means of information technology, the confidentiality of the identity of the Whistleblower and adequate information security measures. Through the platform, it is possible to submit a report, modify or update a submitted report, consult the status of a submitted report, and receive feedback on the follow-up to the report. The platform allows for: (i) separate the identification data of the Whistleblower from the content of the report, providing for the adoption of codes to replace the identification data, so that the report can be processed anonymously; (ii) keep the content of the report confidential during the entire phase of its management, allowing access only to authorised parties; (iii) adopt secure protocols for the transport of data over the network as well as the use of encryption tools for the content of the report and any attached documentation; and (iv) interact with the whistleblower, ensuring his or her anonymity.
The reporting channels, including the access link to the platform, are listed in the Procedure for Management of Whistleblowing Reports and published on the website and on the company intranet in the section dedicated to "Management of whistleblowing reports" (on the website within the page "Ethics, compliance and integrity").

38. The AC Model of FS was published with *"SO_P_Modello di Gestione Anti-Corruption di Ferrovie dello Stato Italiane_n.76"* (Anti-Corruption Management Model of Ferrovie dello Stato Italiane) dated 15 October 2024. As part of the activity of establishing methodological guidelines under the responsibility of the Holding Company, the document "GR_LG_Anti-Corruption Management Model_no.75" was published on 29 August 2024, which provides the Guidelines for the preparation and implementation of the Anti-Corruption Management Model in the FS Group.

The handling of reports is the responsibility of the Ethics and Reporting Committee and/or the Supervisory Body, the latter with reference to reports of potential 231 relevance; both bodies are supported by a structure of the Audit function with specifically trained personnel. In particular, upon receipt of a report through the dedicated channels, the Ethics and Reporting Committee and/or the Supervisory Body, commence, if the prerequisites are met, the relevant information-gathering and assessment work, which must be concluded in a reasonable timeframe. Auditing activities are carried out with the support of Audit - a third-level control function reporting to the Chairman of the BoD - so that appropriate corrective actions can be taken, if necessary, any disciplinary proceedings can be initiated, or other initiatives considered appropriate can be taken. The Whistleblower shall be provided with feedback, within three months from the date of the notice of receipt of the report, through the prescribed communication channels, regarding the action taken or intended to be taken on the report.
All reports concerning one or more Group companies are forwarded to the competent bodies of the company concerned for investigation.
In FS, the following forms of protection of the Whistleblower are provided for: (i) the confidentiality of the identity of the whistleblower is guaranteed from the receipt of the report; (ii) any form of direct or indirect retaliatory or discriminatory measures and conduct adopted against the whistleblower as a result of the report is prohibited (and sanctioned to the extent permitted by the powers and authority of the company), including those omissive, even attempted or threatened, as well as those aimed at third parties related to the whistleblower, such as relatives, colleagues, legal entities owned or worked for by the whistleblowers, who operate in a working environment related to the FS Group. The safeguards described above are guaranteed to whistleblowers even if the report is later found to be unfounded, except in the case of a report made with malice or gross negligence, as well as to personnel who have cooperated in the investigation activities on the reported facts. To ensure that retaliation against the Whistleblower is not carried out even after a period of time has elapsed since the report was made, monitoring of the Whistleblower's work situation is activated for FS Group employees by the Ethics and Reporting Committee/Supervisory Body for a period of two years from the date of the report.
The company also protects the rights of Involved Persons, first by ensuring, to guarantee appropriate confidentiality, that any communication regarding their identity strictly follows the "need to know" criterion.
In 2024, FS carried out a Group-wide whistleblowing information campaign through the publication on the company intranet of an introductory editorial and 5 in-depth articles on the topic and the posting of information posters in headquarters offices and throughout the territory. In addition, a training course on whistleblowing released on an e-learning platform was provided for all Group personnel with a final learning test.
A copy of the procedure is given to employees upon hiring and the same is ensured maximum dissemination through publication in full version on the company intranet and in summary version on the institutional website, both in Italian and English.

Antitrust Compliance Programme

The FS Group, aware of the value of competition (both at a European and national level) as a determining and strategic element of its corporate culture and policy, compliance with which constitutes one of the guiding principles of the Group's Code of Ethics, updated the existing Group Antitrust Compliance Programme (Programme) by DdG (Group provision) no. 69 v.01 of 26 April 2024, "Antitrust Policy of the Ferrovie dello Stato Italiane Group" (Antitrust Policy), in order to make it consistent with the Governance Model of the FS Group in force. The Programme is made up of a series of rules, standards of conduct and activities and is binding for all the Group companies, which are required to apply them in their respective businesses, adopting their own relevant Organisational Communications. In particular, the Antitrust Compliance Handbook and the Antitrust Code of Conduct form an integral part of the Programme, respectively describing the limits imposed by the national and European antitrust laws and setting out in a simple and clear manner the main rules of conduct to be observed by every FS Group employee to ensure full compliance with the antitrust regulations.
Among the pillars of the Programme, we must note the periodic training activity, aimed at raising the awareness of FS Group personnel on antitrust issues.
In implementation of the provisions of the Antitrust Policy, the Responsible Body deals with preparing and administering training of cross-cutting interest to FS Group personnel. For this purpose, it has: (i) prepared and made available to all FS Group companies a mandatory e-learning training course, which sets out antitrust principles; (ii) delivered a training session on competition and public procurement, dedicated to the personnel of the purchasing and procurement functions of FS Group companies. Periodic training dedicated to specific issues of interest to individual Group companies is also delegated to the antitrust functions of the relevant Business Hubs, which may prepare special training seminars.

Related Parties

FS SpA has laid down rules for Related Party Transactions with the aim of ensuring a safeguard to guarantee the transparency and substantive and procedural correctness of such transactions. This initiative is inspired by the principles set forth in Article 2391-bis of the Italian Civil Code, Consob Regulation No. 17221/2010, and the applicable provisions of the MAR, in compliance with IFRS Accounting Standards issued by the International Accounting Standards Board and adopted by the European Union, and of Article 2427 of the Italian Civil Code.

The aforementioned regulations consist of the following documents:

- a Group Policy and an application procedure defining the process for the identification, approval and performance of Related Party Transactions, specifying the principles, roles and responsibilities with which the corporate bodies and company departments of FS and its subsidiaries must comply to ensure the transparency and substantial and procedural fairness of the Transactions;
- a Group PAC governing the administrative and accounting issues of the disclosure of Related-Party Transactions to be rendered in the preparation of the annual and half-yearly financial reports, as well as the information flows to the competent departments responsible for the preparation of the aforementioned documents, to ensure the adequacy and substantial correctness of the financial reporting itself.

Other committees

In terms of its internal organisational profile, FS SpA has set up other committees with steering and support functions for its activities. Their members are appointed on a pro tempore basis from certain company departments. Among the main committees are:

- the **Ethics and Reporting Committee** is a body with an advisory and guiding role within the framework of the principles and rules of the Group's Code of Ethics, as resolved by FS SpA's BoD.
- The Group's **Equal Opportunities Committee** is a bilateral, joint body established under the national collective labour agreement, which has the purpose to promote initiatives and positive actions to offer female workers organisational conditions and a distribution of duties that are more favourable, with a view to facilitating the achievement of a work/family balance. It consists of a national committee and 15 local committees.
- The **FS Group Gender Equality Committee**, which is entrusted with the task of ensuring the definition of the FS Italian Group Gender Equality policy compliant with the relevant legislation, ensuring its effective adoption and continuous implementation.
- The **Sustainability Committee** set up to ensure the integration of social and environmental aspects in the Group's economic/financial strategies and promote the values and principles of sustainable development.
- The **Green Bond Working Committee** set up to identify new projects eligible under FS SpA's Green Bond Framework and monitoring the ongoing fulfilment, for those identified, of the criteria for financing through green bonds.

In addition to the above-mentioned committees, the following are also established: the Credit Committee, the FS Group Supplier Qualification Committee, the Sponsorship and Partnership Committee, the Group Crisis Management Committee, the National Joint Committee on training for the FS Italiane Group/Pilot Committee, and the Capital Allocation Committee.

Protection of human rights

The FS Group promotes the protection of human rights among its stakeholders, thus helping to create a responsible chain in accordance with the United Nations Universal Declaration of Human Rights and the International Labour Organization fundamental Conventions. Specifically, the Group promotes open and inclusive workplaces, it is against any discriminating or harmful behaviour, prevents any form of irregular work and encourages policies that are supportive of personnel's well-being.

In 2017, the FS Group joined the United Nations Global Compact, undertaking to comply with the 10 human rights, labour, environmental and Anti-Corruption principles and integrate them in its business, which integrate and reinforce the Group principles previously established in the Group's Sustainability Policy, the Code of Ethics, the 231 Model, the ABC system and the Anti-Corruption Policy. By joining the Global Compact, the Group has formally undertaken to:

- uphold and comply with international human rights provisions;
- ensure that it is not co-responsible for the misuse of human rights regulations.

Furthermore, in November 2023, the CEO of FS signed the United Nations network's "Businesses for People and Society" Manifesto, in which he pledged to enhance the role of the social dimension of sustainability in corporate strategies - respecting, for example, human rights and labour rights - and to generate value in supply chains.

The Group maintains its commitment to prevent human rights violations of any kind across the entire value chain through:

- the use of standard and specific contractual human rights[39] clauses in contracts with suppliers including the signing of the Group's Code of Ethics, and the introduction of a scoring criterion relating to the supplier's sustainability profile[40];
- the pursuit of better methods for supply chain management thanks to 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, services and works;
- protecting the rights of passengers with disabilities or reduced mobility through assistance services to passengers with physical, sensory, or motor disabilities at 367 stations, guaranteed by the network of Blue Rooms;
- protecting the rights of disadvantaged people who seek shelter at railway stations through the network of help centres at premises of FS inside or near railway stations.

For more details, please refer to the social and governance information in the Consolidated Sustainability Reporting.

39. Regarding the awarding of contracts and the concessions of labour-intensive works and services in particular, the FS Group applies "social clauses", i.e., provisions that oblige to comply with certain social and labour protection standards to promote employment stability of the staff employed.
40. In 2017 RFI SpA started the application of a scoring criterion in tenders, which includes, among evaluation requirements, the respect for human rights; in building on this RFI initiative, work commenced on the "Supply Chain Sustainable Management" project to improve the sustainability profile of FS Group suppliers.

STRATEGIC PLAN 2025-2029

ESRS 2 SBM-1 – Strategy, business model and value chain

ESRS 2 SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model

Following the change of the top management of the FS Holding Company in 2024, the new Strategic Plan of the FS Group for the time horizon 2025-2029 was presented on 12 December 2024 and approved by the Board of Directors of FS SpA on the same date.

The Strategic Plan 2025-2029 forecasts an increase in all key economic indicators to 2029: operating revenues of more than €20 billion, EBITDA of more than €3.5 billion, and net profit of more than €500 million. With approximately €100 billion of investment over the five-year period and nearly €200 billion over ten years, the FS Group's Recovery Plan has been developed with the aim of responding effectively to growing market challenges and, at the same time, enhancing the company's positioning in the transport sector.

The Plan also aims to generate significant benefits for the entire Country System, contributing to economic growth, the reduction of CO_2 emissions and the improvement of citizens' quality of life.

The strategic guidelines that will accompany this programme of business relaunch are:

- Infrastructure upgrading;
- Improving punctuality;
- International expansion;
- Operational efficiency;
- Energy sustainability;
- Safety and innovation;
- Attracting Talent and Resources.

The FS Group's commitment to upgrading the country's infrastructure is being strengthened. The goal is to activate new HS rail lines to connect hitherto unserved territories, so as to increase by 30% the number of people reached by the High- Speed system in Italy. This will be achieved by elevating the FS Group to the frontier of excellence, with the achievement of the best performance ever through improved punctuality for more than 50 thousand trains a year. Added to this will be a travel experience tailor-made to people's needs, with increased passenger satisfaction. No less crucial will be the international footprint, for which passenger volume is estimated to increase by 40%. Operational rules, thanks in part to substantial investments, aim to make attackable operating costs efficient by 5%. In addition, on the sustainability front, more than one Gigawatt of photovoltaics installed by 2029 is looming, and in terms of innovation and safety, the achievement of 100% of the Core Extended network covered by ERTMS by 2040 has been set. Completing the strategic lines is

a clear acceleration of business, with the attraction of new expertise and financial resources needed to ensure continued investment. The business areas of the Strategic Plan 2025-2029 are as follows:

- Rail infrastructure
  More than €50 billion will be invested over the next ten years to enhance the quality of service of the network. A real transformation of the network will also be implemented in the same time frame, thanks to an investment of €60 billion. This financial commitment will contribute to the activation of new technological standards and the evolution of maintenance models as well as the enhancement of station accessibility and dedicated services.

- Road infrastructure
  More than €40 billion of investment is planned over ten years, including €25 billion for new road works on the national perimeter and €15 billion aimed at improving service quality.

- Passenger transport
  Among the objectives of the Plan is also the expansion of the commercial offer, so as to make possible an evolution of the perimeter of passengers carried. In order to ensure a modern, innovative and sustainable service, a major transformation of the fleet is planned through the purchase of new trains and buses with low environmental impact. Over the Plan period, increasing attention will also be paid to passenger transport abroad, with the aim of accelerating the FS Group's international development.

- Freight transport
  Freight transport will also experience a transformation of its business toward a European Freight Forwarder model serving a large and diverse market. Key actions to revitalise the sector include the creation of a single customer interface, the development of an integrated offer, and the activation of partnerships to support multimodal transport.

- Urban
  For the FS Group, the enhancement of all assets that are no longer functional for rail service, and in terms of sustainable development of cities, is also important. This goal is addressable through €1.1 billion of non-functional real estate assets, aimed at the development of real estate projects supporting urban regeneration. Additional investments dedicated to the development of an innovative parking supply are planned, thus promoting intermodality and facilitating access to the rail network.

MAIN EVENTS

Intercompany reorganisation of the real estate business

On 10 January 2024, a deed of demerger by spin-off was entered into pursuant to Article 2506.1 of the Italian Civil Code, involving part of FS assets with assignment to a newly-established beneficiary company named Nuova Sistemi Urbani SpA – subsequently merged into FS Sistemi Urbani - with effect from 15 January 2024, in accordance with the resolution of the Extraordinary Shareholders' Meeting of FS SpA (hereinafter also referred to as Holding FS or FS) of 29 November 2023 and as part of the project for the intercompany reorganization concerning the ownership and management of real estate assets which are not functional to the performance of railway or transport operations. For more details, please refer to Note 4 "Change in the scope of consolidation and extraordinary transactions" of the Consolidated Financial Statements.

Remodulation of FS SpA's shareholders' equity

On 25 March 2024 there was the finalisation of the remodulation of FS SpA's shareholders' equity as resolved upon by the Shareholders' Meeting on 29 November 2023. Specifically, after the legal terms had expired, the voluntary reduction of FS's share capital from €38,579,767,278 (as the amount already resulting from the finalisation of the intercompany reorganisation transaction of FS real estate business) to €31,062,952,307 was carried out, with a simultaneous increase in the legal reserve (up to saturation) and the capital reserve while still maintaining the total amount of FS SpA's shareholders' equity unchanged.

Finalisation of the sale of the former Milanese railway yards Farini and San Cristoforo

On 29 March 2024, there was the finalisation of the sale of the decommissioned Milanese Farini and San Cristoforo railway yards from FS Sistemi Urbani to REDEUS Fund – a closed-end real estate alternative investment fund managed by Prelios SGR SpA -, at a total selling price of €489.5 million. For more information, please refer to the Consolidated Income Statement for the effects already reflected in this Integrated Annual Report.

Transfer of toll road concessions held by Anas

On 4 June 2024, the new in-house company Autostrade dello Stato SpA, wholly owned by the MEF and subject to similar control from the MIT, was established, whose purpose is the operation and construction of state highways under concession, thus implementing the reorganization plan of the highway sector outlined under Decree Law no. 121/2021 as converted, with amendments, by Law no. 156/2021 ("Infrastructure Decree").
Subsequently, Decree Law no. 155 of 19 October 2024, as converted with amendments into Law no. 189 of 9 December 2024 ("Fiscal Decree") set out the terms and conditions of the transaction to transfer the shareholdings held by Anas in toll concession companies to Autostrade dello Stato SpA, identifying the precise scope of the transfer (i.e., the shareholdings in Concessioni Autostrade Venete - CAV SpA, Autostrada Asti-Cuneo SpA, Società Italiana per Azioni per il Traforo del Monte Bianco and Società Italiana Traforo Autostradale del Frejus - SITAF SpA), and establishing the related procedures. In order to strengthen the equity position of Autostrade dello Stato, the rule has in fact allocated the sum of €343 million, for the purpose of transferring the aforementioned shareholdings by means of sale for consideration, which was determined in an amount corresponding to the net book value of recognition of the aforesaid shareholdings in the financial statements of Anas. The transfer transactions are expected to be completed during 2025. For more details, please refer to Note 4 "Change in the scope of consolidation and extraordinary transactions" of the Consolidated Financial Statements.

Sustainability Linked Facility

On 19 June 2024, FS entered into a new committed and revolving credit line, amounting to €3.5 billion and with a term of three years. The credit line, signed by FS with Banca Popolare di Sondrio, BNL-BNP Paribas, BPER, CaixaBank, Cassa Depositi e Prestiti, Crédit Agricole CIB, ING, Intesa Sanpaolo - IMI/CIB Division, and UniCredit, consists of a Sustainability Linked product based on contract clauses providing for mechanisms to revise the margin and commitment fee upon the achievement of targets related to three Key Performance Indicators (KPIs) linked to ESG issues. Specifically, the KPIs relate to (i) the percentage of Capex aligned with the EU taxonomy; (ii) energy intensity understood as the ratio of energy consumption to the Group's operating revenues; and (iii) the increase in the percentage of female employees to total workforce.
Funds from the credit line will be used to meet the Group's liquidity needs and will be allocated through intercompany loans to the subsidiaries that will benefit from them.

Council of State's judgment on appeal for the transfer of the quota in FSE Srl to FS SpA

On 5 August 2024, the Council of State's judgment no. 06983/2024 was published in settlement of the dispute, brought by Arriva Italia Srl, Ferrotramviaria SpA and COTRAP, against MIT Decree no. 248 of 4 August 2016, whereby FS SpA had been identified as the entity to which the investment in FSE Srl, held by MIT until that time, had to be transferred. In said ruling, the Council of State granted the appeal filed by the plaintiffs, resulting in the annulment of the MIT decree of 4 August 2016 in the part in which it identified FS SpA as the entity to which FSE had to be transferred, subject to the disapplication of Law no. 208/2015 in the part in which it provided for the allocation of €70 million in favour of FSE.

As a result of the aforementioned ruling, the conditions set forth in IFRS 10 with respect to the FS Group's control of FSE (i.e., inability to act on FSE's capital) ceased to apply as from 5 August 2024, and, therefore, the company was excluded from the scope of consolidation as from that date. For more details, please refer to Note 4 "Change in the scope of consolidation and extraordinary transactions" of the Consolidated Financial Statements.

On 31 December 2024, FSE lodged an appeal before the Court of Bari for the application of a measure to address corporate crisis and insolvency issues, reserving the right to file the Plan and/or arrangements proposal.

EMTN Programme

On 16 October 2024, FS updated the bond issue programme known as Euro Medium Term Note Programme (EMTN), listed on the Dublin Stock Exchange and reserved for Institutional Investors. The Programme's rating at "BBB" was confirmed by rating agencies Fitch and S&P.

Rating and outlook

On 29 October 2024, Fitch issued its annual assessment of FS' credit rating, confirming the Long-Term Issuer Default Rating of FS Italiane at "BBB/F2", and upgrading the Outlook from "stable" to "positive". Furthermore, Fitch confirmed the Standalone Credit Profile (SACP) of FS at "bbb", in line with that of the Italian Republic.

On 25 November 2024, Standard & Poor's published its annual review of FS Italiane's credit profile, whose ratings are BBB/Stable/A-2 and reflect those of the Italian Republic. The Stand-Alone Credit Profile (SACP) is "bbb".

FS publishes its sixth Green Bond Report

On 6 December 2024, FS published the sixth Green Bond Report, which aims to inform investors about the allocation of proceeds from the Green Bonds issued in July 2019 (Series 10), March 2021 (Series 17), December 2021 (Series 18), July 2022 (Series 19), September 2022 (Series 20), and May 2023 (Series 21 and Series 22), and the related positive impacts that the financed investments generated in terms of environmental sustainability. The Report, which obtained a third-party opinion from KPMG, also provides details useful for compliance of projects funded with the European Taxonomy.

Medium- to long-term financing with Intesa Sanpaolo

On 19 December 2024, FS entered into a four-year loan with Intesa Sanpaolo - IMI CIB for a total of €2 billion. Specifically, the related proceeds will be aimed at financing non-routine maintenance expenditure for the modernization of the railway infrastructure, in full compliance with ESG principles because they relate to projects capable of producing significant environmental and social benefits.

Intesa Sanpaolo - IMI CIB was the successful bidder in a competitive bidding - launched by FS in October 2024 - in which eight domestic and international banks participated, whose total bids reached a record amount of €4.65 billion.

The new loan has an innovative structure, since it benefits from an autonomous first-demand guarantee issued by SACE on 50% of the financed expenses - amounting to €1 billion -, which were found to be eligible for recourse to the so-called "Archimede guarantee", as provided for by Law no. 213 of 30 December 2023. This guarantee covers infrastructure and production investments made in Italy, promoting the growth and competitiveness of Italian companies and the national economic system.

The transaction will enable the extension until January 2029 of the maturity of the short-term loan agreement - of the same amount – entered into with Intesa Sanpaolo on 25 July 2023, maturing on 20 January 2025.

THE GROUP'S PERFORMANCE

THE GROUP'S FINANCIAL POSITION AND PERFORMANCE

For the purposes of describing its financial position and performance, the FS Group prepared reclassified financial statements (statement of financial position and income statement) in addition to those required by the IFRSs issued by the International Accounting Standards Board and adopted by the European Union and by the Group. The reclassified financial statements comprise performance indicators, which management deems useful in monitoring the FS Group's performance and in presenting the financial results of the business. The methods used to construct these indicators are given in the previous section on "Key and Glossary."

In order to enable a better understanding of the Group's financial performance in the financial year and of the changes compared with the previous year, it was deemed appropriate to provide separate evidence of the differences in the perimeter due to the line-by-line consolidation of FS Treni Turistici Italiani Srl from December 2023, the Exploris group companies from 1 January 2024, and Italia Loyalty SpA from 30 April 2024, as well as of the impact generated by the deconsolidation of Ferrovie del Sud Est Srl and Servizi Automobilistici Srl from 5 August 2024. For more details, please refer to Note 4 of the Consolidated Financial Statements.

Consolidated income statement

millions of euros

	2024	2023	Change	%	Change in consolidation scope	Change on a like-for-like basis	%
REVENUE	**16,529**	**14,804**	**1,725**	**12**	**(242)**	**1,483**	**10**
OPERATING COSTS	**(14,288)**	**(12,576)**	**(1,712)**	**14**	**120**	**(1,592)**	**13**
GROSS OPERATING PROFIT (LOSS) (EBITDA)	**2,242**	**2,228**	**14**	**1**	**(122)**	**(109)**	**(5)**
Amortisation, depreciation, provisions and impairment losses	(1,898)	(1,890)	(8)	(0)	15	7	0
OPERATING PROFIT (LOSS) (EBIT)	**343**	**338**	**5**	**2**	**(108)**	**(102)**	**(30)**
Net financial income (expense)	(505)	(213)	(292)	(137)	4	(288)	(135)
PRE-TAX PROFIT (LOSS)	**(162)**	**125**	**(287)**	**(>200)**	**(104)**	**(390)**	**(>200)**
Income taxes	(46)	(25)	(21)	(84)	4	(17)	(68)
PROFIT (LOSS) FROM CONTINUING OPERATIONS	**(208)**	**100**	**(308)**	**(>200)**	**(100)**	**(408)**	**(>200)**
PROFIT (LOSS) FOR THE PERIOD	**(208)**	**100**	**(308)**	**(>200)**	**(100)**	**(408)**	**(>200)**
Profit (loss) for the period attributable to the owners of the parent	*(198)*	*137*					
Profit (loss) for the period attributable to non-controlling interests	*(10)*	*(37)*					

Against an operating profit posted in 2024 and in line with the previous year, the impact of financial and tax management resulted in **a net loss for the period** of -€208 million (+€100 million of profits recorded in 2023).

The **gross operating profit (EBITDA)**, equal to €2,242 million, showed an increase of €14 million (+1%) which, net of effects of the change in the consolidation scope described above, would have been in any case €2,120 million, with a negative percentage change of 5%.

Revenue increased by €1,725 million (+12%) as a result of the rise in Revenue from transport services for €818 million, Revenue from infrastructure services for €402 million and Other revenue from contracts with customers for €641 million, against a reduction in Other revenue and income for a total of €136 million.

Specifically, **Revenue from transport services** (+€818 million):

- Revenue from the HS and Intercity rail business showed a total increase of €148 million, with the commercial HS service up +€157 million and the Intercity service down -€9 million. Revenue from the national HS business rose by €74 million (+4%), correlated with higher demand volumes of +2.7%, with an equal increase of +4.2% in train-km output; to this increase must be added €89 million generated by Intermodalid de Levante, operating in the HS business between Madrid and other major Spanish cities, partially offset by a decrease of €7 million recorded by Trenitalia France due to a decrease in supply. Intercity business recorded a decrease which was also related to a reduction in international cross-border services;
- Revenue from Regional rail passenger service increased by a total of €398 million, +€404 million domestically and -€6 million internationally. In the Italian market, Trenitalia's Regional Business recorded higher traffic revenues (+€48 million) due to both an increase in passenger-km (+1.4% compared to 2023) and an increase in revenues under service contracts with Regions and Autonomous Provinces (+€378 million), due to the trend dynamics of the Service Contracts and an increase in contractually agreed fees; abroad, there were higher revenues in the German and Greek markets (+€33 million and +€4 million, respectively) against lower revenues in the English market (-€43 million);
- Revenue from bus transport increased by €22 million, of which +€28 million in the international market and -€6 million in the domestic market;
- Revenue from rail freight showed a positive change of €156 million (+17%), essentially attributable to the change in the scope of consolidation, with the entry of the Exploris Group;
- Revenue from navigation showed a decrease of €1 million.

Revenue from transport services, moreover, benefitted from a positive change generated in 2024, in the amount of €95 million (in addition to financial charges of €13 million), related to the negative impact reported in the previous year, resulting from the final Decision taken by the European Commission in relation to the investigation procedure concerning the public service obligation compensation that the Italian Government awarded to Trenitalia in the period from 2000 to 2014.

Revenue from infrastructure services increased by €402 million compared to 2023 (+9%). The change is mainly attributable to Anas (+€319 million), reflecting the trend in service and concession fees linked to road traffic, and to RFI, which recorded an increase in revenue from services under concession on the railway infrastructure (+€90 million), attributable essentially to the improvement works carried out on the Ferrovia Centrale Umbra and the takeover of the management of the Turin-Ceres and Canavesana railway lines as from 1 January 2024, as well as to higher toll revenues due to both an increase in tariffs (ISTAT revaluation) and higher traffic volumes (+€15 million).

Other revenue from customer services showed an increase of €641 million (+131%) compared to 2023, which was mainly due to:

- the disposal of the Farini railway yard carried out by FS Sistemi Urbani SpA within the framework of the Programme Contract signed with the Municipality of Milan, at the selling price of €473 million, netted for €71 million by the performance obligations under the contract. The capital gain on the transaction carried out by the Group amounted to €143 million, as a result of the changes in inventories of land and buildings for trading (-€126 million), the cost related to the transfer of 50% of the capital gain back to the Municipality of Milan (-€108 million), and the maintenance costs already incurred under the contract (-€24 million), as well as the related financial charges (+€1 million);
- the increase in revenues from services offered to Railway Companies and services ancillary to traffic (+€135 million);
- higher revenues from services finally reported on the Riyadh Metro contract (+€52 million);
- the increase in "Work on behalf of third parties" (+€28 million) mainly attributable to the recognition of revenues related to the supply of the new State-owned hybrid trains from NRRP funds;
- the increase in revenues from contract work in process (+€7 million).

The residual decrease in **Other revenue** (-€136 million) mainly reflects the reduction in revenue from grants allocated by the MEF to support rail and road transport (-€52 million) and rail infrastructure (-€149 million), partially offset by higher grants paid by the MIT to cover charges for the maintenance and safety of the road network (+€28 million). The item also includes the positive impact of the deconsolidation of FSE (+€127 million), the recognition of higher revenues from white certificates accrued against the achievement of energy savings (+€15 million), offset by lower releases of provisions for risks (-€67 million) and lower capital gains (-€21 million).

Operating costs stood at €14,288 million, up by €1,712 million (+14%) compared to 2023. The change in the consolidation scope had an impact consisting of higher costs recognised for €120 million on this increase. Consequently, net of this change, the increase would be lower and equal to €1,592 million (+13%). Specifically:

- net personnel expense increased by €589 million (€576 million, net of the change in the consolidation scope), due to the higher costs for personnel on permanent employment contracts, mainly linked to both the increase in average workforce and the increase in the unit cost of labour following the renewal of contract and supplementary allowances (+€327 million), and higher "Accruals and releases" (+€190 million), mainly due to higher provisions for labour litigation, early retirement incentives and other contractual requirements;
- other net costs increased by €1,123 million, with an amount of €107 million due to the change in the consolidation scope, and are mainly related to: (i) higher costs for raw materials and consumables (+€59 million), mainly due to higher consumption of materials on investment and operating projects, as well as due to the National Workshops' increased production of frogs, switches, insulating joints, glued joints and equipment; (ii) higher costs for electricity and fuels for traction (+€217 million), substantially due to the increase in the compensatory allowance regulated by RFI's Special Tariff Scheme, whose particular calculation algorithm, as resolved on by the Electricity Market Regulatory Authority (ARERA), is related to retroactive parameters depending on the price of energy, partially offset by the reduction in the average annual price of the cost of energy; (iii) higher change in inventories of land and buildings for trading (+€147 million), mainly related to the already mentioned disposal of the Farini railway yard; (iv) higher costs for services (+€797 million), in particular maintenance (+€341 million) and transport services (€113 million); (v) greater capitalisations (-€223 million) related to the value of capitalised costs for materials, personnel, IT and transport.

The **Operating profit (EBIT)** amounted to €343 million, showing an improvement of €5 million (+2%) compared to 2023.

The **Net financial expense**, showing a net balance of €505 million, reported a deterioration of €292 million compared to the previous year, due to:

- the increase in financial income (+€22 million), mainly attributable to: i) higher financial income due to the recognition of accrued interest (+€21 million) on the financial receivable from FSE (for more details, please refer to Note 4 of the Consolidated Financial Statements); ii) higher interest income from factoring and consumer credit (+€14 million); iii) higher interest on bank and postal accounts (+€11 million); iv) lower financial income on derivatives (-€17 million); and v) the 2023 balance including the effect of discounting of the financial receivable from MIT (formerly Strada dei Parchi) (-€12 million);
- the increase in financial expense (+€241 million), mainly attributable to: (i) the write-down of the financial receivable from FSE following the judgment of 5 August 2024 for €155 million, and related interest of €21 million as mentioned above; (ii) the release of the provision for equity investment risks recorded in the 2023 financial statements and relating to Stretto di Messina (€49 million); (iii) the increase in interest rates to service the new debt disbursed at a higher rate than the loans outstanding at December 2023 (+€34 million);
- the lower share of profits and losses from equity-accounted investments (+€73 million), as a combined effect of higher results achieved compared to the previous year by CAV SpA (+€11 million), Sitaf SpA (+€ 13 million), Tper Scarl (+€ 9 million), FNM SpA (+€ 12 million), Trenord Srl (+€11 million), Metro 5 (+€ 7 million) and Stretto di Messina SpA (+€ 5 million), and the write-downs made on Anas concessionaires (-€ 131 million). For more details, please refer to Note 4 of the Consolidated Financial Statements).

Income taxes for the period showed an increase of €21 million, mainly as a result of higher IRAP (Regional Production Activity) and IRES (Corporate Income) tax recognised in the period (+€18 million).

Reclassified statement of financial position

millions of euros

	31.12.2024	31.12.2023	Change
ASSETS			
Net operating working capital	(2,480)	(2,095)	(385)
Other assets, net	5,683	4,245	1,438
Working capital	**3,203**	**2,150**	**1,053**
Net non-current assets	54,148	53,827	321
Other provisions	(2,445)	(2,730)	285
Net assets held for sale	342		342
NET INVESTED CAPITAL	**55,248**	**53,247**	**2,001**
COVERAGE			
Net current financial (position) debt	2,111	(908)	3,019
Net non-current financial (position) debt	11,385	12,066	(681)
Net financial position	**13,496**	**11,158**	**2,338**
Equity	**41,752**	**42,089**	**(337)**
COVERAGE	**55,248**	**53,247**	**2,001**

The Group's **Net invested capital**, amounting to €55,248 million, increased by €2,001 million in 2024 as a result of the increase in **Working capital** (+€1,053 million), and in **Net non-current assets** (+€321 million), as well as of the decrease in **Other provisions** (+€285 million) and the increase in Net assets held for sale (+€342 million).

Net operating working capital, which stood at a negative amount of €2,480 million, was down by €385 million compared to the previous year, and mainly derived from:

- higher trade payables (-€233 million) arising in particular from: higher works performed during the year in relation to investment projects on the rail, road and freeway network (for a total of -€451 million); Trenitalia's payment of the debt to the State for the recovery of the aid found to be incompatible in the freight sector (+€108 million); higher down payments (-€92 million) related to the disposal of the Farini railway yard and the purchase of rolling stock for intercity services with NRRP funds, as well as from the normal dynamics of payments for the period (+€179 million);
- lower inventories (-€56 million), mainly attributable to the sale of land and buildings for trading (-€157 million), including in particular the transaction relating to the Milan Scalo Farini railway yard areas mentioned above, and higher inventories of raw materials and consumables (+€103 million) due to the increase in production at the National Workshops in Bari, Pontassieve and Bologna;
- lower receivables related to Service Contracts (-€108 million) from the Regions and the MEF due to the dynamics of their rebalancing and as a result of FSE leaving the scope of consolidation.

Other assets, net, which amounted to €5,683 million, showed an increase of €1,438 million, which substantially arose from the combined effect of:

- higher net receivables from the Ministry of Economy and Finance (MEF), the Ministry of Infrastructure and Transport (MIT) and other Italian government bodies/administrations (+€1,200 million), for the accruals-based accounting of new grants and collections for the year, net of the change in advance payments allocated to the projects that have been started;
- an increase in net VAT receivables (+€22 million);
- higher net other receivables and payables (+€198 million), mainly due to higher receivables from the Regions accrued against NRRP grants, recognized for the commissioning of new rolling stock by Trenitalia.

Net non-current assets, which stood at €54,148 million, increased by €321 million, substantially due to:

- the increase in investments for the year, equal to €13,293 million, offset by the set-up grants recognised on an accruals basis, equal to €10,709 million and by amortisation and depreciation of €1,782 million;
- the change in property, plant and equipment and intangible assets as a result of the change in the scope of consolidation (+€34 million), mainly related to the consolidation of the Exploris group as from 1 January 2024;
- disposals and divestments (-€24 million) and

impairment losses (-€52 million), mostly related to regional and intercity rolling stock that was found to be obsolete;
- reclassifications (+€17 million), which were made during the period and mainly related to changes in the intended use of the areas concerned;
- the decrease in the value of equity-accounted investments and other minority investments at fair value (-€453 million) mainly due to the write-down and reclassification to assets held for sale of Anas's concession companies (-€473 million), as described in more detail below, and to the aforementioned consolidation of the Exploris group (-€55 million), the effects of which were partly offset by the results achieved by investee companies (+€81 million).

Other provisions decreased by €285 million, attributable to: a reduction in post-employment benefits and other employee benefits (+€94 million), mainly due to the payments to outgoing personnel in the year, and the advances paid, as well as the change in actuarial gains; a reduction in other risk provisions (+€187 million) as a result of both the updating of the analytical assessment of the riskiness of litigation with respect to the property, civil, labour and employment law segments of disputes concerning works and concession arrangements, and the successful conclusion of civil litigation for the Group against third parties; the change in the provision for deferred tax assets and liabilities (+€5 million) resulting from new temporary differences and the releases generated by Group companies during the year.

Net assets held for sale, amounting to €342 million, refer to the value of Anas' concessionary equity investments (Concessioni Autostradali Venete - CAV S.p.A., Autostrada Asti-Cuneo S.p.A., Società Italiana per Azioni per il Traforo del Monte Bianco and Società Italiana Traforo Autostradale del Frejus S.p.A. - SITAF) which, following Decree Law no. 155 of 19 October 2024, will be transferred to Autostrade dello Stato SpA. The equity investments were recorded at the lower of the transfer value (€342 million, as established by Law no. 189/2024) and the net book value as at the reporting date (€473 million), generating the recognition of an impairment loss of €131 million.

millions of euros

Net financial position	31.12.2024	31.12.2023	Change
Net current financial (position) debt	**2,111**	**(908)**	**3,019**
Cash pooling accounts	(225)	(233)	8
Fifteen-year grants from the MEF to be collected	(11)	(11)	
Loans and borrowings from other financial backers	5	11	(6)
Bank loans and borrowings	4,464	3,783	681
Bonds	1,598	456	1,142
Concession assets	(3,325)	(3,314)	(11)
Contract advances	609	577	32
Current financial liabilities	254	216	38
Current derivatives	(13)	(43)	30
Other	(1,245)	(2,350)	1,105
Net non-current financial (position) debt	**11,385**	**12,066**	**(681)**
Fifteen-year grants from the MEF to be collected	(83)	(94)	11
Loans and borrowings from other financial backers	3	3	
Bank loans and borrowings	1,939	1,622	317
Bonds	7,716	9,107	(1,391)
Concession assets	(90)	(235)	145
Contract advances	1,223	1,220	3
Non-current financial liabilities	778	713	65
Non-current derivatives	(3)	(45)	42
Other	(98)	(225)	127
Total	**13,496**	**11,158**	**2,338**

The **Net financial position** showed a net debt of €13,496 million and recorded an increase of €2,338 million on 31 December 2023, essentially due to the net effect of:

- the net decrease in other financial assets and liabilities (+€1,232 million), mainly due to lower cash and cash equivalents (+€1,104 million) due to the use of financial resources realised in December 2023 and used in 2024; for the write-off of credit and debit positions, net of the related provision for bad debts, that Anas had with Strada dei Parchi SpA and then reclassified, as at 31 December 2023, to MIT, settled in accordance with Article 14-bis, paragraph 3, of Law 191/2023 (+€101 million);
- the net increase in bank loans and borrowings (+€998 million), mostly due to higher borrowing (+€2,080 million) aimed at supporting the railway infrastructure development and modernization plan of the FS Group, mainly through sustainable finance schemes (a new sustainability-linked revolving credit facility and ESG Loan with Intesa Sanpaolo - IMI CIB), offset by repayments for the period (-€831 million) and the decrease in factoring transactions by the Group (-€269 million);
- the decrease in financial assets for service concession arrangements (+€134 million), determined by the net effect of the decrease generated by receipts for the financial period for reimbursements from Ministries/ Authorities and the increase in receivables due and payable in relation to the amount of production realised on the infrastructure under concession, mainly roads;
- the decrease in bonds (-€249 million), mainly attributable to repayments for the period (-€354 million), offset by the subscription of new bonds under the EMTN Programme and fully subscribed by the EIB (+€100 million) at a floating rate and a term of 12 years. The operation consists of the second tranche of the amount approved by the EIB to finance Trenitalia's purchase of hybrid trains dedicated to regional service;
- the increase in financial liabilities for leases (+€103 million) as a net effect of the registration of new contracts, repayments, debt valuations for the financial period and the aforementioned entry of the Exploris group into the scope of consolidation;
- the net decrease in derivative assets (+€72 million) as a result of the fair value measurement carried out as at 31 December 2024, due to the trend in hedged rates during the reporting period;
- the increase in advances for works to be realised (+€35 million) in relation to the share of grants already collected against works still to be carried out related to Anas SpA;
- the decrease in the financial receivable from the MEF (+€11 million) due to the collection of the period;
- a decrease in the cash pooling balance (+€8 million), which comprises the payments made by the MEF in accordance with the Programme Contract for railway infrastructure, linked to the discrepancy between the timing of collection of state resources and the related payment to suppliers, in particular works contractors;
- the decrease in payables to other lenders (+€6 million), mainly due to the repayment of the loan to CDP.

Equity amounted to €41,752 million, showing a decrease of €337 million, mainly as a result of:

- the loss for the year (-€208 million), including the share attributable to non-controlling interests;
- the change in valuation reserves on derivatives – Cash Flow Hedge and discounting of post-employment benefits (-€57 million);
- the write-down of FSE's receivable claimed from the MIT (-€70 million), following the Council of State's judgment of 5 August 2024.

It should also be noted that, in execution of the transaction to carry out a remodulation of the equity of FS SpA, as resolved on by the Shareholders' Meeting held on 29 November 2023, the reduction in the share capital of FS SpA was finalised on 25 March 2024, pursuant to Article 2445 of the Italian Civil Code; therefore, the share capital of FS SpA decreased from €38,579 million to €31,062 million, with a simultaneous increase in the legal reserve (up to its replenishment) and the capital reserve. This transaction therefore keeps the amount of FS SpA's equity unchanged.

SUSTAINABLE FINANCE

The Group has decided to finance projects that contribute to the improvement of the Group's performance through the following sustainable finance instruments:

- **Green bonds:** the FS Group has developed its own Green Bond Framework, in line with the International Capital Market Association's Green Bond Principles and aligned with the EU taxonomy, and has established a Green Bond Working Committee to implement and update the Green Bond Framework, with specific regard to the identification and evaluation of eligible green projects. Green bonds are issued under the EMTN Program and the Green Bond Framework, with the aim of properly targeting and enhancing the sustainability profile of the FS Group among investors, thus improving and diversifying access to the capital market. From 2017 to 2024, nine Green Bonds were issued for a total of €5.55 billion, including three Green Bonds subscribed by the EIB between 2021 and 2023 for a total amount of €1.05 billion. With these green issues, FS has financed investments for new rolling stock for regional and high-speed passenger transport, electric locomotives and wagons for freight transport, modernization and retrofit of electric trains, passenger coaches and existing wagons with zero direct CO_2 exhaust emissions, and high-speed rail infrastructure;
- **Revolving Credit Facility:** the Revolving Credit Facility (RCF) is a committed credit line (currently €3.5 billion) made available by a large pool of banks, the cost of which is linked to specific KPIs in the matter of ESG (Sustainability Linked). From 2024, the KPIs relate to investments aligned with the European taxonomy, the Group's energy efficiency, and the gender gap. Upon achieving the contractually-agreed targets, FS can benefit from inherent savings in interest and fee expenses related to the use of the credit line. Symmetrically, if one or more targets are not met, FS will incur higher interest and commission expenses;
- **Green Loan:** FS has entered into bilateral green label bank loan agreements in recent years. Of these, a loan of €100 million is still outstanding, which is intended for RFI's rail High-Speed investments;
- **ESG Bond:** the supranational body Eurofima has signed seven bond placements aimed at refinancing investments, fully aligned with the EU taxonomy, i.e., electric rolling stock used for public passenger transport; in addition, the European Investment Bank (EIB) has signed two private placements under the EMTN program of FS, aimed at financing hybrid trains, a type of investment aligned with the EU taxonomy;
- **ESG Loan:** in 2024 FS negotiated two bilateral loans with ESG profile. The first one of €100 million, entered into with Banco BPM, provides for a mechanism for indexing the interest cost with the same KPIs included in the RCF. On the other hand, the second one of €2 billion, entered into with Intesa Sanpaolo, is aimed at financing investments aligned with the EU taxonomy inherent to the construction and/or modernization of the electrified rail network.

RECONCILIATION AS AT 31 DECEMBER 2024 AND 2023

Reconciliation as at 31 December 2024 and 2023 and for the years then ended between profit (loss) for the year and equity in the separate financial statements of Ferrovie dello Stato Italiane SpA and the FS Group's consolidated financial statements.

millions of Euros

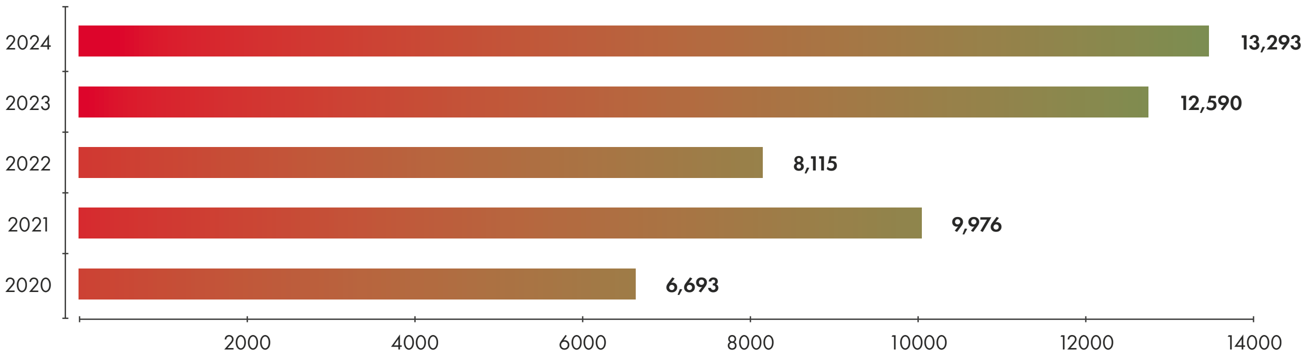
	31 December 2024		31 December 2023	
	Equity	Profit for the year	Equity	Profit for the year
Separate financial statements of FS Italiane SpA	40,623	431	40,191	201
Profits (losses) of consolidated investees since acquisition, net of dividends and impairment losses:				
- portion of current and previous years' profits attributable to the owners of the parent	1,940	(212)	2,447	144
- elimination of impairment losses on equity investments	717	183	608	141
- reversal of dividends	(4)	(428)	(4)	(257)
Total	**2,653**	**(457)**	**3,051**	**28**
Other consolidation adjustments:				
- equity accounting of investments in unconsolidated subsidiaries and associates	138	(51)	219	100
- reversal of intragroup profits	(1,093)	(97)	(996)	(112)
- reversal of taxes arising on tax consolidation	(261)	(131)	(130)	(80)
- other	(203)	107	(197)	
Total	**(1,419)**	**(172)**	**(1,104)**	**(92)**
- Valuation reserves	(286)		(234)	
- Translation reserve	(9)		(4)	
EQUITY ATTRIBUTABLE TO THE OWNERS OF THE PARENT	**41,562**	**(198)**	**41,900**	**137**
- Equity attributable to non-controlling interests (excluding profit for the year)	200		226	
- Profit attributable to non-controlling interests	(10)	(10)	(37)	(37)
EQUITY ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	**190**	**(10)**	**189**	**(37)**
TOTAL CONSOLIDATED EQUITY	**41,752**	**(208)**	**42,089**	**100**

INVESTMENTS

In a global macroeconomic environment where world economy has continued to grow, albeit moderately, the FS Group has managed to give continuity to investment development actions and maintained in 2024, in line with the trend initiated since 2012, an Investment/Amortisation and Depreciation ratio which was always above 1, thus ensuring not only the replacement of capital that becomes obsolete from year to year, but also a constant growth in order to support development and renewal in the transport, infrastructure and logistics sector.

In brief, total expenditure for investments made by the Group in 2024 amounted to €13,293 million, of which €2,584 million raised through self-financing and €10,709 million from government grants, showing an increase of about 6% on the same figure at the end of 2023.

Millions of euros



The FS Group continues to be among the leading investors in Italy and to support development and renewal in the transport, infrastructure and logistics sector. In 2024, it developed and managed capital expenditure[41] of €17,559 million (€16,423 million in 2023, up by 7%), 96% of which were in Italy, composed as follows:

- around 84.8% of the accounting entries refers to Infrastructure. Specifically, the Group invested €11,273 million in the Rail Infrastructure, in the context of which RFI's projects accounted for €10,715 million. For the Road Infrastructure, Anas made investments of €3,625 million;
- approximately 12.8% of investments focused on the Passenger transport for projects dedicated to the transport of passengers by rail and road. Specifically, Trenitalia reported investments of €1,831 million and the Busitalia Group for €282 million while the remaining companies operating abroad (Netinera, Trenitalia C2C, Trenitalia UK, Trenitalia France, ILSA and Hellenic Train) reported investments of €112 million;
- about 1.7% refers to the Freight segment for projects both in Italy and abroad, with a total volume that stood at €297 million;
- about 0.7% is related to the Urban segment (FS Sistemi Urbani, FS Park) and to the companies providing services across the Group (FS Technology, Ferservizi, FS Security).

For a description of the major investments made by each Business Sector in 2024, reference should be made to the chapter on the "Performance of the Business Sectors".

With regard to environmentally sustainable investments, as defined by Regulation (EU) 2020/852 and related delegated acts[42], supported by the FS Group, please refer to the paragraph on "EU Taxonomy disclosure" in the chapter on "Consolidated sustainability report."

41. In addition to the Consolidated Investments described above, Capital Expenditure – as defined in the paragraph on "Key and Glossary" - also includes the investments accounted for in accordance with IFRIC 12 for Anas SpA and FSE SpA (for about €3.6 billion) while the remainder is comprised of the investments of special-purpose entities not consolidated on a line-by-line basis (e.g.: TELT, BBT, etc.).

42. Delegated Regulation (EU) 2021/2139 - Climate Delegated Act; Delegated Regulation (EU) 2021/2178 - Disclosure Delegated Act; Delegated Regulation (EU) 2022/1214 - Complementary Climate Delegated Act; Delegated Regulation (EU) 2023/2485; Delegated Regulation (EU) 2023/2486 - Environmental Delegated Act.

Focus on NRRP

Following the request for the revision of the National Recovery and Resilience Plan (NRRP) and the positive opinion of the European Commission, the revision of the Italian NRRP was approved in December 2023, whose allocated resources have been increased from €191.5 billion to €194.4 billion (including €71.8 billion in non-refundable grants and €122.6 billion in loans). The remodulation of the NRRP involved, on the one hand, the revisiting of investment lines in terms of amounts and projects, and on the other hand, the inclusion of a new mission, namely mission 7 related to REPowerEU. As a result of this remodulation, the funds allocated to Italy increased from €236.1 billion to €239.0 billion, including €194.4 billion under the NRRP, €14 billion under React EU and €30.6 billion under the Complementary Fund.
For more information on relevant regulations, reference should be made to the chapter on "Legal and regulatory framework".

At 31 December 2024, an amount of about €25.13 billion of NRRP and NCP (National Complementary Plan) funds had been allocated to the FS Group companies - as implementing and responsible parties for the interventions -, accounting for about 11% of the resources made available to Italy, mainly for the development and maintenance of the rail infrastructure and road network, renewal of the vehicle fleet, and research projects.

The funds allocated as implementing/contractor entities can be broken down as follows:

RFI is the Group's implementing party for about €22.73 billion (equal to about 90% of the total allocated to the Group), followed by Trenitalia with €1.23 billion, Anas with €0.47 billion, and other Group companies with €0.7 billion. Below are some main examples of works financed with NRRP funds:

- the development of High-Speed rail throughout the country and the simultaneous upgrading of transport on a regional basis, which aim to increase local deployment;
- the modernisation of the railway system through the development of the European Rail Traffic Management System (ERTMS);
- reinforcement of intermodality and last-mile connections, with special attention to the modernisation of connections on ports and airports;
- partial renewal of the railway rolling stock for regional and IC service, freight fleet and buses.

To the funds mentioned above must be added €0.22 billion for which the FS Group companies play the role of intervention manager, the implementing party of which is identified in the extraordinary commissioners of the 2009 - 2016 earthquake, for a total amount of €0.22 billion, €0.19 billion of which are attributable to Anas and €0.03 billion to RFI.

As of December 2024, the FS Group has reached all the European milestones set out in the NRRP equal to 7 (including 4 milestones related to RFI and 3 to other companies) and had reported a final amount of €12.11 billion, equal to about 48% of the allocated resources. The final amount reported in 2024 was higher than the planning envisaged for the year.
Since August 2024, technical teams have been formed between the competent ministries and FS/RFI on the status of implementation of the RFI NRRP and with specific focus on the projects identified as being most critical.

RFI's role in the success of the Plan is of primary importance, with interventions under its responsibility for a total of €22.73 billion; below is summarised the status of implementation of major projects under Mission 3 "Infrastructure for Sustainable Mobility":

- Measure 1.1 HS railway connections with the south for passengers and freight: the final Target of June 2026 is 119 kilometres and some lots of the Naples-Bari route, the Palermo-Catania route and the Salerno-Reggio Calabria route, all of which are currently under construction, will contribute to achieving it.
- Measure 1.2 HS lines in the north connecting it with Europe: the final Target of June 2026 is 165 kilometres and the Single Project interventions on the Genoa hub and Third Giovi Pass, Rho-Gallarate 1st phase upgrading, Milan-Pavia 1st phase upgrading, Brescia-Verona and Verona-Bivio Vicenza, all under construction at 31 December 2024, will contribute to achieving it.
- Measure 1.3 Diagonal connections: the final Target of June 2026 is 27 kilometres, and the lots of Genga-Serra S. Quirico, PM228-Albacina, odd-numbered interconnection with Lot 1a Battipaglia-Romagnano, and the Grassano-Bernalda priority lot, for which the European milestone of awarding the works was attested in March 2024, will contribute to achieving it.
- Measure 1.4 Introduction of the European Rail Traffic Management System (ERTMS): the measure includes two targets, an intermediate target of 1,400 km by June 2025 and a final target for a total of 2,785 km by June 2026. Work has been completed on 150 km of ERTMS-implemented lines, and on all basic designs, and application contracts for execution (total or partial) have been entered into on most of the affected lines; in particular, a total of 124 application contracts have been concluded to date between design activities, execution, and advance material supply.
- Measure 1.5 Upgrading metropolitan railway hubs and key national connections: the measure has two targets, the intermediate Target is 700 km by December 2024 while the final Target of June 2026 is 1,280 km of interventions on strengthening the infrastructure and technology of the metropolitan hubs and main lines, which are all in the process of being implemented.
- Measure 1.6 Upgrading regional lines: the interventions included in the measure are all in the process of being implemented.
- Measure 1.7 Upgrading, electrification and improved resilience of the railways in the South: the measure has two targets, the intermediate Target of 172 km attested in December 2023 and the final Target of June 2026 is 1,162 km of upgrade and resilience interventions in the south. Negotiation and implementation of interventions are in progress on the main projects included in the Measure.
- Measure 1.8 Improving railway stations in Southern Italy: the target is 38 completed stations, including in "partial" areas of intervention by June 2026. As at 31 December 2024, the intermediate Target had been achieved with the completion of the redevelopment of 10 stations, and design activities were underway on 12 stations, and interventions were in progress on the remaining 16 stations.
- Measure 1.9 Inter-regional connections: the measure provides for the implementation of the following

interventions: Upgrade and rehabilitation of Orte - Falconara section, under negotiation; Upgrade and rehabilitation of Battipaglia – Potenza section, under construction; Upgrade and technological enhancement of the Palermo - Catania Historic Line, under construction; Upgrade and rehabilitation of Milan – Genoa section, under construction, and includes two targets, an intermediate target of 70 km by December 2025 and a final target for a total of 221 km by June 2026.

Other Group companies are appointed as implementing entities of first and second level and responsible for the intervention for total funds of €1.57 billion. The main implementing entities are described below.

Trenitalia is the implementing entity for a total NRRP funds of approximately €1.23 billion, of which:

- €0.59 billion within the Mission 2 "Green Revolution and Ecological Transition", component 2 for the "Renewal of the bus fleet and green trains – trains" intervention line:
  - renewal of the fleet of trains for regional transport: all the application contracts have been signed for the regions that have designated the company as the implementing entity; at 31 December 2024, 35 out of 38 planned trains had been delivered in accordance with the EU milestone;
  - renewal of the fleet of trains for Intercity transport in the South: application contracts have been signed for 7 hybrid trains and 70 night-coaches;
  - renewal of the Intercity transport train fleet in the South, including the supply of 13 bi-modal trains by 30 June 2026;
- €0.64 billion under Mission 7 "REPowerEU", component 1 for the intervention line "Enhanced measure: Rehabilitation of the regional railway fleet for public transport with zero-emission trains and universal service":
  - renewal of the fleet of trains for Intercity transport in the South, with funds intended for the purchase of 12 POP electric trainsets and 6 full-battery electric trains;
  - renewal of the fleet of trains for Regional transport, with funds intended for the purchase of 39 POP and Rock trains to be made available by 30 June 2026.

Anas is the implementing entity for Mission 3 "Infrastructure for sustainable mobility" and of Mission 5 "Inclusion and cohesion", with total funds (NRRP and Complementary Fund) of approximately €0.281 billion, and the contractor within Mission 5 with funds of €0.188 billion:

- Mission 3 component 1 "Monitoring and digital surveillance of artworks": all tender procedures have been awarded and works have been started for all planned projects;
- Mission 5 component 3 "Accessibility to the Gioia Tauro port": works for the implementation of the project on Accessibility to the Gioia Tauro port - Rosarno junction were started on 26 June 2024, in accordance with the milestone at 30 June 2024 "Start of works on SEZ interventions." The intervention for the implementation of the project on Accessibility to the Gioia Tauro port - South side Gate was excluded from those financed with NRRP sources following the revisiting of the Plan at the European level.
- Mission 5, component 3 in charge of "Interventions under the Complementary Plan in the areas affected by the 2009-2016 earthquake, Infrastructure and mobility, Investments on the state road network": for some design and/or execution interventions planned within the areas affected by the 2009 and 2016 earthquake included in a broader redevelopment program.

FSE is the implementing entity for total NRRP funds of approximately €0.468 billion, of which:

- Mission 3 component 1 Measure 1.6 "Upgrading of regional lines": Infrastructural upgrade of the Bari-Taranto line; Completion of TSCS/ERTMS equipment on remaining network; Construction of intermodal HUBs and upgrading of 20 stations;
- Mission 2 component 2 Measure 4.4 "Upgrading of the Green Train and Bus Fleet": upgrade of the regional fleet through the purchase of four electric trains;
- Mission 2 component Measure 3.4 "Hydrogen testing for railway transport";
- Mission 7 Component 1 Measure 11 "Enhanced measure: Upgrading of the regional public transport rail fleet with zero-emission trains and universal service": for the purchase of 2 hydrogen trains to be made available by 30 June 2026.

Fondazione FS is the implementing entity in Mission 1 component 3 "Tourism and culture 4.0", for a total of approximately €179 million of the Complementary Fund. Specifically, within the scope of the Complementary Fund Measure "Strategic investment plan on cultural heritage sites, buildings and natural areas": the planned investments relate to the construction of maintenance hubs, rolling stock projects, projects at museum complexes and other initiatives.

GROUP PROJECTS FINANCED BY GOVERNMENT GRANTS AND TRANSFERS OF PUBLIC RESOURCES TO THE GROUP

The table below shows the transfers of resources from the State and other public institutions, on account of operating grants and investment, excluding the amounts resulting from the service contract for the financial year 2024.

	RFI	FSI	Trenitalia	Anas	Grandi Stazioni Rail	FSE	Netinera Group	Hellenic Train
Grants related to income								
Government Programme Contract	965.6							
Covid-19 grants	0.0		59.5	17.7		1.1		
Other government grants	99.9		57.6	12.8	0.4			56.2
EU grants		0.3	0.7					
From local public bodies			1.1					
Sundry grants			4.1				3.7	
Grants related to assets								
Governments grants	6,304.9	503.5	1.0	2,904.4	5.8	0.8		
From local public bodies	73.7		123.1	450.7		106.2		
From the EU	2,527.6			0.2				0.1
Sundry grants				55.4			1.6	
Total	**9,971.7**	**503.8**	**247.1**	**3,441.2**	**6.2**	**108.1**	**5.3**	**56.3**

	Mercitalia Logistics	Mercitalia Rail	Mercitalia Intemodal	MIST	Bluferries	Teralp	Terminali Italia	Gruppo TX	Gruppo Busitalia	Totale
		44.8		0.1					0.0	1,010.5
		1.1							39.5	119.9
		3.0	1.2	0.1				56.2	0.0	287.4
		0.2	0.1				0.0		0.0	1.3
			0.3						14.5	15.9
	0.4		2.4	0.0					0.4	11.0
				0.2	4.2		1.3		0.0	9,726.1
						13.2			14.3	781.2
									0.0	2,527.9
								0.1		57.1
	0.4	**49.1**	**4.0**	**0.4**	**4.2**	**13.2**	**1.3**	**56.3**	**68.7**	**14,537.3**

RESEARCH, DEVELOPMENT AND INNOVATION

Development

The Group's development activities generated investments of about €17 million, mostly by RFI. The table below shows the value of investments in technological developments broken down among the main areas of investment; it should be noted that about 84% is allocated to traffic safety technologies, 9% to environmental and land protection, and the remainder is devoted to studies and testing on new components and systems and Innovative Diagnostics.

millions of euros

Research and development	2024			2023			Variazione		
	RFI	Anas	Total	RFI	Anas	Total	RFI	Anas	Total
Safety technologies	14.0	0.0	14.0	13.6	0.3	13.9	0.4	(0.3)	0.1
Innovative diagnostics	0.1	0.1	0.2	2.7	0.0	2.7	(2.6)	0.1	(2.5)
Studies and testing of new components and systems	0.9	0.1	1.0	1.1	0.0	1.1	(0.2)	0.1	(0.1)
Environmental friendliness	1.2	0.3	1.5	0.9	0.0	0.9	0.3	0.3	0.6
TOTAL	**16.2**	**0.5**	**16.7**	**18.3**	**0.3**	**18.6**	**(2.1)**	**0.2**	**(1.9)**

In 2024, work continued on the implementation of development projects launched in previous years, including:

- technological research and development facilities with the aim of creating a centre of excellence where RFI's expertise is concentrated in all technological areas relating to railway signalling and telecommunications;
- development of RFI hardware and software platforms and work on information systems to support analytical services for traffic;
- structural monitoring systems on railway bridges and viaducts without the need for operational disruptions;
- IT platform IODA (Artwork Inspection) for the management, storage and visualization of data acquired during inspections on works of art belonging to the railway network, including with the help of remotely-piloted aerial systems (SAPR - drones);
- surveying of tunnel defects with the mobile laser-camera diagnostic system;
- experimentation with the use of train-facing cameras for infrastructure monitoring and diagnostics;
- activities for the establishment of a ranking of intervention priorities for sections of railway line exposed to floods, based on the assessment of the speed of the phenomenon and damage, according to a semi-automatic geomorphological analysis procedure in a Geographic Information System (GIS) environment.

Innovation

In 20024, too, there was confirmation of the importance of FS's oversight of the innovation ecosystem through interaction with key players such as start-up incubators and accelerators, advisors, observatories, and research centers.
In 2024, there were numerous Open Innovation initiatives i.e., related to the new strategic and cultural approach whereby to create more value and compete better in the market, the Group chooses to learn about, map, and analyse ideas, solutions, tools, and technological expertise coming from outside, particularly from startups, universities, research institutes, suppliers, inventors, programmers, and consultants and in particular: 5 Challenges; 3 Technical Consultations; 1 Feasibility Study; 23 PoCs (Proof of Concepts); and 3 Accelerations.
In particular, the Challenges addressed issues pertaining to mobility, both of people and goods (tourism-related, sustainable, smart and integrated mobility) and optimisation of operations (smart operations process).
Technical Consultations covered AI systems for forecasting material requirements at the warehouse, satellite connectivity for mobile CCTV systems, and an on-board train energy measurement system.
The Innovation function also commissioned a feasibility study on the use of the sensor-equipped balloon for infrastructure monitoring purposes, comparing it with other aerial platforms (e.g., drones, planes, satellites). This feasibility study lays the foundation for subsequent experimentation within the partnership with ENI ROAD.
Proof of Concepts focused on the following topics:

- real-time identification and monitoring of streams and objects by using IoT and AI devices;
- mapping and monitoring areas subject to geological hazards and maintenance of green spaces;
- indoor navigation and object tracking within very large spaces;
- mixed reality for streamlining critical operations and remote support;
- AI for optimisation of document and procedural analysis operations, and compliance with regulations;
- Blockchain for document tracking.

The accelerations involved 3 projects identified in the context of the "Boost Your Ideas Challenge" (Lazio Innova) and covered the topics of smart urban mobility in support of tourism and Artificial Intelligence aimed at processing and assimilating large quantities of documents.
On the in-house projects front, the year 2024 saw the conclusion of the fourth edition of Innovate, the corporate entrepreneurship program in which male and female colleagues from Group companies were asked to propose ideas on the following themes: Sustainable Infrastructures and Circular Economy, Customer Oriented and Smart Mobility, Demand Response Transport, Battery Durability, and IoT Monitoring SolutionsOmni-Channel evolution. At the end of the Idea Generation phase, some 600 colleagues contributed 235 ideas from the FS Group, and the winning idea was OptiBESS: More sustainable transport solutions through new electric energy storage technologies that ensure greater durability and functionality of the battery pack of electric buses.
On the other hand, as far as relations with third-party players in the innovation ecosystem are concerned, continuity was given to the oversight of the collaboration with ROAD, a network contract promoted by ENI SpA, which sees 7 founding corporations engaged in innovation and sustainability issues, and of the participation in the CDP Infratech Fund. The Innovation function also maintained relations with the international network, renewing some previously established agreements with innovation districts and technology parks, evaluating new collaboration opportunities.

PERFORMANCE OF THE BUSINESS SECTORS

ESRS 2 SBM-1 – Strategy, business model and value chain

In line with the IFRS 8 - Operating segments, the FS Group's performance of operations, capital expenditure and main KPIs are analysed below separately for each of the Business Sectors.

RAIL INFRASTRUCTURE

The Railway Infrastructure Sector designs, builds, manages and maintains the infrastructure networks for rail transport in Italy and abroad, with the aim of maximising industrial synergies, including by supporting EU and Italian programmes.
The Sector companies are Rete Ferroviaria Italiana SpA, the head of this segment, whose mission is to serve as the national railway infrastructure operator, responsible for the maintenance, use and development of the rail network and related safety systems, beside managing research and development in the field of railway transport and providing connection services to Italy's largest islands by sea, and Italferr SpA, the Group's engineering company. The other Group companies active in the Infrastructure segment on an exclusive or incidental basis are Grandi Stazioni Rail SpA, Infrarail Srl, Blu Jet Srl, Brenner Basis Tunnel SE, Tunnel Ferroviario del Brennero SpA (TFB), Tunnel Euralpin Lyon Turin (TELT) and SE Srl (consolidated until 5 August 2024).

The national railway infrastructure, distributed widely throughout Italy, is operated by RFI, which ensures connectivity and integration in the country through the enhancement of quality and safety standards, in accordance with the provisions of Ministerial Decree no. 138T of 31 October 2000. At 31 December 2024 the infrastructure operated by RFI amounted to 16,879 km, and the extension of the lines, according to the classification used for the purpose of calculating the railway network usage fee, in accordance with Ministerial Decree no. 43/T of 21 March 2000, is as follows:

- 6,453 km of fundamental lines with high traffic density;
- 9,477 km of complementary lines, which make up a dense network of regional connections and interconnections with main lines;
- 950 km of hub lines, which are located in major metropolitan areas.

In considering the type, double-track lines are distributed over 7,756 km, equal to 46% of the total while lines are electrified over 12,277 km (72.7% of the total).
The total length of tracks amounts to 24,636 km, including 1,467 km of HS/HC network tracks.
All network lines are equipped with one or more train speed protection systems, which make the railway infrastructure operated by RFI one of the safest in Europe. In particular, the ERTMS/ETCS system is applied on about 1,071 km of the High-Speed network.
At 31 December 2024 "operational" railway companies, which were authorised to carry out rail transport activities under a license issued by ANSFISA (the National Agency for the Safety of Railways and Road and Motorway Infrastructure) or the ERA (European Railway Agency), in accordance with the 4th railway package (Directive (EU) 2016/798, implemented in Italy by Legislative Decree no. 50 of 14 May 2019), were 42 (23 for freight only, 12 for passenger only, and 7 licensed for both passenger and freight service).
During 2024, an average of more than 9,800 trains per day ran on the national rail network for a total annual volume of about 377.2 million kilometres travelled, showing a slight compared to 2023 (+0.3%).
In Italy, the FS Group operates the RFI network; it also operated, until 5 August 2024, about 474 km of the Ferrovie del Sud Est line, which runs through the provinces of Puglia, is electrified for 82 km and almost entirely single-track, with an offer of about 2.2 million train-km until July 2024.
The FS Group operates, through its subsidiary Netinera, about 300 km of lines abroad, with 60 stations used for passenger transport service. The output achieved during 2024 was about 59.6 million train-km.

millions of euros

	2024	2023	Change	%
Revenue from sales and services	3,051	2,973	78	2.6
Other income	151	167	(16)	(9.6)
Revenue	**3,202**	**3,140**	**62**	**2.0**
Operating costs	**(3,116)**	**(2,680)**	**(436)**	**16.3**
Gross operating profit (EBITDA)	**86**	**460**	**(374)**	**(81.3)**
Operating loss (EBIT)	**(42)**	**267**	**(309)**	**(115.7)**
Profit (Loss) for the year (attributable to owners of the parent and non-controlling interests)	**(121)**	**203**	**(324)**	**(159.6)**
	31.12.2024	**31.12.2023**	**Change**	**%**
Net invested capital	**39,587**	**38,383**	**1,204**	**3.1**
Net financial (position) debt	**6,039**	**4,499**	**1,540**	**34.2**
Equity	**33,548**	**33,884**	**(336)**	**(1.0)**

In 2024 the railway Infrastructure Business showed a Net loss of €121 million, down €324 million on the same figure in 2023.
Revenue amounted to €3,202 million, up by €62 million on the same period of 2023. The change was mainly due to the combined effect of the following factors:

- RFI's higher revenue and income for €153 million, due to:
  - higher toll revenue (€29 million);
  - higher revenue from the sale of electricity for train traction (€206 million), mainly linked to the trend in energy prices (with a corresponding increase in costs);
  - higher revenue from concession services (€90 million);
  - lower revenue from grants (€150 million);
- FSE infrastruttura's lower revenue and income for about €37 million (deconsolidated from 5 August 2024);
- Terminali Italia's lower revenue and income for €49 million (consolidated within the scope of the Freight Transport business as from June 2024).

The **Gross operating profit (EBITDA)** stood at €86 million, showing a decrease of €374 million from 2023, mainly due to a decline in RFI's EBITDA for €319 million (mainly attributable to higher personnel costs related to the recruitment plan), the deconsolidation of FSE as from 5 August 2024 (€37 million), and the consolidation of Terminali Italia within the scope of the Freight Transport as from June 2024 (€30 million).
The **Operating loss (EBIT)** of the railway Infrastructure business stood at €42 million, down €309 million on the same period of 2023. The deterioration in EBITDA is mitigated by lower amortisation and depreciation (€6 million), lower write-downs (€25 million) and the release of the bilateral fund (€35 million).
Net financial expense in the period amounted to €82 million, with an increase of €21 million compared to 2023, mainly attributable to higher financial charges.
Income taxes amounted to a positive €3 million, showing an improvement of €6 million compared with 2023.

The railway Infrastructure business segment's **capital expenditure** stood at €11,273 million in 2024 (€10,839 million in 2023), accounting for more than 64% of the Group's total capital expenditure.
95% of investments in the Railway Infrastructure were attributable to RFI. Of €10,715 million accounted for, an amount of €9,783 million concerned the Conventional/HC Network, €160 million for the HS Network, and €772 million for advances paid to suppliers. In detail, RFI's capital expenditure was allocated for:

- 33% to safety, technologies and upkeep. It should be noted that an amount of €739 million (about 7% of total spending) is dedicated to interventions in cutting-edge technologies;
- 67% to interventions on routes of national interest, infrastructure development projects on the Conventional/HC network, and, in particular, to major works executed for construction lots, mainly on the HS/HC Verona-Padua line, Verona-Vicenza section, and on the Milan-Verona line, Brescia-Verona section, Terzo Valico dei Giovi and Naples-Bari sections.

During 2024, RFI published 359 tenders for the contracting of works, supplies and services with a total base contract amount of €13.4 billion, of which 52 tenders for € 9.9 billion related to works, and there were final awards of 293 tenders worth €10.0 billion, including 86 tenders for the contracting of works worth €8 billion.

In 2024 work continued on infrastructure activations on the railway network. In focusing on the main ones, 18 of them involved infrastructure developments, 25 involved the upgrading of lines, and 12 involved stations.

It should also be noted that renovation works were carried out on Tracks on 1,066 km (equal to 93% of the plan envisaged for 2024), renovation of Switches for 947 elements (equal to 100% of the plan envisaged for 2024), renovation of Overhead lines for Electric Traction on 158 km (equal to 79% of the plan envisaged for 2024), as part of the upkeep of rail infrastructure.

ROAD INFRASTRUCTURE

The Road Infrastructure Sector specifically sees in particular Anas SpA engaged in the design, operation, construction and maintenance of the Italian toll-free road and highway network of national interest. The commitment focuses on network safety, environmental protection, and energy efficiency, as well as on safeguarding the landscape heritage of our territory.

Other major companies belonging to the sector include Quadrilatero Marche-Umbria SpA and Concessioni Autostradali Venete SpA.
With regard to road infrastructure, the FS Italiane Group operates through its subsidiary Anas about 32,300 km of state roads, including about 1,293 km of toll-free highways.

millions of euros

	2024	2023	Change	%
Revenue from sales and services	4,180	3,839	341	8.9
Other income	40	68	(28)	(41.2)
Revenue	**4,220**	**3,907**	**313**	**8.0**
Operating costs	**(4,101)**	**(3,772)**	**(329)**	**8.7**
Gross operating profit (EBITDA)	**119**	**135**	**(16)**	**(11.9)**
Operating loss (EBIT)	**(54)**	**(46)**	**(8)**	**(17.4)**
Profit (Loss) for the year (attributable to owners of the parent and non-controlling interests)	**(200)**	**(121)**	**(79)**	**(65.3)**
	31.12.2024	**31.12.2023**	**Change**	**%**
Net invested capital	**891**	**893**	**(2)**	**(0.2)**
Net financial (position) debt	**(1,343)**	**(1,530)**	**187**	**12.2**
Equity	**2,234**	**2,423**	**(189)**	**(7.8)**

The Road Infrastructure recorded a Net Loss of €200 million in 2024, down by €79 million compared to 2023.
Revenue amounted to €4,220 million, up by €313 million. The change compared to 2023 was mainly due to higher revenues from service concession agreements and investments (€429 million), partially offset by lower revenues from road and highway services for about €110 million.
The **Gross operating profit (EBITDA)** stood at €119 million, down by €16 million compared to 2023, since higher revenues were matched by higher costs for road infrastructure management services (€273 million) and personnel costs (€53 million).
The Operating loss (EBIT) stood at €54 million, down by €8 million compared to the same period in 2023. The deterioration in EBITDA was mitigated by lower depreciation and amortisation (€4 million) and lower write-downs (€5 million).
Net financial expense for the period amounted to €146 million, worsening by €71 million due to the net effect between the higher income from Anas concessionaires (consolidated by using the equity method) and the write-down of equity investments due to the sale of these companies to "Autostrade dello Stato".

The road infrastructure was the object of capital expenditure for €3,625 million (€3,214 million in 2023), including contract advances of €288 million to suppliers, equal to 21% of total capital expenditure for the Group. Specifically, about 48% of the investments in the Road Infrastructure was dedicated to new works, 46% to maintaining the efficiency of the existing road infrastructure, and the remaining part mainly to other interventions on technological and IT equipment.

During 2024, Anas published 54 calls for tenders for the contracting of works, supplies and services for a total base contract amount of €3.8 billion, of which 15 calls for tenders for €3.6 billion for the contracting of works relating to New Works and Non-routine Maintenance, and there were 102 final awards of tenders worth a total of €5.2 billion, including 49 tenders worth €4.8 billion for the awarding of works relating to New Works and Non-routine Maintenance.

The main infrastructure activations concerned the State Roads SS 260 Picente, SS 268 of Vesuvio, SS 95 of Brienza, SS 125 Orientale Sarda, and SS 131 Carlo Felice, SS 117 Centrale Sicula and the extension of the Lungotevere in Sassia subway in Rome.
It should also be noted that during 2024 Pavement renewal works were carried out on 4,135 km (exceeding the plan's target set for 2024) and Barrier replacement works on 133 km (equal to 68% of the plan envisaged for 2024) within the scope of road infrastructure maintenance works.

PASSENGER TRANSPORT

The objective of the Passenger Transport Sector is to create a multi-modal business offer, whose advantage is to exploit the characteristics of the various modes of transport in order to develop an integrated, affordable, reliable and sustainable transport services that are increasingly customised and respond to individual passengers' needs in accordance with the principles of environmental, social and governance sustainability.
The Passenger Transport Sector includes the FS Group companies that operate rail and road passenger transport. The Group's rail transport is mainly operated by Trenitalia SpA, the head of this sector, whose mission is to cover the passenger transport sector, including the promotion, implementation and management of initiatives and services in the field of passenger transport; this occurs through the development of an integrated offer of products/services and the operation of a comprehensive mix of distribution channels. Furthermore, the performance of this Sector is also contributed to by the Netinera group, which operates regional road and rail transport and urban mass transit in Germany; Hellenic Train, which is the incumbent company for rail passenger services in Greece (main line Athens-Thessaloniki); Trenitalia UK, which through its subsidiary Trenitalia c2c, operates commuter-type connections on the London-South Essex line; ILSA, which offers connections on High-Speed lines in Spain (on the three main corridors linking Madrid with Barcelona, Valencia and Seville); Trenitalia France, which operates in the High-Speed segment in France both through cross-border Milan-Paris connections and on domestic services between Paris and Lyon; and FSE, which holds concessions for road and rail transport services in Puglia, Italy (consolidated until 5 August 2024).
The Passenger Transport Sector also offers road urban and medium/long-haul passenger transport, which is mainly carried out by the Group consisting of Busitalia-Sita Nord Srl and its investees (including the Dutch company QBuzz BV), in addition to the Netinera group and FSE, as mentioned above.

Trasporto passeggeri su rotaia	2024	2023	Var %
Long-Haul transport – Market			
Passenger-Km – millions	21,490	20,153	6.6%
Train-Km – thousands	78,891	74,600	5.8%
Long-Haul transport – Universal service			
Passenger-Km – millions	4,635	4,436	4.5%
Train-Km – thousands	28,303	27,312	3.6%
Regional Transport *			
Passenger-Km – millions	22,929	21,392	7.2%
Train-Km – thousands	217,738	216,257	0.7%

(*) In 2024, FSE traffic data were only included with regard to the period from January to July.

As part of the passenger railway transport, during the financial year 2024, the domestic and foreign offer of the Passenger Transport Sector was strengthened with new Frecciarossa, Intercity, Regional trains, and train + bus connections, activated in the summer period to the regions with the greatest tourist vocation. Total rail passenger traffic volumes achieved by the companies in this business Sector in 2024 amounted to 49 billion passenger*km (of which 37.7 billion, equal to around 77%, related to Trenitalia), showing an increase of 6.7% compared to 2023.
The Long-Haul services segment (Market and Service), with about 26.1 billion passenger*km, showed a growth of 6.2% compared to 2023, thanks to the good performance of market-based services (+6.6%). The universal service also reported a growth in the volumes of passenger*-km transported, equal to 4.5% compared to 2023.
In terms of offer, the total output (Market and Service) of Long-Haul services was about 107.2 million train*km, up by 5.2% compared to 2023, mainly due to the increased provision of market-based services (+5.8%).
In regional transport, transported volumes in 2024 were about 22.9 billion passenger*km, both in Italy and abroad, up by 7.2% from the previous year, against a slight increase of 0.7% in output in 2023. The positive result was obtained despite the exit of FSE from the scope of consolidation on 5 August 2024.

Local Public Road Transport	2024	2023	% Change
Passenger-Km – millions	1,757	1,822	(3.6%)
Bus-Km – thousands	160,380	157,452	1.9%

With regard to passenger road transport, the FS Group supports the integrated use of urban and extra-urban rail and road transport services, both in Italy and abroad, and the interchange between them.
With regard to this, the Passenger Transport Sector met a demand for about 1.8 billion passenger*km in 2024, down by 3.6% compared to 2023, against a supply produced in 2024 of about 160 million bus*km, up by 1.9% compared to the previous year.

Maritime transport	2024	2023	Var %
Passenger-Km – millions	18	25	(28.2%)
Ship-Km – thousands	494	607	(18.7%)

Finally, the FS Group ensures territorial continuity of rail services, operating sea connections between the mainland and Sicily and the inland connection on Lake Trasimeno in the maritime passenger transport segment. In 2024 it met a demand of about 17.8 million passenger*km, down by 28.2% compared to 2023, with a supply of about 493.6 thousand ship*-km, down by 18.7% compared to 2023. The sharp decline was a result of subsidiary Blue Jet ceasing to operate the Messina - Reggio Calabria route, which now operates only Messina - Villa San Giovanni connection service. The Messina - Reggio Calabria route was distinguished for commuter transport.

millions of euros

	2024	2023	Change	%
Revenue from sales and services	8,195	7,441	754	10.1
Other income	359	208	151	72.6
Revenue	**8,554**	**7,649**	**905**	**11.8**
Operating costs	**(6,689)**	**(6,096)**	**(593)**	**9.7**
Gross operating profit (EBITDA)	**1,865**	**1,553**	**312**	**20.1**
Operating profit (EBIT)	**493**	**209**	**284**	**>200**
Profit (Loss) for the year (attributable to the owners of the parent and non-controlling interests)	**249**	**89**	**160**	**>200**
	31.12.2024	**31.12.2023**	**Change**	**%**
Net invested capital	**12,431**	**11,589**	**842**	**7.3**
Net financial (position) debt	**9,497**	**8,500**	**997**	**11.7**
Equity	**2,934**	**3,089**	**(155)**	**(5.0)**

The Passenger Transport Business ended 2024 with a Net profit for the period of €249 million, showing an increase of €160 million compared to 2023.
Revenue amounted to €8,554 million, showing an increase compared to 2023 (+€905 million, +12%), attributable to higher traffic revenue (€218 million, +5%), higher revenue from service contract (€456 million, +16%) and other revenue from services (€129 million, +97%), mainly revenue from services to Railway Companies and ancillary services to operation, and other revenues (€102 million), attributable to the deconsolidation of FSE as from 5 August 2024.
Higher revenue from traffic were mainly related to the growth in the volumes of rail passenger transport in the HS Business segment, both in Italy (€68 million) and abroad (€80 million), as well as of Trenitalia's Regional Business (€48 million) and the domestic road passenger transport (€28 million).
Higher revenue from service contract were mainly attributable to the Regional Business of Trenitalia.
The increase in demand was closely related to the recovery in travellers' mobility, thus strengthening the good performance recorded since the beginning of the year for leisure time/weekends, and the resumption of business travel and commuting traffic.
The **Gross operating profit (EBITDA)** showed a positive value of €1,865 million, up by €312 million compared to 2023. The improvement in terms of revenue is reduced by the increase in operating costs (€593 million), mainly linked to the larger offer, and higher personnel costs (€189 million).
The **Operating profit (EBIT)** stood at €493 million, showing an increase of €284 million compared to 2023. The improvement at the EBITDA level was reduced by higher amortisation and depreciation (€6 million) and other items, mainly including write-downs and provisions (€22 million).
Net financial expense totalled €219 million, showing an increase of €58 million compared to 2023, mainly due to higher borrowing costs.
Income taxes posted a negative value of €25 million in the reporting period, showing a deterioration of €66 million.
With regard to **capital expenditure**, the Passenger transport business segment absorbed about 12.8% of the Group's total expenditure, equal to €2,255.3 million (€1,987.8 million in 2023), for works dedicated to rail and road passenger transport, both in Italy and abroad. Specifically, Trenitalia reported an expenditure of €1,831 million (81% of total capital expenditure in the Passenger transport Business Segment), the Busitalia Group for €282 million and the remaining companies operating abroad for €112 million (Netinera, Trenitalia C2C, Trenitalia UK, Trenitalia France, ILSA and Hellenic Train).

In rail transport, Trenitalia allocated 66% of capital expenditure to the purchase of rolling stock, 3% to the upgrading of carriages in service, 9% to the technological upgrading of vehicles, information systems, the upkeep and development of maintenance facilities, and the remaining 22% to cyclical maintenance.
The main investment projects broken down by business area are:

- HS Passenger Transport Business (€488 million, of which an amount of about €212 million was dedicated to cyclical maintenance). Capital expenditure mainly concerned revamping activities, mainly aimed at the renovation of the vehicle fleet with Rebranding interventions on the ETR 600 fleet, the approval of ETR1000s for service in France, the upgrading of the Clima System of the ETR500 fleet. The investments also concerned interventions on the Facilities, including the definition of the new working plan, which mainly provides for the upgrading of the Current Maintenance Facility (IMC) of Naples Frecciarossa, and Rome San Lorenzo, the upgrading and energy efficiency of the Current Maintenance Facility (IMC) of Mestre, and the restyling of Freccialounge at Milan Central Station.

- Intercity Passenger Transport Business (€118 million, of which an amount of about €80 million was dedicated to cyclical maintenance). Capital expenditure concerned revamping activities on Intercity carriages, with interventions for the upgrading of the fire-fighting system and the activation of the new Clima system (€9.3 million) and on locomotives E402B - E403 with the adaptation of the fire-fighting system (€1 million).
- Regional Passenger Transport Business (€1,058 million, of which an amount of approximately €112 million was dedicated to cyclical maintenance). The works involved the delivery of Pop (for €217 million), Rock (for €532 million) and Blues (for €131 million) trains; face-lift interventions on Commuter trains (TAF) (for €2.5 million) aimed at increasing comfort; and upgrades on the fire-fighting system on the MD coaches (€1 million).

The table below shows the deliveries of major procurement projects and releases into operation of rolling stock undergoing revamping.

no. of vehicles

	New rolling stock	Revamped material
Locomotives	**-**	**106**
HS/Intercity Business	-	106[1]
Carriages/wagons	**-**	**209**
HS/Intercity Business	-	138[2]
Regional	-	71[3]
Trains	**106**	**11**
HS/Intercity Business	-	2[4]
HS/International Business	-	3[5]
Regional	106[6]	6[7]

1 Upgrading of Clima system on ETR500 no. 37, Fire prevention system E402B-E403 no. 69
2 Fire prevention system on IC carriages no. 47; new Clima system on IC trains no. 91, Fire-prevention systems on Medium-Haul 3Carriages
4 Rebranding of the ETR600 fleet
5 Approval of ETR1000 in France
6 Rock trains no. 44, Pop-trains no. 44 and Blues trains no. 18
7 Commuter trains TAF

13% of investments in Passenger transport, equal to €283 million, were made by the Busitalia group companies, which offer road transport services in Italy and abroad, and related to the purchase of new buses for LPT services in Veneto, Campania and for the service performed by QBuzz in Holland[43].

Freight transport

The Freight Transport Sector has the objective of developing an integrated offer and establishing partnerships to support multimodal transport over the 2025-2029 business plan period. The Freight Transport Sector is mainly operated by Mercitalia Logistics SpA, the head of this Sector, with the mission to cover the national and international logistics and freight transport sector, including the promotion, implementation, management and sale of initiatives and services in the field of logistics, mobility and freight transport. This Sector includes numerous companies operating nationally and internationally, including Mercitalia Rail, the largest railway freight company in Italy and one of Europe's largest, the TX Logistik group (operating primarily in Germany, Austria, Switzerland and Denmark), the Exploris group (mainly operating in Germany, Poland, Czech Republic, Belgium, Holland, Austria, and Switzerland), and Mercitalia Intermodal, the largest combined road/rail transport company in Italy and the third largest in Europe.

Freight transport (*)	2024	2023	% Change
Tonne-Km – millions	22,908	21,084	8.6%
abroad	12,927	10,283	25.7%
Train-Km – thousands	48,455	43,393	11.7%
abroad	26,859	19,928	34.8%

(*) It does not include the share of freight traffic developed by Hellenic Train equal to 240.2 million ton-km (210.7 million ton-km in 2023) and 563.5 thousand train-km (504.6 thousand train-km in 2023)

With regard to freight traffic, volumes achieved by the FS Group companies in 2024, both in Italy and abroad, totalled 22.9 billion ton-kilometres, up by 8.6% compared to 2023, against an increased offer, expressed in train-kilometres, equal to +11.7%. The result was positively impacted by the entry of the Exploris Group, operating in Germany, into the scope of consolidation, which allowed the Mercitalia Group to expand its network in Europe, despite a macroeconomic context still penalised by geo-political tensions. Net of the acquisition of the Exploris Group, the freight Business segment would have recorded a decline of -9.2% in terms of tonne-km and of -5.7% in terms of train-km[44].

43. 8 Methane buses, 3 diesel buses, and 10 hybrid buses for services operated by Busitalia Veneto; 39 buses for LPT in Campania, 36 methane buses and 3 diesel buses for services operated by Busitalia Campania, and 255 electric buses and 123 diesel buses for the service operated by QBuzz in Holland.
44. The Exploris Group, which was acquired by the subsidiary X Logistik at the end of 2023, handled about 3.8 billion tons-km in 2024 against an offering of about 7.5 million train-km.

millions of euros

	2024	2023	Change	%
Revenue from sales and services	1,329	1,114	215	19.3
Other income	29	37	(8)	(21.6)
Revenue	**1,358**	**1,151**	**207**	**18.0**
Operating costs	**(1,297)**	**(1,091)**	**(206)**	**18.9**
Gross operating profit (EBITDA)	**61**	**60**	**1**	**1.7**
Operating loss (EBIT)	**(73)**	**(57)**	**(16)**	**(>200)**
Profit (Loss) for the year (attributable to the owners of the parent and non-controlling interests)	**(124)**	**(90)**	**(34)**	**(>200)**
	31.12.2024	**31.12.2023**	**Change**	**%**
Net invested capital	**1,073**	**864**	**209**	**24.2**
Net financial (position) debt	**869**	**579**	**290**	**50.1**
Equity	**204**	**287**	**(83)**	**(28.9)**

In 2024 Freight Transport recorded a Net Loss of €124 million, showing a deterioration of €34 million compared to 2023.
Revenue amounted to €1,358 million, showing an increase compared to 2023 (€207 million, +18%), driven by the contribution given by the TX Logistik Group (€182 million), mainly as a result of the change in the scope of consolidation due to the acquisition of the Exploris Group at the end of 2023, the effects of which were fully reflected in the FS Group's results of operations and financial position as from 2024.
The **Gross operating profit (EBITDA)** amounted to €61 million, showing an increase of €1 million compared to 2023.
The **Operating loss (EBIT)** was €73 million, showing a deterioration of €16 million compared to 2023, attributable to higher amortisation and depreciation, mainly in the TX Logistik Group (€17 million).
Net financial expense of €49 million showed a deterioration of €18 million compared to 2023.
Income taxes showed a negative value for €2 million, in line with 2023.

In the Freight business segment, there was a capital expenditure of €297 million in 2024 for the continuation of the fleet renewal plan and maintenance of the locomotive and carriage operating fleet. About 37% is made by Mercitalia Rail, 6% by Terminal Alptransit and Mercitalia Shunting & Terminal, 4% by Blueferries, 2% by Mercitalia Intermodal and 42% by subsidiary TX Logistik operating in Germany.
Specifically, there was the delivery of 32 T3000E Wagons for intermodal transport, and 16 Siemens Vectron Locos to TX Logistik, 2 Hybrid Locos, 2 Wheeled Cranes and 1 Bimodal Loco to Mercitalia Shunting & Terminal, and 20 TRAXX Locos to Mercitalia Rail.

URBAN

The Urban Sector handles real estate operations as well as urban regeneration and intermodal transport and logistics solutions for the first and last mile of the supply chain. It focuses specifically on developing the potential of the Group's real estate assets through new partnerships and projects that contribute to urban regeneration.

As head of this Sector, FS Sistemi Urbani SpA provides assets management, marketing and development services for the Group's non-core business assets. GS Immobiliare SpA, FS Park SpA and Cremonesi Workshop Srl also operate in this segment.

millions of euros

	2024	2023	Change	%
Revenue from sales and services	545	130	415	>200
Other income	41	26	15	57.7
Revenue	**586**	**156**	**430**	**>200**
Operating costs	**(428)**	**(123)**	**(305)**	**>200**
Gross operating profit (EBITDA)	**158**	**33**	**125**	**>200**
Operating profit (EBIT)	**141**	**21**	**120**	**>200**
Profit (Loss) for the year (attributable to the owners of the parent and non-controlling interests)	**90**	**15**	**75**	**>200**
	31.12.2024	**31.12.2023**	**Change**	**%**
Net invested capital	**887**	**1,288**	**(401)**	**(31.1)**
Net financial (position) debt	**(440)**	**11**	**(451)**	**(>200)**
Equity	**1,327**	**1,277**	**50**	**3.9**

The Urban business segment reported a Net Profit of €90 million in 2024, showing an improvement of €75 million compared to 2023.
Revenue amounted to €586 million in 2023, showing an increase compared to 2023 (€430 million), mainly attributable to the disposal of the Farini and San Cristoforo railway yards in Milan, which was finalised by FS Sistemi Urbani on 29 March 2024.
The **Gross operating profit (EBITDA)** stood at €158 million, showing an improvement of €125 million compared to 2023 due to the abovementioned sale of properties.

Operating profit (EBIT) stood at €141 million, showing an improvement of €120 million.
Income taxes amounted to a negative value of €58 million, showing a deterioration of €45 million compared to 2023, attributable to the capital gains realised on the sale of Farini and San Cristoforo railway yards in Milan.

Capital expenditure amounted to €9.9 million (€48.2 million in 2023) and related to the maintenance and exploitation of real estate assets owned by the FS Group.

OTHER SERVICES

The companies that operate in this segment are Ferservizi SpA, which manages the activities not directly related to railway operations as outsourcer for the Group's main companies; Fercredit SpA, which mainly develops the credit factoring and lease business on the captive market and develops the consumer credit business for the group's employees; Italcertifer SpA, which carries out certification, assessment and testing activities on transport and infrastructure systems; FSTechnology SpA, the group's technology service provider, appointed to manage its ICT strategy; FS Security SpA, fully dedicated to train and station safety; FSI Saudi Arabia for Land Transport LLC, for the development of infrastructure in Saudi Arabia; and FS International SpA, operating at an international level.
As the group's holding company, Ferrovie dello Stato Italiane SpA steers and coordinates the companies that head each Sector and provides strategic and financial control.

millions of euros

	2024	2023	Change	%
Revenue from sales and services	971	790	181	22.9
Other income	29	97	(68)	(70.1)
Revenue	**1,000**	**887**	**113**	**12.7**
Operating costs	**(1,007)**	**(841)**	**(166)**	**19.7**
Gross operating loss (EBITDA)	**(7)**	**46**	**(53)**	**(115.2)**
Operating loss (EBIT)	**(111)**	**(23)**	**(88)**	**(382.6)**
Profit (Loss) for the year (attributable to the owners of the parent and non-controlling interests)	**58**	**143**	**(85)**	**59,4**
	31.12.2024	**31.12.2023**	**Change**	**%**
Net invested capital	**649**	**460**	**189**	**41.1**
Net financial (position) debt	**(1,401)**	**(1,096)**	**(305)**	**(27.8)**
Equity	**2,050**	**1,556**	**79**	**5.1**

In 2024, Other services showed a Net profit of €58 million, showing a decrease of €85 million compared to 2023.
Revenue, equal to €1 billion, reflected growth of €113 million, mainly attributable to:
- higher revenue of FSTechnology for €99 million, linked to the management of applications;
- higher revenue of FS Security for €18 million, mainly for security services;
- lower revenue of FS SpA for €19 million, due to the net effect of higher revenue under the Riyadh contract (€52 million), more than offset by the capital gain recorded on the release of the SELF provision in 2023 (€67 million).

The **Gross operating loss (EBITDA)** stood at €7 million, showing a deterioration of €53 million compared to 2023, mainly due to a decline in EBITDA of FS SpA, partially offset by the higher profit margins of FSTechnology.
The **Operating loss (EBIT)** amounted to €111 million, showing a deterioration of €88 million compared to 2023, since the deterioration at EBITDA level was also affected by higher amortisation and depreciation, mainly of FSTechnology.
Net financial expense was €23 million, showing a deterioration of €126 million compared to 2023, mainly due to the impact of the deconsolidation of FSE following the Council of State's judgment no. 6983/2024 of 5 August 2024.
Income taxes showed a positive balance of €192 million, with an increase of €129 million compared to the previous year. It should be noted that this caption reflects the positive effects of the tax consolidation scheme managed by the Holding company as part of its core activities.

Capital expenditure related to Other Services across the Group amounted to €98.9 million (€152.8 million in 2023).

FERROVIE DELLO STATO ITALIANE SPA'S FINANCIAL POSITION AND PERFORMANCE

INCOME STATEMENT

millions of euros

	2024	2023	Change	%
Revenue	**150**	**122**	**28**	**23**
- Revenue from sales and services	148	117	31	26
- Other income	2	5	(3)	(60)
Operating costs	**(257)**	**(227)**	**(30)**	**13**
GROSS OPERATING LOSS (EBITDA)	**(107)**	**(105)**	**(2)**	**(2)**
Amortisation and depreciation	(1)	(17)	16	(94)
Net impairment losses/reversals	(20)		(20)	100
OPERATING LOSS (EBIT)	**(128)**	**(122)**	**(6)**	**(5)**
Net financial income	355	246	109	44
PRE-TAX PROFIT	**227**	**124**	**103**	**83**
Income taxes	204	77	127	166
PROFIT FOR THE YEAR	**431**	**201**	**230**	**114**

The **Profit for the year** was €431 million in 2024, showing an increase on the previous year, attributable to the performance of the tax component (+€127 million) and the financial component (+€109 million), partially offset by the operating component (-€6 million).

The **Gross operating loss (EBITDA)** showed a decrease of €2 million, due to higher Operating costs (-€30 million), partially offset by higher Revenue (+€28 million).

The increase in **Revenue** for the year compared to 2023 (+23%) was due to:
- higher revenues attributable to the Riyadh contract (+€52 million) to be attributed to the start of operations under the contract during the second half of 2023;
- lower revenues from property management (-€18 million) as a result of the demerger of FS's real estate business unit, which became effective in January 2024;
- a reduction in services rendered to Group companies (-€3 million), mainly due to a reduction in IT services (-€11 million) following the sale to the subsidiary FS Technology in June 2023, offset by higher revenues from other services rendered to Group companies (+€8 million);
- a decrease in other revenues (-€3 million).

The increase in **Operating costs** for the period (+13%) was due to the following changes:
- an increase in service costs (+€49 million) due to higher costs related to the Riyadh contract (+€62 million), offset by reduced costs for IT services to FS Technology (-€12 million) as a result of the sale of assets and lower costs incurred for the management of real estate assets sold and for the use of third-party assets (-€1 million);
- a decrease in other operating costs (-€15 million), mainly due to lower costs (-€16 million) for taxes and duties related to the demerger of the real estate business unit, partially offset by higher costs (+€2 million) for membership fees and grants, and lower provisions for risks compared with the previous year (-€1 million);
- an increase in personnel costs (+€4 million), mainly due to accruals to the change management provision, partially offset by lower costs for wages and salaries;
- a decrease in costs (-€7 million), mainly due to lower costs for inventories of properties and land related to the real estate business unit.

The deterioration at the level of **Operating loss** (EBIT) compared to 2023, equal to -€6 million, was due to a reduction in EBITDA described above, an increase in write-downs of tax receivables relating to previous years, partially offset by a reduction in amortisation and depreciation due to the disposal of IT Assets.

The improvement in **Net financial income** (+€109 million) was mainly attributable to the increase in dividends distributed by subsidiaries, associates and third parties (+€174 million), the improvement in the net balance of income on financial receivables and payables (+€47 million), offset by higher write-downs of financial assets (-€42 million) and the release of a provision in the 2023 financial statements (-€67 million).
Income taxes increased by a total of €127 million compared to the prior period, due to higher income from the tax consolidation scheme stated against higher IRES (Corporate Income) taxes transferred by Group companies, and to current and deferred taxation.

RECLASSIFIED STATEMENT OF FINANCIAL POSITION

millions of euros

	31.12.2024	31.12.2023	Change
ASSETS			
Net operating working capital	73	565	(492)
Other assets, net	329	200	129
Working capital	**402**	**765**	**(363)**
Non-current assets	3	443	(440)
Equity investments	38,798	38,222	576
Net non-current assets	**38,801**	**38,665**	**136**
Post-employment benefits	(4)	(5)	1
Other provisions	37	(10)	47
Post-employment benefits and other provisions	**33**	**(15)**	**48**
NET INVESTED CAPITAL	**39,236**	**39,415**	**(179)**
COVERAGE			
Net current financial position	(1,523)	(900)	(623)
Net non-current financial position	137	124	13
Net financial (position) debt	**(1,386)**	**(776)**	**(610)**
Equity	**40,622**	**40,191**	**431**
COVERAGE	**39,236**	**39,415**	**(179)**

Net invested capital, equal to €39,236 million, decreased by €179 million during 2024, due to a reduction in **Working capital** (-€363 million), partially offset by the increase in **Net non-current assets** (+€136 million), and by a decrease in **Post-employment benefits and other provisions** (+€48 million).

Net operating working capital, equal to €73 million, showed a decrease of €492 million during the year, essentially attributable to a net reduction in current and non-current trade receivables (-€173 million), mainly due to the amounts collected and received on the Metro Riyadh contract and, to a residual extent, the amounts collected on services rendered by FS Holding company, partially offset by lower trade payables (+€19 million). The remainder of the change of -€338 million was attributable to the demerger of the real estate business unit of FS.

Other assets, net, reported an increase of €129 million, attributable to receivables from subsidiaries (+€88 million), mainly for dividends declared and not distributed, offset by a reduction in receivables for collections received by the Group and the increase in receivables for tax consolidation (+€34 million), due to higher income recognised for higher IRES taxes transferred by Group companies.
The remaining amount of the change of +€9 million was attributable to the demerger by spin-off of FS's real estate business unit.

Net non-current assets came to €38,801 million, showing a positive change of €136 million compared to

2023, mainly attributable to the increase in the value of the equity investment in subsidiary FS Sistemi Urbani by €624 million as a result of the demerger by spin-off of the real estate business unit, the increase in the value of the equity investment in the subsidiary Grandi Stazioni Immobiliare by €11 million (related to the acquisition of an additional 40% of the company), partially offset by a decrease in technical fixed assets due to the demerger transaction (-€439 million) and the reclassification of the investment in Ferrovie Sud Est to financial receivables from third parties, following the deconsolidation from the FS Group as a result of the Council of State's ruling (for more details, please also see the chapter on "Main events" in the Report on Operations) for a net amount of €60 million.

Other provisions recorded a decrease of €48 million, essentially due to a reduction in the Provision for tax from tax consolidation (+€62 million) used during the year to partially cover losses transferred by subsidiaries under the tax consolidation scheme, and an increase in deferred tax assets (+€42 million). The remaining part of the change, equal to -€56 million, was attributable to the demerger of FS's real estate business unit.

The **Net financial position** amounted to €1,386 million with an increase of €611 million compared to 31 December 2023, due to the combined effect of the following events:

- an increase totalling -€2,533 million in loans granted to Group companies, net of repayments for the period. It should be noted that, following the deconsolidation of FSE, the Company recognised a receivable from FSE against the payment for capital increase made in 2018 in the total amount of €73 million, plus interest of €21 million. Receivables from FSE were written down in full in the total amount of €176 million;
- an increase in bank loans for €1,317 million, due to new loans in the amount of €2,021 million, used for the disbursement of intercompany loans, partially offset by repayments for the period in the amount of €500 million, and the transfer of two bank loans of €200 million to Nuova Sistemi Urbani SpA, following the demerger of the real estate business unit;
- a decrease in cash with banks and treasury account in the amount of €1,191 million, mainly used for new disbursements of intercompany loans;
- a decrease in financial payables to group companies for cash pooling by -€331 million;
- a decrease in bonds by -€251 million, mainly due to repayments for the period partially offset by new disbursements of €100 million.

Finally, **Equity** showed an increase due to the profit recorded in the period for €431 million and the positive change in valuation reserves of actuarial gains for employee benefits. The additional change in equity that emerges from an analysis of the financial statements at 31 December 2024 was attributable to the effects of the demerger by spin-off, which resulted in a reduction of €624 million in share capital, and at the same time the recognition of an equity reserve of the same amount as a contra-entry for the investment first in Nuova Sistemi Urbani, which was subsequently merged into FS Sistemi Urbani.
It should also be noted that on 25 March 2024 there was the completion of a reduction in the share capital of FS, pursuant to Article 2445 of the Italian Civil Code, in execution of the transaction for the remodulation of the Equity of FS, as resolved on by the Shareholders' Meeting held on 29 November 2023; therefore, the share capital of FS decreased from €38,579 million (already net of the reduction of share capital of €624,407 thousand mentioned above) to €31,062 million.
The accounting transactions described above did not have any impact on the total value of the Equity of FS.

CONSOLIDATED SUSTAINABILITY REPORTING

GENERAL DISCLOSURES

ESRS 2 BP-1 – General basis for preparation of the sustainability statement

The Consolidated Sustainability Reporting included in this document has been prepared in accordance with the disclosure requirements (including the respective elements of information) set out in the European Sustainability Reporting Standards (ESRS).
The sustainability reporting & control process involves the Parent Company, as far as cross-cutting issues are concerned, and the **companies consolidated on a line-by-line basis** (in accordance with the Group's Annual Financial Report), for topics and indicators specific to the various business sectors. The Consolidated Sustainability Reporting **includes information on material impacts, risks and opportunities related to the Group through its direct and indirect business relationships in the upstream and/or downstream value chain. With regard to the environmental standards metrics associated with the upstream value chain** (ESRS E1, ESRS E2, ESRS E3, and ESRS E5), the scope of reporting covers the relevant parties identified by the Group, namely **rail infrastructure contractors**.

ESRS 2 BP-2 – Disclosures in relation to specific circumstance

Time horizons

In preparing the Consolidated Sustainability Reporting, the Group adopted the time horizons set out in ESRS 1 - short term (up to 1 year); medium term (2 to 5 years); and long term (more than 5 years) - however, with regard to **financial materiality**, it considered it appropriate to align assessment time horizons with planning **time horizons** used for decision-making (industrial planning that includes a 5-year time horizon) and, therefore, **assessed risks and opportunities in the long term by analogy with the assessments made in the medium term.**

Content and structure of consolidated sustainability reporting

The structure of consolidated sustainability reporting under ESRS is shown below.

	Consolidated sustainability reporting
ESRS 1 General requirements **ESRS 2** General disclosures	**General disclosures** Business model and strategy Stakeholder management and double materiality process Commitment to sustainable development
ESRS E1 Climate change **ESRS E2** Pollution **ESRS E3** Water and marine resources **ESRS E4** Biodiversity and ecosystems **ESRS E5** Resource use and circular economy	**Environmental information** EU Taxonomy disclosure Climate change Pollution Water and marine resources Biodiversity and ecosystems Resource use and circular economy
ESRS S1 Own workforce **ESRS S2** Workers in the value chain **ESRS S3** Affected communities **ESRS S4** Consumers and end-users	**Social information** Own workforce Workers in the value chain Affected communities Consumers and end-users
ESRS G1 Business conduct	**Governance information** Business conduct

4 reporting areas

01 Governance // **02** Strategy // **03** Impact, risk and opportunity management // **04** Metrics and targets

Incorporation by reference

Some of the information required by the ESRS has been **incorporated by reference to other sections of the Integrated Report** (ESRS 2 GOV-1, ESRS 2 GOV-2, ESRS GOV-3, ESRS GOV-4, ESRS GOV-5, ESRS 2 G1-3, ESRS 2 G1-4); the section on *ESRS content index*, included in the Appendix provides any information necessary to understand the positioning and links between the various information reported in the document.

Application of planned transitional provisions

In preparing the Consolidated Sustainability Reporting, the Group has made use of the option **not to disclose comparative information** (referring, therefore, to the 2023 financial year) in the first year of preparation according to ESRS.
In addition, regarding the gradually introduced disclosure requirements, the exclusions applied in the first year of reporting under ESRS are shown below:

- ESRS E1-9 – Anticipated financial effects from material physical and transition risks and potential climate-related opportunities;
- ESRS E2-6 – Anticipated financial effects from pollution-related impacts, risks and opportunities;
- ESRS E3-5 – Anticipated financial effects from material water and marine resources-related risks and opportunities;
- ESRS E4-6 – Anticipated financial effects from biodiversity and ecosystem-related impacts, risks and opportunities;
- ESRS E5-6 – Anticipated financial effects from resource use and circular economy-related impacts, risks and opportunities.

Disclosures required by other legislation or generally accepted sustainability reporting pronouncements

In preparing the consolidated sustainability reporting, in addition to the information required by ESRS, the Group **has not included** any additional information required by other regulations providing for sustainability disclosure requirements or generally accepted sustainability provisions (the table suggested by ESRS is shown in the Appendix, after the ESRS content index) **since as they are not applicable**.

ESRS 2 GOV-1 - Role of administrative, management, and supervisory bodies

ESRS 2 GOV-2 - Information provided to the company's administrative, management, and supervisory bodies and sustainability issues addressed by them

ESRS 2 GOV-3 - Integration of sustainability performance into incentive systems

For information regarding the role of administrative, management, and supervisory bodies, management and control, the information provided to these bodies, and the integration of sustainability performance into incentive systems, please refer to the sections *Board of Directors* of FS SpA and *Board of Statutory Auditors* in the Report on Corporate Governance and Ownership Structure.

ESRS 2 GOV-4 – Statement on due diligence

Below is a mapping of the information provided regarding the due diligence process.

Basic elements of due diligence	Paragraphs in sustainability statements
a) Integrate due diligence into governance, strategy and business model	Report on corporate governance and ownership structure: - Board of Directors of FS SpA - Board of Statutory Auditors
b) Involve stakeholders in all key stages of due diligence	General disclosures: - Stakeholder management and double materiality process - Commitment to sustainable development
c) Identify and assess negative impacts	
d) Intervene to address negative impacts	Environmental and Social information: - Policies, Actions and Targets
e) Monitor the effectiveness of interventions and communicate	

BUSINESS MODEL AND STRATEGY

ESRS 2 SBM-1 – Strategy, business model and value chain

The purpose of the business model adopted by the FS Group is to make the most of the different types of capital (financial, physical, human and relational[45], intellectual[46] and organisational, natural), according to the framework of the International Integrated Reporting Council (IIRC), by organising activities and processes to create value in the medium and long-term for all stakeholders.

As in other public utilities sectors, the Group's activities are subject to specific regulation by independent national and international authorities, to ensure the market operates properly and to protect customers' rights.

For more details regarding the business model and strategy, please refer to the paragraphs on *Strategic Plan 2025-2029 and Performance of Business Sectors*.

Strategy and Governance

Making the most of the different types of capital by organising activities and processes to **create value**, in the medium and long term, for all **stakeholders**

...for the Planet

Protecting natural balances through sustainable development model

...for People

Meeting people's needs, promoting **safety** and encouraging **relationships with communities**

OUR VISION

45. As of 31 December 2024 the employees of the FS Group were 96,335, of which 81,762 in Italy.
46. For more information on the intangible assets, please refer to the paragraph on *Research, development and innovation*.

Input

FINANCIAL CAPITAL
Resources necessary to finance our activities:

- Share capital
- Debt capital (bonds, Green Bonds, bank loans, sustain-ability linked facilities)
- Government grants (Government Programme Contract, EU Funds, etc.)

PHYSICAL CAPITAL
Material assets to provide high quality services:

- Resilient rail and road infrastructure and other assets (stations/workshops)
- Train/bus/ferry fleets

HUMAN CAPITAL AND RELATIONSHIPS
The skills, abilities and experience of our people and relationships with stakeholders

INTELLECTUAL AND ORGANISATIONAL CAPITAL
Intangible assets which contribute to creating value:

- patents, rights, etc.
- trademarks
- organisational procedures
- IT systems

NATURAL CAPITAL
Natural resources managed (renewable and finite):

- energy
- soil
- water
- materials

Sustainability

Innovation

Putting people first

Service quality

recruiting and managing personnel
training and development
people care
health and safety
relationships with passengers, customers and suppliers
relationships with institutions

planning, assessing and managing investments
debt capital market
project finance
soft finance
sustainable finance

innovation
organisation and administration
planning and control
risk management
internationalisation

Planning new infrastructures
operation, monitoring and maintenance of rail and road infrastructure, other assets (stations/workshops) and the train/bus/ferry fleets
defining intermodal transport services
providing passenger and freight transport services (commercial services1 and universal services2)
monitoring and investing in travel safety

energy management
environmental management systems

Results

- regional services
- high speed services
- intermodal services
- integrated logistic services
- new infrastructures
- international services
- engineering services
- road and rail infrastructures

Impacts

- putting people's needs first
- people's safety
- financial performance and investments
- value creation and competitiveness for the country
- punctuality and service regularity
- digital skills and technological progress
- attractiveness and satisfaction of the group's people
- environmental sustainability

SUSTAINABLE DEVELOPMENT GOALS

1. Services offered without commercial restrictions and without 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

VALUE CHAIN

Concessions, authorisation, calls for tenders and strategic planning Financing to carry out Group's activities/works

UPSTREAM...

Tier 2/3:
Sub-contracts, materials and components (es. steel, iron, concrete, etc.)

Tier 1:
procurement of goods, services and works

Materials for infrastructures, rail superstructure, technological and signalling systems, civil works

Trains, buses, equipment, systems, customer services

...OWN OPERATIONS...

Main mobility services offered

New infrastructures, maintenance of the railway and road network and management of railway stations

Management of the transport system of people by rail and road

...DOWNSTREAM

Significant customers and markets served

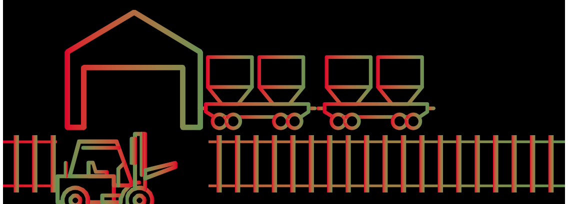
- Railway companies
- Railway station customers/Travellers
- Users of road network

Mainly domestic market

- Travellers

Domestic and international market

Railway engine and wagons, industrial vehicles

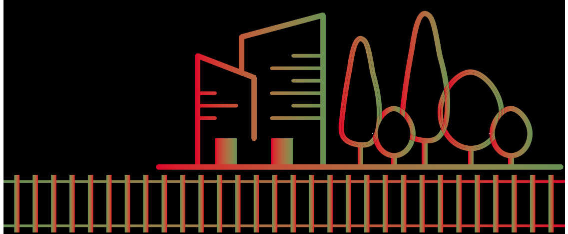


Management
of the freight transport
by rail and road

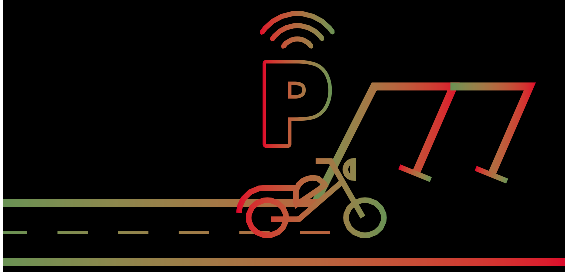
- End-producers of products transported from the factory to distribution points/end-users
- Intermediary operators (terminal operators and third-party transporters, etc.)

Domestic and international market

Design and engineering services



Regeneration of the property assets and integrated management of parking



- Municipalities and local authorities
- Communities/private investors
- Railway station customers/Travellers

Mainly domestic market

SECTOR	UPSTREAM...
RAIL AND ROAD INFRASTRUCTURE Transport infrastructure is the **backbone for the economic and social development of the territory**, affecting its productivity, facilitating its trade with other areas and markets, and improving its economic inclusion and social cohesion	The construction of infrastructure is subject to the decision of the regulator (in particular, through **concession deeds with the Government**) and the **raising of capital to finance the investments** required to operate the infrastructure and the awarding of **contracts to economic operators and specialists** of proven suitability and high professional profile. In this area, RFI and Anas are **among the largest contracting entities in Italy** by awarding tenders and contracts for the **construction of new works and routine and non-routine maintenance** of the infrastructure. Under such procedures, **third-party suppliers may rely on subcontractors** (tier 2) while the **materials used for the infrastructure construction phase** (tier 3) mainly concern steel, earths, iron, aluminium, concrete, etc.
PASSENGER TRANSPORT To foster **integrated mobility** solutions, increasing the share of collective and shared transport **through an increasingly personalized offer** that is attentive to the needs of each passenger, according to the principles of environmental, social and governance sustainability	Passenger transport is subject to **signing service contracts**, including as a result of tenders launched in local public transport services, and the **release of licenses** (issued nationwide by the Ministry of Infrastructure and Transport). **Raising capital to finance investments/purchases** related to the fleets and transport service management (including ancillary services such as, for example, fleet cleaning, catering services, etc.) is, in addition, a further necessary element to guarantee the service. The upstream value chain mainly consists of **suppliers of rolling stock and vehicles** (trains and buses) **and spare parts and components for fleet maintenance.**
FREIGHT TRANSPORT To maintain the company's **footprint in the logistics and freight transport sector** through the **promotion, implementation, management and sale of initiatives and services** in the field of logistics, mobility and freight transport	Freight transport and logistics management are subject to the **release of licenses** (issued nationwide by the Ministry of Infrastructure and Transport). In addition, **raising capital to finance investments/purchases** related to fleets, logistics terminals and operation of intermodal services is another necessary element to guarantee the service. The upstream value chain mainly consists of **suppliers of rolling stock and equipment** (locomotives, rail cars and wagons, cranes) **and transport services** (e.g., truck transport, rail car rental).
URBAN To enhance the assets that are no longer functional for rail service by managing **activities in the field of real estate and maintaining the company's footprint in the urban regeneration sector**	The upstream value chain mainly consists of **design and engineering service providers.**

...OWN OPERATIONS ...	... DOWNSTREAM
The main own activities/operations concern the construction of **accessible, integrated, resilient, interconnected road and rail works dialoguing with each other**, including thanks to **digital transformation** and the integration of engineering services for the **acceleration of investments**. In this context, the **operation of stations** also assumes particular importance, since they are key nodes in the network where the Group's activities and services come into direct contact with travellers, and where the infrastructure comes into direct contact with urban areas and their inhabitants.	The services offered by the Group, based on principles of fairness, non-discrimination and transparency, **are aimed both at railway companies**, to run their trains, passengers **and freight, and at customers who pass through our stations and/or travel along the road network** entrusted to the Group. In particular, commitments in terms of the "quality" of services offered to businesses and customers/travellers are declared and monitored through customer care and customer satisfaction activities.
The main own activities/operations concern the **promotion, implementation and management of initiatives and services in the field of passenger transport**, developing an integrated offer of products/services and operating a structured mix of distribution channels.	To meet the **mobility needs of travellers and the market demand**, committing to **ensuring the highest safety standards and guaranteeing a range of quality services**, declared and monitored through customer care and customer satisfaction activities.
The main own activities/operations concern the **promotion, implementation and management of integrated freight and logistics solutions** that enable the enhancement of the mode of railway transport.	To meet the **needs of industrial customers** (e.g., terminal operators, third-party transporters, end manufacturers) by committing to **providing customised logistics services** (intermodal transport, rail traction, first and last mile road, warehouse logistics, exceptional transport, handling and shunting).
The main own activities/operations concern the study, promotion, implementation and management of **processes to develop properties and increase their value** (with specific regard to stations, nodal and transport infrastructure, and assets available on behalf of FS Italiane Group companies), the development of activities related to **parking lots** and areas for parking vehicles of any kind, and the **operation and maintenance** of areas and buildings for public and private use.	To meet the **needs of customers** (e.g., private investors, municipalities, station customers) by generating **benefits for citizens and the community** through new services and gathering places resulting from the enhancement of urban areas owned by the Group.

Sustainability plan

As part of the **Group's Strategic Plan**, described in the paragraph on Strategic Plan 2025-2029, there are five **transformative programs** developed to enable the Group's growth and respond effectively to growing market challenges while enhancing the Group's positioning in the transport sector. One of these is precisely about **Sustainability**, and is geared toward promoting **sustainable mobility, the protection of territories, and the well-being of people**. In order to give concrete form to the Group's ESG strategy, a programme has been designed with **four transformative construction sites**, aimed at enabling the Group's positioning as a benchmark and international leader in good sustainability practices. The **four construction sites** that direct the Plan, to which specific challenges and objectives are linked, are reported below.

Transformative construction sites, and related challenges and main objectives:

ENERGETIC TRANSITION AND CLIMATE RESILIENCE

- Promote **accessible, integrated and sustainable transport, reducing emissions** and **increasing** the production and use of **renewable sources**
- **Adapt infrastructures** and **services** to **climate change, increasing the resilience** to natural risks also to the **benefit** of **entities** and **areas** served

Net-zero emissions by 2040 and CAPEX EU Taxonomy-aligned ≥ 80%
Platform for climate adaptation open to communities and entities (2027)

COMPETITIVE AND SUSTAINABLE SUPPLY CHAINS

- **Enable and support the evolution** from an **ESG** standpoint of the **supply chain at country level**, through **supplier development programmes**
- **Ensure** an **efficient** and **responsible management** of **Group resources** and **transactions**, also by **developing** the **procurement activity** toward sustainability

100% (ESG) assessed suppliers and 5,000 suppliers involved in improvement plans by 2026
-50% water consumption by 2040 and 80% low-carbon footprint steel production by 2033

DEVELOPMENT OF PEOPLE, COMMUNITIES AND AREAS

- Develop **distinctive skills**, enhance **diversity**, promote **inclusion** and increase **support to people** strengthening **wellbeing** instruments
- Develop **«social infrastructure»** projects, also by **regenerating** and **enhancing the infrastructure and property assets**, to increase **social cohesion** and **the territorial connection** of the **local communities**

33.5% women in managerial roles by 2029
3.5M mq Group areas upgraded in 2024-2029

HEALTH AND SAFETY

- **Spread** the culture of **occupational safety** by **strengthening training programmes** addressed to **personnel** and **contractors**
- **Strengthen technological solutions** to **safeguard and protect people** who interact with the railway system.

Fatal accidents at work of personnel tending to zero by 2031
-50% fatal accidents on ANAS network 2030 vs 2015

For more details in relation to the objectives linked to the four transformative construction sites, please refer to the thematic sections of this Consolidated Sustainability Report.

STAKEHOLDER MANAGEMENT AND DOUBLE MATERIALITY PROCESS

ESRS 2 SBM-2 – Interests and views of stakeholders

The FS Group interacts with a wide range of stakeholders who are critical to implementing its **corporate strategy, expanding business, and creating long-term value.** Gathering stakeholder needs and opinions enables the identification of social changes and trends, adapting strategies and business models in response to new challenges and opportunities. For this reason, the FS Group ensures that **administrative, management and supervisory bodies** are informed about stakeholder engagement on sustainability-related impacts. In fact, the FS Sustainability Board Committee meets on a regular basis to review key sustainability issues[47].
In addition, the main Group companies provide periodic updates to their Boards of Directors on the findings of service quality surveys and the progress of projects in the area of sustainability.

Engagement is carried out at the corporate and Group level to ensure that all views and related interests are properly identified, taking action where necessary. This approach aims **to continuously improve services and ensure transparency and trust** with stakeholders, **fostering innovation, ensuring regulatory compliance and promoting social responsibility**. The results of engagement are used to update business strategies, ensuring that they are aligned with stakeholder expectations, in order to refine organisational processes, including in relation to managing sustainability-related impacts, risks and opportunities, and strengthening existing relationships.

The Group's strategy and business model aim to create positive effects and mitigate negative impacts on its stakeholders, with a focus on the **end users** of the services provided. For more details, please refer to the thematic sections related to environmental, social and governance information.

Stakeholders with whom the Group interacts throughout the value chain are mapped into **macro-categories**, along with **the modes of engagement**, which are described below. The Group conducts **stakeholder mapping** approximately once a year to classify stakeholders according to their dependence on Group services, and their influence on decision-making, strategy and operations, as well as the urgency of attention they require, in accordance with the international AA1000-Stakeholder Engagement Standard (SES).

47. For more information, please refer to the paragraph on Board committees in the Report on Corporate Governance and Ownership Structure.

Stakeholder category	Modes of engagement to guide strategy
SHAREHOLDERS AND GRANTING AUTHORITIES	The **Shareholders' Meeting** of FS SpA, which is constituted by the sole shareholder MEF, is governed by the provisions of the law and the Articles of Association. Engagement is expressed through **institutional meetings** during the year when financial results, corporate strategies and key decisions are presented. During these meetings, shareholders have the opportunity to express their opinions and vote on material topics. Shareholders are kept informed through **e-mails and periodic reports**, which provide a detailed overview of the Group's economic, social, and environmental performance, and through **direct meetings with management where feedback and recommendations are gathered**. Engagement of granting authorities, i.e., the authorities that grant licenses and authorisations for FS Group operations, takes place through an **ongoing dialogue** aimed at ensuring compliance with regulations and concessions. This dialogue manifests itself in **periodic meetings** to discuss infrastructure projects, development plans, and operational issues.
CUSTOMERS AND TRAVELLERS	Customer and traveller engagement activities are promoted through structured listening and monitoring processes, including **discussion meetings, complaint analysis, customer satisfaction surveys, and business process monitoring**. Among the surveys conducted on an ongoing basis, of particular relevance are **customer satisfaction** surveys, conducted through interviews with customers and travellers to find out satisfaction levels on the quality of mobility services offered by Group companies. Annual **security sentiment** surveys are also conducted, which are aimed at analysing the variables that affect the perception of travel as an experience in terms of safety, through interviews with travellers at the station. **Surveys on Passenger and Freight Railway Companies and Studies on Stations** have also been conducted with the aim of gaining detailed knowledge of the travel behaviours and demands of travellers and visitors in some specific local areas, in order to direct and size in the most appropriate way the redevelopment of spaces and services offered to the public in stations. Other types of surveys concern those of **brand reputation**, to improve public perception and strengthen its image. For example, **focus groups** have been organised to evaluate and improve the catering service on board High-Speed trains. Another significant campaign is the information campaign regarding construction sites planned for 2025, aimed at keeping travellers informed and minimising inconvenience.
FINANCIAL COMMUNITY	As part of its initiatives to engage the financial community, the FS Group publishes dedicated **investor presentations** in which the Group's key economic and financial performance indicators and financial strategy are explained. Also recurring is the publication of **investor relations economic and financial press releases** providing key information of interest to financial stakeholders and investors. FS also participates in **meetings with investors and roadshows**, which are events where the FS Group's financial results, future strategies, and development projects are presented. The meetings offer investors the opportunity to also interact directly with FS Group management, explore issues of interest, and discuss the company's future prospects while maintaining an open and ongoing dialogue aimed at building trusting relationships and attracting new investors. Engagement initiatives with **ESG rating agencies**, on the other hand, are useful in assessing and improving the company's sustainability performance. This engagement takes place mainly through responses to **ESG questionnaires** sent to FS by the rating agencies.
SCIENTIFIC COMMUNITY	The FS Group organises **periodic presentations and publications** with scientific content, which explore topics related to the transport and mobility sector from technical, environmental, economic, planning and modelling perspectives, taking into consideration the interaction with cutting-edge technologies. Publications are often written in collaboration with universities and research organizations, institutions and public and private parties, both national and international.
BODIES AND INSTITUTIONS	**Memoranda of Understanding with Entities and Institutions** play a significant role in defining and implementing the Group's strategies. These formal agreements establish the basis for collaboration between the FS Group and various partners, such as local authorities, universities, research organisations, and other public and private institutions. Examples of memoranda signed during 2024 are the memorandum of understanding between RFI and the Central Apennine District Basin Authority and the one with the North Central Adriatic Sea Port System Authority for digital integration. In the railway station area, **"Joint Programmes"** are the tool by which Local Authorities are involved for the development of (active, public and shared) intermodality; these provide for the mutual exchange of data and information in addition to the identification of community and regional resources aimed at the development of mobility services. There are also numerous collaborations with **international institutions** for the sharing of harmonised solutions for the realisation of a European transport network in line with strategic corporate interests.
ECONOMIC OPERATORS/SUP-PLIERS	FS Group supplier engagement is mainly through **contract documents**, which include signing the Group Code of Ethics, as well as standard clauses on labour, social security, occupational health and safety, and compliance with rules. In addition, the **Group Purchasing Portal** is a reference point for suppliers in terms of ease of access to the market, clarity of requirements, a level playing field, confidentiality and reliability of results. Through its use, it is possible to rationalise purchasing, aggregate demand, control processes, and standardise purchasing procedures, as well as enable the elimination of paper documents. Annually, economic operators and suppliers are invited to participate in the ESG performance assessment campaign, through the IT platform developed by FS Italiane, aimed at assigning an **"ESG Rating"**, which measures their level of maturity regarding the management of sustainability issues. Finally, suppliers are involved in periodic meetings with contract managers and are subject to targeted audits aimed at assessing their performance in the areas of quality, environment and health and safety.
MEDIA	The Group periodically conducts **relational activities** with national, regional, local and international media, as well as with online newspapers, websites and blogs. The media are involved by the FS Group at, for example, **events such as press conferences, inaugurations of new infrastructure, fairs, and workshops**. These events provide an opportunity to directly present company news, answer journalists' questions, and create an open dialogue. These engagement methods enable the FS Group to maintain transparent and continuous communication with the media, thus strengthening its image and ensuring effective dissemination of information.

Stakeholder category	Modes of engagement to guide strategy
CIVIL SOCIETY ORGANISATIONS[48]	In the discussion and design of major works, **stakeholder engagement initiatives** are promoted in order to ensure maximum inclusion of all stakeholders. These engagement initiatives are aimed at managing more effectively the relationship with interested citizens, associations and local bodies, making them participate in the significance of the interventions to be carried out and involving them from the earliest stages, with a view to achieving the "right project" and creating a participatory ecosystem. In relation to the well-established discussion between FS Italiane and the world of consumer associations, the Group signed a memorandum of understanding in February 2023, which has a term of two years and is now being renewed, with consumer associations registered with the National Council of Consumers and Users (CNCU) and accredited with the Ministry for Business and Made in Italy. Dialogue, discussion and collaboration between the parties, as elements of added value in decision-making processes, as well as the sharing of useful information to identify collective needs related to FS activities, have been the objectives of the agreement. Actions carried out include attention to joint initiatives for communication and promotion of sustainability, the study and in-depth analysis of solutions for improving the quality of services through the engagement of the companies involved, and information on the objectives of the FS Group's Industrial Plan and of the NRRP in the area of national mobility.
MARKET PLAYERS	The FS Group periodically participates in **conferences** with industry associations, where it collaborates with market players (such as, for example, business partners and competitors) to promote sustainable mobility. The Group is also involved with other market players in **meetings and working groups** to discuss strategies and innovations in the transport sector, and in international industry trade fair events, such as **InnoTrans in Berlin**, to present its innovations and forge new partnerships.
HUMAN RESOURCES	The FS Group is strongly committed to listening to and involving its employees. This commitment is manifested through various communication initiatives and tools. For example, "cascading" meetings were organised following the presentation of the 2025-2029 Strategic Plan. These meetings, organised as roadshows, see top management travel to operating plants to present the Industrial Plan with the aim of disseminating its strategic message widely, stimulating everyone's involvement in the process and, not least, to gather concrete ideas for improvement. Other ways of engaging its employees take the form of **satisfaction surveys** to gather feedback on various issues related to work, corporate well-being, and welfare measures. For example, satisfaction surveys on **welfare measures and services** aim to improve the company Welfare Plan and develop shared initiatives in line with the needs of the Group's people. This engagement process allows employees to feel that they are an integral part of the company's strategy and actively contribute to the achievement of goals and objectives. Employees are also involved in promoting **sustainable mobility** through the "Mobility Manager: Home-Work Commute" survey, gathering valuable information to improve daily commuting patterns. Other forms of engagement occur through digital systems such as, for example, the **company intranet** (we) and the internal **communication platform** (wewatch), which uses video content to make information more accessible and immediate, promoting interaction and involvement. Employee engagement is also manifested through **meetings and information and training sessions** to share the Group's strategic goals and major initiatives. During 2024, Group employees were involved through the **"Welfare on the Rail"** project, which offers opportunities to meet and listen at most populous plants in Italy.
TRADE UNIONS	Business decisions and activities are directed by the workforce through the involvement of union representatives, through which the company gathers information and indications regarding workers' needs and expectations. In particular, on the basis of the **Industrial Relations System** adopted by the companies, such engagement takes place at the national and local levels, involving authorised union representatives such as the National Secretariats, Local Secretariats, and unitary and company Trade Union Representatives. At the company level, monthly meetings are held with trade unions on various issues, including occupational health and safety, personnel management, and working environments and conditions. With regard to agreements between the company and **workers' representatives, formal agreements** are in force in the Group with Trade Unions, which aim to promote actions to foster the development of a culture of safety and prevention among workers, through the timely refresher of employee training, including as a result of the introduction of new equipment or new technologies.

ESRS 2 IRO-1 – Description of the processes to identify and assess material impacts, risks, and opportunities

The FS Group has conducted the double materiality analysis in accordance with ESRS standards and the "IG 1: Materiality Assessment Implementation Guidance." In particular, in order to comply with the requirements of regulations and standards, this process took into consideration the **companies included in the scope of consolidation on a line-by-line basis**. In addition, the analysis covered not only the company's own activities, but also the full range of activities, resources and relationships related to the company's business model and the external environment in which

48. There are several trade associations with which the Group interacts, such as, for example: Confindustria and its local offices, Agens, Federtrasporto, Federturismo, Assonime, Accredia, Anima per il Sociale, FIRE - Federazione Italiana per l'uso Razionale dell'Energia and Carbon Disclosure Project (CDP), as well as WEC Italia (World Energy Council).
In Europe, the Group works together with numerous industry associations, such as the Community of European Railway and Infrastructure Companies (CER), which looks after sectoral interests at the main European institutions (Commission, Parliament, Council), and fosters dialogue between companies and decision-making bodies; it participates in specific working groups at the international railway organisation UIC (Union Internationale des Chemins de Fer) and at the European Railway Agency (ERA). In addition, the Group also collaborates with numerous organisations and foundations: Asvis, United Nation Global Compact, Global Reporting Initiative, Foundation for Sustainable Development, Legambiente, Railsponsible, Kyoto Club, Green Building Council (GBC), Sustainable Infrastructure Association, AGICI, Consumer's Forum, Corporate Forum on Sustainable Finance, Return Foundation, CN MOST Foundation.

it operates: thus, this was an inclusive analysis of the Group's **value chain**, as required by ESRS 1 - General Requirements. The *Business model and strategy* section provides the information required to understand the main characteristics of the value chain, both upstream and downstream.
The process has been structured according to the following steps:

- **understanding of the internal and external environment**, including analysis of regulations and peer and competitor disclosures, with specific regard to double materiality analysis and stakeholder mapping and engagement. Specifically, the context analysis included:
  - mapping and prioritisation activities of the FS Group's stakeholders (in accordance with authoritative standards on the subject, such as AA1000SES), in order to identify the materiality of each category and the best method of engagement; each company assessed its stakeholders in terms of dependence, influence, and urgency, thereby obtaining a priority value: this process enabled consistent and targeted engagement;
  - analysis preparatory to the identification of topics, sub-topics and sub-sub-topics applicable to the Group's reality and to the possible recognition of specific sustainability matters additional to and not included in the list provided by EFRAG within ESRS 1 - AR16;
  - mapping of the Group's value chain with identification of its stages and the main parties involved in each of them.

  This phase has, therefore, enabled the definition of a list of sustainability-related impacts, risks and opportunities (IROs) applicable to the sectors of reference;
- **identification of the impacts, risks and opportunities** actually applicable to the various companies of the Group, also through the involvement of in-house experts;
- **assessment and determination of material impacts, risks and opportunities** related to the various sustainability matters, through the involvement of experts in the organisations of the various companies (technical matter and financial matter experts) and, with regard to impacts only, also of third-party experts[49] (through assessment questionnaires and/or interviews, preceded by workshops illustrating the relevant methodology);
- **reporting** (in accordance with EFRAG provisions) of the results and appropriate elements required by standards and regulations.

With regard to the **assessment** stage, the materiality of impacts was determined by evaluating the dimensions of "severity" and "likelihood." The severity dimension consists of the following parameters:

- Scale: how severe the effects of the negative impact are or how many benefits the positive impact generates for people or the environment;
- Scope: how widespread the impact is;
- Irremediable character: whether and how difficult it is to remedy the damage produced by the impact (a parameter applicable to negative impacts only).

In addition, for each negative impact, consideration was given to whether any violation of human rights could arise, with severity taking precedence over likelihood in that case, as outlined in the ESRS standards.
For external stakeholders, only one severity assessment was required, including the three sub-parameters mentioned above, in order to make the activity easier for the profiles involved.
In relation, on the other hand, to risks and opportunities, the assessment was based on:

- probability: frequency with which the event (risk or opportunity) with financial effect may occur;
- anticipated financial effect: potential magnitude of the effects related to the occurrence of the event (risk or opportunity), measured in the short- and medium-term (1, 2-5 years), consistent with the strategic and industrial planning time horizon.

  The anticipated financial effects resulting from the occurrence of a risk or opportunity event were assessed by considering three economic-financial KPIs, through qualitative and quantitative thresholds:
  - economic performance and business development (EBITDA);
  - financial position (NIC);
  - cash flows (NFP).

For both dimensions of double materiality, the parameters were evaluated according to qualitative and quantitative scales (whose values range from 1 to 5) and the contributions of the various companies involved were then aggregated through the use of weights derived from **business indicators** (final number of employees, turnover and balance sheet assets), to obtain impact materiality (impacts) and financial materiality (risks and opportunities) values. This aggregation made it possible to define a ranking of sustainability issues and related impacts, risks and opportunities at the consolidated Group level. Subsequently, **materiality thresholds** were applied to identify IROs and related

49. The stakeholders interviewed belong to the following 3 categories: Scientific Community, Bodies and Institutions, and Civil Society Organisations.

sustainability matters relevant to the Group: for impacts, a threshold was set at 3, based on the distribution, mean and median of the scores; risks and opportunities were clustered into 4 classes (LOW, MEDIUM-LOW, MEDIUM-HIGH, HIGH) and those falling at least in the MEDIUM-LOW range (e.g., score > 1.413 "LOW") were identified as being material.

The process carried out to assess the materiality of impacts, risks, and opportunities identified by the FS Group for the current financial year traced the macro-phases in which the process for the previous reporting period had been structured, with an update in terms of methodology and content, necessary to ensure consistency with the regulations and ESRS standards. Moreover, the process had been carried out with a view to a gradual approach to CSRD and ESRS as early as the previous financial year. In particular, a functional context analysis had been carried out to identify sustainability matters and their impacts, which were then submitted for assessment. Thus, only the impact materiality dimension of the FS Group's sustainability matters had been investigated. For this exercise, however:

- the perimeter of the companies involved was expanded and an analysis of the Group's value chain was carried out;
- the context analysis resulted in a list of sustainability matters consistent with the list under ESRS 1 AR 16, and a list of IROs;
- not only the impact materiality dimension but also the financial materiality dimension (risks and opportunities) was assessed.

Therefore, it is not possible to make a disclosure in terms of changes in IROs since the previous reporting period because the regulatory frameworks are different from each other.

For any information regarding the decision-making process and related internal control procedures in relation to sustainability reporting, please refer to the paragraph on *Internal Control and Risk Management System* of the Report on Corporate Governance and Ownership Structure.
The FS Group pays special attention to risk management in business processes. For this purpose, it has defined methodologies, taxonomies and metrics adopted homogeneously by the entire FS Group, and developed modes of analysis functional to the different contexts of application. As part of consolidated sustainability reporting, a specific activity was developed in identifying and assessing financial risks and opportunities (financial materiality), which forms an integral part of the double materiality process.
The double materiality analysis is part of the FS Group's sustainability governance model, the first stage of which is the context analysis. Accordingly, the double materiality analysis is a pivotal element for the Group's entire **strategy** since it is one of its initial moments from which the entire strategic process takes its cue, and thus useful for understanding the priority areas of intervention for the organisation's strategic choices. In addition, opportunities are also identified and evaluated taking into account the planning guidelines in relation to sustainability issues, which are part of the Group's overall management process.
In relation to the **resilience of the Group's strategy and business model** with regard to the ability to deal with material impacts and risks and to take advantage of material opportunities, please refer to the paragraph on *Risk Management, Strategic Plan 2025-2029* and the specific section within the paragraph on *Climate Change*, where reference is made to the specific resilience analysis for climate change, which is among the most material sustainability topics.

ESRS 2 IRO-2 - Disclosure requirements in ESRS covered by the undertaking's sustainability statement

Below are the sustainability matters related to thematic ESRS found to be material within the scope of the Group's "double materiality" process:

⊕ Entity specific topics

ESRS			Group material topics	
Topic	**Sub-Topic**	**Sub-sub-Topic**	**Sustainability Matter 1st level**	**Sustainability Matter 2nd level**
ESRS E1 Climate change	Climate change adaptation	-	Climate change adaptation	**Climate change adaptation of urban areas**
				Climate change adaptation of infrastructures
				Climate change adaptation of mobility means and services
	Climate change mitigation	-	Climate change mitigation	**GHG emissions**
	Energy	-		**Energy**
ESRS E2 Pollution	Pollution of soil	-	Pollution	**Pollution of soil**
	Pollution of living organisms and food resources	-		**Pollution of living organisms and food resources**
	Substances of concern	-		**Substances of concern and of very high concern**
	Substances of very high concern	-		
	-	-		⊕ **Light pollution**
	-	-		⊕ **Physical agent pollution (noise and vibration)**
ESRS E3 Water and marine resources	Water	Water consumption	Water	**Water consumption**
		Water withdrawals		**Water withdrawal**
		Water discharges		**Water discharges**
		Water discharges into oceans		
ESRS E4 Biodiversity and ecosystems	Direct impact drivers of biodiversity loss	Climate change	Biodiversity and ecosystems	**Influence on biodiversity and species**
		Land-use, freshwater-use and sea-use change		
		Direct exploitation		
		Pollution		
		Others		
	Impact on the state of species	Examples: -Species population size -Species global extinction risk		
	Impacts on the extent and condition of ecosystems	Examples: -Land degradation -Desertification -Soil sealing		**Ecosystems and ecosystem services**
	Impacts and dependencies on ecosystem services	-		

Entity specific topics

ESRS			Group material topics	
Topic	**Sub-Topic**	**Sub-sub-Topic**	**Sustainability Matter 1st level**	**Sustainability Matter 2nd level**
ESRS E5 Circular economy	Resource inflows including the use of resources	-	Circular economy	**Management of materials**
	Waste	-		**Waste management**
ESRS S1 Own workforce	Working conditions	Secure employment	Working conditions, employees' health and safety	**Working conditions and social protection**
		Working hours		
		Adequate wages		
		Social dialogue		
		Freedom of association, the existence of works councils and the information, consultation and participation rights of workers		
		Collective bargaining, including the rate of the undertaking's workforce covered by collective agreements		
		Work-life balance		**Involvement in and care for the well-being of people**
		Health and safety		**Occupational health and safety of the Company's employees**
	Equal treatment and opportunities for all	Gender equality and equal pay for work of equal value	Employee inclusion, enhancement and development	**Selection, enhancement and development of people**
		Training and skills development		
		Employment and inclusion of persons with disabilities		**Inclusion and enhancement of diversities**
		Measures against violence and harassment in the workplace		
		Diversity		
	Other work-related rights	Adequate housing	Other work-related rights of employees	**Adequate housing and working environments**
		Privacy		**Employee data protection and information security**

Entity specific topics

ESRS			Group material topics	
Topic	**Sub-Topic**	**Sub-sub-Topic**	**Sustainability Matter 1st level**	**Sustainability Matter 2nd level**
ESRS S2 Workers in the value chain	Working conditions	Secure employment	Workers in the value chain	**Working conditions and social protection of workers in the value chain**
		Working hours		
		Adequate wages		
		Social dialogue		
		Freedom of association, including the existence of works councils		
		Collective bargaining		
		Work-life balance		
		Health and safety		**Occupational health and safety of workers in the value chain**
	Equal treatment and opportunities for all	Gender equality and equal pay for work of equal value		**Equal treatment and opportunities for workers in the value chain**
		Training and skills development		
		Employment and inclusion of persons with disabilities		
		Measures against violence and harassment in the workplace		
		Diversity		
	Other work-related rights	Child labour		**Other work-related rights in the value chain**
		Forced labour		
		Adequate housing		
		Water and sanitation		

Entity specific topics

ESRS			Group material topics	
Topic	**Sub-Topic**	**Sub-sub-Topic**	**Sustainability Matter 1st level**	**Sustainability Matter 2nd level**
ESRS S3 Affected communities	Communities' economic, social and cultural rights	Land-related impacts	Land protection and development	**Land redevelopment**
				Enhancement and protection of historical, social, cultural and natural heritage
			Sustainable and integrated mobility for passengers and freight	**Development and expansion of new services connecting mobility systems**
				Promotion of new mobility solutions
				Renewal of means of transport
			Infrastructure development and improvement	**Development, upgrade and improvement of infrastructures, urban nodes and stations**
				Integration and development of links between transport infrastructure networks
				Sustainable design and construction of infrastructures
				Promotion and dissemination of charging and refuelling stations for environmentally friendly vehicles
				Social and economic development of local areas
	Communities' civil and political rights	Freedom of expression		**Listening to stakeholder needs**
	-	-	Support to communities	**Social cohesion** (entity specific)
				External caring (entity specific)
				Social innovation (entity specific)
				Corporate volunteering (entity specific)
				Cultural, social and artistic promotion (entity specific)
ESRS S4 Consumers and end-users	Information-related impacts for consumers and/or end users	Privacy	Value to customers	**Customer/user data protection and information security**
		Freedom of expression		**Service quality**
		Access to (quality) information		
	Social inclusion of consumers and/or end users	Non-discrimination		**Usability and accessibility of services**
		Access to products and services		
		Responsible business practices		
	Personal safety of consumers and/or end users	Health and safety	Safety of transport, infrastructures and other assets	**Safety and reliability of rail (lines and stations) and road infrastructures**
		Security of a person		**Safety and reliability of the means of transport**
				Safety and reliability of other assets (e.g. workshops, parking lots, properties, terminals, etc.)
		Protection of children		**Protection of passengers, infrastructures, means of transport and real estate assets against damage caused by third parties**

Entity specific topics

ESRS			Group material topics	
Topic	**Sub-Topic**	**Sub-sub-Topic**	**Sustainability Matter 1st level**	**Sustainability Matter 2nd level**
ESRS G1 Business conduct	Corporate culture	-	Ethical and responsible business conduct	**Business ethics, integrity and transparency**
	Protection of whistle-blowers	-		
	Political influence and lobbying activities	-		
	Corruption or bribery	Prevention and detection, including training		**Anti-corruption**
		Incidents		
	Management of relationships with suppliers, including payment practices	-	Supply chain sustainability	**Responsible supplier management**
				Responsible purchasing

ESRS 2 SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model

The tables below provide a representation of the material IROs for each 1st-level sustainability matter, with a description of where they are concentrated (own operations and/or value chain), their prevailing character (positive/negative), their actuality or potential, and the relevant time horizon. For further information regarding material impacts, risks, and opportunities for the FS Group, please refer to the corresponding thematic ESRS.

Climate change (ESRS E1)

Climate change mitigation

The **transport sector** can play a decisive role in combating climate change through the adoption of mitigation actions, that is, actions that reduce or prevent greenhouse gas emissions. Indeed, the current mobility system accounts for about a quarter of Europe's greenhouse gas emissions, and the expected increase in demand is likely to increase its carbon footprint. Different **mobility choices** in daily routines toward environmentally friendly means of transport enable reductions on emission volumes, as well as bringing **improvements in traffic, safety and pollution**.
In terms of energy and emissions, rail transport can make a great contribution: electrified **rail transport**, for example, in addition to being much more efficient than road transport, can benefit from a national energy mix that employs more and more renewable sources for the electricity system (more than 40% in Italy). As the **largest consumer of electricity in Italy**, the FS Group is working to reduce its greenhouse gas (GHG) emissions, also with a view to being less vulnerable and exposed to the economic and financial effect of transition risks, such as, for example: those related to changes in legislation and regulations (e.g., on GHG emission limits), unfavourable or delayed measures, and to the possibility of ongoing changes in carbon-intensive infrastructure projects. From a market perspective, the main risks relate, for example, to economic dependence on customers and partners with high emission levels. In addition, competition could intensify, with competitors developing more competitive and virtuous business policies. However, the transition to a low-emissions model also creates opportunities. In the legal and policy spheres, the FS Group could benefit from new sources of public funding and strengthen its leading role in transport decarbonisation. In the market arena, opportunities arise to expand low-emission transport offerings by developing new partnerships and innovative services. On the technological side, investment in more sustainable resources and the design of green solutions may improve operational energy efficiency. Finally, on the reputational side, changing customer preferences toward climate-neutral transport solutions could generate new revenues, giving the group an opportunity to improve its market position.

Material IROs	Concentration			Time Horizon
	Upstream	Own operations	Downstream	
Impacts				
Indirect impacts on climate change caused by emissions that occur in the value chain ● ✓	x	x	x	Short-term
Impacts on climate change related to the Group's mobility services ● ✓	x	x	x	Short-term
Direct impacts on climate change caused by consumed energy in the performance of the Group's activities ● ✓	x	x		Short-term
Risks[50]				
Unfavourable or delayed acts/measures		x		Short-term, Medium-term
Changes in legislation/regulations/standards		x		Medium-term
Critical issues in defining, implementing and updating adaptation or transition plans		x		Medium-term
Critical issues in defining, implementing and updating commercial offerings (products, services, pricing)		x		Short-term, Medium-term
Dependence on key customer/partner		x		Medium-term
Inadequate sizing of the workforce		x		Short-term, Medium-term
Changes in progress		x		Short-term, Medium-term
New commercial policies offered by competitors		x		Medium-term
Inflationary scenario and price increases		x		Short-term, Medium-term
Price volatility of commodities and raw materials		x		Medium-term
Opportunities				
Adoption of a damage prevention system		x		Medium-term
Expansion of offerings through partnerships	x			Medium-term
Climate-proof design, implementation and development activities		x		Medium-term
Changes in customer habits, needs and preferences		x	x	Medium-term
Diversification of resources concentrated in critical assets		x		Short-term, Medium-term
Entry into new markets			x	Medium-term
New forms of grants and public funds		x		Medium-term
Stronger stakeholder engagement	x			Short-term, Medium-term
Active, leadership and advocacy role		x		Short-term, Medium-term
Scale up of existing businesses and best practices		x		Medium-term
Scouting, design, development and implementation of innovative solutions		x		Medium-term

● negative ● positive ✓ actual ⌛ potential

Time Horizon Short-term (until 1 year); Medium-term (from 2 to 5 years); Long-term (beyond 5 years)

50. For a more comprehensive discussion of the transition risks associated with low-carbon economy, please refer to the dedicated section under E1 - Climate Change.

Climate change adaptation

In parallel with mitigation, it is critical to address the challenge of **adaptation**. Climate change is already underway, and although global efforts are focused on reducing emissions, **infrastructure, transport systems and urban areas need to be prepared** to cope with increasingly frequent and intense extreme weather events such as floods, landslides, heat waves etc. In particular, the Italian rail and road system must be made resilient to meet these challenges. In addition to the physical risks and direct impacts of extreme weather events (e.g., heavy rainfall) and chronic changes (e.g. sea level rise), the Group's businesses are also exposed to significant effects related to the transition to climate resilience; think, for example, of the sudden changes in regulations and guidelines on the design of climate-resilient assets, which could entail organisational and financial costs for adaptation to them; or think of the potential criticality in relations with stakeholders, with reference to the lack of alignment with respect to regulatory developments on climate change adaptation, which could generate delays in the construction of works, with consequent increases in costs. In promoting a more sustainable and resilient transport system, it is crucial to invest in climate change adaptation, both through **strengthening and modernising the existing rail and road infrastructures** to protect them from the impacts of extreme weather events and chronic changes that can damage the network and lead to service disruptions, and through **activities to design, implement, and develop "climate proof" assets** that enable the optimisation of the safety and reliability of the Group's mobility services. The deployment of new "disruptive" technologies can also contribute in terms of opportunities to strengthen the adaptive capacity of mobility systems with respect to the consequences of climate change and land fragility (e.g., technologies for rail and road monitoring and development of forecasting platforms for the analysis and management of weather-climate impacts), for more timely and cost-effective management of the consequences of the manifestation of climate hazards. Investing in measures, solutions, and tools aimed at climate change adaptation also allows the organisation to have a greater chance of accessing new public funds to financially support the actions themselves (e.g., funds under NRRP, SUMP [Sustainable Urban Mobility Plan], and SUGP [Sustainable Urban Logistics Plan], as forms of public grants in order to make owned assets close to urban centers more sustainable), positively impacting the cash flows of the companies supporting the projects.

Material IROs	Concentration			Time Horizon
	Upstream	Own operations	Downstream	
Impacts				
Impacts on reliability and continuity of service related to means and mobility services	x		x	Short term
Impacts on territorial continuity	x	x	x	Medium-term
Impacts on reliability and continuity of service linked to infrastructures		x	x	Medium-term
Impacts on continuity of services deriving from urban asset adaptation	x	x	x	Medium-term
Risks[51]				
Unfavourable or delayed acts/measures		x		Medium-term
Changes in legislation/regulations/standards		x		Short-term, Medium-term
Litigation with counterparties (suppliers, customers, staff, bodies, associations, communities, etc.)	x	x	x	Short-term, Medium-term
Critical issues in defining, implementing and updating adaptation or transition plans		x		Short-term, Medium-term
Critical issues in relations with institutional stakeholders		x		Short-term, Medium-term
Extreme weather and climate events		x		Short-term, Medium-term
Inadequate disbursement of public grants or funds		x		Short-term, Medium-term
Changes in progress		x		Medium-term
Chronic climate changes		x		Medium-term
Fluctuation in interest rates		x		Short-term, Medium-term
Suspension of contracts	x	x	x	Medium-term
Opportunities				
Adoption of a damage prevention system		x		Medium-term
Expansion of offerings through partnerships		x	x	Short-term, Medium-term
Climate-proof design, implementation and development activities		x		Medium-term
Changes in customer habits, needs and preferences		x		Short-term, Medium-term
Changes in legislation/regulations/standards		x		Medium-term
Positive externalities related to services and products offered		x		Medium-term
Entry into new markets			x	Short-term, Medium-term
New forms of public grants and funds		x		Short-term, Medium-term
Optimising dependencies and opportunities of impacts on ecosy-stems and biodiversity		x		Medium-term
Participation in territorial systems		x		Medium-term
Stronger stakeholder engagement		x		Short-term, Medium-term
Rapid diffusion of "disruptive" technological and digital innovations		x		Medium-term
Scale up of existing businesses and best practices		x		Short-term, Medium-term
Scouting, design, development and implementation of innovative solutions		x		Medium-term
Replacement of existing products and services with options with lower impact on environmental resources		x		Short-term, Medium-term

negative   positive   actual   potential

Time Horizon Short-term (until 1 year); Medium-term (from 2 to 5 years); Long-term (beyond 5 years)

51. For a more comprehensive discussion of physical and transition risks associated with climate resilience, please refer to the dedicated section under E1 - Climate Change.

Pollution

The Group is committed to keeping various types of pollution under control, particularly **pollution of soil and from physical agents (noise and vibration), a typical aspect of the rail and road sector.** Each of these elements brings with it impacts, risks and opportunities that require an integrated approach of prevention, mitigation and innovation. Pollution of soil is **mainly caused by long-term industrial operations**, traffic, and the use of chemicals. In the environment in which the Group operates, the risk of soil contamination **can result from fuel spills, spillage of oils and other fluids** used in the maintenance of vehicles and infrastructure while the construction and maintenance of transport infrastructure can result in the release of pollutants into the soil. **Noise and vibration from the passage of trains and motor vehicles** can produce significant environmental impacts, especially in urban and residential areas. Trains generate noise predominantly from the noise of the moving engine at low speeds, the rolling of wheels on tracks, aerodynamics at medium and high speeds, and braking systems. Vibration, similarly, can propagate through the ground and building structures, causing disturbance to people and damage to property. Among material opportunities generated by pollution-related matters, there is the possibility of receiving new forms of public grants and funds, for example, for the purchase/use of components with reduced noise emissions and for revamping activities to replace engines and braking systems or locomotive components. The scouting, design, development, and implementation of innovative solutions and the replacement of existing products and services with options that have less impact on environmental resources, with a view to reducing pressure on the environment and limiting restoration costs (e.g., remediation), are also of relevance to the Group. A material risk inherent in pollution is legal/political in nature, as a change in the regulatory framework (e.g., change to emission limits) due to the size and complexity of operations could result in new investments to adapt its assets to the new requirements. **Other types of pollution** that are less significant in terms of impact but have risks and/or opportunities associated with their management are light pollution and pollution of living organisms and food resources, potentially caused by the use of hazardous substances and their accidental release into the environment. Light pollution can be caused by improper or excessive artificial lighting that disrupts the natural environment, altering the circadian rhythms of living things, including humans, and adversely affecting local ecosystems. Light pollution can originate from lighting systems placed to serve road and rail infrastructure, stations, railway yards, and rest areas that are active at night. On the other hand, with regard to pollution of living organisms and food resources, the areas that are most at risk of soil contamination are those traversed by road and rail infrastructure where contaminants consisting of heavy metals may be present, arising mainly from the abrasion processes that occur during the running of trains or where weed control is carried out through the use of chemical weeding techniques. Waterways or areas intended for agricultural use may also be affected by possible contamination, with reference to the above-mentioned risks. On all the points listed, the Group is constantly engaged through activities of forecasting, preventing and mitigating risks and managing and overcoming emergencies in compliance with environmental regulations, according to the precautionary principle. The Group has an important **responsibility in managing the environmental impacts associated with pollution, both in day-to-day operations and in long-term policies**. Pollution is a key matter that requires ongoing efforts to reduce risks, address issues and seize opportunities for innovation.

Material IROs	Concentration			Time Horizon
	Upstream	Own operations	Downstream	
Impacts				
Impacts on soil condition related to pollution ● ⌛	x	x		Long-term
Risks				
Unfavourable or delayed acts/measures		x		Medium-term
Changes in legislation/regulations/standards		x		Medium-term
Litigation with counterparties (suppliers, customers, staff, bodies, associations, communities, etc.)		x		Medium-term
Inadequate disbursement of public grants or funds		x		Medium-term
Inadequate performance of supplier/contractor	x			Medium-term
Changes in progress		x		Medium-term
Non-compliance of contractual clauses with company rules/procedures		x		Medium-term
Rapid diffusion of "disruptive" technological and digital innovations		x		Medium-term
Inflationary scenario and price increases		x		Medium-term
Volatility of commodity and raw material prices		x		Medium-term
Opportunities				
New forms of public grants and funds		x		Medium-term
Scouting, design, development and implementation of innovative solutions		x		Medium-term
Replacement of existing products and services with options with less impact on environmental resources		x		Medium-term

● negative ● positive ✓ actual ⌛ potential

Time Horizon Short-term (until 1 year); Medium-term (from 2 to 5 years); Long-term (beyond 5 years)

Water and marine resources (ESRS E3)

Water

The proper management of water has always played an absolutely important role in the way the Group conducts its business, with an awareness of the value of water resources and the risks that can result from their **impairment in terms of quality and scarcity**. The Group is present in many areas characterised by water stress and, for this reason, water is a crucial resource for the activities carried out by the Group, particularly in the Infrastructure and Passenger Transport sectors. Within the latter, water is used for manufacturing, technological processes and sanitation purposes to provide suitable working conditions for employees and workers and the quality of service delivered to customers, ensuring the sanitisation and cleanliness of trains and stations, and the availability of water for essential services. The FS Group also considers it essential to manage the water resource in the best possible way in order to meet the challenges associated with climate change in advance, as these will also affect the availability of water and its quality. Water scarcity as well as hydrological phenomena caused by heavy rainfall, together with high temperatures, could damage infrastructure, such as tracks, roads, stations, and facilities, compromising service continuity and increasing operating and maintenance costs. Anticipating such scenarios can help prevent or mitigate water crises, which could have major consequences on operations, **process quality, and the economic sustainability of the services provided by the Group.** The use of water for industrial purposes by Group companies makes it important to monitor the **management of water discharge quality** and to develop innovative solutions with regard to wastewater treatment, particularly in water-stressed areas where the receptive capacity of water bodies could be compromised. In addition, the Group's operations are largely based on competitive tenders, the activities of which involve the water resource in a significant way(one thinks, for example, of excavation engineering techniques). In this context, therefore, the **sensitisation of business partners** included in the value chain of the companies and their integration in the preparation of innovative proposals, both technological and operational, also assumes a fundamental role. Water resource management, therefore, presents significant challenges, but also significant opportunities for the

Group. Investing in sustainable practices and innovative technologies can **reduce the risks associated with water scarcity, pollution, and loss** while at the same time offering **opportunities for savings, improved efficiency, and enhanced corporate reputation.**

Material IROs	Concentration			Time Horizon
	Upstream	Own operations	Downstream	
Impacts				
Impacts on ecosystem functioning related to the release of water discharges ● ⏳	x	x		Short-term
Impacts on the volume of water resources available for human or ecological use ● ⏳	x	x		Long-term
Risks				
Contaminated, damaged natural environment or ecosystem collapse		x		Short-term, Medium-term
Changes in legislation/regulations/standards		x		Medium-term
Difficult availability of goods and services	x			Short-term, Medium-term
Inadequacy or obsolescence of technological and digital infra-structure and tools		x		Medium-term
Inadequate staffing		x		Short-term, Medium-term
Inadequate scouting, design, development and implementation of innovative solutions		x		Short-term, Medium-term
Opportunities				
Rapid diffusion of "disruptive" technological and digital innovations		x		Medium-term
Active, leadership and advocacy role		x		Medium-term
Scouting, design, development and implementation of innovative solutions		x		Medium-term

● negative ● positive ✓ actual ⏳ potential

Time Horizon Short-term (until 1 year); Medium-term (from 2 to 5 years); Long-term (beyond 5 years)

Biodiversity and ecosystems (ESRS E4)

Biodiversity and ecosystems

Infrastructure development, one of the Group's main activities, can be a source of risk in terms of **potential ecosystem imbalances**. Infrastructure construction and expansion can disrupt and fragment **natural habitats**, reducing the ability of species to move freely and threatening their very survival. Promoting and safeguarding biodiversity in infrastructure projects and interventions promotes ecosystem resilience. European and national regulations increasingly require companies to adopt **environmentally friendly management measures** to minimise the environmental impact of their activities. Respect for biodiversity and ecosystems is also a requirement for obtaining **construction permits, operating on certain areas or receiving incentives, reducing the risk of incurring penalties or lawsuits for environmental damage**. The adoption of biodiversity protection measures can generate opportunities, such as the creation of positive externalities related to the services and products offered (e.g., reforestation work along the railway line to increase CO_2 absorption), which enable Group companies to access financing for the construction of new nature-based works (nature-based solution) and create reputational benefits. On the same front, it is also of interest to collaborate with environmental associations and local entities to, for example, create ecological corridors, plant trees, protect endangered species and minimise the alteration of ecosystems, as well as stimulate technological innovation by introducing low-environmental impact solutions.

Material IROs	Concentration			Time Horizon
	Upstream	Own operations	Downstream	
Impacts				
Impacts on the biological production capacity of the soil that can also lead to desert conditions ● ⌛	x	x		Short-term
Impacts on soil permeability that inhibit the soil's ability to exert its vital functions ● ⌛	x	x		Short-term
Opportunities				
Changes in customers' habits, needs, and preferences		x		Medium-term
Positive externalities related to the services and products offered		x		Medium-term
Scouting, design, development, and implementation of innovative solutions		x		Medium-term
Replacement of existing products and services with options that have less impact on environmental resources		x		Medium-term

● negative ● positive ✓ actual ⌛ potential

Time Horizon Short-term (until 1 year); Medium-term (from 2 to 5 years); Long-term (beyond 5 years)

Resource use and circular economy (ESRS E5)

Circular economy

The circular economy model overcomes the current paradigm of the linear economy, enabling **more efficient management of natural resources**, extending the life cycle of materials used in line with the R hierarchy - from "refuse" to "recover" - and **minimising the production of waste**. Promoting **circular practices** also positively affects the Group's carbon footprint. The need to introduce circular solutions stimulates **innovation**, in research of both materials and technologies. This approach is critical for a company that operates large infrastructure and means of transport, where efficiency in management of materials and assets is crucial. Investing in circular economy practices can foster innovation and improve **the Group's competitiveness in the market**. For example, adopting circular technologies and processes can differentiate the Group, responding to the growing demand for environmentally friendly solutions from citizens and institutions. European and international regulations also increasingly promote circular economic models, prompting companies to adopt them more quickly. Integrating circular practices into daily operations, although it can lead to **significant savings in the long term**, requires **upfront costs** for adopting new technologies, processes and materials that can be high. The programme, therefore, involves major business and reputational opportunities, which, if not well managed, can turn into legal and market risks. The management of materials is particularly relevant in terms of risks and opportunities, as companies are moving into materials innovation and recycling to be less economically dependent on certain critical raw materials, and to be less exposed to risks related to supply chain disruption and inflationary scenarios. The Group can also take an active and leadership role on circular economy issues, with reputational benefits and new partnerships, by providing for appropriate clauses in contract forms put out to tender to promote the production of materials through more sustainable manufacturing processes.

Material IROs	Concentration			Time Horizon
	Upstream	Own operations	Downstream	
Impacts				
Impacts on the environment related to the management of materials present in the waste ● ✓	x	x		Medium-term
Risks				
Changes in customer habits, needs and preferences		x		Medium-term
Changes in legislation/regulations/standards		x		Medium-term
Litigation with counterparties (suppliers, customers, staff, bodies, associations, communities, etc.)	x		x	Medium-term
Difficult availability of goods and services	x			Medium-term
Dependence on key customer/partner			x	Medium-term
Emergencies arising from man-made events		x		Medium-term
Inadequate definition of needs for goods, services and works		x		Short-term, Medium-term
Inadequate disbursement of public grants or funds	x			Medium-term
Inadequate crisis management		x		Medium-term
Inadequacy or obsolescence of technological and digital infra-structure and tools		x		Medium-term
Active and passive breaches of contract	x		x	Medium-term
Unavailability of materials or commodities	x			Medium-term
Volatility of commodity and raw material prices	x	x		Medium-term
Opportunities				
Changes in customer habits, needs and preferences		x	x	Medium-term
Diversification of critical suppliers or contractors	x			Medium-term
Diversification of resources concentrated in critical assets		x		Medium-term
Entry into new markets		x		Medium-term
New forms of public grants and funds	x			Medium-term
Active, leadership and advocacy role		x		Medium-term
Scouting, design, development and implementation of innovative solutions		x		Medium-term
Eco-design strategies		x		Medium-term

● negative ● positive ✓ actual ⌛ potential

Time Horizon Short-term (until 1 year); Medium-term (from 2 to 5 years); Long-term (beyond 5 years)

Own workforce (ESRS S1)

Working conditions, employees' health and safety

With more than 96,000 people, the FS Group is one of the largest industrial entities in the country, at the center of the Italian mobility system with services ranging from rail and road infrastructure management to the provision of multi-modal transport services. In this context, the management of working conditions and employees' health and safety plays a fundamental role, both for the **well-being of our people** and for the **sustainability of the organisation**. Working conditions vary depending on the role and tasks performed. For example, for staff working on railway lines or in stations, conditions can be more difficult than for those working in offices; however, the Group's commitment to improving the working environment extends to all areas of activity, ensuring that staff have access to adequate space and **suitable tools**, and can, through **welfare schemes**, increase their quality of life, ensuring a better work-life balance (this translates, for example, into a lower turnover rate, mitigating the costs associated with the phenomenon). In this regard, further strengthening stakeholder engagement enables

improvements in contractual conditions/welfare policies that can increase employee engagement and thus affect productivity.
With regard to the risk of third-party dissemination of prejudicial information, it is worth noting the importance assigned to the topic and the attention paid to the proper application of the Data Protection Framework (with reference to the use of appropriate technology) to ensure the confidentiality of information (please refer to the dedicated section). In general, despite the safety measures implemented by the Group companies, the activities connected in particular to the railway sector involve risks for workers who may incur injuries/accidents and, therefore, the Group has a great responsibility in establishing prevention policies, commitments and actions aimed at spreading a culture of safety at all organisational levels. In this context the FS Group promotes, for example, the identification of digital and innovative solutions to be applied to occupational safety, pursuing the goal of maximising the culture of safety with the dissemination of best practices (scale up). Improving working conditions and employees' health and safety, in addition to being an imperative for the Group, makes it possible to generate positive externalities in terms of both productivity and reputation, improve the quality of services offered and operational efficiency, strengthen corporate image and increase employer branding, attracting and retaining people and talent.

Material IROs	Concentration			Time Horizon
	Upstream	Own operations	Downstream	
Impacts				
Impacts on employee well-being related to welfare and work-life balance ● ✔		x		Medium-term
Impacts on employment stability and social protection of employees ● ✔		x		Medium-term
Impacts on the degree of occupational health and safety of employees ● ⌛		x		Long-term
Risks				
Litigation with counterparties (suppliers, customers, staff, bodies, association, communities, etc.)	x		x	Short-term, Medium-term
Critical issues in defining, implementing and updating the organisational model		x		Medium-term
Third-party dissemination of prejudicial information		x		Medium-term
Changes in staff expectations (e.g., work-life balance)		x		Medium-term
Non-/partial compliance with legislation, regulations and standards		x		Medium-term
Opportunities				
Job creation and skill enhancement in the context of a "just transition"		x		Short-term, Medium-term
Positive externalities related to services and products offered		x	x	Medium-term
Stronger stakeholder engagement		x		Medium-term
Active, leadership and advocacy role		x		Medium-term
Scale up of existing businesses and best practices		x		Short-term, Medium-term

● negative ● positive ✔ actual ⌛ potential

Time Horizon Short-term (until 1 year); Medium-term (from 2 to 5 years); Long-term (beyond 5 years)

Employee inclusion, enhancement and development

The FS Group operates in the highly competitive and ever-changing transport sector, with ever-new challenges related to advanced technologies, digitalisation, and sustainability. Investing in **continuous employee training to strengthen and improve existing skills as well as developing new ones and fostering opportunities for growth at all organisational levels** (scale up of company best practices) enables the Group to remain competitive and respond quickly to market changes and customer needs. The FS Group, as a large entity in our country, needs to attract the best talent to continue to thrive and innovate, and with this in mind, the opportunity emerges to leverage technological and digital innovations, including disruptive ones, to support this key process. Providing development opportunities and fostering an **inclusive environment** makes the Group a desired employer and incentivises motivation and job satisfaction, improving the **work climate, productivity, and quality of service offered, as well as enhancing creativity and innovation**.

The interaction of people with cultural, generational, or professional background diversity stimulates creative thinking and allows challenges to be addressed more dynamically and effectively, reducing the risk of interpersonal conflict, discrimination, and marginalisation situations, making the company more cohesive and team-oriented. Promoting the inclusion and development of employees is, therefore, a means for the Group to reduce the risk of a shortage of people with specialist skills and allows it to seize the significant opportunities that come with it, such as increasing innovation, motivation and staff retention.

Material IROs	Concentration: Upstream	Own operations	Downstream	Time Horizon
Impacts				
Impacts on the inclusiveness of the working environment ● ✔		x		Long-term
Impacts on the development of employees' skills and opportunities for professional growth ● ✔		x		Medium-term
Risks				
Shortage of professionals with specialist or emerging skills (key people)		x		Short-term Medium-term
Evolving expectations of staff (e.g., work-life balance)		x		Medium-term
Inadequate sizing of the workforce		x		Medium-term
Opportunities				
Provision of training or capacity building		x		Short-term
Rapid diffusion of "disruptive" technological and digital innovations		x		Medium-term
Scale up of existing business and best practices		x		Short-term

● negative ● positive ✔ actual ⌛ potential

Time Horizon Short-term (until 1 year); Medium-term (from 2 to 5 years); Long-term (beyond 5 years)

Other work-related rights

A portion of the Group's own operations, although residual, are based in **geographical locations outside Italy** and sometimes **outside Europe**. In such a context, in addition to ensuring optimal working conditions and health and safety, it therefore becomes central to ensure general respect for the work-related rights of its employees. For example, the provision of **adequate housing and working environments** that ensure the safety but also the **mental and physical well-being** of a large workforce deputed to highly varied tasks, plays a key role. Moreover, in an era of digital revolution, **cybersecurity and associated risks** are a strong focus of global attention. Therefore, efforts must be made to deal with possible cyber-attacks and ensure the continuity of the services offered. Group employees have, in this context, the right to have the confidentiality and integrity of their personal data and information guaranteed against the risk of data leak, also in line with the recognition of this right as a fundamental element for citizens of the European Union. Commitment to safeguarding the labour rights and data protection of its employees reduces the possibility of image damage and litigation emerging with its workers and stakeholders and contributes to building a **strong reputation**, as an ethical and responsible employer, and the overall well-being of the company.

Material IROs	Concentration			Time Horizon
	Upstream	Own operations	Downstream	
Impacts				
Impacts on employee data protection ● ⌛		x		Long-term
Impacts on employee well-being related to housing and working environments ● ⌛		x		Long-term
Risks				
Litigation with counterparties (suppliers, customers, staff, bodies, association, communities, etc.)	x		x	Medium-term
Third-party dissemination of prejudicial information	x		x	Medium-term
Non-/partial compliance with legislation, regulations and standards		x		Medium-term
Failure of the counterparty to comply with the Group's ethical principles and standards of conduct	x			Medium-term

● negative ● positive ✓ actual ⌛ potential

Time Horizon Short-term (until 1 year); Medium-term (from 2 to 5 years); Long-term (beyond 5 years)

Workers in the value chain (ESRS S2)

Workers in the value chain

Given the significant business volumes and considerable economic value generated, the Group's value chain includes a rich array of **business partners and suppliers** offering a wide range of assets (including rolling stock, technology solutions, etc.). In this context, it is crucial to ensure **adequate working conditions and suitable levels of health and safety** for employees of contracting firms and in general for workers in the value chain who perform activities at Group-owned sites, as well as to ensure **integrity and confidentiality of their personal data and information**. The Group pays close attention to the occurrence of disputes related to full formal compliance with evolving industry regulations, potentially harbingers of negative economic effects brought about by termination of projects and legal costs.

The Group can also play a role in fostering well-being, respect for labour rights and **principles of diversity and inclusion** for its partners' employees as well, through the inclusion of sustainability criteria (mandatory or rewarding) within the tenders it issues (possession of social certifications, measures to protect occupational health and safety, attention to the gender gap in the context of projects). Promoting products and services based on equal treatment in the value chain can attract consumers and investors (institutional and non-institutional) attentive to social sustainability while generating a positive impact on corporate profitability. Working in synergy with its partners to ensure compliance with adequate working conditions, D&I principles, and employee health and safety in the Group's value chain allows it to show itself as a responsible player, also facilitating access to possible public grants and funds. Stronger stakeholder engagement, accompanied by digitisation and also pursued through the use of dedicated platforms (such as, for example, whistleblowing), is an opportunity to promote a culture of transparency, trust and responsibility towards society.

Material IROs	Concentration			Time Horizon
	Upstream	Own operations	Downstream	
Impacts				
Impacts on the degree of occupational safety of workers along the value chain ● ⌛	x		x	Long-term
Impacts on the protection of labour rights along the value chain ● ⌛	x		x	Long-term
Risks				
Litigation with counterparties (suppliers, customers, staff, bodies, associations, communities, etc.)	x		x	Short-term, Medium-term
Third-party dissemination of prejudicial information	x		x	Medium-term
Opportunities				
New forms of public grants and funds	x			Medium-term
Promotion of new products and services			x	Medium-term
Stronger stakeholder engagement	x		x	Medium-term

● negative ● positive ✓ actual ⌛ potential

Time Horizon Short-term (until 1 year); Medium-term (from 2 to 5 years); Long-term (beyond 5 years)

Affected communities (ESRS S3)

Land protection and development

Through the Group's operations, with particular reference to the Urban sector, it is possible to stimulate conditions so that **works of renewal and regeneration of disused areas** can be carried out. Infrastructure sometimes represents fractures or urban voids in the center of the city that the Group can return to communities as green places, promoting their preservation and improved attractiveness, and helping to preserve their **identity and value**. Land redevelopment interventions also provide opportunities to build synergies with respect to the services and products offered, while also allowing access to new forms of **public grants and funds**. The Group's commitment to land enhancement and redevelopment also makes it possible to improve relations with institutional and local **stakeholders** by fostering on the one hand meetings between parties, playing a key role, and on the other hand **new forms of partnership** with public authorities, other businesses and communities in general. Improving such relationships could act as a driver for stimulating new collaborations. As an example, participation in programs aimed at improving local equipment related to new rail infrastructure can increase consensus by speeding up authorisation procedures. Risks in this area are mainly related to the richness of the artistic and cultural heritage and the resulting relations with the protection Authorities, for example in the management of construction sites in the face of archaeological findings that could jeopardise adherence to timetables. The Group aims to reap the benefits of careful planning and effective coordination with the competent authorities to simultaneously ensure the best protection of heritage and business continuity.

Material IROs	Concentration			Time Horizon
	Upstream	Own operations	Downstream	
Impacts				
Impacts on the well-being of communities with a view to creating new services	x	x	x	Medium-term
Impacts on the Group's historical, social and cultural heritage		x	x	Short-term
Risks				
Unfavourable or delayed acts/measures		x		Short-term, Medium-term
Critical issues in relations with institutional stakeholders		x		Short-term, Medium-term
Dependence on critical suppliers or contractors	x			Short-term, Medium-term
Inadequate supplier/contractor performance	x			Short-term, Medium-term
Suspension of contracts		x		Short-term, Medium-term
Opportunities				
Changes in legislation/regulations/standards		x		Short-term, Medium-term
Positive externalities related to services and products offered		x		Short-term, Medium-term
New forms of public grants and funds		x		Medium-term
New forms of partnership with communities, public authorities and other businesses	x	x	x	Short-term, Medium-term
New programs aimed at improving local infrastructure		x		Short-term, Medium-term
Stronger stakeholder engagement		x		Short-term, Medium-term
Active, leadership and advocacy role		x		Short-term, Medium-term
Participation in local systems		x		Short-term, Medium-term
Scale up of existing businesses and best practices		x		Short-term, Medium-term

negative positive actual potential

Time Horizon Short-term (until 1 year); Medium-term (from 2 to 5 years); Long-term (beyond 5 years)

Sustainable and integrated mobility for passengers and freight

The FS Group is one of the largest industrial entities in the country and is the central player in the mobility and transport system in Italy. The development of **integrated transport systems** that connect territories in a capillary manner (in relation to the movement of people and goods), both in Italy and in Europe, and contribute to reducing environmental impact, ensuring the resilience of infrastructures and promoting economic and social development, represents the Group's core business. The market poses new challenges that entail the need, on the one hand, to strengthen the connection between existing systems with a view to multi-modal transport and modal shift; on the other hand, to provide innovative and sustainable mobility solutions that reduce the impact on climate change and the environment in general. Incentivising sustainable and integrated mobility can thus improve **citizens' quality of life, reduce delivery times and costs** for goods while stimulating the **economic development** of regions, cities and towns. In addition, stations can be a point of contact with territories, a service hub and intermodal exchange node. Impacting mobility in terms of integration and sustainability can enable the FS Group to play a **leadership role** in terms of **innovation and advocacy** in the field, with **positive impacts on the environment and the community**, as well as creating the conditions for access to **new forms of public funding and grants**. However, it can also entail **financial risks**, as large **operational and infrastructure management investments are required which are not covered by adequate public grants or funds**.

Material IROs	Concentration			Time Horizon
	Upstream	Own operations	Downstream	
Impacts				
Impacts on the level of traffic on road infrastructure and accidents for travellers ● ✓	x	x	x	Short-term
Degree of accessibility of stations (or other mobility systems compared to rail) for passengers ● ✓	x	x	x	Short-term
Impacts on the road system in local areas ● ✓	x	x	x	Short-term
Degree of accessibility of stations (or other mobility systems compared to rail) for freight transport ● ✓	x	x	x	Short-term
Risks				
Inadequate disbursement of public grants or funds		x		Short-term, Medium-term
Opportunities				
Positive externalities related to the services and products offered		x		Medium-term
New forms of public grants and funds	x	x		Medium-term
New forms of partnership with communities, public authorities and other businesses	x		x	Medium-term
Participation in local systems	x			Short-term, Medium-term
Stronger stakeholder engagement		x		Short-term, Medium-term
Active, leadership and advocacy role		x		Medium-term
Scale up of existing business and best practices		x		Medium-term

● negative ● positive ✓ actual ⌛ potential

Time Horizon Short-term (until 1 year); Medium-term (from 2 to 5 years); Long-term (beyond 5 years)

Infrastructure development and improvement

Infrastructure development plays a strategic role in the country's economic and social growth. Transport infrastructure promotes the **connection** between local areas and the improvement of the **quality of life** in local communities. For the FS Group, infrastructure management, development, and upgrade are key elements in providing an **efficient service** to reduce travel time, improve punctuality, and optimise traffic flows. In fact, for the FS Group, having a modern, connected and reliable network with an environmentally sustainable approach is essential to **maintaining leadership** in public and freight transport. In addition, technology can improve **safety**: investing in **advanced monitoring systems, accident prevention technologies**, and **structural renovations** of lines is key to reducing risks. Finally, sustainable and responsible infrastructure management strengthens **relations with its stakeholders**. In addition, there are business expansion opportunities in this area through **strategies aimed at scaling up** existing best practices in the Group, **participation in local systems** for more inclusive planning, and **new local infrastructure development programs**. The integration of innovative and sustainable solutions, accompanied by the search for synergies with stakeholders and the maximisation of access to financing, enables infrastructure development with lower social and ecological costs, generating long-term value for local areas and new growth prospects for the Company. In this area, due to the complexity and widespread presence of operations and business, the Group pays the utmost attention to mitigate risks related to traveller safety, compliance with accessibility regulations, business continuity, and adherence to the timetable for the construction of new infrastructure.

Material IROs	Concentration			Time Horizon
	Upstream	Own operations	Downstream	
Impacts				
Impacts on the development of a collective and integrated mobility 🟢 ✓	x	x	x	Short-term
Impacts on the connection between local areas and their accessibility 🟢 ✓	x	x	x	Short-term
Impacts on relations with relevant communities in local areas intended for infrastructure development 🔴 ⌛	x	x		Medium-term
Impacts on the social and economic development and attractiveness of the areas in which the Group operates 🟢 ✓	x	x	x	Short-term
Impacts on landscape protection and the identity of the areas crossed 🔴 ⌛	x	x	x	Short-term
Risks				
Litigation with counterparties (suppliers, customers, personnel, bodies, associations, communities, etc.)	x		x	Short-term, Medium-term
Critical issues in coordination of contracts, projects and programmes		x		Short-term, Medium-term
Active and passive beaches of contract	x		x	Short-term, Medium-term
Accidents involving third parties		x		Short-term, Medium-term
Suspension of contracts	x	x	x	Short-term, Medium-term
Opportunities				
Positive externalities related to the services and products offered		x		Short-term, Medium-term
New forms of public grants and funds		x		Medium-term
New forms of partnership with communities, public authorities, and other businesses	x			Medium-term
New programs aimed at improving local infrastructure	x			Short-term Medium-term
Participation in local systems		x		Short-term, Medium-term
Stronger stakeholder engagement		x		Short-term, Medium-term
Active, leadership and advocacy role		x		Medium-term
Scale up of existing business and best practices		x		Short-term, Medium-term

🔴 negative 🟢 positive ✓ actual ⌛ potential

Time Horizon Short-term (until 1 year); Medium-term (from 2 to 5 years); Long-term (beyond 5 years)

Support to communities

Given its mission as a public operator, the commitment to **social cohesion** is relevant for the FS Group, not only in ensuring that mobility is accessible to all but also in ensuring support for vulnerable people. In the current context, characterised by significant inequalities and the emergence of situations of profound distress, the FS Group can play a key role in promoting the welcome and inclusion of disadvantaged individuals, as stations are generally places of refuge for people in difficulty, through dedicated spaces carved out in station areas. Promoting social cohesion and volunteer initiatives helps build a **positive reputation** and strengthen the **bond of trust** with citizens, who perceive FS not only as a company that provides transport services, but as an entity committed to building a more just and inclusive society. This social commitment can, moreover, be positively reflected in relations with public and private entities and civil society.

Material IROs	Concentration			Time Horizon
	Upstream	Own operations	Downstream	
Impacts				
Impacts on the degree of social cohesion in the target communities ● ✓		x	x	Short-term
Opportunities				
Positive externalities related to the services and products offered		x		Medium-term
New forms of public grants and funds		x		Short-term, Medium-term
New forms of partnerships with communities, public authorities, and other businesses		x		Medium-term
Stronger stakeholder engagement		x		Medium-term

● negative ● positive ✓ actual ⌛ potential

Time Horizon Short-term (until 1 year); Medium-term (from 2 to 5 years); Long-term (beyond 5 years)

Cnsumers and end-users (ESRS S4)

Value to customer

For a player at the center of the Italian multi-modal mobility system, such as the FS Group, it is crucial to maintain on an ongoing basis the best possible relations with its customers, with a view to establishing a **relationship of trust**. Achieving this goal comes through both the **quality of the services offered** and the ability to provide **effective and quality assistance** where the demand for it emerges. In addition, a value proposition for passengers must also be guided by principles of social inclusion of its customers, with a focus on **vulnerable people** (e.g., people with disabilities or the elderly) and improving **accessibility conditions**. Given the large number of customers served, the FS Group then manages a huge amount of personal data and information of passengers and users: therefore, creating a system that allows for effective protection and preservation of the **integrity and confidentiality of their data** is an essential commitment against potential cyber-attacks and/or data breach. The extent and widespread presence of the Group's operations expose it to crises of high complexity and difficult management. For example, cyber threats can affect the various operational areas and also arise from criticality and obsolescence of technological and digital tools. Ensuring quality and accessible services and data integrity for its customers while reducing the possibility of **litigation** or the emergence of risks related to **breaches of contract** for the Group, also increases **trust** in the organisation.

Material IROs	Concentration			Time Horizon
	Upstream	Own operations	Downstream	
Impacts				
Impacts on the degree of customer awareness of the importance of ESG issues 🟢 ✔			x	Medium-term
Impacts on the accessibility and inclusiveness of transport services 🟢 ✔		x	x	Medium-term
Impacts on the degree of customer satisfaction 🟢 ✔			x	Long-term
Impacts on the ability to manage road traffic and the flow of passengers and goods at stations 🟢 ✔		x	x	Medium-term
Impacts on the protection of user and customer data 🔴 ⏳		x	x	Long-term
Impacts on consumer and end-user satisfaction related to commercial offerings 🟢 ✔		x	x	Medium-term
Impacts on travel experience 🔴 ⏳		x	x	Medium-term
Risks				
Litigation with counterparties (suppliers, customers, staff, bodies, associations, communities, etc.)	x		x	Short-term, Medium-term
Inadequate crisis management		x		Short-term, Medium-term
Active and passive beaches of contract	x		x	Medium-term
Inadequacy or obsolescence of technological and digital infrastructure and tools		x		Short-term, Medium-term
Loss of confidentiality, integrity or availability of information		x		Medium-term
Opportunities				
Confidence in products and/or services		x		Medium-term
Social inclusion of consumers and/or end-users		x		Medium-term
New forms of public grants and funds	x			Medium-term
New forms of partnership with communities, public authorities and other businesses		x		Medium-term
New product/service that improves accessibility for people with disabilities		x		Medium-term
Scale up of business and existing best practices		x		Medium-term

🔴 negative 🟢 positive ✔ actual ⏳ potential

Time Horizon Short-term (until 1 year); Medium-term (from 2 to 5 years); Long-term (beyond 5 years)

Safety of transport, infrastructure and other assets

For a company active in the transport and infrastructure sector, the **safety and reliability** of services and assets, which customers and passengers use on a daily basis, are key issues. Effective safety management is essential not only to avoid physical and property damage, but also to ensure the long-term growth of the company. Proactive safety management helps reduce the risk of **failures and accidents** that can compromise the safety of travellers, business continuity, **regulatory compliance, economic sustainability**, and **public trust**. Periodic routine and non-routine **maintenance** of means of transport, rail and road infrastructure, stations, and real estate assets, and the adoption of **advanced technologies**, such as real-time monitoring systems, help prevent malfunctions that could disrupt service and damage the Group's credibility. The widespread presence of an infrastructural network and mobility systems operated locally also brings out the need to strive to avoid as much as possible accidents to third parties, who live or transit in the places where infrastructure and mobility find their location. In this sense, the FS Group aims to maximise its efforts to ensure safety in the services offered, seizing the opportunities that may arise in relation to the dissemination of best practices, including through access to new forms of public grants and funds and synergies such as, by way of example, the elimination of level crossings with the use of co-financing from the local authorities concerned. Through ensuring the safety and reliability of the assets inherent in the FS Group's operations (vehicles, infrastructure, properties, etc.), it is possible to mitigate both risks arising from potential accidents occurring within these assets and critical issues in stakeholder relations, reducing economic and legal risks, and improve the reliability of services while protecting the company's reputation.

Material IROs	Concentration			Time Horizon
	Upstream	Own operations	Downstream	
Impacts				
Impacts on the protection of passengers related to the safety and reliability of means of transport ● ⌛	x	x	x	Medium-term
Impacts on the safety of people living in and passing through areas where rail and road infrastructure is located ● ⌛	x	x	x	Short-term
Impacts on the safety of users related to the reliability of rail and road infra-structure ● ⌛	x	x	x	Long-term
Impacts on the safety of third parties related to compliance with traffic/road system rules ● ⌛	x	x	x	Long-term
Impacts on the protection of people related to the safety and reliability of assets such as workshops parking lots, properties, and terminals ● ⌛	x	x	x	Long-term
Impacts on the safety and protection of travellers with respect to damage caused by third parties ● ⌛		x	x	Long-term
Risks				
Litigation with counterparties (suppliers, customers, staff, bodies, associations, communities, etc.)	x		x	Short-term, Medium-term
Critical issues in relations with institutional stakeholders		x		Medium-term
Third-party dissemination of prejudicial information		x		Medium-term
Transport accidents		x		Short-term, Medium-term
Opportunities				
New forms of public grants and funds		x		Medium-term
New programs aimed at improving local infrastructure		x		Short-term, Medium-term
Active, leadership and advocacy role		x		Short-term, Medium-term
Scale up of existing business and best practices		x		Medium-term

● negative ● positive ✓ actual ⌛ potential

Time Horizon Short-term (until 1 year); Medium-term (from 2 to 5 years); Long-term (beyond 5 years)

Business conduct (ESRS G1)

Ethical and responsible business conduct

The FS Group is an organisationally complex entity consisting of several companies spread over several countries. In this context, to ensure compliance with ethical and responsible business conduct and to protect the integrity of the organisation, it is necessary to structure a solid system of regulations, procedures and company tools. Fostering a corporate culture based on integrity, ethics, transparency and compliance is crucial to governing complexity, fostering informed decision-making. An organisation of such a large size, which boasts a large number of partners in its value chain and, in general, a wide audience of stakeholders to deal with, has the need to manage controversial situations and conflicts of interest, as well as to discourage all forms of corruption, at all organisational levels. A conduct of business oriented by values of ethics and integrity allows the organisation to prevent the effects arising from any possible instance of non-compliance with national and international regulations and standards or from the inconsistency of its business relations with the Group's company rules, strengthening a relationship of trust with its stakeholders that is achieved through the creation of an appropriate company culture. From this belief stems the increasing adoption of policies and tools, e.g., anti-corruption, which are strongly supported in the Group, including through the use of employee incentive policies.

Material IROs	Concentration			Time Horizon
	Upstream	Own operations	Downstream	
Impacts				
Impacts on corporate culture ● ✔		x		Medium-term
Impacts on company culture on compliance and legality and compliance with the provisions of the internal control system ● ✔		x		Medium-term
Risks				
Litigation with counterparties (suppliers, customers, staff, bodies, associations, communities, etc.)	x		x	Medium-term
Critical issues in relations with institutional stakeholders		x		Short-term, Medium-term
Active and passive breaches of contract	x			Short-term, Medium-term
Non-/partial compliance with legislation, regulations and standards		x		Short-term, Medium-term
Non-compliance of contractual clauses with company rules/procedures		x		Medium-term
Opportunities				
New incentive systems to strengthen the achievement of sustainability goals		x		Medium-term
Stronger stakeholder engagement		x		Medium-term

● negative ● positive ✔ actual ⌛ potential

Time Horizon Short-term (until 1 year); Medium-term (from 2 to 5 years); Long-term (beyond 5 years)

Sustainable supply chain

Considering the sectors in which it operates and the volume of activities contracted to conduct business, the FS Group can generate impacts not only through the operations it carries out directly, but also through its supply chain. Therefore, responsibly managing relations with its suppliers (current and potential), strengthening the due-diligence process, is fundamental to ensure the quality of the services offered, prevent the effects arising from potential non-conformities and litigation (including with other stakeholders such as, for example, communities and civil society) to limit exposure to counterparties that may not comply with the Group's standards and ethical principles with reputational and economic implications. It also increases the bias toward suppliers that are more virtuous in their ESG performance, which become potentially critical as they are sought after in an increasingly sustainability-oriented market, exposing them to possible risks in terms of business continuity and investment execution.

Material IROs	Concentration			Time Horizon
	Upstream	Own operations	Downstream	
Risks				
Litigation with counterparties (suppliers, customers, staff, bodies, association, communities, etc.)	x		x	Medium-term
Dependence on critical suppliers or contractors	x			Short-term, Medium-term
Inadequate definition and updating of the system of proxies and powers of attorney	x	x	x	Medium-term
Non-/partial compliance with legislation, regulations and standards	x			Medium-term
Non-compliance of contract clauses with company rules/procedures	x			Medium-term

● negative ● positive ✔ actual ⌛ potential

Time Horizon Short-term (until 1 year); Medium-term (from 2 to 5 years); Long-term (beyond 5 years)

The list of disclosure requirements met by the FS Group in preparing its consolidated sustainability reporting is given in the table shown in the *ESRS content index section.*

Current financial effects of material risks and opportunities

The most significant financial effects recorded in the reporting year are reported below in relation to the material risks and opportunities described above.

Topics	Risks	Opportunities	Current financial effects
Climate change mitigation	Changes in legislation/regulations/standards Critical issues in defining, implementing and updating of adaptation or transition plans		As the largest electricity consumer in Italy, the FS Group works to reduce its greenhouse gas (GHG) emissions, also with a view to being less vulnerable and exposed to the economic-financial effect of transition risks. In this regard, the FS Group's investments associated with economic activities that contribute to the climate change mitigation objective under Regulation (EU) 2020/852 (European Taxonomy) amounted to more than **€10,841 million**. For more details, please see the section EU Taxonomy Disclosure.
		New forms of public grants and funds	About €75 million in revenues for White Certificates (also known as TEE - Energy Efficiency Certificates) awarded by GSE (*Gestore dei Servizi Energetici*, Energy Services Manager) against the achievement of energy savings through the application of efficient technologies and systems against a contra-entry in the balance sheet among Inventories. For further details, please see the disclosure on "Revenues from sales and services" and "Inventories" in the Notes to the Consolidated Financial Statements.
Climate change adaptation	Extreme weather and climate events		The FS Group's investments required to adapt its assets to extreme events caused by climate change amounted to more than **€900 million**. If, in addition, Anas's capital expenditure contributing to the climate change adaptation objective (falling within the scope of IFRIC 12[52]) is taken into account, the share of environmentally sustainable capital expenditure would increase by about **€549 million**. For more details, please refer to the section EU Taxonomy Disclosure.
Working conditions, employee health and safety **Other work-related rights**	Litigation with counterparties (suppliers, customers, staff, bodies, associations, communities, etc.)		A provision has been set aside for **€35 million** for labour disputes; it had a value of **€82 million** as at 31 December 2024, net of uses and other changes of €32 million. For further details, please see the disclosure on "Provisions for risks and charges" in the Notes to the Consolidated Financial Statements.
Pollution	Unfavourable or delayed acts/measures		A provision has been set aside for **€3 million** to cover charges related to the remediation of polluted sites; the related provision as at 31 December 2024, amounting to **€131 million**, was affected during the year by an increase due to reclassifications from other provisions in the amount of €22 million and uses in the amount of €10 million. For further details, please see the disclosure on "Provisions for risks and charges" in the Notes to the Consolidated Financial Statements.

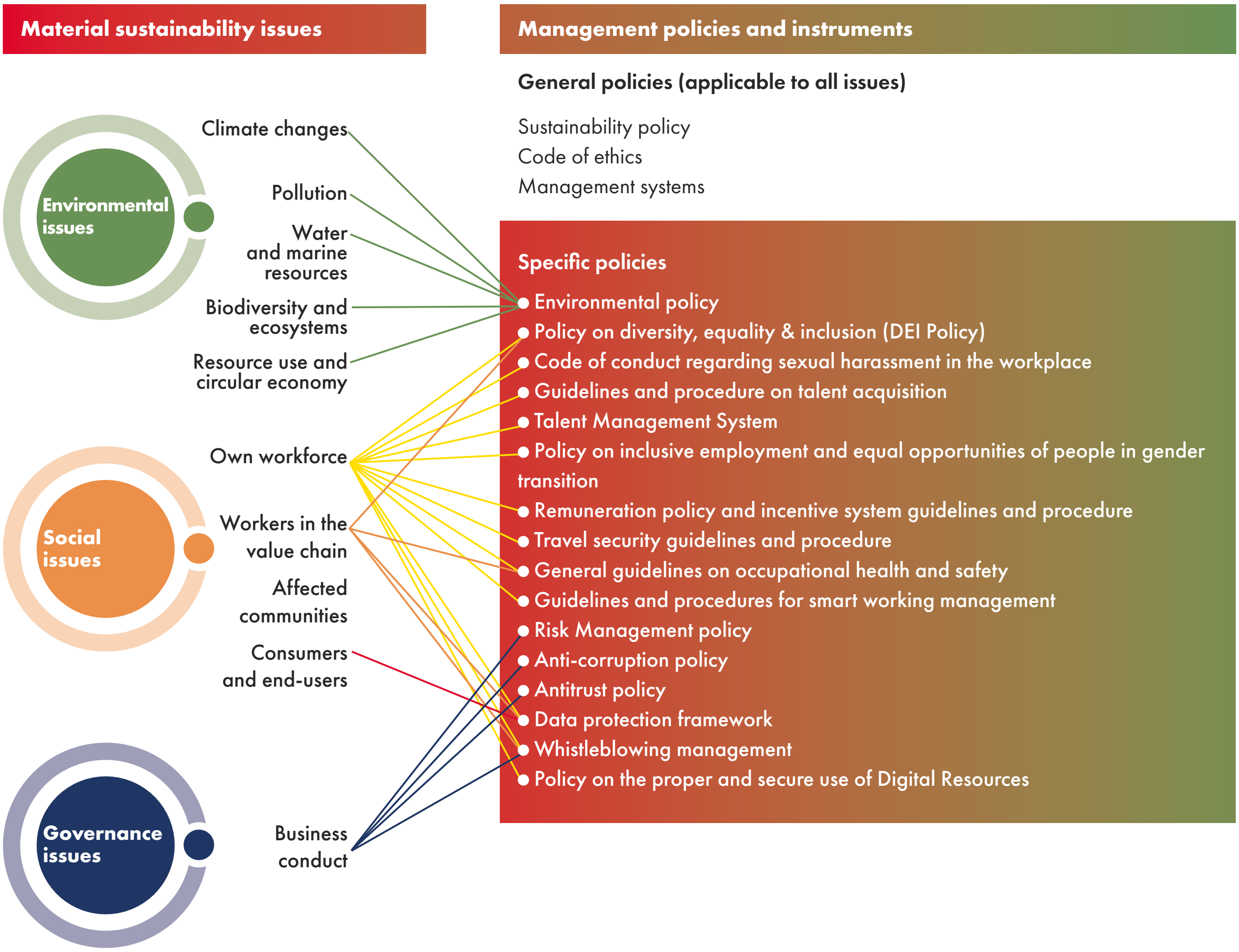
52. For more details on the application of the accounting principle, please see the *Notes to the Consolidated Financial Statements.*

COMMITMENT TO SUSTAINABLE DEVELOPMENT

ESRS 2 GOV-4 – Statement on due diligence

FS SpA has defined policies and actions on material sustainability issues, with the aim of managing actual and potential impacts and addressing risks and opportunities identified on the basis of the double materiality process described above.

The following is an overview of the **policies and main actions envisaged within the Group Strategic Plan**, which are discussed in more detail below in the report for each material topic.



General policies

These are the general policies applicable to all material topics, which are summarised below with the relevant commitments.

Sustainability Policy

In order to elevate sustainability to a guiding element for the definition of strategic and operational choices and ensure sustainable growth in the medium- to long-term, FS Italiane has laid down the principles that characterise its operations within the "Sustainability Policy" document.

The commitments covered by the Sustainability Policy are summarised below, which apply to several material sustainability topics:

- **Creation of shared value**, with a commitment to reconcile economic objectives with social and environmental ones by generating value for the company, its stakeholders and the local areas in which the Group operates, enhancing positive externalities and avoiding or minimising negative ones.
- **Engagement of communities and stakeholders**, in the pursuit of sustainable development, by promoting a systematic process of stakeholder engagement, through the analysis of the context in which the Group operates, the identification and understanding of stakeholders' needs and their involvement, as foundational elements of the Group's decision-making processes.
- **Safety for those who travel and for those who work**, ensuring an ever-higher level of health and safety in every activity that involves risks for employees, travellers and the community, including by strengthening a culture of risk management and prevention. People's health and safety have always been a priority for the Group.
- **Quality of Services**, implementing an organisational approach focused on customers, paying careful attention to both the quality provided and the quality perceived, in order to improve the experience under the banner of intermodal transport and integration with local areas, rethinking stations as mobility hubs and delivering rail services of ever greater quality and efficiency, both on the ground and on board, with a view to customer satisfaction.
- **Value of employees**, always to be placed at the centre of daily actions, being the Group's greatest assets with their value, differences and rights. The Group's commitment is to engage people and develop their skills and competencies, promoting information and training at all organisational levels. Recruitment, training, development and career advancement, must be based on merit and free of any form of discrimination, considering integrity an indispensable element for the Group and disincentivising in any way corrupt practices.
- **Efficient use of resources and environmental protection**, promoting the efficient use of energy resources and the reduction of greenhouse gas emissions through the implementation of energy-efficient technologies and the promotion of renewable sources. In order to minimise the impact of activities on the environment, the adoption, from the design stages, of a life cycle analysis approach in all processes is encouraged, with particular attention to water consumption, waste and soil pollution prevention, and encouraging suppliers to improve their environmental performance and, where possible, directing and supporting them in their improvement process.
- **Respect for human rights**, operating within the framework of the United Nations Universal Declaration of Human Rights and, among suppliers and business partners, contributing to the creation of a responsible supply chain. The Group rejects any form of irregular labour and promotes policies aimed at the psychological and physical well-being of its staff.

The FS Group's activities are carried out in compliance with the ten principles of the United Nations Global Compact, a voluntary initiative to share sustainability values (human rights, labour, environment and anti-corruption) and operating within the framework of the United Nations Universal Declaration of Human Rights and the Fundamental Conventions of the International Labor Organisation. The commitment is therefore to continuous improvement, monitoring progress, publicly reporting results and actively engaging our stakeholders.

The policy, **approved on 16 April 2019 by the Board of Directors** and inspired by the Sustainable Development Goals and the principles of the UN Global Compact, is based on the seven principles mentioned above; it applies to all **FS Group companies** and is **disclosed and made public to all stakeholders** (staff, suppliers and other relevant stakeholders) through the institutional website fsitaliane.it and the company intranet.

Code of Ethics

The Code of Ethics spells out the responsibilities, and ethical and social commitments that the FS Group maintains with its stakeholders, and presents the framework of rules underlying every action.

The Code of Ethics is approved by the **Boards of Directors** of all Group Companies and commits the Corporate bodies, management, employees, third-party collaborators, business partners, suppliers and all those who maintain relations with the Group. For further details, please see the paragraph on *The Code of Ethics* in the Report on Corporate Governance and Ownership Structure.

Specific policies

In addition to general policies, FS SpA has established additional policies to manage any actual and potential impacts and address the risks and opportunities of specific sustainability issues.

Environmental policy

Below are the Group's commitments covered by the Environmental Policy:

- To manage activities in compliance with current legislation and voluntarily signed standards, pursuing environmental opportunities while mitigating risks;
- to promote the efficient use of energy resources and the reduction of greenhouse gas emissions through the implementation of energy-efficient technologies and the promotion of renewable sources, with the goal of achieving net zero emissions (so-called net zero) by 2040;
- to promote, through its processes, activities and services, a resilient mobility system with a view to adapting to climate change;
- to encourage the reduction of negative impact on biodiversity and various environmental components, enhancing natural capital, and preserving the environment, landscape and ecosystems;
- to support the use of natural resources in a rational and efficient manner, particularly non-renewables, by reducing consumption, paying attention to the protection of the water resource, encouraging the recovery and reuse of water, especially in water-stressed areas;
- to encourage the transition to a circular economy of its activities and processes according to a Life Cycle Assessment (LCA) approach, preventing waste production, encouraging reuse and increasing recovery;
- to monitor impacts across the entire value chain, encouraging suppliers and business partners to improve their performance by promoting sustainability principles in procurement policies.

The Environmental Policy, **approved by the Chief Corporate Affairs Officer of FS SpA**, applies to **all FS Group** companies and is **disclosed and made public to all stakeholders** (staff, suppliers and other relevant stakeholders) through the institutional website fsitaliane.it and the company intranet.

Policy on diversity, equality & inclusion (DEI Policy)

Each person in the Group in their daily actions is required to commit, with consistency and transparency, to put into practice the values and content of the FS Italiane Group Code of Ethics, as well as the principles laid down in the DEI Policy, in order to respect, promote and enhance diversity and to implement actions aimed at their maximum inclusion on an ongoing basis.
Every person working in the Group is required:

- to respect the rights and dignity of every person, acting at the forefront to make the ethical principles of fairness, loyalty and integrity concrete;
- to recognise, accept, promote and enhance diversity at all levels and in all contexts, thus always contributing to establishing a work climate that promotes discussion, collaboration, and participation of the other, for the generation of ideas and solutions;
- to communicate clearly and consistently, taking care to modulate one's communication (language, style, vocabulary) according to the other, removing obstacles to the active participation of all people, whether colleagues, customers or suppliers;
- to train oneself to recognise and act on one's own biases of which one is aware and less aware, particularly in relationships with others (e.g., colleagues, customers, suppliers).

The Policy, **approved by the Chief Corporate Affairs Officer of FS SpA**, refers to all organisational processes, whether they affect the corporate population or are outward-looking, applies to all **FS Group companies** and is **disclosed and made public to all stakeholders** (staff, suppliers and other relevant stakeholders) through the institutional website fsitaliane.it and the company intranet.
FS's People Care function is in charge of constantly studying national and international trends and best practices on DEI issues; monitors the evolution of corporate best practices and tracks progress and advancements, comparing them with data and trends from previous years; and defines guidelines and directions, ensuring their dissemination and application in all Group Companies. It sets out DEI objectives, indicators and KPIs to be achieved at the Group level and, with the support of the competent data owner departments, monitors their progress. It addresses individual processes regarding the need to take specific actions and/or improvement interventions, useful to ensure full compliance with and enhancement of DEI principles within the Group and in the external context, in terms of Social Corporate Responsibility; and approves specific DEI initiatives proposed by Group Companies, assessing their consistency with the guidelines and emerging issues mentioned above, as well as ensuring, where possible, their further dissemination.

Code of Conduct regarding sexual harassment in the workplace

All employees of our Group have the right to a safe, serene working environment conducive to the development of interpersonal relationships in which women and men mutually respect each other's sexual status, dignity and personal rights, inspiring their behaviour with values of equality and fairness.
This principle is laid down in the first paragraph of Article 1 of the Code of Conduct on sexual harassment in the workplace of FS Italiane, which applies to employees of the Companies under the National Collective Labour Agreement (CCNL) of Mobility/Contractual Area of Railway Operations and the FS Italiane Group's Corporate Contract dated 16 December 2016, a tool established by our Group to prevent and remove behaviours that constitute harassment and to inform and raise awareness among employees about their rights and obligations in this regard.
Sexual harassment is first and foremost an act of discrimination under Article 26, paragraphs 1 and 2 of Legislative Decree no. 198/2006 and consists of any behaviour with sexual connotations expressed in physical, verbal or non-verbal form, which is unwelcome, has the purpose or otherwise the effect of violating the dignity and freedom of the person subjected to harassment and of creating an intimidating, hostile, degrading, humiliating or offensive climate.
In order to ensure the effective application of the Code, a professional from outside the Company has been appointed as Trust Advisor by the Chief Human Resource Officer, subject to the reasoned opinion of the Equal Opportunities Committee, and on the basis of proven moral qualities, experience and professional competence.
FS Italiane has appointed Valentina Todeschini as a Trust Advisor to the FS Group.
The Trust Advisor, whose activity began on 6 February 2020, is called upon to support the FS Group in fulfilling the commitments voluntarily undertaken in the Code: she is a professional to whom female and male workers who are victims of sexual harassment can freely turn for advice or assistance in the informal or formal procedure.
If behaviour occurs that may constitute sexual harassment in the workplace, the male or female worker can turn to the Trust Advisor, who must promptly initiate the procedure, which will be concluded as soon as possible and, in any case, normally within 30 days.
First, the Advisor gathers all the elements necessary for knowledge of the case and will assess whether or not the behaviour constitutes sexual harassment. If the answer is affirmative, the Advisor will put in place all the initiatives it deems appropriate to resolve the problem, safeguarding the primary interest of the dignity of the workers involved in the affair and ensuring their privacy.
If, on the other hand, the alleged victim of sexual harassment does not wish to have recourse to the informal procedure described above or if the Advisor's intervention has not achieved the expected results, they may promptly and formally report the incident to the head of the function to which their belong, also requesting in this case, if they deem it necessary, the assistance of the Advisor. The Manager must forward the complaint to the competent Human Resources department, which will start any appropriate investigations in order to assess the possible disciplinary relevance of the reported behaviour.
Obviously, all news, facts or information of which the Advisor becomes aware will be treated with the utmost confidentiality and in compliance with personal data protection regulations, including by the Human Resources Department staff, which are called upon to take action in relation to the duties they perform.

Guidelines and procedure on talent acquisition

The talent acquisition system is based on guiding principles, including those of EU derivation, such as transparency and impartiality, as well as fairness and recognition of merit stated in the FS Group's Code of Ethics and Anti-Corruption Policy. This system ensures equal opportunity conditions among candidates, visibility of the recruitment opportunities offered by the Group, fairness of the evaluation criteria used, traceability of the selection processes and compliance with applicable regulations.
The talent acquisition process, consistent with the Group's diversity, equality & inclusion guidelines and policies, aims to develop the diversification of the Group's mix of people, facilitating and promoting the inclusion of candidates/supporters of individual, cultural and social skills and differences. The tools, methodologies and channels through which employer branding, recruiting and selection activities are carried out, must be marked by the widest reasonable accessibility, use inclusive language and images, be based on the principle of non-discrimination, and bias free.
The Policy, **approved by the Chief Human Resources Officer of FS SpA**, applies to all **FS Group companies** and is **disclosed and made public to all relevant stakeholders** through the company intranet.
The recruiting and employer branding function of FS SpA ensures the coordination of the Group's personnel selection process through the definition of guidelines, and the design of tools, methodologies and channels, ensuring the constant evolution of the process with respect to the dynamics of the labour market and

facilitating the activities of the Group Companies in compliance with the specific needs inherent to the nature of the various businesses, as well as ensures the management and evolution of the Group's e-recruiting system, the management of the FS Group's institutional digital selection tools and channels and assistance and consulting on the IT system dedicated to recruitment and selection. In addition, in accordance with the Group's Human Resources and Organization Governance Model, FS SpA's recruiting and employer branding function manages recruitment and selection for targets of cross-cutting interest, namely young talent, and middle managers and managers.
The FS Group has, vis-à-vis the social community, institutions and the country, an important role in facilitating inclusive employment of certain segments of the population in a condition of social vulnerability.
For the purpose, therefore, of enabling the inclusive employment of these segments of the population and in full compliance with the recruitment needs of staff in operational or professional roles of the Group Companies, it is possible to resort to temporary work schemes in a non-exclusive manner. Through "inclusion projects", the use of these schemes for inclusion purposes is particularly focused on people who fall into the following categories:

- **neet**, to be understood as young people under 30 years of age, who have not been working for at least 6 months and are not in education or training;
- **political refugees** and **asylum seekers**;
- **women**, and **care givers** more generally, who have been out of work for at least 12 months because they have exited the labour market due to care needs of children, elderly or disabled parents in need of care, spouses;
- **persons who have exited the labour market** due to **multi-year periods** of particularly serious **illness**;
- **persons with mental disabilities** who have special characteristics and difficulties in entering the ordinary work cycle. People with cognitive-relational disabilities and/or neurodivergences (e.g., Autism) may also be part of such inclusion projects.

Talent Management System

The FS Group's Talent Management is the people development system defined with the aim of nurturing, sustaining and evolving the Group's managerial excellence, through an integrated system of responsibilities, processes and tools capable of discovering, engaging, and developing talent in all Group Companies.
The Talent Management system is designed to produce positive impacts on:

- the continuous development of know-how and performance;
- equity, participation and consensus in talent identification processes;
- the completeness and readiness of Succession Lines;
- talent caring and retention capabilities;
- the development of the Group's managerial culture.

The Talent Management Policy, **approved by the Chief Human Resources Officer of FS SpA**, applies to all **FS Group companies** and is **disclosed and made public to all relevant stakeholders** through the company intranet.

Policy on inclusive employment and equal opportunities of people in gender transition

The FS Group, respecting all diversities, principles of equality and equal opportunities in every aspect of the working life of its people, has initiated specific management actions and promotes communication and awareness initiatives for the protection of people in gender transition, in order to ensure an inclusive work environment both at a formal and substantive level.
The Policy for inclusive employment and equal opportunity of people in gender transition sets out the regulatory references, management actions and good practices applicable to an inclusive management of people in gender transition in the FS Group and to the management of the transition process, from the onboarding phase when the employment relationship is in force and upon its termination.
The Policy, approved by the Chief Corporate Affairs Officer of FS SpA, applies to all FS Group companies and is disclosed and made public to all relevant stakeholders through the company intranet.

Remuneration policy and incentive system guidelines and procedure

The Group's remuneration policy and incentive system are part of a framework aimed at the management and development of the Group's human capital.
Specifically, the remuneration systems have as their objectives:

- the creation of value for the Group through the use of remuneration and incentive levers, aimed at enhancing professionalism and contributions expressed in terms of results and responsibility;
- the application of unified, consistent and cross-sector rules for the Group's Subsidiaries that are based on criteria aimed at the recognition and enhancement of merit, in compliance with the principles of internal equity and the remuneration standards of the target market.

The Group's remuneration and incentive policy documents provide for the criteria and methodologies applied **in all Group Companies**, in a manner consistent with the provisions of the applicable National Collective Labour Agreement (CCNL) and the different levels of organisational complexity and responsibility of the position held. Remuneration policy and incentive system processes have specificities based on the target population, the business and take into account the national or international contexts of reference.

Travel security guidelines and procedure

The FS Group operates permanently abroad, where it makes investments with a view to international business expansion. The issue of Travel Security assumes particular importance in this context.
In this regard, the "Guidelines on Travel Security" have been formalised as a support tool for employers to help ensure the protection of workers engaged abroad (on assignment or secondment), and assets and activities abroad from specific risks related to the country of destination (aggravated generic risks) and transit. In addition, a specific operating procedure has been designed to describe roles, responsibilities, tasks and activities of the travel security process.
FS SpA's Travel Security function ensures, by interfacing with the competent International functions of FS SpA and Group Companies, the definition, development and implementation of a model for the protection of employees, assets and activities abroad, as well as the coordination of activities for the management of critical events involving FS Group workers operating abroad.
The Guidelines and Procedure, **approved by the Chief Security Officer of FS SpA**, apply to all FS Group companies and are made available through the company intranet.

General Guidelines on Occupational Health and Safety

The FS Group has adopted General Guidelines for the period 2022-2026 in which the guidelines and areas for improvement on which the FS Group focuses its commitment to Occupational Health and Safety are defined.
Below are the commitments covered by the general guidelines:

- The constant reduction in the frequency and severity of accidents at work by giving strength to our ambition and vision of Zero Accidents;
- Strict compliance with regulatory requirements;
- To anticipate and update protective measures to changes in the new world of work brought about by green, digital and organisational transitions;
- To invest in staff's convinced agreement to the Health and Safety Culture;
- To promote organisational well-being.

The FS Italiane Group, in being aware that the improvement of prevention passes through the sharing of experience and knowledge with its contractors, and suppliers of goods and services, with a view to a common culture of occupational health and safety, must be a promoter of "Digital Construction Sites with Zero Accidents" so that safety is the common and distinctive heritage of all the entities operating in the production units.
The General Guidelines on Occupational Health and Safety, **approved by the Chief Corporate Affairs Officer of FS SpA**, apply to all FS Group companies, which are exclusively responsible for health and safety in the workplace and any decision in this area, including those of an implementation nature, and are made available through the company intranet.

Guidelines and procedure for smart working management

The FS Group has adopted the Guidelines for the management of Smart Working in the Ferrovie dello Stato Italiane Group, providing operational guidelines in order to ensure the application of this mode of work by the Group Companies, in accordance with the organisational model adopted and the agreements formalised with the trade unions.
Smart Working is applied to Companies, organisations and professional roles for which the tasks performed by the resource are compatible with this mode of work performance. This entails the assessment of the individual Group Companies, which, in line with the reference regulations and the Guidelines, independently define the organisational perimeter of application and verify the compatibility of the professional roles and duties held with respect to the performance of work in Smart Working.
The Guidelines, **approved by the Chief Human Resource of FS SpA,** apply to all FS Group companies[53] and are **disclosed and made public to all relevant stakeholders** through the company intranet.

53. FS Group Companies which are not included in the scope of application of the Trade Union Agreement of 26 October 2023, as part of their own organisational and production peculiarities, may incorporate the contents of the Guidelines within their organisations.

Risk Management Policy

The "FS Group Risk Management Policy", an integral part of the Risk Management Framework, (i) taking into account the general guidelines laid down in the relevant national and international standards[54], best-practices on the matter and sustainability issues, (ii) in accordance with the responsibilities of management and coordination and governance of cross-cutting processes governed in the Group Governance Model, and (iii) in compliance with the roles, macro-responsibilities and system of relations defined in the "Risk" Governance Model:

- lays down the reference principles for risk management;
- integrates risk management into organisational processes;
- defines risk governance, assigning roles and responsibilities of the risk management process and highlighting the leadership role of the BoD;
- provides for relationships and information flows between the organisational unit in charge of managing the risk management process and the corporate governance and control bodies, with specific regard to the Board Committee for Control, Risks and Sustainability (or any corresponding board in Companies without such Committee), with the main stakeholders and with corporate functions.

The Risk Management Policy, **approved by the Chief Security Officer of FS SpA**, applies to all **FS Group companies** and is **disclosed and made public to all relevant stakeholders** through the company intranet.

Anti-Corruption Policy

The Ferrovie dello Stato Italiane Group is committed to **preventing and combating all forms of corrupt practices in the performance of its activities**, in line with the direction already taken with the adoption of the Group's Code of Ethics and its agreement to the United Nations Global Compact, which in principle X commits companies to combat corruption in all its forms.
The FS Group's Anti-Corruption Policy, aimed at **implementing the "zero tolerance for corruption" principle**, unifies and integrates in a unified framework **for all FS Group Companies**, both Italian and foreign, the rules and safeguards for preventing and combating corruption already existing in the Group, with the aim of further raising awareness of the rules and behaviours that all Recipients (including third parties outside the Group with whom professional or business relationships are established) are required to observe.

The Policy **approved by the Board of Directors of FS S.p.A.**, to which updates are submitted, applies to all **FS Group companies** and is **disclosed and made public to all relevant stakeholders** through the institutional website fsitaliane.it and the company intranet.
The anti-corruption function set up by FS SpA has the task of submitting the Policy for review and proposing adjustments and updates with specific regard to the evolution of the business, best practices and reference legislation, or in the event of gaps or critical issues, also on the recommendation of the Supervisory Board and on the indication of the other parties in the internal control and risk management system (e.g. Internal Audit, Legal Affairs function, Ethics Committee, business units), as well as any needs received from the Group Companies.

Antitrust Policy

The FS Group recognises the culture of integrity - and, therefore, the dissemination of the values of fair competition - as a decisive and strategic element for sustainable business, committing itself to comply with the antitrust legislation in force in each of the countries in which it operates, as well as with the acts and decisions issued by the Regulatory and Competition Authorities.
The FS Group provides the Regulatory and Competition Authorities with any information they may request and actively cooperates with them in the course of any investigation and pre-investigation proceedings.
The Group's commitment finds full fulfilment in an Antitrust Compliance Program.
The Policy and its annexes (Manual and Code of Conduct), approved by the Chief Executive Officer of FS SpA, apply to all **FS Group companies** and are made available, at the onboarding stage, to both members of corporate bodies and newly-hired staff of FS Group Companies.

Data Protection Framework

The "management model for the protection of personal data" (Data Protection Framework) governs, within the Ferrovie dello Stato Italiane Group, the application of the "General Data Protection Regulation" (GDPR) under Regulation (EU) 2016/679 and the Personal Data Protection Code under Legislative Decree no. 196/2003, as amended and supplemented (New Privacy Code). The FS Group, as a complex organisation, carries out, for its business and operational purposes, processing of substantial personal data, in particular of employees, customers and third parties and with this awareness, it also provides within its Code of

54. COSO (Committee of Sponsoring Organizations of the Treadway) Enterprise Risk Management Framework – Integrating with Strategy and Performance (2017), UNI ISO 31000:2018 Risk management – principles and guidelines, Corporate Governance Code of Borsa Italiana (2020).

Ethics for the "protection of personal data" as a principle to be protected and pursued.
It is therefore in the Group's interest to maintain and develop the preservation and protection of personal data, considering it an obligation that goes beyond mere regulatory compliance, in order to generate that relationship of trust with the various stakeholders, which is the basis of any successful initiative. For this reason, the FS Group has adopted a management system for the protection of personal data, known as the Data Protect Framework.
The Data Protection Framework, **approved by the Chief Legal Officer of FS SpA**, applies to all **FS Group companies** and is **disclosed and made public to all relevant stakeholders** through the institutional website fsitaliane.it and the company intranet.

Whistleblowing management

As reported on the website fsitaliane.it, Ferrovie dello Stato Italiane SpA has adopted a **process of receipt, analysis and handling of reports (also anonymously)** regarding the Company, which are sent by Third Parties or People in the FS Italiane Group. The process conforms to the regulatory amendments brought in under Legislative Decree no. 24 of 10 March 2023, implementing Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October 2019 on the protection of persons who report breaches of Union law, and laying down provisions regarding the protection of persons who report breaches of national laws ("Whistleblowing Decree").
The whistleblowing management process is an integral part of the Organisational, Management and Control Model under Legislative Decree no. 231/2001 of di FS SpA.
A **dedicated IT platform is available** for sending and managing reports, which is a preferred channel for sending reports; **it is also possible to contact the phone number +39 0682950710 with an automatic response system.**

FS SpA's Subsidiaries adopt autonomous systems for managing reports. To send a report to a Subsidiary, it is possible to consult the relevant company pages.

Policy on the proper and secure use of Digital Resources

The policy sets out principles and guidelines for a proper and secure management, access and use of IT equipment and digital resources. The document also provides for a system of checks and controls designed to prevent any behaviour that could damage and/or endanger the confidentiality, security, integrity and availability of the information handled and to pursue the following objectives:

- to identify the specific "tools used by the worker to perform their duties", describing the manner in which they are used and indicating how controls are carried out with respect to their use in accordance with current provisions of law;
- to protect the Company from unlawful acts and abuses implemented through the use of computer equipment and other digital resources while also preventing computer crimes and unlawful data processing that may result in administrative liability pursuant to Legislative Decree no. 231/2001;
- to increase the level of security in the processing of personal data, applying the principles of data protection by design and by default;
- to fulfil the obligations prescribed by the "Privacy Authority Guidelines on electronic mail and the Internet" issued by the Italian Data Protection Authority and, more generally, by the legislation governing the protection of personal data.

The Policy on the proper and secure use of digital resources, **approved by the Chief Technology, Innovation & Digital Officer of FS SpA,** applies to all the **FS Group companies** and is **disclosed and made public to all relevant stakeholders** through the company intranet.

Management systems

In order to ensure the implementation of the policies, commitments and actions necessary for the continuous improvement of the Group's ESG performance, FS and the main Group companies are committed to the implementation, maintenance and certification of their Management Systems, adopted on a voluntary basis and distinguished below by operational area:

COMPANY	MANAGEMENT SYSTEMS							OTHER STANDARDS
	QUALITY ISO 9001	ENVIRON-MENT ISO 14001	HEALTH AND SAFETY ISO 45001	SOCIAL ACCOUN-TABILITY UNI/PDR 125:2022 SA 8000 GENDER EQUALITY	ROAD TRAFFIC SAFETY ISO 39001	ASSET AND PROPERTY MANAGE-MENT ISO 55001	ANTI-BRIBERY ISO 37001	
FS Italiane		✓	✓				✓	UNI EN ISO 14064-1:2019 UNI EN ISO 14083:2023
RFI	✓	✓	✓			✓		
Trenitalia	✓	✓	✓					UNI EN 13816:2002 UNI EN 15085-2:2020
Italferr	✓	✓	✓	✓				UNI/PdR 74:2019 UNI EN ISO 14064-1:2019
Busitalia Sita Nord	✓	✓	✓	✓				UNI EN 13816:2002
Ferservizi	✓	✓	✓					
Mercitalia Logistics	✓	✓	✓					UNI EN ISO 14067:2018
FS Sistemi Urbani		✓		✓				
Ferrovie del Sud-Est	✓	✓	✓		✓	✓		UNI EN 13816:2002
Anas	✓	✓	✓		✓		✓	UNI/PdR 74:2019
Hellenic Train	✓							UNI EN 13816:2002
Netinera	✓							
Grandi Stazioni Rail		✓						

In the infrastructure construction phase, the FS Group assumes the role of customer, awarding the works to third-party companies. In most cases, it appoints companies within the Group to act as a technical party, in addition to, depending on the requirements and the specific type of contract, management and/or supervision of works, with the duty of directly performing, if envisaged, monitoring activities before, during and after the works, identifying any critical issue and suitable corrective measures.

In the construction sector, the Group contributes to establishing a growing awareness of environmental management, thanks to the request for the implementation of the UNI EN ISO 9001, 14001 and 45001 Management Systems to works contractors, during the execution of rail works.

ENVIRONMENTAL INFORMATION

EU Taxonomy disclosure

Disclosure pursuant to Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation)

In its communication of 8 March 2018, the European Commission published the Sustainable Finance Action Plan (hereafter the Plan) under which it launched an ambitious global strategy on sustainable finance, describing the measures it intends to take to steer the capital market towards a sustainable, inclusive model of development in line with the commitments made under the Paris Climate Agreement. The creation of a unified classification system for sustainable activities is the most important and urgent action under the Plan since it recognises that such redirection must be based on a common and shared understanding of the concept of environmental sustainability of activities and investments. Regulation (EU) 2020/852 (hereafter also referred to as Reg. 852) represents, in this vision, the first concrete step aimed at identifying activities that can give a substantial contribution to environmental objectives through the creation of a common language (Taxonomy), which is useful for investors to make informed choices in evaluating projects and activities with a positive impact on the climate and the environment.

Below are the **environmental objectives set forth in the Taxonomy** and related regulatory references:

Environmental objectives	Regulatory references
1. Climate change mitigation	– Delegated Regulation (EU) 2021/2139 –Climate Delegated Act – Delegated Regulation (EU) 2021/2178 – Disclosure Delegated Act – Delegated Regulation (EU) 2022/1214[55] - Complementary Climate Delegated Act – Delegated Regulation (EU) 2023/2485[56] – Delegated Regulation (EU) 2023/2486 – Environmental Delegated Act
2. Climate change adaptation	
3. Transition to circular economy	
4. Sustainable use of water resources	
5. Pollution prevention and reduction	
6. Biodiversity protection	

The FS Group's taxonomy reporting process is managed by a cross-functional working group composed of the following organisational units of FS SpA:

- **Sustainability Reporting & Compliance**: specifically, the **Sustainability Reporting and Control unit** coordinates activities within the cross-functional working group and acts as a focal point vis-à-vis Group companies;
- **Administration and Financial Statements**: specifically, the **Report on Operations, Accounting Policy and Investee Analysis unit** provides support for the management and interpretation of accounting issues;
- **Climate Risk Resilience**: the unit provides support for the management and interpretation of technical issues related to climate risks and, in particular, to the Group's climate change adaptation activities.

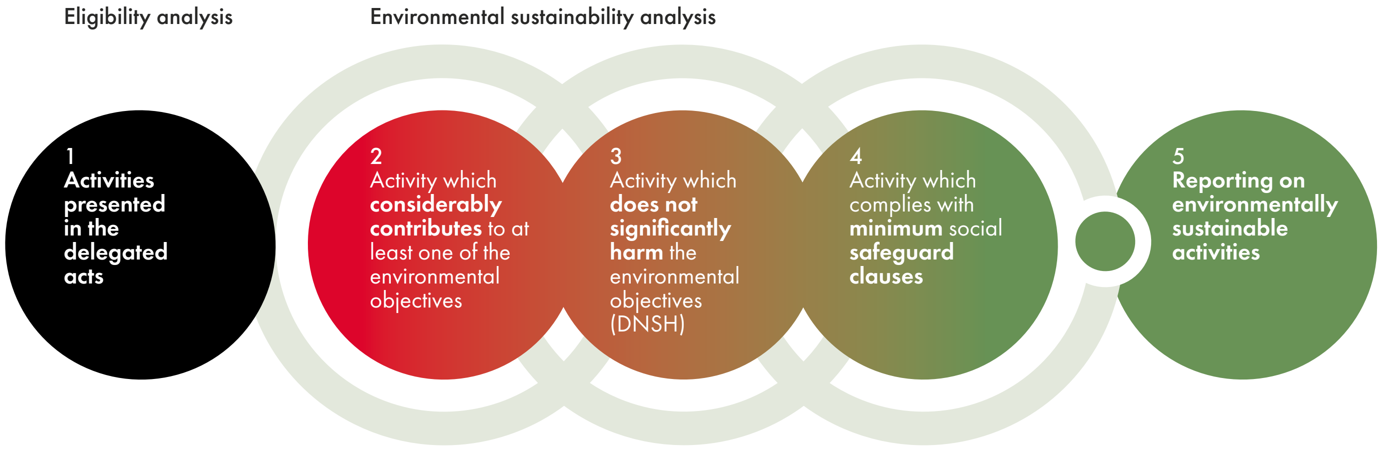
In the management of information and accounting issues of the taxonomy disclosure process at the consolidated level, the working group is also supported by the **Consolidated Financial Statements, Management and Coordination of Subsidiaries unit**, and by the related micro-department of Consolidated Financial Statements.

Each Group company, which is consolidated on a line-by-line basis, has identified contact persons and functions responsible for carrying out the analysis and reporting work required by the Taxonomy process and detailed below.

55. Regulation amending Delegated Regulation (EU) 2021/2139 as regards economic activities in certain energy sectors and Delegated Regulation (EU) 2021/2178 as regards specific public disclosures for those economic activities.

56. Regulation amending Delegated Regulation (EU) 2021/2139 establishing additional technical screening criteria for determining the conditions under which certain economic activities qualify as contributing substantially to climate change mitigation or climate change adaptation and for determining whether those activities cause no significant harm to any of the other environmental objectives.

The picture below shows the **screening process for establishing the environmental sustainability of the activities**.



Eligibility analysis

The analysis of the eligible activities was conducted by each FS Group company in order to verify that they corresponded to one or more of the activities listed in the Regulation.
Specifically, screening work was carried out, including through interviews and workshops organised by the FS SpA working group, concerning the comparison between:

- the economic activities listed and described under the Climate Delegated Act and the Environmental Delegated Act;
- the economic activities carried out by each company.

The table below reports the **eligible activities identified for the Group and by Business Unit**, broken down with respect to the Delegated Regulations:

Eligible activities	Sector				
Climate Delegated Act					
3. Manufacturing activities					
3.3. Manufacture of low carbon technologies for transport			Passenger transport		
6. Transport					
6.1. Passenger interurban rail transport			Passenger transport		
6.2. Freight rail transport				Freight transport	
6.3. Urban and suburban transport, road passenger transport			Passenger transport		
6.6. Freight transport services by road				Freight transport	
6.7. Inland passenger water transport			Passenger transport		
6.10. Sea and coastal freight water transport, vessels for port operations and auxiliary activities	Rail infrastructure			Freight transport	
6.11. Sea and coastal passenger water transport	Rail infrastructure				
6.13. Infrastructure for personal mobility and cycle logistics	Rail infrastructure				
6.14. Infrastructure for rail transport	Rail infrastructure				Urban
6.15. Infrastructure enabling low-carbon road transport and public transport		Road infrastructure			Urban
7. Construction and real estate activities					
7.2. Renovation of existing buildings				Freight transport	Urban
7.3. Installation, maintenance and repair of energy efficiency equipment				Freight transport	Urban
7.4. Installation, maintenance and repair of charging stations for electric vehicles in buildin-gs (and parking spaces attached to buildings)	Rail infrastructure				Urban
7.6. Installation, maintenance and repair of renewable energy technologies				Freight transport	Urban
7.7. Acquisition and ownership of buildings			Passenger transport	Freight transport	Urban
Environmental Delegated Act **3. Construction and real estate activities**					
3.4. Road and motorway maintenance		Road infrastructure			

Key

- Rail infrastructure
- Road infrastructure
- Passenger transport
- Freight transport
- Urban

Environmental sustainability analysis

Regulation (EU) 2020/852 sets out the following **conditions** that an economic activity must meet in order to be considered **environmentally sustainable**:

- to contribute substantially to at least one of the six environmental objectives;
- to avoid significant harm to any of the environmental objectives (DNSH - Do No Significant Harm);
- to comply with minimum social safeguards[57].

Substantial contribution analysis

Each Group company then verified, for each eligible activity, the capacity to **contribute substantially to the achievement of one or more environmental objectives**, also distinguishing between **transition activities** (activities for which there are no lower-carbon alternatives that are technologically and economically feasible but nevertheless have performance that matches the best performance in the industry and provided that they do not impede the development and diffusion of lower-emission alternatives or result in dependence on carbon-intensive assets) and **enabling activities** (activities that directly enable other activities to make a substantial contribution to an environmental objective).

The overall analysis carried out by the Group companies, with the coordination of the working group of FS SpA, led to the identification of the following environmentally sustainable activities that passed the criteria of substantial contribution and, as reported in the following paragraph, the DNSH (Do No Significant Harm) test:

Sector	Taxonomic activity	Substantial contribution
Rail infrastructure	6.14 Infrastructure for rail transport	**Mitigation and adaptation**: design, construction, modernisation, operation and maintenance of an electrified railway infrastructure; the infrastructure is not used for the transport or storage of fossil fuels[58]
Road infrastructure	6.15 Infrastructure enabling low-carbon road transport and public transport (CCM) 6.15 Infrastructure enabling road transport and public transport (CCA)	**Mitigation and adaptation:** the infrastructure is dedicated to zero CO_2 emission vehicles: electric charging points; the infrastructure is not used for the transport or storage of fossil fuels
Passenger transport	3.3. Manufacture of low carbon technologies for transport	**Mitigation:** repair, maintenance and retrofitting of low-carbon road passenger vehicles in urban and suburban areas
	6.1. Passenger interurban rail transport	**Mitigation and adaptation:** electric trains with zero direct (tailpipe) CO_2 emissions or bimodal (hybrids) trains
	6.3 Urban and suburban transport, road passenger transport	**Mitigation:** urban and suburban electric passenger transport services with direct zero (tailpipe) CO_2 emissions or with EURO VI engine (until 31 December 2025)
	6.6 Freight transport services by road	**Mitigation:** freight transport services by road with vehicles with direct zero (tailpipe) CO_2 emissions, or vehicles classified as "zero-emission heavy-duty vehicles/low-emission heavy-duty vehicles"
Freight transport	6.2 Freight rail transport	**Mitigation:** electric trains with zero direct (tailpipe) CO_2 emissions or bimodal (hybrids) trains; trains and railway wagons are not used to transport fossil fuels
	6.14 Infrastructure for rail transport	**Mitigation:** the infrastructure and facilities are used for the transhipment of goods between modes: infrastructure and terminal superstructure for loading, unloading and transhipment of goods

57. OECD Guidelines for Multinational Enterprises, UN Guiding Principles on Business and Human Rights, ILO Fundamental Principles.
58. Furthermore, it is specified that, in line with the provisions of the Operational Guide for compliance with the principle of not causing any significant harm to the environment (DNSH), as updated and attached to the State General Accounting Department's RGS circular no. 22 of 14 May 2024, aimed at providing Guidelines on the performance of control and reporting activities of the NRRP Measures, in order to be able to respond positively to the technical screening criterion regarding not causing any significant harm – "Trains and railway wagons must not be used to transport fossil fuels" -, this requirement cannot be requested of the Managers of the railway network as it has no basis in the current regulatory system of access and use of the national railway infrastructure defined under Legislative Decree no. 112/2015, which transposed the European Recast Directive and could therefore be considered discriminatory and arbitrary towards railway undertakings.

DNSH (Do No Significant Harm) test:

To ascertain compliance with the "Do No Significant Harm" (DNSH) principle, the Group has identified, for each economic activity, and on the basis of the substantial contribution to the mitigation and adaptation objectives, the documentary evidence and sufficient elements to prove that there are no negative impacts on the remaining environmental objectives, such as, for example:

- management systems and certifications (ISO14001, ISO50001, etc.);
- climate risk analysis and assessment of asset vulnerability;
- environmental impact assessments (EIA);
- environmental product declarations (EPD);
- minimum environmental criteria (MECs) and/or other sustainability criteria included in negotiation procedures and in contracts;
- waste management procedures;
- carbon footprint measurement.

The table below shows, for each environmental objective and economic activity, the description of compliance with the DNSH principle:

Environmental objective associated with DNSH	Taxonomic activity	Description of compliance with DNSH principle
Adaptation	3.3. Manufacture of low carbon technologies for transport	Group companies carried out a Climate Risk & Vulnerability Assessment, using a dedicated tool to assess the level of vulnerability of company assets (e.g. rolling stock, infrastructure, vehicles, buildings, etc.) to current and prospective climate threats for each eligible economic activity.
	6.1. Passenger interurban rail transport	
	6.2. Freight rail transport	
	6.3 Urban and suburban transport, road passenger transport	
	6.6 Freight transport services by road	
	6.14 Infrastructure for rail transport	
	6.15 Infrastructure enabling low-carbon road transport and public transport	
Mitigation	6.14 Infrastructure for rail transport	The infrastructure is not dedicated to the transport or storage of fossil fuels. In relation to the new infrastructure, Cost-Benefit Analyses are also carried out in accordance with the provisions of the Code of Contracts, as well as the projects under the National Recovery and Resilience Plan (NRRP) and the National Plan for Complementary Investments (NCP), with the aim of quantifying both the CO_2 reduction due to modal redistribution and the CO_2 related to the construction site phase.
	6.15 Infrastructure enabling road transport and public transport	
Circular economy	3.3. Manufacture of low carbon technologies for transport	The Group company operating in this sector has adopted an ISO 14001:2015-certified Environmental Management System to ensure that waste management measures are taken in accordance with the waste hierarchy and aimed at preventing and minimising the environmental impacts of waste management.
	6.1. Passenger interurban rail transport	The Group's main subsidiaries have adopted an ISO 14001:2015-certified Environmental Management System to ensure that waste management measures are taken in accordance with the waste hierarchy and aimed at preventing and minimising the environmental impacts of waste management. In addition, new rolling stock purchased by the Group (e.g. ETR 1000, and Rock, Blues and POP trains) is provided with EPD certification or recyclability report.
	6.2. Freight rail transport	
	6.3 Urban and suburban transport, road passenger transport	
	6.6 Freight transport services by road	
	6.14 Infrastructure for rail transport	The companies in the Group's infrastructure sector have adopted an approach geared towards enhancing elements of the circular economy, operating according to a scale of priorities that prioritises, in order, the lesser use of resources, a circular use of resources and the prevention of waste production. Furthermore, the percentage of special waste sent for recovery by companies in the infrastructure sector is 99%.
	6.15 Infrastructure enabling low-carbon road transport and public transport	

Environmental objective associated with DNSH	Taxonomic activity	Description of compliance with DNSH principle
Pollution prevention	3.3. Manufacture of low carbon technologies for transport	The Group company operating in this sector periodically carries out a chemical risk assessment which confirms compliance with Annex C to the delegated act.
	6.1. Passenger interurban rail transport	Where applicable, engines for the propulsion of locomotives (RLL) and railcars (RLR) comply with the emission limits set out in Annex II to Regulation (EU) 2016/1628 of the European Parliament and of the Council.
	6.2. Freight rail transport	
	6.4 Urban and suburban transport, road passenger transport	Preference is given to the purchase of tyres of the highest available energy class.
	6.6 Freight transport services by road	
	6.14 Infrastructure for rail transport	In order to minimise noise, vibrations and emissions on construction sites and in railway operations, complying with environmental regulations, the most appropriate operational methods and mitigating actions are implemented in relation to noise, atmospheric and soil emissions, carrying out noise mapping and implementing prevention and remediation plans.
	6.15 Infrastructure enabling low-carbon road transport and public transport	
Sustainable use and protection of water and marine resources	3.3. Manufacture of low carbon technologies for transport	The Group company operating in this sector has adopted an ISO 14001:2015-certified Environmental Management System to ensure that measures are taken to manage the use and protection of water for potentially affected water bodies.
	6.1. Passenger interurban rail transport	Not applicable
	6.2. Freight rail transport	
	6.3 Urban and suburban transport, road passenger transport	
	6.6 Freight transport services by road	
	6.14 Infrastructure for rail transport	For major relevant projects, the Group companies operating in the infrastructure sector provide for the preparation of studies necessary to verify whether there are possible interactions of the work with the reference environmental context, including specific analyses aimed at protecting surface and underground water during the construction and operation phases. In particular, analyses are carried out on the hydraulic and hydrogeological characteristics of the local area affected by the planned works in order to assess any possible interference during the construction and operation phases, defining any appropriate mitigation and/or improvement solutions.
	6.15 Infrastructure enabling low-carbon road transport and public transport	
Protection and restoration of biodiversity and ecosystems	3.3. Manufacture of low carbon technologies for transport	The Group company operating in this sector has conducted an Environmental Impact Assessment (EIA), particularly in relation to the external environmental impacts produced by the sites.
	6.1. Passenger interurban rail transport	Non pertinente
	6.2. Freight rail transport	
	6.3 Urban and suburban transport, road passenger transport	
	6.6 Freight transport services by road	
	6.14 Infrastructure for rail transport	The companies in the Group's infrastructure sector have adopted an approach aimed at an analysis of the reference context in terms of biodiversity. If an Environmental Impact Assessment (EIA) has been carried out, mitigation and compensation measures are implemented to protect the environment, if necessary. For sites/operations located in or near biodiversity-sensitive areas (including the Natura 2000 network of protected areas, UNESCO World Heritage sites and major biodiversity hotspots, as well as other protected areas), an appropriate assessment is conducted, where applicable, and, based on its conclusions, appropriate mitigation measures are implemented, if necessary.
	6.15 Infrastructure enabling low-carbon road transport and public transport	

Infrastructure for personal mobility, cycling, and the installation, maintenance and repair of renewable energy technologies also contribute, residually, to the environmental sustainability of the Group's activities, which can be classified under activities 6.13 and 7.6 of the Climate Delegated Act, respectively.

Compliance with minimum safeguards

With respect to compliance with the minimum safeguards, **the FS Group ensures and promotes the protection of human rights** by operating in the framework of the United Nations' Universal Declaration of Human Rights and the International Labour Organisation's fundamental conventions.

The **Group's approach in relation to the criteria set out in the Regulation** is described below:

Minimum criteria	
Human rights	In 2017, the Group joined the United Nations Global Compact, undertaking to comply with the 10 human rights, labour, environmental and anti-corruption principles and integrate them in its business. These principles integrate and reinforce the commitments already established in the **Sustainability Policy**, issued in 2019, on which the Group's actions are based, and, among which, respect for human rights and the commitment to creating a responsible supply chain stand out. This commitment was confirmed in the Code of Ethics (which guides the Group in its relations with stakeholders).
Corruption	In conducting its business, the Group is guided by the principles of honesty, ethics and zero tolerance for corruption, as stated in the **Anti-corruption Policy**. As a further consolidation of this commitment, since 2017 the Group has voluntarily adopted a single self-regulatory tool for the prevention of corruption, **Anti-Corruption Framework**.
Tax strategy	In 2019, the **Tax Strategy of Ferrovie dello Stato Italiane and the Group** was issued as the cornerstone of FS's broader tax risk control system, **Tax Control Framework or TCF**.
Legal competition	In 2019, the **Group's Antitrust Policy** was issued, which was the result of the Antitrust Compliance Program developed to further implement anti-trust prevention safeguards and to expand the dissemination of competition culture within Group companies and among all personnel.

For further explanations in line with the requirements of FAQ 2023/C 211/01, no. 2, concerning the **relation between the minimum safeguards and the DNSH principle** set out in Table 1 of Annex I to **Delegated Regulation (EU) 2022/1288** supplementing the **Sustainable Finance Disclosure Regulation** (SFDR)[59], please refer to the following paragraphs: ESRS Content Index, Own Workforce and Board of Directors of the Report on Corporate Governance and Ownership Structure.

Activities related to the real estate management of assets that are not functional to railway operations (e.g. properties for sale, offices, buildings, etc.), although eligible, do not pass the technical screening criteria set out in the Regulation. The activities carried out by the Group's other companies, which concern, for example, cross-sector and administrative, financial, security, transport and infrastructure system certification services, and the enhancement and care of historical heritage, were not considered eligible.
As of 2023, **the activities carried out by Anas and related to the maintenance of the road and motorway network have been considered eligible under the Environmental Delegated Act**; however, they cannot be considered environmentally sustainable because they do not pass the technical screening criteria set out in the Regulation.

Reporting on environmentally sustainable activities

Following the interviews and workshops held and based on the guidelines provided by the FS SpA working group, the Group companies reported on the KPIs required by the Regulation through a "bottom-up"-type process structured into the following steps:

- **Data & Document Collection**: this first phase refers to the centralised management and monitoring of the process of collecting the accounting data processed by the companies and the useful documents/evidence for the certification of compliance with the technical screening criteria prescribed by the Regulation, both with regard to the substantial contribution to the various environmental objectives and with regard to the Do No Significant Harm (DNSH) principle. The **activity of collecting data** processed by the companies **was managed through the use of a tool** implemented on the Group's sustainability reporting&control IT platform (ESGeo), which allows for an **automatic flow of KPI accounting data** (total Turnover, CapEx, OpEx to Group and to Third Parties) from the Oracle Cloud Enterprise Performance Management (EPM) **system** for each Group entity, useful for eligibility and environmental sustainability analyses of the Group's economic activities;

59. Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector.

- **Data Engine & Reporting EU Taxonomy:** this second phase refers to the final disclosure process, during which KPIs (Turnover, OpEx and CapEx) were determined and reported at the Group level. At this stage, an automatic flow of data from ESGeo into the three data entry forms provided by the EPM System is guaranteed, following which consolidation from the Parent Company takes place.

In 2024, the degree of alignment of the FS Group's economic activities with the EU Taxonomy, considering their substantial contribution to the mitigation and adaptation objectives, in compliance with both the principle of DNSH to the other environmental objectives and the minimum safeguards, is described below.

€ millions		2024		2023		Change	
Turnover KPI	Eligible portion	11,526	72.3%	10,398	72.9%	+1,128	-0.6 p.p.
	- of which environmentally sustainable	9,668	60.6%	8,644	60.6%	+1,024	-
	Total turnover[60]	**15,948**		**14,261**		**+1,687**	**+11.8%**
OpEx KPI	Eligible portion	3,578	55.0%	2,590	44.3%	+988	+10.7 p.p.
	- of which environmentally sustainable	2,654	40.8%	2,091	35.8%	+563	+5.0 p.p.
	Totale OpEx	**6,500**		**5,841**		**+659**	**+11.3%**
CapEx KPI	Eligible portion	12,769	96.1%	11,903	94.5%	+865	+1.5 p.p.
	- of which environmentally sustainable	11,741	88.3%	10,676	84.8%	+1,066	+3.5 p.p.
	Totale CapEx	**13,293**		**12,590**		**+703**	**+5.6%**

The percentage changes of the indicators in the taxonomy show **an overall trend in line with the 2023 statement** while, in analysing **absolute values**, there was a **general increase in all taxonomic KPIs in 2024**, both in terms of balance sheet values and in terms of the relative eligible and environmentally sustainable portions.

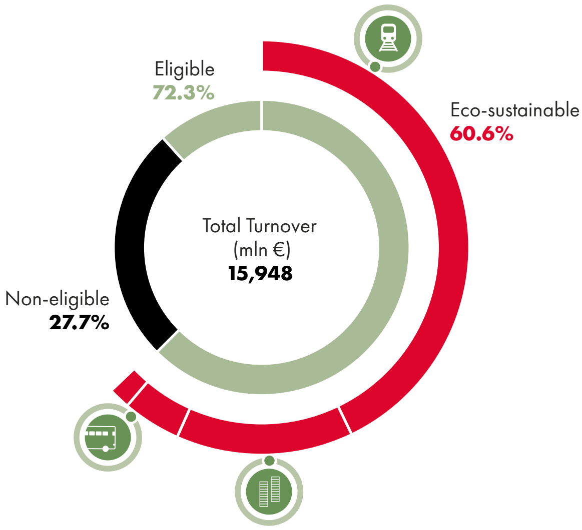
The growth in the **environmentally sustainable portion of the Group's CapEx, by about 10% compared to 2023 (+€1,066 million), confirms the direction in which the environmentally sustainable investments that the Group plans to implement over the Business Plan period**, amounting to **more than 80%** of all planned investments **over the next decad**e. The Group continued its work on the commitment to offering green and resilient mobility solutions, capable of reducing carbon emissions in the transport sector while adapting to extreme events caused by climate change.

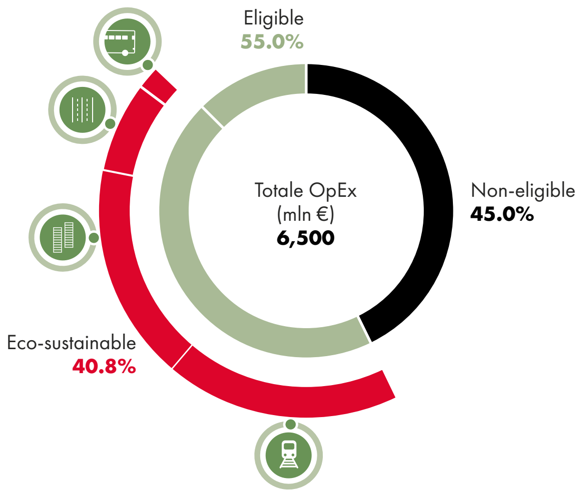
60. In 2023 total turnover was adjusted from the previous year's value by excluding the item "Other income" (amounting to approximately €542.8 million).

Below is an analysis of the **2024 values for the following types of material activities**:

railway transport | railway infrastructure | road transport | road infrastructure

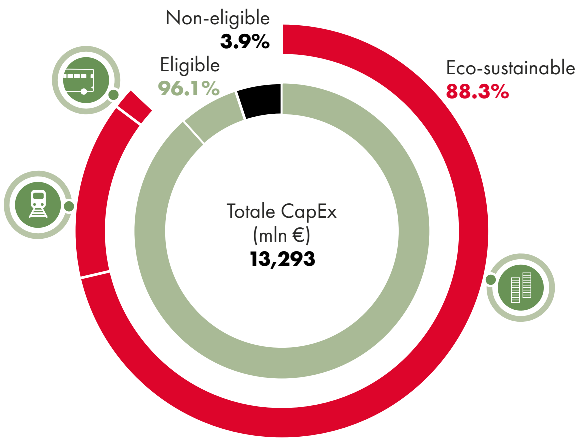
In 2024, approximately 61% of the Group revenue was generated from environmentally sustainable activities, with **rail passenger and freight transport activities** (46.4%, +0.5 p.p. on 2023), **and railway infrastructure operation** (10.2%, -1.6 p.p. on 2023), contributing the most to this percentage. Road transport contributed approximately 3.5%, with road infrastructure and real estate activities contributing residually with approximately 0.5%.
The numerator of the Turnover KPI does not include revenue from products and services associated with economic activities adapted to climate change.





With regard to the **operating costs**[61] defined in Annex I of the Delegated Act, Art. 8, **about 41% is attributable to environmentally sustainable activities**. The activities relating to railway infrastructure and rail transport contribute 16.0% and 15.6%, respectively (compared to 10.6% and 17.1% last year), road infrastructure accounts for about 8.5% (+1.5 p.p. on 2023), road transport for 0.8% (-0.3 p.p. on 2023) and, residually, real estate activities also contribute to the environmentally sustainable portion.

More than 88% of the Group's capital expenditure is for investments in environmentally sustainable activities, demonstrating its commitment to **developing a sustainable mobility system**. 72.9% of aligned CapEx relates to the operation of the railway infrastructure (+2.4 p.p. on 2023) while approximately 14.2% relates to railway transport and the remainder (roughly 1.3%) relates to road transport and real estate activities.
If we also consider Anas SpA's capital expenditure contributing to climate change adaptation (falling within the scope of IFRIC 12[62]), the portion of environmentally sustainable capital expenditure would increase by approximately €549 million.



Below is an analysis, for each taxonomic KPI, concerning the contribution that each business sector makes to the Group's environmentally sustainable share[63].

61. Non-capitalised direct costs related to research and development, building renovation measures, short-term lease, maintenance and repair, as well as any other direct expenses related to the day-to-day maintenance of property, plant and equipment, either by the company or by third parties to whom such tasks are outsourced, necessary to ensure the continuous and effective operation of such assets.
62. For more details regarding the application of the accounting standard, please refer to the *Notes to the Consolidated Financial Statements*.
63. Taxonomic activities across multiple Group companies have been included in the most relevant Business Sector.

Environmentally sustainable turnover Contribution to the Group (€ millions)	2024		2023		Percentage point change (p.p.)
Railway infrastructure	1,632	10.2%	1,685	11.8%	-1.6
Road infrastructure	83	0.5%	55	0.4%	+0.1
Passenger transport	7,073	44.3%	6,066	42.5%	+1.8
Freight transport	881	5.5%	839	5.9%	-0.4
Urban	≈0	≈0%	≈0	≈0%	-
Total Group	**9,668**	**60.6%**	**8,644**	**60.6%**	**-**

Environmentally sustainable OpEx Contribution to the Group (€ millions)	2024		2023		Percentage point change (p.p.)
Railway infrastructure	1,039	16.0%	618	10.6%	+5.4
Road infrastructure	549	8.5%	408	7.0%	+1.5
Passenger transport	926	14.2%	916	15.7%	-1.5
Freight transport	140	2.1%	149	2.5%	-0.4
Urban	≈0	≈0%	-1[64]	≈0%	-
Total Group	**2,654**	**40.8%**	**2,091**	**35.8%**	**+5**

Environmentally sustainable CapEx Contribution to the Group (€ millions)	2024		2023		Percentage point change (p.p.)
Railway infrastructure	9,688	72.9%	8,873	70.5%	+2.4
Road infrastructure	-	0.0%	-	0.0%	-
Passenger transport	1,888	14.2%	1,718	13.6%	+0.6
Freight transport	163	1.2%	83	0.7%	+0.5
Urban	2	≈0%	2	≈0%	-
Total Group	**11,741**	**88.3%**	**10,676**	**84.8%**	**+3.5**

An analysis of the contributions of the business sectors to the Group's consolidated values shows an increase in the share of environmentally sustainable CapEx, both in absolute and relative terms, mainly due to the green investments implemented on electrified railway infrastructure, by the railway Infrastructure sector, and the fleet renewal campaigns of the Passenger Business Unit. Below are the information tables in accordance with Article 8 of the EU Taxonomy Regulation.

64. The negative value arises from consolidation entries that resulted in the capitalisation of operating costs.

Turnover KPI[65]		Year 2024		Substantial contribution criteria					
Economic activities	Code	Turnover	Share	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular Economy	Biodiversity
		€mln	%						
A Taxonomy-eligible activities									
A.1 Eligible and eco-sustainable activities									
3.3 Manufacture of low carbon technologies for transport	CCM 3.3	3.3	0.02%	Yes	■	N/AM	N/AM	N/AM	N/AM
6.1 Passenger interurban rail transport	CCM 6.1	6.519	40.9%	Yes	■	N/AM	N/AM	N/AM	N/AM
6.2 Freight rail transport	CCM 6.2	880.7	5.5%	Yes	■	N/AM	N/AM	N/AM	N/AM
6.3 Urban and suburban transport, road passenger transport	CCM 6.3	550.8	3.5%	Yes	■	N/AM	N/AM	N/AM	N/AM
6.14 Infrastructure for rail transport	CCM 6.14	1,631.5	10.2%	Yes	■	N/AM	N/AM	N/AM	N/AM
6.15 Infrastructure enabling low carbon emission road transport and public transport	CCM 6.15	82.9	0.5%	Yes	■	N/AM	N/AM	N/AM	N/AM
Turnover of eco-sustainable activities (aligned with the taxonomy) (A.1)		**9,668**	**60.6%**	**60.7%**					
of which enabling		**1,718**	**10.8%**	**10.8%**					
of which transition		**504**	**3.2%**	**3.2%**	■	■	■	■	■
A.2 Taxonomy-eligible but not eco-sustainable activities (activities non-aligned with the taxonomy)									
3.3 Manufacture of low carbon technologies for transport	CCM 3.3	2.6	0.02%	AM	N/AM	N/AM	N/AM	N/AM	N/AM
3.4 Maintenance of roads and motorways	CE 3.4	385.8	2.4%	N/AM	N/AM	N/AM	N/AM	AM	N/AM
6.1 Passenger interurban rail transport	CCM 6.1	916.1	5.7%	AM	N/AM	N/AM	N/AM	N/AM	N/AM
6.2 Freight rail transport	CCM 6.2	33.7	0.2%	AM	N/AM	N/AM	N/AM	N/AM	N/AM
6.3 Urban and suburban transport, road passenger transport	CCM 6.3	106.4	0.7%	AM	N/AM	N/AM	N/AM	N/AM	N/AM
6.6 Freight transport services by road	CCM 6.6	22.1	0.1%	AM	N/AM	N/AM	N/AM	N/AM	N/AM
6.7 Inland passenger water transport	CCM 6.7	2	0.01%	AM	N/AM	N/AM	N/AM	N/AM	N/AM
6.10 Sea and coastal freight water transport, vessels for port operations and auxiliary activities	CCM 6.10	29.4	0.2%	AM	N/AM	N/AM	N/AM	N/AM	N/AM
6.11 Sea and coastal passenger water transport	CCM 6.11	1,6	0.01%	AM	N/AM	N/AM	N/AM	N/AM	N/AM
6.14 Infrastructure for rail transport	CCM 6.14	297.3	1.9%	AM	N/AM	N/AM	N/AM	N/AM	N/AM
7.7 Acquisition and ownership of buildings	CCM 7.7	60.5	0.4%	AM	N/AM	N/AM	N/AM	N/AM	N/AM
Turnover of taxonomy-eligible but not eco-sustainable activities (activities non-aligned with the taxonomy) (A.2)		**1,858**	**11.6%**	**9.2%**				**2,4%**	
A Turnover of taxonomy-eligible activities (A.1 + A.2)		**11,526**	**72.3%**	**69.9%**				**2,4%**	
B Taxonomy non-eligible activities									
Turnover of taxonomy non-eligible activities		**4,422**	**27.7%**						
Total		**15,948**	**100%**						

65. Turnover KPI was determined as the ratio of the share of operating revenues from services or products originating from economic activities aligned with taxonomy to total operating revenues in the consolidated financial statements (consolidated balance sheet item "Revenues from sales and services"). Revenues from products and services associated with economic activities adapted to climate change are not included in the numerator of the Turnover KPI.

DNSH (Do Not Significant Harm) criteria										
Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum safeguard guarantees	Proportion of turnover aligned to (A.1) or eligible for (A.2) the taxonomy, year n-1	Enabling activity category	Category of transitional activity	Portion funded through bonds or debt securities (%)
							%	A	T	
Yes	Yes	Yes	Yes	Yes	Yes	Yes	0.02%	A		0.0%
Yes	Yes	Yes	Yes	Yes	Yes	Yes	40%		T	26.1%
Yes	Yes	Yes	Yes	Yes	Yes	Yes	5.9%			14.4%
Yes	Yes	Yes	Yes	Yes	Yes	Yes	2.5%		T	0.0%
Yes	Yes	Yes	Yes	Yes	Yes	Yes	11.8%	A		0.1%
Yes	Yes	Yes	Yes	Yes	Yes	Yes	0.4%			0.0%
Yes	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**60.6%**	■	■	**19%**
Yes	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**12.2%**	**A**	■	
Yes	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**1.7%**	■	**T**	
■	■	■	■	■	■	■	0.0%	■	■	
■	■	■	■	■	■	■	0.2%	■	■	
■	■	■	■	■	■	■	7%	■	■	
■	■	■	■	■	■	■	0.4%	■	■	
■	■	■	■	■	■	■	2%	■	■	
■	■	■	■	■	■	■	0.01%	■	■	
■	■	■	■	■	■	■	0.01%	■	■	
■	■	■	■	■	■	■	0.2%	■	■	
■	■	■	■	■	■	■	0.02%	■	■	
■	■	■	■	■	■	■	1.9%	■	■	
■	■	■	■	■	■	■	0.6%	■	■	
■	■	■	■	■	■	■	**12.3%**	■	■	
■	■	■	■	■	■	■	**72.9%**	■	■	

Share of turnover/Total turnover

	Taxonomy-aligned by objective	Taxonomy-eligible by objective
CCM	60.6%	69.9%
CCA	0%	0%
CE	0%	2.4%
Totale	**60.6%**	**72.3%**

OpEx KPI[66]		Year 2024		Substantial contribution criteria					
Economic activities	Code	OpEx	OpEx share	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity
		€mil.	%						
A Taxonomy-eligible activities									
A.1 Eligible and eco-sustainable activities									
3.3 Manufacture of low carbon technologies for transport	CCM 3.3	8.2	0.1%	Yes	No	N/AM	N/AM	N/AM	N/AM
6.1 Passenger interurban rail transport	CCM 6.1	873	13.4%	Yes	No	N/AM	N/AM	N/AM	N/AM
6.2 Freight rail transport	CCM 6.2	139.5	2.1%	Yes	No	N/AM	N/AM	N/AM	N/AM
6.3 Urban and suburban transport, road passenger transport	CCM 6.3	44.5	0.7%	Yes	No	N/AM	N/AM	N/AM	N/AM
6.14 Infrastructure for rail transport	CCM 6.14	1,039.2	16.0%	Yes	Yes	N/AM	N/AM	N/AM	N/AM
6.15 Infrastructure enabling low carbon emission road transport and public transport	CCA 6.15	549.4	8.5%	No	Yes	N/AM	N/AM	N/AM	N/AM
7.3 Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	0.4	0.01%	Yes	No	N/AM	N/AM	N/AM	N/AM
Operating expenses of eco-sustainable activities (taxonomy-aligned) (A.1)		**2,654**	**40.8%**	**32.4%**	**8.5%**				
of which enabling		**1,048**	**16.1%**	**16.1%**	**0%**				
of which transitional		**44**	**0.7%**	**0.7%**	■	■	■	■	■
A.2 Taxonomy-eligible but not eco-sustainable activities (activities non-aligned with the taxonomy)									
3.3 Manufacture of low carbon technologies for transport	CCM 3.3	6.4	0.1%	AM	N/AM	N/AM	N/AM	N/AM	N/AM
3.4 Maintenance of roads and motorways	CE 3.4	385.8	5.9%	N/AM	N/AM	N/AM	N/AM	AM	N/AM
6.1 Passenger interurban rail transport	CCM 6.1	112.5	1.7%	AM	N/AM	N/AM	N/AM	N/AM	N/AM
6.2 Freight rail transport	CCM 6.2	71.6	1.1%	AM	N/AM	N/AM	N/AM	N/AM	N/AM
6.3 Urban and suburban transport, road passenger transport	CCM 6.3	11.3	0.2%	AM	N/AM	N/AM	N/AM	N/AM	N/AM
6.10 Sea and coastal freight water transport, vessels for port operations and auxiliary activities	CCM 6.10	32.5	0.5%	AM	N/AM	N/AM	N/AM	N/AM	N/AM
6.11 Sea and coastal passenger water transport	CCM 6.11	4.1	0.1%	AM	N/AM	N/AM	N/AM	N/AM	N/AM
6.14 Infrastructure for rail transport	CCM 6.14 /CCA 6.14	178	2.7%	AM	AM	N/AM	N/AM	N/AM	N/AM
6.15 Infrastructure enabling low carbon emission road transport and public transport	CCM 6.15	82.5	1.3%	AM	N/AM	N/AM	N/AM	N/AM	N/AM
7.2 Renovation of existing buildings	CCM 7.2 / CCA 7.2	3.8	0.1%	AM	AM	N/AM	N/AM	N/AM	N/AM
7.7 Acquisition and ownership of buildings	CCM 7.7 / CCA 7.7	34.2	0.5%	AM	AM	N/AM	N/AM	N/AM	N/AM
Operating expenses of taxonomy-eligible but not eco-sustainable activities (activities non-aligned with the taxonomy) (A.2)		**923**	**14.2%**	**8.3%**				**5.9%**	
A OpEx of taxonomy-eligible activities (A.1 + A.2))		**3,578**	**55%**	**40.7%**	**8.5%**			**5.9%**	
B Taxonomy non-eligible activities									
OpEx of taxonomy non-eligible activities		**2,922**	**45%**						
Total		**6,500**	**100%**						

66. Operating costs KPI was determined as the ratio between "operating costs under Reg. 852", as specified below, attributable to the aligned activities, and total "operating costs under Reg. 852" of the consolidated financial statements (numerically, an "of which" line of the consolidated financial statement item of Total Operating Costs). Operating expenses to be taken as reference for the definition of the OpEx KPI were first identified by the Delegated Regulation and, subsequently, better defined by the clarifications provided by the EU Commission itself. Consequently, within the FS Group, the cost categories mainly considered concerned non-capitalised direct costs related to maintenance and repair processes, short-term leases, and refurbishment of buildings.

DNSH (Do Not Significant Harm) criteria									
Climate change mitigation	Climate change adaptation climatici	water	Pollution	Circular economy	Biodiversity	Minimum safeguard guarantees	Proportion of OpEx aligned to (A.1) or eligible for (A.2) the taxonomy, year n-1	Enabling activity category	Category of transitional activity
							%	A	T
Yes	Yes	Yes	Yes	Yes	Yes	Yes	0.2%	A	
Yes	Yes	Yes	Yes	Yes	Yes	Yes	14.6%		T
Yes	Yes	Yes	Yes	Yes	Yes	Yes	2.5%		
Yes	Yes	Yes	Yes	Yes	Yes	Yes	0.9%		T
Yes	Yes	Yes	Yes	Yes	Yes	Yes	10.8%	A	
Yes	Yes	Yes	Yes	Yes	Yes	Yes	7%		
Yes	Yes	Yes	Yes	Yes	Yes	Yes	0.01%	A	
Yes	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**35.8%**	■	■
Yes	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**10.9%**	**A**	■
Yes	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**0.4%**	■	**T**
■	■	■	■	■	■	■	0.0%	■	■
■	■	■	■	■	■	■	0.4%	■	■
■	■	■	■	■	■	■	2%	■	■
■	■	■	■	■	■	■	0.4%	■	■
■	■	■	■	■	■	■	1.2%	■	■
■	■	■	■	■	■	■	0.6%	■	■
■	■	■	■	■	■	■	0.1%	■	■
■	■	■	■	■	■	■	2.1%	■	■
■	■	■	■	■	■	■	0.9%	■	■
■	■	■	■	■	■	■	0.2%	■	■
■	■	■	■	■	■	■	0.5%	■	■
■	■	■	■	■	■	■	**8.5%**	■	■
■	■	■	■	■	■	■	**44.3%**	■	■

Share of OpEx/Total OpEx

	Taxonomy-aligned by objective	Taxonomy-eligible by objective
CCM	32.4%	40.7%
CCA	8.5%	8.5%
CE	0%	5.9%
Totale	**40.8%**	**55%**

CapEx KPI[67]		Year 2024		Substantial contribution criteria					
Economic activities	Code	CapEx	CapEx Share	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity
		€mil.	%						
A Taxonomy-eligible activities									
A.1 Eligible and eco-sustainable activities									
6.1 Passenger interurban rail transport	**CCM 6.1**	1,700	12.8%	Yes	No	N/AM	N/AM	N/AM	N/AM
6.1 Passenger interurban rail transport	CCA 6.1	20	0.2%	No	Yes	N/AM	N/AM	N/AM	N/AM
6.2 Freight rail transport	CCM 6.2	163.6	1.2%	Yes	No	N/AM	N/AM	N/AM	N/AM
6.3 Urban and suburban transport, road passenger transport	CCM 6.3	167.7	1.3%	Yes	No	N/AM	N/AM	N/AM	N/AM
6.14 Infrastructure for rail transport	**CCM 6.14**	8,808.3	66.3%	Yes	No	N/AM	N/AM	N/AM	N/AM
6.14 Infrastructure for rail transport	CCA 6.14	880.1	6.6%	No	Yes	N/AM	N/AM	N/AM	N/AM
7.6 Installation, maintenance and repair of renewable energy technologies	CCM 7.6	1.5	0.01%	Yes	No	N/ AM	N/ AM	N/ AM	N/ AM
CapEx of eco-sustainable activities (taxonomy-aligned) (A.1)		**11,741**	**88.3%**	**81.6%**	**6.8%**				
of which enabling		**8,810**	**66.3%**	**66.3%**	**0%**	■	■	■	■
of which transitional		**155**	**1.2%**	**1.2%**	■	■	■	■	■
A.2 Taxonomy-eligible but not eco-sustainable activities (activities non-aligned with the taxonomy)									
3.4 Maintenance of roads and motorways	CE 3.4	0	0.0%	N/AM	N/AM	N/AM	N/AM	AM	N/AM
6.1 Passenger interurban rail transport	**CCM 6.1** / CCA6.1	48.0	0.4%	AM	AM	N/AM	N/AM	N/AM	N/AM
6.2 Freight rail transport	CCM 6.2	2.8	0.02%	AM	N/AM	N/AM	N/AM	N/AM	N/AM
6.3 Urban and suburban transport, road passenger transport	CCM 6.3	0.1	0.001%	AM	N/AM	N/AM	N/AM	N/AM	N/AM
6.10 Sea and coastal freight water transport, vessels for port operations and auxiliary activities	CCM 6.10	16.3	0.1%	AM	N/AM	N/AM	N/AM	N/AM	N/AM
6.11 Sea and coastal passenger water transport	CCM 6.11	2.7	0.02%	AM	N/AM	N/AM	N/AM	N/AM	N/AM
6.14 Infrastructure for rail transport	**CCM 6.14** / CCA 6.14	945.8	7.1%	AM	AM	N/AM	N/AM	N/AM	N/AM
7.2 Renovation of existing buildings	**CCM7.2** / CCA 7.2	6.4	0.04%	AM	AM	N/AM	N/AM	N/AM	N/AM
7.7 Acquisition and ownership of buildings	**CCM 7.7** / CCA 7.7	5.2	0.04%	AM	AM	N/AM	N/AM	N/AM	N/AM
CapEx of taxonomy-eligible but not eco-sustainable activities (activities non-aligned with the taxonomy) (A.2)		**1,027**	**7.7%**	**7.7%**	**0.0%**			**0.0%**	
A CapEx of taxonomy-eligible activities (A.1 + A.2)		**12,769**	**96.1%**	**89.3%**	**6.8%**			**0.0%**	
B Attività non ammissibili alla Tassonomia									
CapEx of taxonomy non-eligible activities		**524**	**3.9%**						
Total		**13,293**	**100%**						

67. Capital expenditure KPI was determined as the ratio between "capital expenditure under Reg. 852", as specified below, attributable to aligned activities, and total increases in "'capital expenditure under Reg. 852" of the consolidated financial statements. "Capital expenditure" under Reg. 852 to be taken as a reference for the definition of the CapEx KPI have been identified by the Delegated Regulation, and concern the gross increases recorded during the year in tangible and intangible assets taken into account before depreciation and amortisation, write-downs and any revaluation, including those resulting from restatements and impairments.

DNSH (Do Not Significant Harm) criteria

Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum safeguard guarantees	Proportion of CapEx aligned to (A.1) or eligible for (A.2) the taxonomy, year n-1	Enabling activity category	Category of transitional activity	Portion funded through bonds or debt securities (%)
							%	A	T	
Yes	Yes	Yes	Yes	Yes	Yes	Yes	13%		T	93.3%
Yes	Yes	Yes	Yes	Yes	Yes	Yes	0.3%			100%
Yes	Yes	Yes	Yes	Yes	Yes	Yes	0.7%			0.0%
Yes	Yes	Yes	Yes	Yes	Yes	Yes	0.4%		T	0.0%
Yes	Yes	Yes	Yes	Yes	Yes	Yes	68.3%	A		1.6%
Yes	Yes	Yes	Yes	Yes	Yes	Yes	2.2%			1.7%
Yes	Yes	Yes	Yes	Yes	Yes	Yes	0.003%	A		0.0%
Yes	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**84.8%**	■	■	**15%**
Yes	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**68.3%**	**A**	■	
Yes	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**1.5%**	■	**T**	
■	■	■	■	■	■	■	0%	■	■	
■	■	■	■	■	■	■	0.5%	■	■	
■	■	■	■	■	■	■	0.002%	■	■	
■	■	■	■	■	■	■	0.2%	■	■	
■	■	■	■	■	■	■	0.2%	■	■	
■	■	■	■	■	■	■	0.003%	■	■	
■	■	■	■	■	■	■	8.4%	■	■	
■	■	■	■	■	■	■	0.04%	■	■	
■	■	■	■	■	■	■	0,4%	■	■	
■	■	■	■	■	■	■	**9.7%**	■	■	
■	■	■	■	■	■	■	**94.5%**	■	■	

Share of CapEx/Total CapEx

	Taxonomy-aligned by objective	Taxonomy-eligible by objective
CCM	81.6%	89.3%
CCA	6.8%	6.8%
CE	0%	0%
Totale	**88.3%**	**96.1%**

Template 1, Annex III to Delegated Regulation (EU) 2022/1214 of 9 March 2022 – Nuclear and fossil gas related activities

Nuclear energy related activities	
The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
Fossil gas related activities	
The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

CLIMATE CHANGE

1st - level topic	2nd - level topic	I	R	O
Climate change adaptation	Climate change adaptation of infrastructures	✓	✓	✓
	Climate change adaptation of mobility means and services	✓	✓	✓
	Climate change adaptation of urban areas	✓	✓	✓
Climate change mitigation	GHG emissions	✓	✓	✓
	Energy	✓	✓	✓

Management policies and tools

- Sustainability Policy
- Environmental Policy
- Management systems

Governance

ESRS 2 GOV-3 – Integration of sustainability-related performance in incentive schemes

For any information on the integration of sustainability-related performance in incentive schemes, please refer to the paragraph on *ESG and Sustainability issues* of the Report on corporate governance and ownership structure.

In relation to the sustainability target (MBO) set for 2024, which measures the ratio of capital expenditure net of advances[68] to location-based Scope 1 and 2 emissions[69], an overall result of €6,674/tCO_2e was recorded against the sustainability target (MBO 2024) applied to the Group's entire incentivised population, equal to €6,329/tCO_2e.

Strategy

ESRS E1-1 - Transition plan for climate change mitigation

The FS Group's Climate & Energy Transition Plan is the planning tool for the company climate change mitigation strategy. The document outlines a transition programme, which is not only aligned to, but goes beyond the targets under the Paris Agreement[70], considering the Group's ambitious decarbonisation targets, already validated by the Science-Based Target initiative (SBTi), and is therefore aligned to the scenario of avoiding or sustaining a limited overshoot, as set out in the Intergovernmental Panel on Climate Change (IPCC) special report on the impacts of global warming of 1.5 °C.

In referring to the key performance indicators of capital expenditure (CapEx) aligned with taxonomy under Regulation (EU) 2020/852, **over 81% of the Group's CapEx is for investments that contribute to the climate change mitigation objective**, a figure to be analysed in the broader context of the **environmentally sustainable investments that the Group plans to implement over the Business Plan period**, amounting to **over 80%** of all planned investments **over the next decade** - confirming the Group's commitment to offering green and resilient mobility solutions, capable of reducing carbon emissions from the transport sector while adapting to extreme events caused by climate change.

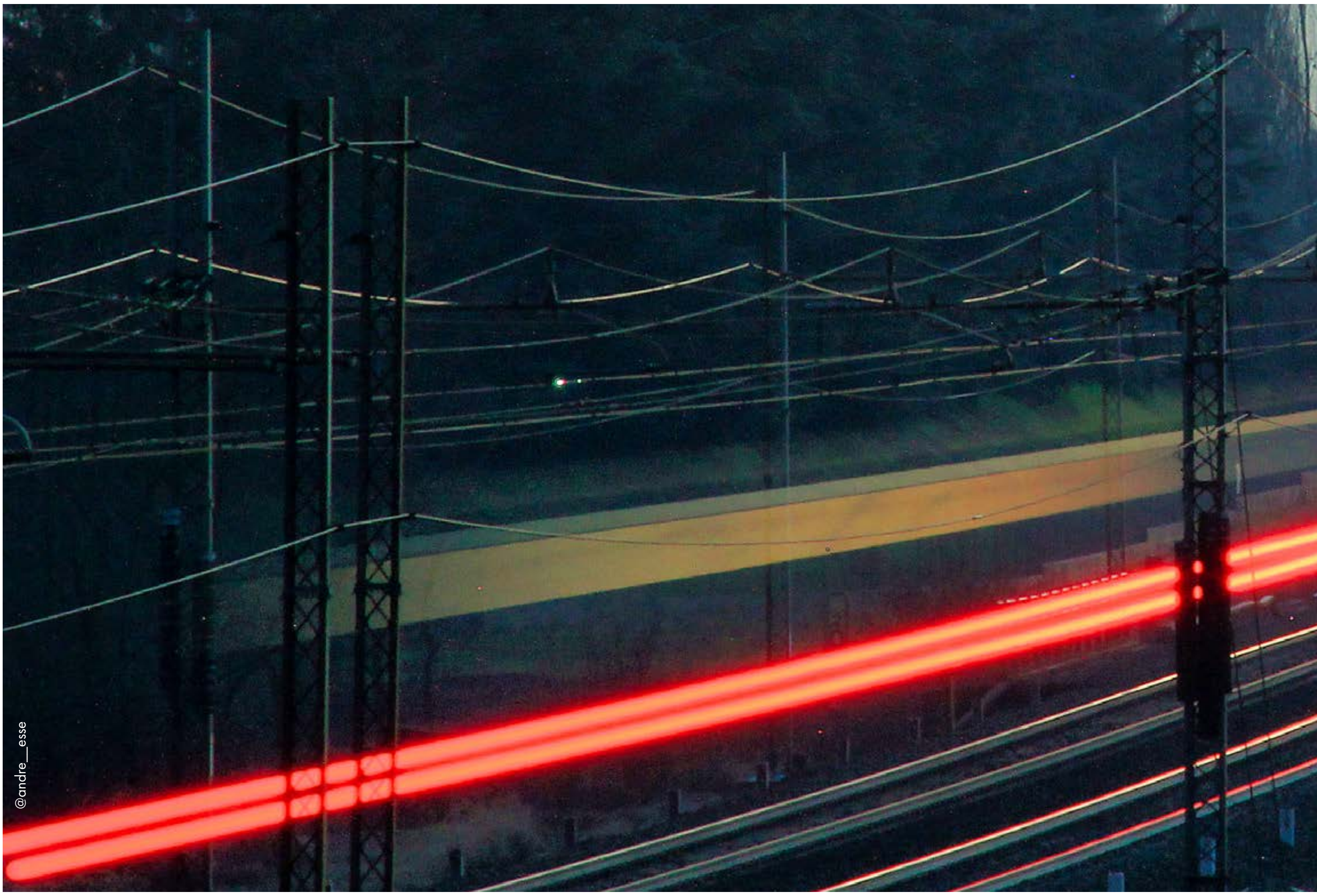
With regard to decarbonisation targets, the FS Group has set itself the goal of achieving net-zero emissions, i.e. "Net Zero", by 2040, a decade ahead of the deadlines set by the European Union.

The main Group initiatives with an expected positive impact on the reduction of Scope 1 and 2 emissions can be attributed to three main categories of decarbonisation levers: energy efficiency in transport, energy efficiency of buildings and fixed installations and the production and use of energy from renewable sources.

First, the FS Group is committed to the electrification of the rail network and fleets, expanding the electric-powered network and gradually replacing fossil fuel vehicles with electric or hybrid vehicles. In parallel, it

68. Capital expenditure is calculated by excluding Exploris and FS Treni Turistici.
69. Scope 1+2 carbon emissions refer to the following companies: Anas, Bluferries, Blujet, Busitalia Campania, Busitalia Rail Service, Busitalia Sita Nord, Busitalia Veneto, Ferrovie Sud-Est, Ferservizi, FS Italiane, FS Park, FS Sistemi Urbani, Grandi Stazioni Rail, Hellenic Train, Ilsa, Italferr, Mercitalia Intermodal, Mercitalia Logistics, Mercitalia Rail, Mercitalia Shunting & Terminal, Netinera, Qbuzz, RFI, Terminali Italia, Trenitalia, Trenitalia c2c, Trenitalia France, Tx Logistik.
70. The FS Group is excluded from the EU benchmarks aligned with the Paris Agreement.

is adopting innovative technologies to optimise energy management and improve vehicle operational efficiency. Another area of focus concerns the energy efficiency of buildings, including stations, depots, workshops and offices, and related facilities, through solutions such as replacing boilers and introducing "Smart Work Place" programs. The FS Group promotes the production and use of energy from renewable sources, such as photovoltaic and solar thermal energy, for railway traction and facilities, for example in the initiative to install photovoltaic panels and actions involving the use of biogas in thermal power plants. In addition, the FS Group aims to introduce alternative fuels for traction, promoting the use of green hydrogen, HVOs and other low-carbon fuels for vehicles on non-electrifiable rail routes. For a group such as Ferrovie dello Stato Italiane, which has a very broad value chain, it is also essential to have a structured organisation with maximum stakeholder engagement. Priority levers for reducing Scope 3 emissions, to be implemented through involving suppliers, are the adoption of sustainable procurement policies (e.g., by applying circularity requirements for the purchase of products and services), and the implementation of sustainable investment strategies. The FS Group recognises the crucial importance of sustainable procurement management to reduce environmental impacts throughout the supply chain, including the most critical sectors, such as the production of carbon-intensive materials, and those associated with the supply of consumer goods and services and first- and last-mile logistics. Railway construction sites, in particular, are the Group's largest contributor of Scope 3 emissions, mainly due to the intensive use of construction materials such as steel and concrete. The Group is therefore committed to promoting contractors' adoption of materials and technologies with low environmental impact, using more efficient machinery powered by renewable energy sources, incentivising innovative production processes that reduce carbon intensity, optimising transport and materials handling, and promoting the use of electric or advanced biofuel-powered vehicles. The Group identifies potential "locked-in" GHG emissions from the company's key products and assets corresponding to emissions related to transport infrastructure and services, which represent a significant



and most influential share for the achievement of climate-altering emission reduction targets and on transition risks, since their abatement depends on exogenous and endogenous factors, which are also related to industrial production and traffic forecasts for the delivery of mobility services.

The main "locked-in" GHG emissions are identified below:

- **fossil-fuelled rolling stock** - diesel-powered trains generate carbon emissions that will be "locked in" until they are replaced by electric or alternatively powered trains (e.g. green hydrogen, biofuels). Even some hybrid trains, despite having an electric component, remain partially dependent on fossil fuels. The amount of emissions associated with such rail transport services is also influenced by the demand for passenger and freight transport;
- **non-electrified rail infrastructure** - non-electrified rail routes require diesel-powered trains, generating emissions that cannot be rapidly reduced without massive investments in network electrification or alternative technologies for powering rail fleets (e.g. green hydrogen, biofuels);
- **fleet of road vehicles supporting railway operations** - the Group's service vehicles (for maintenance, inspections, personnel transport, etc.) mainly use internal combustion engines powered by fossil fuels (diesel, petrol, methane, LPG), contributing to "locked-in" emissions until fleets are replaced by alternative fuels (electric, green hydrogen, biofuel fleets), as these vehicles must ensure the continuity of railway operations;
- **use of materials on rail and road construction sites** - materials used for the construction of rail and road infrastructure, such as cement and steel, have a considerable carbon footprint on average, especially in the production and transport phases. These materials are widely used on rail and road construction sites, e.g. for projects under the NRRP. Therefore, the associated emissions, being linked to the large volumes of materials used, constitute "locked-in" emissions that are unavoidable in the short term, regardless of efforts to reduce the specific emission impact during the procurement phase.

It should also be noted how the FS Group is excluded from the EU benchmark indices aligned with the Paris Agreement, with reference to Article 12, paragraph 1, letters (d) to (g), and paragraph 2 of Commission Delegated Regulation (EU) 2020/1818 (Climate Benchmark Regulation). The Climate & Energy Transition Plan (CTP) is integrated into the Group's strategic planning process, representing a detailed view of climate change mitigation issues, with information processed on the basis of the company data and initiatives approved in the Strategic Plan 2025-2029. This approach ensures that the CTP guides future strategic planning processes, serving as a verification tool to ensure consistency between planned activities and decarbonisation targets.
As at the date of this report, the transition plan had not yet been formally approved by administrative, management, and supervisory bodies. In the implementation of the transition plan, the company's progress in 2024 included: increased control over transition risks, a review of the decarbonisation roadmap, and increased awareness of the challenges to achieving long-term goals.

IRO management

ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model(s)

With regard to material climate-related risks, the following are **transition risks** (i.e., risk arising from the transition to a low-carbon, climate-resilient economy; these can generally be political, legal, technological, market, and reputational risks) and **physical risks** (risk arising from climate change that can be driven by events - acute risks - or longer-term changes in climate patterns - chronic risks).

RISK CATEGORY	Type of riks		Sustainability matter 1st level
	Physical	Transition	
Extreme weather/climatic events	✓		Climate change adaptation
Chronic climate changes	✓		Climate change adaptation
Litigation with counterparties (suppliers, customers, staff, bodies, associations, communities, etc.)		✓	Climate change adaptation
Unfavourable or delayed acts/measures		✓	Climate change adaptation Climate change mitigation
Changes in legislation/regulations/standards		✓	Climate change mitigation
Critical issues in relations with institutional stakeholders		✓	Climate change adaptation
Critical issues in defining, implementing and updating commercial offerings (products, services, pricing)		✓	Climate change mitigation
Inadequate disbursement of public grants or funds		✓	Climate change adaptation
Fluctuations in interest rates		✓	Climate change adaptation
Inflationary scenario and price increases		✓	Climate change mitigation
Volatility in commodity and raw material prices		✓	Climate change mitigation
Dependence on key customer/partner		✓	Climate change mitigation
New commercial policies offered by competitors		✓	Climate change mitigation

Other material climate-related risks of a different nature are present, such as, for example, risks related to the company organisation and resources, such as inadequate sizing of the workforce to achieve the objectives in the FS Group's transition and adaptation plan, or any other critical issues related to the implementation of the plans themselves; design and implementation risks, such as suspension of contracts or changes during construction in the implementation of infrastructure projects due to climate-related causes.

The FS Group, as part of its operations and business activities, intends to ensure infrastructure and mobility services that are increasingly climate-resilient to physical risks, given the complexity and widespread presence of its operations and business activities, and transition risks. In addition to risk and opportunity analyses for the double materiality process, various climate assessments are in fact conducted, which contribute to a broader resilience analysis; specifically, for physical risks, the following work was performed:

- vulnerability assessment (identification of physical assets exposed to climate risks, and their estimated vulnerability);
- impact assessment (effects produced by climate risks on businesses, examined through short- and medium-term scenario analysis);
- definition of the response plan (adaptation interventions designed, adopted and structured into Grey/Soft/Green type solutions).

Expected climate dynamics are examined through scenario analyses based on Representative Concentration Pathways (RCPs) defined by the Intergovernmental Panel on Climate Change (IPCC), with specific regard to two projections developed on a global scale:

- RCP 4.5 "Strong Mitigation," as the most likely trend;
- RCP 8.5 "Business-as-usual," as the worst-case trend.

The IPCC's RCP 4.5 and RCP 8.5 scenarios, adopted in full, are borrowed from best market practices, especially with regard to key assumptions about how the transition to a resilient, low-carbon economy will affect surrounding macroeconomic trends, energy consumption and energy mix, and assumptions about technology diffusion.

The analysis is conducted over short-, medium-, and long-term time horizons, consistent with the horizon of strategic planning and capital allocation plans. This horizon is also consistent with the assessment of IROs as part of the double materiality process (material risks and opportunities relevant to topic E1 Climate Change).

The resilience analysis, which is carried out by Group

companies on an annual basis, considers the 28 climate hazards defined in Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021 (Appendix A - Annex 2). In addition, the assessment covers 34 categories of assets that are potentially exposed to physical climate risk, pertaining to own operations of the Group's main businesses (transport, infrastructure, real estate), and excluding transition risks not listed in the Delegated Regulation. For each exposed asset, the vulnerability (understood as sensitivity net of adaptive capacity) and the potential economic and financial impact to changing prospective climate conditions given by the scenario was assessed in relation to 7 potential categories of impact (destruction, damage, service disruption, etc.).
Key findings include, in both RCP 4.5 and RCP 8.5 scenarios, that:

- the greatest concentration of impacts falls on infrastructure business assets (road and rail);
- among the main climate hazards with economic impacts are acute hazards, such as:
    - flood (coastal, fluvial, pluvial, ground water);
    - heavy precipitation (rain, hail, snow/ice);
    - cold wave/frost;
    - wildfire;
    - heat wave;
    - landslide;
- major climate hazards with financial impacts also include chronic hazards such as:
    - changing precipitation pattern and types;
    - precipitation or hydrological variability;
    - sea level rise.

For transition risks and opportunities, the resilience analysis examines the Climate & Energy Transition Plan prepared by the FS Group, containing Net-Zero targets to 2040. The achievement of the goals depends on a structured and continuous planning and implementation process. However, critical factors that may adversely affect the Group's ability to reduce its emissions and keep the transition plan on track were analysed, particularly with respect to changing market dynamics, value chain, and energy policies.

The following table presents the mapping of transition risk events relevant to the FS Group (output of the company's Financial Materiality assessments) against the critical factors identified for the realisation of the Climate & Energy Transition Plan.

NATURE OF TRANSITION RISK	TRANSITION RISK EVENT	CLIMATE & ENERGY TRANSITION PLAN			
		Factor 1	Factor 2	Factor 3	Factor 4
Of a legal/political nature	Litigation with counterparts (suppliers, customers, staff, associations, communities, etc.).	x			
	Unfavourable or late acts/measures	x	x		
	Changes in regulations/standards	x	x		
	Critical issues in relations with institutional stakeholders		x		
	Inadequate disbursement of public contributions or funds		x		
Market	Critical issues in the definition, implementation and updating of the commercial offer (products, services, pricing)	x		x	x
	Fluctuating interest rates		x		
	Inflationary scenario and price increases		x		
	Commodity and raw material price volatility		x		
	Customer/key partner dependency	x			
	New commercial policies offered by competitors			x	x

Factor 1 - EXTERNAL FACTORS: ENERGY, POLICIES AND VALUE CHAIN

The achievement of the Group's Net-Zero targets depends on **the availability of large-scale renewable energy (national energy mix) and a stable and favourable regulatory environment**. The Group's progress towards decarbonisation is linked **to investments in clean energy infrastructure**, in line with possible **changes in national and European energy policies**.

Reducing Scope 3 emissions represents one of the FS Group's most complex challenges. Much of these emissions are **related to the activities of external suppliers and partners along the value chain**, and their ability to implement decarbonisation solutions as quickly and ambitiously as the Group. Furthermore, the achievement of Net-Zero targets is conditional on the monitoring and verification of emissions data along the value chain, **through the adoption of sustainable and transparent practices by suppliers**.

Increasing the self-production of renewable energy, through the plan to install photovoltaic plants, is crucial to ensure a **stable and sustainable energy supply, and thus protect against market** risks related to the adoption of instruments such as Guarantees of Origin (GOs) and Power Purchase Agreements (PPAs), where applicable, or more generally to the vulnerability related to the national energy mix.

Factor 2 - COMPLEXITY OF DECARBONISATION INITIATIVES

The success of the decarbonisation plan depends on the timely implementation of the planned initiatives, such as the adoption of electric traction systems or alternative fuels (HVO, hydrogen, ...), the reduction of energy consumption of plants and the expansion of self-production and self-consumption of energy from photovoltaics. Therefore, continuous monitoring **of implementation times, installation costs and regulatory/administrative developments** related to such projects is essential.

In this sense, it is strategic to work on **strengthening coordination** with the stakeholders involved, creating **new investment opportunities, synergies and common benefits between Group entities** (e.g. grid electrification and the installation of photovoltaic systems).

Factor 3 - EVOLUTION OF TRAFFIC VOLUMES

A crucial factor to be managed for the success of the decarbonisation plan is the **change in transport volumes** resulting from an update of the FS Group's commercial offer on a like-for-like basis. In particular, it is crucial that supply adjustments to the possible growing demand for services are supported by low-emission products and services.

Factor 4 - GROUP PERIMETER EVOLUTION

Organisational and corporate changes, such as the introduction of new processes or structural changes to existing processes, need to be planned in **line with the objectives of the decarbonisation plan, ensuring continuous coordination and alignment between the different corporate functions**.

The analysis of these factors that may affect the Group's ability to achieve the targets defined in the transition plan was carried out by considering the impact they may have on the pathway to limit the global temperature increase to 1.5°C for the reduction targets on Scope 1 and 2.

In view of the critical factors, four main variables were identified, against which a sensitivity analysis was performed:

1. the evolution of the national and European energy generation mix;
2. the progress of the plan to install PV systems for self-generation of energy;
3. traffic and production trends;
4. the implementation of decarbonisation initiatives in fixed installations and buildings.

The possible scenarios from the resilience analyses for each variable are analysed, with a summary of the inputs considered and the implications on the results.

The first factor concerns the national and European energy generation mix, which plays a crucial role in reducing Scope 2 emissions, given the Group's heavy reliance on electricity for rail traction. The "base case" scenario considers the evolution of national and European energy mixes in line with the forecasts developed by the National Integrated Energy and Climate Plan (PNIEC) and by the European Environmental Agency (EEA) for other countries. The "worst case" and "best case" scenarios, on the other hand, predict a lower and higher supply of energy from RES in the national mixes, respectively, compared to the base case. The variability from the base case is aligned with the latest EEA forecast of the average emission factor trends for electricity for the EU. In the "best case," improved energy mixes would result in emission reductions of about 35 thousand tCO_2e by 2030. In contrast, the worst-case scenario envisions a delay in increasing the share of renewables, resulting in a slowdown in the reduction of the emission factor of energy used by the Group, translating into an increase

in Scope 2 emissions of about 35 thousand tCO_2e to 2030. To mitigate the impact of uncertainties related to the national energy mix, it will be crucial to accelerate self-generation of energy from renewable sources and adopt strategies for procurement (e.g., Power purchase agreement, Guarantees of Origin).
The installation of PV systems for self-generation of "green" energy is the second crucial factor for decarbonisation. The plan is to build significant renewable capacity by 2030, with a direct impact on reducing Scope 2 emissions. Any delay in the installation plan of up to two years could result in an increase in Group emissions by about 70 thousand tCO_2e by 2030.
The third factor analysed concerns traffic and production trends. A 5% increase in traffic would result in an increase in emissions to 2030 by about 50 thousand tCO_2e while a 5% decrease would bring a reduction in emissions of the same value.
Finally, the implementation of decarbonisation initiatives in fixed installations and buildings is a key pillar for reducing Scope 1 and 2 emissions. Any delays in implementation or downsizing of projects from what is planned would risk limiting emission reductions, with an estimated impact of up to 20 thousand tCO_2e more in 2030 than the base case scenario valued in the roadmap numbers, assuming a 5% reduction in energy savings achievable from the initiatives planned in 2030.
In light of these analyses, it is clear that achieving the decarbonisation targets will depend on the FS Group's ability to manage uncertainties and maximise the benefits of positive factors. With a proactive and flexible approach, it will be possible to maintain the trajectory toward Net Zero to 2040, ensuring resilience and sustainability in the long term.

ESRS 2 IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities

The process of identifying and assessing **climate-related impacts, risks, and opportunities**, and how the respective interests and views are taken into account in the strategy and business model, are described in the paragraph on Stakeholder management and double materiality process.

The process of identifying and assessing physical climate risks is based on a homogeneous and synergistic approach across the Group's various activities and is fully inspired by globally recognised best practices (e.g. Task Force on Climate-related Financial Disclosures

- TCFD). The operational process is inspired by the Adaptation Support Tool of the EU Climate-Adapt platform, which provides in summary:

1. Identification of Hazards and Assets by mapping the assets against the climate hazard (according to the list of climate events list under the EU Taxonomy Regulation) to which they are exposed;
2. Assessment of the Climate change Vulnerability of the assets;
3. Risk and Impact Modelling by assessing the financial and economic impact with a scenario analysis based on IPCC AR5 (in which the magnitude of the climate hazard on a national and sub-national scale is analysed).

In addition, for the purpose of assessing financial materiality for the FS Group, the process of assessing physical climate-related risks has several stages: internal and external context analysis, risk identification, assessment, and reporting.

In terms of identification, extreme weather and climate events, and chronic climate change directly referrable to those defined under Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021 (Appendix A - Annex 2)[71], are considered as a whole.

The financial materiality assessment is conducted based on the geographic, national and international context, and with reference to the various businesses in which the FS Group operates, having also previously conducted the climate vulnerability assessment in the resilience analysis, in order to identify the company assets that are most exposed and sensitive to climate hazards.

The assessment is conducted under prospective "inertial" short- and medium-term climate conditions consistent with the IPCC RCP 4.5 scenario, which envisions the implementation of mitigation initiatives based on policies adopted in recent years in many countries and based on commitments made in 2015 by countries that signed the Paris Agreement. The scenario identified responds to the need to use the best available climate projections, consistent with IPCC AR5 reports and scenarios and related inertial assumptions (current assumptions regarding policies, macroeconomic trends, energy consumption and energy mix, and technologies).

The time horizon is also consistent with the horizon of strategic planning and capital allocation plans.

The assessment shows that the greatest risk is inherent in own operations and that the most impacted businesses are those of infrastructure with potential financial effects prevailing on Invested Capital.

71. Temperature-related: changing temperature, heat stress, temperature variability, permafrost thawing, heat wave, cold wave/frost, wildfire.
Wind-related: changing wind patterns, cyclone, hurricane, typhoon, storm (including blizzards, dust and sandstorms), tornado.
Water-related: changing precipitation patterns and types, precipitation or hydrological variability, ocean acidification, saline intrusion, sea level rise, water stress, drought, heavy precipitation (rain, hail, snow/ice), flood (costal, fluvial, pluvial, ground water), glacial lake outburst.
Solid mass-related: coastal erosion, soil degradation, soil erosion, solifluction, avalanche, landslide, subsidence.

The FS Group has also identified **climate-related transition events** separately for risks and opportunities. Transition risks that have emerged as material at the group level are legal/political, and market risks, shown in the table below:

NATURE OF TRANSITION RISK	TRANSITION RISK EVENT	TIME HORIZON		
		SHORT	MEDIUM	LONG
Legal/political	Litigation with counterparties (suppliers, customers, staff, bodies, associations, communities, etc.)	x	x	x
	Unfavourable or delayed acts/measures		x	x
	Changes in legislation/regulations/standards		x	x
	Critical issues in relations with institutional stakeholders	x	x	x
	Inadequate disbursement of public grants or funds	x	x	x
Market	Critical issues in defining, implementing and updating commercial offerings (products, services, pricing)	x	x	x
	Fluctuations in interest rates	x	x	x
	Inflationary scenario and price increases	x	x	x
	Volatility in commodity and raw material prices		x	x
	Dependence on key customer/partner		x	x
	New commercial policies offered by competitors		x	x

The Company's assets and activities are vulnerable to legal and political risks, which can lead to increases in legal costs, the need to adapt plants and facilities to new regulatory requirements, and delays in climate-related projects, such as the installation of PV systems. These risks make ongoing dialogue with institutional stakeholders and possible increased reliance on equity to finance the climate transition essential due to insufficient government grants.

In addition, company assets are sensitive to market risks, such as increased costs of implementing adaptation and transition projects due to rising commodity prices, inflation, and fluctuations in interest rates. These risks also include the possibility of having to replace key partners, competition with more competitive trade policies, and the difficulty of adapting quickly to consumer preferences. **Transition opportunities** that have emerged as material at the group level are legal/political, market, technology, and reputational, shown in the table below:

NATURE OF TRANSITION OPPORTUNITY	TRANSITION OPPORTUNITY EVENT	TIME HORIZON		
		SHORT	MEDIUM	LONG
Legal/political	Changes in legislation/regulations/standards	x	x	x
	New forms of public grants and funds		x	x
	Active, leadership and advocacy role		x	x
Market	Positive externalities related to services and products offered		x	x
	Scouting, design, development and implementation of innovative solutions		x	x
	Expansion of offerings through partnerships		x	x
	Changes in customer habits, needs and preferences		x	x
	Entry into new markets		x	x
	Participation in local systems	x	x	x
	Scale up existing businesses and best practices	x	x	x
	Diversification of resources concentrated in critical assets	x	x	x
Technology	Optimisation of dependencies and opportunities for impacts on ecosystem services and biodiversity		x	x
	Rapid diffusion of "disruptive" technological and digital innovations		x	x
	Replacement of existing products and services with options with lower impact on environmental resources		x	x
	Adoption of a damage prevention system		x	x
	Climate-proof design, implementation and development		x	x
Reputation	Stronger stakeholder engagement	x	x	x

The company's assets and activities potentially allow it to take advantage of legal and political opportunities, such as access to public funds to finance adaptation and mitigation projects. Such opportunities also include anticipating the adoption of regulations, improving energy efficiency, leading the low-carbon transition, and working with institutions to regenerate brownfield sites.
In the market arena, the Group can expand its offerings through partnerships, developing connections between the rail network and other modes of transport, participating in local initiatives, and offering low-carbon solutions, such as hydrogen trains and hybrid buses, driving revenue growth and improving reputation.
From a technological perspective, the adoption of new and efficient solutions (e.g., braking energy recovery, weather-climate monitoring) can reduce costs, improve management of climate-related crises, and reduce exposure to possible penalties. In addition, the creation of green infrastructure can improve infrastructure resilience.
Finally, the fact of strengthening stakeholder relations and managing relationships with entities involved in authorisation processes enables the necessary consensus essential to meeting the time and cost of climate transition projects, as well as creating a network of technical knowledge and economic savings.

Policies, actions and targets

ESRS E1-2 – Policies related to climate change mitigation and adaptation

The FS Group **has adopted the "Sustainability Policy"** to manage any material impacts, risks and opportunities related to climate change mitigation and adaptation. In addition, **the FS Group has adopted a specific "Environmental Policy"** in accordance with the Group's Sustainability strategies and with a view to continuous improvement of its environmental performance.
Adaptation is an imperative priority to cope with increasingly severe and frequent extreme and chronic climate events. The FS Group has prepared a plan for responding to physical risks resulting from climate change, based on four areas of actions:

- vulnerability assessment of assets and territories;
- real-time monitoring of climate phenomena, assets and territories;
- planning of specific adaptation actions by assets;
- design and implementation of natively climate-proof assets.

With specific regard to real-time monitoring, the FS Group is working on:

- innovative techniques for forecasting particularly adverse weather events through forecasting platforms that exploit a network of sensors spread throughout the country. In order to prevent situations of particular alert and more generally improve the quality standards of the railway infrastructure, a campaign is being carried out to install rainfall, hydrometric and radar sensors that will allow the optimisation of the forecasting phase and related warnings on the management of railway operations during an event and/or alert;
- innovative projects for structural monitoring of works of art through the installation of sensors aimed at refining the ability to forecast extreme events.

With regard to the design and implementation of natively climate-proof assets, climate adaptation practices are being included within design manuals (adaptation by design). Specifically, the manuals will contain criteria for implementing adaptation measures and a set of solutions to be provided for different types of assets and hazards.

ESRS E1-3 - Actions and resources in relation to climate change policies

ESRS E1-4 – Targets related to climate change mitigation and adaptation

ESRS 2 GOV-4 – Statement on due diligence

The FS Group continues its commitment to combating climate change, through the definition of some actions based on defined policies.
The Climate & Energy Transition Plan includes all major actions that contribute to the reduction of climate-altering emissions, for an assessment of the alignment of the FS Group's roadmap with decarbonisation targets. The transition plan includes a number of investments that contribute to the climate change mitigation goal.
Resources allocated to the implementation of climate change mitigation actions are secured through a combination of funding sources, including funds under the NRRP, reinvestment of profits, agreements made in service contracts, and sustainable debt instruments such as green bonds, as well as any other forms of public and private financing aimed at supporting the ecological transition and decarbonisation of activities.

Below are **actions implemented and/or planned** to manage impacts – both positive and negative, actual and potential - and address risks and opportunities, as well as achieve goals and objectives of related policies.

Levers and Actions	Scope	Target	Value and base year	Status	Results 2024	SDGs (Agenda 2030)
CLIMATE CHANGE MITIGATION						
Energy efficiency of transport: • Electrification of the railway network • Replacement of diesel vehicles with electric or hybrid vehicles (rail, road and ship) • Vehicle efficiency (rail) • Energy consumption management **Production and use of energy from renewable sources:** • Installation of new PV systems • Installation of solar thermal panels • Use of Biogas for thermal power plants • Alternative "green" power supplies for transport services (rail, road) **Energy efficiency of buildings and fixed installations:** • Replacing natural gas boilers with alternative technologies such as heat pumps • Introducing "Smart Work Place" programs with interventions in lighting and air conditioning		Net Zero by 2040 (-90% of location-based scope 1 and 2 emissions) -50% of location-based scope 1 and 2 emissions by 2030	2,557,692 tCO_2e[72] (2019 base year)	In progress	-1.5% compared to the value 2019[73] (2,518,138 tCO_2e)	3 7 12 13
Sustainable procurement and investment strategies: • Monitoring ESG performance of suppliers • Inclusion of ESG criteria in tender procedures • Circularity of products and services • Implementation of sustainable investment strategies		Net Net Zero by 2040 (-90% of scope 3 emissions) -30% of scope 3 emissions by 2030	4,989,079 tCO_2e (boundary for target 2040)[74] 3,672,632 tCO_2e (boundary for target 2030) (2019 base year)	In progress	+66.2% compared to the value 2019 for the target to 2040 (8,292,162 tCO_2e)[75] +98.2% compared to the value 2019 for the target to 2030 (7,278,588 tCO_2e)[76]	3 7 12 13

72. The base year 2019 defined for the 2030 and 2040 location-based Scope 1+2 target does not consider emissions from land use and fugitive losses of refrigerant gases and sulphur hexafluoride.
73. GHG emission reduction targets are gross; therefore, no GHG removals, carbon credits or avoided emissions are included among the means to achieve them.
74. The 2030 target for Scope 3 covers only emissions from RFI construction sites (part of Cat.2), Cat. 3 (well to tank), upstream transport of materials from construction sites (Cat.4), and the use of the RFI network by railway companies outside the FS Group (Cat. 11). As of 2019, the calculated figure is 3,672,632 tCO_2e, accounting for about 72.7% of the FS Group's total Scope 3 Emissions in 2019.
The 2040 target for Scope 3 covers material emissions equal to Categories 1, 2, 3, 4, 11 amounting to 4,989,079 tCO_2e, 98.7% of the FS Group's total Scope 3 Emissions in 2019.
75. The 2024 emission figure (8,292,162 tCO_2e) for calculating progress against the 2040 target considers Scope 3 categories of emissions deemed material equal to Categories 1, 2, 3, 4, 11.
76. The 2024 emission figure (7,278,588 tCO_2e) for calculating progress against the 2030 target considers the following Scope 3 categories: emissions from RFI construction sites (part of Cat.2), Cat. 3, upstream transport of materials from construction sites (part of Cat.4) and Cat. 11.

Levers and Actions	Scope	Target	Value and base year	Status	Results 2024	SDGs (Agenda 2030)
CLIMATE CHANGE MITIGATION						
Production and use of energy from renewable sources: Installation of renewable energy systems from a "prosumer" perspective	FS Group	Energy production from renewable energy sources (RES) for a capacity of 1.1 GWp to 2029 and 2.2 GWp to 2034	N.A.	In progress	0.011 GWp	3 7 12 13
Shift modale: • Contribuire allo shift modale (passeggeri e merci) e incrementare l'intermodalità	Passenger transport, Freight transport	30 million tCO_2e avoided[77] in the period 2025 - 2029	N.A.	In progress	N.D monitoring from 2025	3 7 12 13
CLIMATE CHANGE ADAPTATION						
• Guidelines for climate scenarios • Guidelines for how climate scenarios can be used for the purpose of developing adaptation plans	FS Group	Platform for climate change adaptation open to communities and businesses by 2027	N.A.	In progress	N.A.	11 13
• Investment in eligible economic activities that contribute to climate goals set by Europe	FS Group	Promote >= 80% «EU Taxonomy-aligned» investments for climate mitigation and adaptation	N.A.	In progress	88.3%	11 13

Key

FS Group · Value chain · Railway infrastructure · Road infrastructure · Passenger transport · Freight transport · Urban · n Contribution to SDGs

The FS Group **has set targets** to support its climate change mitigation and adaptation policies and to address material climate-related impacts, risks and opportunities.

The FS Group has set a goal of achieving net zero emissions, or "Net Zero," by 2040, which is to achieve a 90% reduction in greenhouse gas emissions in tons of CO_2 equivalent from 2019 base year levels, with a commitment to neutralising remaining emissions.

To achieve this goal, the Group has set interim targets for 2030, compared to the 2019 base year:

- 50% reduction in Scope 1 and Scope 2 emissions;
- 30% reduction in Scope 3 emissions (related to the value chain).

The decarbonisation strategy was further strengthened through adherence to the Science-Based Target initiative (SBTi) standards, which in February 2024 validated emission reduction targets to 2030 and 2040, reinforcing the credibility and concreteness of the Group's commitments on climate change mitigation. The climate-altering emission reduction targets therefore have a scientific basis. For the Net Zero target, the "cross-sector pathway" defined by SBTi standards was used. For Scope 1 and 2 emission reductions, the targets are in line with limiting global warming to 1.5°C. For Scope 3 emission reductions, the target to 2040 is also in line with

77. The calculation of "Avoided emissions - Emission difference FS Group Transport vs. Road Transport" is based on an estimate derived from a comparative assessment between:
- emissions from public rail and road transport calculated with reference to the FS Group, compared to the corresponding emissions that would have occurred in an alternative scenario with private car use, with reference to passenger traffic;
- emissions from rail freight transport calculated with reference to the FS Group, compared to the corresponding emissions that would have occurred in an alternative scenario with heavy-duty commercial vehicle use, with reference to freight transport.
Sources: EIB Project Carbon Footprint Methodologies, 2020.
For the Scope 2 emissions share functional to the calculation of the Group's emission intensity factors, the location-based approach was considered.

limiting temperatures to 1.5°C, while the target to 2030 is aligned with the "Well Below Two Degree" scenario. It should be noted that SBTi's sectoral standards for target setting were not adopted, as they were not available at the time of target setting. Monitoring of emissions and climate mitigation actions is the subject of the transition plan, in which transition risks are assessed to account for potential future developments, against which a resilience analysis was performed.
In its transition plan, the Group has quantitatively defined the main contributions to achieving the Scope 1 and 2 emissions reduction targets of 50% by 2030, including positive contributions corresponding to decarbonisation levers. In particular, for the achievement of the target, the production and use of energy from renewable sources will contribute, with specific reference to the initiative of self-production from PV plants, for a reduction of about 0.2 $MtCO_2e$; energy efficiency of transport and energy efficiency of buildings and fixed installations will contribute in total to a reduction of about 0.3 $MtCO_2e$, generating a positive effect on the change in the energy mix that will result in a further reduction of about 0.5 $MtCO_2e$.

Metrics[78]

ESRS E1-5 – Energy consumption and mix

With regard to its own operations, the FS Group's total energy consumption for the year 2024 was 8,030,098 MWh, disaggregated as follows in terms of **energy consumption and energy mix**:

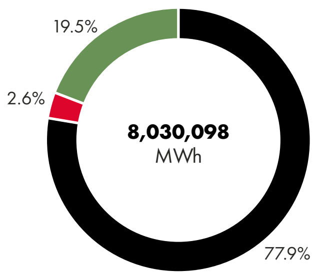
ENERGY CONSUMPTION AND ENERGY MIX *	2024
1. Fuel consumption from coal and coal products (MWh)	0
2. Fuel consumption from crude oil and petroleum products (MWh)	0
3. Fuel consumption from natural gas (MWh)	266,332
4. Fuel consumption from other non-renewable sources (MWh)	1,446,891
5. Consumption of electricity, heat, steam and cooling from fossil sources, purchased or acquired (MWh)	4,542,410
6. Total energy consumption from fossil sources (MWh) (sum of lines 1 to 5)	**6,255,633**
Share of fossil sources in total energy consumption (%)	77.9%
7. Consumption from nuclear sources (MWh)	**207,542**
7.1 Consumption of electricity, heat, steam, and cooling from nuclear sources, purchased or acquired (MWh)**	207,542
Share of nuclear sources in total energy consumption (%)	2.6%
8. Fuel consumption for renewable sources, including biomass (also including industrial and municipal waste of biological origin, biogas, renewable hydrogen, etc.) (MWh)***	78,771
9. Consumption of electricity, heat, steam, and cooling from renewable sources, purchased or acquired (MWh)**	1,479,794
10. Self-generated renewable energy consumption without using fuels (MWh)	8,358
11. Total energy consumption from renewable sources (MWh) (sum of lines 8 to 10)	**1,566,923**
Share of renewable sources in total energy consumption (%)	19.5%
Total energy consumption (MWh) (sum of lines 6 ,7 and 11)	8,030,098

*Sources of conversion factors used for quantifying energy consumption in MWh are: NIR 2024 (National Inventory Report ISPRA), IEA Energy Statistics Manual (2005), UIC Fiche 330 (2008), DEFRA UK - Conversion factors 2022, JRC - JEC Well-to-Tank report v5
**The values reported include the quantification of electricity produced from fossil, nuclear and renewable sources following the market-based approach and applying the percentages of fossil, nuclear and renewable sources constituting the residual mixes of the geographic areas where the drawdown occurred. For the consumption of electricity from renewable sources, the consumption of electricity taken from the grid and provided with a Guarantee of Origin is also included in addition to the contribution of the residual mix. Residual mixes used are obtained from AIB source, year N-2 publication versus reporting year (e.g., 2022), according to the climate footprint calculation methodology.
*** In the reporting year these fuels were: biodiesel, green hydrogen, and pellets.

78. In preparing the consolidated sustainability reporting, the Group took advantage of not disclosing comparative information in the first year of preparing the sustainability statement under ESRS.
In addition, it did not report the information required by ESRS E1-9 – Anticipated financial effects from material physical and transition risks and potential climate-related opportunities regarding the gradually introduced disclosure requirements related to ESRS E1.

The chart below shows the breakdown of the total value of energy consumption between fossil, nuclear and renewable sources.

DISTRIBUTION OF ENERGY CONSUMPTION OF THE FS GROUP



- Nuclear
- Renewable
- Fossil fuels

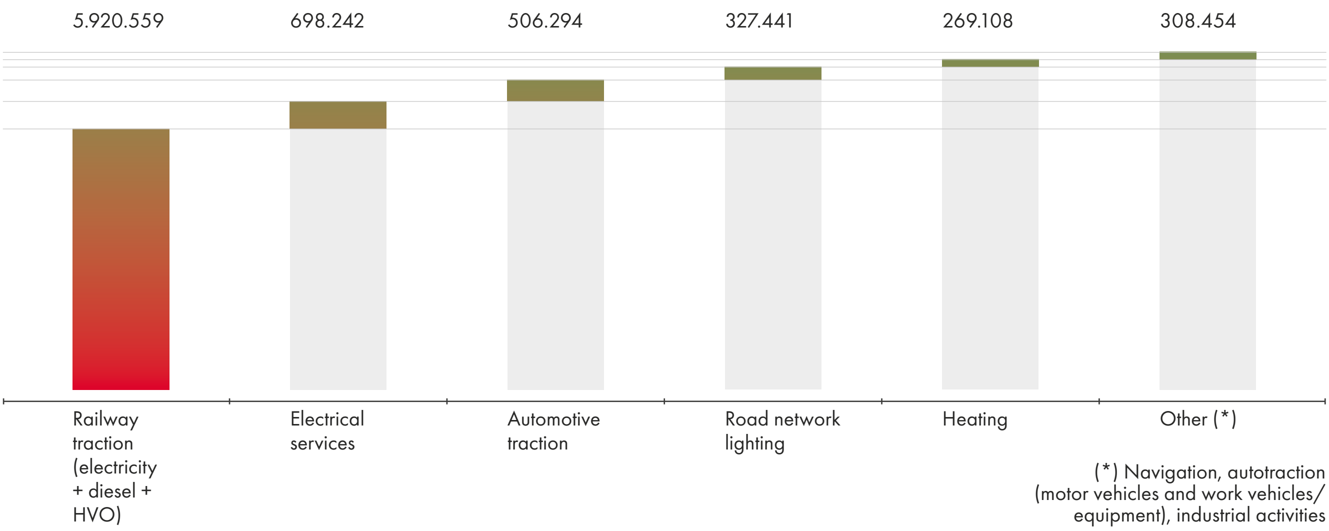
The Group's energy production in the year 2024, totalling **10,786 MWh**, was characterised by:

- 10,786 MWh generated from renewable sources (e.g. 22 MWht from solar thermal, and 10,764 MWh from solar photovoltaic energy);
- 0 MWh generated from non-renewable sources.

For the year 2024, the **value of energy intensity** (total energy consumption compared to net revenues) of all Group activities, falling mainly in the **high climate impact sector "H - Transport and Warehousing"**, is **485.8 MWh/€mil.**, calculated by considering operating revenues of €16,529 million for 2024, as reported in the Consolidated Income Statement presented in the paragraph on Group Performance.

BREAKDOWN OF ENERGY CONSUMPTION OF THE FS GROUP FOR FINAL USES

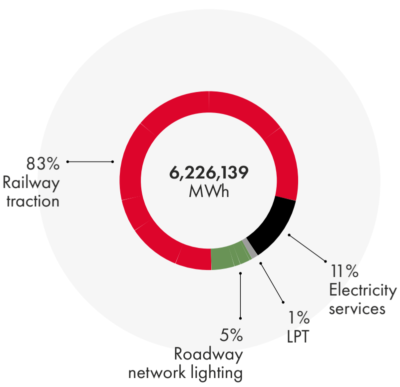
Consumi energetici [MWh]



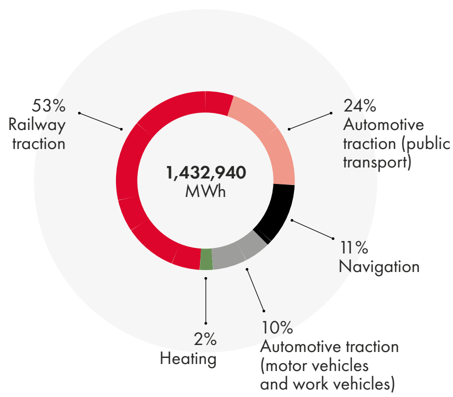
(*) Navigation, autotraction (motor vehicles and work vehicles/ equipment), industrial activities

For energy carriers of predominant use (e.g., electricity, diesel, and natural gas), contributions are analysed by end use, such as to return a snapshot of energy use patterns in the FS Group.

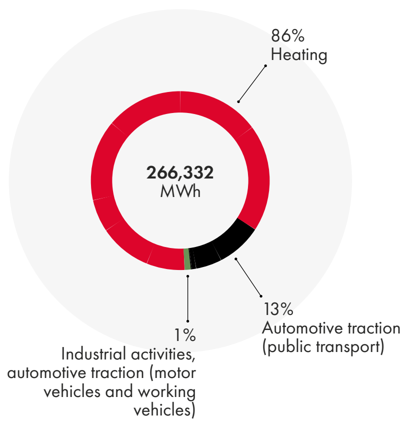
ELECTRICITY



DIESEL OIL



NATURAL GAS



The prevalent share of electricity, which is the energy source most used by the FS Group, is dedicated to powering rail traction while the remaining share is dedicated to electrical services, road and tunnel lighting, and local public transport. Diesel fuel is also predominantly used for the traction of rolling stock traveling on the non-electrified network; however, significant percentages are allocated to public road transport and navigation.
Natural gas is almost entirely devoted to space heating; the remaining share is used to power the fleet dedicated to public transport and, residually, for industrial activities and use of motor vehicles and work vehicles.

ESRS E1-6 – Gross scopes 1, 2, 3 and total GHG emissions

The FS Italiane Group, thanks to its core business based on the provision of mass transit and rail freight services and thanks to energy efficiency initiatives and the promotion of renewable sources, makes an important contribution to the containment of climate-altering emissions in the sector.

The reporting boundary of GHG (Greenhouse Gas) has been identified according to the criteria of materiality (actual or potential impacts with reference to material topics and the nature of the companies' business) and control (both direct and indirect) and includes, in addition to the Parent Company, the companies consolidated on a line-by-line basis over which FS Italiane SpA exercises direct control and those over which it exercises indirect control through its subsidiaries.
The assessment of greenhouse gas (GHG)[79] emissions was carried out in accordance with the GHG Protocol Corporate Accounting and Reporting Standard (Revised Edition, 2004).
Below is the summary of Scope 1 emissions. For the sake of completeness, it is specified that the targets to 2030 and 2040 are expressed by considering percentage reductions from the 2019 values stated in the validation process of the SBTi goals, concluded in February 2024.

SCOPE 1 EMISSIONS – RETROSPECTIVE & TARGETS

	Retrospective		Milestones and years-target			
	Base year 2019	2024	2025	2030	2040	Annual % target / Base year
Scope 1 GHG emissions						
Gross Scope 1 GHG emissions (tCO_2e)	621,458	586,493	-	310,729[80]	62,146[81]	-
Percentage of Scope 1 GHG emissions covered by regulated emissions trading systems (%)	N.D.	0.27%	-	N.A.	N.A.	-

79. The emission factors used for the calculation are given in Appendix - Emission factors used to calculate greenhouse gas (GHG) emissions.
80. The target to 2030 is a 50% reduction in the sum of S1+S2 emissions. For the sake of simplicity, this reduction percentage was applied to both S1 and S2.
81. The target to 2040 calls for a 90% reduction in the sum of S1+S2+S3 (material) emissions. For the sake of simplicity, this percentage reduction was applied to both S1, S2 and Scope 3 material emissions.

The table below shows a breakdown of Scope 1 Emissions by type and different greenhouse gases for the reporting year 2024.

BREAKDOWN OF SCOPE 1 EMISSIONS BY TYPE AND GREENHOUSE GAS

Year 2024 (tCO_2e)	Total CO_2e	Carbon dioxide	Methane	Nitrogen monoxide	Hydrofluoro-carbons (average weight)	Fluorocar-bons (avera-ge weight)	Sulphur hexafluo-ride	Nitrogen trifluoride
		CO_2	CH_4	N_2O	HFCs	PFCs	SF_6	NF_3
Sope 1 GHG emissions	**586,493**	**524,544**	**585**	**23,776**	**35,125**	**0**	**2,463**	**0**
Emissions from combustion of stationary plants	57,436	57,074	72	290	0	0	0	0
Emissions from combustion of mobile plants	406,596	382,597	513	23,486	0	0	0	0
Process emissions[82]	0	0	0	0	0	0	0	0
Fugitive emissions	37,588	0	0	0	35,125	0	2,463	0
Emissions from land use (LULUCF)	84,873	84,873	0	0	0	0	0	0

The table below shows a summary of Scope 2 emissions, calculated by using both location-based and market-based approaches.

SCOPE 2 EMISSIONS – LOCATION & MARKET BASED – RETROSPECTIVE & TARGETS

	Retrospective		Milestones and years-target			
	Base year 2019	2024	2025	2030	2040	Annual % target / Base year
Scope 2 GHG emissions						
Gross location-based Scope 2 GHG emissions (tCO_2e)	1,936,234	1,931,645	-	968,117[83]	193,623[84]	-
Gross market-based Scope 2 GHG emissions (tCO_2e)	2,043,503	1,787,129	-	N.A.[85]	N.A.	-

82. No process emissions are present.
83. The target to 2030 is a 50% reduction in the sum of S1+S2 emissions. For the sake of simplicity, this percentage reduction was applied to both S1 and S2.
84. The target to 2040 calls for a 90% reduction in the sum of S1+S2+S3 (material) emissions. For the sake of simplicity, this percentage reduction was applied to both S1, S2, and material Scope 3 emissions.
85. There are no medium or long-term targets calculated by using a market-based approach.

The table below shows a breakdown of Scope 2 Emissions by type and different greenhouse gases for the reporting year 2024.

BREAKDOWN OF SCOPE 2 EMISSIONS BY TYPE AND GREENHOUSE GAS

Year 2024 (tCO_2e)	Total CO_2e	Carbon dioxide	Methane	Nitrogen monoxide	Hydrofluorocarbons (average weight)	Fluorocarbons (average weight)	Sulphur hexafluoride	Nitrogen trifluoride
		CO_2	CH_4	N_2O	HFCs	PFCs	SF_6	NF_3
Location-based Scope 2 GHG emissions	**1,931,645**	**1,917,342**	**6,052**	**8,251**	**0**	**0**	**0**	**0**
Indirect emissions from imported energy production and consumption	1,928,949	1,914,672	6,035	8,242	0	0	0	0
Emissions from imported energy production, excluding electricity	2,696	2,670	17	9	0	0	0	0

Year 2024 (tCO_2e)	Total CO_2e	Carbon dioxide	Methane	Nitrogen monoxide	Hydrofluorocarbons (average weight)	Fluorocarbons (average weight)	Sulphur hexafluoride	Nitrogen trifluoride
		CO_2	CH_4	N_2O	HFCs	PFCs	SF_6	NF_3
Market-based Scope 2 GHG emissions	**1,787,129**	**1,774,254**	**4,748**	**8,127**	**0**	**0**	**0**	**0**
Indirect emissions from imported energy production and consumption	1,784,433	1,771,584	4,731	8,118	0	0	0	0
Emissions from imported energy production, excluding electricity	2,696	2,670	17	9	0	0	0	0

The table below shows the biogenic CO_2 emissions from biomass combustion or biodegradation.

ANTHROPOGENIC BIOGENIC CO_2 EMISSIONS [tCO_2]	**19,005**
- of which pellets for heating [tCO_2]	71
- of which HVO biodiesel for rail traction [tCO_2]	1,368
- of which HVO biodiesel for automotive traction (LPT) [tCO_2]	17,467
- of which HVO biodiesel for company cars and work vehicles [tCO_2]	99

The table below shows Scope 3 emissions broken down by category.

SCOPE 3 EMISSIONS – RETROSPECTIVE & TARGETS

	Retrospective			Milestones and years-target		
	Base year 2019	2024	2025	2030	2040	Annual % target / Base year
Significant Scope 3 GHG emissions						
Total gross indirect GHG emissions (scope 3) (tCO_2e)	5,052,936	8,347,521	-	2,570,842[86]	498,908[87]	-
1. Goods and services purchased	68,058	20,502	-	N.A.	6,806	-
2. Capital goods	3,867,247	6,324,784	-	1,853,418[88]	386,724	-
3. Fuel and energy-related activities (not included in scope 1 or 2)	369,837	750,409	-	258,886	36,984	-
4. Upstream transport and distribution	85,959	431,939	-	39,953[89]	8,596	-
5. Waste generated during operations	11,920	11,858	-	N.A.	N.A.	-
6. Business trips	5,438	9,818	-	N.A.	N.A.	-
7. Employee commuting	33,732	23,395	-	N.A.	N.A.	-
8. Upstream leased assets	-	N.A.	-	N.A.	N.A.	-
9. Downstream transport	-	N.A.	-	N.A.	N.A.	-
10. Processing of sold products	N.A.	N.A.	-	N.A.	N.A.	-
11. Use of products sold	597,978	764,529	-	418,585	59,978	-
12. End-of-life treatment of products sold	-	N.A.	-	N.A.	N.A.	-
13. Downstream leased assets	12,767	10,287	-	N.A.	N.A.	-
14. Franchises	N.A.	N.A.	-	N.A.	N.A.	-
15. Investments	-	-	-	N.A.	N.A.	-

For indirect emission sources, a significance analysis was performed, which is necessary to define their "materiality" and thus possible inclusion in the inventory and decarbonisation target setting.
The model prepared for the significance analysis of indirect emissions requires that the identified emission categories be analysed by considering the criteria of magnitude, level of influence, risk, materiality for stakeholder, and data availability.
The significance analysis of indirect emissions requires each emission category to be evaluated according to the above criteria, rated on a scale of 1 to 3, where '1' corresponds to low level, '2' to medium level, '3' to high level. The sum of these scores for each category determines the level of significance, according to the following results:

- 5 to 7: not significant (low);
- 8 to 11: medium (average);
- 12 to 15: significant (high).

As a result of this analysis, the following categories were excluded because they were deemed not significant:

- Category 8 - Upstream Leased Assets
- Category 15 - Investments

In addition, no value was stated for the following categories because they are not present considering the type of activities carried out by FS Group Companies:

- Category 9 - Downstream transport
- Category 10 - Processing of products sold
- Category 12 - End-of-life treatment of products sold
- Category 14 - Franchises.

86. The 2030 Scope 3 target only covers emissions from RFI construction sites (part of Cat.2), Cat. 3 (well to tank), upstream transport of materials from construction sites (Cat.4), and the use of the RFI network by RUs outside the FS Group (Cat. 11). As of 2019, the calculated figure is 3,672,632 tCO_2e, accounting for about 72.7% of the FS Group's total Scope 3 Emissions in 2019.
The target to 2030 calls for a 30% reduction in the above total emissions. For the sake of simplicity, this percentage reduction was applied to all categories involved.
87. The 2040 target for Scope 3 covers material emissions equal to Categories 1, 2, 3, 4, 11 amounting to 4,989,079 tCO_2e, 98.7% of the FS Group's total Scope 3 emissions in 2019.
The target to 2040 calls for a 90% reduction in the above total emissions (to which S1 and S2 emissions are added). For the sake of simplicity, this percentage reduction was applied to all categories involved.
88. Reduction of 30% compared to the share of RFI construction sites alone (2019 value: 2,647,741 tCO_2e).
89. Reduction of 30% compared to the share of transport related to RFI construction sites (2019 value: 57,076 tCO_2e).

Emissions for each category are calculated through the product of activity data (e.g. use of materials, purchase of rolling stock, expenditure to suppliers, waste generated) and specific emission factorsCategory 1 of Purchased Goods and Services is calculated by converting the expenditure incurred towards suppliers of goods and services into carbon equivalent emissions.
Category 2 of Capital Goods is the most significant in terms of emissions and includes the impacts of railway construction sites (in terms of materials used, energy consumed for site operations and transport, and waste produced), impacts of acquired trains and buses, and expenses incurred vis-à-vis suppliers and subcontractors.
Category 3 Fuel and Energy Activities (not included in Scope 1 and 2) is calculated by considering the Group's energy consumption multiplied by well-to-tank emission factors.
Category 4 Transport and upstream distribution consists of emissions for the transport of building materials and logistics services purchased by the freight transport sector: the first contribution is calculated through the quantity (in mass) of materials transported; the second through the transport units (ton-km) covered by the service.
Category 5 Waste generated in the course of operations corresponds to the treatment of waste generated and is calculated by the quantity and type of waste and the final transformation process.
Category 6 Business travel represents the impact due to business trips, in particular hotel stays and air travel, quantified by the Group's suppliers.
Category 7 Employee commuting considers the impact of the home-work commute of Group employees and is calculated on the basis of responses from Mobility Management, which groups commuting by distance and means used for travel.
Category 11 Use of products sold reflects the impact arising from the use of the railway infrastructure managed by RFI by railway companies outside the Group, both diesel and electrically powered, calculated on the basis of annual mileage (train-km).
Category 13 Downstream Leased Assets[90] considers space (e.g. offices, retail operations) leased by Group companies to third parties and is calculated on the basis of energy consumption.
For Scope 3, out of a total of 8,347,521 tCO_2e, 90.2% is obtained from inputs from specific activities along the upstream and downstream value chain. The remaining percentage (9.8%) is calculated from secondary/literature data[91].
Finally, total emissions are shown below.

FS GROUP EMISSIONS – RETROSPECTVIE & TARGETS

	Retrospective		Milestones and years-target			
	Base year 2019	2024	2025	2030	2040	Annual % target / Base year
Toal GHG emissions						
Total GHG emissions (location-based) (tCO_2e)	7,610,628	10,865,659	-	3,849,688	754,677	-
Total GHG emissions (market-based) (tCO_2e)	7,717,897	10,721,142	-	N.A.[92]	N.A.	-

90. With reference to the latter categories, it should be noted that the ESRS and the "Implementation guidance 2" of the EFRAG, despite indicating the use of the GHG protocol (the main standard recognised worldwide) to report greenhouse gas (GHG) emissions, present interpretative doubts in relation to the allocation of emissions deriving from the leasing of assets recorded in the financial statements pursuant to IFRS 16;in particular, according to the GHG protocol, these emissions are scope 3 emissions (indirect greenhouse gas emissions that are generated in the value chain of an organisation), while the new standards would seem to direct reporting towards scope 1 emissions (direct emissions) and scope 2 emissions (indirect emissions deriving from the purchase of energy, e.g. electricity). While waiting for these interpretative doubts to be resolved at a European level, the FS Group has deemed it appropriate to follow the approach proposed by the GHG protocol, consistent with the methodologies historically adopted, shared with SBTi for the validation of its baseline and Targets, and with the indications provided under ISO 14064. The Group will follow the evolution of the matter and will be ready to adjust the reporting method should EFRAG resolve interpretative doubts in a different direction from the choice made.
91. Primary data refer to category 2 (construction sites and purchased rolling stock), category 3, category 4, category 5, category 6 (partial), category 7, category 11, category 13. Secondary data refer to category 1 (spending-method), category 2 (spending method), and category 6 (partial).
92. There are no medium and long-term targets calculated by market-based approach.

The table below shows the value of the intensity of GHG emissions compared to net revenues in consideration of operating revenues of €16,529 million for the year 2024, as reported in the Consolidated Income Statement presented in the Group Performance section.

GHG INTENSITY COMPARED TO NET REVENUES	2024
Total GHG emissions (location-based) compared to net revenues (tCO_2e/currency unit)	657.4 tCO_2e/ €mil.
Total GHG emissions (market-based) compared to net revenues tCO_2e/currency unit)	648.6 tCO_2e/€mil.

ESRS E1-7 – GHG removals and GHG mitigation projects financed through carbon credits carbonio

In the year 2024, the FS Group did not develop projects to absorb or store greenhouse gas emissions as part of its own operations or value chain, and did not finance any climate change mitigation projects pertaining to reductions or removals through the purchase of carbon credits outside the value chain.

Neutralisation through carbon credit financing, an action that is not a contribution to emission reduction targets, will not be applied to the business-as-usual emission model, but will be the last step in the decarbonisation pathway, subsequent to the implementation of actions to reduce impacts through resource use efficiency and orientation to low-carbon technologies. With the understanding that these tools will be an active part of the strategy to achieve the Net Zero target, the Group intends to resort to neutralisation of ineliminable emissions to 2040 through carbon credits, in a limited amount not exceeding 10% of gross GHG emissions calculated with respect to base year 2019 (e.g. no more than approx. 750,000 credits/year consistent with current targets and calculation methodology, for which there is currently no contractual agreement in place), in line with the SBTi-validated target that is the current framework of reference for decarbonisation targets.

In the use of carbon credits for the achievement of Net Zero, the FS Group will strive to use only tools derived from carbon removals through "tech based" or "nature based" solutions whose quality and transparency is ensured by selecting, as a guide, only credits reported in Registries with proven reputation and integrity, where there is a certification and monitoring chain for removed emissions, and where the risk of double counting of carbon credits is minimised. The Group monitors the development of national and international regulations,

such as UNI and ISO standards, and thematic working groups (e.g., the development of Article 6 of the Paris Agreement), considering these developments as a guideline for decision-making in this area.

ESRS E1-8 – Internal carbon pricing

Currently, the FS Group has in place a carbon pricing system (with shadow price mode) to support the evaluation of investment projects, as detailed in the Guideline on Methodologies for assessing GHG emissions of investment projects available for all Operating Companies of the FS Group from December 2021.
For the economic conversion of the carbon footprint calculated in tons of CO_2 equivalent, the avoidance cost approach is currently applied (e.g., estimation of avoidance costs based on the target agreed in the Paris Accords). These values are in line with forecasts for EU 28 countries, and were extrapolated from the "Handbook on external costs of transport" (page 66 - Table 24 - "Climate change avoidance costs in €/tCO_2 equivalent (2016)").
Therefore, the methodology refers to Scope 3 - Cat. 2 and it is up to the Group Companies to use it or not. For the year 2024, there is no knowledge of the degree of application of this methodology and related volumes of GHG emissions affected, and there is currently no connection to any value included in the financial statements.
Due to the uncertainty about the conversion factor and its evolution over time, ranges of values are proposed, for the different proposed time horizons: short/medium term (for assessments up to 2030) and long term (for assessments from 2040 to 2060).

Types of internal carbon pricing	Affected volume (tCO_2e)	Prices applied (€/tCO_2e)	Description of the boundary
Shadow price of investments (short/ medium term)	N.D.	60 – 189 (average value: 100)	FS Group Companies
Shadow price of investments (long term)	N.D.	156 – 498 (average value: 269)	FS Group Companies

POLLUTION

1st-level topic	2nd-level topic	I	R	O
Pollution	Pollution of soil	✓	✓	✓
	Pollution of living organisms and food resources			✓
	Substances of concern and substances of very high concern		✓	✓
	Light pollution			✓
	Physical agent pollution (noise and vibration)		✓	✓

Management policies and tools
• Sustainability Policy • Environmental Policy • Management systems

IRO management

ESRS 2 IRO-1 – Description of the processes to identify and assess material impacts, risks, and opportunities rilevanti

The process of identifying and assessing **impacts, risks, and opportunities related to pollution**, and how respective interests and views are taken into account in the strategy and business model are described in the paragraph on *Stakeholder management and double materiality process*. For the identification of material impacts, risks, and opportunities, a census was conducted regarding the location of sites near protected areas to identify where operations interact with nature, but without the use of consultations with affected communities. This was followed by an analysis of the nature of operations that may impact protected species and areas, with a view to assessing related dependencies and any possible pollution-related impacts. In addition, the Parent Company and major subsidiaries have adopted environmental management systems certified under ISO 14001:2015 standard, which enable them to identify, monitor and manage environmental impacts, risks and opportunities related to their activities and services provided.

Policies, actions and targets

ESRS E2-1 – Policies related to pollution

The FS Group **has adopted the "Sustainability Policy"** to manage material impacts, risks and opportunities which are also related to pollution prevention and control. In addition, **the FS Group has adopted**, in accordance with the Group's Sustainability strategies and with a view to continuous improvement of its environmental performance, **a specific "Environmental Policy"**, which aims to reduce the negative impact on biodiversity and the various environmental components, to enhance the natural capital, preserving the environment, landscape and ecosystems, including through the adoption of Environmental Management Systems by the Group Companies. The implementation of such management systems makes it possible to manage the adverse impacts related to pollution, eliminating or reducing the use of hazardous substances and adopting - at the same time - precautionary and preventive measures.

ESRS E2-2 – Actions and resources related to pollution

ESRS E2-3 – Targets related to pollution

ESRS 2 GOV-4 – Statement on due diligence

The table below shows the **actions implemented and/or planned** to manage impacts – both positive and negative, actual and potential - and address risks and opportunities, as well as achieve the goals and objectives of related policies.

Levers and Actions	Scope	Target[93]	Value and base year	Status	Results 2024	SDGs (Agenda 2030)
POLLUTION						
• Promoting the use of alternatives to glyphosate in agreements with contractors		Phase-out of glyphosate (-100% to 2030)	2025	In progress	N.D. monitoring from 2025	3 6 9 12 15

Key

FS Group

Value chain

Railway infrastructure

Road infrastructure

Passenger transport

Freight transport

Urban

n Contribution to SDGs

With the exception of the goal of bringing forward to 2030 the ban on the use of glyphosate-containing products for carrying out weed control activities in order to maintain safe conditions for the movement of vehicles on infrastructure, the FS Group has not defined, at the central level, any specific targets with ecological thresholds to reduce soil pollution or to limit the use of products containing substances of concern or substances of high concern. In fact, the existing regulatory framework protects water, air, and soil by regulating in detail the obligations, prohibitions, and precautions to be taken in these areas. With reference, therefore, to soil pollution and the use of substances of concern and extreme concern, the Group is essentially pursuing objectives set by the relevant regulations. In any case, the Group plans to set targets in the coming years for the replacement of materials and products containing the hazardous substances of concern and very high concern where viable alternatives are available on the market.
Within the mitigation hierarchy, the Group focuses its actions on two specific levels according to the Environmental Policy: as a priority, **reducing** the risk of pollution through the limitation or elimination of substances of concern and very high concern, adopting the best available technologies in technological processes and applying the DNSH (Do No Significant Harm) principle for the design and construction of new infrastructure works - introduced as part of the EU Taxonomy for sustainable finance, which includes *"Pollution prevention and reduction"* as one of its reference objectives - and, finally, **restoring** ecosystems in the event of fortuitous events that cause their damage.
With regard to hazardous substances, Guidelines have been implemented to regulate the provision for specific product environmental requirements in purchasing procedures that aim to avoid or discourage their purchase.

Metrics[94]

ESRS E2-4 – Pollution of air, water and soil

In line with the nature of its businesses, the Group does not consider material air or water emissions, as well as microplastics it generates.
Soil protection is of paramount importance to the Group both to prevent pollution and to ensure the protection of habitats and human health and prevent other forms of contamination. The Group's main activities that may result in impacts related to soil pollution are those related to maintenance work on vehicles and infrastructure where materials containing hazardous substances are used, maintenance cleaning, disinfection and washing, fuel storage and refuelling, hazardous waste storage, and finally installation and site management related to construction by infrastructure contractors.
The adoption of Environmental Management Systems and Occupational Safety Management Systems makes it possible to conduct targeted context analyses and ensure effective management of both material environmental issues and risks to workers' health. This approach makes it possible to identify hazardous

93. No ecological thresholds were considered in setting the targets; targets are not required by law.
94. In preparing the consolidated sustainability reporting, the Group took advantage of not disclosing comparative information in the first year of preparing the sustainability statement under ESRS 2. In addition, it did not report the information required by ESRS E2-6 – Potential financial effects from pollution-related impacts, risks and opportunities regarding the gradually introduced disclosure requirements related to ESRS E2.

substances in products and implement any appropriate management, prevention and protection measures. The analysis of recorded contamination incidents shows that contamination risks are mainly related to accidental and instantaneous occurrences of leaks from fuel tanks or reservoirs and to hydrocarbon releases that occurred at complexes or sites under management. The table below shows the pollutant released in the reporting year. The figure is not from a direct measurement, and the approach used is that of estimation[95] made a posteriori since these are clearly anthropogenic disaster events and not releases related to industrial production cycles.

POLLUTION OF SOIL[96]			
Number of ground spills with pollutants[97]	**Pollutant substance[98]**	**Pollutant quantity (t)**	**Release in water-stressed areas[99]**
2	Polycyclic Aromatic Hydrocarbons[100]	0.63	96%[101]

ESRS E2-5 – Substances of concern and substances of very high concern.

In 2024, the Group set specific indicators to capture information pertaining to substances of concern and very high concern in the products used and their hazard characteristics. The reconnaissance revealed that the purchased products containing such substances are mainly related to the delivery of the transport business service (e.g., liquid fuels for road, ship and rail traction and fuels for space heating) and to a lesser extent to the maintenance processes of vehicles and infrastructure intimately related to them (e.g., paints and solvents, antifreeze, industrial batteries, mineral oils, etc.). The quantities of substances of very high concern and substances of concern contained in purchased products (in their pure state or in mixtures) are shown in the table below.

POLLUTANTS	
Type	**2024**
Substances of very high concern (candidate list substances)	9.6 t
Substances of concern	
Reproductive toxicity	1,195.4 t
Specific target organ toxicity - repeated exposure	290.5 t
Chronic hazard in aquatic environment	131,424.1 t
Germ cell mutagenicity	895.6 t

95. For more details on the methods of estimation, please refer to the table on "Accounting policy for sustainability metrics" in the Appendix.
96. The figure includes only emissions of pollutants for which the applicable threshold value specified in Annex II to Regulation (EC) No 166/2006 is estimated to be exceeded.
97. Annex II to Regulation (EC) 166/2006.
98. Annex II to Regulation (EC) 166/2006.
99. Water-stressed areas were identified by accessing information made available by the World Resources Institute - Aqueduct.
100. This pollutant includes all Polycyclic Aromatic Hydrocarbons such as benzene, ethylbenzene, naphthalene, toluene, ethylbenzenes, and xylenes.
101. Percentage by weight of the total pollutant released.

Light Pollution

The Group considers light pollution to be among the impacts to be assessed in relation to its activities and, therefore, to be managed and monitored; in this regard, an information flow has been defined which aims to acquire information regarding the strategies and actions adopted by the Group, both from the point of view of impact mitigation and the opportunity to be seized.
Artificial lighting is mainly used to ensure adequate safety conditions in large outdoor areas, such as railway parks, stations, car parks, operating yards, parking lots, and sections of road and rail infrastructure, or for the facades of valuable historical buildings and stations. Light pollution can result from the uncontrolled emission of artificial light beams toward the sky, caused, for example, by opaque optics, poorly oriented light towers, or out-of-shape illumination of vertical surfaces. In addition, over-lighting of reflective surfaces can alter the natural environment, disturbing the circadian rhythms of living things, including humans, and adversely affecting local ecosystems. This phenomenon can be aggravated by the use of obsolete lighting systems, inadequate maintenance, or keeping lights on in unnecessary areas and time slots. The analysis carried out in 2024 shows that the Group operates in compliance with applicable regulations and technical specifications, integrating them into the design processes of new facilities and revamping of existing ones, as well as into maintenance plans and control protocols. The adoption of Environmental Management Systems by the Companies makes it possible to address, in a structured way, the reduction of light pollution, thus contributing to the improvement of the energy efficiency of company sites. The Group's implementation of innovative solutions, in accordance with industry regulations and the Minimum Environmental Criteria (MECs) defined by the competent Bodies, is also an opportunity to be seized to optimise energy consumption, as well as to reduce the environmental impact of artificial lighting. These measures are not only aimed at improving the visibility of the night sky and containing the phenomenon of intrusive light, but also at protecting wildlife by reducing interference with the natural light/dark cycles that regulate the behaviour of plants and animals - phenomena that include disorientation of animals along their migratory routes, alterations in phototropism in plants, and increased predatory behaviour on insects caused by "attractive light."

Pollution from physical agents (noise and vibration)

The Group, and in particular the Infrastructure Sector and Passenger Transport, gives due consideration to the risks and opportunities that may respectively arise or be seized from this specific environmental issue. The transit of vehicles on road and rail infrastructure, in fact, generates noise immission and vibrations that can adversely affect the areas crossed, compromising the quality of life of human beings and creating damage to property as well as having effects on fauna.
To address this issue at all stages of the infrastructure life cycle, the Group uses predictive noise impact models during the design of new structures or the expansion of existing ones, identifying from the outset the most appropriate mitigation measures and the best design and construction solutions such as to minimise wave propagation into the ground. Subsequently, in the operational phase and when necessary, specific interventions are implemented, such as the adoption of new technologies for the movement and electrification of railway lines, grinding of rails and train wheels, installation of squeal-reducing devices or vibration dampers, use of sound-absorbing asphalt, speed limitation, installation of noise barriers, and optimised operating modes for parking and stationing vehicles.
In line with an approach that prioritises direct intervention at the source of emissions, the Group's vehicle fleet is undergoing significant upgrade and efficiency improvements. There are plans to decommission older vehicles in favour of modern solutions that comply with the latest technical specifications on acoustics, in addition to revamping existing vehicles, such as modifying the braking systems of freight cars. At the same time, rail vehicles undergo continuous maintenance, with interventions that are also aimed at reducing noise emissions while stationary.
On the other hand, the solutions adopted along the line of noise propagation include the installation of sound-absorbing barriers, the construction of dunes and embankments, the use of vegetation barriers and the construction of artificial tunnels, actions that contribute significantly to the mitigation of noise immission.
In this regard, the Group has defined a specific indicator that aims to quantify and monitor annually the length of noise barriers installed, bearing in mind that the administrative authorisation process necessarily involves the involvement of the competent Bodies.

723 km Noise barriers in Italy

494 km near railway lines

229 km near road infrastructures

WATER AND MARINE RESOURCES

1 st - level topic	2nd-level topic	I	R	O
Waters	Water withdrawals		✓	
	Water consumption	✓	✓	✓
	Water discharges	✓	✓	

Management policies and tools
• Sustainability Policy • Environmental Policy • Management systems

IRO management

ESRS 2 IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities

The process of identifying and assessing **impacts, risks and opportunities related to water and marine resources** and how the respective interests and views are taken into account in the strategy and business model are described in the paragraph on *Stakeholder management and double materiality process*.

Policies, actions and Targets

ESRS E3-1 - Policies related to water and marine resources

The FS Group **has adopted the "Sustainability Policy"** to manage material impacts, risks and opportunities related to water and marine resources. In addition, **the FS Group has adopted a specific "Environmental Policy"** in accordance with the Group's Sustainability strategies and with a view to continuous improvement of its environmental performance.

Due to the characteristics of its businesses, the Group **has no material impacts, risks and opportunities related to the sustainability of the oceans and seas** and, therefore, has not adopted any specific policy.

ESRS E3-2 - Actions and resources related to water and marine resources

ESRS E3-3 - Targets related to water and marine resources

ESRS 2 GOV-4 – Statement on due diligence

Sustainable management of water resources is an essential aspect of environmental protection and ensures the availability of quality water for present and future generations. This implies not only paying special attention to water use and reduced consumption with reference to the water basins involved, but also taking initiatives aimed at water reuse and recycling, as well as ongoing monitoring of water quality.

The table below shows the **actions implemented and/or planned** to manage impacts – both positive and negative, actual and potential - and address risks and opportunities, as well as achieve goals and objectives of related policies.

Levers and Actions	Scope	Target[102]	Value and base year	Status	Results 2024	SDGs (Agenda 2030)
WATER						
• Utility rationalisation • Network modernisation interventions through collaborative studies and projects		-50% water withdrawals to 2040	20.2 million m^3 (base year 2019)	In progress	-16% compared to 2019 (17 million m^3)	6, 12, 14
• Water Circular Economy projects for industrial use		20% of share of water reused in 2040	N.A.	In progress	≈1% (20.39 thousand m^3)	6, 12, 14

Key

FS Group | Value chain | Railway infrastructure | Road infrastructure | Passenger transport | Freight transport | Urban | Contribution to SDGs

Metrics[103]

ESRS E3-4 – Water consumption

The FS Group considers water consumption as a key indicator for monitoring its water system, which is processed by considering incoming (such as withdrawals) and outgoing (water discharges, any leaks and wastewater sent to other entities) water resources. The consumption figure, which is especially useful for understanding the materiality of its impact when coupled with the availability of water resources in the affected areas, considers the water used by the Group which is no longer usable by the ecosystem or local communities in the reporting period.

The Group's **water withdrawal**[104] is for both civilian and industrial uses: sources of supply include public aqueducts, groundwater (aquifers and springs), surface water (rivers, lakes, rainwater), and sea or brackish water. Water discharges of wastewater generated by the Group, both civil and industrial, are conveyed to sewers, surface water, groundwater or sea water following purification treatment where necessary.

In Italy, regulations on water withdrawal and discharge are very strict. Legislative Decree no. 152/2006 regulates the abstraction of public water, which requires specific authorisations to avoid over-exploitation of aquifers and springs and to ensure sustainable use, obviously observing quality regulations in the case of distribution to third parties. With regard to discharges, the decree requires that wastewater - particularly that generated by technological processes or collected at industrial complexes - be treated before being released into the environment, complying with quality limits set by the legislator to prevent water contamination. The Group has permits for withdrawal and discharge that are issued by the Public Authority with specific restrictions following thorough environmental assessments, which aim to protect water resources and ecosystems associated with the water basin.

102. The Group's targets are related to water-stressed areas, as more than 70% of the Group's water withdrawal occurs in these areas. No ecological thresholds were considered in setting the targets; targets are not required by law.
103. In preparing the consolidated sustainability reporting, the Group took advantage of not disclosing comparative information in the first year of preparing the sustainability statement under ESRS 2.
In addition, it did not report the information required by ESRS E3-5 – Anticipated financial effects from material water and marine resources-related risks and opportunities with regard to the gradually introduced disclosure requirements related to ESRS E3.
104. Data are estimated through aggregation on the Group's sustainability reporting&control IT platform (ESGeo). Data are obtained through the best possible estimate made by aggregating consumption from direct meter reading, where possible, and analysis of invoices and/or consumption data from the previous year. For more details on the methods of estimation, please refer to the table on "Accounting policy for sustainability metrics" in the Appendix.

FS GROUP	2024
Water consumption[105]	708 thousand m^3
- of which in areas at water risk[106]	594 thousand m^3
Recycled/reused water	20 thousand m^3
- of which in areas at water risk	9 thousand m^3

For the year 2024, the **value of water intensity** (total water consumption compared to net revenues) of all Group activities, is **42.9 m^3/€mil**., calculated by considering operating revenues of €16,529 million in 2024, as reported in the Consolidated Income Statement reported in the paragraph on Group Performance.

As highlighted in the previous chapters, the issue is also of relevance to other key players identified by the Group, namely rail infrastructure contractors. Since the number and type of construction site set-up works may vary from year to year the figure is susceptible to fluctuations. Similar with what is calculated for the Group, the water consumption of contractors is also obtained from the difference between water resources withdrawn and water resources returned to the environment. Specifically, water is withdrawn through municipal aqueduct network, surface water bodies or from groundwater, and frequently, water not used for processing is purified and reused to reduce the supply from natural resources.

CONSTRUCTION SITES OF CONTRACTORS – RAIL INFRASTRUCTURES	2024
Water consumption[107]	1.4 million m^3
- of which in areas at water risk	1.2 million m^3
Recycled/reused water	530 thousand m^3
- of which in areas at water risk	244 thousand m^3

The water resource is used, within the construction site, for both civil and technological uses, for wetting slopes in order to abate dust, and other worksite activities. During monitoring, no critical issues were found with regard to the impacts of water use, either for supply or discharge. Each drawdown is monitored to ensure compliance with requirements while impacts are monitored and managed according to the environmental control plans covered in the Environmental Management Systems adopted by the firms. Discharges are always authorised and checked periodically, with chemical analysis, to ensure compliance with environmental regulations.
Although data on suppliers are only available in aggregate, an estimate[108] has been conducted to locate the water-stressed areas where they are located.

105. The value for stored water was not reported because the metric is not material for the FS Group.
106. Water stress is a figure collected by means of an estimate involving only two types of sites: operational and/or production units and civil buildings with water withdrawals greater than 10 cubic metres per day. In the case of multiple sites, the quantitative prevalence of water consumption in stress areas is considered. To determine whether an area is under water stress, the WRI's 'Acqueduct' website should be consulted. For the FS Group, an area is only placed under water stress if the indicator is "High (40%-80%)" or "Extremely High (>80%). Please refer to the table "Accounting policy for sustainability metrics" in the Appendix for details on how this is estimated.
107. The value for stored water was not reported because the metric is not material for the FS Group.
108. Data on water consumption and recycled/reused water from suppliers are obtained through an estimate based on the percentage of water-stressed areas in the FS Italiane Group.

BIODIVERSITY AND ECOSYSTEMS

1st-level topic	2nd-level topic	I	R	O
Biodiversity and ecosystems	Ecosystems and ecosystem services	✓		✓
	Influence on biodiversity and species			✓

Management policies and tools
• Sustainability Policy • Environmental Policy • Management systems

Strategy

ESRS E4-1 –Transition plan and consideration of biodiversity and ecosystems in strategy and business model

The development of a transport infrastructure plays a delicate role with respect to biodiversity, as it can potentially eliminate habitats, fragment ecosystems, increase mortality for certain species and have other negative repercussions. The Ferrovie dello Stato Italiane Group is aware of the complexity, diversity and fragility of the ecosystems where it con- ducts its activities and, for this reason, has made this issue a top priority.
At present, no detailed transition plans for material impacts on biodiversity have been drawn up by the business areas that are most affected by infrastructure developments; however, one of the key areas of the sustainable declination of the FS Group's Business Plan involves biodiversity. Specifically, **it is planned to develop Biodiversity Action Plans defined on all material impact assets by 2026.**

IRO management

ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model(s)

ESRS 2 IRO-1 – Description of the processes to identify and assess material impacts,risks and opportunities

The process of identifying and assessing **impacts, risks and opportunities related to biodiversity and ecosystems**, and how the respective interests and views are taken into account in the strategy and business model are described in the paragraph on *Stakeholder management and double materiality process*.
The assessment of IROs covered Group company sites and infrastructure sites; however, it did not take into account dependencies on biodiversity, ecosystems and related services and systemic risks.
Negative impacts to which affected communities are or could be exposed are related to individual adverse events on the landscape and environment which may occur in the operation of business activities and business relationships. Through community participation in the design and planning stages, the Group is able to understand the main needs of affected communities that may be most exposed to accidents and risks related to the environment and public health. From the planning stage, numerous channels of discussion are activated which are preparatory to holding subsequent formal meetings of debate, in compliance with specific legal procedures (e.g., **Services Conference, Public Debate**, etc.) and voluntary commitments between the parties (e.g., agreements, protocols, understandings, etc.). Specifically, local macro-needs and technical aspects related to the implementation of the work are first identified and shared with the institutions, and then, together with the institutions themselves, the most appropriate ways of involving the local community are jointly defined and implemented where necessary.

Due to the nature of its business, the FS Italiane Group sees a widespread presence of its sites in the territories in which it operates, particularly in Italy. In 2024 **a mapping of sites that are located in or near biodiversity-sensitive areas** was carried out[109]. The available information counts 1,915 sites within or near sensitive areas. The main activities, which are carried out/ performed at operational sites in compliance with legal provisions, and which may adversely affect biodiversity and ecosystems can be related to:

- temporary storage of waste or scarp materials from maintenance processes;
- vehicle washing;
- emissions piped into the atmosphere from thermal equipment or generated by maintenance processes;

109. The following areas were considered as biodiversity-sensitive areas: Natura 2000; National/Regional Park and/or Reserve; Important Bird Areas (IBAs); Marine protected areas (MPAs); Natural protected areas (EUAPs); Sites of Community Importance (SCIs), Nationally designated areas – CDDA, source IUCN, UNESCO Global Geopark. A site distant up to a radius of 5 km from at least one of the types of sensitive areas listed above is considered to be in proximity. The 5 km distance was taken in alignment with the guidance for environmental impact assessment for Natura 2000 Network areas.

- diffuse emissions into the atmosphere from diesel vehicles;
- noise emissions related to the performance of activities;
- civil and industrial wastewater discharges;
- vehicle refueling;
- storage of products containing hazardous substances;
- use of fresh water from surface or groundwater bodies for technological processes or civil use.

The table below shows the main information on biodiversity-sensitive areas.

SITES NEAR OR WITHIN BIODIVERSITY-SENSITIVE AREAS[110]	IMPACTS	2024
Total number		**1,915**
of which within sensitive areas		7.2%
of which near to sensitive areas		92.8%
of which Natura 2000		86.0%
of which National/Regional Park and/or Reserve		2.5%
of which Important Bird Areas		4.0%
of which Marine Protected Areas	threat to species of flora and fauna[111]	0.2%
of which Natural Protected Areas (EUAPs)		7.2%
of which Other (Nationally designated areas CDDA – source IUCN, Global Geopark UNESCO)		0.1%
of which North-east		31%
of which North-west		17%
of which Centre		20%
of which South and islands		31%
of which Foreign countries		1%

The breakdown by geographical area is based on NUTS1 (Nomenclature des Unités Territoriales Statistiques)

No material risks emerge for the FS Group from the company assessments of biodiversity-related risks and opportunities. Material opportunities are entirely related to transition, both technological (replacement of existing products and services with options with less impact on environmental resources) and market (changes in customer habits, needs and preferences, and positive externalities related to the services and products offered). The topic assessments were carried out in line with the scenario for transition and physical risks, without considering alternative ad hoc scenarios for biodiversity.

Policies, actions and targets

ESRS E4-2 – Policies related to biodiversity and ecosystems

The FS Group **has adopted the "Sustainability Policy"** to manage any material impacts, risks and opportunities related to biodiversity and ecosystems. In addition, **the FS Group has adopted a specific "Environmental Policy"** in accordance with the Group's Sustainability strategies and with a view to continuous improvement of its environmental performance.
Due to the characteristics of its businesses, the Group has not adopted any sustainable agricultural/land, sea and ocean use practices aimed at addressing deforestation.

ESRS E4-3 – Actions and resources related to biodiversity and ecosystems

ESRS E4-4- Targets related to biodiversity and ecosystems

ESRS 2 GOV-4 – Statement on due diligence

Below are actions implemented and/or planned to manage impacts – both positive and negative, actual and potential - and address risks and opportunities, as well as achieve goals and objectives of related policies. The Group has not made use of biodiversity offsetting in its action plans represented below.

110. This item includes the following areas: Natura 2000; National/Regional Park and/or Reserve; Important Bird Areas (IBAs); Marine Protected Areas (MPAs); Natural Protected Areas (EUAPs); Sites of Community Importance (SCIs), Nationally designated areas CDDA, source IUCN, UNESCO Global Geopark.
111. These include: Lutra Lutra, Alburnus albidus, Falco Biarmicus, Falco subbuteo, Charadrius dubius, Milvus migrans, Ciconia nigra, Capriolo Garganico, Wild Boar, Fallow Deer, Weasel, Wild Cat, Hedgehog Mole Hare, Vulpes vulpese, Erinaceus europacus, Falco tinnunculus, Buteo buteo, Asio otus, Athene Noctua, Chiroptera Blumenbach, Cugot and Triseto di Sardegna, Athya nyroca (tabaccata duck).

Levers and Actions	Scope	Target[112]	Value and base year	Status	Results 2024	SDGs (Agenda 2030)
BIODIVERSITY AND ECOSYSTEMS						
• Development and implementation of the Plan for the protection and enhancement of biodiversity and ecosystems and wildlife, which includes, among other initiatives, biodiversity hotspots in areas relevant to railways, green works as part of new infrastructure projects, and interventions for the functionality of ecoducts to ensure the permeability of the railroad infrastructure	Railway infrastructure	Development of the **"Plan for the protection and enhancement of Biodiversity and ecosystems and wildlife"** by 2026; start of operations on Implementation Plans by 2029	N.A.	To be started	N.A.	9 12 15

Key

FS Group · Value chain · Railway infrastructure · Road infrastructure · Passenger transport · Freight transport · Urban · n Contribution to SDGs

Metrics[113]

ESRS E4-5 – Impact metrics related to biodiversity and ecosystems change

Where the Group's activities affect territories or assets subject to protection in relation to the presence of protected areas and/or landscape constraints, a preliminary assessment is carried out with regard to the feasibility of the interventions or the conditions to which they are subject in order to obtain any appropriate authorisations required by current regulations.

It should be noted that the potential impacts on biodiversity are managed by the FS Group ex ante during the design phase of a railway and road work/infrastructure through the obligations provided for by environmental legislation (e.g. EIA) and, therefore, no specific metrics associated with the actual impacts have been identified.

For example, as part of the preparation of the EIA, mitigation and compensation measures for environmental protection are implemented where necessary. For sites/operations located in or close to biodiversity-sensitive areas (including the Natura 2000 network of protected areas, UNESCO World Heritage sites and major biodiversity areas, as well as other protected areas), a specific assessment is conducted and based on its conclusions, appropriate mitigation measures are implemented if necessary.

Where an EIA has been carried out, mitigation and offsetting measures are implemented, where necessary, to protect the environment. For sites/operations located in or near biodiversity-sensitive areas (including the Natura 2000 network of protected areas, UNESCO World Heritage sites and major biodiversity areas, and other protected areas) a specific assessment is conducted, where applicable, and, appropriate mitigation measures are implemented as necessary based on its conclusions.

The table below provides information on group-owned sites located in or near biodiversity-sensitive areas where there are activities that adversely affect biodiversity.

SITES NEAR OR IN SENSITIVE AREAS WITH MATERIAL PROCESSES THAT HAVE A NEGATIVE IMPACT ON BIODIVERSITY	2024
Quantity	29
Area in hectares	127

112. No ecological thresholds were considered in setting the targets; targets are not mandatory by law and pertain to the prevention/minimisation of impacts (level of mitigation hierarchy).

113. In preparing the consolidated sustainability reporting, the Group took advantage of not disclosing comparative information in the first year of preparing the sustainability statement under the ESRS 2.
In addition, it did not report the information required by ESRS E4-4 – Potential financial effects from biodiversity and ecosystem-related impacts, risks and opportunities with regard to the gradually introduced disclosure requirements related to ESRS E2.

RESOURCE USE AND CIRCULAR ECONOMY

1st-level topic	2nd-level topic	I	R	O
Circular economy	Management of materials		✓	✓
	Waste management	✓	✓	✓

Management policies and tools

- Sustainability Policy
- Environmental Policy
- Management systems

IRO management

ESRS 2 IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities

The process of identifying and assessing **impacts, risks and opportunities related to resource use and circular economy** is described in the paragraph on *Stakeholder management and double materiality process*.

Policies, actions and targets

ESRS E5-1 – Policies related to resource use and circular economy

The FS Group **has adopted the "Sustainability Policy"** to manage any material impacts, risks and opportunities related to resource use and circular economy. In addition, *the FS Group has adopted a specific "Environmental Policy"* in accordance with the Group's Sustainability strategies and with a view to continuous improvement of its environmental performance. For more details regarding procurement practices, please refer to the paragraph on *Business Conduct* (ESRS G1-2 – Management of Relationships with Suppliers).

ESRS E5-2 –Actions and resources related to resource use and circular economy

ESRS E5-3 – Targets related to resource use and circular economy

ESRS 2 GOV-4 – Statement on due diligence

Below are **actions implemented and/or planned** to manage impacts – both positive and negative, actual and potential - and address risks and opportunities, as well as achieve goals and objectives of related policies.

Levers and Actions	Scope	Target[114]	Value and base year	Status	Results 2024	SDGs (Agenda 2030)
RESOURCE USE AND CIRCULAR ECONOMY						
• Inclusion of circularity requirements within purchasing procedures • Reuse of old furniture to be discarded through donations or transfers to group companies or NGOs		-50% of sorted urban waste by 2031	15,484 t (base year 2019)	In progress	-34% compared to 2019 (10,250 t)	11 12 15
• Dustbins with special differentiated compartments for proper identification of the waste to be recycled		70% of urban waste sent to waste sorting by 2031	N.A.	In progress	45% (8,385 t)	11 12 15
• Innovative management of excavated soil rocks • Innovation of design methodologies and circularity assessment tools for infrastructure projects		100% of special waste sent for recovery by 2031	N.A.	In progress	97% (284,214 t)	11 12 15

Levers and Actions	Scope	Target[114]	Value and base year	Status	Results 2024	SDGs (Agenda 2030)
RESOURCE USE AND CIRCULAR ECONOMY						
• Development of platform for integrated management of materials	Railway infrastructure; Freight transport	80% of steel from recycled material with low carbon footprint by 2033	N.A.	In progress	6%	11, 12, 15

Key

FS Group · Value chain · Railway infrastructure · Road infrastructure · Passenger transport · Freight transport · Urban · n Contribution to SDGs

With regard to **incoming flows**, the actions taken focus on the careful selection of raw materials and materials, giving preference to those with the lowest environmental impact. In recent years, there has been an increasing focus by Group Companies on selecting their suppliers according to sustainability criteria, carefully assessing their environmental and social practices, and aligning with the Sustainability Policy and the Environmental Policy.
The reduction of primary raw materials remains a complex challenge, related to the specific features of the Companies' businesses and market conditions: the FS Group is committed to finding new solutions, increasing the shares of recycled and non-virgin materials it has purchased.
With regard to **outflows**, the Companies act to support and implement sustainable practices throughout the value chain, with the aim of minimising waste generation and optimising the use of resources. The adoption of a business model based on circular economy allows the FS Group to reduce waste and prevent waste production while maximising resource reuse, recycling and recovery. On the issue of **waste**, initiatives are taken on an ongoing basis to raise awareness among workers, customers and contractors in order to increase, on the one hand, the collection of waste made up of valorisable commodity fractions and, on the other hand, to reduce the quantities of unsorted waste. The Group Companies' commitment to efficient waste management is also supported by the adoption of robust Environmental Management Systems, which ensure the adoption of sustainable practices. Circular design is a principle applied by Group Companies that build and operate infrastructure. Every phase of the works' life cycle - design, construction, operation, maintenance, and decommissioning - is marked by sustainability.

Metrics[115]

ESRS E5-4 – Resource inflows

In operating in multiple sectors, the Group has a high need for materials, with the variety reflecting the specificity of each business. By way of example, during the reporting year, the passenger sector purchased materials needed for its operations, such as chemicals, lubricants and antifreeze agents; on the other hand, the railway infrastructure sector mainly procured reinforcing steel, which is needed for network maintenance and development. In recent years, the FS Group has also begun to monitor the implementation of the shares of materials from recycling or sustainable supply chains.

114. The FS Italiane Group has identified and set optional - therefore not mandatory - targets, and without considering ecological thresholds when setting targets. The targets identified by the Group cover both prevention and various recovery activities, thus placing it in both the high and middle steps of the waste hierarchy.
115. In preparing the consolidated sustainability reporting, the Group took advantage of not disclosing comparative information in the first year of preparing the sustainability statement under the ESRS 2.
In addition, it did not report the information required by ESRS E5-6 – Anticipated financial effects from material resource use and circular economy-related risks and opportunities with regard to the gradually introduced disclosure requirements related to ESRS E5.

The table below shows the quantities of relevant materials purchased[116] by the Group in 2024.

MATERIALS - FS GROUP	MEASUREMENT UNIT	2024
Railroad reinforcing steel and technological systems	t	259,250
- From recycled and recovered materials (6%)	t	14,569
Antifreeze	kg	133,823
Batteries for industrial use	kg	496,535
- From recycled materials (3%)	kg	16,143
Technical gases	kg	156,141
Lubricants	kg	529,713
Melting salts	t	14,232
Solvents	kg	15,113
Chemicals	kg	590,938
PSC sleepers	t	149,077
- From recycled and recovered materials (14%)	t	20,968
Wood sleepers	t	5,346
- From recycled and recovered materials (5%)	t	242
Paints	kg	370,749

The table below shows the most relevant materials related to the railway infrastructure construction phase of firms outside the Group.

MATERIALS – RAILWAY INFRASTRUCTURE CONTRACTORS	MEASUREMENT UNIT	2024
Railroad reinforcing steel	t	24,505
- From recycling (5%)	t	1,327
Steel for rail technological systems	t	1.934
- From recycling (15%)	t	283
Aluminium	t	1,084
- From recycling (0.2%)	t	2
Concrete	t	20,743,903
- Containing recycled aggregates (0.06%)	t	47,143
Conglomerate	t	200,735
- From recycling (0.4%)	t	844
Iron	t	569,270
- From recycling (56%)	t	320,060
Inert material	t	7,055,284
- From recycling (12%)	t	813,322
Crushed stone	t	2,740,409
- From recycling (0%)	t	-
Copper	t	1,648
- From recycling (0%)	t	-
Earths – procurement	t	333,172
Earths – reuse within the work	t	5,609,976
Earths – use in other production cycles or environmental redevelopment	t	7,321,215
PSC sleepers	t	560,264
- From recycling (0%)	t	-

116. Data are estimated through aggregation on the Group's sustainability reporting&control IT platform (ESGeo). Data can be obtained either through direct weighing of the material itself or by estimating information acquired during procurement. For more details on the methods of estimation, please refer to the table on "Accounting policy for sustainability metrics" in the Appendix.

ESRS E5-5 – Resource outflows

The Group's outflows concern waste generated by transport services and infrastructure management, to be sent for recovery or disposal while products and materials are absent.

The FS Group is constantly engaged in raising awareness of waste management among workers, customers and contractors, with the aim of increasing sorted waste and reducing unsorted waste. The type of waste varies according to the service or activity performed (transport, maintenance, infrastructure, station services, etc.), with a predominance of special waste compared to urban waste: in fact, the latter accounts for approx. 6% of the total, amounting to 20,327 tons. The table below shows the amount of special waste produced[117] by all FS Italiane Group Companies during 2024.

WASTE GENERATED BY THE FS GROUP	2024
URBAN WASTE (t)	**20,327**
Unsorted waste	10,250
Sorted waste	8,385
Other urban waste	1,691
SPECIAL WASTE GENERATED BY THE FS GROUP (t)	**292,970**
- of which non-recycled waste[118] (98%)	287,351
Special non-hazardous waste sent for recovery	**236,874**
- of which to preparation for reuse and storage	222,985
- of which to recycling	2,264
- of which other recovery operations	11,624
- of which energy recovery	1
Special non-hazardous waste sent for disposal	**7,001**
- of which to incineration	5
- of which to landfill	201
- of which other disposal operations	6,795
Special hazardous waste sent for recovery	**47,340**
- of which to preparation for reuse and storage	43,674
- of which to recycling	3,355
- of which other recovery operations	311
- of which energy recovery	0
Special hazardous waste sent for disposal	**1,755**
- of which to incineration	46
- of which to landfill	28
- of which other disposal operations	1,681

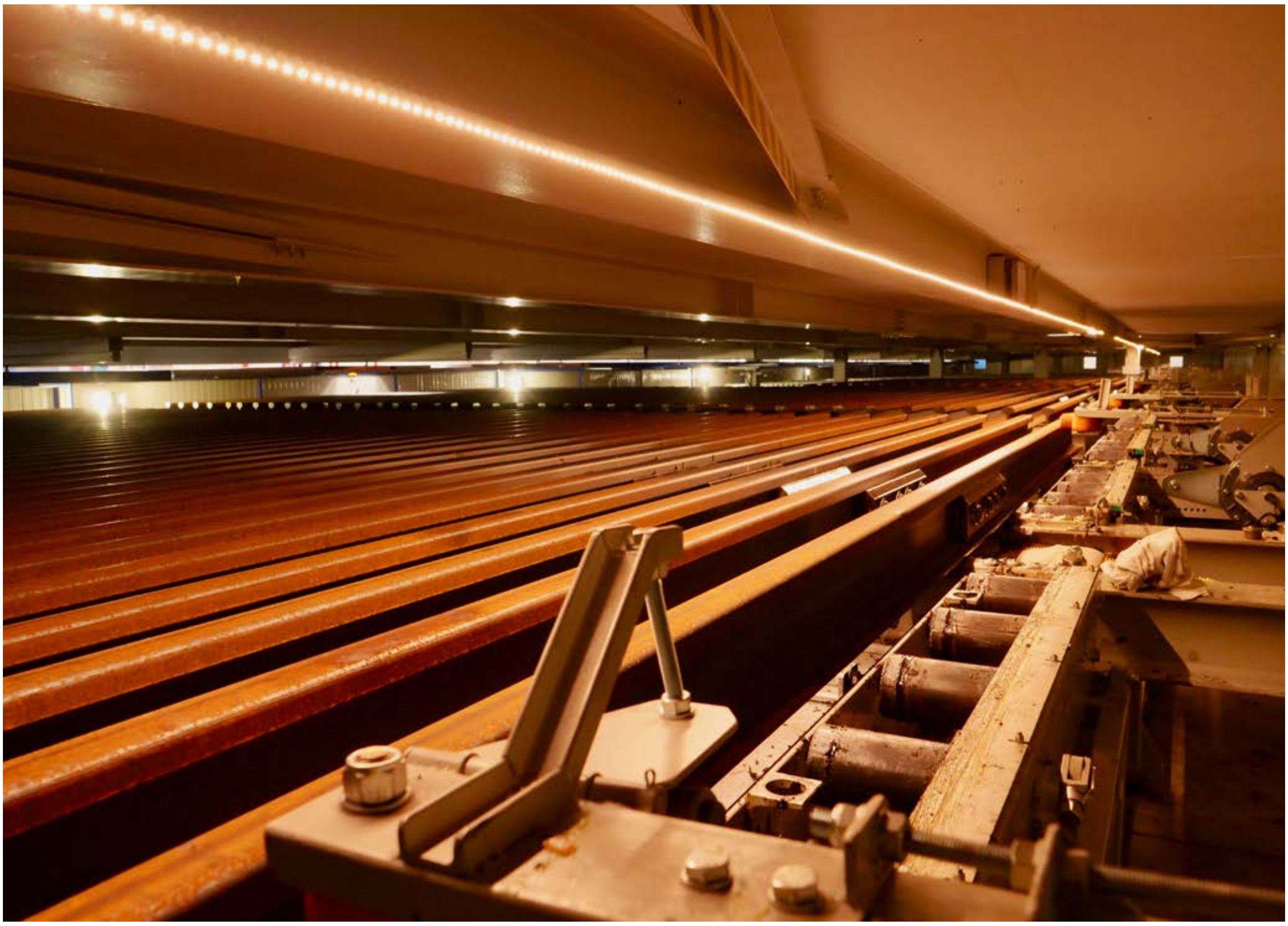
In order to provide an overview of the various types of special waste, both hazardous and non-hazardous, the FS Italiane Group collects the three major types of special waste from each Company. This information was thus collected and aggregated in the table below. No radioactive waste was recorded during 2024.

117. Data are estimated through aggregation performed on the Group's sustainability reporting&control IT platform (ESGeo). The estimation of 'urban waste' involves three different analyses: the first involves the direct weighing of waste; the second estimates the quantity of average bag weight or per capita production; the third, in the absence of internal criteria, involves the use of the value of 0.29 tonnes per year per employee for unsorted waste and 0.21 tonnes per year per employee for waste from 'separate collection'. Other municipal waste can be either weighed or estimated using the same approach as municipal waste. Specifically, this waste consists of: bulky materials (200307), wood (200138), metal (200140), toner (080318), detergents (200130), paints and inks (200128), textiles (200110 and 200111) and waste abandoned by third parties and classified as urban (e.g. parking areas). Finally, the figure for 'special waste' is based on both the weight measured by scales and recorded in the loading/unloading register, and the weight indicated in the fourth copy of the FIR (i.e. waste identification form). If direct weighing is not possible and the fourth copy of the FIR is not available, the data are estimated using the information in the first copy of the FIR. For more details on the methods of estimation, please refer to the table on "Accounting policy for sustainability metrics" in the Appendix.
118. It includes any special waste, both hazardous and non-hazardous, sent for recovery and disposal, but excludes any special wastes sent for recycling.

TYPES OF SPECIAL WASTE – FS GROUP	
HAZARDOUS	**NON-HAZARDOUS**
Ferrous metals	Sludge and filtration residues
Mixed material and plastics packaging	Aqueous waste solutions
Construction and demolition materials	Scrap no longer usable for consumption and/or processing

Waste generated by rail infrastructure contractors, as already specified for materials, is reported separately. In contrast to the FS Group, contractors' special waste is classified solely according to its final destination, without any further distinction of categories. Nevertheless, the majority of waste, whether intended for recovery or disposal, consists of construction materials, such as earths, rock, and cement.

WASTE GENERATED BY RAILWAY INFRASTRUCTURE CONTRACTORS	2024
Special hazardous waste sent for recovery	13,182
Special hazardous waste sent for disposal	5,313
Special non-hazardous waste sent for recovery	2,319,108
Special non-hazardous waste sent for disposal	171,537



SOCIAL INFORMATION

Own workforce

1st-level topic	2nd-level topic	I	R	O
Working conditions, employee health and safety	Involvement in and care for the well-being of people	✓	✓	✓
	Working conditions and social protection	✓	✓	✓
	Occupational health and safety of company employees	✓	✓	✓
Other work-related rights	Employee data protection and information security	✓	✓	
	Adequate housing and working environments	✓	✓	
Employee inclusion, enhancement and development	Selection, enhancement and development of people	✓	✓	✓
	Inclusion and enhancement of diversities	✓		

Management policies and tools

- Code of Ethics
- Sustainability Policy
- General guidelines on occupational health and safety
- Travel security guidelines and procedure
- Diversity, equality & inclusion policy (DEI Policy)
- Code of Conduct on sexual harassment in the workplace
- Data Protection Framework
- Policy on the proper and safe use of Digital Resources
- Management of reports – Whistleblowing
- Talent acquisition guidelines and procedure
- Talent Management System
- Employment inclusion and equal opportunity of people in gender transition
- Guidelines and procedure on remuneration policies and incentive systems
- Management systems

IRO management

ESRS 2 SBM-2 – Interests and views of stakeholders

The process of identifying and assessing **impacts, risks, and opportunities related to own workforce**, and how the respective interests and views are taken into account in the strategy and business model, are described in the paragraph on Stakeholder management and double materiality process.

ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model(s)

The FS Group, as part of its disclosure under ESRS 2, has included all of its own workers who could be subject to material impacts, including those directly related to the Group's own operations and value chain, including through its services and business relationships. Specifically, employees of the FS Group – manual workers, office workers, middle managers, and senior managers and executives - represent the type of workers subject to the identified material impacts.
Any negative impacts to which the aforementioned stakeholders are or could be exposed are related to individual incidents that may occur in the performance of business activities (e.g., accidents at work and personal data breaches). Material positive impacts, on the other hand, arise from the Group's activities and initiatives aimed at improving the well-being, working environment, development and professional growth of employees.
Material risks arising from the negative impacts generated by the undertaking on its own workforce include "Non-/partial compliance with legislation, regulations and standards." For example, failure to adopt and/or enforce ICT security best practices may result in loss of data integrity or confidentiality resulting in exposure to negative economic impacts in terms of fines and penalties.
Material risks arising from dependencies on one's own workforce include "Shortage of professionals with specialist or emerging skills (key people)." For example, the growing need for digital professionals who can handle emerging technologies (e.g., AI), or the increasing demand for engineers and construction professionals that the market cannot meet, may lead

to adverse economic effects in terms of lower business productivity.
The quality of the FS Group's performance depends heavily on the performance of employees. In this context, one of the most relevant opportunities is "Stronger stakeholder engagement" regarding its own workforce. Indeed, identifying new and more effective ways to engage employees positively affects their productivity and the company's overall performance.
The transition plans described under ESRS E1 - Climate Change do not generate any material impact on the own workforce.
No material risks are reported with regard to forced or compulsory labour and child labour operations.
For more information on how the Group has understood how workers with particular characteristics, and those working in particular environments or performing certain activities, may be most at risk, please refer to the paragraph on Stakeholder management and double materiality process.
Material risks and opportunities in relation to own workforce do not involve specific groups but all workers.

Policies, actions and targets

ESRS S1-1 – Policies related to own workforce

The FS Group has adopted the **"Sustainability Policy"** to manage material impacts, risks and opportunities on its own workforce and the **Sustainability Plan** in which commitments and related targets on inclusion, enhancement and development, and people care, as well as Health and Safety, are defined.
Ferrovie dello Stato Italiane and the main Group companies have **certified Workers' Health and Safety Management Systems**.
The FS Group has adopted a **specific policy - the "Diversity, Equality & Inclusion Policy"** aimed at **eliminating discrimination, including harassment, and promoting equal opportunities and other solutions to support diversity and inclusion**; the Group's documentation, including the **Code of Ethics**, covers the following specific grounds for discrimination: ethnicity, skin colour, gender, sexual orientation, gender identity, disability, age, religion, political opinion, national ancestry or social background, as well as any other form of discrimination covered by EU and national regulations.
In addition, specific policies on remuneration and incentive schemes have been designed for **employment inclusion and equal opportunities for people in gender transition.**

The Group has also made specific commitments to enhance the presence of women within its workforce:

- we are members of the platform, created by the European Commission, Women in Transport - EU Platform for Change (a requirement for joining the Platform is to have best practices implemented in favour of gender balance to share with other member organisations committed to improving women's employment);
- we have subscribed to the WEPs, Women's Empowerment Principles, defined by UN Women, the United Nations gender equality agency, through which it aims to enhance and promote the presence and equal opportunities of women with respect to the workplace, the market and the community through which the Group operates.

In addition, since 2017, the FS Group has adhered to the UN Global Compact network, committing to respect and integrate into its way of doing business the 10 principles on human rights, labour, environment and anti-corruption; these principles complement and reinforce the commitments already laid down in the Sustainability Policy, Code of Ethics, Model 231, Anti-Corruption Policy and Anti-Corruption Management Model. In particular, the Group, by joining the Global Compact, has formally committed to:

- uphold and respect international provisions on human rights;
- ensure that it is not jointly liable for the abuse of human rights norms.

For this reason, as referred to in the **Code of Ethics**, the Group is committed to promoting "the creation of respectful and collaborative working environments by repressing all forms of harassment; policies aimed at the psycho-physical well-being of personnel, seeking an integration between work needs and personal and family needs; the rejection of the exploitation of labour, including and especially child labour; the non-tolerance of any form of irregular labour; and the commitment to guaranteeing fair regulatory and pay treatment, based on criteria of merit and competence, without any discrimination..." For information regarding the main measures to ensure the protection of the data of customers, employees, suppliers and other third parties, please refer to the paragraph on *Data Protection Department* of the Report on corporate governance and ownership structure.

119. Dichiarazione Universale dei Diritti Umani delle Nazioni Unite (UDHR), Convenzione Europea dei Diritti dell'Uomo, Dichiarazione dell'Organizzazione Internazionale del Lavoro (ILO) sui Principi e Diritti Fondamentali nel Lavoro, Patto Internazionale sui Diritti Civili e Politici (ICCPR), Patto Internazionale sui Diritti Economici, Sociali e Culturali (ICESCR), Linee Guida OCSE per le Imprese Multinazionali, Principi Guida delle Nazioni Unite su Imprese e Diritti Umani (UNGPs) e i 10 Principi del Global Compact delle Nazioni Unite.

ESRS S1-2 – Processes for engaging with own workforce and workers' representatives about impacts

As stated in the Sustainability Policy, the Group is committed to the activation of systematic engagement processes for its stakeholders. The general processes for engaging its own workers and employee representatives on material actual and potential impacts on its own workforce is done through various initiatives, such as workshops and seminars to discuss and develop new ideas and solutions, surveys and feedback to gather opinions and suggestions from employees, working groups to address specific operational and strategic issues, or through ongoing training to update skills and improve performance.

The frequency of involvement varies depending on the activities, for example:

- surveys and feedback are collected regularly, annually or biannually;
- working groups are active on an ongoing basis, with weekly or monthly meetings;
- training is offered on an ongoing basis, with sessions scheduled throughout the year, both in-person and online, focusing on specific topics such as occupational health and safety;
- events such as Safety Days and traveling theatre shows, organised to raise awareness and engage employees on these issues.

On the issue of gender equality, the FS Group Company Agreement provides for Equal Opportunities Committees (EOCs), composed of representatives of trade unions and company representatives. These committees, divided into a national EOC and 15 regional EOCs, are responsible for promoting, stimulating and proposing measures to foster women's employment, development and training, including in roles related to new technologies. They are also responsible for facilitating the reintegration of female workers after maternity leave and raising awareness of the phenomenon of violence against women, as well as preventing harassment in the workplace. EOCs meet on average every 2-3 months or when there are campaigns and initiatives to be launched.

Operational responsibility for ensuring workforce engagement and results orientation concerns the functions and departments headed by the HR managers of the Parent Company (also with the role of guidance and coordination for the Group professional family) and the various subsidiaries. This role is crucial for coordinating engagement initiatives to ensure that they are aligned with the company's strategic objectives.

Monitoring and evaluation of feedback identify areas for improvement in implementing further activities to promote and spread an inclusive corporate culture that enhances the contributions of all employees and fosters collaboration.

With regard to agreements between the company and employee representatives, **formal agreements with trade unions** (OO.SS.) are in placed within the Group, 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.

For more information on Industrial Relations, please refer to the paragraph on *"ESRS S1-8 – Collective bargaining coverage and social dialogue."*

ESRS S1-3 – Processes to remediate negative impacts and channels for own workers to raise concerns

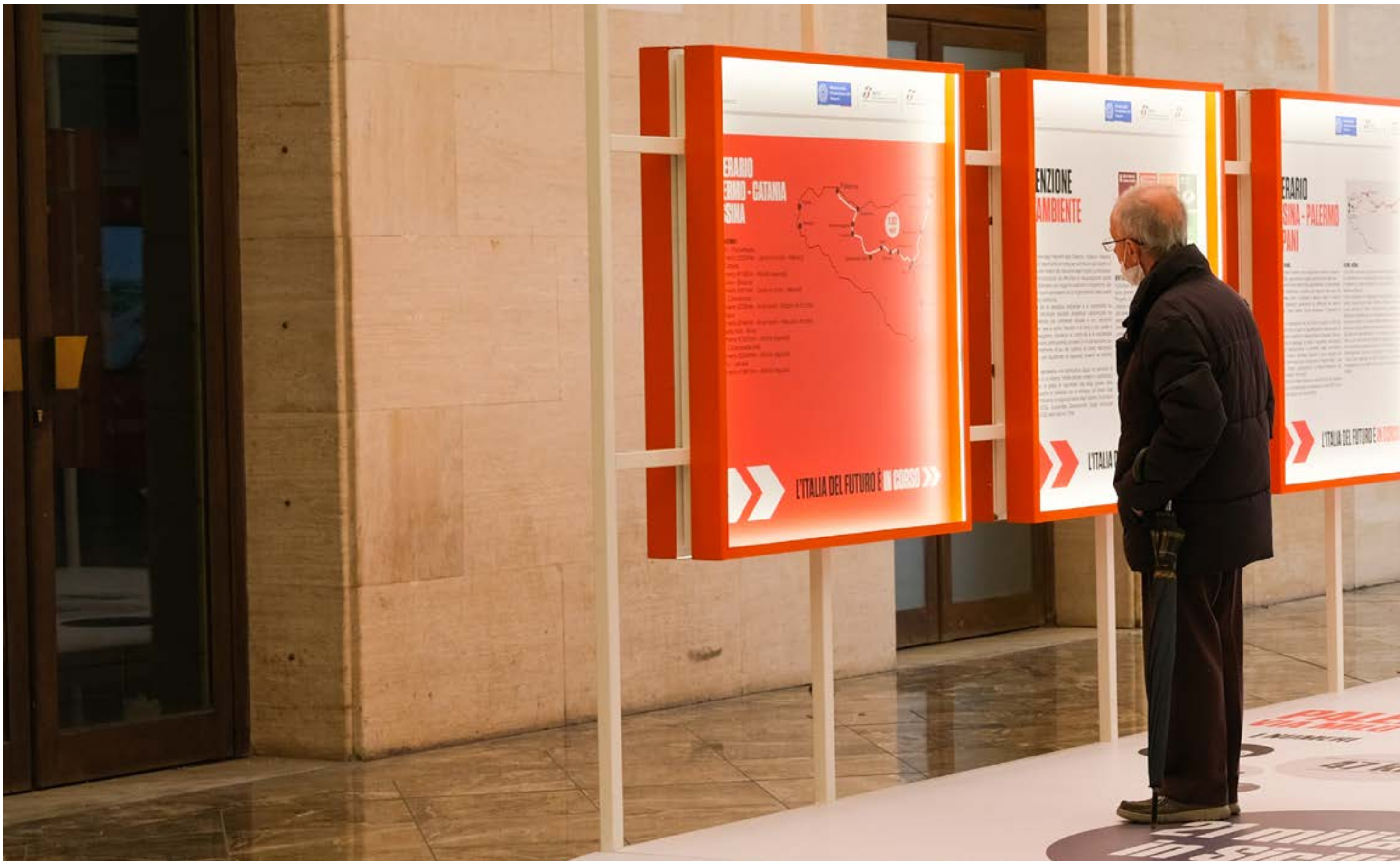
The FS Group has implemented specific processes to manage negative impacts on its own workers. In particular, with regard to health and safety and working environments, measures have been implemented for the prevention and management of accidents at work, health surveillance, and continuing training programs to ensure a safe and healthy working environment. In addition, with regard to data protection, the FS Group has adopted a Data Protection Framework which includes measures for classifying and protecting the confidentiality of information.

The **channels** made available by the FS Group to its own workforce to express concerns are as follows:

- **Whistleblowing:** a tool for receiving and managing reports of violations involving facts referable to FS Group persons or third parties, in accordance with the requirements of the procedure on **Management of Whistleblowing Reports.** For further details, please refer to the paragraph on Management of Reports - Whistleblowing of the Report on corporate governance and ownership structure;
- **Ethics Committee:** as stated in the Group's Code of Ethics, it is possible to contact the Ethics Committee of the company to which one belongs for questions, doubts and clarifications regarding the meaning and application of the Code of Ethics by using the following channels: e-mail, regular mail, and other communication tools made available by the company. The Committee handles requests received seriously, fairly and expeditiously;
- **Trust Advisor:** a third-party and super partes advisor provided for in the Group's Code against sexual harassment in the workplace. Male and female workers who believe they are victims of sexual harassment can contact the advisor - via

e-mail, telephone or a dedicated listening desk - to receive advice and assistance in the procedure, both informal and formal, provided for the resolution of the issue. Any news, facts or information that comes to the attention of the Advisor will be treated with the utmost confidentiality and in accordance with data protection regulations. In addition, every year, the Trust Advisor will prepare an Annual Report which shows the case histories of registered reports and the geographical areas involved. In 2024, in continuity with past years, the Group was committed to the dissemination of the role of the Trust Advisor and the Code of Conduct as actions to combat sexual harassment in the workplace.
- **Welly:** a tool dedicated to collecting suggestions and proposals from employees to improve the working environment within the Group. It can be accessed through in-house company **WE** intranet and **WEshare** platform. The information collected is forwarded to the relevant managers for any appropriate evaluation and action.
- **We Care Seminars** are an additional engagement tool, providing an open space for employee requests and questions. These seminars are designed based on topics of interest that have emerged from previous sessions, thus ensuring that participants' needs are always the focus. Specifically, in 2024, 29 initiatives were organised on multiple emerging caring topics (parenting, physical and psychological well-being, international days, disability inclusion, mindfulness, etc.) with input from 15 experts from an ecosystem of universities, and research and training Centers;
- **Communities on the company intranet** (WE), dedicated to diversity and gender equity. These communities make it possible to share company updates and gather insights, suggestions and concerns from registered employees, thus fostering an ongoing and constructive dialogue.

There are also external channels, which are not directly operated by the Group, and to which the workforce can turn:
- **Trade Unions:** as prescribed by the Ministry of Labour and Social Policies, male and female workers who feel that their employer is not respecting their contractual and trade union rights can turn to a trade union organisation for protection and assistance;
- **National Contact Points:** all countries that have



adhered to the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct must establish a National Contact Point (NCP), whose mandate is the promotion of the aforementioned Guidelines and related guidance on due diligence, and handle cases as a non-judicial grievance mechanism.

For more details regarding the processes to remedy material negative impacts on own workers, as well as any methods used to assess the effectiveness of that remedy, please refer to the specific disclosures in *"ESRS S1-4 – Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions"* and *"ESRS S1-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities"*.

ESRS S1-4 –Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

ESRS S1-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

ESRS 2 GOV-4 – Statement on due diligence

The FS Group is committed to creating an inclusive working environment, ensuring equal opportunities, skills transfer, professional development and well-being for all employees. This commitment is embodied in an action plan, the Sustainability Plan, with resources allocated to managing material impacts, risks and opportunities in relation to its own workforce.

The organisational structure, both at the Holding company and corporate level, is designed to ensure effective management of impacts, risks and opportunities. The role of the Holding company is to provide strategic guidelines, thus ensuring unified coordination.

All material impacts, risks and opportunities are managed by the relevant company functions and departments, which ensure their oversight through dedicated management systems and the adoption of targeted policies.

The following are the **actions taken, planned or already underway** to manage impacts – both positive and negative, actual and potential - and address risks and opportunities, as well as achieve the goals and objectives of related policies.

Actions	Scope	Target	Value and base year	Status	Results 2024	SDGs (Agenda 2030)
WORKING CONDITIONS, EMPLOYEE HEALTH AND SAFETY OTHER WORK-RELATED RIGHTS OF EMPLOYEES						
• INAIL-FS protocol for occupational health and safety. • Safety Day • Ongoing general and technical health and safety training for workers according to their specific job description • Awareness-raising activities on health and safety issues • Maintenance of Occupational Safety Management Systems.		~0 Fatal occupational accidents of employees by 2031	N.A.	In progress	3	3, 8
• Increasing the basket of welfare goods and services available to people • Development of corporate welfare initiatives that meet people's specific and diverse needs, including through an increase in the dedicated budget • Use of an increasing and diversified number of tools for the dissemination and promotion of corporate welfare (e.g., training pills, webinars, surveys, in-person meetings at FS Group facilities)		85% of company population benefiting from corporate welfare measures by 2029[120]	N.A.	In progress	84%	4, 5, 8, 10
EMPLOYEE INCLUSION, ENHANCEMENT AND DEVELOPMENT[121]						
• Feedback on 2024 data to all Group managers and clarification of target growth goals; systemwide disclaimer on compliance with gender percentages in identifying successors; management of calibration meetings to appoint growth individuals, by also using gender mix criteria		33.5% of women in managerial roles by 2029	N.A.	In progress	32.6%	3, 8
• Feedback on 2024 data to all Group managers and clarification of target growth goals, operating instructions shared in the Talent Labs on the diversification of generations in the succession plan; management of calibration meetings to appoint growth individuals, by also using generational mix criteria		22% of people under the age of 40 involved in senior manager succession plans by 2029	N.A.	In progress	15%	3, 8

120. The scope covers Group companies that apply the Mobility/AF (Railway Operations) Area National Collective Labour Agreement (CCNL) and the FS Group Company Agreement: Ferrovie dello Stato Italiane S.p.A., RFI S.p.A., Trenitalia S.p.A., Ferservizi S.p.A., Italferr S.p.A., FS Sistemi Urbani S.p.A., Italcertifer S.p.A., Mercitalia Logistics S.p.A., Mercitalia Rail S.r.l., FSTechnology S.p.A., Trenitalia-Tper S.c.a.r.l., Crew S.r.l., FS International S.p.A., Terminali Italia S.r.l., FS Security S.p.A., FS Treni Turistici Italiani S.r.l., FS Park S.p.A. and Fondazione FS Italiane.
121. The target boundary to be achieved by 2029 includes the following companies: Ferrovie dello Stato Italiane S.p.A., RFI S.p.A., Trenitalia S.p.A., Ferservizi S.p.A., Italferr S.p.A., FS Sistemi Urbani S.p.A., Mercitalia Logistics S.p.A., Mercitalia Rail S.r.l., Mercitalia Intermodal S.p.A., Busitalia Veneto S.p.A., Busitalia Rail Service, Busitalia Campania S.p.A., Grandi Stazioni Rail S.p.A., Grandi Stazioni Immobiliare S.p.A., Terminali Italia S.r.l., Italcertifer S.p.A., FS Technology S.p.A. and Cremonesi Workshop.

Actions	Scope	Target	Value and base year	Status	Results 2024	SDGs (Agenda 2030)
• Gender-neutral review of the Professional System for business roles; cross-cutting mapping of DEI competencies related to roles, organisational layers, and professional families; start of design and delivery of training programmes with integrated DEI competency development	FS Group	50% of company population involved in training in DEI issues by 2027[122]	N.A.	In progress	27%	3 8
• Sensitisation towards managers and employees on the centrality of the Learning Plan; monitoring of progress in their production; recovery actions, both massive and ad hoc	FS Group	70% of company population with individual learning plans by 2029	N.A.	In progress	54%	3 8

Key

FS Group | Value chain | Railway infrastructure | Road infrastructure | Passenger transport | Freight transport | Urban | n Contribution to SDGs

Metrics[123]

ESRS S1-6 – Characteristics of the undertaking's employees

The Group's own workforce consists of different types of workers, both employees and non-employees. The main categories are as follows:

- **Employees:** manual workers, office workers, middle-managers and executives of FS S.p.A. and its subsidiaries;
- **Self-employed workers:** workers who work independently and are not directly employed by the FS Group. This category includes, for example, consultants and professionals who provide specific services on a contractual basis;
- **Workers provided by third-party companies:** workers provided by outside firms , which are primarily engaged in personnel recruitment, selection and supply of labour. These workers may be employed in various roles within the FS Group, depending on operational needs.

122. The boundary includes the following companies: Ferrovie dello Stato Italiane S.p.A., Ferservizi S.p.A., FS Sistemi Urbani S.p.A., FS Technology S.p.A., Italferr S.p.A., Mercitalia Logistics S.p.A., Mercitalia Rail S.r.l., RFI S.p.A. and Trenitalia S.p.A.
123. In preparing the consolidated sustainability reporting, the Group took advantage of not disclosing comparative information in the first year of preparing the sustainability statement under the ESRS.
124. In Italy, through employment agencies under Legislative Decree no. 276/2003, as amended and supplemented.

At the end of 2024, there were **96,335** people in the FS Group, predominantly in Italy, **84.9%**, and with a **21.5%** female staff.

GENDER	NUMBER OF EMPLOYEES (Values in number of persons)
Men	75,652
Women	20,683
Other	-
Not disclosed	-
Total employees	**96,335**
- of which Italy	81,762

COUNTRY	NUMBER OF EMPLOYEES (Values in number of persons)
Italy	81,762
Foreign countries	14,573

Values in number of persons	WOMEN	MEN	OTHER	NOT DISCLOSED	TOTAL
Number of employees	20,683	75,652	-	-	96,335
- on permanent employment	19,528	72,138	-	-	91,666
- on fixed-term employment	1,155	3,514	-	-	4,669
- on variable-time employment	-	-	-	-	

Values in number of persons	NORTHERN ITALY	CENTRAL ITALY	SOUTHERN ITALY/ISLANDS	FOREIGN COUNTRIES	TOTAL
Number of employees	31,184	27,615	22,963	14,573	96,335
- on permanent employment	31,051	27,495	22,506	10,614	91,666
- on fixed-term employment	133	120	457	3,959	4,669
- on variable-time employment	-	-	-	-	-

In continuing on the path to generational turnover, **9,736 new hires** were made from the market in 2024, against **6,374 employees leaving the Group**, with an **employee turnover rate**[125] **of 6.9%**.
On 5 August 2024, judgment no. 06983/2024 handed down by the Council of State was published, annulling the MIT decree of 4 August 2016, in the part where it identified FS Italiane SpA as the party to which the quota in Ferrovie del Sud Est Srl had to be transferred. As a result of this ruling, it became necessary to proceed with the deconsolidation of FSE Srl as from 5 August 2024.

The figures for the size of the company's own workforce are calculated at the end of the reporting period, in accordance with the methodologies adopted by the Group for reporting data on its own workforce.

As can be found in the notes to the Group's Consolidated Financial Statements, personnel costs are the most representative headcount of the own workforce.

ESRS S1-7 – Characteristics of non-employee workers in the undertaking's own workforce

Non-employee workers in the FS Group include people who have contracts with the company to provide labour, known as self-employed workers, and workers provided by firms that are primarily engaged in personnel recruitment, selection, and supply of labour. These workers perform a variety of roles and tasks within the FS Group, contributing significantly to daily operations and special projects.
In 2024, the **total number of non-employee workers** (expressed as number of persons) in the Group was equal to **1,986**.

The figures for the headcount of non-employee workers in the own workforce are calculated at the end of the reporting period, in accordance with the methodologies

125. The employee turnover rate was calculated on average amounts. For Ferrovie del Sud Est and Servizi Automobilistici Srl, 7/12 of the average amounts were considered as at 5 August 2024. In addition, for Exploris, the breakdown by contract type and gender were estimated on the basis of the consolidated Group data.

adopted by the Group for workforce reporting.

ESRS S1-8 – Collective bargaining coverage and social dialogue

The FS Group attaches great importance to collective bargaining and social dialogue, recognising their fundamental role in promoting balanced industrial relations and ensuring decent working conditions for all employees. The Group is committed to maintaining a constructive dialogue with trade union organisations in order to jointly address industry challenges and promote employee well-being. This approach is reflected in extensive collective bargaining coverage, which ensures that employees are effectively represented and their rights are protected.

In this context, the decisions and activities of the Group and its companies are workforce-driven through the involvement of union representatives through which the company gathers information and guidance regarding workers' needs, as well as their expectations.

During 2024, numerous negotiations were held for the renewal of national collective (CCNLs) and company labour agreements in the railway industry, with the aim of responding to the evolution of the industry and the needs of workers.

- **Meetings and negotiations:** more than 30 meetings were held between FS SpA, Agens and the Trade unions for the renewal of the National Collective Labour Agreement of Mobility/Contractual Railway Operations Area and the FS Group Company Agreement of 22 March 2022, addressing issues such as:
    - Industrial Relations System and Trade Union Rights, with the aim of defining innovative models of participation;
    - Labour Market and Conduct of the Employment Relationship, in order to, among others, update the rules on the main forms and types of contracts, provide functional tools to facilitate inclusion in the labour market and address the issues of parental protection, vocational training and occupational health and safety;
    - Working hours, related to both passenger and freight transport, in order to better share the specific features of the businesses and identify solutions that are more adherent to the relevant production contexts.
- **Specific agreements:** specific agreements were reached for several FS Group companies, including an agreement on the reorganisation of RFI SpA's infrastructure maintenance sector, aimed at accompanying the implementation of the NRRP investment program and the upgrading of rail infrastructure through the definition of a New Maintenance Model, and an agreement for FS Security SpA personnel, aimed at responding more precisely to the Group's security needs;
- **Contractual Confluence:** in December 2024, an agreement was reached for the contractual confluence of GS Rail SpA from the Tertiary National Collective Labor Agreement (CCNL Terziario) to the Mobility/Railway Operations Area and FS Group Company Agreement, to foster integration and synergies with other Group companies.

Collective bargaining coverage			Social dialogue
Coverage rate	Employees – EEA (for countries with > 50 workers who account for > 10 % of total workers)	Employees – non-EEA (estimate for regions with > 50 workers who account for > 10 % of total workers)	Workplace representation (EEA only) (for countries with > 50 workers who account for > 10 % of total workers)
0-19%		N.A.	
20-39%			
40-59%			
60-79%			
80-100%	Italy		Italy

The percentage of the Group's total workforce covered by collective agreements was **97%**[126] in 2024.

At present, there are no agreements with the own workforce for representation by a European Works Council (EWC), a European Company (EC) Works Council, or a European Cooperative Company (ECC) Works Council.
Under Article 14 of the National Collective Labour Agreement for Mobility/Railway Operations Area includes provisions on the establishment of EWCs, in line with current legislation, according to which any establishment should take place at the Group level. The initiative can be taken by both the Company and the Trade Unions but, to date, such a request has never been made or discussed at union meetings.

ESRS S1-9 – Diversity metrics

«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, FS 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.
The FS Group has defined "Top Management" as the executive professional category that includes "senior managers" and "executives." In 2024, the Group had **1,210 executives,** including 868 men (71.7%) and 342 women (28.3%).

BREAKDOWN OF EMPLOYEES BY AGE GROUP	
less than 30 years old	23,958
between 30 and 50 years old	44,164
over 50 years old	28,213
Total	**96,335**

ESRS S1-10 – Adequate wages

The FS Group adopts a transparent and structured approach to the management of pay policies, ensuring that salaries are competitive and responsive to employees' needs.
The National Collective Labour Agreements (CCNL) constitute the reference collective legislation for the Companies' employees, suitable to ensure the most appropriate safeguards on labour, union and personal rights in compliance with current laws and also granting additional benefits and facilities aimed at further strengthening said safeguards. In addition, they guarantee all employees of the Companies an adequate wage in line with the benchmarks applicable in each country.
For all employees not covered by a National Collective Labour Agreement, wages are in line with market-wide benchmarks and external benchmarking tools are used to ensure fair and adequate pay.

The FS Group's executive remuneration system is structured to ensure consistency of company

126. For TX Logistik and Exploris, the figure was estimated by using the coverage percentage of the Group.

remuneration levels (internal pay equity) with respect to different organisational roles and to ensure competitiveness and alignment with best market practices. Remuneration is composed of a fixed component and a variable component. The fixed component is determined based on the executive's role and responsibilities while the variable component is linked to the achievement of specific objectives, both individual and corporate, which may include financial, operational, and sustainability performance. Pay adjustment measures are aimed at supporting company management and development policies, as well as enhancing the value of staff in order to increase their sense of belonging and motivation over time.
For other staff members, the pay architecture refers to the provisions of the National Collective Labour Agreement, which provides for any salary increases and payment of (one-time) non-recurring bonuses. In addition, for middle manager staff in charge of microstructure organisational units of high relevance to the corporate mission and to the achievement of the Group's main goals, an incentive system is in place in line with that defined for executive staff.

ESRS S1-11 – Social protection

The FS Group provides its employees with comprehensive social protection, both through public programs and through benefits offered by its own companies. These measures aim to protect workers from loss of income during significant life events, such as illness, unemployment, occupational injury, acquired disability, parental leave, and retirement.
In addition to social security safeguards, the FS Group promotes a **corporate welfare** system aimed at improving workers' well-being and motivation. This commitment is embodied in initiatives that facilitate work-life balance by meeting the daily needs of employees.

The 2024 Welfare Plan was defined by putting people at the center and paying special attention to individual needs through welfare schemes dedicated to providing support to family, sustainable mobility, and needs related to care, well-being, leisure, and health promotion.
Key projects included:

- **Family support:** grants of €500 for expenses incurred by employees for their family members;
- **Disabled child benefit:** grants of €800 for employees with children with disabilities;
- **Work-life balance:** grants of €250 for leisure welfare services and an additional grant of €100 for other expenses, such as books and technology;
- **Sustainable mobility:** reimbursement of local public transport season ticket of up to €150;
- **Supplementary pension:** annual grants of €100 per employee to the Eurofer Fund and an additional company grant of 2% of salary;
- **Supplementary health care:** annual company grants of €300 per employee for a health care plan which includes multiple health benefits;
- **Health prevention:** access to free check-ups at the local facilities of the RFI Health Department.

ESRS S1-12 – Persons with disabilities

The FS Group is committed to ensuring an inclusive, fair and accessible working environment, promoting the full appreciation of diversity, with particular attention to people with disabilities.
An onboarding support desk for people with disabilities has been established for this purpose: an accompanying service dedicated to HR professionals, managers and teams of all FS Group companies, aimed at ensuring competent and effective management of the onboarding phase for employees with special needs.
In 2024, the percentage of employees with disabilities was **2.1%** of the Group's workforce.
The percentage of employees with disabilities was calculated on the total headcount at the end of the reporting period, in accordance with the methodologies adopted by the Group for workforce reporting.

ESRS S1-13 – Training and skills development metrics

The FS Group is strongly committed to the training and skills development of its employees. In 2024, the FS Group strengthened its commitment to these matters through the implementation of the **New Policy on Talent Management System**, which introduced Feedback Questionnaires for Managers and Employees to foster individual awareness and spread a feedback culture, Learning Plans to promote self-development, and Calibration Meetings to ensure better alignment between skills and career opportunities. In addition, a new **appraisal methodology was adopted for Senior and Middle Managers** to identify strengths and areas of improvement for leadership development while a pilot project dedicated to **Young Talent** tested an innovative assessment approach based on empowerment and supported by digital tools.
On the **training** front, the Group continued its work on innovation in methodologies and technologies, making courses more accessible, agile and close to the learning needs of its people. Particular attention was paid to raising awareness about the **environment and sustainability**, enhancing **technical and role skills**, including at the international level, and creating

Professional family academies to ensure the strategic skills needed by the business. Finally, a new **Learning Management System** was adopted, and applications were implemented to automate processes and improve the learning experience.
For skills development metrics, the FS Group created two separate but complementary processes:

- **People review:** focuses on the contribution made by people and defines development plans based on the results achieved;
- **Performance review:** assesses the current performance of FS Group people.

In 2024, the FS Group involved, through the Talent Management system, **26,711** people (including 6,902 women) in the **People Review** process and **20,423** people (including 5,489 women) in the **Performance Review** process.
In the People Review process, **12,113 individual Learning Plans** were defined, which enable employees to actively contribute to their own self-development, and **2,115 people were upgraded**, ensuring that positions of responsibility were filled according to business needs.

TRAINING AND SKILLS DEVELOPMENT METRICS[127]	2024
Percentage of employees who participated in periodic performance and career development reviews - people review[128]	**27.7%**
of which women	7.2%
of which men	20.5%
Percentage of employees who participated in periodic performance and career development review[129]	**21.2%**
of which women	5.7%
of which men	15.5%
Average number of training hours per employee	**73.6**
of which women	12.1
of which men	61.4

ESRS S1-14 – Health and safety metrics

The FS Group is strongly committed to promoting a culture of safety, ensuring high standards for its workforce and travellers, and following an approach based on risk management and prevention. This commitment is consolidated within the Group's Sustainability Plan, where the Health and Safety topic is one of the four transformational work sites.
The Group's goal is to confirm itself as one of the industrial benchmarks in health and safety, aiming for continuous performance improvement and pursuing the ambition of zero accidents at work in the long term.

HEALTH AND SAFETY METRICS	2024
Percentage of own workers covered by a health and safety management system	93%
Number of deaths due to work-related injuries and illnesses	5
of which own workforce	3
of which other workers operating at the undertaking's sites	2
Number of recordable work-related injuries of own workforce	1,561
Rate of recordable work-related injuries of own workforce[130]	11.2
Number of work-related illnesses of own workforce	128
Number of days lost due to work-related injuries and illnesses of own workforce	46,981

127. The percentages of employees who participated in periodic reviews (people and performance reviews) were calculated with reference to the final FS Group headcount while the average number of training hours per employee was calculated on the average Group headcount.
128. In 2024, the proportion of people reviews carried out compared to those agreed upon by management was 127%.
129. In 2024, the proportion of performance reviews carried out compared to those agreed upon by management was 97%.
130. The recordable work injury rate of own workforce was calculated, in line with ESRS standard S1-14 RA 89, by dividing the number of work injuries by the total number of hours worked by own workers, multiplied by 1,000,000.

The jobs with the highest risk of occupational accidents and illnesses in the FS Group noted by company Prevention and Protection Service Managers (RSPP) are those related to railway driving, accompanying service and maintenance, trucking, station supervision, and, for administrative roles, musculoskeletal risks, mental load stress and prolonged exposure to video terminals.

ESRS S1-15 – Work-life balance metrics

In the FS Group, all employees are entitled to family leave under social policies and collective agreements. In 2024, 20.4% of employees took family leave, including 24% women and 76% men[131].

ESRS S1-16 – Compensation indicators (pay gap and total compensation)

There are no gender-related wage differences in the FS Group. Any average wage differences between women and men are attributable solely to the different professional positions, performance modes, and the responsibility associated with them. It should be considered, for example, that women are less present in the operating sectors and, as a result, average wages represented are affected by this factor (minus ancillary skills for shifts, holiday work, night work, etc.).
In 2024, the **gender pay gap**[132] in the FS Group was **4.27%**.
The ratio of the total annual remuneration of the person with the highest salary to the median total annual remuneration of all employees (excluding the person with the highest salary) was **15.85**.

ESRS S1-17 – Incidents, complaints and severe human rights impacts

The FS Group, operating in accordance with the United Nations Universal Declaration of Human Rights and the Core Conventions of the International Labour Organisation (ILO), is committed to promoting open and inclusive working environments, combating all forms of discrimination or behaviour detrimental to personal dignity, and taking effective measures to prevent any form of irregular employment.
In 2024, the FS Group recorded **13 incidents of work-related discrimination**, including harassment. To address these situations, fact-finding procedures were activated through in-house investigations and Commissions of Inquiry. Following the investigations, various corrective actions were taken, including management awareness interviews, reprimands, suspensions from duty with deprivation of pay, and, in the most serious cases, dismissals.
In 2024, the Group received **2,055** complaints[133] through dedicated channels for workers to report concerns, including grievance mechanisms and national contact points for OECD multinational companies for which no fines, penalties, or compensation were disbursed resulting from incidents or complaints.
There were also no serious incidents regarding human rights related to the own workforce during the year.

131. Average headcounts were used to calculate these ratios.
132. Calculated as the difference between the average pay levels paid to female and male workers, expressed as a percentage of the average pay level of male workers.
133. Of which 1,938 referred to the Netinera group mainly for grievances pertaining to shift changes.

WORKERS IN THE VALUE CHAIN

1st-level topic	2nd-level topic	I	R	O
Workers in the value chain	Occupational health and safety of employees in the value chain	✓		
	Other work-related rights in the value chain	✓		✓
	Equal treatment for workers in the value chain		✓	✓
	Working conditions and social protection of workers in the value chain		✓	✓

Management policies and tools

- Code of Ethics
- Sustainability Policy
- General guidelines on occupational health and safety
- Diversity, equality & inclusion (DEI) policy
- Data Protection Framework
- Management of Reports – Whistleblowing
- Management systems

Strategy

ESRS 2 SBM-2 – Interests and views of stakeholders interessi

How the views, interests and rights of **workers in the value chain** guide strategy and business model is described in the paragraph on *Stakeholder management and double materiality process*.

ESRS 2 SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model(s)

The FS Group, as part of its reporting under ESRS 2, has included all workers in the value chain who could be subject to material impacts, including those directly related to the Group's own operations and value chain, including through the company's services offered and business relationships.
Workers who carry out their activities at the Group's offices and who work for suppliers represent the types of stakeholders subject to the material impacts identified; in particular, contractors working at the Group's infrastructure construction sites represent the type of non-employee workers that are most at risk, in view of the materiality of the issue of "safety" within the construction industry.
In view of the core businesses of Group companies and the location of suppliers (more than 76% headquartered in Italy, accounting for about 90% of the costs incurred in 2024 for goods, services and works), there are no significant risks of child, forced or compulsory labour in the value chain.
Negative impacts, to which the above-mentioned stakeholders are or could be exposed, are related to individual incidents that may occur in the performance of business activities or in business relationships.
Material risks and opportunities do not involve specific groups, but all workers, and are dependent on the value chain (upstream and downstream). Material risks and opportunities arising from generated impacts or dependencies are not reported.
For more information on the process of identifying and assessing **impacts, risks, and opportunities related to workers in the value chain** and how their respective interests and views are taken into account in the strategy and business model, please refer to the paragraph on *Stakeholder management and double materiality process*.

Policies, actions and targets

ESRS S2-1 - Policies related to value chain workers

The FS Group **has adopted the "Sustainability Policy"** to manage the material impacts, risks and opportunities on workers in the value chain, and the **General guidelines for the period 2022-2026** in which the guidelines and areas for improvement on which the FS Group focuses its Occupational health and safety efforts are defined.
Relations with suppliers (including third-party collaborators, consultants, intermediaries, subcontractors, sub-suppliers and more generally all those involved in the supply chain) and business partners are oriented towards **compliance with the principles of honesty, integrity, impartiality and the values of sustainability**.
The Group's actions and behaviour are oriented towards the utmost fairness and legality, excluding favoritism and operating only with reliable, honourable and reputable people and companies.

Therefore, as referred to within the **Code of Ethics**, the Group is committed to:

- **encourage** suppliers and business partners to promote respect for human rights and environmental protection;
- **respect and guarantee** the obligation of confidentiality on information, documents and data of which we become aware;
- **not exploit** any contractual gaps in information as well as conditions of economic weakness.

Suppliers and business partners in their relations with Group Companies are required to comply with the values and standards of conduct laid down in the Code of Ethics. For this purpose, they must ensure the utmost reliability, transparency, integrity and cooperation in the management of the relationship with Group Companies, guaranteeing truthful and correct information and refraining from providing services in the presence of conflicts of interest; they must also **ensure that working conditions within them comply with the requirements of the relevant regulations** (including issues related to **human trafficking, forced or compulsory labour and child labour**).
The FS Group has adopted a **specific policy** - the **"Diversity, Equality & Inclusion Policy" - aimed at eliminating discrimination, including harassment, and promoting equal opportunities and other solutions to support diversity and inclusion**.

ESRS S2-2 – Processes for engaging with value chain workers about impacts

As stated in the Sustainability Policy, the Group is committed to the activation of systematic engagement processes for its stakeholders. In order to ensure and monitor respect for the rights of workers in the value chain, particularly the employees of contractors, the **Memorandum of Understanding** for the quality of work in railway service contracts has been established, which includes, among its material objectives, the protection of the principles of legality and transparency, labour, occupational health and safety, and the environment, and also provides for the establishment of an **Observatory on the quality of work** in railway contracts that meets, as a rule, quarterly or following a joint request by the Trade unions.

ESRS S2-3 – Processes to remediate negative impacts and channels for value chain workers to raise concerns

As described above, Ferrovie dello Stato Italiane SpA adopts a **process for receiving, analysing and processing reports (including anonymously)** regarding the Company sent by Third Parties or Persons of the FS Italiane Group. For further details, please refer to the paragraph on *Management of Reports - Whistleblowing* of the Report on Corporate Governance and Ownership Structure.

ESRS S2-4 – Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions

ESRS S2-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

ESRS 2 GOV-4 – Statement on due diligence

With regard to the **actions implemented and/or planned** to manage impacts – both positive and negative, actual and potential - and address risks and opportunities, as well as achieve the goals and objectives of related policies, please refer to the paragraph on *Governance information* within which issues related to "workers in the value chain" (managed under the broader topic of "Supply chain sustainability") have also been included.

AFFECTED COMMUNITIES

1st-level topic	2nd-level topic	I	R	O
Sustainable and integrated mobility for passengers and freight	Development and expansion of new services connecting mobility systems	✓		✓
	Promotion of new mobility solutions	✓		✓
	Renewal of means of transport		✓	✓
Support to communities	Social cohesion	✓		
	Social innovation			✓
	Cultural, social and artistic promotion			✓
	Corporate volunteering			✓
	External caring			✓
Infrastructure development and improvement	Development, upgrade and improvement of infrastructures, urban nodes and stations	✓	✓	✓
	Integration and development of links between transport infrastructure networks	✓		✓
	Listening to stakeholder needs	✓		✓
	Social and economic development of local areas	✓		✓
	Sustainable design and construction of infrastructures	✓	✓	✓
	Promotion and dissemination of charging and refuelling stations for environmentally friendly vehicles			✓
Land protection and development	Land redevelopment	✓		✓
	Enhancement and protection of historical, social, cultural and natural heritage	✓	✓	✓

Management policies and tools

- Code of Ethics
- Sustainability Policy
- Management systems

Strategy

ESRS 2 SBM-2 – Interests and views of stakeholders

How the views, interests, and rights of **affected communities** guide the strategy and business model is described in the paragraph on *Stakeholder management and double materiality process*.

ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model(s)

The FS Group, as part of its reporting under ESRS 2, has included all affected communities that may be affected by material impacts, including those directly related to the Group's own operations and value chain, including through the company's services offered and business relationships.

Communities living or working in the vicinity of the Group's direct infrastructure and operations, such as stations, rail and road lines, areas no longer functional for rail operations, maintenance facilities, and operating plants, represent the types of communities that are most susceptible to the material impacts identified.

The design, connection, and construction activities of new infrastructure lines, urban nodes, and stations, the upgrading of connections between stations and the integrated mobility system, the transformation of stations into Multimodal Hubs, and the regeneration and use of areas that are no longer functional for the operation of the Group's activities can have positive impacts on urban communities in the vicinity of the Group's infrastructure and assets, fostering connectivity between local areas

and improving the relative quality of life. In addition, the provision of space for the purpose of welcoming and including individuals from disadvantaged communities contributes to the structuring of remedies and tools for the prevention of social gaps. Finally, the implementation of activities to enhance the historical, social, and cultural heritage by Group companies and the FS Foundation stimulates the development and attractiveness of local areas.
The negative impacts to which local communities are or may be exposed are related to individual adverse events on the landscape and environment that may occur in the operation of business activities and business relationships.
By involving communities in the design and planning stages, the Group is able to understand the main needs of affected communities that may be most exposed to accidents and risks related to the environment and public health.
Material opportunities arising from the positive impacts generated by the company in relation to the sustainability matter "Support to communities" include, by way of example, those related to "New forms of public grants and funds." For example, such funds can be used by the company to implement new social caring activities, giving rise to collaborative initiatives with communities, resulting in positive economic effects from improved reputation and strengthened bonds of trust with citizens. The opportunity "New forms of partnership with communities, public authorities, and other businesses" also arises from the positive impacts generated by the company; consider, for example, community support initiatives such as Help Centers and projects for people with disabilities (Blue Rooms, LIS), which, in addition to having a direct positive effect on the communities themselves, enhance the Group's reputation, motivate employees by improving productivity, attract talent by reducing selection time and costs, and strengthen customer loyalty.
Material risks and opportunities in relation to communities do not involve specific groups but all communities.
For more information on the process of identifying and assessing **impacts, risks, and opportunities related to affected communities** and how their interests and views are taken into account in the strategy and business model, please refer to the paragraph on *Stakeholder management and double materiality process.*

Policies, actions and targets

ESRS S3-1 – Policies related to affected communities

The FS Group **has adopted the "Sustainability Policy"** to manage material impacts, risks and opportunities on affected communities.
Therefore, as referred to within the Code of Ethics, the Group is committed to:

- **respect and support communities**, including through social and environmental initiatives, in the belief that their development, not only of an economic nature, contributes to creating value for the Group as well. We therefore plan our activities with responsibility and attention to the rights of future generations, assessing the impacts on both the social fabric and the environment;
- **minimise the negative impacts and maximise the positive impacts** of its activities on the environment and the community, and to prevent risks to populations and the environment.

ESRS S3-2 – Processes for engaging with affected communities about impacts

As stated in the Sustainability Policy, the Group is committed to the activation of systematic engagement processes for its stakeholders. In order to optimise the management of key impacts (material, actual and potential), the FS Group collaborates with key affected communities such as: the *financial community* through, for example, the organisation of **periodic meetings and international roadshows** in which it shares its sustainability strategy; the *scientific community*, with which it takes part in **working groups, European and international projects**, collaborates in the development of innovative projects and the promotion of applied research in the transport sector, and also establishes **partnerships** to promote training and skills development in the transport sector; bodies and institutions, whose relationship is managed through a **monitoring dashboard**; *civil society organisations*, which play a key role in translating an infrastructure project into a **"social project,"** in which the needs and expectations of the local area outline the course of action along which the project is to be developed. Engagement, in this case, is fundamental for the proper identification of **infrastructure investment priorities**, in order to ensure adequate response to the needs expressed by government institutions, at both national and local levels, as well as to the needs highlighted by rail and transport companies. Right from the planning phase, numerous channels of discussion are activated which are preparatory to the holding of subsequent formal meetings, in compliance with precise legal procedures (e.g., **Services Conference, Public Debate**, etc.) and voluntary commitments between the parties (e.g., agreements, protocols, understandings, etc.). In particular, local macro-needs and technical

issues related to the implementation of the work are first identified and shared with the institutions, and then, together with the same institutions, the most appropriate ways of involving the local community are jointly defined and implemented where necessary.
For more details regarding engagement processes regarding impacts, please refer to the specific disclosures in the following paragraphs on Sustainable and integrated mobility for passengers and freight, Support to communities, Infrastructure development and improvement, and Land protection and development.

ESRS S3-3 – Processes to remediate negative impacts and channels for affected communities to raise concerns

There are several processes implemented by the Group to remediate negative impacts and enable concerns to be expressed to affected communities, such as participation in **collaborations, conferences, and seminars** organised by the Group where direct interaction with company representatives and other experts in the field is possible. In addition, in the **participatory communication** process, mutual exchange among stakeholders plays an important role in **reducing negative impacts**. This involvement is implemented through the **Public Debate process**, with the implementation of sentiment monitoring systems, which consists of the phase of informing citizens of the motivations and characteristics of large infrastructure projects planned in their local area. In addition, affected communities can send their concerns in written form (via certified email, e-mail, mail, fax, inspection reports, etc.) or, for more structured worksites, through institutional websites.
For more details regarding the engagement processes and results collected, please refer to the specific disclosures in the following paragraphs on Sustainable and integrated mobility for passengers and freight, Support to communities, Infrastructure development and improvement, and Land protection and development.

ESRS S3-4 – Taking action on material impacts, and approaches to mitigating material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions

ESRS S3-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

ESRS 2 GOV-4 – Statement on due diligence

The table below shows the actions implemented and/or planned to achieve and/or prevent, mitigate and remediate impacts - positive and negative, actual and potential, respectively - and address risks and pursue opportunities, as well as achieve the goals and objectives of related policies.

Actions	Scope	Target	Value and base year	Status	Results 2024	SDGs (Agenda 2030)
SUSTAINABLE AND INTEGRATED MOBILITY FOR PASSENGERS AND FREIGHT						
• Investment in the purchase, revamping and maintenance of **rolling stock** (passengers and freight) and logistics terminals		2025-2029: **€mil. 10,443** 2029-2034: **€mil. 15,771**	N.A.	In progress	N.D. monitoring from 2025	8, 9, 10, 11, 17
• Increased **agreements for the sale** and integration on Trenitalia digital sales channels, with priority given to the regions of Tuscany, Emilia-Romagna, Campania, Veneto, Puglia and Friuli-Venezia Giulia		Offering **mobility services** (train, suburban and urban road LPT, ferries and other services) on digital channels to 75% of the Italian and foreign population (tourists and/or non-resident workers) by 2029	N.A.	In progress	**60.6%**	3, 11, 16

Actions	Scope	Target	Value and base year	Status	Results 2024	SDGs (Agenda 2030)
SUPPORT TO COMMUNITIES						
• **National Observatory of Solidarity in Stations** (ONDS) report; talks with Tuscany Region; Differenza Donna project launch for opening listening points; preparation of Foundation Protocol with SUD		Increase in **Help Centers and/or Multi-purpose / Listening Centers** no. **25** to 2029	N.A.	In progress	**20**	3, 11, 16
• Extension of **Women In Motion (WIM)** to universities; experimentation with elementary schools; systematisation of annual WIM Award appointment; resumption of online meetings		Approaching female students to **STEM** studies and professions - Breaking down gender stereotypes with Women in Motion Project **28,000 male and female students** met (Digital/ Physical Meetings) to 2029	N.A.	In progress	**20,079**	4, 5, 8
• After FS, Trenitalia and RFI, extension of Caritas Volunteering (Rome) to Italferr, Mercitalia and Ferservizi; Extension in 2 cities (1 north and 1 south) with Italian Red Cross to Trenitalia and RFI; creation of Volunteers Community		Corporate volunteering no. **1,450 days** of volunteering to 2029	N.A.	In progress	**241**	8, 9, 11, 17
INFRASTRUCTURE DEVELOPMENT AND IMPROVEMENT						
• Investments in rail and road infrastructure in terms of network **transformation, maintenance and safety, service quality, and enhancement of assets and skills**		2025-2029: **€mil. 76,849** 2029-2034: **€mil. 155,261**	N.A.	In progress	N.D. monitoring from 2025	8, 9, 10, 11, 12, 17
• Interventions on **intermodal hubs and metropolitan area stations** • **Integrated Stations Plan** (interventions in the area of accessibility, passenger building and outside areas) • Interventions for **decorum, non-routine maintenance and safety**		More than €bil. 5.5 **CapEx** for interventions in **Stations** by 2034 (this target is one of the investment items expressed in the previous target)	N.A.	In progress	N.D. monitoring from 2025	8, 9, 10, 11, 12, 17
• **New access points** (stops/ stations) to the **Conventional Network**		**+3.4% population** served by Conventional Network within 1km by 2034	~10.1 million people served (base year 2024)	In progress	N.D. monitoring from 2025	8, 9, 10, 11, 12, 17
• **New stations or stations with enhanced connection to the HS Network**		**+48% population** served by HS within 60 minutes by 2034	~25 million people served (base year 2024)	In progress	N.D. monitoring from 2025	8, 9, 10, 11, 12, 17

Actions	Scope	Target	Value and base year	Status	Results 2024	SDGs (Agenda 2030)
LAND PROTECTION AND DEVELOPMENT						
Redevelopment of the former **Milan-Farini railway yard**: the project Masterplan includes: - regeneration of more than 400 thousand sq. m of brownfield areas; - 260 thousand sq. m. of green areas	Urban Value chain	**Urban regeneration** projects of disused railway areas, amounting to an additional 3.5 M sq m in the period 2025-2029 **650,000 sq m** regenerated in the three-year period 2021-2023	N.A.	In progress	**535,000 sq.m.**	13
		+1M sq. m. of **green areas** in projects for the enhancement of areas not functional for railway operations (2025-2029) In the three-year period 2021-2023, **195,000 sq. m. of green areas** have been realised	N.A.	In progress	**335,000 sq.m.**	13
• Transformation/disposal of **disused lines**	Railway infrastructure Value chain	Over 200 additional km of **decommissioned lines transformed**/ transferred by 2034* (as of 2024, ~500 km decommissioned lines transferred/ transformed) *Implementation of RFI's line transformation/ disposal initiatives will be subject to actual interest from local authorities	N.A.	In progress	N.D. monitoring from 2025	8, 9, 10, 11, 17
• Interventions on tourist lines - Increase in km for **tourist trains**	Railway infrastructure Value chain	Over 200 additional km of suspended/ decommissioned lines converted to tourism use by 2034 (as of 2024, ~670 km of lines for tourism use)	N.A.	In progress	N.D. monitoring from 2025	8, 9, 10, 11, 12, 17

Key

FS Group · Value chain · Railway infrastructure · Road infrastructure · Passenger transport · Freight transport · Urban · n Contribution to SDGs

Sustainable and integrated mobility for passengers and freight

ESRS S3-4 – Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions

ESRS S3-5 - Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

The new vision for the stations puts people's needs at the center, reorganises **outdoor spaces** by expanding surfaces and improving accessibility through **more inclusive design**, such as, for example, women-only "pink" parking spaces near the station for women workers working night shifts, new lighting systems, more welcoming routes - especially the underpasses - and the care of outdoor spaces, accompanied by greater control inside stations, including thanks to the extension of the current activities as an additional security monitoring.
With this in mind, the new station is the protagonist of an integrated mobility project, the hub of a **MaaS** (Mobility as a Service) system - with spaces and services capable of ensuring transition from one means of transport to another in a rapid, intuitive and smoother manner - the vital center of the smart city, an integral part of the urban fabric, and the driving force behind the redevelopment of disused, marginal or less attractive areas.
The dimension of the **relationship between the station and the external environment** requires the development of shared actions, i.e., close cooperation between RFI, central institutions and local authorities, aimed at ensuring that the other parties involved in the value chain also promote convergent policies and implement coherent actions, which are necessary to achieve an urban mobility ecosystem that enhances connections with stations. In this regard, the real-time data exchange between RFI and micromobility operators through the **Sharing Mobility Observatory** is relevant as well. In addition, during 2024, work was completed or underway on the technical/economic/definitive and executive feasibility design of **interventions on passenger buildings, outdoor areas and accessibility for numerous stations** under the Integrated Stations Plan (PIS), NRRP, Jubilee and the Milan-Cortina Olympics.

INTEGRATED STATION DEVELOPMENT PLAN

To increase the role and capacity of stations, an investment plan has been drawn up which primarily concerns stations with the greatest transport significance throughout the national territory, and which serve over 90% of the total passengers in transit on the network. According to the Plan, stations are to be redesigned with the aim of **fully expressing their potential as transport and service hub**, integrated in their urban context and capable of having a positive effect on redevelopment efforts of the local areas. Specifically, the Plan has the following main objectives:

- increasing the level of connectivity with local public transport, sharing mobility and active mobility;
- improving internal station accessibility, increasing the attractiveness, functionality, quality and safety of both indoor and outdoor space;
- enhancing infomobility and wayfinding outside and inside the station.

With a view to that, the following activities continued in 2024:

- **energy efficiency interventions and renewable energy supply/self-generation** works through the construction of PV systems on the roofs of the Passenger Buildings undergoing redevelopment, consisting of 26 PV systems for an expected production of about 1 MW, as well as the upgrading of the lighting systems with LED lamps and execution and implementation of works in about 50 Stations in the network for remote control and management of station civil installations and lighting for energy-saving purposes;
- **improvement interventions for the inclusion and accessibility of station spaces and services** (e.g., raising sidewalks, installation of new elevators, and tactile paths). To date, 320 stations are accessible for the three parameters related to: h55 sidewalks, presence of elevators/ramps, yellow stripes, and tactile paths on the sidewalks. To these already accessible stations are to be added 56 more planned by the end of 2025;
- the construction of **station access demarcation barriers** and work commenced on the installation of CCTV (Closed Circuit Television) systems in the first of the 23 stations involved in the Winter Olympics;
- the implementation of **international protocols for the assessment of energy and environmental**

With the aim of also ensuring greater accessibility of High Speed and Regional sales and service for deaf customers, since January 2024 Trenitalia has activated an innovative experimental video remote interpreting service in **Italian Sign Language** (LIS), free of charge and immediate, at the stations of Milano Centrale, Firenze Santa Maria Novella, Bologna Centrale, Roma Termini and Napoli Centrale, and later extended to Genoa Piazza Principe. Nearly 350 employees, including operators and coordinators distributed among the first five pilot stations, were trained to create the skills needed to use LIS, as well as to increase awareness of inclusion and accessibility issues.
In order to promote the train as a sustainable and safe means of transport, an awareness-raising campaign on the environmental and social benefits of a school trip by train was also activated, which was dedicated to schools of all levels throughout Italy under the **School Program Project**. In the 2024-2025 school year, about 1,700 teachers were reached through in-person meetings in various cities in Italy and two Didacta fairs, and 2,800 students through workshops in schools and a contest.
From a **freight** transport perspective, with a view to improving and increasing **rail** transport by promoting **intermodal transport**, RFI is committed, together with other European infrastructure managers, to the creation of a single multimodal trans-European network (TEN-T Network) to integrate land, sea and air transport. These adaptations will allow fewer trains to be produced for greater transport capacity, reducing the degree of network congestion and promoting the modal shift of freight transport to more sustainable modes. In addition, RFI established a technical working group with all freight railway companies and terminal operators in 2018 to support the strategy of the Ministry of Infrastructure and Transport, aimed at improving network accessibility and integration with other modes of transport. In this regard, **11 ports and 12 terminals** are expected to be upgraded by 2034. Among the plans in which RFI is engaged is the **plan to upgrade the electric traction system for heavy-duty freight trains up to 2,500 tons**. The plan aims to increase the electrical performance of the energy subsystem through the construction of new Electric Sub-Stations and Electric Traction Cabins, and the upgrading of some existing Sub-stations. To date, work has been completed on

the Luino Pass and its related lines while 2024 saw the activation of the Sub-station in Trenate.

Support to communities

ESRS S3-4 – Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions

ESRS S3-5 - Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

The FS Group is committed to social cohesion in the communities in which it operates through actions inspired by the principles of co-design and co-management of social interventions with Third Sector Entities and proximity institutions, in particular:

- **it grants spaces for the purpose of welcoming and inclusion of disadvantaged people**, contributing to the structuring of remedies and tools for the prevention of social gaps that persist in different local areas and that are traditionally concentrated in railway areas;
- it takes actions to stimulate the emergence of **tourist and cultural routes**, collaborating in the identification of cultural and tourist factors to be enhanced;
- it promotes, together with major institutions and sector foundations, **awareness and fundraising campaigns**.

Concession of spaces for the purpose of reception and inclusion of disadvantaged people: Help Centers and Reception Centers

Railway areas have always been centres of attraction in the area for many forms of hardship related to social marginalization and extreme poverty. In order to respond to this discomfort and, at the same time, ensure decorum and safety in the areas where the railway service is delivered, the Group, for about twenty years, has been granting Third Sector entities and Institutions spaces for the purpose of reception and inclusion of disadvantaged people. The activities that are carried out within the spaces belong to two different types: **Help Centers** and **Reception Centers**.

Help Centers are listening desks, which provide strategic safeguards aimed at intercepting social marginality and directing it toward paths of recovery, collaborating with social services and competent institutions.

The Group plays an important role in this project, granting free use of premises, in or near railway stations, to Municipalities or Third Sector associations dealing with marginality and social emergency, so that they can create and manage support and reception facilities for fragile or marginalised people. In order for the Help Centers to work synergistically, the Group relies on the close collaboration of the **National Observatory for Solidarity at Italian Stations** (ONDS). The ONDS, whose direction is entrusted to the social cooperative Europe Consulting, carries out the coordination of the centers, training for Help Center operators and the collection and analysis of data on social interventions carried out by the national network. The FS Group supports and accompanies the cooperation processes in the various local areas according to a co-programming approach, calling in different parties: the Third Sector Entities, which operate the Help Centers and all the services provided there on a daily basis; public authorities, holders of the social service and financial support; and donors: businesses or individual citizens, who contribute to the daily life of the centers with goods or voluntary services.

At present, Help Centers are present in the stations of Roma Termini, Milano Centrale, Torino PN, Chivasso, Genova Cornigliano, Brescia, Rovereto, Bologna Centrale, Firenze SMN, Grosseto, Livorno, Viareggio, Napoli Centrale, Foggia, Pescara, Bari, Reggio Calabria, Messina, Catania and Cagliari.

Network of Help Centers-Reception Centers

Help center *Housing*

The areas granted amount to more than 4,600 square meters and the expenses allocated by the Group for the operation (coordination, monitoring, reporting, updating and training) of the network of Help Centers under the control of ONDS is about €130 thousand on an annual basis.
Analyses conducted by the Observatory show that the main function of Help Centers is the ability to bring about a change in the lives of people who turn to them. The action of the Help Centers that make up the ONDS network differs according to the social and economic characteristics of local areas, the availability of space, the presence and composition of partnership cooperation networks, and the legal nature of the managing bodies. The activities are carried out in five macro-areas of primary needs, night shelter, day shelter, social secretariat and taking charge, and accompaniment.
In addition to the Help Centers, there are several **Reception Centers** inside railway premises that are no longer in use and are run by large Italian associations, particularly in Rome and Milan:

- "Don Luigi Di Liegro" Caritas Hostel in Rome;
- "Rifugio Caritas" Center in Milan;
- "Binario 95" day care center in Rome;
- "Arca onlus" Project in Milan; and
- "Pedro Arrupe" Center (in Rome) for asylum seekers and political refugees run by the Centro Astalli Association.

The total area, granted under a gratuitous loan for use for social activities carried out in the reception centers, corresponds to 7,964 m^2. Overall, the total area granted in 2024 under a gratuitous loan for use for social activities (Help Centers and Reception Centers) corresponds to more than 12,600 m^2.

Activities to stimulate the emergence of tourist and cultural routes.

Always at the side of the country's best energies, engaged in the world of knowledge, art, and music, the FS Italiane Group takes part in supporting culture, in all its forms and through the numerous partnerships activated this year with the art world: the "Renoir Cezanne" exhibitions in Milan and the exhibitions dedicated to Guido Guidi and "Memorable. Hypermoda" at the Maxxi in Rome.
Major agreements with important events, institutions and internationally renowned museum centers in which the Group has participated include: the Rome Film Festival with the customisation of the audience Award for the best film voted by viewers; the 2024 Film Impresa Award, an event dedicated to business cinema in Italy; the 2024 exhibitions at Palazzo Strozzi in Florence, Palazzo Ducale in Genoa, and Palazzo Reale in Milan; cultural events in large and small cities such as the Turin Book Fair together with which FS promoted a literary competition entitled "A/R Andata e Racconto" dedicated to the Romance genre; and the Communication Festival in Camogli; the Egyptian Museum, with the return of the Rock Chapel of Ellesiya, which is once again accessible to the public thanks to a project chosen and promoted by the FS Group together with other partners; and the exhibition "Il tempo del Futurismo", organised by the Ministry of Culture on the occasion of the 80th anniversary of the death of Filippo Tommaso Marinetti, set up in the prestigious spaces of the National Gallery of Modern and Contemporary Art in Rome.
Once again, FS was at the side of the Ministry of the Interior's Worship Buildings Fund with the project "The Seasons of Tarvisio" to raise travellers' awareness, through its media, of the great natural heritage of the Tarvisio forest complex, one of the most extensive in Europe, which touches, in addition to Italy, two other nations, Austria and Slovenia. In addition, the historic association with the Accademia Nazionale di S. Cecilia, of which FS Italiane is a Founding Member, was confirmed and further strengthened.

Awareness and fundraising campaigns 2024

In 2024, the Ferrovie dello Stato Italiane Group promoted Diversity&Inclusion and health protection initiatives together with leading institutions and foundations in the sector. Below are the main projects in which the Group participated:

- **Frecciarosa** train - prevention travels by train;
- **Race for the Cure** - the partnership strengthened FS Italiane's commitment to the largest event to fight breast cancer in Italy and around the world;
- **Rigenerazione Futuro** - an innovative crowdfunding project carried out in collaboration with the Civita Association, with the aim of generating value in the territories of the Regions of Sicily and Calabria, through the active involvement of the local Third Sector entities, and the implementation of innovative projects on the themes of culture, tourism and sustainability.

The FS Group has dedicated its **annual fundraising campaign** to support AIPD, the Italian Association of People with Down Syndrome. AIPD has stood by people with Down Syndrome and their families for 45 years and is committed to disseminating information, promoting school and work inclusion, and carrying out awareness campaigns.

Infrastructure development and improvement

ESRS S3-3 - Processes to remediate negative impacts and channels for affected communities to raise concerns

ESRS S3-4 – Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions azioni

ESRS S3-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

Major infrastructure works constitute a fundamental pillar within the landscape, deeply influencing sociocultural and environmental life and contributing to the development of local areas and communities. In this specific segment, it is the FS Group's Infrastructure sector that deals with accessible, integrated, resilient and interconnected road and rail works. Infrastructure is developed according to **sustainability criteria** throughout its life cycle: design, construction, operation, maintenance and decommissioning. Moreover, the incorporation of these works into the territory requires an **integrated assessment of environmental, social and economic impacts** with respect to the entire useful life cycle of the asset.

As a result, systematic dialogue with the **stakeholders** in the construction process, which begins in the initial design stages and continues through infrastructure construction and operation, is crucial. **Stakeholder engagement** plays a central role in terms of the value that a shared project expresses in its inherent ability to translate an infrastructure project into a true "social project," in which the needs and expectations in local areas outline the course of action along which to develop the "right" project that generates a sense of participation and belonging in the community, and supports their growth in a long-term perspective.

A major focus of environmental studies is the **analysis of the territorial context** in which the work is located, assess- ing beforehand the temporary impact on the territory, linked to the activation and management of the site, and the permanent impact, following completion of the project, and identifying in advance the necessary mitigation and offsetting measures. This approach seeks to guide the project and operations stage, by setting up a model that also involves **construction firms**, and is able to identify the significant environmental aspects of a construction site that should be managed with a circular view, to preserve the value of resources and promote the regeneration of the natural capital and the ecosystem. In order to minimise the impacts in the construction and operation stages of the new projects or expansion of existing works, actions are aimed at **reducing the residual environmental impact**, such as: landscaping and naturalistic engineering of the road and railway appurtenances and tunnel entrances, maintenance of connectivity via ecoducts such as wildlife bridges and underpasses, treatment of construction site water, reduction of dust air pollution by dust abatement systems and installation of plant barriers also intended to mitigate the landscape impact; and fixed or mobile noise barriers to reduce noise pollution.

The companies of the FS Group have a variety of tools to strengthen integration of the project in the local area. In order to provide a complete and transparent overview of the favourable effects resulting from the works, **databases, websites** (Environmental Observatory portal) and **info points** have been designed and developed in collaboration with the Ministry of Environment and Energy Security, local authorities and administrations, which constantly inform citizens about the state of environmental quality of the local area affected by construction activities, environmental mitigation and/or compensatory works related to the project, and environmental monitoring activities that are carried out. In addition, a specific **sentiment analysis platform** has been set up to capture the attention and wishes of the various stakeholders. This

makes it possible to perform social web monitoring activities on strategic infrastructural projects by enabling active listening and providing large amounts of data from texts on the Internet (websites, social networks, blogs or forums), thus measuring the sentiment on key issues by the relevant stakeholders. For this purpose, **social monitoring** activities are also useful, aimed at directing the most appropriate communication and stakeholder engagement actions with a view to profitable participation and concrete sharing of the choices made. Highlighted in strategic works is the **"Cantieri Parlanti" Project**, in which construction sites become communication and aggregation hubs with the use of information panels that provide details, data and benefits of the infrastructure being built. The construction site also opens to the public through dedicated Open Days and other initiatives for citizens, students and associations. Preliminary **archaeological studies and surveys** take on special importance during the design phase. The outcome of these activities allows the locally competent Archaeological Superintendencies to give their opinion on the examined projects, providing for the subsequent requirements for the executive phase.
The activities of **sharing, participation and engagement** do not end with the implementation of the project but continue with the acquisition of feedback from the affected communities in order to "measure" their fulfilment of the requirements set out (for more information, please refer to the relevant company pages: www.rfi.it e www.stradeanas.it).
On road infrastructure, one of the priorities is to guarantee a level of **safety** of the structures, the safety of users and to streamline management costs and response times. In this connection, a **Structural Health Monitoring program** (SHM) may serve as an example. It entails developing an integrated system for risk survey, classification and management and dynamic infrastructure monitoring. This is carried out via a **big data platform** that enables monitoring of the health of engineering structures over time, especially bridges and tunnels. Further major objective is to minimise and mitigate induced impacts and, in this sense, Anas has launched several projects, such as: **Sustainable Construction Site**, aimed at envisaging the adoption of best-practices in the construction and maintenance phases of road infrastructure to reduce environmental impacts, which includes, among other things, the drafting of *Sustainable Construction Site Guidelines* with performance indicators; **Road Water**, aimed at assessing the effectiveness and efficiency of the road runoff treatment systems currently adopted, which also initially envisages the implementation of a **database** with information on the treatment systems present on the ANAS network.
Railway stations are an iconic item of the FS Italiane Group's infrastructural system. They are increasingly integrated and integrating hubs in urban fabrics and the core of past, present and future cities. In addition to being smart and interconnected, the new concept requires a station to be also pleasant and safe, as well as to drive environmental regeneration and to bridge gaps in the urban fabric. Therefore, stations need to promote urban planting projects, and provide squares and spaces for new opportunities for recreation and socialisation, as well as serving their purpose as mobility hubs.
The investment programme under the **National Recovery and Resilience Plan** (NRRP) plays a significant role in providing opportunities for creating a sustainable infrastructure and mobility system.
Over the past few years, sustainability projects, studies and reports of the works planned under the NRRP have been developed according to the *Guidelines for drafting technical and economic feasibility project to be used as the basis for awarding public works contracts of the NRRP and the NCP*[134] , with the aim of providing a clear reading on the potential to **generate value for communities**. With regard to the contribution of railway infrastructure to **climate change mitigation**, specific assessments considering the environmental objectives as per the EU Taxonomy Regulation (EU) 852/2020 for the application of the Do No Significant Harm (DNSH) principle are carried out as part of the design. In support of the environmental objectives proposed by the Taxonomy, for projects for which a potential impact is assessed, such as to deem it appropriate to start an **Environmental Impact Assessment** (EIA) procedure, or those financed by NRRP/NCP, specific assessments of climate vulnerability and risk are carried out with the identification, if necessary, of specific design solutions for adaptation to the current and future climate. In addition, for those projects that envisage the **Environmental Site Project**, an analysis is carried out of the constraints of the site areas, such as hydraulic, hydro- geological, geomorphological, etc., while in those that envisage the **Environmental Impact Study**, the project is also analysed with reference to the National Strategy for Adaptation to Climate Change. Furthermore, by measuring sustainability indicators, the analyses stressed the benefits offered by infrastructure

134. NCP: the National Complementary Plan, set forth with Law Decree no. 59 of 6 May 2021, as converted, with amendments, by Law of 1 July 2021, has the aim of integrating and enhancing the contents of the National Recovery and Resilience Plan.

projects in terms of **economic, environmental, social and tourist development** of the regions, and did not point to any significant critical issues. Projects that directly or indirectly involve protected areas (e.g. Nature parks, Special Conservation Areas, Sites of Community Importance, Natura 2000 network, etc.) undergo special scrutiny.

STATIONS OF THE FUTURE UNDER THE SIGN OF THE ENVISION PROTOCOL

Rete Ferroviaria Italiana and ICMQ (Institute for Certification and Quality Mark), the certifying body of the Envision protocol in Italy for construction, have jointly drafted a **vademecum** aimed at all players involved in the design of interventions involving railway stations, whether existing or soon to be built. The document aims to ensure, from the earliest design stages, high quality standards and high performance in terms of environmental, social and economic sustainability. The adoption of the protocol allows to meet and guarantee, through a rigorous rating system certified by an independent body, the achievement of these objectives in the design and construction phases. The Envision protocol is a functional tool for guiding projects in compliance with high quality standards and from a sustainable perspective. Its strategic approach makes it possible to integrate the interventions planned for the stations into the environmental, historical and social context of reference, in order to best meet the needs of an increasing number of people passing through the stations and experiencing their urban "surroundings." The beneficiaries of the guideline will be RFI's company units and all FS Group companies involved in design activities, third-party designers who were awarded Framework Agreements, and the operators involved in the construction of the works.
The guidelines may be applied to the following interventions:

- new railway stations;
- existing stations to be redeveloped;
- existing stations, suspended from operation, to be reactivated and defunctionalized.

Land protection and development

ESRS S3-4 – Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions

ESRS S3-5 - Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

The regeneration of our heritage

The FS Group, particularly FS Sistemi Urbani, creates the conditions for scenarios of regeneration and use, including temporary use, of **disused railway areas**, areas destined to become new urban centres and districts. For this reason, a dialogue is constantly established with local authorities in order to give answers to cities and urban communities. The railroad too often represents a rupture in the center of cities, an urban void to be filled and returned to citizenship with new gathering spaces and green areas. One example is the urban regeneration project for Milan's seven rail yards, which will transform the face of the city, making it greener, more social and open to innovation. Green is a central element of the project and its usefulness manifests itself not only as a space for sociality and well-being but also as a climatic device capable of purifying the air and regulating temperatures, thus promoting energy savings. The Program Agreement signed in 2017 by the FS Group, the Lombardy Regional Government and the Municipality of Milan stipulates that most of the square meters affected by the transformation are to be used for green space, with a minimum percentage of more than 65%. Central to the various development projects is the social dimension, for the creation of places of aggregation and culture. For this reason, public consultation with those who live the city on a daily basis is a key element of the path to land regeneration. In recent years, the Group, as part of the Reinventing Cities project, has put forward proposals for the sustainable transformation of underutilised sites in several Italian cities (Milan, Rome, Bologna, etc.). In addition, it promotes the redevelopment for tourism purposes of disused railway sections with great landscape, historical-archaeological and urbanistic value. The *Binari Senza Tempo* project of FS Foundation also aims to give a new life to the railway lines that cross the Italian province, creating an innovative formula of railway tourism[135]. In particular, the aim is to create railway routes intended for historical-tourist trains, preserving the railway functionality and local role of secondary lines, which are now in low demand for commercial transport. Thanks to the 2017 Law on Historic Railways, stimulated also by the work of the FS Foundation, today these lines are protected and meet the new purpose of giving new value to the local areas they pass through, creating a diffuse museum - a mobile museum, if you will - of Italy's small villages and landscape jewels.

"Local stations" project

The FS Group's project targets Municipalities with a population of less than 15,000 and includes a pilot phase, in collaboration with the Extraordinary Commissioner for Post-earthquake Reconstruction 2016, involving 5 municipalities in the earthquake crater. Subsequently, the project will be expanded to another 15 municipalities distributed throughout the country. The project aims to transform stations from simple transit points to centers of aggregation of services for the community and the local area. The project has a strong social value, as it aims to revitalise small villages, so as to make them attractive to new generations, improving the quality of life for residents. These facilities will house a multidisciplinary team to ensure that the target community is taken care of under the project. We will bring fundamental and innovative services to the stations to protect the health and well-being of citizens, such as precisely the community houses, the implementation of telemedicine, and the development of service pharmacies. The HUB will offer all-round services, such as co-working and training spaces, pick-up points for e-commerce systems, the installation of electric vehicle charging stations and the development of PV systems. All this to make stations true centers of attraction and service for citizens. A new model of the station as the heart of the social fabric, which is flexible and adaptable to the citizens' needs.

Reuse of real estate assets for social purposes

In addition to the assets functional to its core business, the FS Group owns real estate assets that include areas that cannot be used for commercial purposes: these are portions of unmanned stations, former station houses and other disused buildings and railway lines. In agreement with Public Authorities and other entities, they are converted to create social spaces, greenways and other initiatives in favour of local communities.

In 488 stations - in agreement with institutions, local authorities and associations - these spaces have been earmarked for social, cultural and environmental activities, in particular to enhance the territory and for services in favour of citizens[136]. A total of approximately 193,943[137] sq. m. of space has been allocated for these purposes. The institutions, local authorities and non-profit organisations involved undertake to maintain the spaces allocated to them and, at the same time, to provide services to the community, thus contributing to making the unmanned stations and the Group's other real estate covered by the agreements safer and livelier.

The FS Italiane Group's commitment to achieving the right balance between sustainability and transport through the rehabilitation of the built environment is also realised through the introduction of greenways. The latter are railway lines that are no longer functional and have been decommissioned from operation, which are upgraded in order to implement the existing network of cycling and walking networks, connecting several communities. There are approximately 1,325[138] kilometres of disused railway lines, which could potentially be used for social and soft mobility purposes. Currently, about 513 kilometres of disused lines have been converted into tourist lines, cycle routes and greenways.

RFI has published the Atlas of greenways on FS lines: from disuse to reuse, which presents data on the projects spread throughout Italy, places of interest in the vicinity and future prospects, with the aim of actively contributing to increasing slow mobility and tourist flows.

You can download the complete atlas at: https://www.rfi.it.

Archeolog and the valorisation of archaeological finds

Archeolog is a no-profit association, which has been registered as a Third Sector Entity since 2023. Founded by Anas SpA and Quadrilatero Marche Umbria SpA in 2015, it also includes RFI SpA and Italferr SpA; its purpose is to enhance the most significant

135. For more information, please refer to the section dedicated to FS Italiane Foundation.
136. The number refers to stations covered by at least one free loan agreement.
137. The number refers to buildings granted on gratuitous loan for use inside and outside the station; with regard to station forecourts and/or land, approximately 4,005,855 sq. m. was granted by the Group.
138. The figure for disused lines does not include disused lines intended for reactivation as tourist railway lines (185 km).

archaeological finds discovered during the construction of new road and rail routes. For the FS Group, this association plays a fundamental role because it is able to transform archaeological data, from an element of risk for public works, into a real opportunity for the development of the area affected by the finds, making the inclusion of an infrastructure in the territory not an obstacle but an added value. Archeolog's objective is therefore the redevelopment and enhancement of archaeological finds, since they represent a fundamental contribution to the promotion of Italian culture and history, without underestimating the enormous impact on tourism that some finds can promote.

The FS Group, through Archeolog and in agreement with the Ministry of Culture, undertakes to carry out fund-raising activities for the restoration, conservation and exploitation of the sites and artefacts found, in addition to those already agreed upon with the Superintendencies within the framework of the project and implementation activities already undertaken by each company.
Right from the initial design phases, in compliance with current legislation, the FS Group's specialist departments carry out a detailed study to identify areas of archaeological potential. The areas, based on the indications of the Superintendency, are subjected to direct or indirect investigations and, in the case of discoveries, also to extensive excavations. The finds made in these phases can be exploited directly by the individual Group companies or through the activities of Archeolog in the case of particularly prestigious contexts that require major organisational efforts.

Fondazione FS Italiane

With a view to preserving and making usable the historical and cultural heritage represented by historical trains and documentary material (books, documents and maps, audiovisual material), the Group affects through **Fondazione FS Italiane**, which is active since 2013. Promoters of Fondazione FS are Ferrovie dello Stato Italiane, Rete Ferroviaria Italiana and Trenitalia.

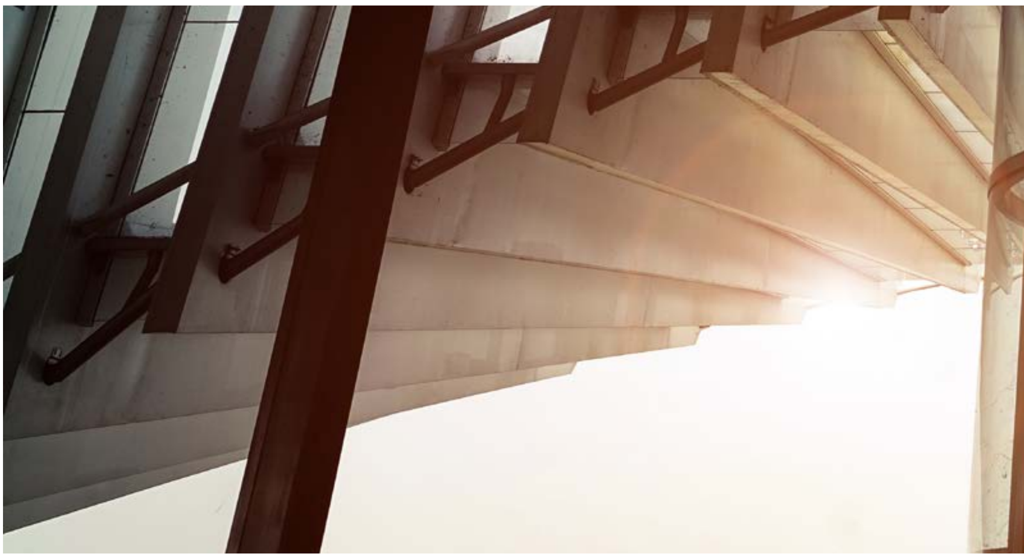
20 steam engines
21 electric and diesel engines
13 electric and diesel railcars
110 carriages and special vehicles
28 wagons and luggage wagons
18 presidential train carriages
1 "ETR 252 Arlecchino" fast electric train

55 rolling stock on show
39 to-scale station models
1 library with about 2,000 books
1 Trecento Treni model (18x2m)
1 model of the Rhaetian railway Tirano-Saint Moritz (56m)
1 plastic model of the Battipaglia station (4x1.8m)
1 De Marchi model (4.5x1.5m)

12,000 plans and blueprints of the network and stations
7,000 architectural drawings of railway stations and buildings
7,000 rolls of technical drawings of historic engines and rolling stock
10,000 photographs of rolling stock, traction vehicles, carriages and wagons

60,000 historic volumes and periodicals
2,000 blueprints and profiles

500,000 b/w and colour photographs, analogue and digital
3,500 video cassettes
3,000 films



NATIONAL RAILWAY MUSEUM OF PIETRARSA

250,025 visitors
2,223 historic train visitors
65 business events
€2,904,996 of revenue

ARCHIVES, LIBRARY AND DIGITAL PRODUCTS

250 users in person
450 requests for document delivery/dissemination of the heritage
9 exhibitions /photographic exhibitions
2 thematic conferences
1 project to recover and enhance historical archives
1 publishing project in three paper versions
5 monographic publications
1 project to enhance historical archives and the audience development

JOURNEYS OF HISTORIC TRAINS

412 individual journeys with historic trains for a total of 74,804 passengers of which
170 journeys with historic trains on Timeless Rails* for a total of 49,320 passengers
51,426 kilometres travelled
€4,498,988 of revenue

ROYAL AND PRESIDENTIAL ROOMS

12 Royal and presidential halls
25,488 visitors
€243,944 of revenue
15 business events

* railway lines, between nature and art, dedicated solely to historic-tourist trains, outside the main rail hubs and lines with intense traffic

CONSUMERS AND END USERS

1st-level topic	2nd-level topic	I	R	O
Safety of transport, infrastructure and other assets	Safety and reliability of the means of transport	✓		
	Safety and reliability of rail (lines and stations) and road infrastructures	✓	✓	✓
	Safety and reliability of other assets (e.g. workshops, parking lots, properties, terminals, etc.)	✓		
	Protection of passengers, infrastructures, means of transport and real estate assets against damage caused by third parties	✓	✓	
Value to the customer	Service quality	✓		✓
	Usability and accessibility of services	✓	✓	✓
	Protection of data of customers/users and cyber security	✓	✓	✓

Management policies and tools

- Code of Ethics
- Sustainability Policy
- Data Protection Framework
- Management systems
- Service Charter[139]

Strategy

ESRS 2 SBM-2 – Interests and views of stakeholders

The process of identifying and assessing impacts, risks and opportunities related to consumers and end users, and how their respective interests and views are taken into account in the strategy and business model are described in the paragraph on *Stakeholder management and double materiality process*.

ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model(s)

The FS Group, as part of its disclosure under ESRS 2, has included all affected communities and/or end-users that could be affected by material impacts, including those directly related to the Group's own operations and value chain, including through the company's services offered and business relationships.

Customers of the mobility services offered by companies that pertain to the transport sector, both passenger and freight, and people who interact with the rail and road system operated by the Group represent the types of consumers and/or end users subject to the material impacts we have reported.

All negative impacts, to which the aforementioned stakeholders are or could be exposed, are related to individual accidents and injuries that may occur in the course of business activities (e.g., rail and road accidents, personal data breaches) while material positive impacts are determined by the activities of designing, planning and offering integrated, quality mobility services that are accessible to all of the Group's customers (especially people with reduced mobility).

Material risks arising from negative impacts generated by the company on consumers and users include, but are not limited to, "Loss of confidentiality, integrity or availability of information." Any cyber threats to customer data could have negative economic effects, in terms of sanctions from the Data Protection Authority, litigation, and damage to image.

Among material opportunities arising from the positive impacts generated by the company on consumers and users include, by way of example, those related to "Social inclusion of consumers and/or end users"; for example, expanding the number of railway stations where Passengers with Reduced Mobility (PRM) service is available, produces positive economic effects from improving reputation and strengthening the bond of trust with citizens, in addition to generating direct positive impacts on consumers.

Material risks and opportunities in relation to consumers and end users do not involve specific groups but all consumers and users.

139. The Service Charter is the tool whereby the company discloses and reports its principles and commitments to improve the services it offers; these documents are published on the companies' websites and are therefore available to all interest stakeholders.

Policies, actions and targets

ESRS S4-1 – Policies related to consumers and end-users

The FS Group **has adopted the "Sustainability Policy"** to manage material impacts, risks and opportunities on consumers and end users.
For this reason, as referred to within the Code of Ethics, the Group is committed to:

- **ensuring the quality of the service offered**, rendered and perceived, **including by listening to customers** and systematically promoting customer satisfaction detection and analysis tools;
- **respecting the right of consumers**, providing, through the official communication channels of each company of the Group, clear, proper and exhaustive information about the services offered.

In particular, **the safety of people is a priority for the Group**, as well as a strategic factor, which translates into a daily commitment to ensure the highest standards on its network (both rail and road) and for all services offered.
The Group acts to ensure the full safety of all production activities and that the risks associated with its business are reduced to the minimum for workers, the environment, passengers, citizens and all stakeholders.

ESRS S4-2 – Processes for engaging with consumers and end-users about impacts

Our actions, in all its manifestations, are constantly and firmly inspired by the principle of customer centricity. As stated in the Sustainability Policy, the Group is committed to the activation of systematic engagement processes for its stakeholders. In particular, the Group's customers are directly involved, several times during the year, through a set of tools (e.g., customer satisfaction surveys, service conferences, etc.) regarding the impacts, both actual and potential, which affect them, with the aim of ensuring safe, reliable and quality service.
For more details regarding the engagement processes and results collected, please refer to the specific disclosures in the sections on *Safety of transport, infrastructure and other assets, Value to the Customer and Security, Cyber Security and Privacy below.*

ESRS S4-3 – Processes to remediate negative impacts and channels for consumers and end-users to raise concerns

The FS Group offers several channels for customers to express their concerns and file complaints. Customers are informed of the existence of these tools through various channels (e.g., institutional websites), on board transport vehicles, and in station spaces. It is possible to file a complaint within three months of the inconvenience, using various channels such as Webform and Paper Form. This system allows users to report problems with train and station services, such as public information, assistance to people with disabilities, comfort and cleanliness, accessibility conditions, and safety. Once the complaint is received, FS undertakes to provide an appropriate and reasoned response within thirty calendar days. If it is not possible to respond within this period, users will be informed of the date by which you can expect a response, which in any case shall not exceed ninety calendar days. If no response is received within this period, users are entitled to compensation.
For more details regarding the processes to remediate negative impacts and the channels that allow customers to express their concerns, please refer to the specific disclosures provided in the sections on *Safety of transport, infrastructure and other assets, Value to the Customer and Security, Cyber Security and Privacy* below.

ESRS S4-4 – Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions

ESRS S4-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

ESRS 2 GOV-4 – Statement on due diligence

The table below shows the **actions implemented and/or planned** to manage impacts – both positive and negative, actual and potential - and address risks and opportunities, as well as achieve the goals and objectives of related policies.

Actions	Scope	Target	Value and base year	Status	Results 2024	SDGs (Agenda 2030)
SAFETY OF TRANSPORT, INFRASTRUCTURE AND OTHER ASSETS						
• Continued suppression and/or technological equipping of higher-risk level crossings • Active and passive protection systems for work sites and construction equipment • Network Protection Plan to counter the phenomenon of undue crossing (e.g., fencing/barriers/ video surveillance systems)		**~0 fatalities** among **passengers** (train, bus, and other mobility systems), employees of **contractors** and among **people interacting with the rail system** to 2050[140]	N.A.	In progress	**80 fatalities**, including 2 passengers, 2 employees of contractors, and 76 people interacting with the rail system (6 users of level crossings and 70 people unduly crossing the railroad track)	3, 8, 9, 11
• Active and passive safety systems on the entire bus fleet						
• Smart Train and Smart Wagon 2.0 projects, installation of sensors for monitoring safety parameters and measuring anomalies • Digital Automatic Coupler (DAC) project on new wagons and locomotives concerning digital automatic coupling to increase safety in shunting activities • Optoelectronic assistant for freight trains: to carry out visits to freight trains in checks and maintenance, in order to facilitate and improve the effectiveness of wagon inspection, systematise and standardise the quality and control carried out (information and any critical issues in real time) • Phonic upgrading of wagon fleet - retrofit and revamping: modification of braking system with installation of soles made of organic/composite material that can also improve train stability, reducing vibrations and the risk of structural failures that could compromise safety, as well as facilitating monitoring of operational performance and early detection of any faults						
• Smart road implementation on more than 6,700 km of roads • Installation of Vergilius traffic safety and control system		**50% reduction** in fatalities compared to 2015 on roads under Anas' responsibility by 2030	426 fatalities (ISTAT data, base year 2015)	In progress	**-1.5%** (420 fatalities)	3, 8, 9, 11

140. The number of fatalities among passengers and people interacting with the rail system refers to services provided in Italy and updated at 8 January 2025 may be subject to change as a result of findings from the competent Authority on suicides/attempted suicides; fatalities on roads under Anas' responsibility are excluded from monitoring, for which a specific target has been set.

Actions	Scope	Target	Value and base year	Status	Results 2024	SDGs (Agenda 2030)
VALUE TO CUSTOMER						
• Renewal of Train fleet for HS service • Commercial initiatives to calibrate the travel experience to each individual		+3 p.p. in terms of **Net Promoter Score** (NPS) passengers[141] at 2029	NPS equal to 54% (base year 2024)	In progress	**54%**	9 10 11 12

Key

FS Group | Value chain | Railway infrastructure | Road infrastructure | Passenger transport | Freight transport | Urban | n Contribution to SDGs

Safety of transport, infrastructure and other assets

ESRS S4-3 – Processes to remediate negative impacts and channels for consumers and end-users to raise concerns

ESRS S4-4 – Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions

ESRS S4-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

Railway safety

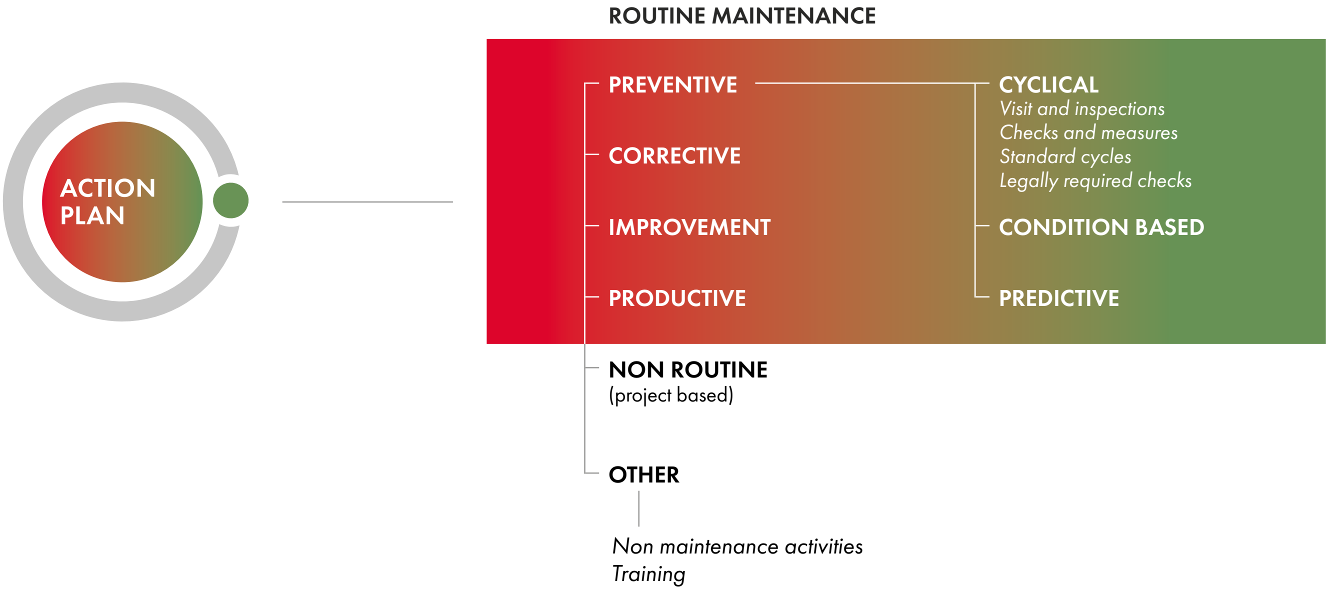
The Group is **fully committed to the safety of the service offered to customers** (passengers, industrial customers and railway companies).
Safety is indeed a key value pursued by **directly and constantly monitoring the balance between technologies, people and organisation** right from the early stages of infrastructural projects as well as services and industrial processes.
The equipment and systems for traffic safety to date used on the Italian network are diversified and integrated with each other according to the characteristics of the lines and the type of traffic on them (passenger or freight; long, medium or short distance) and ensure:

- traffic operation in stations, junctions and other service locations, enabling safe operation of switches, signals, etc., in relation to the tracks assigned to each train[142];
- train spacing, allowing safe distance between trains on the lines to be maintained at all times[143];
- protection of train running[144];
- supervision and remote control of traffic[145];
- the protection of traffic at points of intersection with the road network (rail crossings);
- the acquisition and transfer of ground and on-board information[146].

Maintenance is a key process for the management of infrastructure and fleets, in which people, equipment and technologies are constantly engaged in planning and implementing actions aimed at maintaining or restoring the condition of an asset (a plant, equipment, a train, etc. - undergoing maintenance) so that it can perform the required function, with the ultimate goal of ensuring:

- high quality of the service by means of regular and constant usability of the infrastructure and stock;
- traffic reliability and safety standards that comply with the applicable regulations.

141. The Net Promoter Score (NPS) is an index that measures customers' willingness to recommend a company's products or services to others. The score is calculated on a scale of 1 to 9, classifying customers who respond between 8 and 9 as "promoters" and those who respond between 1 and 5 as "detractors." The NPS is calculated by subtracting the percentage of detractors from the percentage of promoters. The figure is for high-speed (HS) service provided by Trenitalia.
142. Central equipment: ACE - Central Electric Equipment, ACEI-Central Electric Itinerary Equipment, ACC Central Computerised Equipment, ACC-M Multistation Computerised Central Equipment.
143. Technological headway systems such as: BA= automatic block; BAB= automatic block system of two-way working lines; BCA= axle counter block; BCAB= axle counter block of two-way working lines; BR= radio block for HS/HC lines.
144. SSC - Driver Support System, SCMT - Train Operation Control System, ERTMS - European Rail Train Management System.
145. SCC - Command and Control System, with its evolutions designed for HS along lines, SCC-AV, SCC-M) and CTC - Centralised Traffic Control system.
146. Dedicated GSM-R telecommunication system, where R stands for Railway.



The maintenance activities of railway infrastructure are carried out through **standardised processes** and by implementing **different maintenance policies**:

- **corrective maintenance:** performed after a fault is detected, it aims at restoring the condition in which an asset can perform the required function;
- **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 of an asset;
- **proactive/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.

Maintenance is carried out according to plans that are also developed by extensively **monitoring the network through the diagnostics activity**. Diagnostics enable operators to automatically determine the conditions of various infrastructure components, assessing their wear and tear through an efficient IT system.

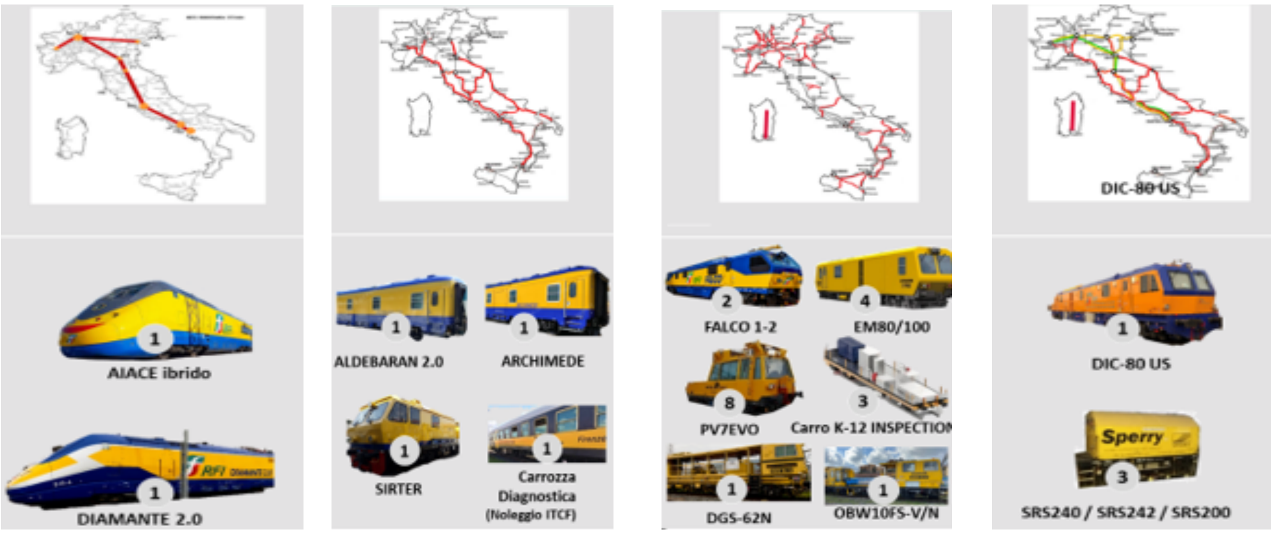
Diagnostics systems may be fixed or mobile:

- **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** systems entail equipping rolling stock with measurement systems that give important infrastructure readings.

Diagnostic trains used by the Group can accurately diagnose the infrastructure by monitoring the functioning parameters 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 into **classes** 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 the level of reliability required by the market, using specific diagnostic trains.

Superstructure, Telecommunications, Electric Traction and Signalling			Ultrasounds[147]
1st class (2 weeks)	2nd class (2 months)	3rd-4th class (4-6 months)	(6-12-24 months)



As at 31 December 2024, RFI had a fleet of 28 diagnostic vehicles (3 of which for the HS/HC network), set to be extended up too approx. 50 vehicles in the coming years.
An operating schedule is prepared annually for the diagnostic fleet in order to meet diagnostic and monitoring requirements prescribed by current procedures. The following main parameters are checked during diagnostic activities:

- **Superstructure**: track geometry, rail wear and integrity, equivalent conicity, running dynamics, wave wear, wheel-rail interactions, assessment of the internal rail condition and video monitoring of the elements making up the track;
- **Electric Traction**: contact line geometry and wear, pantograph-overhead contact line interaction, overhead contact line voltage and current, and electric arcs;
- **Telecommunications**: coverage and quality of the GSM/GSM-R voice channel and of the LTE data channel;
- **Signalling**: Euroradio, Eurobalise, BACC and SSC channels used in the protection systems of European (ERTMS/ETCS) and national trains (SCMT and SSC).

In order to create a single, effective tool to monitor the condition of the infrastructure, RFI also set up a **centralised information system** to gather and collate the information provided by both mobile and fixed 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, from an almost exclusively **cyclical approach to a condition-based approach** when it was possible to apply diagnostic information on the infrastructure.
Furthermore, over the past few years, **predictive** maintenance criteria have been increasingly developed 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.

147. Diagnostics trains which carry out ultrasound checks on internal track defects.

MAINTENANCE OF RAILWAY VEHICLES

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 through an organisation that provides for several functions:

- a unit that supervises and coordinates all stages of maintenance to ensure safe conditions for railway system vehicles;
- a central 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 **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.

Monitoring the safety performance of the railway infrastructure operated by RFI

Safety performance on the railway infrastructure operated by RFI is monitored using indicators calculated based on the data stored in database (Accident Database for monitoring of incidents and inconveniences) in accordance with current international criteria (issued by the ERA - 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, train derailments, accidents at rail crossings, fires on-board rolling stock, accidents to people involving rolling stock in motion, excluding suicides and attempted 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 ERA has also prepared and assigned common safety targets (CST[148]) at European level and national reference values (NRV[149]), based on time-series data.

The table below shows the Group's actual safety data for 2024 compared with certain common safety targets (Measurement Unit expressed in FWSI[150] on a graduated scale). Specifically, the table below compares the accumulated data on RFI performance, the National Infrastructure Operator, for each risk category[151] and each indicator, with Common Safety Targets (CSTs) along with specific national targets assigned to Italy (NRV) under Directive 2013/753/EU.
CST and NRV refer to the entire Italian railway system and concern both the infrastructure managed by RFI and on networks operated by other Infrastructure Operators.

148. Common Safety Target – CST.
149. National Reference Value: specific value assigned to the railway system of each member country based on the various CSTs.
150. Fatalities and Weighted Serious Injuries.
151. Type of people who could suffer injury from a railway accident.

COMMON SAFETY TARGETS

Risk category	Measurement unit	Graduated scale	Targets CST Common (x10⁹)	NRV Italy (x10⁹)	Actual RFI (x10⁹)
Passengers	Number of passengers FWSI per year calculated based on significant injuries/passenger train*km per year	passenger train*km per year	170,00	38,10	6,34
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	2.91
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	16.70
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 that are not on the pavement					
Person crossing the tracks wrongly	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	193.76

It should be noted that, from the data analysis, the only value above the NRV[152] index threshold was still found to comply with the European CST target. From the analysis of significant accidents[153] it emerges that there were 126 significant accidents in 2024 on the railway infrastructure managed by RFI, which overall caused 79 deaths and 35 serious injuries (in addition to financial damage to infrastructure, the rolling stock involved, third parties and service disruptions over 6 hours due to a main line interruption).

HARM TO PEOPLE[154]

Type	Deaths	Serious injuries
RFI employees (including contractors)	1	1
Passengers	2	0
Users of railroad crossings	6	3
People crossing the track wrongly	70	31
Other people on the pavement	0	0
Other people not on the pavement	0	0
Total	**79**	**35**

With regard to the analysis of the causes of significant accidents, it should be noted that 115 events were attributable to factors external to the Group. As for the overall accident rate under RFI's responsibility, 82 events were recorded in 2024, 8 of which were significant and involved:

- **two** train collisions against obstacles;
- **one** train collision against trees encumbering the track;
- **one** derailment of construction means and equipment;
- **one** derailment of shunting rolling stock;
- **two** derailments of traction equipment or rolling stock in train composition;
- **one** collision between trains running in the same direction.

152. Persons unduly trespassing or crossing the tracks (violations of safety regulations by persons outside the railway system).
153. 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 (hospitalisation > 24h), or in significant damage to stock, track, other installations or environment, or extensive disruptions to traffic. Accidents in workshops, warehouses and depots are excluded.
154. Data updated as at 8 January 2025, which might be subject to changes based on the findings of the competent Authorities on suicides/attempted suicides.

Parallel to the monitoring of safety performance by means of the ERA classification, the Group also monitors performance in accordance with the UIC's guidelines , in order to be able to compare its performance in the international context. Typical UIC accidents are weighted according to an overall index with respect to certain parameters such as: the type (train on train, train on people, train on vehicles, etc.); the extent of personal injury (number of deaths or injuries); the category of persons injured (any violations by the person); the liability (endogenous or exogenous).
Of the 14 typical UIC accidents that occurred in 2024 in the area of operations, 4 were of an exogenous nature (i.e. with responsibility related to causes external to the railway system) while the remaining 10 related to causes attributable to the reliability of the operation of the railway system. Of the total, the typical accidents with RFI responsibility recorded in 2024 were 7.

Road safety

The Group's goal is to **guarantee traffic safety in the network it operates**, in line with the "**EU Strategic Action Plan on Road Safety 2021-2030.**"
For the Group safety means:
- designing a safe road;
- maintaining a safe road;
- operating a safe road.

This is an activity that requires constant and careful commitment on **more than 32,000 kilometres of roads and highways**, and that affects various components of the road infrastructure, including: pavement, facilities, and restraint systems.

Commitment to safety is ensured by daily surveillance of the network, thanks to a widespread presence in local areas, the prompt intervention of operations personnel in case of need and emergency, the ongoing operation of the National Operations Room, the Compartmental Operations Rooms, and the management of relations with the Traffic Police and Civil Defense bodies and entities. Each intervention on the network is aimed at increasing the level of user safety in its two aspects of **active safety** (accident prevention) **and passive safety** (reduction of consequences). The technological solutions that are implemented aim to reduce accident and fatality rates, increase traffic flow levels, constantly monitor the network, and improve driving comfort.
In order to raise the safety standards of the network under operation, various advanced technological systems were implemented and monitored, such as the installation of fiber optic networks, video surveillance cameras, weather monitoring systems, and Variable Message Panels, to provide real-time traffic information and driving tips. In particular, Anas monitors, on an ongoing basis, the quality of road surfaces by using high-performance technologies and means:
- **ERMES** (Equipment for Routine evaluation of Macrotexture, Evenness and Skid resistance) for measuring the surface characteristics of road pavements in terms of vehicle-road adherence, road surface evenness and macro texture. **In 2024, it surveyed more than 24,000 km of roads**, realising a very extensive monitoring of the Anas network;
- **T.S.D.** (Traffic Speed Deflectometer) for evaluating the structural and deep characteristics of flexible road pavements by determining the structural index (IS300) that measures their bearing capacity. **In 2024, it evaluated the bearing capacity of pavements on 10,600 km of roads** belonging to the Anas first-level network;
- **Cartesio** for the topographic survey of roads and road appurtenances, i.e., of the defectology of the road surface in terms of cracking, rutting, and the presence of potholes. **It surveyed 8,700 km of roads in 2024;**
- **DELPHI** (Delineation Photometric Instrument) for measuring the night retroreflection of road markings, carried out **on more than 35,000 km of road markings in 2024;**
- **TIRESIA** for photometric characterisation of road lighting systems in tunnels by measuring luminance and illuminance on the road surface and tunnel walls. **It involved a sample of 187 tunnels in 2024.**

In order to raise the level of safety of road users, Anas has also initiated a census of all barriers on the network, identifying any defects and assessing their condition, in order to define more and more specifically the relative priorities for intervention. At the same time as the development of technologies and processes, Anas **is concretely promoting campaigns to raise awareness in order to prevent and fight accidents**,

155. 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.

spreading the culture of travel safety and compliance with the rules of the Highway Code. The campaigns are carried out in advance of traffic-critical periods on various media. In particular, **Anas's communication campaign *"Guida e Basta"***, enhanced with the claim *"When you're driving, everything can wait"*, focuses on the importance of assuming responsible driving behaviours, and its social reach has been underscored by several awards received at both the Giffoni Film Festival and the Sanremo Festival 2025.

The Group also manages **scheduled routine maintenance** on the road network that it operates under concession. In 2024, approximately **€185 million was invested in routine maintenance** for snow removal, grass cutting, repair of localised sections of asphalt and guardrails, cleaning the road surface, appurtenances, road structures, hydraulic works and urgent road work in response to unforeseen and unpredictable events. For **scheduled maintenance**, on the other hand, 589 projects were approved for €1.81 billion and **construction sites were delivered for works amounting to €1.64 billion**, financed mainly by the Bridges, Viaducts and Tunnels Program and the additional act of the 2016/2020 Government Programme Contract following ICEPSD Resolution no. 43/2022. These interventions mainly involved the rehabilitation of major and minor works of art, surface and deep rehabilitation of the road surface and related signage. In order to monitor and supervise, in real-time and from a predictive perspective, the state of preservation of the parts that make up the infrastructure, the process of visual inspection of the works has been accompanied by a **structural health monitoring (SHM) type program**, which combines IoT sensors, Big Data platforms and Machine Learning algorithms. From 2023 to 2026, it is planned to monitor 1,000 bridges, install more than 10,000 sensors on a perimeter of more than 1,000 spans, and manage more than 3.69 GB of average data transmitted daily by each router. Scheduled maintenance also includes the complete replacement of existing technological systems, designing systems and equipment that, while maintaining the same level of safety, optimise efficiency and reduce energy consumption.

Monitoring of the safety performance of the road infrastructure operated by Anas

The activity carried out by Infomobilità makes it possible to acquire real-time traffic information and share it with the corporate functions in charge of internal and external communication. The related reporting (on a monthly, quarterly, six-monthly and annual basis), resulting from a targeted Data Analysis activity, transmitted to the individual Local Units and to the company management, allows a precise monitoring of the events, the identification of their typology and location, the in-depth analysis of their causes and concurrences, and their possible recurrence on the entire road network operated by Anas, as segmented by 2 km sections. The statistical survey for 2024 shows a number of accidents amounting to 17,941, of which 6,357 were classified as "autonomous"[156]. There were 420 fatalities while 6,702 events revealed injuries. Data collection and Data analysis activities also involved meteorological events, enabling the transmission of specific reports to the Local Units - on a monthly, quarterly, six-monthly and annual basis – regarding the resulting critical issues impacting the road network, including events classified as "Flooding" and "Landslides." The monitoring and analysis of the events detected on the network under management, has allowed, again this year, to map, in the summer period, the events classified as "fires", thus allowing the identification of potential critical issues in order to implement all actions aimed at mitigating the phenomenon.

156. These are the cases of accidents that do not involve other vehicles than the one driven.

Value to the customer

ESRS S4-3 – Processes to remediate negative impacts and channels for consumers and end-users to raise concerns

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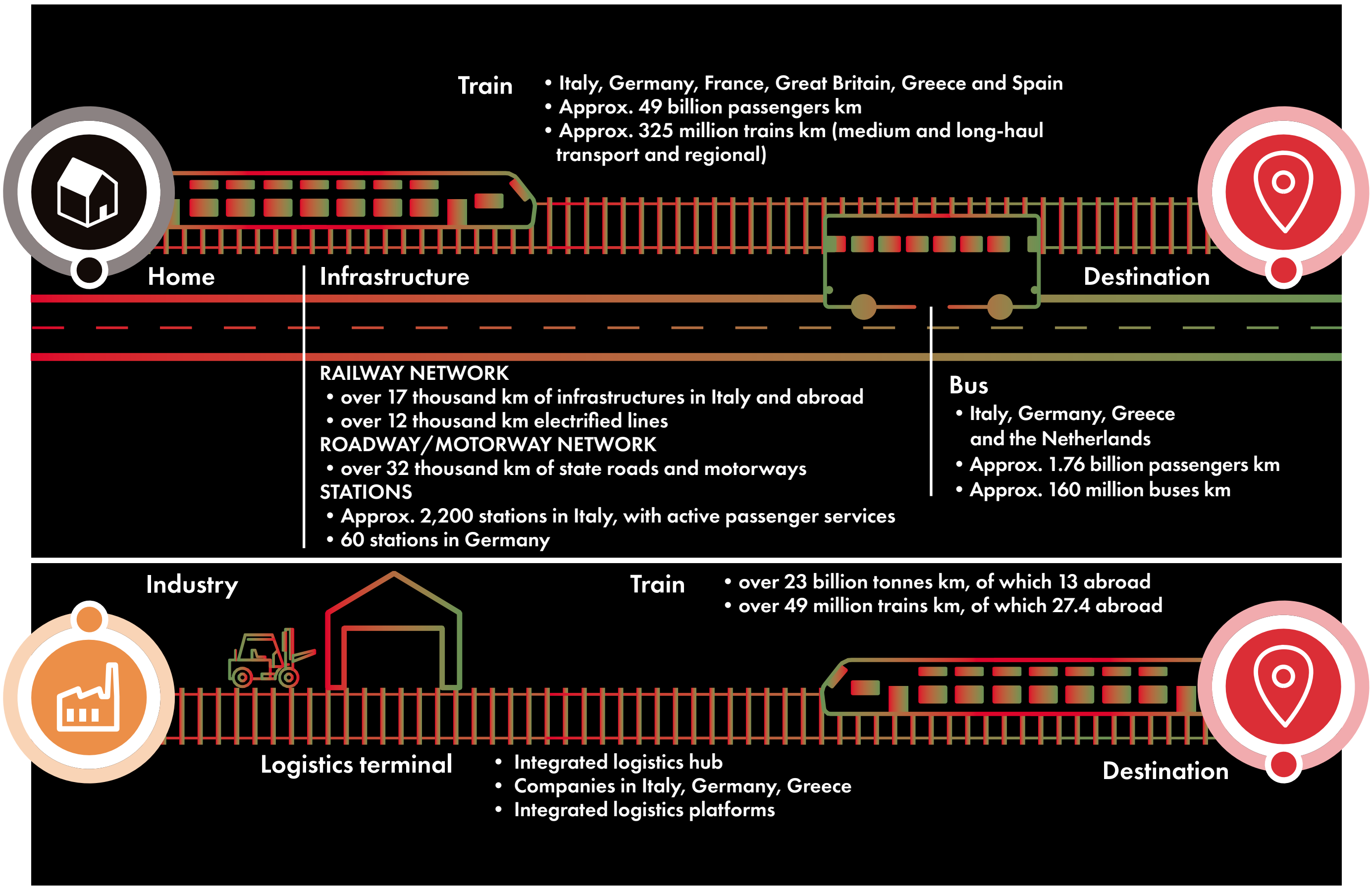
ESRS S4-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

The integrated service offering, as commented on within the paragraph on *Performance of business sectors*, aims to ensure a travel experience that meets the specific needs of people, with a focus on those who use public transport regularly, and to market itself as a **system operator**, both in Italy and abroad, for freight transport.



Station ...place of movement

Stations are the places of movement: they express the dynamism of a **space designed for travel and modal exchange** and they undergo cyclical changes, as they follow or boost the evolution of mobility styles and the urban fabric in which they are set. Stations are the place of transformation, even in the name of the new quality of infrastructure that increasingly require approaches capable of creating value and attractiveness for local areas, reducing travel costs and times, and meeting the increasing demand of new mobility.

Stations are the **point of contact between the railway system and the local area** they serve, and their operation is also linked to the quality of this relationship. A station that works well is also able to be an integral part of the environment it is set in, whether urban or rural. With this in mind, the Group is committed to an **integrated station development plan** that focuses on building new stations, and tends to make existing stations and surrounding areas safer and more pleasant, and to increase access points to the rail network by upgrading and improving usability, accessibility, public information, and intermodality.

Railway and road network ...the route joining us

Improving the country's transport infrastructure by **effectively integrating the railway and road networks** with other infrastructure and urban centres, ensuring the safety and resilience of infrastructure, accelerating the ecological transition and seizing the opportunities offered by new technologies for maintenance activities and innovative services are among the priorities to be pursued by the Group.

RFI-OPERATED RAILWAY LINES	16,879 km[157]
TYPE	
Double-track lines	7,756 km
Single-track lines	9,123 km
POWER	
Electric lines	12,277 km
Diesel fuel lines	4,602 km
FSE-OPERATED RAILWAY LINES[158]	**474 km**
NETINERA-OPERATED RAILWAY LINES	**300 km**

ANAS-OPERATED ROAD NETWORK	32,323 km
of which motorways	1,293 km

157. Including 70 km outside Italy.
158. Operated by the FS Group until 5 August 2024.

Train...the most environmentally-friendly means of transport

Mobility is one of the most complex challenges that modern society needs to tackle. Indeed, a growing demand for movement is set against the need to **reduce impacts** on the environment. The main objective is still to ensure better **quality of life** and the **health of people and land**.
In this context, **the train is the most environmentally-friendly and energy efficient means of transport**, among motorised modes of transport, and with the lowest levels of emissions.
In the Group, railway transport can be split into two main segments, in Italy and abroad:

- medium and long-haul transport (high speed – HS – services, Intercity – IC services);
- regional transport.

NATIONAL - ITALY

MEDIUM AND LONG-HAUL TRANSPORT

HIGH SPEED SERVICES

FRECCIAROSSA

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

FRECCIARGENTO

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

FRECCIABIANCA

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 SERVICES

INTERCITY

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

INTERNAZIONALI

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 e Rock) and arrival of Blues, the first tri-brid (electricity-, and battery-powered and diesel-fuelled) train

INTERNATIONAL

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

GERMANY
regional public transport in Bavaria, Saxony, Thuringia, the Czech Republic and Austria, south-west Germany, Lower Saxony, and Mecklenburg-Pomerania. In the metropolitan areas of Berlin, Brandenburg, Bremen and Hamburg. Pomerania.

GREAT BRITAIN
passenger transport from London 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

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, Skopje)

SPAIN
Trenitalia, as part of the ILSA consortium, was among the first private operators allowed to enter the Spanish HS market. The commercial service is provided by the High-Speed Train Frecciarossa 1000, (with Madrid-Barcelona, Madrid-Valencia/Alicante and Madrid-Malaga/Seville) under the brand Iryo for a term of 10 years, in competition with Renfe and the French operator Ouigo (owned by SNCF).

Buses and tram...for sustainable public mobility

Buses and trams are the easiest and fastest mobility solutions to reduce urban traffic, protect the environment and provide an intermodal offer, through integration with other means of transport, especially the train, that supports collective transport and **public mobility**. In this case, too, the Group's offer targets both the national and international market.

NATIONAL

LOCAL
local public transport (urban and suburban) in major Italian cities, Padua, Perugia and Salerno. In addition to other cities in Campania, Puglia, Umbria and Veneto. Passenger transport commercial services, including direct link with The Mall Florence outlet.

LONG HAUL
integrated service consisting of dedicated buses that connect medium-sized cities and tourist cities, in certain periods of the year (e.g. Pompei, Sorrento, Cortina d'Ampezzo, etc.) with the HS Frecce trains from Bologna, Bolzano, Florence, Lecce, Milan, Naples, Rome, Salerno, Turin, Venice and Verona.

INTERNATIONAL

GERMANY
public road transport in the North Rhine-Westphalia, Frankfurt-am-Main, Hamburg and Hanover

THE NETHERLANDS
local public transport in the metropolitan area of Utrecht, Groningen - Drenthe, DAV (Drechtsteden, Alblasserwaard en Vijfheerenlanden), and, from 2024, the province of Fryslan (Frisia)

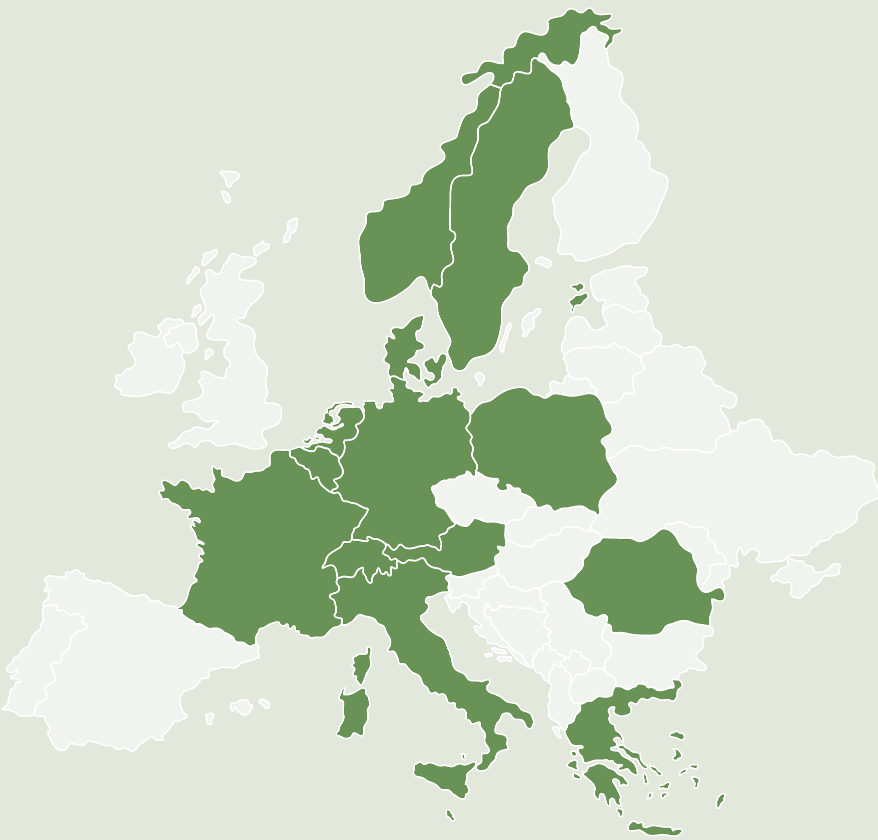
Freight transport ...to promote modal shift from road to rail

Through the Logistics business unit, the Group seeks to establish a presence on the market as a **system operator**, both in Italy and abroad, contributing to **improving the freight transport system and promoting the modal shift**: from road to rail, with fewer social repercussions (accident rate, road traffic congestion) and environmental impacts (lower atmospheric emissions and less energy consumption).

The Group's commercial offer is based on a wide range of Italian and international connections. It meets the needs of the different product sectors, also through a reorganisation by Business Units which guarantees the least 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 containers, semi-trailers and lorries	Transport for manufacturing and work sites, products for large-scale retail trade and military transport



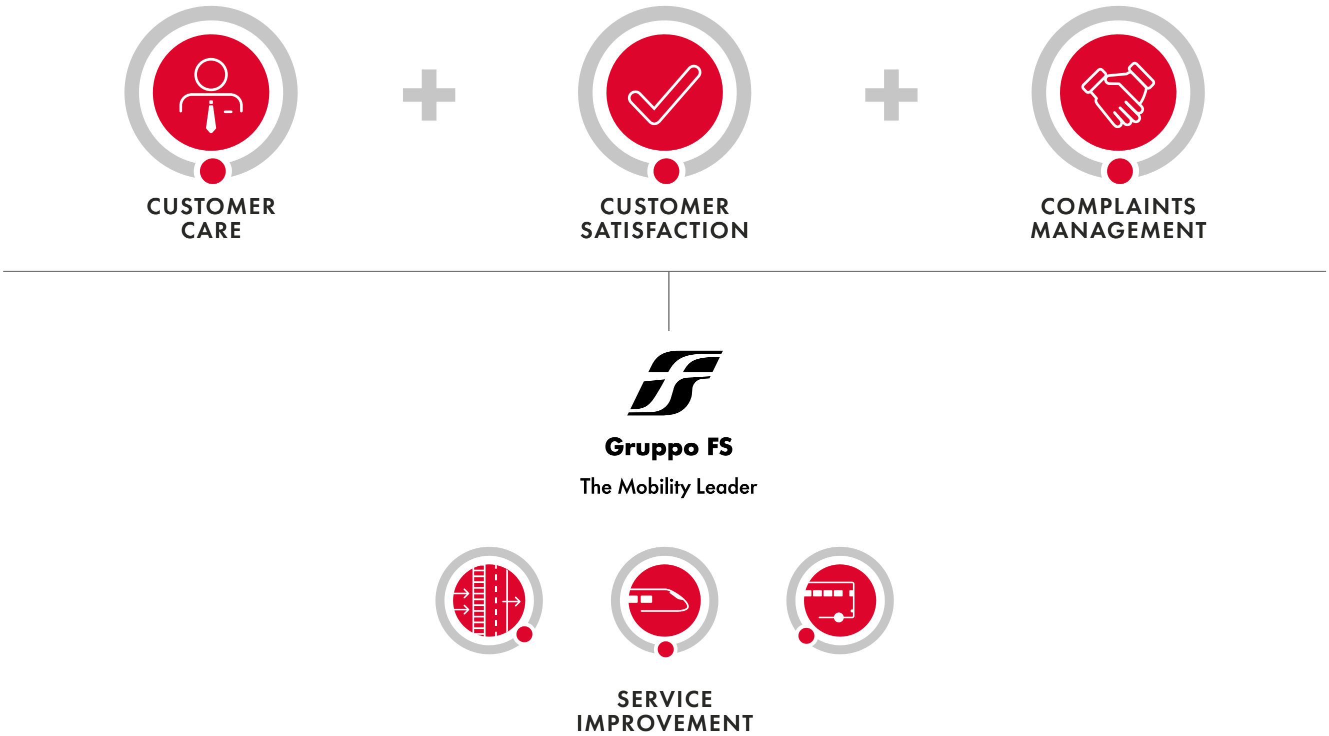
INTERNATIONAL FREIGHT TRANSPORT

At international level, the Group offers logistics and railway solutions in Austria, Denmark, France, Germany, Greece, Norway, the Netherlands, Poland, Romania, Sweden and Switzerland.

The main sectors targeted by the Group's dedicated services are: chemical, wood and paper, raw materials, mining, agriculture and automotive.

Quality and accessibility of services

For some time now, in its effort to offer high-quality services to passengers and industrial customers, the FS Group has implemented a process to **monitor customer care** based on the parameters stated in the Service Charter[159], and to monitor **customer satisfaction** through interviews aimed at analysing the expectations and level of satisfaction of passengers and customers. Furthermore, a **complaints monitoring system**[160] was implemented to help the group actively listen to customer needs while also improving the efficiency and effectiveness of services.



159. The Service Charter is the tool whereby the company discloses and reports its principles and commitments to improve the services it offers.
160. 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. Complaints can also identify customer inquiries about certain aspects of service or reports that do not correspond to inefficiencies, but are nonetheless noted in specific items, evaluated and found.

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

CUSTOMER SATISFACTION	2024
Railway infrastructure (RFI)[161]	
- overall perception of the station	98.4%
- perception of overall security	95.1%
- perception of assistance services in the Blue Rooms circuit	99.2%
Road infrastructure (Anas)[162]	
- perception of the Pronto Anas service	7.8 out of 10
Rail passenger transport (Trenitalia)[163]	
- **Medium- and long-haul service**[164] overall perception of the journey	98.4%
- **Regional service** [165] overall perception of the journey	92.5%
Road passenger transport (Busitalia and subsidiaries)[166]	
- **Urban service** overall satisfaction	91.6%
- **Extra-urban service** overall satisfaction	89.5%
Freight transport[167]	
- overall satisfaction	7.6 out of 10

161. The RFI Market Observatory, through companies selected by European tender, has been conducting customer satisfaction surveys for more than 15 years. The monitoring of traveller satisfaction with the quality of RFI stations ("Traveler Observatory") is one of the most extensive surveys in Italy. The survey involves monthly surveys of perceived quality structured to provide a complete view of the sample-stations on a quarterly basis. It is conducted through face-to-face interviews (of the C.A.P.I. Computer Assisted Personal Interview type) in the station to people departing on the basis of questionnaires that include both pre-coded responses, to allow travellers to express their level of satisfaction/dissatisfaction with different aspects of the station and services offered with a "grade from 1 to 9," and "open-ended" responses, to gather from the voice of the respondent suggestions on areas for improvement. The observation of the quality of in-station assistance services to people with disabilities and reduced mobility - provided by RFI's Sale Blu (Blue Rooms) in a circuit of stations spread throughout the territory - is the subject of a specific survey ("Blue Rooms Observatory") conducted on a monthly basis through C.A.T.I. (Computer Assisted Telephone Interview) type interviews on a sample of travellers who used the service in the previous month (about 3,600 people on schedule).

162. The survey is conducted through semi-structured questionnaires administered by C.A.W.I. (Computer Assisted Web Interviewing) and C.A.T.I. (Computer Assisted Telephone Interview) methods on a sample identified by random sampling among customers who contacted the Pronto Anas Service during the reporting period and who gave their consent to participate in the research.

163. 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-haul, and short haul journeys and local/regional transport). Surveys are conducted using face-to-face and telephone interviews. Face-to-face interviews are conducted at the station before interviewees board their trains/upon arrival. 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 one corresponds with the lowest satisfaction and nine with the highest. Passengers who report a satisfaction rate equal to or greater than six are considered satisfied.

164. Surveys are conducted once every two months for a total of six surveys per year and entail 5,800 interviews with a sample of passengers selected using a probability-based procedure in connection with three different aspects: traffic, station and brand.

165. Surveys are conducted once every two months for a total of six surveys per year and entail 9,170 interviews. Such a high number of interviews also makes it possible to survey passengers travelling on the 35 main regional railway lines throughout Italy.

166. The methodology adopted for the surveys is field survey, which involves interviews with customers at the time of the service use, so as to collect the level of satisfaction in real time.
Thus, the survey mode involved CAPI (face-to-face) interviews in both urban and suburban areas. The sampling plan was stratified by groups and lines, with random extraction of statistical units.
In addition to the social and behavioural profile, the survey captured customers' perception of the quality of service rendered (Customer Satisfaction), using the rating scale from 1 to 10. Perception is surveyed both in relation to an overall assessment of the service and in relation to individual aspects of the service. The customer satisfaction surveys covered the urban and suburban road transport services of Busitalia and subsidiaries and the rail service carried out in Umbria. Satisfaction was also surveyed on the replacement services offered by Busitalia Rail Service (replacements, Orio al Serio airport service, Calabria long-haul lines) and on the service operating in Tuscany for The Mall Outlet. The consolidated results of the surveys conducted in May and November/December on local public transport were consolidated by weighting the customer values obtained for each group to the corresponding number of passengers carried. Overall, the respondents were 3,635 for urban services and 2,918 for extra-urban services.

167. In order to measure the level of satisfaction with the services they provide, the Companies in the Logistics sector conduct a Customer Satisfaction survey through the administration of an online questionnaire structured so that the customer can provide a score, on a scale of 1 to 10, on aspects of the service provided that are considered essential.

PUNCTUALITY OF PASSENGER TRANSPORT	2024
Rail passenger transport (Trenitalia)[168]	
- Market services (Frecce trains) % of trains arriving within 10 minutes of the scheduled time	72.9%
- Universal service (IC day and IC night trains) % of trains arriving within 15 minutes of the scheduled time	81.9%
- Regionalt service % of trains arriving within 5 minutes of the scheduled time	91.3%
Road passenger transport (Busitalia and subsidiaries)	
- Urban service % of on-time departing journeys	98.2%
- Extra-urban service % of on-time departing journeys	98.3%

NUMBER OF COMPLAINTS RECEIVED	2024
Railway infrastructure (RFI)[169]	**8.502**
Road infrastructure (Anas)[170]	**1.877**
Rail passenger transport (Trenitalia)[171]	
- Medium- and long-haul service	40.274
- Regional service	44.803
Road passenger transport (Busitalia and subsidiaries)[172]	**3.615**

168. Data relating to the whole reporting year but certified by the infrastructure manager until June 2024. All trains arriving at their destination beyond the stated threshold are considered late (no exclusions).
169. The main channel used to report inefficiencies is "RFI Risponde" which is available on the homepage of the institutional website www.rfi.it. The main complaints (approximately 60% of the reported inefficiencies) related to public information, comfort in the station, security at the station, and respect for the environment.
170. Complaints, handled centrally through Customer Service and the various and multiple contact channels made available to customers (telephone, e-mail, certified email, live chat, website, appointment, whatsApp, telegram, social channels, and mail), are registered through a Customer Relationship Management (CRM) system.
171. Complaints are managed on an integrated IT Customer Relationship Management platform that analyses and handles complaints synergistically with other means of customer contact (such as ticketing offices, customer care centres at stations, online, the call centre, post and e-mail).
172. The company complies with the measures under Decision 28/2021 of the Transport Regulatory Authority on the matter of complaints. A complaints section was published on its website, with all the appropriate measures to make the process of sending and responding to complaints smoother and more effective for customers. Specifically, the new procedure clearly defines the time frames for sending and responding to the complaint, the channels for sending the reports, requirements and features of the response to customers and what the customer can do if the response is not satisfactory.

The following is the main information regarding **customer satisfaction surveys carried out by Group companies offering rail and road transport services abroad.**

United Kingdom

The FS Group operates in the UK through Trenitalia c2c, a company providing passenger transport between London and Essex.
The results published in December 2024 by Transport Focus, an independent company in charge of monitoring customer satisfaction in the UK, report a level of customer satisfaction equal to 93/100 (overall journey).

France

In 2024, 97% of customers are satisfied with the services offered, through Trenitalia France, by the FS Group in France.

Spain

Surveys on customer satisfaction relating to services performed by iryo, an investee company of Trenitalia operating in Spain, are carried out through on-line surveys requesting travelers to give a rate between 1 and 10 on various research topics (journey satisfaction, expectations, on-board train experience, etc.). 2024 data recorded a Net Promoter Score (NPS)* of 66.4%.

*The Net Promoter Score is a metric used to gauge customer loyalty and the likelihood of customers recommending other products and services offered by a company. The score is calculated by subtracting the percentage of "detractors" (those who score 0-6) from the percentage of "promoters" (those who score 9-10).

The Netherlands

Qbuzz BV's monitoring system of traveller satisfaction involves performing a "Barometro OV*" survey, on a national scale, for all the stretches and the concession-holder companies., the 2024 survey has not been published yet at the reporting date of this document.

*"OV-Klantbarometer" is a national survey performed by an independent third-party on the opinions of public transport travellers (urban and regional). Travellers can rate different aspects of the service. The research is carried out each year on a quarterly basis on buses, trams, metros, regional trains and vessels. The areas surveyed chiefly correspond to the areas in which public transport concession-holders operate.

Germany

To monitor punctuality and passenger satisfaction, the Netinera group uses the method defined by the Public Transport Authority on a regional basis and depending on the type of service offered. Owing to this, there are no summary indicators available at group or company level.

Greece

Hellenic Train monitors passenger satisfaction on a quarterly basis (for instance through surveys and mystery clients). The analysis is performed by a third-party.
The sample analysed amounted to 2,000 passengers (including all business segments: long-haul, intercity, regional). In 2024, the value related to the "overall journey satisfaction" was 56.5%.

Security, cyber security and privacy

ESRS S4-3 – Processes to remediate negative impacts and channels for consumers and end-users to raise concerns

ESRS S4-4 – Taking action on material impacts on consumers and end users, and approaches to managing material risks and pursuing material opportunities related to consumers and end users and effectiveness of those actions

ESRS S4-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

The Group's priorities are **ensuring the utmost security in stations and trains**, to protect passengers and personnel on duty, **constantly supervising and protecting the Group's systems and infrastructures** through cyber security activities aimed at ensuring the continuity of its services, as well as the **confidentiality, integrity and availability of information**, both its own and that of customers, stakeholders and partners.

Security

The security and protection of personnel, passengers/users at stations, assets and know-how are essential for the Group.
With this in mind, **FS Security**, the new FS Group company fully dedicated to ensuring **security** of trains, stations, employees and travellers, has been operational since 1 January 2023.
More than 1,000 highly qualified professionals work to provide security services for the entire FS Group, offering efficient, integrated and tailored solutions and interfacing with agencies, industry bodies and institutions dedicated to security activities.
The FS Group has developed a structured approach to address security-related impacts, taking **concrete actions to protect staff and travellers** by combining prevention, training and technology.
In order to **protect frontline staff**, advanced training programs on emergency management and self-defence have been provided, and the use of the "Board Support" app has been promoted to report critical situations on board the train to the law enforcement staff on the train.
At the same time, the **fight against theft on board trains and in railway assets** has been strengthened with new video surveillance systems, improved access controls, and closer cooperation with the Railway Police.
To ensure the **security of traveling personnel**, the Travel Security model was enhanced with advanced protocols and international risk monitoring. In addition, training on Travel Security, civil protection and countering mafia infiltration has been expanded.
Another area of focus is the **expansion of anti-fraud systems**, with advanced technologies to monitor financial transactions and prevent fraudulent purchase of rail tickets. These initiatives have strengthened the ability to prevent and manage emergencies, improving overall security for employees and travellers.
Below are key security statistics:

SECURITY STATISTICS	2024
Assaults on railway personnel	395
Thefts at the station	1,117
Thefts on board trains	2,067
Copper thefts from operating assets	239
Copper thefts at depots	12

Source: FS Security database for Assaults and Copper thefts, and Ministry of Interior data for Thefts on board trains and in stations.

Cyber security

The FS Group deals with its cyber security strategy by taking an **integrated approach that combines physical and digital security**, aware of the growing risks associated with digitisation and cyber threats. 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 may trigger a chain of effects generating inefficiencies in train circulation and impacts for customers.
In this challenging environment, the FS Group has been committed to ensuring high levels of internal security adopting **cutting-edge technologies** and continuously updating **security policies**, which have improved the ability to detect and neutralise cyber threats. In addition, the integration of **advanced technology solutions**, coupled with strict **adherence to international cybersecurity standards**, has helped consolidate the security of the Group's digital environment.
The Group ensures a consistent and standardised approach on physical and cyber security through a **security governance model** that identifies the Security department (and the "Security" professional category) as the Cyber & Information Security function with the objective of directing the implementation of the cybersecurity model. Again in accordance with the new governance model, a Business Unit called Cyber Security Solutions & Operations was established at FS Technology with the aim of giving implementation to "Solutions" and "Operations" with respect to the lines of direction that remained the prerogative of the Parent Company.
The Group has also established the **Cyber Defense Center**, a hub of excellence that integrates advanced resources to identify, prevent and counter cyber-attacks. Within it, the Cyber Security Operations Center (C-SOC) operates H24, ensuring the protection of the Group's workstations and information systems. Through cutting-edge technologies, Big Data and artificial intelligence, the Cyber Defense Center ensures the security of business processes and rail traffic.
During 2024, the team of security incident analysts detected, countered and neutralised **more than 4,700 cyber-attacks**.
Of great importance in this context is the preventive role of the **threat intelligence service**, a complex preventive activity in which expert analysts continuously research and identify new threats and specific attack paths. The threat intelligence service is also supported

by an **in-house malware analysis team**, composed of specialists capable of breaking down malware code and analysing its behaviour with the aim of identifying unknown threats and internally producing bulletins containing Indicators of Compromise (IoCs), i.e., attack vectors that could affect all sectors, and sharing them with Institutions and other Essential Services Operators. The Cyber organisation at FS Technology is then completed by the areas responsible for the definition of architectures and engineering of security systems (Cyber Security Architectures & Engineering), as well as the management of projects, contracts and structure reporting (Project and Program Management).

Privacy – Data Protection Officer

For information regarding the main measures to ensure data protection of customers, employees, suppliers and other third parties, please refer to the paragraph on *Data Protection Department* of the Report on Corporate Governance and Ownership Structure.
With regard to **personal data breaches**[173], based on the provisions of Regulation (EU) 2016/679, 31 cases were recorded in 2024, of which 11 involved Group employees and 20 related to customers.

With the constant goal of **promoting the culture of Data Protection**, within the framework of training and information activities, during 2024 the Group:

- was among the first signatories and joined the Privacy Tour 2024, a project of the Italian data Protection Authority to promote in small municipalities and in the South the themes of data protection, digital education and the conscious use of new technologies, including artificial intelligence. On 11 April 2024, Messina Central Station (Mazzoni Hall) hosted the initiative's inaugural press conference, and the following day an event was held at the Teatro Vittorio Emanuele on "Privacy: information is protection";
- again, as part of the Privacy Tour and under the patronage of the Italian Data Protection Authority, together with other partners, is engaged in the project "For digital equity for women: countering gender bias in the processing of personal data." The project aims to examine the ways in which the processing of personal data based on the use of AI can interfere with the use and repetition of gender stereotypes, producing algorithmic results that discriminate against women in particular, promoting equity, inclusiveness and fair representation of all gender realities in line with Goal 5 of the 2030 Agenda for Sustainable Development.

173. A security breach that results - accidentally or unlawfully - in the destruction, loss, modification, unauthorised disclosure of, or access to personal data transmitted, stored, or otherwise processed.

GOVERNANCE INFORMATION

Business conduct

1st-level topic	2nd-level topic	I	R	O
Ethical and responsible business conduct	Business ethics, integrity and transparency	✓	✓	✓
	Anti-corruption		✓	✓
Sustainability of supply chain	Responsible purchasing		✓	
	Responsible supplier management		✓	

Management policies and tools

- Code of Ethics
- Sustainability Policy
- Risk Management Policy
- Anti-corruption Policy
- Antitrust Policy
- Internal control and risk management system
- Anti-corruption management system and policies
- Management of reports - Whistleblowing
- Management systems

Governance

ESRS 2 GOV-1 – The role of the administrative, management and supervisory bodies

For information regarding the role of the administrative, management and supervisory bodies, please refer to the paragraph on Board of Directors of FS SpA in the Report on Corporate Governance and Ownership Structure.

IRO management

ESRS 2 IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities rilevanti

The process of identifying and assessing the **impacts, risks and opportunities related to business conduct** is described in the paragraph on Stakeholder management and double materiality process.

ESRS G1-1 – Business conduct policies and corporate culture

ESRS G1-2 – Management of relationships with suppliers

The values and rules of conduct stated in the Code of Ethics, and reported below, reflect **the Group's 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, upstanding 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.

Open-mindedness and respect
To be open-minded 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 open-mindedness based on constructive participation and feedback for our mutual well-being.

The FS Group has adopted the **"Sustainability Policy"** to manage material impacts, risks and opportunities on business conduct. In addition – in accordance with the principles of sustainability, accountability, transparency, ethics and integrity - **the FS Group has adopted specific policies** regarding the management of corruption and competition issues, i.e. the **"Anti-corruption Policy"** and the **"Antitrust Policy."**
With regard to the responsible and sustainable management of suppliers, the negotiation activities of the FS Group companies are inspired by the principles laid down in the EU Treaty to protect competition, and are governed by the *Regulation for Negotiations of Ferrovie dello Stato Italiane Group companies*, which is also available online on the purchasing portals of Group companies.
As referred to in the **Code of Ethics**, the Group undertakes to:

- **ensure** 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 stated and transparent methods;
- **guarantee** diligence, good faith, integrity and respect for company procedures in negotiations and

contract performance with suppliers and business partners;
- **guarantee** the transparency of transactions and the traceability of financial flows;
- **not exploit** any contractual grey areas or economic weaknesses.

The Group therefore recognises the importance of integrating and consolidating sustainability considerations in the management of its supply chain, as a fundamental condition for improving the Group's economic, environmental and social performance, as well as ensuring the management of material impacts, risks, and opportunities on the workers in the value chain. In this regard, FS Italiane also issued **Group guidelines for sustainable procurement** in line with the business processes at the various operating companies, **with the aim to**:
- pinpoint what is needed to define Sustainable Procurement policies and standards and establish them within the FS 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.

Based on this approach, the Group companies began to adapt their procedures, thanks to a process that involves specialised roles in purchasing, sustainability and other departments that take part in procurement processes.
The table below shows the actions implemented and/or planned to manage impacts – both positive and negative, actual and potential - and address risks and opportunities, as well as achieve the goals and objectives of related policies.

Actions	Scope	Target	Value and base year	Status	Results 2024	SDGs (Agenda 2030)
ETHICAL AND RESPONSIBLE BUSINESS CONDUCT						
• **Gathering interest** at the corporate level to start the certification project for its anti-corruption management system • **Meetings with companies** to share the path embarked on by FS to certify its anti-corruption management system and related supporting materials Gathering interest at the corporate level **to start a certification programme** for its anti-corruption management system • **Meetings with operating companies** to share the path embarked on by FS and related supporting materials for certification of its anti-corruption management system		Design, by 2025, an **Action Plan** on the extension of the project for the **certification of the anti-corruption management systems** to the main subsidiaries of FS	N.A.	In progress	**N.A.**	16

Actions	Scope	Target	Value and base year	Status	Results 2024	SDGs (Agenda 2030)
• **Publication** of the document containing the rules of the Internal Quality Review (IQR) on the anti-corruption function of subsidiaries of FS* [174]. IQR is an analytical activity designed to verify the adherence of corporate anti-corruption activities to the relevant body of Group rules. The document will require each function to undergo IQR at least every five years. • **Identification** of the first three corporate functions on which to carry out IQR in 2025 according to the indicators and methodology outlined in the document and related planning (the document will stipulate that planning will be done year by year based on the "ranking" derived from the aforementioned indicators).		**Performance** of the 'IQR on 18 corporate anti-corruption functions by 203	N.A.	In progress	**N.A.**	16
• Participation in **acceleration program** dedicated to the topic of due diligence related to human rights held by Global Compact Network Italy • **Training** on the topic of due diligence for key staff • **Creation of working group** with internal functions and main operating companies impacted to start a Due Diligence programme on the value chain • **Publication of policy** on human rights.		**Implementation of a Group's management system of** due diligence on human rights by 2027	N.A.	In progress	A **plan of action** has been defined on the **Due Diligence** programme on the value chain of the fs Group	16
SUSTAINABILITY OF THE SUPPLY CHAIN						
• Go-live of **ESG Rating system** of economic operators/suppliers • Pilot project for document and on-site audits • Update of **Group rules** (general terms and conditions) • Activation of ESG performance improvement program (**Supplier Growth Program**)		**5 thousand suppliers** involved /registered on the ESG Rating platform since 2026 **100%** suppliers assessed from an ESG perspective since 2026 Application of a **minimum threshold to the ESG Rating (1.5 on 3)** for the entry into all the Group qualification systems since 2029	N.A.	In progress	**452** economic operators/ suppliers **were registered** and **143 obtained the ESG Rating**	12

Key

FS Group · Value chain · Railway infrastructure · Road infrastructure · Passenger transport · Freight transport · Urban · n Contribution to SDGs

174. As at the date of this report, there were 18 companies considered (e.g., companies with a function that are assigned anti-corruption responsibilities by virtue of organizational mission or service contract and that have a corporate anti-corruption model). Companies that have obtained the certification 37001 are not included in the scope of IQR.

Ethical and responsible business conduct

ESRS G1-3 – Prevention and detection of corruption and bribery

For information regarding the main procedures aimed at preventing, identifying and managing allegations of corruption and bribery, please refer to the paragraph on Anti-corruption management systems and policies of the Report on Corporate Governance and Ownership Structure.

The table below shows data on **training provided in the Group in relation to procedures and policies on the prevention of corruption and bribery:**

NUMBER OF TRAINED EMPLOYEES	2024
Executives	691
Managers	9,419
Office workers	27,438
Workers	5,353
Total	**42,901**
- of which working for functions at risk[175]	**31,647**

The Anti-Corruption Policy and Model recognise the **value of training and communication as part of the management system for the prevention of corruption**, in the conviction that knowledge of the rules placed to protect action and the dissemination of a culture of honesty are indispensable prerequisites for the conscious application of the relevant regulations.

In 2024, the **anti-corruption material training courses** carried out in FS were:

- 2 training pills delivered to all employees (on the new Anti-Corruption Framework and on the Anti-Corruption Policy);
- the digital course on "Facilitation Payments" aimed at specific targets, also identified following the anti-corruption risk assessment;
- the e-learning course on UNI ISO 37001:2016 for all employees;
- the workshop "What does it mean to certify one's management system for the prevention of corruption" for those employees that first report to the Chiefs;
- the e-learning course on "Reporting in the FS Group: whistleblowing" for all employees.

In addition, FS's Anti-Corruption function intervened in the **2024 sessions of the "Recruiting Academy"** on the topic of anti-corruption safeguards of the recruitment process and in induction meetings for new hires in the FS Group on the topics of legality, honesty and dissemination of anti-corruption culture.

Initiatives on inter-company topics (pills, digital courses, etc.) are made available to Group Companies.

As an additional tool to disseminate and strengthen the anti-corruption culture, **6 Anti-Corruption professional family meetings** were held.

As part of the UNI ISO 37001:2016 certification project, **12 editions of the course for Internal Auditors 37001** were held during 2024, **which were attended by about 200 Group resources.**

Following the updating of the Anti-Corruption Policy, in collaboration with the Communication function, the document was published on the websites and intranet, updating the content and graphics of that section, and posting posters in FS Group offices.

On the occasion of the "International Day Against Corruption," a news item was also published on the intranet to reiterate the FS Group's commitment to encouraging and promoting the spread of a corporate culture inspired by "zero tolerance for corruption."

Finally, it is specified that some **members of FS's administrative, management and supervisory bodies** also participated in a training meeting on corruption and bribery and, in particular, on the UNI ISO 37001:2016 standard.

ESRS G1-4 – Confirmed incidents of corruption or bribery

For information regarding confirmed incidents of corruption or bribery, please refer to the paragraph on Management systems and policies for the prevention of corruption of the Report on Corporate Governance and Ownership Structure.

175. All employees working in functions at risk have been identified in accordance with the Group's Anti-Corruption Policy, which identifies the following areas as most sensitive to corruption risk: a) Relations with the Public Administration (understood in all its structures) b) Relations with third parties, c) Business Partners, Promoters and Sales Consultants d) Gifts and hospitality e) Facilitation and extortion payments f) Relations with political and trade union organizations g) Advisory, specialist and professional engagements h) Contracting of works, supply of goods and provision of services i) Extraordinary transactions j) Selection, recruitment, management and development of Personnel k) Sponsorships, Co-marketing (and/or partnerships), contributions to associations, entities and foundations and donations l) Obtaining and managing public or private financing/grants m) Real estate management n) Accounting records.

ESRS G1-5 – Political influence and lobbying activities

The Group **does not make contributions, direct or indirect and in any form**, to political parties, movements, committees and political and labour organisations, and their members and candidates, except for those due under specific regulations.
Relationships with Parties, Movements, Committees, and political and trade union Organisations are maintained exclusively by the corporate functions formally delegated to do so (Article 5.5 of the FS Group Code of Ethics).
With regard to **lobbying activities**, please refer to the paragraph on *Regulatory measures of cross-cutting interest to the FS Group* in the chapter on *Legislative and regulatory framework*.
Ferrovie dello Stato Italiane SpA is listed in the EU Register for Transparency[176]. Members of FS SpA's administrative, management and supervisory bodies have not held any comparable position in public administration (including regulators) in the two years prior to appointment in the current reporting period.

Sustainability of supply chain

In 2018, the Sustainable Procurement and Supply Chain Management Project was launched through a cross-functional Working Group. The Working Group **is tasked with integrating environmental and social considerations into the procurement phase** and subsequently improving the sustainability performance of the supply chain through the **definition of a process** that strengthens the ability to identify and manage the impacts - environmental, social and economic - associated with it.
The defined process[177] begins with the **assessment of sustainability performance**, carried out annually through a dedicated IT platform, **through the administration of a questionnaire to the economic operator**, divided into **4 areas of analysis**, in turn **divided into sections** within which there are questions to be answered in order to generate the ESG score/rating.

1. General disclosures
• General data
• Relations with the Group
2. Environment
• Environmental management system
• Energy and emissions
• Circular economy and resource management
3. Governance
• Information management system
• Anti-corruption
• Responsible purchasing
4. Social
• Social management system
• Working conditions
• Health and safety

176. Registration number 1954267427-31.
177. For more details regarding the evaluation methodology and process, please refer to the documentation available on the purchasing portals of the main Group companies.

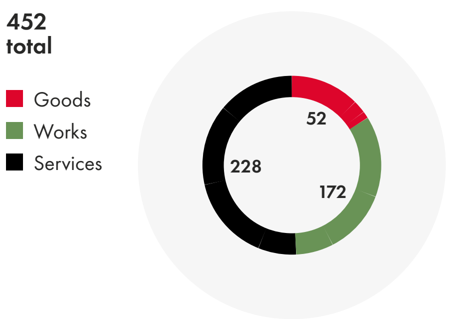
Seven questionnaires have been defined, based on the main product categories applicable to the FS Group, which include different questions and/or weights based on the associated potential level of ESG risk.
Within the "Social" area of the questionnaire, there are questions regarding how to manage impacts, risks and opportunities on the employees of economic operators/suppliers (workers in the value chain), to be answered by attaching any appropriate documentary evidence certified by their respective legal representatives.
Such questions include, for example, issues related to protection of workers' rights, working conditions, diversity and inclusion, and data protection.
Completion of the questionnaire assigns an uncertified ESG rating, following which an **audit desk team** will analyse the uploaded documentary evidence and check its consistency with the questions administered. In the event of deficiencies, economic operators/suppliers will have to upload corrected documentary evidence or modify their answers. At the end of the verification process, economic operators/suppliers will receive a **certified ESG rating** from the FS Group.
In addition, on a sampling basis and/or upon specific requests, a dedicated team shall carry **out on-site audits** to verify the ESG performance of suppliers in local areas, following which **audit reports shall be prepared** and remediation plans prepared by suppliers **shall be monitored** to close any findings emerging during the audit phase.

The ESG Rating and assessment process is supported by **an IT platform made available free of charge to FS Group economic operators and suppliers** (https://esgrating.gruppofs.it/).

The **2024 annual ESG rating campaign** was launched with the objectives of:
- verifying the reliability and usability of the IT platform;
- assessing the content of the ESG assessment questionnaire, identifying areas/questions to be improved/amended for the 2025 assessment campaign;
- supporting the audit desk team in initial document verification activities.

The relevant results are reported below[178]:

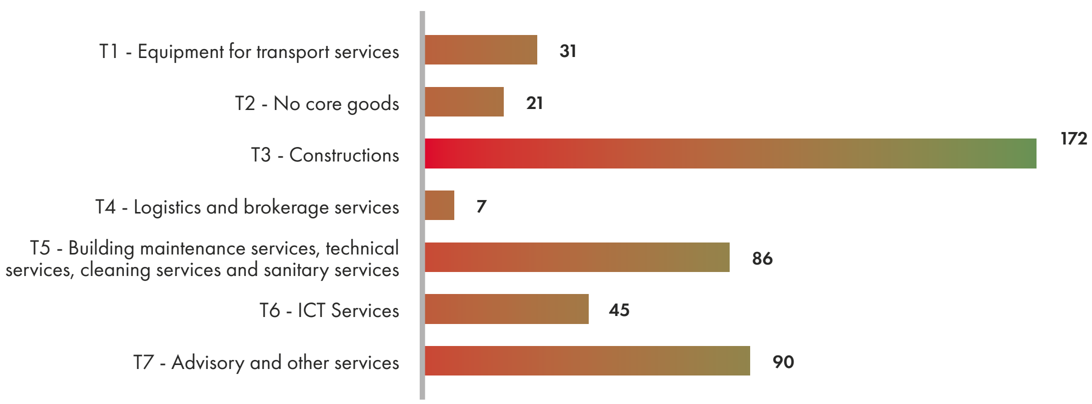
No. Economic operators/registered suppliers



ESG RATING ASSESSMENT STATUS

ESG assessment	Number	%	ESG rating (0-3 translated in E-A+)	
Underway	309	68,4%	N/A	N/A
Completed	143	31.6%	1,911	C+
-Of which validated (audit desk)	10	2.2%	1,276	D+

Breakdown by template/product category



178. Data are updated at 31 January 2025.

SCORE	RATING ESG
0.00 ≤ score < 0.50	E
0.50 ≤ score < 1.00	E+
1.00 ≤ score < 1.25	D
1.25 ≤ score < 1.50	D+
1.50 ≤ score < 1.75	C
1.75 ≤ score < 2.00	C+
2.00 ≤ score < 2.25	B
2.25 ≤ score < 2.50	B+
2.50 ≤ score < 2.75	A
2.75 ≤ score < 3.00	A+

The **ESG Rating** defined by the FS Group will make it possible **to assess the level of maturity, with respect to the management of the dimensions of sustainability** (Environmental, Social and Governance) of the **economic operators**, who intend to enrol in the Qualification Systems and participate in the tenders issued by the Group, and of **suppliers**.

ESRS G1-6 – Payment practices

Payment practices, in particular the standard terms and related timing, are regulated within the General Contract Terms and Conditions of the Group Companies and stipulate that payment should be made within 60 days from the date of receipt of the invoice.
The average actual payment time in 2024, at the Group level[179], was approximately 63 days, calculated from the invoice date, and in 44% of cases such payment was made within the stipulated term. As of 2024, there were 117 pending court cases due to late payment, of which 108 were attributable to Anas.

179. The consolidated average value is calculated as a weighted average of average payment times and the number of payments made in the year by Group companies.

APPENDIX

ACCOUNTING POLICY FOR SUSTAINABILITY METRICS

Metrics	Description	Notes/estimates
Topic: ESRS E1 – Climate change		
Climate change mitigation		
E1-5 Energy consumption	Energy consumption is confirmed as one of the main items in the FS Italiane Group's environmental report and is monitored by means of an energy balance sheet in relation to both sources and end uses. In view of the geographical area from which electricity is withdrawn, the composition of the local energy mix is also considered.	Energy consumption is overall inferred from readings, and therefore from actual consumption values. Nonetheless, if it is not possible to take the measurement on some months (e.g., the last two months of the year), it is planned to adopt the best possible estimate of the figure that can be quantified on the basis of the available time series. For the companies IESB, FSI Saudi for Land Transport, Qbuzz Mobility Service BV and Rom Rail Transport Srl, energy consumption (electricity and natural gas) was quantified as a proxy through the use of the number of company employees and benchmarks of energy consumption per person in the office environment (source: Assoimmobiliare).
E1-6 Gross GHG emissions Scopes 1, 2, 3 and Total GHG emissions	The FS Group's emission profile, in terms of carbon dioxide equivalent, is reported on an annual basis and includes the impacts broken down into direct and indirect emissions along the entire value chain.	Gross GHG emission values are calculated from activity data (e.g., consumption of materials and energy sources, waste generation, land use, etc.), which are multiplied by specific emission factors shown in the table on "Emission factors for calculating greenhouse gas (GHG) emissions." It is understood that the estimation criteria applied to activity data are reflected in the corresponding emissions. All emissions obtained are expressed in tons of CO_2 equivalent.
Topic: ESRS E2– Pollution of air, water and soil		
Pollution, substances of concern and of very high concern		
E2-4 Pollution of soil	Pollution of soil is related to accidental events related to hydrocarbon spills.	The standard EN 590 was considered, which establishes technical specifications for the sale of automotive diesel fuel in Europe and the maximum PAH content. Conservatively, the maximum limit value was taken into account for the pollutant calculation. The same conservative emission parameter is taken into account in the case of hydraulic oil spills. Data for individual events that occurred are aggregated at the Group level by type of substance. The degree of uncertainty depends on the accuracy of the information possessed or acquired regarding the type of products and quantities involved (initial volume, final volume and volume recovered, availability of records, data sheets, etc.). This uncertainty propagates through the calculation of the spilled volume, generating an estimated range that reflects the possible variability of the measured data. The uncertainty is mean.

Metrics	Description	Notes/estimates
Topic: ESRS E2– Pollution of air, water and soil		
Pollution, substances of concern and of very high concern		
E2-5 Substances of concern and substances of very high concern	Consolidated central purchasing data of the Group's relevant materials (>15,000 kg) were analysed to identify the quantities of substances of concern and of very high concern purchased and used in the provision of transport services and for maintenance purposes. Specifically, the analysis covered: antifreeze, lead and nickel-cadmium industrial batteries, diesel fuel, biodiesel, gasoline, paints, solvents and lubricants. Through an additional information flow, information was collected on the main hazard characteristics of materials containing substances of concern used by the Companies, as well as products containing substances of very high concern (SVHC). The hazard characteristics were associated with the different types of products purchased. Then, the percentages by weight (% w/w) of substances of concern by hazard category, and of substances of very high concern present by product type were identified through analysis of the Safety Data Sheets (SDSs) of a representative sample of products. Finally, total quantities of substances of concern and of very high concern used were calculated on the basis of the purchased quantities and weight concentrations of the analysed substances.	With regard to the weight percentages of substances of concern and of very high concern contained in the purchased product, if it is a mixture and the SDSs report a min/max value range, the average figure was taken into account; if a concentration < x or > x was reported, the maximum and minimum percentages reported, respectively, were taken into account.
Topic: ESRS E3 – Water and marine resources		
Water consumption – Water withdrawals		
E3-4 Water consumption	Water consumption is a key indicator for monitoring the efficiency of the water system, referring specifically to the amount used by the Group in a given period of time. To obtain this information, the following calculation is made: from incoming resources (water withdrawals) must be excluded outgoing resources (water discharges), any leaks, and liquid waste sent for disposal.	Estimated figure composed of the following information, collected at the aggregate Group level through the computerised data collection system. **Water withdrawal:** the figure obtained through a combination of three factors: direct meter reading, analysis of supplier bills, and an estimate based on previous period data. **Wastewater:** the figure is estimated by reading special metering devices or assuming that outflows match inflows. **Leaks in the distribution network:** estimated figure collected based on the specific requirement. **Volume of water disposed of as liquid waste**, analysed for the first time from this year, is estimated by using waste loading and unloading forms[180] or estimates based on process and production data.
E3-4 Water reused/ recycled	Reused/recycled water is a key indicator that aims to reduce water supply. This indicator covers both water supplied and wastewater (treated or untreated), for civil and industrial uses, used more than once before being discharged from the organisation's boundary. Water can be either used in the same process (recycled) or used in a different process within the same or another of the organisation's facilities (reused).	The aggregate figure is obtained at the Group level through the computerised data collection system. Specifically, the figure is also estimated through the simple reading of flow meters.
E3-4 Water-stressed areas	Indicator that defines which areas are subject to water stress during the reporting year. These areas are characterised by a demand for water supply in excess of the actual amount available.	Water stress is a figure collected through estimation involving only two types of sites: operating and/or production units, and civil buildings with water withdrawals greater than 10 cubic meters per day. In the case of multiple sites, the quantitative prevalence of water consumption is considered in stressed areas. To determine whether an area is under water stress, the World Resources Institute's "Acqueduct" website should be consulted. For the FS Group, the area is placed under water stress only in case the indicator has the level "High (40%-80%)" or "Extremely High (>80%)".

180. This indicator considers the following waste categories: 16 10 01* (aqueous liquid wastes containing hazardous substances), 16 10 02 (aqueous liquid wastes other than those mentioned in 16 10 01), 16 10 03* (aqueous concentrates containing hazardous substances), 16 10 04 (aqueous concentrates other than those mentioned in 16 10 03), 20 03 04 (septic tank sludge), 12 03 01* (aqueous washing liquids), 11 01 11* (aqueous rinsing liquids containing hazardous substances), 11.01.12 (aqueous rinsing liquids other than those mentioned in 10 01 11).

Metrics	Description	Notes/estimates
Topic: ESRS E4 – Biodiversity and ecosystems		
Ecosystems and ecosystem services		
E4-1 **Sites located in or near biodiversity-sensitive areas**	The development of an infrastructure work plays an essential role vis-à-vis biodiversity, as it can potentially cause habitat loss, ecosystem fragmentation, increased mortality for certain species, and other negative impacts. When developing projects, the utmost attention shall be paid to the assessment of the technical, natural and anthropogenic characteristics of the land and territory where such works will be executed and to the analysis of the ecosystems traversed.	The following areas were considered as biodiversity-sensitive areas: Natura 2000; National/Regional Park and/or Reserve; Important Bird Areas (IBAs); Marine Protected Areas (MPAs); Natural Protected Areas (EUAPs); Sites of Community Importance (SCIs); Nationally designated areas CDDA source IUCN, UNESCO Global Geopark. A site up to a 5-km radius from at least one of the types of sensitive areas listed above is considered to be in proximity. The 5 km distance was taken in alignment with the guidance for environmental impact assessment for Natura 2000 Network areas.
Topic: ESRS E5 – Resource use and circular economy		
Management of materials		
E5-4 **Resource inflows** ***Materials***	The Group procures a wide range of materials, ranging from basic materials for infrastructure construction to specific products for the transport sector to consumables for office activities.	Material data are estimated through the aggregation carried out by means of the computerised information collection system. Data can be obtained either through direct weighing of the material itself, or by estimating information acquired during procurement.
Waste management		
E5-5 **Resource outflows** ***Municipal waste***	Municipal waste is distinguished according to its destination: sorted or unsorted waste. This information is provided only by users registered for the Waste Tax (TA.RI).	The municipal waste figure is estimated through the aggregation carried out by the computerised data collection system. The estimation contemplates three different analyses: the first one involves direct weighing of the waste; the second one estimates the amount of average bag weight or per capita production; and the third one, in the absence of company criteria, provides for the use of a value of 0.29 tonnes per employee per year for 'unsorted' waste and 0.21 tonnes per employee per year for 'separately collected' waste.
E5-5 **Resource outflows** ***Other municipal waste***	Municipal waste, classified as non-hazardous, which is not included in the KPIs for unsorted municipal waste and sorted waste.	The estimated value is aggregated at the Group level through the computerised data collection system. Waste can be either weighed or estimated by using the same approach as municipal waste. Specifically, these wastes consist of: bulky waste (200307), wood (200138), metals (200140), toner (080318), detergents (200130), paints and inks (200128), clothes and textiles (200110 and 200111), and waste abandoned by third parties classified as municipal (e.g., parking areas).
E5-5 **Resource outflows** ***Special waste***	I rifiuti speciali, pericolosi e non pericolosi, si differenziano in base alla loro destinazione, come definito dal D.Lgs 152/06: i rifiuti inviati a recupero sono categorizzati con i codici R (dall'1 all'11) mentre, i rifiuti inviati a smaltimento sono contraddistinti con i codici D (dall'1 al 15).	Il dato stimato è aggregato a livello di Gruppo mediante l'apposita piattaforma online. Tale informazione si basa sia sul peso rilevato tramite bilancia e registrato nel Registro di Carico/Scarico, sia sul peso indicato nella quarta copia del FIR. Qualora la pesatura diretta non fosse possibile e la quarta copia del FIR non fosse disponibile, i dati sono stimati mediante le informazioni presenti nella prima copia del FIR.
Topic: ESRS S1 – Own workforce		
Working conditions, employee health and safety		
S1-6 **Characteristics of the undertaking's employees**	Data on own workforce headcount are calculated at the end of the reporting period according to the Group's methodologies for reporting own workforce data. Only the employee turnover rate has been calculated on average headcount. On 5 August 2024, judgment no. 06983/2024 handed down by the Council of State was published, which annulled the MIT decree of 4 August 2016, in the part in which it identified FS Italiane SpA as the entity to which the quota in Ferrovie del Sud Est Srl had to be transferred. As a result of this ruling, it became necessary to proceed with the deconsolidation of FSE Srl as from 5 August 2024.	For Ferrovie del Sud Est and Servizi Automobilistici Srl, only the first seven months were considered for the calculation of average headcount. For Exploris, the breakdown by contract type and gender were estimated on the basis of consolidated Group data.

Metrics	Description	Notes/estimates
Topic: ESRS S1 – Own workforce		
Working conditions, employee health and safety		
S1-7 Characteristics of non-employee workers in the undertaking's own workforce	Data on the headcount of non-employee workers in the own workforce are calculated at the end of the reporting period, according to the Group's methodologies for workforce reporting.	
ESRS S1-8 Collective bargaining coverage and social dialogue	Collective bargaining coverage and dialogue figures are calculated at the end of the reporting period according to the Group's methodologies for reporting its own workforce data.	For TX Logistik and Exploris, data on the percentage of the Group's total employees covered by collective bargaining agreements were estimated by using the Group's percentage of coverage.
ESRS S1-9 Diversity metrics	Diversity metrics are calculated at the end of the reporting period according to the Group's own methodologies for reporting its own workforce data.	
ESRS S1-12 Persons with disabilities	The percentage of employees with disabilities was calculated as a percentage of the total headcount at the end of the reporting period according to the Group's methodologies for workforce reporting.	This metric was calculated by adopting the legal definitions provided for by the relevant national and European regulations were adopted. In particular, in the Italian legal system, the legal definition of person with disabilities, for the purposes of job placement, can primarily fall within the scope of Law no. 68/1999, as amended and supplemented (under Articles 1 and 4). The regulatory framework of reference was recently supplemented by Legislative Decree no. 62 of 3 May 2024, in force as from 30 June 2024, where in Art. 4, the Legislator also intervened strongly on the terminology regarding disability, repealing obsolete terms and aligning with European principles on the subject.
ESRS S1-13 Training and skills development metrics	Training and skills development metrics have been calculated on the total headcount at the end of the reporting period, according to the Group's methodologies for workforce reporting and in line with the methodology required by the Standard.	Metrics related to number and percentage of reviews as a proportion of the number of reviews agreed upon by management are being refined and aligned in terms of methodology.
ESRS S1-14 Health and safety metrics	The percentage of own workers covered by the company's health and safety management system was calculated on end-of-period headcount. The rate of recordable work-related injuries was calculated on average headcount.	Exploris' injuries were estimated based on the average number of injuries for the Group. For TX Logistik and Exploris, the number of days lost was estimated by considering the respective recordable work-related injuries and the average number of days lost per injury at the Group level. For the recordable work-related injury rate of its workforce, Group hours worked were estimated from the average annual workable hours net of absenteeism rate, multiplied by the average Group headcount. The average annual theoretical workable hours were determined, for the Italian Companies as a weighted average of the contractual hours according to the National Collective Labour Agreement (CCNL) applied by the individual Companies while the Italian divisor was applied for the foreign Companies. For the number of occupational diseases of its workforce referred to the Italy perimeter, not all cases were ascertained by the National Institute for Insurance against Accidents at Work (INAIL).
ESRS S1-15 Work-life balance metrics	Work-life balance metrics were calculated on average headcount.	
ESRS S1-16 Remuneration metrics (pay gap and total remuneration)	Remuneration metrics (pay gap and total remuneration) were calculated according to the methodology outlined in the standard.	

Metrics	Description	Notes/estimates
Topic: ESRS S3 – Affected communities		
Support to communities		
Entity specific - Total area (m²) granted on gratuitous loan for use for social activities (Help Centers and Reception Centers)	For the establishment of Help Centers and Reception Centers, the FS Group grants premises inside stations or near railway stations, on gratuitous loan for use, to associations and organisations dealing with marginality and social emergencies. Help Centers are "low-threshold" desks, whose main objective is to provide people in a state of difficulty with guidance to city social services and, where necessary, an immediate response to basic needs; alongside the Help Centers in several cities, day and night Reception Centers have also been established, in which the solidarity objective is combined with the reuse of railway spaces and the redevelopment of the station area.	Data and information refer to the Group's corporate wealth and assets in Italy.
Land protection and development		
Entity specific – Kilometers of decommissioned lines converted into tourist lines, bicycle routes and greenways	Railway lines that are no longer functional and have been decommissioned from operation are being redeveloped and put to social and soft mobility uses, turning them into tourist lines, bicycle routes, and greenways.	Data and information refer to the Group's corporate wealth and assets in Italy.
Topic: ESRS S4 – Consumers and end users		
Safety of transport, infrastructure and other assets (railway safety)		
Entity specific - Common Safety Targets (CST)	Common Safety Targets (CSTs) define safety levels in terms of company's acceptance of risk. Risk levels are expressed as the number of fatalities and serious injuries per train-km. There are risk categories for passengers, staff, level crossing users, unauthorised persons on rail facilities, other persons, and company as a whole. CSTs facilitate monitoring of rail safety performance by allowing quantification of whether safety in Member States is maintained at least at the same levels.	The monitoring of the safety performance of the railway infrastructure operated by RFI is carried out by means of indicators calculated on the basis of data recorded in its Databases (Hazard Database for the monitoring of accidents and incidents), in accordance with current international criteria (defined by ERA - European Union Agency for Railways).
Entity specific - National Reference Value (NRV)	Specific value assigned to each Member State's rail system with reference to different CSTs.	
Entity specific – Significant accidents	According to the adopted ERA (European Union Agency for Railways) classification: any accident involving at least one rail vehicle in motion and resulting in at least one death or serious injury (hospitalisation > 24h) or significant damage to stock, track, other installations or the environment, or extensive disruptions to traffic, excluding accidents in workshops, warehouses and depots.	
Entity specific – Typical incidents UIC (International Union of Railways)	Typical UIC accidents are classified as follows: collision, derailing, fires involving rolling stock, accidents involving dangerous goods, accidents at level crossings (collisions with obstacles or vehicles). Excluded from the calculation are 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 parameters related to the damage caused by the above accidents referred to by the UIC are similar to those of significant accidents. This type of classification is intended to measure the inherent safety of railway systems, considering accidents occurring due to undue behaviour by external persons (breaches under Presidential Decree no. 753/80) occurring in railway contexts to be of less importance.	

Metrics	Description	Notes/estimates
Topic: ESRS S4 – Consumers and end users		
Value to customer		
Entity specific – Service Charter / customer satisfaction indicators RFI	The Service Charter is the tool by which the company communicates and reports on the principles and commitments to improve the services offered. The RFI Market Observatory, through companies selected by European tender, has been conducting customer satisfaction surveys for more than 15 years. The monitoring of traveller satisfaction with the quality of RFI stations ("Traveler Observatory") is one of the most extensive surveys in Italy. The survey involves monthly surveys of perceived quality structured to provide a complete view of the sample-stations on a quarterly basis. It is conducted through face-to-face interviews (of the C.A.P.I. Computer Assisted Personal Interview type) in the station to people departing on the basis of questionnaires that include both pre-coded responses, to allow travellers to express their level of satisfaction/dissatisfaction with different aspects of the station and services offered with a "grade from 1 to 9", and "open-ended" responses, to gather from the voice of the respondent suggestions on areas for improvement. The observation of the quality of in-station assistance services to people with disabilities and reduced mobility - provided by RFI's Sale Blu (Blue Rooms) in a circuit of stations spread throughout the territory - is the subject of a specific survey ("Blue Rooms Observatory") conducted on a monthly basis through C.A.T.I. (Computer Assisted Telephone Interview) type interviews on a sample of travellers who used the service in the previous month (about 3,600 people on schedule).	
Entity specific – Complaints and disservices	In the document, the term "complaints" refers to the reports received while the term "disservices" refers to the issues associated with "complaints." Multiple disservices may also be associated with a complaint. Complaints may also identify customer inquiries about certain aspects of service or reports that do not correspond to disservices, but are nevertheless noted in specific items, evaluated, and found.	
Entity specific - Customer satisfaction Anas	The survey is conducted through semi-structured questionnaires administered by C.A.W.I. (Computer Assisted Web Interviewing) and C.A.T.I. (Computer Assisted Telephone Interview) methods on a sample identified by random sampling among customers who contacted the Pronto Anas Service during the reporting period and who gave their consent to participate in the research.	
Entity specific - Punctuality (Trenitalia)	Percentage of trains arriving within the thresholds "expressed in minutes" from the scheduled time. All trains arriving at their destination beyond the stated threshold are considered late (no exclusions).	Data for the internal reporting year but certified by the infrastructure manager until June 2024.
Entity specific - Customer satisfaction Trenitalia – medium- and long-haul service	Each survey, on a bimonthly basis for a total of 6 annual surveys, involves about 5,800 interviews with a sample of travellers selected according to a probabilistic procedure based on three stages: traffic relationship, station, brand. Face-to-face interviews are conducted at the station at train departure/arrival. CATI (Computer Assisted Telephone Interview) interviews are conducted by contacting the respondent again within two to three days after the journey. The rating for each variable surveyed is expressed by means of a scale of 1 to 9, with 1 expressing the lowest and 9 the highest satisfaction. Travelers who gave a score of 6 or higher to the different factors surveyed are considered satisfied.	

Metrics	Description	Notes/estimates
Topic: ESRS S4 – Consumers and end users		
Value to customer		
Entity specific - Customer satisfaction Trenitalia – regional service	Each survey, conducted on a bimonthly basis for a total of 6 annual surveys, involves about 9,170 interviews. This numerosity also makes it possible to conduct an in-depth survey of customers traveling on 35 major regional rail lines distributed throughout the country. Face-to-face interviews are conducted at the station at train departure/arrival. CATI (Computer Assisted Telephone Interview) interviews are conducted by contacting the respondent again within two to three days after the journey. The rating for each variable surveyed is expressed by means of a scale of 1 to 9, with 1 expressing the lowest and 9 the highest satisfaction. Travelers who gave a score of 6 or higher to the different factors surveyed are considered satisfied.	
Entity specific - Customer satisfaction Busitalia Group	The methodology adopted for the surveys is field survey, which involves interviews with customers at the time of the service use, so as to collect the level of satisfaction in real time. Thus, the survey mode involved CAPI (face-to-face) interviews in both urban and suburban areas. The sampling plan was stratified by groups and lines, with random extraction of statistical units. In addition to the social and behavioural profile, the survey captured customers' perception of the quality of service rendered (Customer Satisfaction), using the rating scale from 1 to 10. Perception is surveyed both in relation to an overall assessment of the service and in relation to individual aspects of the service. The customer satisfaction surveys covered the urban and suburban road transport services of Busitalia and subsidiaries and the rail service carried out in Umbria. Satisfaction was also surveyed on the replacement services offered by Busitalia Rail Service (replacements, Orio al Serio airport service, Calabria long-haul lines) and on the service operating in Tuscany for The Mall Outlet. The consolidated results of the surveys conducted in May and November/December on local public transport were consolidated by weighting the customer values obtained for each group to the corresponding number of passengers carried. Overall, the respondents were 3,635 for urban services and 2,918 for extra-urban services.	
Entity specific - Net Promoter Score (NPS)	Net Promoter Score is an index that measures the willingness of customers to recommend to others the products or services offered by a company. The score is calculated on a scale of 1 to 9, ranking as "promoters" those customers who respond between 8 and 9 and as "detractors" those who respond between 1 and 5.	The figure is for high-speed (HS) service provided by Trenitalia.
Entity specific – Security statistics	FS Security database for Assaults and Copper Thefts, Ministry of Interior data for Onboard Train and Station Thefts.	
Entity specific - Data breach	A security breach that results - accidentally or unlawfully - in the destruction, loss, modification, unauthorised disclosure of, or access to personal data transmitted, stored, or otherwise processed.	

Metrics	Description	Notes/estimates
Topic: ESRS G1 – Business conduct		
Ethical and responsible business conduct		
G1-3 Prevention and detection of corruption and bribery ***Functions at risk of corruption***	The detection of employees belonging to at-risk functions was carried out consistently with the Group Anti-Corruption Policy, which identifies the following areas as most sensitive: a) Relationships with Public Authorities (understood in all its structures) b) Relationships with third parties c) Business Partners, Promoters and Sales Consultants d) Gifts and hospitality e) Facilitation and extortion payments f) Relationships with political and trade union organisations g) Contracting of consultancy, specialist and professional services h) Contracting of works and supply of goods and services i) Extraordinary transactions j) Selection, recruitment, management and development of Personnel k) Sponsorships, Co-marketing (and/or partnerships), contributions to associations, entities and foundations and donations l) Obtaining and managing public or private financing/grants m) Real estate asset management n) Accounting records.	
Sustainable supply chain		
G1-6 Payment practices ***Average payment time***	The average actual payment time for invoices payable is calculated from the invoice date.	The consolidated average value is calculated as a weighted average of the average payment time and the number of payments made in the year by Group companies.
Entity specific – ESG Rating	The ESG Rating defined by the FS Group makes it possible to assess the level of maturity, regarding the management of the dimensions of sustainability (Environmental, Social and Governance) of the economic operators, who intend to register in our Qualification Systems and participate in the tenders announced by the Group company, and of our suppliers. In order to obtain the ESG Rating, it is necessary to register on the information platform developed by FS Italiane https://esgrating.gruppofs.it/ and proceed to fill in one of the 7 evaluation questionnaires provided. Each questionnaire is divided into 4 areas of analysis (general disclosures, environment, governance and social issues), which in turn are divided into sections within which there are questions to be answered in order to generate the ESG score/Rating. For each scoring answer, it is mandatory to upload the documentary evidence described within the "guidance" of the questions. The score of the responses is determined by the product of score (number from 0 to 3) and weight (number from 0 to 3). The score of each section (number from 0 to 3) is determined by the weighted average of the answer scores. The score of each area (number 0 to 3) is determined by the sum of the scores of its component sections weighted by the % weights assigned to them, while the overall score (number 0 to 3) is determined by the sum of the scores of the 3 areas weighted by the % weights assigned to them. The scores obtained (number from 0 to 3) are translated into an alphabetical scale (ESG Rating). Upon completion of the assessment questionnaire, the ESG score/rating (not validated) is automatically generated and may be subject to verification by the FS Group.	

EMISSION FACTORS USED TO CALCULATE GREENHOUSE GAS (GHG) EMISSIONS

SCOPE/CATEGORY	EMISSION FACTOR SOURCE
Scope 1 – Direct GHG emissions	
Emissions from combustion of stationary plants and equipment	ISPRA (2024) National Inventory Report [181] DEFRA UK (2022) Conversion factors
Emissions from mobile plant combustion	ISPRA (2024) National Inventory Report DEFRA UK (2022) Conversion factors
Fugitive emissions	IPCC Sixth Assessment Report – AR 6
Emissions from land use and land use change (LULUCF)	"Frank S. et Al, Documentation for estimating LULUCF emissions / removals and mitigation potentials with GLOBIOM/G4M, 2020" ISPRA (2024) National Inventory Report
Scope 2 – Indirect GHG emissions from imported energy	
Emissions from imported electricity	Location-based: ISPRA (2024) Emission factors from electricity generation and consumption AIB (Association of Issuing Bodies) (2022) Residual Mix Results (Production mix). The emission factors used for calculation in the location-based approach refer to the emission factors of the electricity generation mix in each country where each FS Group company operates. The generation mix, instead of the consumption mix, was considered, mainly because of a homogeneity of the application of the same factors available for all countries in which the Group Companies operate. Market-based: AIB (Association of Issuing Bodies) (2022) Residual Mix Results (Residual mix). The emission factors used for calculation in the market-based approach refer to the emission factors of the residual mix (higher than the location-based emission factor) of electricity generation in each nation in which each FS Group company operates, net of energy consumption certified with respect to generation from a renewable source through Guarantee of Origin (GO). However, in the market-based approach, with reference to electricity used both for rail traction on RFI's network and for a portion intended for RFI's other uses, the emission factor used is the location-based one, given the current inability to procure GO on the market.
Emissions from imported energy, excluding electricity	DEFRA UK (2022) Conversion factors ISPRA (2024) Emission factors - electricity production and consumption
Scope 3 – Indirect GHG emissions deriving from the value chain	
Category 1 and Category 2	Eurostat Database: Air emissions accounts by NACE – in CO_2 equivalent, Annual enterprise statistics for special aggregates of activities – by NACE ISPRA (2024) National Inventory Report – DEFRA UK (2022) Conversion factors Ecoinvent Database – Release 3.11 – cut-off system model, 2024 EPD ArcelorMittal S-P-12919 - Rails for transport, tramways, rail track devices and cranes BOF-based EPD International: - ETR 1000 (S-P-00453) made by Hitachi Rail Italy SpA - Blues (S-P-05471) made by Hitachi Rail Italy SpA - Rock (S-P-01175) made by Hitachi Rail Italy SpA

181. To ensure robustness in the calculations, it was decided to use the year N-2 data, with geographic characterisation (where possible).

SCOPE/CATEGORY	EMISSION FACTOR SOURCE
Category 3	Ecoinvent Database – Release 3.11 – cut-off system model, 2024 UNI EN16258 (2013) JRC (2022) JEC Well-To-Wheels report v5
Category 4	Ecoinvent Database – Release 3.11 – cut-off system model, 2024
Category 5	DEFRA UK (2022) Primary Waste Disposal
Category 6	ISPRA (2024) National Inventory Report – DEFRA UK (2022) Conversion factors For rail travel, emission factors are estimated to be zero, as these emissions are considered to be included within Scope 1, 2 or Category 11 - Scope 3
Category 7	ISPRA (2023) The database of average emission factors of road transport in Italy
Category 11	ISPRA (2024) Emission factors - electricity production and consumption MIMS (2021): Railway works: guidelines to assess investments according to the sustainability criterion
Category 13	ISPRA (2024) National Inventory Report – DEFRA UK (2022) – Conversion factors – ISPRA (2024) Emission factors – Electricity production and consumption
Category 15	Database Eurostat: Air emissions accounts by NACE – in CO_2 equivalent, Annual enterprise statistics for special aggregates of activities – by NACE

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ESRS 2 IRO-2 – Disclosure requirements in ESRS covered by the undertaking's sustainability statement

The FS Group discloses material information regarding IROs assessed as material based on the disclosure requirements associated with the specific sustainability issues to which IROs are linked (topic, subtopic, and sub-subtopic under ESRS 1 AR 16). With regard to IROs associated with entity-specific issues for the organisation, the Group discloses information related to policies, actions, targets, and metrics where present. In general, information associated with IROs that, from the materiality analysis, have obtained a materiality value above the thresholds established for the double materiality process is considered material while no additional thresholds or criteria are used in order to determine the information to be disclosed.

ESRS 2 – GENERAL DISCLOSURES

Standard	Description	Paragraphs
ESRS 2 BP -1	General basis for preparation of the sustainability statements	General disclosures
ESRS 2 BP -2	Disclosures in relation to specific circumstances	
ESRS 2 GOV-1	The role of the administrative, management and supervisory bodies	Report on corporate governance and ownership structure: - Board of Directors of FS SpA - Board of Statutory Auditors
ESRS 2 GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	
ESRS 2 GOV-3	Integration of sustainability-related performance in incentive schemes	
ESRS 2 GOV-4	Dichiarazione sul dovere di diligenza	Report on corporate governance and ownership structure: - Board of Directors of FS SpA - Board of Statutory Auditors General disclosures: - Stakeholder management and double materiality process - Commitment to sustainable development Environmental and Social Information: - Policies, Actions and Targets
ESRS 2 GOV-5	Risk management and internal controls over sustainability reporting	Report on corporate governance and ownership structure: - Internal Control and Risk Management System
ESRS 2 SBM-1	Strategy, business model(s) and value chain	Strategic Plan 2025-2029 Performance of Business Sectors General disclosures - Business model and strategy
ESRS 2 SBM-2	Interests and views of stakeholders	General disclosures: - Stakeholder management and double materiality process
ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model(s)	Strategic Plan 2025-2029 General disclosures: - Stakeholder management and double materiality process
ESRS 2 IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	General disclosures: - Stakeholder management and double materiality process
ESRS 2 IRO-2	Disclosure Requirements in ESRS covered by the undertaking's sustainability statements	ESRS content index

ESRS E1 – CLIMATE CHANGE

Standard	Description	Paragraphs
ESRS E1-1	Transition plan for climate change mitigation	Environmental information: - Climate change
ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model(s)	General disclosures: - Stakeholder management and double materiality process Environmental information: - Climate change
ESRS 2 IRO-1	Description of the processes to identify and asses material climate-related impacts, risks and opportunities	
ESRS E1-2	Policies related to climate change mitigation and adaptation	Environmental information: - Climate change
ESRS E1-3	Actions and resources in relation to climate change policies	
ESRS E1-4	Targets related to climate change mitigation and adaptation	
ESRS E1-5	Energy consumption and mix	
ESRS E1-6	Gross GHG Emissions Scopes 1, 2, 3 and Total GHG Emissions	
ESRS E1-7	GHG removals and GHG mitigation projects financed through carbon credits	
ESRS E1-8	Internal carbon pricing	

ESRS E2 – POLLUTION

Standard	Description	Paragraphs
ESRS 2 IRO-1	Description of the process to identify and assess material pollution-related impacts, risks and opportunities	General disclosures: - Stakeholder management and double materiality analysis
ESRS E2-1	Policies related to pollution	- Environmental information: Pollution
ESRS E2-2	Actions and resources related to pollution	
ESRS E2-3	Targets related to pollution	
ESRS E2-4	Pollution of air, water and soil	
ESRS E2-5	Substances of concern and substances of very high concern	

ESRS E3 – WATER AND MARINE RESOURCES

Standard	Description	Paragraphs
ESRS 2 IRO-1	Descrizione del processo per individuare e valutare gli impatti, i rischi e le opportunità rilevanti	General disclosures: - Stakeholder management and double materiality process
ESRS E3-1	Policies related to water and marine resources	Environmental information: - Water and marine resources
ESRS E3-2	Actions and resources related to water and marine resources	
ESRS E3-3	Targets related to water and marine resources	
ESRS E3-4	Water consumption	

ESRS E4 – BIODIVERSITY AND ECOSYSTEMS

Standard	Description	Paragraphs
ESRS 2 IRO-1	Description of the process to identify and assess material biodiversity and ecosystem-related impacts, risks and opportunities	General disclosures: - Stakeholder management and double materiality process
ESRS E4-1	Transition plan and consideration of biodiversity and ecosystems in strategy and business model	Environmental information: - Biodiversity and ecosystems
ESRS E4-2	Policies related to biodiversity and ecosystems	
ESRS E4-3	Actions and resources related to biodiversity and ecosystems	
ESRS E4-4	Targets related to biodiversity and ecosystems	
ESRS E4-5	Impact metrics related to biodiversity and ecosystems change	

ESRS E5 – RESOURCE USE AND CIRCULAR ECONOMY

Standard	Description	Paragraphs
ESRS 2 IRO-1	Description of the process to identify and assess material resource use and circular economy-related impacts, risks and opportunities	General disclosures: - Stakeholder management and double mate-riality process
ESRS E5-1	Policies related to resource use and circular economy	Environmental information: - Resource use and circular economy
ESRS E5-2	Actions and resources related to resource use and circular economy	
ESRS E5-3	Targets related to resource use and circular economy	
ESRS E5-4	Resource inflows	
ESRS E5-5	Resource outflows	

ESRS S1 – OWN WORKFORCE

Standard	Description	Paragraphs
ESRS 2 SBM-2	Interests and views of stakeholders	General disclosures: - Stakeholder management and double materiality process Social information - Own workforce
ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model(s)	
ESRS S1-1	Policies related to own workforce	Social information: - Own workforce
ESRS S1-2	Processes for engaging with own workers and wor-kers' representatives about impacts	
ESRS S1-3	Processes to remediate negative impacts and chan-nels for its own workforce to raise concerns	
ESRS S1-4	Taking action on material impacts on own workforce and approaches to mitigating material risks and pur-suing material opportunities related to own workfor-ce, and effectiveness of those actions	
ESRS S1-5	Targets related to managing material negative impacts, advancing positive impacts and managing material risks and opportunities	
ESRS S1-6	Characteristics of the undertaking's employees	
ESRS S1-7	Characteristics of non-employee workers in the undertaking's own workforce	
ESRS S1-8	Collective bargaining coverage and social dialogue	
ESRS S1-9	Diversity indicators	
ESRS S1-10	Adequate wages	
ESRS S1-11	Social protection	
ESRS S1-12	Persons with disabilities	
ESRS S1-13	Training and skills development indicators	
ESRS S1-14	Health and safety indicators	
ESRS S1-15	Work-life balance indicators	
ESRS S1-16	Compensation indicators (pay gap and total com-pensation)	
ESRS S1-17	Incidents, complaints and severe human rights impacts	

ESRS S2 – WORKERS IN THE VALUE CHAIN

Standard	Description	Paragraphs
ESRS 2 SBM-2	Interests and views of stakeholders	General disclosures: - Stakeholder management and double materiality analysis Social information: - Workers in the value chain
ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model(s)	
ESRS S2-1	Policies related to value chain workers	Social information: - Workers in the value chain
ESRS S2-2	Processes for engaging with value chain workers about impacts	
ESRS S2-3	Processes to remediate negative impacts and channels for value chain workers to raise concerns	
ESRS S2-4	Taking actions on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions	
ESRS S2-5	Targets related to managing negative impacts, advancing positive impacts and managing material risks and opportunities	

ESRS S3 – AFFECTED COMMUNITIES

Standard	Description	Paragraphs
ESRS 2 SBM-2	Interests and views of stakeholders	General disclosures: - Stakeholder management and double materiality process Social information: - Affected communities
ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model(s)	
ESRS S3-1	Policies related to affected communities	Social information: - Affected communities
ESRS S3-2	Processes for engaging with affected communities about impacts	
ESRS S3-3	Processes to remediate negative impacts and channels for affected communities to raise concerns	
ESRS S3-4	Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities and effectiveness of those actions	
ESRS S3-5	Targets related to managing material negative impacts, advancing positive impacts and managing material risks and opportunities	

ESRS S4 – CONSUMERS AND END USERS

Standard	Description	Paragraphs
ESRS 2 SBM-2	Interests and views of stakeholders	General disclosures: - Stakeholder management and double materiality process Social information - Affected communities
ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model(s)	
ESRS S4-1	Policies related to consumers and end users	Social information - *Affected communities*
ESRS S4-2	Processes for engaging with consumers and end users about impacts	
ESRS S4-3	Processes to remediate negative impacts and channels for consumes and end users to raise concerns	
ESRS S4-4	Taking action on material impacts on consumers and end users and approaches to managing material risks and pursuing material opportunities related to consumers and end users, and effectiveness of those actions	
ESRS S4-5	Targets related to managing material negative impacts, advancing positive impacts ad managing material risks and opportunities	

ESRS G1 – BUSINESS CONDUCT

Standard	Description	Paragraphs
ESRS 2 GOV-1	The role of the administrative, management and supervisory bodies	Report on corporate governance and ownership structure: - Board of Directors of FS SpA
ESRS 2 IRO 1	Description of the processes to identify and assess material impacts, risks and opportunities	General disclosures: - Stakeholder management and double materiality process
ESRS G1-1	Corporate culture and business conduct policies	Governance information: - Business conduct
ESRS G1-2	Management of relationships with suppliers	
ESRS G1-3	Prevention and detection of corruption or bribery	Report on corporate governance and ownership structure: - Anti-corruption management systems and policies Governance information: - Business conduct
ESRS G1-4	Confirmed incidents of corruption or bribery	
ESRS G1-5	Political influence and lobbying activities	Legislative and regulatory framework: - Regulatory measures of cross-cutting interest to the FS Group Governance information: - Business conduct
ESRS G1-6	Payment practices	Governance information: - Business conduct

List of datapoints in cross-cutting and topical standards required by other EU legislation

In preparing the consolidated sustainability reporting, the Group **has not included**, in addition to the information required by ESRS, the following disclosures required by other legislation or generally-accepted sustainability reporting provisions **as they are not applicable**.

Disclosure requirement and related datapoint	SFDR reference[182]	Pillar 3 reference[183]	Benchmark regulation reference[184]	EU Climate Law reference[185]
ESRS 2 GOV-1 Board's gender diversity, paragraph 21 (d)	Annex I, table 1, indicator no. 13 ***Not applicable***		Commission Delegated Regulation (EU) 2020/1816[186], annex II ***Not applicable***	
ESRS 2 GOV-1 Percentage of board members who are independent, paragraph 21 (e)			Commission Delegated Regulation (UE) 2020/1816, annex II ***Not applicable***	
ESRS 2 GOV-4 Statement on due diligence, paragraph 30	Annex I, table 3, indicator no. 10 ***Not applicable***			
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities, paragraph 40 (d) i	Annex I, table 1, indicator no. 4 ***Not applicable***	Article 449-bis of Regulation (EU) n. 575/2013; Commission Implementing Regulation (EU) 2022/2453[187], table 1 – Qualitative information on Environmental risk and table 2 – Qualitative information on social risk ***Not applicable***	Commission Delegated Regulation (EU) 2020/1816, annex II ***Not applicable***	
ESRS 2 SBM-1 Involvement in activities related to chemical production, paragraph 40 (d) ii	Annex I, table 2, indicator no. 9 ***Not applicable***		Commission Delegated Regulation (EU) 2020/1816, annex II ***Not applicable***	
ESRS 2 SBM-1 Involvement in activities related to controversial weapons, paragraph 40 (d) iii	Annex I, table 1, indicator no. 14 ***Not applicable***		Article 12.1, of Delegated Regulation (EU) 2020/1818[188] and annex II of Delegated Regulation (EU) 2020/1816 ***Not applicable***	
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco, paragraph 40 (d) iv			Article 12 (1) of Delegated Regulation (EU) 2020/1818 and annex II of Delegated Regulation (EU) 2020/1816 ***Not applicable***	
ESRS E1-1 Transition plan to reach climate neutrality by 2050, paragraph 14				Article 2 (1) of Regulation (EU) 2021/1119 ***Not applicable***
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks, paragraph 16 (g)		Article 449b of Regulation (EU) 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 1: Banking book– Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity ***Not applicable***	Article 12.1 (d) to g), and 12.2, of Delegated Regulation (EU) 2020/1818 ***Not applicable***	

Disclosure requirement and related datapoint	SFDR reference[182]	Pillar 3 reference[183]	Benchmark regulation reference[184]	EU Climate Law reference[185]
ESRS E1-4 GHG emission reduction targets, paragraph 34	Annex I, table 2, indicator no. 4 ***Not applicable***	Article 449b of Regulation (EU) 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 3: Banking book– Climate Change transition risk: alignment metrics ***Not applicable***	Article 6 of Delegated Regulation (EU) 2020/1818 ***Not applicable***	
ESRS E1-5 Energy consumption from fossil fuels disaggregated by sources (only high climate impact sectors), paragraph 38	Annex I, table 1, indicator no. 5 and Annex I, table 2, indicator no. 5 ***Not applicable***			
ESRS E1-5 Energy consumption and mix, paragraph 37	Annex I, table 1, indicator no. 5 ***Not applicable***			
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors, paragraphs 40 to 43	Annex I, table 1, indicator no. 6 ***Not applicable***			
ESRS E1-6 Emissioni lorde di ambito 1, 2, 3 ed emissioni totali di GES, paragrafo 44	Allegato I, tabella 1, indicatori nn. 1 e 2 ***Non applicabile***	Articolo 449 bis del regolamento (UE) n. 575/2013; regolamento di esecuzione (UE) 2022/2453 della Commissione, modello 1: Portafoglio bancario – Indicatori del potenziale rischio di transizione connesso ai cambiamenti climatici: Qualità creditizia delle esposizioni per settore, emissioni e durata residua ***Non applicabile***	Articolo 5, paragrafo 1, articolo 6 e articolo 8, paragrafo 1, del regolamento delegato (UE) 2020/1818 ***Non applicabile***	
ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions, paragraph 44	Annex I, table 1, indicators nos. 1 and 2 ***Not applicable***	Article 449b of Regulation (EU) 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 1: Banking book –Climate change transition risks: Credit quality of exposures by sector, emissions and residual maturity ***Not applicable***	Article 5.1, Article 6 and Article 8.1 of Delegated Regulation (EU) 2020/1818 ***Not applicable***	
ESRS E1-7 GHG removals and carbon credits, paragraph 56				Article 2.1 of Regulation (EU) 2021/1119 ***Not applicable***
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks, paragraph 66			Annex II of Delegated Regulation (EU) 2020/1818 and Annex II of delegated Regulation (EU) 2020/1816 ***Not applicable***	

Disclosure requirement and related datapoint	SFDR reference[182]	Pillar 3 reference[183]	Benchmark regulation reference[184]	EU Climate Law reference[185]
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk, paragraph 66 (a) ESRS E1-9 Location of significant assets a material physical risk, paragraph 66 (c)		Article 449b of Regulation (EU) 575/2013; points 46 and 47 of Commission Implementing Regulation (EU) 2022/2453; Template 5: Banking book – Climate change physical risk: exposures subject to physical risk ***Not applicable***		
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes, paragraph 67 (c)		Article 449b of Regulation (EU) 575/2013; point 34 of Commission Implementing Regulation EUE) 2022/2453; Template 2: Banking book – Climate change transition risk: loans collateralised by immovable property – Energy efficiency of the collateral ***Not applicable***		
ESRS E1-9 Degree of exposure of the portfolio to climate-related opportunities, paragraph 69			Annex II of Delegated Regulation (EU) 2020/1818 ***Not applicable***	
ESRS E2-4 Amounts of each pollutant listed in Annex II of E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	Annex I, table 1, indicator no. 8; Annex I, table 2, indicator no. 2; Annex 1, table 2, indicator no. 1; Annex I, table 2, indicator no. 3 ***Not applicable***			
ESRS E3-1 Water and marine resources, paragraph 9	Annex I, table 2, indicator no. 7 ***Not applicable***			
ESRS E3-1 Dedicated policy, paragraph 13	Annex I, table 2, indicator no. 8 ***Not applicable***			
ESRS E3-1 Sustainable oceans and seas, paragraph 14	Annex I, table 2, indicator no. 12 ***Not applicable***			
ESRS E3-4 Total water recycled and reused, paragraph 28 (c)	Annex I, table 2, indicator no. 6.2 ***Not applicable***			
ESRS E3-4 Total water consumption in m3 per net revenue on own operations, paragraph 29	Annex I, table 2, indicator no. 6.1 ***Not applicable***			
ESRS 2 IRO-1 – E4 paragraph 16 (a) i	Annex I, table 1, indicator no. 7 ***Not applicable***			

Disclosure requirement and related datapoint	SFDR reference[182]	Pillar 3 reference[183]	Benchmark regulation reference[184]	EU Climate Law reference[185]
ESRS 2 IRO-1 – E4 paragraph 16 (b)	Annex I, table 2, indicator no. 10 ***Not applicable***			
ESRS 2 IRO-1 – E4 paragraph 16 (c)	Annex I, table 2, indicator no. 14 ***Not applicable***			
ESRS E4-2 Sustainable land/agriculture practices or policies, paragraph 24 (b)	Annex I, table 2, indicator no. 11 ***Not applicable***			
ESRS E4-2 Sustainable oceans/seas practices or policies, paragraph 24 (c)	Annex I, table 2, indicator no. 12 ***Not applicable***			
ESRS E4-2 Policies to address deforestation, paragraph 24 (d)	Annex I, table 2, indicator no. 15 ***Not applicable***			
ESRS E5-5 Non-recycled waste, paragraph 37 (d)	Annex I, table 2, indicator no. 13 ***Not applicable***			
ESRS E5-5 Hazardous waste and radioactive waste, paragraph 39	Annex I, table 1, indicator no. 9 ***Not applicable***			
ESRS 2 – SBM3 – S1 Risk of incidents of forced labour, paragraph 14 (f)	Annex I, table 3, indicator no. 13 ***Not applicable***			
ESRS 2 – SBM3 – S1 Risk of incidents of child labour, paragraph 14 (g)	Annex I, table 3, indicator no. 12 ***Not applicable***			
ESRS S1-1 Human rights policy commitments, paragraph 20	Annex I, table 3, indicator no. 9 and Annex I, table 1, indicator no. 11 ***Not applicable***			
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labour Organisation Conventions 1 to 8, paragraph 21			Commission Delegated Regulation (EU) 2020/1816, Annex II ***Not applicable***	
ESRS S1-1 Processes and measures for preventing trafficking in human beings, paragraph 22	Annex I, table 3, indicator no. 1 ***Not applicable***			
ESRS S1-3 Grievance/complaints handling mechanisms, paragraph 32 (c)	Allegato I, tabella 3, indicatore n. 1 ***Non applicabile***			
ESRS S1-3 Meccanismi di trattamento dei reclami/delle denunce, paragrafo 32, lettera c)	Annex I, table 3, indicator no. 5 ***Not applicable***			
ESRS S1-14 Number of fatalities and number and rate of work-related accidents, paragraph 88 (b and c)	Annex I, table 3, indicator no. 2 ***Not applicable***		Commission Delegated Regulation (EU) 2020/1816, Annex II ***Not applicable***	

Disclosure requirement and related datapoint	SFDR reference[182]	Pillar 3 reference[183]	Benchmark regulation reference1[84]	EU Climate Law reference[185]
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness, paragraph 88 (e)	Annex I, table 3, indicator no. 3 ***Not applicable***			
ESRS S1-16 Unadjusted gender pay gap, paragraph 97 (a)	Annex I, table 1, indicator no. 12 ***Not applicable***		Commission Delegated Regulation (UE) 2020/1816, Annex II ***Not applicable***	
ESRS S1-16 Excessive CEO pay, paragraph 97 (b)	Annex I, table 3, indicator no. 8 ***Not applicable***			
ESRS S1-17 Incidents of discrimination, paragraph 103 (a)	Annex I, table 3, indicator no. 7 ***Not applicable***			
ESR S1-17 Violations of UNGPs on Business and Human Rights and OECD guidelines, paragraph 104 (a)	Annex I, table 1, indicator no. 10 and Annex I, table 3, indicator no. 14 ***Not applicable***		Annex II of Delegated Regulation (EU) 2020/1816 and Article 12.1 of Delegated Regulation (EU) 2020/1818 ***Not applicable***	
ESRS 2 SBM-3 – S2 Significant risk of child labour or forced labour in the value chain, paragraph 11 (b)	Annex I, table 3, indicators nos. 12 and 13 ***Not applicable***			
ESRS S2-1 Human rights policy commitments, paragraph 17	Annex I, table 3, indicator no. 9 and Annex I, table 1, indicator no. 11 ***Not applicable***			
ESRS S2-1 Policies related to value chain workers, paragraph 18	Annex 1, table 3, indicators nos. 11 and 4 ***Not applicable***			
ESRS S2-1 Violations of UNGPs on Business and Human Rights, and OECD guidelines, paragraph 19	Annex I, table 1, indicator no. 10 ***Not applicable***		Annex II of Delegated Regulation (EU) 2020/1816 and Article 12.1 of Delegated Regulation (EU) 2020/1818 ***Not applicable***	
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labour Organisation Conventions 1 to 8, paragraph 19			Commission Delegated Regulation (EU) 2020/1816, Annex II ***Not applicable***	
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain, paragraph 36	Annex I, table 3, indicator no. 14 ***Not applicable***			
ESRS S3-1 Human rights policy commitments, paragraph 16	Annex I, table 3, indicator no. 9 and Annex I, table 1, indicator no. 11 ***Not applicable***			

Disclosure requirement and related datapoint	SFDR reference[182]	Pillar 3 reference[183]	Benchmark regulation reference[184]	EU Climate Law reference[185]
ESRS S3-1 Violations of UNGPs on Business and Human Rights, ILO principles and OECD guidelines, paragraph 17	Annex I, table 1, indicator no. 10 ***Not applicable***		Annex II of Delegated Regulation (EU) 2020/1816 and Article 12.1 of Delegated Regulation (EU) 2020/1818 Not applicable	
ESRS S3-4 Human rights issues and incidents, paragraph 36	Annex I, table 3, indicator no. 14 ***Not applicable***			
ESRS S4-1 Policies related to consumers and end-users, paragraph 16	Annex I, table 3, indicator no. 9 and Annex I, table 1, indicator no. 11 ***Not applicable***			

182. Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (SFDR) (OJEU L 317 of 9.12.2019, page 1).
183. Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (capital requirements regulation) (OJEU L 176 of 27.6.2013, page 1).
184. Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 (OJEU L 171 of 29.6.2016, page 1).
185. Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulations (EC) No 401/2009 and (EU) 2018/1999 ('European Climate Law') (OJEU L 243 of 9.7.2021, page 1).
186. Commission Delegated Regulation (EU) 2020/1816 of 17 July 2020 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council as regards the explanation in the benchmark statement of how environmental, social and governance factors are reflected in each benchmark provided and published (OJEU L 406 of 3.12.2020, page 1).
187. Commission Implementing Regulation (EU) 2022/2453 of 30 November 2022 amending the implementing technical standards laid down in Implementing Regulation (EU) 2021/637 as regards the disclosure of environmental, social and governance risks (OJEU L 324 of 19.12.2022, page 1).
188. Commission Delegated Regulation (EU) 2020/1818 of 17 July 2020 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council as regards minimum standards for EU Climate Transition Benchmarks and EU Paris-aligned Benchmarks (OJEU L 406 of 3.12.2020, page 17).

OTHER INFORMATION

Proceedings and litigation

This section details the most significant criminal proceedings and proceedings before the most important national and EU authorities, which underwent significant developments during the year, as well as newly reported proceedings. Please refer to the previous annual financial reports for the proceedings that took place over time.
Up to the date of preparation of this report, no information had arisen that would indicate that the companies, including FS SpA, or the Group are exposed to contingent liabilities or losses of any amount, different than those disclosed in Note 45 - Contingent assets and contingent liabilities of the consolidated financial statements.
Furthermore, litigation and significant proceedings pending for which, where the relevant conditions are met, accruals have been made to specific provisions for risks and charges, are detailed in the notes to the financial statements, to which reference should be made.

Criminal proceedings pursuant to Legislative Decree no. 231/01

FSSU: Criminal Proceedings no. 4700/2021 in the general register of crimes. On 18 July 2024, FS Sistemi Urbani SpA was served a notice of indictment pursuant to Article 57 of Legislative Decree no. 231/2001 issued by the Milan Public Prosecutor's Office within the framework of the proceedings under no. 4700/21 in the general register of crimes. The notice of indictment was served together with the Search Decree, not concerning the company, already executed against a number of suspects who are natural persons; these include an executive of the FS Group (not in FS Sistemi Urbani's workforce). The charge brought against the company relates to the alleged violation of Articles 5 and 24 of Legislative Decree no. 231/2001 in relation to conduct carried out by the aforementioned executive, who is charged with the case provided for in Article 353-bis of the Italian Criminal Code - a predicate offense of the Entity's liability which would have been allegedly committed in the interest and to the benefit of FS Sistemi Urbani - for conduct relating to the determination of the content of the notice of search for property for office use published by MIT in March 2024.

Other significant criminal court proceedings

FS/RFI/Trenitalia/MIL: Criminal proceedings no. 6305/2009 in the general register of crimes. With respect to criminal proceedings no. 6305/2009 in the general register of crimes brought by the Public Prosecutor's office at the Court of Lucca, relating to the railway accident that occurred in Viareggio on 29 June 2009, the Florence Court of Appeals has set for 18 March 2025 the hearing for the third appellate proceedings, following the further postponement ordered by the Supreme Court in its ruling of 15 January 2024, the grounds for which were filed on 26 July 2024. The third-instance appellate proceedings will deal exclusively with the quantification of the sentences ordered by the judges of the bis-appeal and, to the extent of the Group's interest, will concern the positions of the former CEO of FS, the former CEO of RFI and the former CEO of Cargo Chemical (now MIL). Against the Supreme Court's ruling, some defence counsels have appealed to the European Court of Human Rights (EDU), as well as an extraordinary appeal to the Supreme Court, for correction of material or factual errors, with a hearing already set for 12 June.

RFI: Criminal proceedings no. 3651/2018 in the general register of crimes. Criminal proceedings were registered with the Milan Public Prosecutor's Office following the train accident that occurred on 25 January 2018, in Località Seggiano di Pioltello, which involved regional train no. 10452 of the railway company Trenord Srl (in commercial service on the section between Cremona and Milan Porta Garibaldi Station), causing the death of three passengers and the injury of others. After having dismissed, as a result of the preliminary investigations, the positions of the suspects referable to ANSF, now ANSFISA (*pro-tempore* Director and an official), and those referable to Trenord, the Judge of the Preliminary Hearing of the Court of Milan ordered, on 21 June 2021, the committal for trial of the 9 defendants referable to RFI in relation to all the crimes charged (culpable railway disaster, culpable homicide and culpable injuries aggravated by the violation of accident prevention regulations, wilful omission of precautions against accidents at work), as well as against the Company, for the administrative offence referred to in Article 25-septies of Legislative

Decree no. 231/2001. During the course of the trial, one of the defendants (RFI construction site specialist) settled his position with an agreed sentence of 4 years' imprisonment. The trial at first instance was concluded at the hearing on 25 February 2025, with the Court of Milan's ruling the acquittal in favour of RFI, for the indictment pursuant to Legislative Decree no. 231/2001, on the grounds that the predicate offense did not exist since the aggravating circumstance of violating accident prevention regulations was excluded, and of all the defendants, except for the Head of the Brescia Maintenance Unit, who was sentenced to 5 years and 3 months' imprisonment, with disqualification from public office for the duration of 5 years. In terms of compensation, the ruling ordered the only person convicted, jointly and severally with the civil defendant RFI, to pay compensation for the damage caused by the rail disaster to the parties appeared in court in civil proceedings, ordering the payment of provisional damages in excess of €1 million in favour of the injured parties, and settling, on an equitable and final basis, the amount of €10 thousand in favour of one of the aforesaid parties in civil proceedings, and €50 thousand in favour of FILT CGIL Lombardia.
The Court reserved the right to set a 90-day term for the filing of the grounds.

RFI: Criminal proceedings no. 524/2020 in the general register of crimes with the Public Prosecutor's Office at the Lodi Court related to the derailment of the HS train 9595 in Livraga on 6 February 2020 as a result of which two train drivers lost their lives. With regard to the position of two RFI employees (manual workers) convicted in the first instance on 3 July 2023, at the outcome of the abbreviated trial, it should be noted that on 4 March 2025, the appellate proceedings were concluded with the Milan Court of Appeals' ruling, which, in partial reform of the first-instance decision, confirmed the conviction by reducing the sentence from three years to 1 year and 8 months of imprisonment, with the granting of suspended sentence and non-mention of the conviction. As for the ordinary procedure, a trial is pending against the then RFI Production Manager and four other ALSTOM employees.

HELLENIC TRAIN: Criminal proceedings on the accident at Tempi. On the night of 28 February 2023, a train accident occurred between a passenger train (hired by Hellenic Train and owned by the publicly-owned company Gaiaose) and a freight train at Tempi in central Greece, on the route between Athens and Thessaloniki. A total of 57 people lost their lives and 164 were injured. At the time of the accident, 351 people were on board the passenger train, including 342 passengers, seven employees of Hellenic Trains and two employees of the company operating the restaurant car, while two crew members were on the freight train. Investigations by the competent authorities are currently underway. The Chief Executive Officer and the Technical Director of Hellenic Trains were formally charged by the Public Prosecutor's Office of Larissa, which retains competence to hear the criminal proceedings related to the accident, with the offences of culpable homicide and culpable personal injury (in the serious and slight form) for the alleged failure to activate the GSMR communication system on board the train, although the relevant system had not been approved by the competent authority (RAS) and the network operator (OSE) had not issued the necessary regulatory documentation for the use of the devices.
To date, criminal charges have also been filed against employees and managers of OSE SA for the above crimes, while some of them have been remanded in custody. Others have been named as defendants, including the chairman of RAS.

Proceedings before national and community authorities

FS/FSE: Appeal concerning the transfer to FS SpA of the quota in FSE Srl. Pending appeal for the reform of judgment no. 6417/2017 whereby the Lazio regional administrative court rejected the appeal filed by Arriva Italia Srl, Ferrotramviaria SpA and COTRAP to repeal MIT decree no. 248/2016 which identified FS Italiane SpA as the party to receive the investment in FSE Srl which, at the time, was held by MIT, thereby confirming its lawfulness. The case was pending before the Council of State, following a referral to the Court of Justice of the European Union, in the matter of state aid, for the assessment of the allocation of the sum of €70 million in favour of FSE and the transfer of the shareholding in FSE from MIT to FS without tender procedures and without consideration. As part of the appeal proceedings, a verification was ordered and the parties filed technical notes, as well as defence and rebuttal briefs. On 29 November 2023, FS and FSE filed an application for referral (which was also joined by MIT) in which it was acknowledged that on 24 November 2023, the European Commission had adopted a decision on a case history similar to the subject matter of the case, concluding that no State aid was involved. Pending the development of the litigation, FSE, having met all the conditions set forth in the Decree, took action by periodically requesting the Ministry for the disbursement of the sums allocated by Law No. 208/2015, but the

Ministry has never disbursed such sums, deeming it appropriate to wait for the settlement of the litigation. However, in order to ensure business continuity and pending the disbursement of the allocation by the MIT, recourse was made to a loan of the same amount granted by the shareholder FS on 19 December 2018 (Bridge Loan) with exclusive allocation to the liabilities and needs of the infrastructure segment. On 5 August 2024, Judgment no. 06983/2024 handed down by the Council of State to settle the case was published. With said judgment, the Council of State granted the appeal brought by Arriva Italia Srl, Ferrotramviaria SpA and COTRAP resulting in the annulment of the MIT decree of 4 August 2016 in the part in which it identified FS SpA as the entity to which to transfer FSE, subject to the disapplication of Law no. 208/2015 in the part in which it provided for the allocation of €70 million in favour of FSE. For the accounting impacts of the above ruling, please refer to Note 4. "Change in scope of consolidation and extraordinary transactions" of the consolidated financial statements.

RFI/Trenitalia/MIR: K2 Discount. This dispute refers to the application of the "K2 Discount" - introduced by Ministerial decree no. 44/T of 22 March 2000 and consisting of a temporary discount on the fee to use the railway infrastructure provided that the conditions for a single train driver are not met - in which the MIT had ordered could not be applied as there were no government grants in the Ministerial decree no. 92/T of 11 July 2007. Following the lawsuit by several railway companies, the Council of State definitively nullified Ministerial decree no. 92/T with ruling no. 1110/2013. Trenitalia has brought a civil action before the Rome Civil Court in order to have RFI SpA pay the amounts due for the "K2 Discount" following the annulment of Ministerial decree no. 92/T of 11 July 2007. Mercitalia Rail Srl appeared in court. On 1 March 2023, the Court of Rome, in its decision no. 3460/2023, ordered RFI to pay €144.5 million, plus interest, in favour of Trenitalia, and €91.3 million, plus interest, in favour of Mercitalia Rail, and rejected the application for indemnity submitted by RFI against MIT and MEF. On 28 July 2023, RFI filed an appeal against the aforementioned decision of the Court of Rome, with a simultaneous application for a stay of the same. Trenitalia and Mercitalia Rail as well as MIT and MEF entered an appearance. With an order filed on 22 February 2024, the Court of Appeal granted the petition to suspend the enforceability of the first instance judgment submitted by RFI. The hearing to specify the conclusions in the appellate proceedings has been set at 18 March 2026.

RFI: Appeals against ARERA and CSEA. On 11 July 2022, RFI filed an appeal with the Lombardy Regional Administrative Court (TAR) against ARERA and Cassa per i Servizi Energetici e Ambientali (CSEA) in order to challenge ARERA's note dated 11 May 2022, in which it is stated that the Special Tariff Scheme, which RFI holds pursuant to Presidential Decree No. 730/1963, is limited to traction energy, considering, on the contrary, that energy so-called "for uses other than traction" is excluded from the said Scheme. In the meantime, on 28 December 2022, CSEA, independently offset the amount paid to RFI for the period 2015-2019 as compensation for uses other than traction on the compensation payment related to traction energy. RFI proceeded in February 2023 to file an interlocutory application in the existing appeal as well as an additional appeal on additional grounds against CSEA and ARERA. By judgment No. 2874/2023, the Lombardy Regional Administrative Court rejected RFI's defenses. RFI appealed the judgment before the Council of State, which set the hearing for 17 December 2024. The Council of State, before which the case is pending, has retained it for decision; therefore, the publication of the ruling is awaited.
In addition, on 26 February 2024, RFI filed an appeal before the Lombardy Regional Administrative Court against ARERA and CSEA, challenging ARERA Resolution No. 618/2023/R/COM of 27 December 2023 (and the subsequent ARERA Resolution No. 45/2024/R of 20 February 2024 of rectification), in the part in which, under Article 36. 1 of Annex A, excludes that the Special Tariff Scheme under Presidential Decree no. 730/1963 applies to consumption for uses other than those related to rail transport services performed on the national railway infrastructure with the exception of passenger services carried out on the lines specially built for high speed and powered at 25 kV alternating current. The case is still pending.

RFI: Appeals relating to TRA decisions no. 126 and 127/2023. With TRA Resolutions No. 126 and No. 127 of 27 July 2023, the Authority concluded the sanctioning procedure initiated with Resolution No. 147/2022 for the violation of Article 23, paragraph 3, of Legislative Decree No. 112/2015 concerning the Network Information Prospectus (PIR) for the year 2023. Specifically, RFI was accused of having entered into framework agreements having as their object capacities exceeding the threshold of 85% of the total related to each section and for each time slot provided for in the above-mentioned provision of the RIP. RFI challenged the above-mentioned provisions before the Regional Administrative Court of Piedmont. The appeal was settled by unfavourable judgment for RFI no. 1092/2024 of 28 October 2024, for which the time limits to file an appeal are still applicable.

RFI: Appeals against TRA Resolutions no. 187/2023 and 38/2024. By TRA Resolution no. 187 of 30 November 2023, the Authority declared the non-compliance with the new regulatory model set forth in TRA Resolution no. 95/2023 - which revised the criteria for the determination of fees for access to and use of the railway infrastructure approved with the previous Resolution no. 96/2015 - of some aspects of the proposal formulated by RFI for the definition of the new tariff system for the period 2024-2028 for the Minimum Access Package (PMdA) to the national railway infrastructure, as well as for Services other than the Minimum Access Package provided. On 29 January 2024, RFI appealed the aforementioned measure before the Piedmont Regional Administrative Court. On 13 May 2024, RFI filed an appeal on Additional Grounds, also valid as a stand-alone appeal, against the subsequent TRA Resolution no. 38/2024, by which the Authority declared the non-compliance of the additional proposal formulated by RFI for the definition of the tariff system for the 2024-2028 period and set the consequent decisions for the 2025-2029 tariff period. At the end of the hearing on 12 March 2025, the decision of the Regional Administrative Court is still to be handed down.

Trenitalia: European Commission Decision 8017/2023 - Case SA 32953/2014. In that Decision, the European Commission ruled that certain compensation for public service obligations in the freight sector granted by Italy to Trenitalia in the period 2000-2014 was compatible with state aid rules, with the exception of compensation granted for certain services rendered between 4 December 2012 and 31 December 2014. In this regard, Ministerial Decree no. 145 of 21 May 2024 was issued to recover the amount of incompatible aid, amounting to about €95 million plus interest of about €14 million. As a result, on 16 July 2024, Trenitalia paid €108,659,682, including interest, to the Italian Revenue Agency.

The Holding Company's treasury shares

At 31 December 2024, FS Italiane SpA neither owns treasury shares directly or through trustees or nominees nor has it acquired or sold treasury shares directly or through trustees or nominees in 2024.

Related party transactions

Transactions between FS Italiane SpA and the Group companies and their transactions with other related parties are carried out correctly in terms of substance and to the parties' mutual financial benefit based on normal market conditions which are defined with the assistance of independent experts, when necessary. The shared objective of intraGroup transactions is to promote efficiency and, therefore, create value for the entire Group. To this end, in line with FS Italiane Group's industrial plan, a more rational reallocation of Group assets and resources is underway, to enable each company to focus on its core business, to improve the use of assets not directly related to the core activities of the Group companies, transferring these activities to specialised entities, including through demergers and contributions, and to increase intraGroup synergies. These processes and transactions are carried out in accordance with sector regulations, the Italian Civil Code and tax laws, in line with the guidelines issued by the relevant ministries and the Group's administrative/accounting procedures and considering the specific characteristics of the activities performed by many Group companies.

Assets and liabilities, income and expense arising on transactions during the year with parents and other Group companies and information on related party transactions are presented in the notes to the separate and consolidated financial statements, to which reference should be made.

OUTLOOK

Gruppo Ferrovie dello Stato Italiane

The macroeconomic framework is characterised by strong growth in consumption and services related to the mobility of people, despite the strong instability related to the evolution of the conflict in Ukraine and the crisis in the Middle East, which is showing repercussions on the transits of maritime transport logistics in the Suez Canal and the increase in the price of raw materials.
Estimates for the next few years on GDP and inflation projections seem to avert a recessionary scenario and forecast inflation to return toward the ECB's 2% target. The dynamics of the Italian environment are aligned with those of the Eurozone, albeit with lower growth forecasts. Commodities for 2025 forecast an energy price (PUN)[189] of around €123 /Mwh, an oil price of €72/barrel, and non-energy commodity prices rising by +3.9%[190].
In this macroeconomic context, the FS Group recorded a total recovery in mobility in 2024, with an acceleration in the recovery of demand in all transport business segments and, at the same time, has strengthened the role at the centre of the mobility ecosystem, with the aim of enabling a system of resilient infrastructure, sustainable mobility and integrated logistics, including in relation to the impact of Climate Change, thus creating value for the country. In recent years, the FS Group has strengthened its position through investment growth, and its transport offerings, and international expansion of the Group with a presence in 5 continents and about 30 countries.
In view of its achievements and the new transport scenario, the FS Group aims to become a European mobility leader operating in an international market, a main player towards green mobility by focusing on service quality and network resilience and by being a solid player in planning and implementing investments. In order to strengthen competitiveness in the market, the FS Group uses new emerging technologies to support mobility and digitisation of the mobility system, through process transformation and the development of new skills.
In particular, Passenger Transport plans to develop an integrated offer through sales channels that will bring a greater possibility of increasing market share in areas and markets not served by rail, encourage modal shift towards collective transport, achieving levels of sustainability along the entire supply chain, and will bring an offer of services for quality, sustainable tourism that is attentive to rediscovering the riches of the Italian territory; the Infrastructure Sector aims to accompany the supply chain by ensuring timing and quality of investments and by targeting the objectives of the NRRP and, at the same time, to develop and integrate rail and road infrastructures with a view to green transformation, digital and improving their reliability; Freight Transport envisages an evolution of the business through an end-to-end service offering from a client-driven perspective and extension along the value chain, focusing on sustainability as a distinctive factor; Urban Business has the objective of green urban regeneration, contributing to decarbonisation and urban intermodal integration to boost passenger modal shift.
In the international sphere, the FS Group aims to be a multi-domestic company by increasing its presence, thanks to increasing liberalisation, and to generate further value in the countries where it is already present, configuring itself as a European mobility operator with start-up of the new cross-border connections in Europe, developing the role of technological leader in non-EU countries and exporting know-how also in new frontiers.

189. Bloomberg – July 2024.
190. ECB – June 2024

CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER AND THE OFFICER IN CHARGE OF FINANCIAL REPORTING OF THE CONSOLIDATED SUSTAINABILITY REPORT

FERROVIE DELLO STATO ITALIANE

MOBILITY PREMIUM PARTNER

Certification of the Chief Executive Officer and the Officer in charge of Financial Reporting of the Consolidated Sustainability Report of Ferrovie dello Stato Italiane at 31 December 2024 pursuant to article 154-bis, paragraph 5 - ter, of Legislative decree no. 58/1998

The undersigned Stefano Antonio Donnarumma and Fabio Paris, respectively as Chief Executive Officer and Officer in charge of Financial Reporting of Ferrovie dello Stato Italiane S.p.A. certify, pursuant to article 154-bis, paragraph 5-ter, of Legislative decree no. 58 of 24 February 1998, that the Consolidated Sustainability Report included in the Directors' Report has been prepared:

a) in accordance with the reporting standards applied pursuant to Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 and Legislative decree no. 125 of 6 September 2024;
b) with the requirements adopted pursuant to article 8, paragraph 4, of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020.

April 3rd, 2025

Stefano Antonio Donnarumma	Fabio Paris
Chief Executive Officer	Officer in charge of Financial Reporting

INDEPENDENT AUDITOR'S LIMITED ASSURANCE REPORT ON THE CONSOLIDATED SUSTAINABILITY REPORTING

pwc

Independent auditor's limited assurance report on the consolidated sustainability reporting

in accordance with article 14-bis of Legislative Decree No. 39 of 27 January 2010

To the sole shareholder of
Ferrovie dello Stato Italiane SpA

Conclusion

In accordance with articles 8 and 18, paragraph 1, of Legislative Decree No. 125 of 6 September 2024 (hereinafter also the "Decree"), we have undertaken a limited assurance engagement on the consolidated sustainability reporting of the Ferrovie dello Stato Italiane Group (hereinafter also the "Group") for the year ended 31 December 2024 prepared in accordance with article 4 of the Decree, presented in the specific section of the directors' report.

Based on the procedures performed, nothing has come to our attention that causes us to believe that:

- the consolidated sustainability reporting of the Ferrovie dello Stato Italiane Group for the year ended 31 December 2024 is not prepared, in all material respects, in accordance with the reporting criteria adopted by the European Commission pursuant to Directive (EU) 2013/34/EU (*European Sustainability Reporting Standards*, hereinafter also the "ESRS");
- the information set out in paragraph "EU Taxonomy disclosure" of the consolidated sustainability reporting is not prepared, in all material respects, in accordance with article 8 of Regulation (EU) No. 852 of 18 June 2020 (hereinafter also the "Taxonomy Regulation").

Basis for conclusion

We conducted our limited assurance engagement in accordance with the Standard on Sustainability Assurance Engagements - SSAE (Italia). The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement.

Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our responsibilities under this Standard are further described in the *Auditor's Responsibilities for the Limited Assurance Conclusion on the Consolidated Sustainability Reporting* section of this report.

PricewaterhouseCoopers SpA

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We are independent in accordance with the principles of ethics and independence applicable to assurance engagements on consolidated sustainability reporting under Italian law.

Our firm applies International Standard on Quality Management 1 (ISQM Italia 1), which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Other matters – Comparative information

The consolidated sustainability reporting for the year ended 31 December 2024 includes, in the specific paragraph "EU Taxonomy disclosure", the comparative information referred to in Article 8 of the Taxonomy Regulation relating to the year ended 31 December 2023, which was not subject to any review.

Responsibilities of the directors and the board of statutory auditors of Ferrovie dello Stato Italiane SpA for the consolidated sustainability reporting

The directors are responsible for developing and implementing the procedures adopted to identify the information included in the consolidated sustainability reporting in accordance with the provisions of the ESRS (hereinafter the "materiality assessment process") and for describing those procedures in the "ESRS 2 IRO-1 - Description of the processes to identify and assess material impacts, risks and opportunities" of the consolidated sustainability reporting.

The directors are also responsible for preparing the consolidated sustainability reporting, which contains the information identified through the materiality assessment process, in accordance with the provisions of article 4 of the Decree, including:

- its compliance with the ESRS;
- its compliance with article 8 of the Taxonomy Regulation of the information set out in paragraph "EU Taxonomy disclosure".

That responsibility involves designing, implementing and maintaining, in the terms prescribed by law, such internal control as they determine is necessary to enable the preparation of a consolidated sustainability reporting in accordance with article 4 of the Decree that is free from material misstatement, whether due to fraud or error. That responsibility also involves selecting and applying appropriate methods for processing the information, as well as developing hypotheses and estimates about specific items of sustainability information that are reasonable in the circumstances.

The board of statutory auditors is responsible for overseeing, in the terms prescribed by law, compliance with the Decree.

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Inherent limitations in the preparation of the consolidated sustainability reporting

For reporting purposes of the prospective information in accordance with the ESRS, directors are required to draw up such information on the basis of assumptions, described in the consolidated sustainability reporting, regarding events that might occur in the future and possible future actions to be taken by the Group. Because of the unpredictability of the occurrence of any future event, including as to whether the event can actually take place and to the extent and timing of its occurrence, deviations between actual values and prospective information could be significant.

The information provided with regard to Scope 3 emissions is subject to higher inherent limitations compared to those of Scope 1 and 2 emissions, because of the poor availability and precision of the quantitative and qualitative information relating to the value chain.

Auditor's responsibilities for the limited assurance conclusion on the consolidated sustainability reporting

Our objectives are to plan and perform procedures to obtain limited assurance about whether the consolidated sustainability reporting is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that contains our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of the consolidated sustainability reporting.

As part of our engagement designed to achieve limited assurance in accordance with the Standard on Sustainability Assurance Engagements - SSAE (Italia), we exercised professional judgement and maintained professional scepticism throughout the engagement.

Our responsibilities include:

- Performing risk assessment procedures to identify the disclosures where a material misstatement, whether due to fraud or error, is likely to arise;
- Designing and performing procedures to verify the disclosures where a material misstatement is likely to arise. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Directing, supervising and performing a limited assurance engagement on the consolidated sustainability reporting and assuming full responsibility for the conclusion on the consolidated sustainability reporting.

Summary of the work performed

An engagement designed to obtain limited assurance involves performing procedures to obtain evidence as a basis for our conclusion.
The procedures performed were based on our professional judgement and included inquiries, primarily of personnel of Ferrovie dello Stato Italiane SpA responsible for the preparation of the information presented in the consolidated sustainability reporting, analyses of documents, recalculations and other procedures designed to obtain evidence considered useful.

We performed the following main procedures:

- We understood the Group's business model and strategies, and the environment in which it operates with reference to sustainability issues;
- We understood the processes underlying the generation, collection and management of the qualitative and quantitative information included in the consolidated sustainability reporting;
- We understood the process implemented by the Group to identify and assess the material impacts, risks and opportunities, in accordance with the double materiality principle, related to sustainability issues and, based on the information thus obtained, we considered whether any contradictory items emerged that could point to the existence of sustainability issues not considered by the Company in the materiality assessment process;
- We identified the disclosures where a material misstatement is likely to arise;
- We defined and performed procedures, based on our professional judgement, to address the risks of material misstatement identified;
- We understood the process implemented by the Group to identify the eligible economic activities and to determine whether they are aligned in accordance with the provisions of the Taxonomy Regulation, and we verified the related disclosures in the consolidated sustainability reporting;
- We reconciled the information reported in the consolidated sustainability reporting with the information reported in the consolidated financial statements in accordance with the applicable financial reporting framework, or with the accounting information used for the preparation of the consolidated financial statements, or with management accounting information;
- We verified the structure and presentation of disclosures included in the consolidated sustainability reporting in accordance with the ESRS;
- We obtained management's representation letter.

Rome, 18 April 2025

PricewaterhouseCoopers SpA

Signed by

Luigi Necci
(Partner)

This report has been translated from the Italian original solely for the convenience of international readers.

3 Consolidated financial statements of the Ferrovie dello Stato Italiane Group at 31 December 2024

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated income statement

millions of Euros

	Notes	2024	2023
Revenue		16,529	14,804
Revenue from sales and services	8	15,948	14,261
Other income	9	581	543
Operating costs		(16,186)	(14,466)
Personnel expense	10	(5,873)	(5,284)
Raw materials, consumables, supplies and goods	11	(2,008)	(1,607)
Services	12	(8,367)	(7,570)
Other operating costs	13	(413)	(265)
Internal work capitalised	14	2,373	2,150
Amortisation and depreciation, provisions and impairment losses	15	(1,898)	(1,890)
Operating profit		343	338
Net financial income (expense)		(505)	(213)
Financial income	16	242	220
Financial expense	17	(697)	(456)
Share of profits/(losses) of equity-accounted investees	18	(50)	23
Pre-tax profit (loss)		(162)	125
Income taxes	19	(46)	(25)
Profit (Loss) for the year (attributable to the owners of the parent and non-controlling interests)		(208)	100
Profit (Loss) for the year attributable to the owners of the parent		(198)	137
Profit (Loss) for the year attributable to non-controlling interests		(10)	(37)

Consolidated statement of comprehensive income

millions of Euros

	Notes	2024	2023
Profit (Loss) for the year (attributable to the owners of the parent and non-controlling interests)		**(208)**	**100**
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Net actuarial gains (losses)	34-37	4	(6)
of which: equity-accounted investees		*1*	
Items reclassified to profit or loss	34-37		4
Items that will or may be reclassified to profit or loss:			
Cash flow hedges - effective portion of changes in fair value	17-34	(56)	(97)
of which: equity-accounted investees			*(5)*
Net exchange losses	17-34	(5)	(1)
Other comprehensive income (expense)		**(57)**	**(100)**
Comprehensive income/(expense) (attributable to the owners of the parent and non-controlling interests)		**(265)**	
Comprehensive income attributable to:			
Owners of the parent		(255)	37
Non-controlling interests		(10)	(37)

*Net of the tax effect, where applicable

Consolidated statement of financial position

millions of Euros

	Notes	31.12.2024	31.12.2023
Assets			
Non-current assets			
Property, plant and equipment	21-22	50,270	49,326
Investment property	23	1,337	1,399
Intangible assets	24	1,695	1,798
Equity-accounted investments	26	819	1,217
Service concession assets	27	90	235
Financial assets (including derivatives)	28	354	636
Deferred tax assets	25	85	98
Trade receivables	29	2	4
Other assets	30	7,094	7,575
Total		**61,746**	**62,288**
Current assets			
Inventories	31	2,431	2,487
Service concession assets	27	3,325	3,314
Financial assets (including derivatives)	28	340	776
Cash and cash equivalents	32	1,183	2,295
Tax assets	33	95	105
Trade receivables	29	2,470	2,715
Other assets	30	6,896	5,686
Total		**16,740**	**17,378**
Assets held for sale and disposal groups of assets	**20**	**342**	
Total assets		**78,828**	**79,666**
Total equity and liabilities			
Equity			
Share capital	34	31,063	39,204
Reserves	34	7,917	(166)
Retained earnings	34	2,780	2,725
Profit (loss) for the year	34	(198)	137
Equity attributable to the owners of the parent	**34**	**41,562**	**41,900**
Profit/(Loss) attributable to non-controlling interests	35	(10)	(37)
Share capital and reserves attributable to non-controlling interests	35	200	226
Non-controlling interests	**35**	**190**	**189**
Total		**41,752**	**42,089**
Liabilities			
Non-current liabilities			
Loans and borrowings	36	9,658	10,732
Employee benefits	37	589	683
Provisions for risks and charges	38	1,707	1,937
Contract advances	39	1,223	1,220

millions of Euros

	Notes	31.12.2024	31.12.2023
Financial liabilities (including derivatives)	40-21	921	903
Deferred tax liabilities	25	133	151
Trade payables	41	79	15
Other liabilities	42	1,844	1,897
Total		**16,154**	**17,538**
Current liabilities			
Loans and borrowings and current portion of non-current loans and borrowings	36	6,067	4,250
Current portion of provisions for risks and charges	38	101	58
Contract advances	39	609	577
Financial liabilities (including derivatives)	40-21	284	643
Tax liabilities	43	20	26
Trade payables	41	9,052	8,883
Other liabilities	42	4,789	5,602
Total		**20,922**	**20,039**
Total liabilities		**37,076**	**37,577**
Total equity and liabilities		**78,828**	**79,666**

Consolidated statement of changes in equity (Notes 34 and 35)

Equity					
		Reserves			
	Share capital	Legal reserve	Other reserves	Translation reserve	Hedging reserve
Balance at 1 January 2023	**39,204**	**67**		**(3)**	**192**
Profit/(Loss) for the year					
Net gains/(losses) recognised directly in equity				(1)	(93)
Total comprehensive income/(expense)				**(1)**	**(93)**
Allocation of profit for the previous year		4			
Dividend distribution					
Capital increase (share capital decrease)					
Change in consolidation scope					
Other changes					
Balance at 31 December 2023	**39,204**	**71**		**(4)**	**99**
Balance at 1 January 2024	**39,204**	**71**		**(4)**	**99**
Profit/(Loss) for the year					
Net gains/(losses) recognised directly in equity				(5)	(56)
Total comprehensive income/(expense)				**(5)**	**(56)**
Allocation of profit for the previous year					
Dividend distribution					
Capital increase (share capital decrease)	(8,141)	6,141	2,000		
Change in consolidation scope					
Other changes					
Balance at 31 December 2024	**31,063**	**6,212**	**2,000**	**(9)**	**43**

millions of Euros

Actuarial reserve	Total reserves	Retained earnings	Profit/(Loss) for the year	Equity attributable to the owners of the parent	Equity attributable to non- controlling interests	Total equity
(327)	**(71)**	**2,536**	**204**	**41,873**	**195**	**42,068**
			137	137	(37)	100
(6)	(100)			(100)		(100)
(6)	**(100)**		**137**	**37**	**(37)**	
	4	200	(204)			
		(5)		(5)	(4)	(9)
					36	36
		(1)		(1)		(1)
		(4)		(4)	(1)	(5)
(333)	**(167)**	**2,726**	**137**	**41,900**	**189**	**42,089**
(333)	**(167)**	**2,726**	**137**	**41,900**	**189**	**42,089**
			(198)	(198)	(10)	(208)
4	(57)			(57)		(57)
4	**(57)**		**(198)**	**(255)**	**(10)**	**(265)**
		137	(137)			
		3		3	(4)	(1)
	8,141					
		12		12		12
		(98)		(98)	15	(83)
(329)	**7,917**	**2,780**	**(198)**	**41,562**	**190**	**41,752**

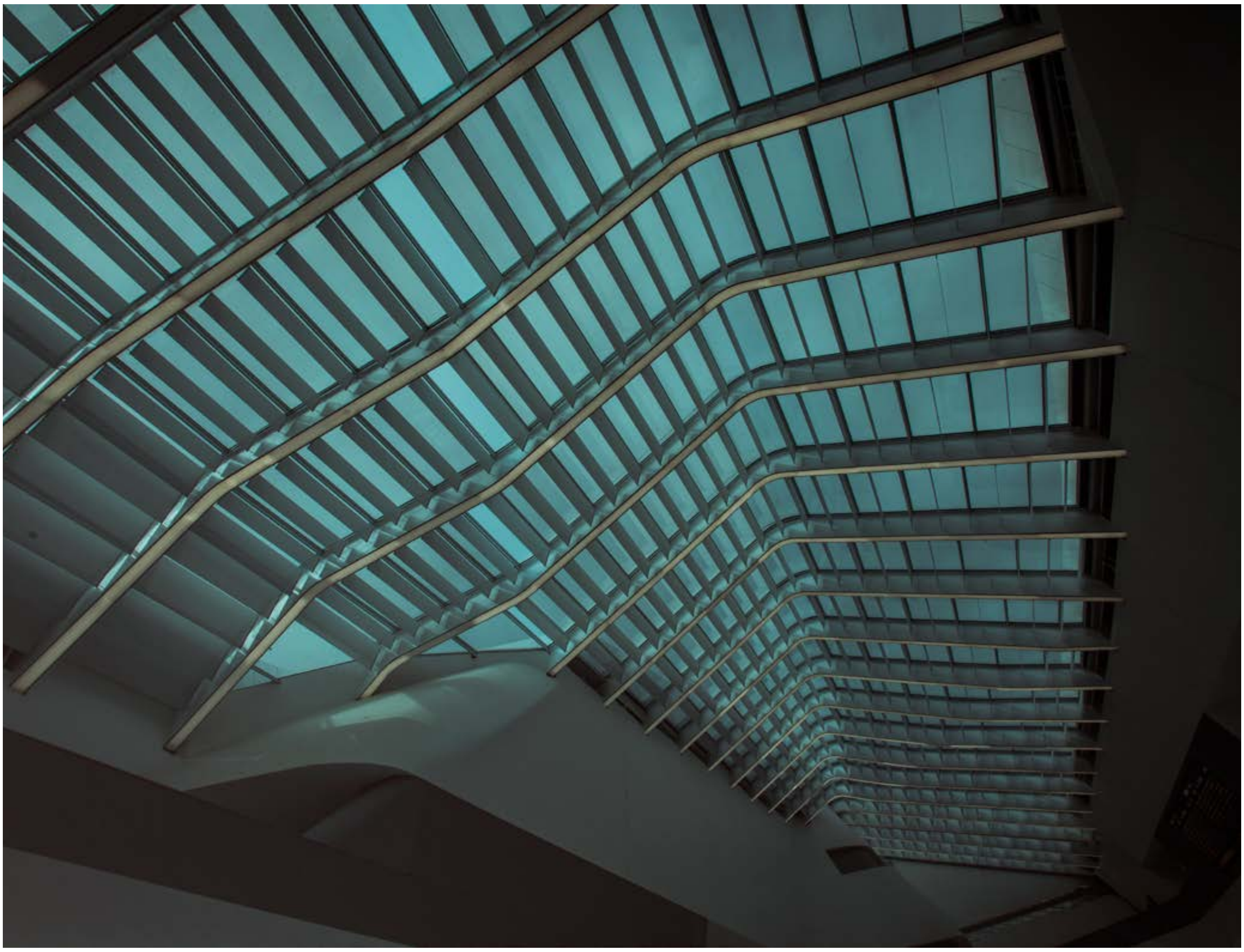
Consolidated Statement of cash flows

millions of Euros

	Notes	2024	2023
Profit (loss) for the year		**(208)**	**100**
Income taxes	19	46	25
Net financial income /(expense)	16-17	456	236
Amortisation and depreciation	15	1,778	1,744
Share of profits/(losses) of equity-accounted investees	18	51	(23)
Accruals to provisions and impairment losses	15-38	732	663
Net gains (losses) on sales		(103)	(184)
Change in inventories	31	51	(203)
Change in trade receivables	29	245	300
Change in trade payables	41	314	1,360
Change in other liabilities	42	(727)	(732)
Change in other assets	30	(899)	(3,099)
Utilisation of the provisions for risks and charges	38	(838)	(689)
Payment of employee benefits	37	(126)	(131)
Financial income collected/(financial expense paid)	16-17	(262)	(174)
Income taxes paid, net of reimbursed tax assets	19	(53)	(20)
Net cash flows generated from/(used in) operating activities		**457**	**(827)**
Increases in property, plant and equipment	21	(12,852)	(12,197)
Increases in investment property	23	(12)	(15)
Increases in intangible assets	24	(217)	(243)
Increases in equity investments	26	(611)	(655)
Investments in consolidated companies, net of cash and cash equivalents acquired		12	
Investments, before grants		**(13,680)**	**(13,110)**
Grants for property, plant and equipment	21	10,709	9,922
Grants for equity investments	26	597	592
Grants		**11,306**	**10,514**
Decreases in property, plant and equipment	21	121	222
Decreases in investment property	23	3	3
Decreases in intangible assets	24	4	5
Decreases in equity investments and profit-sharing arrangements	26	9	19
Disposals in consolidated companies, net of cash and cash equivalents acquired		(122)	
Decreases		**15**	**250**
Net cash flows generated from/(used in) investing activities		**(2,359)**	**(2,346)**
Finance lease payments	22	(197)	(230)
Disbursement (repayment) of non-current loans	36	(712)	1,610
Disbursement (repayment) of current loans	36	1,460	1,600
Change in service concession assets/liabilities	27	179	(246)
Grants relating to assets (for loans)	28	11	10
Change in financial assets	28	441	(2)

millions of Euros

	Notes	2024	2023
Change in financial liabilities	40	(395)	3
Dividends	34-35	(4)	(9)
Changes in equity	34-35	14	28
Net cash flows generated from/(used in) financing activities		**797**	**2,764**
Total cash flows		**(1,105)**	**(409)**
Opening cash and cash equivalents		**2,276**	**2,685**
Closing cash and cash equivalents		**1,171**	**2,276**
of which intraGroup current account		11	19



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Ferrovie dello Stato Italiane Group's business and structure of the consolidated financial statements

Ferrovie dello Stato Italiane SpA (the "company" or "FS Italiane SpA") was set up in accordance with Italian law and is based in Italy. Its registered office is in Piazza della Croce Rossa 1, Rome.
The Holding company and its subsidiaries ("Ferrovie dello Stato Italiane Group", "FS Group" or the "Group") provide passenger transport, freight transport and logistics services, both in Italy and abroad and manage an extensive railway and road network. FS Italiane Group's structure is shown in Annex 5.

2. Basis of preparation

These consolidated financial statements have been prepared in accordance with IFRS issued by the International Accounting Standards Board (IASB), and adopted by the European Union, and the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) and the Standing Interpretations Committee (SIC), endorsed by the European Union pursuant to Regulation (EC) no. 1606/2002 and in effect at the reporting date ("IFRS"). Specifically, the Group consistently applies the IFRS to all periods presented in these financial statements.
The consolidated financial statements have been prepared and presented in Euro, which is the FS Italiane Group's functional currency, i.e., the currency of the primary economic environment in which the FS Italiane Group operates. All amounts included in the financial statements and the tables and comments of the following notes are expressed in millions of euros.
The financial statements format applied and the related classification criteria adopted by the FS Italiane Group in accordance with the options provided for in IAS 1 Presentation of financial statements are set out below:

- the consolidated statement of financial position has been prepared by classifying assets and liabilities as "current/non-current";
- the consolidated income statement has been prepared by classifying operating costs by nature;
- the consolidated statement of comprehensive income includes the profit for the year, as well as any other changes in equity captions, specifically actuarial gains or losses on employee benefits, fair value gains or losses on hedging instruments and gains and losses on the translation of the financial statements of foreign operations;
- the consolidated statement of cash flows has been prepared by reporting cash flows arising from operating activities using the indirect method.

These consolidated financial statements have been prepared on a going-concern basis, as the directors established that there are no financial or operational indicators or any other indications of critical issues with respect to the FS Group's ability to meet its obligations in the foreseeable future and, specifically, in the next twelve months. Reference should be made to the note to "Financial and operational risk management" for a description of the FS Group's financial risk management procedures, including those applicable to the liquidity risk.
The consolidated financial statements have been prepared on the historical cost basis, except for financial assets and liabilities, including derivatives, which are measured at fair value.
The Group has consistently applied the accounting policies to all periods presented in these consolidated financial statements, except for that set out below in respect of the newly-applied accounting policies. The reclassifications of certain captions in the year to better present the Group's financial position, also affected the prior year corresponding balances.
On 3 April 2025, the directors approved the separate financial statements at 31 December 2024 and their submission to the shareholder pursuant to article 2429 of the Italian Civil Code. These consolidated financial statements will be subsequently presented for the shareholder's approval within the terms set by law and will be filed within the terms established by article 2435 of the Italian Civil Code. The shareholder is entitled to make changes to these consolidated financial statements. For the purposes of IAS 10.17, the directors authorised these consolidated financial statements for issue on 3 April 2025, which is the date when they approved them.
PwC SpA was assigned the engagement to carry out the statutory audit for the 2023-2031 period pursuant to Legislative decree no. 39/2010.

3. Consolidation scope

The consolidation policies applied by the FS Italiane Group to define the consolidation scope and, specifically, subsidiaries, joint arrangements and associates, and the related consolidation criteria, are described below.

i) Subsidiaries

The consolidated financial statements comprise the financial statements of the parent and those of the companies directly and indirectly controlled by the parent, from the date it gains control until the date when control ceases. Control can be exercised through direct or indirect holding of the majority of voting rights or through the right to variable returns from its involvement with the investees and the ability to affect those returns through its power over the investee, including regardless of shareholding relationships. The existence of potential voting rights exercisable at the reporting date is considered when determining control.
When non-controlling interests are acquired, goodwill is recognised only to the extent that it is attributable to the parent. Non-controlling interests are calculated based on the percentage of investment held by third parties in the identifiable net assets of the acquiree.
With respect to business combinations achieved in stages, when control is acquired, the previously held equity interest in the acquiree is remeasured at fair value, recognising the resulting gain or loss, if any, in profit or loss.
When non-controlling interests are acquired, once control is obtained, the positive difference between the acquisition cost and the carrying amount of the non-controlling interests acquired is recognised as a decrease in the parent's equity. Conversely, when control over an entity is retained despite the sale of a portion of equity interests, the difference between the consideration received and the carrying amount of the portions transferred is recognised directly as an increase in equity.
The Group recognises business combinations under common control, which are not covered by IFRS 3 or other standards, in accordance with IAS 8 in order to reliably and fairly present the transaction in accordance with OPI 1 (Assirevi's preliminary guidance on the IFRS).
The reporting date of the financial statements of subsidiaries, joint arrangements and associates included in the consolidation scope is 31 December, which is the reporting date of the consolidated financial statements. These financial statements have been specifically prepared and approved by the Boards of Directors of each company and duly adjusted, where necessary, to comply with the accounting policies of the FS Italiane Group.
Subsidiaries have been consolidated as follows:

- the assets and liabilities, income and expense of these companies are consolidated on a line-by-line basis, allocating, where necessary, the relevant portion of equity and profit or loss for the year to non-controlling interests. Equity and profit or loss for the year attributable to non-controlling interests are presented separately in consolidated equity and the consolidated income statement;
- business combinations of entities not under common control, whereby control of an entity is acquired, are recognised using the purchase method. The acquisition cost is the acquisition-date fair value of transferred assets, liabilities assumed and equity instruments issued. Identifiable acquired assets and identifiable assumed liabilities are recognised at their acquisition-date fair value. If positive, the difference between the acquisition cost and the fair value of identifiable acquired assets and identifiable assumed liabilities is recognised under intangible assets as goodwill; if negative, after having remeasured the fair values of the above assets and liabilities and the acquisition cost, said difference is recognised directly in profit or loss, as income. When the fair value of the identifiable acquired assets and identifiable assumed liabilities assets can only be determined provisionally, the business combination is recognised using such provisional amounts. Any adjustments related to the completion of the measurement process are recognised within twelve months of the acquisition date, recalculating comparative figures;
- profits and losses, including the related tax effects, from transactions among consolidated companies and not yet realised with third parties, are eliminated, except for unrealised losses when the transaction reflects an impairment loss on the transferred asset. Assets and liabilities and costs and revenue are also eliminated, as well as financial income and expense;
- with respect to the acquisition of non-controlling interests in companies already controlled, any difference between the acquisition cost and the related portion of the acquiree's equity is recognised in equity.

All subsidiaries are consolidated from the date the Group acquires control and are excluded from the consolidation scope on the date the Group no longer retains control. Non-operating companies are also excluded from consolidation. Please refer to Appendix 4 for the list of unconsolidated companies.

ii) Joint arrangements and associates

Joint arrangements can be classified as joint operations or joint ventures based on the underlying rights and contractual obligations. Specifically: (i) a joint operation is a joint arrangement whereby the parties have rights to the assets, and obligations for the liabilities, relating to the arrangement. In this case, individual assets and liabilities and the related costs and revenue are recognised in the financial statements of the parties based on their individual rights and obligations, regardless of the interest held; (ii) a joint venture is a joint arrangement whereby the parties have rights to the net assets of the arrangement.

Associates are those companies over which the FS Italiane Group exercises significant influence, being the power to govern the financial and operating policies of the investee, without having control or joint control thereof. When assessing the existence of significant influence, potential substantive voting rights are considered.
Interests in joint ventures and associates are initially recognised at cost and subsequently measured using the equity method, whereby:

- the carrying amount of interests in joint ventures and associates is aligned to their equity, adjusted, where necessary, to comply with the accounting policies of the FS Italiane Group; it includes the greater amounts allocated to assets and liabilities and goodwill, if any, identified upon acquisition;
- the associates' profits or losses attributable to the FS Italiane Group are recognised from the date significant influence begins to the moment it ceases, while those of joint ventures from the date the rights to the net assets of the arrangement begin to the moment they cease. If, because of the losses incurred, the companies have a net deficit, the carrying amount of the investment is eliminated and any excess amount pertaining to the FS Italiane Group, where the latter is committed to fulfil the investee's legal or constructive obligations, or to cover their losses, is recognised in a specific provision. The statement of comprehensive income items of equity-accounted investees are recognised in specific equity reserves;
- unrealised profits and losses on transactions between the parent/subsidiaries and the equity-accounted investee are eliminated based on the amount of the interest held by the FS Italiane Group in the investee. Unrealised losses are eliminated, except for impairment losses.

Interests in joint operations are accounted for by recognising the assets/liabilities and the costs/revenue related to the arrangement based on the relevant rights/obligations, regardless of the interest held.

Subsidiaries, joint arrangements and associates, whose consolidation or recognition in the consolidated financial statements using the equity method does not generate significant effects on the Group's financial position and results of operations, are excluded from the consolidation scope and recognised at fair value, where available, or at cost, net of any impairment losses.

4. Change in consolidation scope and non-recurring transactions

Purchase price allocation of acquired companies

Exploris Group

As reported in the Annual Financial Report at 31 December 2023, on 30 November 2023 TX Logistik AG signed the closing agreement relating to the acquisition of the entire Exploris Deutschland Group, at a total acquisition price amounting to €55 million plus an estimated Earn Out of €8 million, subject to the achievement of the group's results in financial years 2023 to 2025. The group, which operates in the Logistics Sector, consists of the holding company Exploris Deutschland Holding GmbH, and 16 subsidiaries residing in various European Union countries (Germany, Poland, Czech Republic, Belgium, Netherlands, Austria, and Switzerland). The acquisition was made in order to strengthen the footprint of the Logistics Sector in Europe, which is the target market of the business, since both the operations and related geographical area are completely complementary to those of the Sector.

In 2024, the precise allocation of the consideration transferred for the acquisition of the Exploris Group to the net assets acquired (purchase price allocation) was carried out; the tables below show the amount of the consideration transferred for the acquisition of the Exploris Group, and the amount of the fair value of the assets and liabilities assumed as a result of the business combination, applying the accounting standards required by IFRS 3 - Business Combinations.

Purchase price allocation

millions of Euros

Cash including Price adjustment	55
Estimated Earn-out	7
Purchase price	**62**
Exploris Group equity at the date of acquisition	**7**
Reversal of capitalised tender costs	(1)
Adjustment to equity as per the Deed of transfer	24
Exploris Group's adjusted equity at the date of acquisition	**30**
Intangible assets – Trademarks	6
Other intangible assets	21
Plant	3
Deferred tax liabilities	(9)
Net assets after price allocation	**51**
Goodwill	**11**

millions of Euros

Assets	
Property, plant and equipment	77
Intangible assets	28
Trade receivables	13
Cash and cash equivalents	25
Other assets	5
Total Assets	**148**

millions of Euros

Liabilities	
Non-current and current loans	13
Short-term loans	3
Current and non-current financial liabilities	54
Deferred tax liabilities	9
Trade payables	11
Other liabilities	7
Total Liabilities	**97**
Totale attività nette identificabili al fair value	**51**

Goodwill of €11 million, resulting from the excess of the purchase price over the fair value of net identified assets, consists of the reasonable value of the synergies expected from the acquisition; in particular, through the creation of a central trans-European rail transport network, it will be possible to achieve climate targets by 2030, thus increasing the share of rail freight transport in Europe by 30%.
The amount of goodwill stated is not deductible for tax purposes.

Italia Loyalty

On 28 March 2024, Trenitalia acquired 100% of the capital of Italia Loyalty SpA from Alitalia - Società Aerea Italiana SpA under Extraordinary Administration for a consideration, including price adjustment, of €15 million.
Italia Loyalty SpA enters into business partnership agreements with third-party suppliers (Booking, Lastminute.co, AVIS, etc.) to enable members to accumulate and use miles.
The company was acquired with the intention of integrating the customer base with those of Cartafreccia, thus expanding the network of users.
During 2024, the precise allocation of the consideration transferred for the acquisition of the company to the net assets acquired (purchase price allocation) was carried out; the tables below show the amount of the consideration transferred for the acquisition of the company, and the amount of the fair value of the assets and liabilities assumed as a result of the business combination, applying the accounting standards required by IFRS 3 - Business Combinations.

millions of Euros

Cash including Price adjustment	15
Purchase price	**15**
Italia Loyalty Spa equity at the date of acquisition	**17**
Intangible assets – Reversal of Goodwill	(10)
Other intangible assets	12
Deferred tax liabilities	(4)
Net assets after price allocation	**15**

millions of Euros

Assets	
Intangible assets	14
Other non-current assets	3
Current financial assets	13
Total Assets	**30**

valori in milioni di euro

Liabilities	
Deferred tax liabilities	4
Current trade payables	2
Tax payables	5
Other liabilities	4
Total Liabilities	**15**
Total net identifiable assets at fair value	**15**

Extraordinary transactions during the year

Changes in the scope of consolidation and extraordinary transactions during the period are shown below.

As part of the project for the intercompany reorganisation of the ownership and management of real estate assets that are not used for railway or transport operations, the Extraordinary Shareholders' Meeting of FS SpA approved the proposed demerger by contribution of FS's real estate business unit to a newly-established company, Nuova Sistemi Urbani SpA. The deed of demerger became effective as from 15 January 2024. Subsequently, on 8 April 2024, the deed of merger was signed for the incorporation of Nuova Sistemi Urbani SpA into FS Sistemi Urbani SpA. The civil law effects shall apply from 18 April 2024 with accounting and tax effectiveness dating back to 15 January 2024.

As from 1 January 2024, Italferr SpA's investment in Cremonesi Workshop (80%) was demerged into FS Sistemi Urbani SpA. On 30 July 2024, FS Sistemi Urbani SpA acquired, following the exercise of the Put option by the minority shareholders, an additional stake of 13% in Cremonesi Workshop at a price of €6.7 million. As a result of this transaction, the share held by the Group increased from 80% to 93%.

On 7 February 2024, ATAF Gestioni Srl's quota - equal to 60% of the quota capital - in Firenze City Sightseeing Srl was transferred to Busitalia Sita Nord Srl at the net book value.

On 6 May Eurogateway Srl was merged by incorporation into Mercitalia Shunting & Terminal SpA, with accounting and tax effects dating back to 1 January 2024.

On 22 May 2024, the Extraordinary Shareholders' Meeting of Tunnel Ferroviario del Brennero - Società di partecipazioni SpA approved the 15th share capital increase for a maximum amount of € 150 million (partially revoked by the Extraordinary Shareholders' Meeting of 11 December 2024) through the issue of new ordinary shares to be offered under option to shareholders. Until 31 December 2024, RFI SpA made capital contributions totalling €94 million. As a result of this transaction, the FS Group, through its subsidiary RFI SpA, now owns 90.92% of the share capital as a result of various subscription operations by the other shareholders.

On 29 May 2024 RFI SpA signed the deed of demerger in favour of Mercitalia Logistics SpA, concerning the 100% of the quota held in Terminali Italia Srl.

On 4 June 2024 Autostrade dello Stato SpA (Ads) was established, at the initiative of the Ministry of Economy and Finance (MEF), in order to implement the plan to reorganise the motorway sector outlined under Decree Law no. 121/2021, as converted with amendments by Law no. 156/2021 ("Infrastructure Decree"), having as its object, among other things, the transfer of the investments held by Anas SpA in concessionaire companies of toll freeways and tunnels in favour of a newly-established company, wholly owned by the Ministry of Economy and Finance and subject to similar control by the Ministry of Infrastructure and Transport (Art. 2, para. 2-decies).
With the incorporation of AdS, the reorganisation of the motorway sector outlined under the Infrastructure Decree is actually put in place up and implemented. The new company will, in fact, receive the functions and management activities of toll motorway sections, which are currently carried out by Anas substantially through its investee companies, thus eliminating any possible intermingling between activities carried out on an exclusive basis and market activities.
In order to fully implement the aforementioned provisions, Decree Law no. 155 of 19 October 2024, concerning "Urgent measures on economic and tax

matters and in favour of local entities", as subsequently converted with amendments by Law no. 189 of 9 December 2024, was issued, which, under Article 1, paragraph 6-sexies, provides that "In paragraph 2-decies of Article 2 of Decree Law no. 121 of 10 September 2021, as converted with amendments by Law no. 156 of 9 November 2021, the following periods are added at the end: "In order to strengthen the capital structure of the company referred to in paragraph 2-sexies and for the purposes referred to in the third sentence, the sum of €342 million is allocated to the same company. The strengthening of the capital structure referred to in the second sentence shall be carried out by means of a capital contribution, for the acquisition, also in derogation of pre-emption or non-transferability clauses provided for in the articles of association, agreements or founding rules, by the said company of all the rights and obligations deriving from the ownership of the shareholdings held by ANAS S.p.A. in Concessioni Autostradali Venete - CAV S.p.A, Autostrada Asti-Cuneo S.p.A., Società Italiana per Azioni per il Traforo del Monte Bianco and Società Italiana Traforo Autostradale del Frejus S.p.A. – SITAF. The consideration for the acquisition referred to in the third sentence is determined in an amount corresponding to the net book value of entry of these rights and obligations, as resulting from the balance sheet approved by the Board of Directors of ANAS S.p.A. referring to a date not earlier than four months from the transaction and, in any case, within the limit of the resources referred to in the second sentence [...] All acts connected with the transactions referred to in this paragraph are exempt from direct and indirect taxation and duties."
In consideration of the aforementioned regulations and in line with IFRS 5, the shareholdings held by Anas in the concessionaire companies of tunnels and toll motorways (Concessioni Autostradali Venete - CAV SpA, Autostrada Asti-Cuneo S.p.A, Società Italiana per Azioni per il Traforo del Monte Bianco and Società Italiana Traforo Autostradale del Frejus S.p.A. - SITAF) were reclassified from "Equity investments" to "Assets held for sale", and were stated at the lower of the transfer value (€342 million, as established by Law no. 189/2024, "Fiscal Decree"), and the Net Book Value as at the relevant date (€473 million), generating an impairment loss of €131 million.

On 3 July 2024 Trenitalia SpA exercised the call option under the Investment and Shareholders' Agreement, acquiring from Operador Ferroviario de Levante the additional 6% of the capital of the Spanish subsidiary ILSA at a price of €15 million.

On 5 August 2024, the Council of State's ruling was published against MIT Decree no. 248 of 4 August 2016, which declared, as unlawful, both the measure relating to the allocation of a €70 million grant pursuant to Article 1, paragraph 867, of Law no. 208/2015, as amended by Article 47, paragraph 7, of Decree Law no. 50/2017 (i.e., the Allocation), and the Transfer Decree (MIT Decree of 4 August 2016) by which FS SpA had been identified by MIT as the entity to which the stake in FSE was to be transferred. Therefore, as a result of the aforementioned ruling, the conditions set forth in IFRS 10 with regard to the FS Group's control over FSE Srl ceased to apply from 5 August 2024, and FSE Srl was excluded from the scope of consolidation as from that date.

The accounting effects for the Group resulting from the legal interpretation of the ruling can be summarised as follows:

- derecognition of the Allocation, by means of the reversal of the receivable claimed from MIT, since the receivable itself has ceased to exist, which at the time had been accounted for by FSE against an entry in a specific Equity reserve, with a consequent decrease of €70 million in equity;
- recognition in the Holding Company (and therefore in the Group) of a financial receivable from FSE, totalling approximately €73.3 million (of which €60.1 million related to the cancellation of the investment in FSE, and €13.2 million related to the "write-back" of the write-down made by FS in 2023 as mentioned above), in addition to interest accrued from 26 October 2018 (the date on which the capital increase in FSE was made) to 31 December 2024, amounting to €21 million, and reclassification of the nominal value of financial receivables from subsidiaries to financial receivables from others for two loans taken out with FSE, totalling €95 million. After taking into account the elements of equity, financial and operational uncertainty regarding FSE Srl's ability to continue to operate as a going concern for a foreseeable future time frame, which would allow the repayment of FSE Srl's financial debt to the FS Holding Company, it was deemed necessary to write down the above receivables in full for a total amount of €189 million;
- recognition of income related to the deconsolidation of FSE's net assets, amounting to €127 million.

It should also be noted that on 31 December 2024, FSE filed an appeal with the Court of Bari to access a crisis and insolvency regulation scheme subject to the filing of the proposed Plan and/or agreements.

On 11 November 2024, the acquisition of the entire stake in Grandi Stazioni Immobiliare SpA on the part of

FS SpA (already the owner of the 60% shareholding and therefore already included in the scope of consolidation on a line-by-line basis) was finalised through the purchase and sale of the 40% stake held by Eurostazioni SpA for a consideration of €11.3 million; the accounting effects of this transaction were classified in equity in compliance with IFRS 10 par.B96.

In order to only highlight the economic changes for the period related to business performance in the comments to the income statement, the effects arising from the change in the scope of consolidation, referring, for the 2024 financial year, to the line-by-line consolidation of the Exploris Group (consolidated as from 1 January 2024), and of FS Treni Turistici Italiani Srl (consolidated as from December 2023), as well as to the acquisition of control over Italia Loyalty (consolidated as from 30 April 2024), and the deconsolidation of Ferrovie del Sud Est as from 5 August 2024, have been shown in a separate column in the explanatory notes.

5. Translation of foreign operations' financial statements

The financial statements of subsidiaries, joint arrangements and associates have been prepared using their functional currency, being the currency of the primary economic environment in which they operate. Foreign operations' financial statements expressed in a functional currency other than the Euro are translated as follows:

- assets and liabilities are translated using closing rates;
- goodwill and fair value adjustments related to the acquisition of a foreign operation are considered as assets and liabilities of the foreign operation and translated using closing rates;
- revenue and expense are translated at the average exchange rate of the year;
- the translation reserve, recognised under consolidated equity captions, includes both exchange gains and losses arising from the translation of amounts, using rates other than closing rates, and those arising from the translation of opening equity applying a rate other than the closing rate. This reserve is released to profit or loss when the related equity investment is sold.

The following exchange rates were applied to translate the financial statements of foreign operations prepared in a functional currency other than the Euro:

	Average exchange rate for		Closing rate at 31 December	
Euro	**2024**	**2023**	**2024**	**2023**
Swiss franc	0.95	0.97	0.94	0.93
Pound sterling	0.85	0.87	0.83	0.87
Danish krone	7.46	7.45	7.46	7.45
Swedish krona	11.43	11.47	11.46	11.10
Serbian dinar	117.08	117.25	116.80	116.98
Saudi riyal	4.06	4.05	3.90	4.14
Czech Koruna	25.12	24.00	25.19	24.72
Romanian Leu	4.97	4.95	4.97	4.98
Polish Zloty	4.31	4.54	4.28	4.34
Turkish lira	35.50	24.95	36.74	32.65

Translation of foreign currency amounts
Any transactions in a currency other than the functional currency are recognised at the exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in a currency other than the Euro are subsequently adjusted at the closing rate.

Non-monetary assets and liabilities denominated in a currency other than the Euro are recognised at historical cost using the exchange rate prevailing at the date of initial recognition. Exchange differences are taken to profit or loss.

6. Accounting policies

The relevant information on accounting standards and policies applied to the preparation of these consolidated financial statements is provided below.

Property, plant and equipment

General criteria
Property, plant and equipment are recognised at purchase or production cost, net of accumulated depreciation and impairment losses, if any.

Depreciation is charged on a monthly straight-line basis using rates that reflect the assets' useful life. When the depreciable asset comprises separately identifiable items with a useful life that is significantly different from that of the other items comprising the asset, depreciation is charged separately using the component approach. In application of this criterion, rolling stock was broken down into similar clusters based on the relevant technology level.

Class	Depreciation rate	Useful life
Rolling stock		
- Components to be reconditioned	20%	5 years
- Wearing components	20%	5 years
- Restyling/Safety of driving material	8%	12.5 years
- Restyling/Safety of hauled stock/Full train	10%	10 years
- Base component	3.3% - 4.3%	23 - 30 years
- Capitalised second-level maintenance	20% - 33%	3 - 5 years
- Value increasing maintenance (large revamping interventions)	5.5%	18 years

Rete Ferroviaria Italiana - RFI SpA's calculation of depreciation of property, plant and equipment
Depreciation is calculated on a straight-line basis at variable rates based on train-km production volumes (in compliance with Article 1, paragraph 87, of Law no. 266 of 23 December 2005). Specifically, depreciation is calculated by applying the ratio of quantities generated in the year to total production expected throughout the Concession term to the depreciable cost of the infrastructure at the reporting date. In relation to the infrastructure, the circumstance in which future investments limited to those which guarantee a sufficient efficiency and security level of the infrastructure equal to that of the current year (maintenance and renewals), are considered when determining the infrastructure's total production capacity, as they are fully covered by grants and are fully financed by the government. Consequently, they contribute to confirming the infrastructure's current production over the term of the concession, its useful life, and because of this profile, have an impact on the calculation of the depreciation rate.
Property, plant and equipment which, together with intangible assets and investment property, make up the railway infrastructure, comprise seven lines as shown in the table below. For each line, RFI SpA uses the number of train-km actually sold during the year and resulting from the company's specific monitoring system, as the indicator of the quantity generated during the year. The depreciation rates applied in 2024 and 2023 are as follows:

	Production indicator	
Line	**2024**	**2023**
HS/HC NETWORK	**2.54%**	**2.62%**
Traditional network		
Po Plain line and international transits	2.45%	2.47%
North Tyrrhenian line and branch lines	2.32%	2.54%
Backbone and branch lines	2.33%	2.45%
South Tyrrhenian line	2.31%	2.48%
Adriatic line and Apennines lines	2.62%	2.52%
Secondary network	2.50%	2.47%

The useful life of property, plant and equipment and their residual value are updated, where necessary, at least at each reporting date. Land is depreciated to the extent related to site reclamation costs. Property, plant and equipment are derecognised when they are sold or when no future economic benefit is expected to arise from use; any gain or loss (calculated as the difference between the sale price, less costs to sell, and the carrying amount) is recognised in profit or loss in the year the asset is derecognised.

The depreciation rates used by the FS Italiane Group for the other categories of property, plant and equipment are as follows:

Class	Depreciation rate
Land and Building	2% - 20%
Plant and machinery	5% - 10%
Industrial and commercial equipment	8% - 25%
Other assets	8% - 25%

Leased assets

At the inception date of the lease and, subsequently, the Group reassesses whether a contract is, or contains, a lease only if the terms and conditions of the contract are changed, recognising the right-of-use asset (Right of Use or RoU) and the lease liability in accordance with IFRS 16.

The right-of-use asset is depreciated on a straight-line basis over the entire term of the contract, unless the contract provides for the transfer of ownership at the end of the lease or the cost of the lease reflects the fact that the purchase option will be exercised. If the lease transfers ownership of the underlying asset to the lessee by the end of the lease term, the Group depreciates the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are calculated using the same depreciation requirements as those for the relevant intangible assets or property, plant and equipment.

The Group does not recognise right-of-use assets and lease liabilities for short-term leases (i.e., those with a term of 12 months or less) or leases for low-value assets (i.e., assets that, when new, are equal to €10,000 or less. The Group recognises the lease payments associated with these types of leases as an expense on either a straight-line basis over the lease term or another systematic basis if that basis is more representative of the pattern of the lessee's benefit.

With regard to leases signed before 1 January 2019 (the FS Italiane Group's initial application date for IFRS 16 Leases, in accordance with the requirements of the standard), the Group has decided to adopt the practical expedient provided for in the transitional provisions of the standard.

Investment property

Investment property is property held to earn rentals and/or for capital appreciation rather than for sale in the ordinary course of business. Furthermore, investment property is not used in the production or supply of goods or services or for administrative purposes. The accounting policies applied to recognise this caption comply with those applied to "Property, plant and equipment" described earlier.
When a development project for the future sale of a property begins, the property is reclassified to inventories following its change in use. The carrying amount at the date of change in use is the property's cost for subsequent accounting under inventories and depreciation ceases.

Intangible assets

Intangible assets are identifiable, non-monetary assets without physical substance, that can be controlled and can generate future economic benefits. They are recognised at purchase and/or production cost, including any directly-attributable expenses incurred to make the asset available for use, net of accumulated amortisation (except for intangible assets with an indefinite useful life) and impairment losses, if any.
Interest expense, if any, that accrues during and for the development of intangible assets, is considered part of the purchase cost. Amortisation begins when the asset is available for use and is charged on a straight-line basis over its estimated useful life.
In particular, within the FS Italiane Group, the following main intangible assets can be identified:

- Concessions, licenses and trademarks, which mainly concern software licenses, are amortised on a straight-line basis over the relevant term;
- Concession rights are amortised over the term of the concession.

Service concession arrangements

Service concession arrangements, where the grantor is a public sector entity and the operator is a private sector entity (public-to-private) fall under the scope of IFRIC 12 only when the requirements for service regulation and control of the residual interest are met. This interpretation is applied when the infrastructure is essential to provide the public with services and the arrangement establishes that the grantor:

- controls or regulates what services the operator must provide with the infrastructure, to whom it must provide them, and at what price; and
- controls - through ownership or otherwise - any significant residual interest in the infrastructure at the end of the term of the arrangement.

The Group does not recognise infrastructure for concessions under the scope of IFRIC 12 as property, plant and equipment but rather recognises at fair value either alternatively or jointly:

- the intangible asset, if the operator has the right to charge users of the public service for the construction or upgrading of the infrastructure;
- the financial asset when its construction or upgrade generate an unconditional contractual right to receive cash from or at the direction of the grantor and the grantor has little, if any, discretion to avoid payment.

The operator recognises revenue and costs in line with the contractual terms and the stage of completion. Revenue from the prices paid by users continues to be recognised in line with that set out in the subsequent paragraph on revenue recognition. Any intangible assets are amortised over the concession term using a method that reflects the estimated consumption of the economic benefits embedded in the right and the manner of consumption. Accordingly, amortisation is calculated considering the concession term. Provisions for concession commitments include accruals made for the operator's obligation to restore the infrastructure to a specified condition or replace the infrastructure to return it to its normal state of use. They are made when the concession arrangement includes these obligations and the grantor does not receive additional financial benefits.

Impairment losses on intangible assets and property, plant and equipment

For the purpose of impairment testing, when the recoverable amount of an individual asset cannot be calculated, the Group identifies the smallest group of assets that generates cash inflows largely independent of those from other assets or groups of assets (CGUs).
Within the Group, CGUs have been identified as the normal perspective for Management's analysis of earnings, operations and control of business performance.
The subdivision into CGUs includes all of the Group's operating activities, excluding equity investments not allocated to CGUs, which are subject to a specific Impairment Test.
As a rule, each subsidiary consists of a single CGU.

a) Intangible assets and property, plant and equipment with a finite useful life

At each reporting date, a test is carried out to check if there is any indicator (internal and/or external) which suggests that property, plant and equipment and intangible assets have reported an impairment loss.
If any such indicator exists, the Group estimates the recoverable amount of the asset, recognising the impairment loss in profit or loss.

b) Goodwill and intangible assets not yet available for use

The recoverable amount of goodwill and intangible assets not yet available for use is tested for impairment every year or more frequently if there is an indication that the asset may be impaired.

Financial instruments

Classification and measurement of trade receivables, current assets and financial assets

The Group's financial assets are classified and measured considering both the business model used to manage such assets and the characteristics of their cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling financial assets or both. The Group performs SPPI (Solely Payment of Principal and Interest) tests on each instrument to determine whether these contractual cash flows are solely payments of principal and interest (in which case the SPPI test is passed).

Financial assets are classified in one of the following categories at initial recognition:

a. at amortised cost (AC): in this category, financial instruments are initially recognised at fair value, inclusive of transaction costs, and subsequently measured at amortised cost. Interest, calculated using the effect interest method, impairment losses (impairment gains), exchange gains (losses) and gains (losses) on derecognition are recognised in profit or loss;
b. at fair value through other comprehensive income (FVOCI): in this category, the financial assets are initially measured at fair value, inclusive of transaction costs. Interest (calculated using the effect interest method), impairment losses (impairment gains), exchange gains (losses) and gains (losses) on derecognition are recognised in profit or loss. Other fair value gains or losses are recognised in OCI. Upon derecognition, all cumulative gains or losses previously recognised in OCI will be reclassified to profit or loss;
c. at fair value through profit or loss (FVTPL): in this category, financial instruments are initially and subsequently measured at fair value. Transaction costs and fair value gains and losses are recognised in profit or loss.

With regard to other current assets for each class of financial assets and liabilities, the fair value of the class of financial assets and liabilities is disclosed so that it can be compared with its carrying amount. However, fair value may not be disclosed, in compliance with paragraph 29 of IFRS 7, for the following cases: when the carrying amount is a reasonable approximation of fair value (e.g., for cash and cash equivalents, receivables, and short-term trade payables), a contract that contains a discretionary participation feature (as described in IFRS 4 Insurance Contracts), when the fair value of that feature cannot be measured reliably, or for lease liabilities.

Classification and measurement of loans and borrowings, trade payables and other financial liabilities

Loans and borrowings, trade payables and other financial liabilities are initially recognised at fair value, net of directly- attributable costs, and are subsequently measured at amortised cost, applying the effective interest method. When there is a change in the estimated expected cash flows, the carrying amount of the liabilities is recalculated to reflect this change on the basis of the present value of the new expected cash flows and of the effective internal rate as initially determined. Loans and borrowings, trade receivables and other financial liabilities are classified under current liabilities, except for those with a contractual term of more than twelve months after the reporting date and those for which the Group has an unconditional right to defer their settlement for at least twelve months after the reporting date. Loans and borrowings, trade receivables and other financial liabilities are derecognised when repaid and when the Group has transferred all risks and charges related to the instrument.

Classification and measurement of derivatives

The Group has opted to continue applying hedge accounting to derivatives, as permitted by IAS 39 until the IASB completes the macro-hedging project to simplify the accounting treatment of hedges.

The Group uses derivatives as part of its hedging strategies to mitigate the risk of fair value gains or losses on recognised assets or liabilities or firm commitments (fair value hedges) or changes in cash flows expected from firm commitments or highly probable transactions (cash flow hedges). The effectiveness of hedges is documented and tested since the inception of the transaction which is periodically (at least at each annual or interim reporting date) measured by comparing the fair value gains or losses on the hedge to those on the hedged item (dollar offset ratio) or, with respect to more complex financial instruments, which to date are not used by the Group, through statistical analyses based on risk changes.

Subsequent measurement: impairment losses

The Group applies the expected credit loss (ECL) model to determine impairment losses.

Loss allowances are measured using the general deterioration method and the simplified approach. When the general deterioration method applies, financial instruments are classified into three stages based on the deterioration of credit quality between initial recognition and the measurement date.
In order to identify the methodological approach to be applied to the assets that are in the scope of the impairment requirements and, specifically, the correct probability of default, the Group defined a conventional cluster segmentation based on counterparty and credit risk:

- Public Administration: all loans and receivables with the government, regions, provinces, municipalities, the EU or related bodies;
- IntraGroup: all loans and receivables with subsidiaries;
- Deposits: all deposits with banks;
- Amounts from third parties: loans and receivables other than those above, with non-financial companies, producers and consumers.

Furthermore, the Group opted to apply the low credit risk exemption allowed by IFRS 9 to assets other than trade receivables with Investment Grade rating between AAA and BBB-. Accordingly, there is no stage allocation: in fact these assets are directly allocated to Stage 1 with a one-year provision.
The impairment of financial assets is calculated based on public providers' information to determine the probability of default (PD), applying a loss given default which is in line with the scenario analysed as part of the most comparable competitors and considering the supervisory bodies' recommendations for entities with listed financial instruments. The exposure at default usually coincides with the carrying amount of the financial asset, except when lifetime ECL apply, in which case the repayment plan and instalments of the loan asset at the maturity dates are considered.
The impairment model developed, in line with the requirements of IFRS 9, is based on the determination of expected loss (ECL) according to a forward-looking approach.

Fair value measurement

The fair value of instruments not quoted on an active market is determined using financial valuation techniques: specifically, the fair value of interest rate swaps is measured by discounting expected cash flows, while that of currency forwards considers closing rates and the expected differentials of the relevant currencies. Financial assets and financial liabilities measured at fair value are classified using the following three levels of the fair value hierarchy, based on the relevance of the inputs used to determine fair value. Specifically:

- Level 1: financial assets and financial liabilities whose fair value is calculated based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date;
- Level 2: financial assets and financial liabilities whose fair value is calculated based on inputs other than quoted prices included within Level 1 that are observable directly or indirectly;
- Level 3: financial assets and financial liabilities whose fair value is calculated based on unobservable inputs.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and available bank deposits and any other forms of short-term investment, with an initial maturity of three months or less, net of impairment losses calculated in accordance with IFRS 9. At the reporting date, current account overdrafts are classified in the consolidated statement of financial position as loans and borrowings under current liabilities.

Inventories

Inventories are recognised at the lower of purchase and/or production cost and net realisable value. Cost is calculated using the weighted average cost method.
This item also includes:

- Properties held for trading are recognised at the lower of purchase cost and fair value, calculated by an independent appraiser. They are recognised net of the allowance for inventory write-down, while costs that enhance the assets are capitalised. The write-down is reversed in subsequent years if the reasons therefor cease to exist.
- White Certificates (also known as TEEs - Energy Efficiency Certificates) recognised by Gestore dei Servizi Energetici (GSE) against the achievement of energy savings through the application of efficient technologies and systems. In the period of time between the time when the right to the title is acquired by providing the service and the time when the TEEs are actually disbursed as a result of the certification process on the part of GSE, revenues from TEEs are recognised on an accruals basis - and recorded among inventories until their subsequent sale - based on the best estimate of the number of expected TEEs, in proportion to the actual or estimated future savings in Tons of Oil Equivalent ("TOE"). They are valued at the weighted average market value for the energy year (as defined by the energy services operator) available on the reporting date. When the sale is then actually realised, any adjustment from the best estimate made is recognised.

Employee benefits

Short-term benefits comprise wages, salaries, related social security contributions, holidays paid and incentives paid out in the form of bonuses payable in the twelve months after the reporting date. These benefits are accounted for as personnel expense components in the period in which the employees provide their service.

Post-employment benefits and other employee benefits

The companies of the FS Italiane Group have both defined benefit and defined contribution plans in place. The FS Italiane Group manages a defined benefit plan that consists of post-employment benefits (Italian "TFR"). Italian companies are required to accrue a provision pursuant to article 2120 of the Italian Civil Code, which is treated as deferred remuneration and is based on employees' duration of service and the remuneration they receive during that time. Starting from 1 January 2007, Law no. 296 of 27 December 2006 (the "2007 Finance Act") and subsequent decrees and regulations introduced significant amendments to TFR regulations, including the employees' right to choose to transfer the TFR being accrued either to supplementary pension funds or to the "Treasury Fund" managed by INPS (the Italian Social Security Institute). Consequently, the obligation to INPS and the contributions paid into supplementary pension funds are now treated, pursuant to IAS 19 Employee benefits, as defined contribution plans, while the amounts recognised under post-employment benefits at 1 January 2007 are still treated as defined benefit plans.
Some FS Italiane Group companies also have a defined benefit pension plan in place, the "Free Travel Card" (Carta di Libera Circolazione, CLC) that gives current and retired employees and their relatives, the right to use – free of charge or, in some cases, for an admission fee – the trains managed by Trenitalia. Consequently, a provision is recognised which reflects the discounted charge for retired employees entitled to benefits, and the benefits accrued for employees in force to be disbursed at the end of the employment. This provision is determined by an independent actuary by using the projected unit credit method. Actuarial gains and losses are fully recognised in equity in the relevant year, taking account of the related deferred tax effect. The same accounting treatment is applied to the Free Travel Card benefits and the effects arising from actuarial gains and losses as for post-employment benefits.

Provisions for risks and charges

Provisions for risks and charges are recognised to cover specific liabilities that are certain or probable, but whose amount and/or due date is unknown at the reporting date. A provision is recognised when there is a present obligation (legal or constructive), as a result of a past event, and it is probable that an outflow of resources will be required to settle the obligation. The provisions are stated as the best estimate of the expenditure required to settle the obligation. The discount rate used to determine the present value of the liability reflects current market values and considers the risk specific to each liability. Risks for which a liability is only possible are disclosed in the specific section on contingent liabilities without accruing any provisions.

Revenue from contracts with customers

Initial recognition and subsequent measurement
In accordance with IFRS 15, revenue from contracts with customers is recognised when the performance obligations set forth in the contract are fulfilled and control of the goods and services is then transferred to the customer, in an amount that reflects the consideration the Group expects to receive in exchange for those goods or services. The consideration may include fixed amounts, variable amounts, or both of them; the consideration may vary as a result of, for example, reductions, discounts, refunds (including those for delays/cancellations in the performance of the PO(s)), incentives, rewards, penalties (Variable Consideration). It may also vary upon the occurrence or non-occurrence of a future event. The presence of a variable component may be explicitly provided for in the contract or may be inferred from customary business practices, published policies, specific company statements, or any other facts or circumstances indicating the company's intention to grant the customer a change on price. The variable component of the consideration is included in the consideration only if it is highly probable that there will not be in the future, when the uncertainty associated with the variable consideration is resolved, a significant downward adjustment to the amount of revenue recognised related to that component. The Group assesses whether the goods or services subject to the performance obligation will be transferred to the customer over a period of time or at a point in time:

- Revenues from sales of goods, are recognised at the time when control of the good is transferred to the buyer (at a point in time);
- Revenue from services is recognised based on the inputs used to satisfy the obligation up to the reporting date, compared to the total inputs assumed to satisfy the entire obligation. When the inputs are distributed consistently over time, the Group recognises the corresponding revenue on a straight-line basis. In some circumstances, when the Group is unable to reasonably measure the outcome of a performance obligation, revenue is recognised only to the extent

of the costs incurred. Since the customer makes use of the benefits concurrently with the transfer of the benefits and the cost incurred provides a true view of the percentage of completion of the service, revenue recognition takes place over a period of time and the evaluation of progress is done using the input-based method (cost-to-cost method).

In cases where the contractual mechanism includes:

- a variable amount (e.g., discounts, refunds), the amount of consideration to which it is expected to be entitled is estimated by using the expected value or most probable amount method;
- a significant financial component, revenue is adjusted unless there is a time period of less than 12 months between the time of transfer of the good/service and the time of payment;
- costs of obtaining and fulfilling the contract (e.g., sales commissions), such costs are capitalised only when they are directly related to the contract, allow new and increased resources for future fulfilment, and are expected to be recovered.

The nature and timing of performance obligations and the significant terms for the satisfaction of performance obligations are summarised below for the Group's main contracts with customers.

a) Revenue from transport services

Revenue from transport services arises from passenger and freight transport in Italy and abroad. This caption includes revenue from commercial services (e.g., high speed services) and public service contract fees (MIT, the regions, etc.).

Revenue from rail/road transport services is governed by the General terms of transport applicable to several types of services: regional or long haul throughout Italy. The contract with customers generally coincides with their ticket which also grants access to a number of services (e.g., transport, lounge, complementary drink, wi-fi, etc.). These services are considered as a single performance obligation which customers may benefit from, except for reward points.

Revenue from freight services, both rail and road, are on the other hand governed by specific contracts with the customer usually with forecasts for delivery of goods free at destination. Freight transport services are governed by standard contracts which substantially provide for the obligation to transport the goods to destination.

Revenue is recognised from the moment the customer starts using the service. In the case of partial services (delays, cancellations, etc.), the current terms and conditions provide for reimbursements and bonuses which are recognised as a direct adjustment to revenue.

During the year, the Group companies offer discounts and promotions to enhance customer loyalty. Reward points, which entitle customers to buy the Group's products in the future, qualify as a performance obligation and their amount has never been significant. Revenue is recognised as the reward points are redeemed or expired. Because of the nature of the business, amounts are collected in advance. However, the timing of this advance does not have a significant impact.

Since customers enjoy the benefits at the time of their transfer, revenue is recognised over time for all performance obligations identified above.

Revenue from the rail transport services governed by the long-term service contracts signed with the regions, autonomous provinces and the ministries (MIT and MEF) for local and national rail transport services covered by a public service arrangement, and also includes regional services and day and night intercity trains.

Each year, for all Service Contracts, deviations are calculated between the projected net result reported in the economic and financial plan (EFP) and the net result in the preliminary results. These deviations, quantified for each contract, are stated as a debit or credit of the Group against the counterparties. In fact, Service Contracts provide for the Group's right to have the EFP rebalanced at the end of the relevant contract term, or in intermediate periods in advance in case of agreements with the counterparty itself. The difference between the EFP net result and the estimated final net result is calculated on homogeneous data, revised by the Group in order to take into account any non-recurring, which were not provided for in the EFP. Adjustments to receivables/payables arising from discussions with counterparties are recognised as revenue in the year in which the information becomes available.

The transport services are performance obligations. Revenue is recognised on an accruals basis in accordance with the contract. If the contractually-agreed services are not provided in the agreed quantities (e.g., cancellations), the contract provides for adjustments to the consideration. It also provides for penalties when quality targets (delays, cleanliness, etc.) are not met.

In this respect, an estimate is made and an accrual is recognised in the risk provision to be used when the adjustments are finalised. Since customers enjoy the benefits at the time of their transfer, revenue is recognised over time.

b) Revenue from infrastructure services

Revenue from infrastructure services related to the rail/road/motorway infrastructure arises from management of this infrastructure. This caption includes revenue from fees, service concession arrangements and, to a lesser extent, revenue from ferrying services. This is the amount paid by railway companies to use the train paths necessary to carry out the long and short haul domestic passenger rail transport and for freight transport. Therefore, only one performance obligation exists. Revenue is recognised over time based on contract amounts; every quarter, it is adjusted to reflect the actual number of trains in operation. This figure is calculated for each train by pricing the train paths under the contract and those actually used by each railway company. With respect to road infrastructure, tolls are the amount paid by third-party companies assigned road and motorway construction, operation and maintenance under specific concession arrangements. A single performance obligation is identified. The price is set by the law and is equal to a percentage of the net proceeds from tolls received from operators. The revenue is recognised over time.

Government grants

Government grants, when formally assigned and, in any case, when the right to their disbursement is deemed definitive as it is reasonably certain that the FS Italiane Group will comply with any conditions attached to the grant and that the grants will be received, are recognised on an accruals basis in direct correlation with the costs incurred.

a) Grants related to assets

They refer to amounts paid by the government and other public authorities to the FS Italiane Group for the implementation of initiatives aimed at the construction, reconditioning and expansion of property, plant and equipment. They are recognised as a direct reduction in the cost of the assets to which they refer and decrease the depreciation rates.

b) Grants related to income

They refer to amounts paid by the government or other public authorities to the FS Group to offset costs and charges incurred. They are recognised under "Revenue from sales and services" and "Other income", as a positive component of income.

Dividends

Dividends from investee companies, which are not included in the scope of consolidation, are recognised in profit or loss when the shareholders' right to receive payment thereof arises. The latter usually coincides with the shareholders' resolution approving dividend distribution.
Dividends received from investments in associates and joint ventures are accounted for as an adjustment to the carrying value of the investment.
Dividends distributed to FS Italiane SpA's shareholders are presented as a change in equity and recognised under liabilities when their distribution is approved by the shareholders.

Income taxes

Current taxes are calculated based on estimated taxable profit and in accordance with ruling tax legislation of the FS Group's companies.
Deferred tax assets, related to prior tax losses, are recognised when it is probable that future taxable profit will be available against which these losses can be recovered. Deferred tax assets and liabilities are calculated using the tax rates that are expected to be applied in the years in which the differences will be realised or settled.
Deferred tax assets and liabilities are offset when they are levied by the same tax authorities, there is a legally enforceable right to set off the recognised amounts and settlement on a net basis is expected. Deferred tax assets and liabilities are shown separately in case of different timing of realisation of the underlying assets to which they relate.
Taxes other than income taxes, such as indirect taxes and duties, are included in profit or loss under "Other operating costs".

New standards

First-time adoption of standards, amendments and interpretations

The following new standards are effective for annual periods beginning on after 1 January 2024.

Lease liability in a sale and leaseback (Amendments to IFRS 16)

On 22 September 2022, the IASB issued Lease liability in a sale and leaseback (Amendments to IFRS 16) which clarifies how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements of IFRS 15 to be accounted for as a sale. The application of the aforementioned amendments, where applicable and due to their very nature, has not resulted in any significant impact on this Financial Disclosure.

Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current and Classification of Liabilities as Current or Non-Current

On 23 January 2020, the IASB issued amendments to IAS 1 Presentation of financial statements: classification of liabilities as current or non-current which clarify how to classify payables and other liabilities as current or non-current. The amendments were initially meant to go into force as from 1 January 2022, but the IASB postponed the effective date to 1 January 2024 with the issue of a second document on 15 June 2020. Subsequently, on 31 October 2022 the IASB published an additional amendment on "Non-current Liabilities with Covenants (Amendments to IAS 1)" to clarify how conditions that an entity must meet within 12 months of the balance sheet date affect the classification of a liability. The application of the aforementioned amendments, where applicable and due to their very nature, has not resulted in any significant impact on this Financial Disclosure.

Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements
On 25 May 2023, the IASB published an amendment to IAS 7, which aims to add disclosure requirements and instructions within existing disclosure requirements, requiring entities to provide qualitative and quantitative information on supplier finance arrangements. The application of the aforementioned amendments, where applicable and due to their very nature, has not resulted in any significant impact on this Financial Disclosure.

Accounting standards, amendments and interpretations endorsed by the European Union but not yet applied

Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability
On 15 August 2023, the IASB published the amendment to IAS 21 with the aim of specifying when a currency is exchangeable into another currency, how to determine the exchange rate when a currency is not exchangeable into another currency, and in the latter case the disclosures to be made. These amendments are effective from 1 January 2025, and an assessment of any impact their application might have on the financial statements is underway.

Standards, amendments and interpretations not yet endorsed by the European Union
For those newly-issued amendments, standards and interpretations that have not completed the process for endorsement by the European Union, but which deal with matters currently or potentially present in the FS Group, the assessment of the possible impacts that their application could determine on the financial statements is underway, taking into consideration the effective date of their effectiveness. In particular, these include:

Amendments to the Classification and Measurement of Financial Instruments - In May 2024, the IASB published the document which made amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures. In detail, the IASB amended the requirements for: (i) settlement of financial liabilities by using an electronic payment system; (ii) assessing the contractual cash flow characteristics of financial assets, including those with features related to environmental, social and governance (ESG) factors; (iii) disclosures related to investments in equity instruments designated at fair value through other comprehensive income; and (iv) additional disclosures for financial instruments with contingent features that are not directly related to the underlying risks and costs of borrowing. The amendments shall apply from 1 January 2026, and an assessment of any impact their application might have on the financial statements is underway.

IFRS 18 Presentation and Disclosure in Financial Statements - In April 2024, the IASB published a new accounting standard, which will replace IAS 1 Presentation of Financial Statements, to improve the reporting of financial performance. IFRS 18 will improve the quality of financial reporting through requirements on: (i) subtotals shown in the income statement; (ii) disclosure of management-defined performance measures; and (iii) adding new standards for aggregating and disaggregating information. IFRS 18 shall become effective from 1 January 2027, and an assessment of any impact its application may have on the financial statements is underway.

IFRS 19 Subsidiaries without Public Accountability: Disclosures - On 9 May 2024, the IASB issued a new accounting standard to simplify reporting systems and processes for companies, reducing the cost of preparing financial statements of eligible subsidiaries while maintaining the usefulness of those statements to their users. IFRS 19 shall become effective from 1 January 2027, and an assessment of any impacts that its implementation may have on financial statements is underway.

Use of estimates and judgements
In preparing the consolidated financial statements, the directors applied standards and methods, which in some circumstances rely on difficult and subjective valuations and estimates based on past experience and on assumptions that are considered reasonable and realistic at a given time. Therefore, the actual amounts of certain financial statements captions calculated according to the above estimates and assumptions may

differ in the future, even materially, from those reported in the consolidated financial statements, because of the uncertainty that characterises the assumptions and conditions on which the estimates are based - including, at present, the geopolitical tensions due to the diplomatic and military crisis between the Russian Federation and Ukraine, the exacerbation of the crisis in the Middle East, the weakening of China's economy and the supply disruptions along the value chains, which may trigger scenarios with varied and diverse effects. Estimates and assumptions are reviewed periodically and the effects of any changes are recognised in profit or loss when they affect the year only. If the revision affects both current and future years, the change is recognised in the year the revision is made and in the related future years.
Therefore, actual results may differ, even materially, from these estimates following possible changes in the factors considered in their determination.
The following accounting policies require the most subjectivity from the directors in the preparation of estimates and would have a material impact on the financial figures if there were a change in the conditions underlying the assumptions used:

i) Impairment losses - non-financial assets

Property, plant and equipment and intangible assets with a finite life are tested for impairment. Impairment losses are recognised when there is evidence that it will be difficult to recover the related carrying amount through the use or sale of the asset. Impairment tests require the directors to make subjective valuations based on the information available within the FS Group and in the market, as well as from past experience. Furthermore, when a potential impairment loss exists, the Group calculates such loss using suitable valuation techniques. The correct identification of impairment indicators and the estimates for calculating them depend on factors that may vary over time, thus affecting valuations and estimates made by the directors.

ii) Impairment losses - financial assets

According to the Group's impairment model, an expected loss is the sum of the expected losses that result from possible default events on a financial instrument over a specific time horizon; this results in the recognition of a loss using both past and present figures and forward-looking information. The estimate of expected losses, especially when the financial assets are deteriorated or show objective evidence of impairment, requires the directors to make subjective valuations based on the information available within the Group (e.g. the financial asset's estimated cash flows) and in the market, as well as from past experience. The correct identification of impairment indicators and the estimates for calculating them depend on factors that may vary over time, thus affecting valuations and estimates made by the directors.

iii) Extension/termination options in leases

Leases that contain extension/termination options require the directors to, at the inception of the lease, to assess whether it is reasonably certain to exercise an extension option or not to exercise a termination option, upon occurrence of either a significant event or a significant change in circumstances that is within the Group's control. The assessment of extension options may require the directors to make subjective judgements based on the information available at the assessment date and past experience.

iv) Amortisation and depreciation

Amortisation and depreciation are a significant cost for the Group. The cost of property, plant and equipment and intangible assets with a finite useful life and of investment property is depreciated and amortised, respectively, on a straight-line basis over the estimated useful lives of the assets, except for RFI SpA which applies the production unit.
Calculating the amortisation/depreciation of these assets entails a complex accounting estimate that is, by its nature, subjective, as it is influenced by a number of factors, including:

- the estimated production volumes expressed as train-km for the railway infrastructure (for further details, see the paragraph on "RFI SpA's calculation of depreciation of property, plant and equipment");
- the identification of each component of rolling stock with a significant cost in proportion to the total cost of the item to be depreciated separately (component approach) and the estimated useful life (for further details, see the paragraph "Property, plant and equipment – General criteria");
- the estimated residual value. In accordance with IAS 16, 38 and 40, the depreciable cost of the railway infrastructure and rolling stock is calculated by subtracting their residual value. The residual value of an asset is the estimated amount that an entity could obtain at the time of disposal of the asset, after deducting the estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of the concession or the useful life of the rolling stock. The subsidiaries RFI (which operates the railway infrastructure) and Trenitalia (which owns the rolling stock), periodically review the residual value of assets and measure their recoverability using the best information available at that date. Periodic updates may cause changes in the depreciation rate for future years;
- the impacts of any changes to the regulatory framework.

The directors determine the useful lives of the Group's assets when the assets are purchased. They are based on past experience for similar assets, market conditions and forecasts concerning future events that may have an impact on the useful life. Therefore, the actual economic life may differ from the estimated useful life. The FS Group assesses any technological and sector changes to update residual useful lives on a regular basis. These updates may entail a change in the amortisation and depreciation period and in the amortisation and depreciation rates of future years.

v) Provisions for risks and charges

Provisions are accrued against legal and tax risks which represent the risk of a negative outcome. The recognised provisions relating to these risks reflect the best estimate made by the directors at the reporting date. This estimate entails the adoption of assumptions that depend on factors which may vary over time and which may have significant effects compared to the current estimates made by the directors for the preparation of the FS Italiane Group's financial statements.

vi) Taxes

Deferred tax assets are recognised based on the income expected in future years. The valuation of any expected income for the purposes of the recognition of deferred taxes depends on factors that may vary over time and determine significant effects on the measurement of deferred tax assets.

vii) Fair value of derivatives

The fair value of derivatives that are not quoted on active markets is measured using valuation techniques. The FS Group applies valuation techniques that use inputs that can be observed in the market, either directly or indirectly, at the reporting date, and that are connected to the assets and liabilities being measured. Even if the estimates of the above fair values are considered reasonable, any possible changes in the estimate factors on which the calculation of the aforesaid amounts is based may generate different valuations.

Climate Change

In a global context that is increasingly attentive to environmental and social impacts, the FS Group's Annual Integrated Report reflects its ongoing commitment to climate change mitigation and adaptation, which is included in the corporate strategy and in line with the energy transition plan undertaken in pursuit of business sustainability objectives, as described in the Consolidated Sustainability Reporting provided within the Report on operations (for more details, please refer to the paragraph on "Climate Change – IRO management").
In addition, the Group describes its considerations of actions attributable to the mitigation of the effects of climate change as well as adaptation to climate change in the disclosure required by Regulation (EU) 2020/852 (for more details, please refer to the paragraph on "Climate Change Issues (ESRS E1)").
In light of the above, the Group also reflects the impacts of climate change in the preparation of the Consolidated Financial Statements. Although there is no international accounting standard governing how such impacts are to be considered in the preparation of the financial statements, the IASB has issued some documents to support IFRS-adopters in meeting this disclosure requirement[190].
The Group reports the main considerations relevant to climate change in this section.

In preparing the consolidated financial statements, company management makes judgements and estimates based on past experience and assumptions that are considered as being reasonable.
In relation to physical and transition risk and the forward-looking assumptions made regarding climate change, there are no specific short-term impacts to be considered in the application of accounting standards.
In particular, the Group in all business sectors pursues excellence in the delivery of its services; this involves a constant commitment to the development of adequate infrastructures and the evolution of their operation, the energy efficiency of production processes, the pursuit of a circular economy approach, and the pursuit of high standards of reliability and safety in the services provided to customers, with the application of technological innovation and digitalisation.
With reference to the medium to long term, company management continues with the implementation of the business plan that takes into account the impacts of climate change and does not see any further specific considerations in the application of accounting standards for the preparation of financial statements.
It should be noted, however, that the assessment and, more specifically, the quantification of climate-related risks generally requires the application of long-term assumptions about highly uncertain future developments, such as future technological developments, policy developments, and government actions.

190. IASB Educational material – "Effects of climate-related matters on financial statements", July 2023; IASB Exposure draft - "Climate-related and Other Uncertainties in the Financial Statements", July 2024.

The FS Group operates the rail and road infrastructure according to an approach geared towards increasingly raising the value of the network as a fundamental asset of the sustainable mobility system. To this end, the Group designs, builds and operates mobility infrastructures and services according to climate-resilient criteria marked by environmental and social protection, strengthening the capacity of mobility systems to adapt to the consequences of climate change and fragility of local areas, as well as contributing to the achievement of European and national climate change mitigation objectives. Actions for the reduction of risks related to climate change also take the form of planning the maintenance of infrastructure and fleets in order to ensure the quality of service, the safety of assets under operation and the maintenance of their performance. In addition, special insurance policies containing “CAT/NAT” guarantees are active in the Group with regard to damage caused by natural disasters and catastrophic events (earthquakes, floods, landslides, floods and overflows) to land, buildings, plant, machinery and industrial and commercial equipment, which are recorded in the balance sheet.

Management has assessed that the business most exposed to the risk of climate change is the infrastructure business; however, the above investments do not reduce or change the expectation with reference to the economic benefits associated with the use of the assets stated under property, plant and equipment, considering the regulatory relevance and therefore the relief mechanisms that characterise the sector. Therefore, it was not necessary to change the useful life of fixed assets on the balance sheet.

In addition, due to their potential impact on the aforementioned construction and maintenance interventions and consequent disruption on the continuity and quality of service and the timing of the works, the dynamics related to the transition process to a low-carbon and climate change resilient economy are carefully monitored and mitigated, which expose the Group to risks related to the changes in regulations, technologies and target markets, with potential reputational effects, as well as risks related to the procurement of materials and the entire supply chain for significant changes in the strategy of key suppliers, in a context increasingly oriented to the circular economy perspective.

With regard to asset impairment risks, management has considered that climate risk mitigation/adaptation actions entail the need to plan for the maintenance/evolution of assets to ensure their service quality, safety and maintenance of operating standards: therefore, these assets are considered as part of the cash flow forecast used as the basis for determining value in use.

In the area of loans and bonds, the Group, in addition to having carried out “Green” bond issues, has some bank loans in place which contain so-called “ESG-linked” forecasts, as detailed in the “Sustainable Finance” section.
With regard to ESG-linked bank loans and, in particular, the Revolving Credit Facility (RCF), there is a premium/penalty mechanism applicable to the payment of accrued interest, linked to the achievement of specific ESG objectives (so-called Sustainability Linked), in relation to which the Group considers that there may be a risk, which is constantly monitored, whose impact on financial expenses is assessed as not significant at the moment.

The introduction of new legislation in response to climate change may give rise to new obligations that did not previously exist; in addition, the presence of chronic or acute physical hazards could lead to service disruption or reduced service quality resulting in penalty liabilities. Based on the risk mitigation actions put in place, management assumed the potential economic and financial impacts associated with the above risks as unchanged. Therefore, it was not necessary to critically review the provisions for risks and charges recognised in the financial statements.

7. Reporting by operating segment

The financial highlights of the Group's operating segments for 2024 and 2023 are shown below. For more information regarding the identification of operating segments for the Group, please refer to the Report on Operations.

millions of Euros

2024	Railway infra-structure	Road infra-structure	Passen-gers	Logistics	Urban	Other services	Adjustments and intersegment eliminations	Ferrovie dello Stato Italiane Group
Revenue from third parties	1,836	4,198	8,291	1,189	507	126	3	16,150
Inter-segment revenue	1,365	22	263	169	79	874	(2,393)	379
Revenue	**3,201**	**4,220**	**8,554**	**1,358**	**586**	**1,000**	**(2,390)**	**16,529**
Operating costs	**(3,115)**	**(4,101)**	**(6,689)**	**(1,297)**	**(428)**	**(1,007)**	**2,350**	**(14,287)**
Gross operating profit (loss)	**86**	**119**	**1,865**	**61**	**158**	**(7)**	**(40)**	**2,242**
Amortisation and depreciation, provisions and impairment losses	(128)	(173)	(1,372)	(134)	(17)	(104)	29	(1,899)
Operating profit (loss)	**(42)**	**(54)**	**493**	**(73)**	**141**	**(111)**	**(11)**	**343**
Net financial income	(82)	(146)	(219)	(49)	7	(23)	7	(505)
Income taxes	3		(25)	(2)	(58)	192	(156)	(46)
Segment profit (loss) (attri-butable to the owners of the parent and non-controlling interests)	**(121)**	**(200)**	**249**	**(124)**	**90**	**58**	**(160)**	**(208)**

millions of Euros

2024	Railway infra-structure	Road infra-structure	Passen-gers	Logistics	Urban	Other services	Adjustments and intersegment eliminations	Ferrovie dello Stato Italiane Group
Working capital	3,011	(312)	(374)	(4)	253	307	322	3,203
Net non-current assets	37,148	1,599	13,374	1,215	619	338	(145)	54,148
of which: equi-ty- accounted investees	*280*	*295*	*239*	*4*				*818*
Other provisions	(572)	(738)	(569)	(138)	15	4	(447)	(2,445)
Net assets held for sale		342						342
Net invested capital	**39,587**	**891**	**12,431**	**1,073**	**887**	**649**	**(270)**	**55,248**
Net financial position (debt)	**6,039**	**(1,343)**	**9,497**	**869**	**(440)**	**(1,401)**	**275**	**13,496**
Equity	**33,548**	**2,234**	**2,934**	**204**	**1,327**	**2,050**	**(545)**	**41,752**

millions of Euros

2023	Railway infra-structure	Road infra-structure	Passen-gers	Logistics	Urban	Other services	Adjustments and intersegment eliminations	Ferrovie dello Stato Italiane Group
Revenue from third parties	1,965	3,886	7,404	984	93	132	4	14,468
Inter-segment revenue	1,175	21	245	167	63	755	(2,090)	336
Revenue	**3,140**	**3,907**	**7,649**	**1,151**	**156**	**887**	**(2,086)**	**14,804**
Operating costs	**(2,680)**	**(3,772)**	**(6,096)**	**(1,091)**	**(123)**	**(841)**	**2,027**	**(12,576)**
Gross operating profit (loss)	**460**	**135**	**1,553**	**60**	**33**	**46**	**(59)**	**2,228**
Amortisation and depreciation, provisions and impairment losses	(193)	(181)	(1,344)	(117)	(12)	(69)	26	(1,890)
Operating profit (loss)	**267**	**(46)**	**209**	**(57)**	**21**	**(23)**	**(33)**	**338**
Net financial income (expense)	(61)	(75)	(161)	(31)	7	103	5	(213)
Income taxes	(3)		41	(2)	(13)	63	(111)	(25)
Segment profit (loss) (attri-butable to the owners of the parent and non-controlling interests)	**203**	**(121)**	**89**	**(90)**	**15**	**143**	**(139)**	**100**

millions of Euros

31.12.2023	Railway infra-structure	Road infra-structure	Passen-gers	Logistics	Urban	Other services	Adjustments and intersegment eliminations	Ferrovie dello Stato Italiane Group
Working capital	2,008	(277)	(696)	(12)	620	251	256	2,150
Net non-current assets	37,028	2,189	12,844	1,004	648	308	(194)	53,827
of which: equi-ty- accounted investees	*270*	*730*	*211*	*6*				*1,217*
Other provisions	(653)	(1,019)	(559)	(129)	20	(99)	(292)	(2,731)
Net assets held for sale								
Net invested capital	**38,383**	**893**	**11,590**	**864**	**1,288**	**460**	**(232)**	**53,246**
Net financial position (debt)	**4,499**	**(1,530)**	**8,500**	**577**	**11**	**(1,096)**	**195**	**11,156**
Equity	**33,883**	**2,424**	**3,090**	**287**	**1,277**	**1,556**	**(427)**	**42,090**

Reference should be made to the directors' report for information on the performance of the individual segments

8. Revenue from sales and services (€15,948 million)

millions of Euros

	2024	2023	Change	Change in consolidation scope	Change on a like-for-like basic
Revenue from transport services	**8,766**	**7,948**	**818**	**(122)**	**696**
Passenger traffic products	4,451	4,244	207	(1)	206
Freight traffic products	1,054	898	156	(158)	(2)
Commercial revenue	**5,505**	**5,142**	**363**	**(159)**	**204**
Public service contracts and other contracts	381	340	41		41
Fees from the regions	2,880	2,466	414	37	451
Service contract fees	**3,261**	**2,806**	**455**	**37**	**492**
Revenue from infrastructure services	**4,646**	**4,244**	**402**	**22**	**424**
Other service revenue	**1,072**	**437**	**635**	**(14)**	**621**
Revenue from contract work in progress	**57**	**51**	**6**		**6**
Total revenue from contracts with customers	**14,541**	**12,680**	**1,861**	**(114)**	**1,747**
Other revenue	**1,407**	**1,581**	**(174)**	**(1)**	**(175)**
Total	**15,948**	**14,261**	**1,687**	**(115)**	**1,572**

Revenue from contracts with customers rose by €1,747 million, net of the effects of the change in the consolidation scope (€114 million).
The positive change in "Revenue from passenger traffic products ", equal to €206 million, was essentially attributable to the following business areas:

- medium- and long-haul transport (+€143 million), which grew in domestic transport (+€61 million), mainly including both commercial services, which recorded an increase in both passenger-km (+2.7%) and train-km (+4.2%), and in international transport (+€82 million), basically related to the Spanish market;
- regional transport (+€32 million), due to the counteracting effect of growth in the domestic market (+€45 million), linked to an increase in travellers, particularly on weekends and holidays, and also due to the focus on offering leisure services and intermodal transport (passenger-km +1.4%), and the decline in the foreign market (-€17 million, of which -€27 million in the German market due mainly to the introduction of the Deutschland ticket, which is offset by revenue from service contracts, partially offset by +€10 million in the English market);
- revenue from road transport increased (+€31 million, of which +€20 million in the domestic market and +€11 million abroad, mainly due to the international market - Holland), substantially due to higher revenues from Local Public Transport service, and greater offering of replacement services.

Revenue from freight traffic products decreased by €2 million, mostly attributable to a decline in domestic freight traffic relating to the intermodal supply chain (-€19 million), which was almost entirely offset by the growth recorded on foreign market (+€17 million);
Revenue from public service contracts showed a total increase of €492 million, as a result of the following:

- an increase in revenue from public service contracts (+€41 million), attributable to the recognition of lower revenue in 2023, resulting from the European Commission's final decision on an investigation procedure (€95 million), the different accounting, net of related grants, of revenue to cover investments related to public service contracts in the English market;
- an increase in Revenue from Contracts with Regions (+€451 million), as a result of:
  - o higher Revenues from Service Contract with Regions (+€378 million), mainly attributable to the effect of the performance trend under the Service Contracts (+€346 million), and higher fees related to the adjustment to the inflation rate for the period and the increase in the number of contracted trips (+€56 million);
  - o higher revenues in foreign markets of €77 million (of which, +€60 million in Germany, and +€17 million in the Dutch market), mainly attributable to the renegotiation of tariffs and the increase passengers compared to the previous year.

The table below gives a breakdown of fees for the Public Service Contract with the Government:

millions of Euros

	2024	2023	Changes
Rate and service obligations: for passenger transport	308	216	92
Total	**308**	**216**	**92**

Revenue from infrastructure services increased by €424 million mainly as a result of the following:

- higher revenues from road and motorway infrastructure for €319 million, as a result of the rise in work on the network under concession during the year (+€429 million), offset by a decrease in toll fees following the termination of the temporary operation of the A24-A25 motorway (-€110 million) on 31 December 2023;
- higher revenues from services under concession (+€90 million) related to the takeover of the operation of the Turin-Ceres and Canavesana railway lines as from 1 January 2024, and to improvement works on the Ferrovia Centrale Umbra railways in line with the related costs (+€19 million);
- higher toll revenues on rail infrastructure (+€15 million), attributable to higher tariffs due to the ISTAT (National Statistics Institute) revaluation of 1.4% and the trend in traffic volumes mainly circulated on the HS segment.

The €621 million increase in Other service revenue was mainly attributable to the following factors:

- Sale of the Farini terminal carried out by FS Sistemi Urbani SpA as part of the Programme Contract (also CdP) signed with the Municipality of Milan (+€397 million): from the transaction in question, the Group realised a capital gain of €143 million, as a result of the selling price (€473 million Revenue from sales and services - Other revenues from services), net of the recognition of the performance obligations under the contract (-€71 million Revenue from sales and services - Other revenues from services), the change in inventories of trading buildings and land (-€126 million Change in inventories), the cost related to retroceding 50% of the capital gain to the Municipality of Milan of (-€108 million Other operating costs), contractually-required maintenance costs already incurred (-€24 million Costs for services) and related financial expenses (+€1 million Financial expenses);
- higher "Revenues from Services to Railway Companies and Traffic-related Services" (+€135 million), mainly due to the reversal of the higher cost of traction electricity (+€64 million), as well as the increase in revenues recorded in the German market (+€39 million, related to the reduction in revenues from contracts with customers, as commented above) and revenues from rolling stock maintenance (+€20 million);
- increase in revenue from "Processing on behalf of third parties" (+€28 million) related to the supply of new State-owned hybrid trains from NRRP funds;
- increase in "Revenues from sundry services" (+€61 million), substantially due to actual higher revenues recorded on the Riyadh Metro contract (+€52 million), which can be attributed to the resumption of operations from the second half of 2023.

The €6 million increase in revenue from contract work in progress is essentially due to the different progress of contract work between 2024 and 2023.

milions of Euros

	2024	2023	Change	Change in consolidation scope	Change on a like-for-like basis
Leases	143	136	7		7
Recharging of condominium expenses and income tax	31	33	(2)		(2)
Sale of advertising spaces	7	12	(5)		(5)
Revenue from property management	**181**	**181**			
Revenue from white certificates	**75**	**60**	**15**		**15**
Sundry revenue	**100**	**112**	**(12)**		**(12)**
Revenue from grants	**1,051**	**1,228**	**(177)**	**(2)**	**(179)**
Total other revenue	**1,407**	**1,581**	**(174)**	**(2)**	**(176)**

The decrease in **Other revenue** (-€176 million), net of the effects of the change in the consolidation scope (€2 million), is essentially due to the reduction in revenue from grants (-€179 million) to which must be added lower revenue from rental of rolling stock (-€11 million), and higher revenues from the recognition of white certificates or energy efficiency certificates (+€15 million) earned through energy savings.

The decrease in revenue from grants (-€179 million), is attributable to:

- lower grants allocated by the MEF, which had characterised the previous comparison period, relating to the domestic (-€40 million) and international (-€8 million, substantially attributable to the German market) rail transport sector, and the road transport sector (-€4 million, substantially attributable to the Dutch market);
- the reduction in the grants for the railway infrastructure (-€149 million), of which lower grants allocated by the MEF under the CdP (-€143 million), and lower extraordinary grants, in the form of tax credits, for the purchase of electricity and natural gas (-€6 million);
- higher grants recognised by MIT for the recurring maintenance of road infrastructure, in the face of price increases (+€7 million) and to cover charges related to the maintenance and safety of the road network, also aimed at ensuring the overall accessibility of the local areas affected by the sporting events at the Winter Olympic and Paralympic Games Milan Cortina 2026 (+€21 million).

REVENUE BROKEN DOWN UNDER IFRS 15

In the table below, revenue from contracts with customers is broken down by geographical segment, product line and moment of recognition:

	Transport		Logistics	
	2024	2023	2024	2023
Geographical segment				
Italy	6,124	5,350	717	730
Europe	1,759	1,723	359	124
Non-EU	51	59	62	72
Total revenue from contracts with customers	**7,934**	**7,132**	**1,138**	**926**
Moment of recognition				
At a point in time	661	574	391	297
Over time	7,273	6,558	747	629
Total revenue from contracts with customers	**7,934**	**7,132**	**1,138**	**926**
Total other revenue from sales and services	**204**	**251**	**41**	**39**
Total revenue from sales and services	**8,138**	**7,383**	**1,179**	**965**

millions of Euros

Railway infrastructure		Road infrastructure		Real estate		Services		Total	
2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
760	679	4,138	3,825	411	17	25	49	12,175	10,650
6	8	1	1					2,125	1,856
27	30	3	3	1		96	10	240	174
793	**717**	**4,142**	**3,829**	**412**	**17**	**121**	**59**	**14,540**	**12,680**
24	47	12	134	405	8	1	1	1,494	1,061
769	670	4,130	3,695	7	9	120	58	13,046	11,619
793	**717**	**4,142**	**3,829**	**412**	**17**	**121**	**59**	**14,540**	**12,680**
1,066	**1,227**	**39**	**10**	**58**	**54**			**1,408**	**1,581**
1,859	**1,944**	**4,181**	**3,839**	**470**	**71**	**121**	**59**	**15,948**	**14,261**

CONTRACT ASSETS AND LIABILITIES

The table below provides information about contract assets and liabilities:

millions of Euros

	31.12.2024	31.12.2023
Contract assets classified under current/non-current trade receivables	1,450	1,411
Other assets not included in the above categories	3,401	3,545
Contract assets	1,267	1,266
Contract liabilities	(408)	(480)

BREAKDOWN OF CHANGES IN CONTRACT ASSETS AND LIABILITIES

The table below shows the significant changes in contract assets and liabilities for the year:

millions of Euros

	31.12.2024	
	Contract assets	Contract liabilities
Balance at 1 January 2024	**1,266**	**(480)**
Revenue recognised during the year which was included in the opening balance of contract liabilities		463
Increases in contract liabilities, net of the amounts recognised during the year		(435)
Reclassifications from contract assets recognised at the beginning of the year to receivables	(635)	
Increases in contract assets due to the provision of services	772	13
Increases in contract assets due to changes in the assessment of the percentage of completion	106	2
Other changes	(242)	29
Balance at 31 December 2024	**1,267**	**(408)**

9. Other income (€581 million)

This caption increased by a total of €39 million, mainly as a result of the deconsolidation of FSE (+€127 million), as detailed in note 4. "Change in the scope of consolidation and extraordinary transactions", which was offset by lower releases of provisions for risks (-€67 million), related to disposals of assets, lower capital gains related to the sale of out-of-use materials removed during maintenance work (-€10 million) and lower capital gains from disposals of properties (-€11 million).

10. Personnel expense (€5,873 million)

This caption may be analysed as follows:

millions of Euros

	2024	2023	Change	Change in consolidation scope	Change on a like-for-like basis
Wages and salaries	4,125	3,862	263	(15)	248
Social security charges	1,012	948	64	1	65
Other expense for employees	46	26	20		20
Post-employment benefits	231	219	12	1	13
Accruals and releases	214	24	190	(2)	188
Employees	**5,628**	**5,079**	**549**	**(15)**	**534**
Wages and salaries	27	16	11		11
Other personnel costs for consultants and freelancers	1	4	(3)		(3)
Consultants and freelancers	**28**	**20**	**8**		**8**
Other costs	**217**	**185**	**32**	**2**	**34**
Total	**5,873**	**5,284**	**589**	**(13)**	**576**

Net of the effects of the change in the consolidation scope (€13 million), personnel expense increased by a total of €576 million.

Specifically, the €248 million increase in wages and salaries and €65 million in Social security charges is mainly attributable to average growth (+4%) in workforce (FTE), as well as the rise in per-head labour costs following the renewal of the contract and the increase in ancillary remuneration.
The change of +€188 million in accruals and releases is due to higher provisions made for labour litigation, early retirement incentives and other contractual requirements.

The table below gives a breakdown of the FS Italiane Group's average number of employees by category:

PERSONNEL	2024	2023	Changes
Managers	1,199	1,123	76
Junior managers	14,290	13,315	975
Other	77,084	74,960	2,124
TOTAL	**92,573**	**89,398**	**3,175**

11. Raw materials, consumables, supplies and goods (€2,008 million)

millions of Euros

	2024	2023	Change	Change in consolidation	Change on a like-for-like basis
Raw materials and consumables	1,191	1,132	59	6	65
Electrical energy and fuel for traction	525	308	217	(17)	200
Lighting and driving force	120	123	(3)		(3)
Change in land and buildings held for trading	163	16	147		147
Accruals and releases	9	28	(19)		(19)
Total	**2,008**	**1,607**	**401**	**(11)**	**390**

Net of the effects of the change in the consolidation scope (-€11 million), raw materials, consumables, supplies and goods increased by a total of €390 million, essentially as a result of the following:

- higher consumption of materials on both investment projects (+€30 million) and on account of operations (+€34 million), as well as linked to an increased production of frogs, switches, glued insulation joints and equipment by the national workshops (Bari, Pontassieve and Bologna plants) (-€40 million), a rise in the price of raw materials (+€35 million), and higher costs for the purchase of consumables (€6 million);
- a substantial increase in the compensatory portion regulated by the Special Tariff Scheme (€301 million), whose particular calculation algorithm, resolved on by the Electricity Market Regulatory Authority (ARERA), is related to retroactive parameters depending on the price of energy, partially offset by the effect of the reduction in the average annual price of the cost of energy (-€99 million);
- higher sales of trading buildings and land carried out in 2024 compared to 2023 (€147 million) and mainly related to the disposal of areas in Milan Scalo Farini railway yard.

12. Services (€8,367 million)

This caption can be analysed as follows:

millions of Euros

	2024	2023	Change	Change in consolida-tion scope	Change on a like-for-like basis
Other transport-related services	216	167	49	(3)	46
Tolls	674	611	63	(16)	47
Shunting services	24	28	(4)		(4)
Freight transport services	360	355	5	(26)	(21)
Accruals/releases for transport services					
Transport services	**1,274**	**1,161**	**113**	**(45)**	**68**
Contracted services and work	191	101	90		90
Cleaning and other contracted services	528	520	8	1	9
Maintenance and repair of intangible assets and property, plant and equipment	1,109	1,084	25		25
Accruals/releases for maintenance	19	12	7		7
Ordinary maintenance on the road and motorway network	264	328	(64)		(64)
Maintenance, cleaning and other contracted services	**2,111**	**2,045**	**66**	**1**	**67**
Property services and utilities	**125**	**123**	**2**	**1**	**3**
Administrative and IT services	**505**	**449**	**56**	**(1)**	**55**
Administrative and IT and advertising expense	**102**	**78**	**24**	**(1)**	**23**
Costs for new works and extraordinary maintenance of the road and motorway network	**2,920**	**2,645**	**275**		**275**
Use of third-party assets	**147**	**138**	**9**	**(11)**	**(2)**
Professional services and consultancies	80	77	3	(1)	2
Prize competitions and fees to other railway compa-nies	6	6			
Insurance	123	88	35	(2)	33
Sleeping carriages and catering	175	157	18	(1)	17
Agency fees	90	86	4		4
Engineering services	87	85	2		2
Other costs for services, accruals/releases	26	6	20	(1)	19
Other	596	426	170	(27)	143
Other sundry services	**1,183**	**931**	**252**	**(32)**	**220**
Total	**8,367**	**7,570**	**797**	**(88)**	**709**

Net of the effects of the change in the consolidation scope (€88 million), services increased by €709 million, essentially as a result of the combination of following factors:

- higher costs for transport-related services (+€68 million), essentially attributable to costs incurred for on-demand replacement services resulting from planned outages for infrastructure upgrades (+€52 million), the fees and commissions paid to foreign railways (+€46 million), lower costs incurred against passenger service in the German market (-€2 million), and a decrease in costs for freight transport services on international traffic (-€28 million);
- higher costs for new works and non-recurring maintenance of the road and motorway network (+€275 million);
- higher costs for maintenance, cleaning and other contracted services (+€67 million), due to services

and works carried out on behalf of MIT from NRRP funds allocated for the renewal of the Intercity fleet (+€50 million), lower maintenance and repair costs of movable and immovable assets to cope with extreme weather events (-€36 million), activities related to safety and the maintenance of signalling equipment and component repair on rolling stock (+€65 million), higher improvement works related to Ferrovie Concesse for contracted works on behalf of third parties (+€57 million), lower routine maintenance costs incurred in the previous year with reference to the operation of the A24/A25 motorway sections (-€64 million);
- higher property services and utility costs (+€3 million), mainly due to the increased cost of water utilities and electricity compared to 2023;
- higher costs incurred for IT services and hardware and software maintenance services (+€55 million) as a consequence of the IT project services provided with specific regard to cyber security;
- higher costs for external communication (+€23 million), mainly attributable to services for planning, purchasing and controlling media space for advertising campaigns on both HS and regional transport business;
- higher costs for on-board train catering services (+€16 million) related to an increase in travellers;
- higher costs for insurance services (+€33 million) as a result of the awarding of new contracts at increasing market rates;
- higher provisions (+€38 million) as a result of the change in estimates with respect to the development of pending out-of-court disputes related to works on state roads and for disputes with third-party suppliers;
- higher agency fees (+€4 million) in connection with the increase in revenue from the sale of tickets;
- higher costs related to the Metro Riyadh Contract (+€58 million);
- higher maintenance costs related to the Scalo Farini transaction (+€25 million). For more details, please refer to the comments in Note 8 above.

13. Other operating costs (€413 million)

millions of Euros

	2024	2023	Change	Change in consolidation scope	Change on a like-for-like basis
Other costs	279	127	152	(10)	142
Losses	4	1	3		3
Accruals and releases	28	35	(7)	3	(4)
Local taxes and duties	102	102			
Total	**413**	**265**	**148**	**(7)**	**141**

Net of the effects of the change in the consolidation scope (-€10 million), other operating costs increased by €141 million, essentially as a result of the payment of judgments for indemnity claims (€23 million) in the year; higher costs for the Free Travel Card related to increased traffic and higher staffing levels (€4 million); and higher costs related to the urban redevelopment of disused railway areas closely associated with financing the implementation of the Milan railway system upgrading works in accordance with the provisions of the Programme Contract with the Lombardy Region and the Municipality of Milan (€103 million). For more details with respect to this last point, please refer to what is reported in Note 8 above.

14. Internal work capitalised (€2,373 million)

Internal work capitalised mainly refers to the cost of materials, personnel expense, IT and transport services capitalised in 2024 for work on the infrastructure, maintenance increasing the value of rolling stock at FS Italiane Group workshops and technological upgrades.
This caption amounts to €2,373 million (€2,150 million at 31 December 2023), of which Other costs for €1,340 million and Materials for €1,033 million, and is up by €223 million on the previous year, mainly attributable to higher uses of materials for investments in NRRP (€30 million), higher indirect charges and the use of personnel for interventions carried out on rail infrastructure (€127 million), higher design, work site maintenance and monitoring costs (€35 million), and higher projects for digital investments (€25 million).

15. Amortisation and depreciation, provisions and impairment losses (€1,898 million)

This caption may be analysed as follows:

millions of Euros

	2024	2023	Change	Change in consolidation scope	Change on a like-for-like basis
Amortisation	272	263	9	(2)	7
Depreciation	1,505	1,481	24	(17)	7
Impairment losses on intangible assets		3	(3)		(3)
Impairment losses on property, plant and equipment	56	97	(41)		(41)
Adjustments and impairment gains on financial assets	96	48	48	4	52
Impairment losses on cash and cash equivalents		(1)	1		1
Provisions	(31)	(1)	(30)		(30)
Total	**1,898**	**1,890**	**8**	**(15)**	**(7)**

Net of the effects of the change in the consolidation scope (€15 million), this caption decreased by €7 million due to the opposing effect of the following factors:

- higher capitalisations made in the year with specific regard to Microsoft's cloud services, as well as the normal dynamics associated with investments for the period due to the combined effect of what came into operation and what reached the end of its useful life in the period (€14 million);
- lower write-downs made on assets compared to the previous year (€44 million); the write-downs made during the year essentially refer to the depreciation of rolling stock, mainly attributable to regional and intercity coaches as a result of the continuation of the process of decommissioning of rolling stock that has become obsolete both technically and commercially (€42 million), and work in progress on the rail infrastructure (€6 million);
- higher value adjustments to financial assets, amounting to €52 million, mainly relating to the write-down of trade receivables as a result of the application of the analytical impairment policy of debt collection (€34 million), and the write-down of receivables for withholding taxes claimed for reimbursement related to previous years, for which the recoverability is considered doubtful (€18 million);
- higher releases, amounting to €30 million, mainly related to the provision for income and employment assistance; and for lower requirements linked to the trend in request for access to the provision.

16. Financial income (€242 million)

millions of Euros

	2024	2023	Change	Change in consolidation scope	Change on a like-for-like basis
Financial income from non- current loans and securities	10	8	2		2
Financial income from derivatives	82	99	(17)		(17)
Other financial income	138	102	36		36
Exchange gains	12	11	1		1
Total	**242**	**220**	**22**		**22**

"Financial income" showed an increase of €22 million compared to the prior period.
The decrease in "Financial income from derivatives" (-€17 million) was mainly attributable to the termination of the positive effect of collars entered into to hedge loan agreements that expired during 2024.
The increase in "Other financial income", totalling €37 million, was due to the effect of the following factors:

- higher interest income from factoring and consumer credit activities (+€14 million);
- higher interest (+€11 million) on bank and postal accounts in 2024 and resulting from the use of liquidity on the banking system;
- reduced income (-€12 million) due to the non-recognition of the effect of the discounting of the financial receivable from MIT (formerly Strada dei Parchi) in 2024, which was fully offset in the year, as more fully explained in notes 28 and 40 below;
- higher financial income (€21 million) due to the recognition of the interest accrued, from 26 October 2018 to date, on the capital increase made to FSE on the date (€73.3 million), which, as extensively reported in note 4. "Change in the scope of consolidation and extraordinary transactions", to which reference should be made, as a result of the ruling of 5 August 2024 was reclassified as financial receivable.

17. Financial expense (€697 million)

millions of Euros

	2024	2023	Change	Change in consolidation scope	Change on a like-for-like basis
Interest on financial liabilities	423	393	30	(1)	29
Financial expense on employee benefits	20	26	(6)		(6)
Financial expense on derivatives	6	8	(2)		(2)
Financial expense on leases	37	35	2	(3)	(1)
Impairment losses on financial assets	174	7	167		167
Exchange loss	11	7	4		4
Accruals/releases	26	(20)	46		46
Total	**697**	**456**	**241**	**(4)**	**237**

Net of the change in the consolidation scope (€4 million), the €237 million increase is essentially due to the following:

- higher impairment losses on financial assets mainly due to the write-down of the financial receivable claimed by the Parent Company from FSE, for €155 million, and related accrued interest (€21 million), as more fully reported in notes 4. "Change in the scope of consolidation and extraordinary transactions" and 16. "Financial income" above;
- higher interest on financial liabilities of €29 million, due to i) lower interest and charges to banks and financial institutions (-€4 million) related to the repayment of some medium/long-term loans; ii) higher charges related to the increase in interest rates to service the new debt issued at a higher rate than the loans outstanding in December 2023 (+€34 million);
- higher net provisions (+€46 million) due to the absence of the release of a provision for risks on equity investments made last year and related to the investment in Stretto di Messina (€49 million);
- lower financial expense on leases (-€2 million);
- higher exchange losses (+€4 million) on foreign currency transactions carried out by the Group.

18. Share of profits/(losses) of equity-accounted investees (-€50 million)

millions of Euros

	2024	2023	Change
Profit/(loss) from equity-accounted investments	81	23	58
Impairment of equity-accounted investments	(131)		(131)
Total	**(50)**	**23**	**(73)**

The Group's associates and jointly controlled companies recognised using the equity method showed a decrease of €73 million on the previous year, mainly as a result of the write-downs made on Anas' concessionaires (-€131 million), as reported in more detail in Note 4. above, as well as of the higher results of CAV SpA (+€11 million), Sitaf SpA (+€13 million), Tper Scarl (+€9 million), FNM SpA (+€12 million), Trenord Srl (+€11 million), Metro 5 (+€7 million), and Stretto di Messina SpA (+€5 million), compared with the previous year.

For additional information, reference should be made to Note 26 Equity-accounted investments and Note 4 Changes in consolidation scope and extraordinary transactions.

19. Income taxes (€46 million)

Income taxes may be analysed as follows:

millions of Euros

	2024	2023	Change	Change in consolidation scope	Change on a like-for-like basis
IRAP	49	32	17		17
IRES	3	2	1		1
Foreign current taxes	7	8	(1)	(1)	(2)
Deferred taxes	(7)		(7)	(5)	(12)
Foreign deferred taxes	(6)	(18)	12	1	13
Adjustments to prior year income taxes		1	(1)	1	
Total	**46**	**25**	**21**	**(4)**	**17**

Net of the effects of the change in the consolidation scope (€4 million), this caption increased by €17 million essentially as a result of the recognition of higher IRAP tax (€17 million) during the year, linked to the increase in taxable income.
The Group's IRES is net of the Income from the tax consolidation scheme of €175 million recognised on the tax losses transferred to the Group over the years and used during the year, as their subsequent remuneration was not deemed probable. For more details on the income from tax consolidation, please refer to Note 14 "Income taxes for the year" to the separate financial statements of FS SpA.
With regard to the changes in deferred tax assets and liabilities for the year, reference should be made to Note 25 Deferred tax assets and deferred tax liabilities.

Reconciliation of the effective IRES tax rate

millions of Euros

	2024		2023	
		%		%
Profit (Loss) for the year	(208)		101	
Total income tax	(46)		25	
Profit (Loss) before tax	(162)		126	
Theoretical IRES tax (national tax rate)	(39)	24%	30	24%
Decreases	**10,482**		**9,569**	
Reversal of deductions on maintenance under Art. 107 TUIR	197		193	
Use of the Provisions for risks and charges and corporate reorganisation	92		227	
Amortisation and depreciation	3,096		2,795	
Dividends from equity investments	1		12	
COVID-19 grants	19		17	
Refund of excise duties on automotive diesel fuel	4		4	
Income from tax consolidation	787		413	
Other decreases	6,287		5,908	
Increases	**10,658**		**9,453**	
Accruals to provisions	180		166	
Maintenance costs under Art. 107 TUIR	194		248	
Non-deductible write-downs and amortisation and depreciation	428		160	
Non-deductible tax	20		52	
Non-deductible interest expense	14		12	
Contingent liabilities	2		5	
Inventory value misalignment			2	
Realised foreign exchange gains			2	
Other increases	3,492		3,222	
Tax losses	6,328		5,584	
Total IRES taxable income	**13**		**10**	
IRES tax	3	(2)	2	2
IRAP tax	49		32	
Current foreign tax	7		8	
Difference on estimated taxes from previous years			1	
Deferred tax	(13)		(18)	
Total income tax	**46**		**25**	

Disclosure regarding the “Pillar 2” regulations

The international context

The BEPS Action Plan launched by the OECD in 2013 and divided into 15 actions has envisaged various interventions to restyle international taxation standards while also contemplating a project aimed at studying new digital business models and the adequacy with respect to them of the existing principles of territorial linkage (Action 1).

On this point, the work carried out under the Inclusive Framework identified two pillars to implement new national regulations, i.e., Pillar 1 and Pillar 2. While the former reallocates taxable matter of multinational groups in the jurisdictions of their outlet markets, the latter, with the aim of limiting tax competition between states implemented through the "race to the bottom" of corporate income tax rates, imposes on companies and groups (with more than €750 million in turnover) a minimum tax burden of 15% in each of the jurisdictions in which they operate.

Work on the implementation of Pillar 1 by the OECD was still in progress at the reporting date while for Pillar 2 an agreement has already been achieved to adopt the relevant provisions "during" 2023, and several jurisdictions have already adopted their national implementing regulations.

The European regulatory framework

With Directive (EU) 2022/2523 of 14 December 2022 ("Directive (EU) 2022/2523"), the EU Council adopted the Pillar 2 rules into European law, requiring their application in Member States for tax periods beginning after 31 December 2023. To date, most of the twenty-seven EU member states - including Italy (see below) - have either implemented Directive (EU) 2022/2523 into their domestic legal system or are in the process of doing so having already published a measure scheme (i.e., Latvia)[191].

The Italian regulatory framework

Legislative Decree no. 209 of 27 December 2023 ("decree no. 209/23"), implementing the tax reform on international taxation, transposed the aforementioned Directive (EU) 2022/2523 with effect from financial years beginning on or after 31 December 2023.

In order to ensure a minimum level of taxation of multinational or domestic groups of companies, in accordance with the common approach shared at the international level on the basis of the OECD guidelines and, more specifically, in adopting the statutory provisions of the aforementioned Directive (EU) 2022/2523, decree no. 209/23 provides that any supplementary "Pillar 2" taxation will be levied through:

1. the domestic minimum tax (QMDTT - Qualifying Domestic Minimum Top-Up Tax), payable in relation to enterprises of a multinational or domestic group located in Italy and subject to low taxation there;
2. the supplementary minimum tax (IIR - Income Inclusion Rule), payable by parent companies located in Italy of multinational or domestic groups in relation to enterprises subject to low taxation that are part of the group;
3. the supplementary minimum tax (UTPR - Undertaxed Profits Rule), payable by one or more enterprises of a multinational group located in Italy in relation to foreign enterprises forming part of the group subject to low taxation when the equivalent supplementary minimum tax in other countries has not been applied, either in whole or in part.

According to the provisions of Decree no. 209/23, a number of ministerial decrees laying down implementing provisions of the Pillar 2 regulation were published, as listed below:
- Ministerial Decree of the Ministry of Economy and Finance dated 20 May 2024 provided for implementing provisions on of the so-called "Transitional Safe Harbours" ("TSHs");
- Ministerial Decree of the Ministry of Economy and Finance dated 1 July 2024 provided for implementing provisions on the so-called "Qualified Domestic Minimum Top-up Tax" ("QDMTT");
- Ministerial Decree of the Ministry of Economy and Finance dated 11 October 2024 provided for implementing provisions about the reduction from substantial economic activity ("Substance-Based Income Exclusion or Sbie");
- Ministerial Decree of the Ministry of Economy and Finance dated 6 December 2024 provided for provisions on the documentation of misalignments from hybrids ("Anti-Hybrids");
- Ministerial Decree of the Deputy Minister of Economy and Finance dated 25 February 2025, which is currently being published, provided for implementing provisions of the reporting requirements for the identification data of the persons required to submit the notice relevant to the global minimum tax ("GIR" or GloBE Information Return).

The process of compliance with the new Pillar 2 regulations by the Ferrovie Group

Since the beginning of 2023, the Ferrovie Group has been promptly taking action in order to assess any possible impact of Pillar 2 regulations in the jurisdictions of establishment and ensure the proper fulfilment of the regulatory obligations effective from 1 January 2024.

191. Position updated on the basis of the data at 31 December 2024.

For the Group, the new provisions apply as from the financial year 2024.
Therefore, the best estimate of the Pillar II charge accrued in the period was calculated based on the data available as at 31 December for the purpose of the 2024 Annual Report. Specifically, the following actions were taken on:

- an analysis of the Group's corporate structure and classification of the identified entities according to Pillar 2 requirements (UPE, POPE, MOCE, CE, Excluded entities, Investment entities, JV, CFC, PE, Flow through entities and Hybrid entities, etc.);
- the location of the various group entities among the jurisdictions of settlement;
- the audit of TSHs;
- with reference only to the "bad" jurisdictions, the calculation of any Top-Up Tax due, adopting the so-called GloBe rules on the data of the trial balance provided by these entities.

As a result of the analysis conducted, out of a total of no. 32 jurisdictions where FS Group entities relevant for Pillar 2 purposes reside or are located, only one jurisdiction - Algeria - was identified as not meeting TSHs.

In addition, two transparent entities were mapped - located in Germany and Turkey, respectively - to which the regulations do not allow the application of TSHs and, therefore, require the calculation of ETR based on GloBE rules. In the case of the FS Group's two transparent entities, the GloBE calculation is zero because (i) the owners are located in the same jurisdiction as these entities, and (ii) the related profit/loss/covered taxes are allocated for tax purposes directly to the same owners.
Consequently, in light of the analyses conducted and calculations made on the basis of information available to date, a supplementary tax, referable to the Algerian jurisdiction, has been estimated for €170 thousand.

20. Assets and liabilities held for sale and disposal groups (€342 million)

"Assets and liabilities held for sale and disposal groups" at 31 December 2024 include the value of Anas' concession investments (Concessioni Autostradali Venete - CAV S.p.A., Autostrada Asti-Cuneo S.p.A, Società Italiana per Azioni per il Traforo del Monte Bianco and Società Italiana Traforo Autostradale del Frejus S.p.A. - SITAF), reclassified in compliance with IFRS 5, following the legislative provisions on the reorganisation of Anas provided for under Legislative Decree no. 121/2021, as converted, with amendments, by Law no. 156/2021 ("Infrastructure Decree").

For more details on the transaction, please refer to Note 4 Change in the scope of consolidation and extraordinary transactions and Note 25. Equity-accounted investments.

21. Property, plant and equipment (€50,270 million)

The opening and closing balances of property, plant and equipment and changes therein are shown in the table below. The assets' estimated useful lives did not change during the year.

millions of Euros

	Land, buildings, railway and port infrastructure	Plant and machinery	Industrial and commercial equipment	Other assets	Assets under construction and payments on account	total
Historical cost	117,592	24,771	1,616	1,576	29,316	174,871
Depreciation and impairment losses	(24,889)	(13,254)	(650)	(1,018)	(1,584)	(41,395)
Grants	(59,926)	(1,451)	(752)	(292)	(22,650)	(85,071)
Balance at 31.12.2022	**32,777**	**10,066**	**214**	**266**	**5,082**	**48,405**
Investments	85	136	13	15	12,083	12,332
Placement in service	3,316	1,685	51	82	(5,134)	
Depreciation	(184)	(1,215)	(21)	(48)		(1,468)
Impairment losses		(15)		(3)	(79)	(97)
Non-recurring transactions			1	2		3
Change in consolidation area			(1)			(1)
Disposals and divestments	(3)	(26)		(2)	(7)	(38)
Increases and placement in service of subsidised assets during the year	(3,233)	(261)	(44)	(43)	(6,341)	(9,922)
Other reclassifications	(42)	82	2	2	68	112
Total changes	**(61)**	**386**	**1**	**5**	**590**	**921**
Historical cost	120,909	25,644	1,678	1,650	36,329	186,210
Depreciation and impairment losses	(25,039)	(13,495)	(667)	(1,047)	(1,664)	(41,912)
Grants	(63,154)	(1,697)	(796)	(332)	(28,993)	(94,972)
Balance at 31.12.2023	**32,716**	**10,452**	**215**	**271**	**5,672**	**49,326**
Investments	67	340	18	21	12,607	13,053
Placement in service	3,759	1,606	62	55	(5,482)	
Depreciation	(184)	(1,240)	(22)	(46)		(1,492)
Impairment losses		(42)			(5)	(47)
Change in consolidation area	(3)	50	(2)	1	(1)	45
Exchange differences		2				2
Disposals and divestments	(4)	(11)		(1)	(2)	(18)
Increases and placement in service of subsidised assets during the year	(3,683)	(454)	(58)	(9)	(6,505)	(10,709)
Other reclassifications	(166)	71	2	(2)	205	110
Total changes	**(214)**	**322**		**19**	**817**	**944**
Historical cost	124,483	26,690	1,750	1,630	43,436	197,989
Depreciation and impairment losses	(25,155)	(13,792)	(683)	(1,046)	(1,652)	(42,328)
Grants	(66,826)	(2,124)	(852)	(294)	(35,295)	(105,391)
Balance at 31.12.2024	**32,502**	**10,774**	**215**	**290**	**6,489**	**50,270**

The increase in investments recognised as assets under construction and payments on account (€12,607 million) is mainly due to:

- the costs incurred to complete high speed network infrastructures and to design and construct HS/HC and traditional network facilities in progress (€10,492 million);
- the costs incurred for the purchase of rolling stock, both for High-Speed service, with the new ETR1000 Italia fleet (€215 million), and with 8 HS rescue locomotives (€12 million), and for Regional Transport (€887 million) with the purchase of 44 NewPop, 44 Rock and 18 Blues trains, and the purchase of 3 ETR1000 trains for Spain (€73 million) and for the approval of 4 ETR1000 trains for France (€19 million);
- maintenance increasing the value of rolling stock and revamping/restyling of rolling stock (€483 million);
- the costs incurred for the purchase of new buses in Italy (€11 million) and abroad (€139 million);
- the costs incurred to update plant, workshop buildings and technical equipment (€96 million);
- the capitalisation of internal and external costs mainly related to designs works covered by Law no. 443/2001, and for the redevelopment and accessibility of stations, in addition to non-routine maintenance (€19 million);
- the capitalisation of costs incurred for routine maintenance on freight rolling stock (€95 million);
- rolling stock maintenance and scheduled infrastructure maintenance in the German market (€8 million);
- investments for the construction of a new ferry (€10 million);
- investments for works in progress for revamping locomotives and terminals (€15 million).

The placement in service of land, buildings, railway and port infrastructure refers to the railway infrastructure (€3,724 million), non-routine maintenance and upgrading of rolling stock maintenance workshops (€16 million), the works carried out at stations under Law no. 443/2001 (€6 million), and electric bus charging depots located in Holland (€13 million) while plant and machinery principally relates to new locomotives and new buses (€1,465 million), cyclical overhauls on freight wagons and locomotives in use (€103 million), rail line upgrading and technological interventions (€19 million), and enhancement of real estate complexes related to large railway stations (€6 million).

Impairment losses in property, plant and equipment mainly relate to plant and machinery and are related to regional and intercity rolling stock that was found to be obsolete, both technically and commercially (€40 million).

The reclassifications in the year mainly refer to areas whose use was changed in the year and therefore reclassified to property, plant and machinery, intangible assets, investment property and inventories to give a true and fair view.

Government grants

During the year, in line with the progress of work on property, plant and equipment, intangible assets and investment property, the following grants related to assets, totalling €10,709 million, were disbursed. They may be analysed as follows:

- €7,876 million related to the advances for grants from the MEF and the MIT for investments in the railway infrastructure;
- €386 million earmarked for rolling stock, including €308 million from NRRP funds allocated to regions for the purchase of electric or hydrogen-powered trains;
- €40 million from the British Department of Transport to fully cover the investment expenditure of the c2c company;
- €8 million related to work in progress concerning complementary works for stations, approved as part of the strategic infrastructure programme (Law no. 443/2001), the Agreement on interventions for the redevelopment and accessibility of large railway stations referred to in Law of 11 December 2016, and the grant for interventions related to the celebrations of the Jubilee of the Catholic Church 2025 - pursuant to Prime Minister's Decree dated 11 June 2024 and Law No. 234/2021;
- €18 million for the construction of the Milan Shunting Terminal by the Swiss Federal Office of Transport (FOT);
- other grants (€2,354 million) mainly related to the European Union and local bodies.

At 31 December 2024, there were no mortgages or privileges on property, plant and equipment, except for part of Trenitalia SpA's rolling stock worth €1,512 million, which was pledged to Eurofima SA to secure non-current loans and borrowings agreed through the parent.

We must note the existence of contractual constraints, with an average term of 12 years, imposed on grants received in connection with the investments implemented, mainly for the renewal and expansion of the bus fleet, for a total of €12 million.

22. Right-of-use assets (€982 million)

The table below shows changes in right-of-use assets in the year.

millions of Euros

	Rights of use on land, buildings, railway and port infrastructure	Rights of use on plant and machinery	Rights of use on industrial and commercial equipment	Rights of use on Other assets	Rights of use on Assets under construction and payments in account	Total
Historical cost	210	1,002	4	47		1,263
Depreciation and impairment losses	(57)	(341)	(2)	(28)		(428)
Balance at 31.12.2022	**153**	**661**	**2**	**19**		**835**
Investments	74	38		4		116
Depreciation	(28)	(142)	(1)	(9)		(180)
Remeasurement and contract termination	28	75	1			104
Total changes	**74**	**(29)**	**(1)**	**(5)**		**39**
Historical cost	287	929	2	35		1,253
Depreciation and impairment losses	(60)	(297)	(1)	(21)		(379)
Balance at 31.12.2023	**227**	**632**	**1**	**14**		**874**
Investments	52	142	3	5		202
Depreciation	(35)	(145)	(1)	(7)		(188)
Impairment losses		(1)				(1)
Change in consolidation area	(3)	52				49
Exchange differences		2				2
Remeasurement and contract termination	7	36		1		44
Total change	**21**	**86**	**2**	**(1)**		**108**
Historical cost	311	1,173	6	31		1,521
Depreciation and impairment losses	(63)	(455)	(3)	(18)		(539)
Balance at 31.12.2024	**248**	**718**	**3**	**13**		**982**

At the reporting date, right-of-use assets amounted to €982 million, up by €108 million on the previous year-end (2023: €874 million). The increase is mainly attributable to the ordinary trend of the new contracts (€202 million), depreciation (€188 million), as well as remeasurements and contract termination (€44 million), as well as to the Exploris Deutschland Group joining the scope of consolidation (+€53 million) and the deconsolidation of FSE Srl (-€4 million), as more fully reported in Note 4 above.

Lease liabilities and the related changes of the year are shown below.

millions of Euros

Changes in lease liabilities	2024
Opening balance	**928**
Recognition of new right-of-use assets	202
Recognition of financial expense	37
Payments	(197)
Change in consolidation area	49
Other changes	13
Closing balance	**1,032**

At the reporting date, lease liabilities amounted to €1,032 million, up by €104 million compared to €928 million at 31 December 2023. The increase is due to new investments (€202 million), the recognition of financial expense for the period (€37 million), and payments made during the year (€197 million), as well as to the scope of consolidation being extended to the Exploris Deutschland companies (+€53 million) and the deconsolidation of FSE srl (-€4 million). The other changes amount to €13 million and relate to the above-mentioned remeasurements and early contract terminations.

The following table shows the impacts on profit or loss.

millions of Euros

Impacts on profit or loss	2024
Depreciation of right-of-use assets	197
Interest expense on lease liabilities	37
Lease liabilities outside the scope of IFRS 16	144
Total impacts on profit or loss	**378**

The table below includes an ageing analysis of payments to be received in future years for assets that the Group has given under operating lease:

millions of Euros

	Within one year	1-2 years	2-3 years	3-4 years	4-5 years	After 5 years	Total
Undiscounted payments to be received for operating leases	157	155	158	163	163	163	959

Finally, there are no extension options on leases that the Group reasonably expects to exercise.

23. Investment property (€1,337 million)

The following table shows the opening and closing balances of investment property at 31 December 2024 and 2023.

millions of Euros

	Land	Buildings
Historical cost	2,204	1,602
Grants	(24)	(210)
Accumulated depreciation		(550)
Loss allowance	(1,363)	(256)
Balance at 1.1.2023	**817**	**586**
Changes of the year		
Acquisitions/Increases		15
Reclassifications	(2)	(1)
Depreciation		(13)
Disposals and divestments	(2)	(1)
Total changes	**(4)**	
Historical cost	2,198	1,610
Grants	(24)	(215)
Accumulated depreciation		(555)
Loss allowance	(1,361)	(254)
Balance at 13.12.2023	**813**	**586**
Balance at 1 January		
Historical cost	2,198	1,610
Grants	(24)	(215)
Accumulated depreciation		(555)
Loss allowance	(1,361)	(254)
Balance at 1.1.2024	**813**	**586**
Changes of the year		
Acquisitions/Increases		12
Reclassifications	(47)	(4)
Depreciation		(15)
Impairment losses	(4)	(1)
Disposals and divestments	(1)	(2)
Total changes	**(52)**	**(10)**
Historical cost	2,036	1,548
Grants	(23)	(237)
Accumulated depreciation		(543)
Loss allowance	(1,252)	(192)
Balance at 31.12.2024	**761**	**576**

Investment property includes land and buildings not used in operations and measured at cost, areas to be enhanced and several buildings, workshops and properties leased to third parties.

The reclassifications of the year of both land and buildings are mainly due to a change in the use of certain areas and a better representation thereof under property, plant and equipment and inventories.

24. Intangible assets (€1,695 million)

millions of Euros

	Develop. expens.	Industrial pat. and intellect. property rights	Concess., licen., trademrks and similar rights	Assets under develop. and payments on accounts	Concession assets	Other	Goodwill	Total
Historical costs	144	5	1,886	111	1,945	127	199	4,417
Amortisation and impairment losses	(99)	(4)	(1,131)		(797)	(48)	(88)	(2,167)
Grants	(25)		(374)	(18)				(417)
Balance at 1.1.2023	**20**	**1**	**381**	**93**	**1,148**	**79**	**111**	**1,833**
Investments			16	224	1		2	243
Placement in service			232	(242)	8	2		
Amortisation	(1)		(129)		(123)	(10)		(263)
Disposals and divestments			(4)	(1)				(5)
Impairment losses					(1)		(2)	(3)
Increases in grants			(84)	84				
Other reclassifications			1	(8)				(7)
Total changes	**(1)**		**32**	**57**	**(115)**	**(8)**		**(35)**
Historical costs	144	5	2,035	167	1,955	108	201	4,615
Amortisation and impairment losses	(98)	(4)	(1,173)		(922)	(37)	(90)	(2,324)
Grants	(27)		(449)	(17)				(493)
Balance at 31.12.2023	**19**	**1**	**413**	**150**	**1,033**	**71**	**111**	**1,798**
Investments	1	1	28	185	1	1	11	228
Placement in service	2		177	(198)		19		
Amortisation	(1)	(1)	(140)		(116)	(14)		(272)
Disposals and divestments	(1)		(1)	(1)				(3)
Change in consolidation area		1	6	(30)	(24)	33		(14)
Increases in grants	(2)		(70)	72				
Reclassifications				(42)				(42)
Total changes	**(1)**	**1**		**(14)**	**(139)**	**39**	**11**	**(103)**
Historical costs	146	8	2,101	155	1,865	161	214	4,650
Amortisation and impairment losses	(99)	(6)	(1,178)		(971)	(51)	(92)	(2,397)
Grants	(29)		(510)	(19)				(558)
Balance at 31.12.2024	**18**	**2**	**413**	**136**	**894**	**110**	**122**	**1,695**

Concession assets include €795 million related to Anas SpA's concession.

For additional information about the initial recognition and subsequent measurement of the concession, reference should be made to the previous Annual Financial Reports. Below are the changes of the year.

On 9 April 2024, the Council of Ministers approved the Prime Minister's Decree referred to in Article 2 of Decree Law no. 121/2021 for the establishment of the new group company "Autostrade dello Stato SpA", wholly owned by the MEF and subject to similar control by the MIT, having as its object the operation, and, where required by law, the construction of state highways under concession.
The incorporation of the company is, therefore,

implementing the plan, under the decree, to reshaping the framework of road connectivity and the mission of Anas, focused only on the operation of toll-free roads. The new company will receive the functions and management operations of toll motorway sections, which are currently carried out by Anas through its own subsidiaries, thus eliminating, in this way, any possible intermingling between activities carried out on an exclusive basis and market activities.

In addition, in December 2024, two regulatory measures were enacted which, in making additions and innovations to the so-called "infrastructure decree", assume particular relevance with regard to the issue of adjusting the term of the concession.

The first measure concerns the entry into force of Article 1, paragraph 6 sexies, of the so-called "fiscal decree" (Decree Lw no. 155 of 19 October 2024, as converted with amendments by Law no. 189/2024), which made additions to paragraph 2-decies of Article 2 of Decree Law 121/2021, as converted with Law no. 156/2021 ("infrastructure decree"), and concerns the transfer to Autostrade dello Stato SpA of the shareholdings currently held by Anas in toll motorway concessionaire companies. The second measure is laid down under the Budget Law 2025 (Law no. 207/2024), which, under Article 1, paragraph 521, also novated Article 2 of the infrastructure decree, adding a new paragraph 2-decies.1 that authorises the MIT to sign with Anas a new single agreement, extending, on that occasion, the duration of the related concession to the maximum term of fifty years established by Article 7, paragraph 3, letter d), of Decree Law 138/2002, as converted, with amendments, by Law 178/2002. The effectiveness of this provision is expressly subject to prior notification to the European Commission pursuant to Article 108 of the Treaty on the Functioning of the European Union ("TFEU").

All these innovative factual elements, compared to the previous legal and regulatory framework, appear to reinforce the company's approach of being able to implement the case provided for in Article 1, paragraph 521, of the Budget Law 2025, and, therefore, at present, it is considered appropriate to consider the extension of the Concession term to 2052. Therefore, cash flows over that time horizon were considered, based on information available as of the date.
Based on all the above, at the reporting date, the "Regulatory" Net Invested Capital[192], closely related to the cash flows generated by the management of the concession, was tested for recoverability (Impairment test) prepared on the basis of the cash flows of the Economic and Financial Plan with time horizon 2052, which was approved by the Board of Directors on 5 March, and provides for the following assumptions: a) investment values up to 2034 were determined by taking into account the investments currently being made and the overall project portfolio of the 2021-2025 Program Contract, b) investment values for subsequent years were estimated by taking into account a slight reduction, with growth only due to the price adjustment provided for in the economic frameworks; c) investment-related costs were estimated with the same assumptions as above; and d) other cost items were estimated based on projected inflation growth.
Specifically, the value configuration used to determine the recoverable value of the cash-generating unit is the "value in use," calculated, in this case, by using cash flow projections based on the Plan's financial forecasts, considered for an explicit period up to 2052, assuming the adjustment to the Concession until that date, currently expiring on 31 December 2032, based on the regulatory developments previously described. For the purpose of determining the recoverable value, an estimate of the discounted residual value (terminal value) was also included, based on the assumption that it is equal to the Regulatory Net Invested Capital at the end of the Concession.
The CGU's expected cash flows were discounted based on a discount rate ("WACC") of 4.9%, which was deemed adequate to discount these cash flows.
The successful completion of the impairment test did not reveal any impairment loss on the Concession and the Net Invested Capital to be recognised in the financial statements at 31 December 2024. After taking account of the key assumptions reported above, the sensitivity analysis with respect to the discount rate (WACC +0.5%), other things being equal, would not result in the recognition of an impairment loss. It is specified that the break-even WACC (value in use equal to "Regulatory" Net Invested Capital) is 7.9%. If any possible and future developments should lead to considerations and results different from the expected ones, the carrying value of the concession could be reduced on the basis of the cash flows expressed by a reworked EFP accordingly.
The concession is amortised systematically over the term of the current concession (i.e., until 2032) and, consequently, the amortisation charge of the year amounts to €99 million.

Investments in assets under development and payments

192. The Regulatory Net Invested Capital includes the following financial statements items: Property, plant and equipment, Intangible assets, Inventories, Tax assets, Trade receivables, Trade payables, Other current and non-current assets, contract work in progress, Other current and non-current liabilities, Current and non-current contract advances, Current and non-current concession assets and Provision for risks and charges on account and placement in service refer to the software development and implementation costs, measures to improve the efficiency of production processes and the increase in the efficiency and streamlining of sales channels for the Group's business.

The change in the scope of consolidation, extensively described in Note 4 above, resulted in a decrease of €14 million, referring for €55 million to the deconsolidation of FSE and for €41 million to the consolidation of the Exploris Deutschland Group and Italia Loyalty SpA.

Other reclassifications refer mainly to the completion of works carried out on the infrastructure under concession, mainly roads, which should be reimbursed by the Ministries or Entities of reference.

Impairment testing

In accordance with IAS 36 – Impairment of assets, impairment tests were performed on goodwill and non-current assets with an indefinite useful life or on other non-current assets where necessary (i.e., if there were trigger events). The recoverability assessment was conducted on a cash generating unit ("CGU")-by-cash generating unit ("CGU") or CGU group level to which the goodwill was allocated.

Specifically, in addition to that highlighted in the above paragraph, the impairment test in 2024 involved the recognised goodwill arising from the acquisitions of Netinera Deutschland GmbH Group, and that arising from Busitalia - Sita Nord Srl, Cremonesi Workshop, Hellenic Train and Mercitalia Shunting & Terminal, each of which represents an independent Cash Generating Unit (CGU). The impairment test did not cover the Exploris Group because the value of goodwill was defined following the purchase price allocation made at the end of 2024.

With respect to these CGUs, the test was carried out using 2024 forecast figures and the amounts included in the latest industrial plan approved by their management.

With respect to the various CGUs mentioned above, the test was carried out by comparing net invested capital with the recoverable amount of each CGU, being the higher of a CGU's fair value and its value in use. The terminal value was estimated on the basis of the best assumptions made by management (Perpetuity or CIN depending on the peculiarities of the business to which the CGU refers), using growth rates similar to those included in the long-term forecasts of the inflation rate (1.0%-1.8%). The discount rate used is the weighted average cost of capital ("WACC") for each CGU. The application of the financial method to determine the recoverable value and the subsequent comparison with the respective book values involved, mainly, for each CGU subject to impairment test, the estimation of the post-tax WACC, the value of the operating flows inferred from the Business Plans approved by the Boards of Directors, the terminal value, and the growth rate used to project the flows beyond the horizon of the approved plan.
The table below provides information on the main values in relation to the impairment test of goodwill allocated to the group of CGUs referable to the scope of Group activities:

CGU	Goodwill (millions of Euros)	Discount rate (WACC)	Growth Rate
Netinera Deutschland	87	6.00%	1.50%
Mercitalia Shunting & Terminal	2	6.08%	1.50%
Busitalia- CGU Umbria	11	5.54%	
Cremonesi Workshop	7	6.87%	1.00%
Hellenic Train	2	6.00%	1.80%

The sensitivity analysis applied to the discount rate and the growth rate (+/- 50 basis points) showed no significant effects on the outcome of the assessments made. Finally, it is specified that these assessments have taken into account impacts related to climate change although, at present, they are residual.

25. Deferred tax assets (€85 million) and deferred tax liabilities (€133 million)

The table below summarises deferred tax assets and liabilities.

millions of Euros

	31.12.2024	31.12.2023
Gross deferred tax liabilities	477	597
Deferred tax assets that can be offset	(344)	(446)
Deferred tax liabilities	**133**	**151**
Deferred tax assets net of the loss allowance	429	544
Deferred tax liabilities that can be offset	(344)	(446)
Deferred tax assets	**85**	**98**

The table below shows deferred tax assets and deferred tax liabilities at 31 December 2024 and changes of the year due to the main temporary differences.

milions of Euros

	31.12.2023	Incr. (decr.) through profit or loss	Incr. (decr.) through OCI	Other changes	31.12.2024
Deferred tax assets	**544**	**(104)**		**(11)**	**429**
Assets	108	(10)			98
Inventories	51	(11)			40
Provisions	31	19		(11)	39
Tax losses	30	(2)			28
Financial instruments	87	(87)			
Post-employment benefits	4				4
liabilities - IFRS 16	104	(12)			92
Other	129	(1)			128
Deferred tax liabilities	**597**	**(116)**	**(16)**	**12**	**477**
Assets	236	(16)		12	232
Inventories	45	(10)			35
Provisions	4				4
Financial instruments	108	(87)	(15)		6
Post-employment benefits	4	4	(1)		7
liabilities - IFRS 16	107	(9)			98
Other	93	2			95

The changes in the year reflect new temporary differences and releases by the Group companies in the year. Other changes show increases and decreases linked to the change in the scope of consolidation.

26. Equity-accounted investments (€819 million)

The following table gives a breakdown of the carrying amount of equity investments at 31 December 2024, together with the percentage of investment and the related carrying amount, net of callable shares, with prior year corresponding figures.

The table of amounts of equity investments under review, grouped by category, and their changes during 2024 is shown below:

millions of Euros

	Closing balance at 31.12.2023	% of invest-ment	Decrease due to dividends	Change in the consolidation scope	Income statement impact	Other	Closing balance at 31.12.2024	% of invest-ment
Investments in joint arrangements								
B.B.T. SE SpA	166	50				6	172	50
Concessioni Autostra-dali Venete CAV SpA	121	50		(1)	(120)			
Trenitalia TPER Scarl*	18	70			9	1	28	70
Trenord Srl	44	50			11	(1)	54	50
TELT Sas	95	50					95	50
Verkehrsbetriebe Osthannover GmbH*	2	57				1	3	57
Other**	9		(1)		5		13	
Investments in associates								
Autostrada Asti-Cu-neo SpA	35	35		(21)	(14)			
Ferrovie Nord Milano SpA	52	15	(1)		12	(10)	53	15
Metro 5 SpA	82	37	(4)		7		85	37
Quadrante Europa Terminal Gate SpA	9	50					9	50
SITMB SpA Società Italiana per il Traforo del Monte Bianco	71	32	(4)	(159)	85	7		
Sitaf	214	32		(161)	(53)			
Stretto di Messina SpA	287	43			5		292	43
Other**	12				3		15	
Total	**1,217**		**(10)**	**(342)**	**(50)**	**4**	**819**	

* Despite holding more than half of the related voting rights, the Group does not control this entity in accordance with an agreement entered into with the other shareholders.
** "Other" investments in associates and joint arrangements include similar situations which are not broken down as they are not significant.

As extensively reported in Notes 4. "Change in the scope of consolidation and extraordinary transactions" and 20. "Assets and liabilities held for sale", the equity investments in Concessioni Autostradali Venete - CAV S.p.A., Autostrada Asti-Cuneo S.p.A., Società Italiana per Azioni per il Traforo del Monte Bianco and Società Italiana Traforo Autostradale del Frejus S.p.A. - SITAF, following of the legislative provisions on the reorganisation of Anas, have been written down for a total of €131 million in order to adjust their value to that of cost in Anas, then reclassified under the item "Assets held for sale."

"Other" investments in jointly-controlled entities essentially refer to TFB SpA's subscription of BBT SE's share capital (€100 million), which was partially offset by the grants related to assets from the MEF to RFI SpA under chapter 7122 for financial investments (€94 million). These amounts were recognised as an adjustment to the carrying amount of the investment.

Among investments in joint arrangements, TELT Sas carried out a €503 million capital increase, fully offset by the increase in the grants related to assets disbursed by the MIT in connection with the financial investments under chapter 7532.

The income statement impact mainly refers to the profits/losses for 2024, and the impairment of the concessionaire companies of Anas, referred to in the paragraph above.

Investments in joint arrangements

The following financial information is provided about the most significant investments in joint arrangements. The following tables also include a reconciliation between the investment's summarised financial information, for the year shown in the table, and its consolidated carrying amount.

	Trenord Srl	
	31.12.2024	31.12.2023
% of investment	**50%**	**50%**
Current assets	418	357
Non-current assets	868	951
Current liabilities	(617)	(568)
Non-current liabilities	(549)	(641)
Equity	**120**	**99**
Equity attributable to the owners of the parent	**60**	**49**
Elimination of gain on business unit contribution	(9)	(9)
Other adjustments	3	4
Carrying amount of the equity investment*	**54**	**44**
Revenue	960	897
Profit/(Loss) for the year	**21**	**19**
Dividends received from the Group		

Reclassification of the governments grants related to assets disbursed to the former parent RFI SpA up to 2006 and reclassified in accordance with the Group's accounting policies (as per IAS 20.27). These grants are used to finance the studies and preliminary works for the construction of the international section of the Turin-Lyon railway line. They are not presented in equity in accordance with French GAAP.

Investments in associates

The tables below summarise the economic and financial information on investments in associates held by the Group, which are considered individually material. They also include a reconciliation between the summarised financial information, the reporting period of which is indicated in the table header, and the consolidated book value of the individual investment.

	Sitaf Group		Ferrovie Nord Milano Group		Metro 5 SpA	
	31.12.2024	31.12.2023	30.09.2024	30.09.2023	31.12.2024	31.12.2023
% of investment	**0%**	**32%**	**15%**	**15%**	**37%**	**37%**
Current assets		204	994	858	123	117
Non-current assets		1,724	1,301	1,165	582	601
Current liabilities		(175)	(950)	(742)	(91)	(90)
Non-current liabilities		(1,178)	(950)	(930)	(395)	(417)
Equity		**575**	**395**	**351**	**219**	**211**
Equity attributable to the owners of the parent		**183**	**58**	**52**	**80**	**77**
Elimination of gain on business unit contribution		31			5	5
Other adjustments			(5)			
Carrying amount of the equity investment		**214**	**53**	**52**	**85**	**82**
Revenue		411	640	538	37	33
Profit (Loss) for the year		**68**	**54**	**54**	**20**	**20**
Dividends received from the Group			**1**	**1**	**4**	

millions of Euros

TELT Sas		BBT SE		Concessioni Autostradali Venete CAV SpA	
31.12.2024	31.12.2023	31.12.2024	31.12.2023	31.12.2024	31.12.2023
50%	**50%**	**50%**	**50%**	**0%**	**50%**
1,469	604	86	329		91
4,178	3,152	4,601	3,977		596
(1,463)	(581)	(274)	(203)		(92)
(4,183)	(3,174)	(1,598)	(1,595)		(348)
1	**1**	**2,815**	**2,508**		**247**
		1,407	**1,254**		**124**
95	95	(1.235)	(1.095)		
			7		(3)
95	**95**	**172**	**166**		**121**
14	13	27	24		185
					31

millions of Euros

Autostrada Asti-Cuneo SpA		Stretto di Messina		SITMB SpA Società Italiana per il Traforo del Monte Bianco	
31.12.2024	31.12.2022	31.12.2024	30.11.2023	31.12.2024	30.06.2023
0%	**35%**	**43%**	**43%**	**0%**	**32%**
	102	508	515		182
	146	268	227		381
	(38)	(85)	(64)		(177)
	(111)	(5)	(5)		(166)
	99	**686**	**673**		**220**
	35	**292**	**286**		**71**
			1		
	35	**292**	**287**		**71**
	166	17			33
	26	**12**	**(84)**		**6**

27. Service concession assets – current and non-current (€3,415 million)

Service concession assets - current and non-current, total €3,415 million (the current portion amounts to €3,325 million) and relate to the production output generated on the infrastructure under concession, mainly motorways, whose reimbursement by the relevant ministries or bodies is pending. At 31 December 2023, this caption amounted to €3,549 million (current portion: €3,314 million).

The amount, shown net of the IFRS 9 loss allowance (€98 million), substantially comprises the costs incurred by Anas SpA, whose reporting and claim for reimbursement has already been submitted to the competent ministries and bodies, and those incurred by said company which will be recognised in the future as they refer to production completed, but not yet paid to contractors. The provision increased by a net €2 million, following the elimination of potential impairment losses on certain concession assets with local authorities.

The €134 million decrease on 2023 is mainly due to the increase in accounts receivable, generated by the production for the period (+€2,445 million), receipts and reclassifications for the year (-€2,594 million), and the effect of discounting (+€5 million), as well as the progress of works on the Umbrian concession line and the Turin-Ceres-Canavesana line (+€10 million).

Service concession financial assets are discounted using a 4.1% rate, which reflects the current borrowing costs of Anas SpA's loans. The discounted effect is taken to profit or loss as cost.

28. Financial assets (including derivatives) (€694 million)

The following table gives a breakdown of financial assets at the 2024 and 2023 year ends:

millions of Euros

	Valore contabile								
	31.12.2024			31.12.2023			Changes		
	Non current	Current	Total	Non current	Current	Total	Non current	Current	Total
Hedging derivatives	18	16	34	63	45	108	(45)	(29)	(74)
Other equity investments	80		80	135		135	(55)		(55)
Securities and loans	72		72	72		72			
Fifteen-year grants from the MEF	83	11	94	94	11	105	(11)		(11)
Loans	156	14	170	328	12	340	(172)	2	(170)
Receivables from MIT L.191/2023 (under Art. 7 L. 178/02)					768	768		(768)	(768)
Other loans		504	504		219	219		285	285
Gross financial assets	**409**	**545**	**954**	**692**	**1,056**	**1,748**	**(283)**	**(511)**	**(794)**
Loss allowance	(55)	(205)	(260)	(56)	(280)	(336)	1	75	76
Total financial assets	**354**	**340**	**694**	**636**	**776**	**1,412**	**(282)**	**(436)**	**(718)**

This caption fell by €718 million mainly as a result of the changes described below.

Following the fair value measurement carried out at 31 December 2024, hedging derivatives decreased by €74 million, due to the trend in hedged rates during the reporting period. For more details on hedging operations, see the section on risk management.

"Other equity investments", which include the fair value of non-controlling interests, i.e., equity investments over which control or connection is no longer held, amount to €80 million and decreased by €55 million, mainly as a result of the consolidation of the Exploris Group as at 1 January 2024, as more fully explained in Note 4. Change in the scope of consolidation and extraordinary transactions."

millions of Euros

	Value at 31.12.2024	% of investment	Value at 31.12.2023	% of investment
Exploris Group			55	100
Anas Intern. Enterprise SpA in liquidation	47	0	47	0
Eurofima	15	14	15	14
Other	18		18	
Gross other equity investments	**80**		**135**	
Loss allowance	53		53	
Total other equity investments	**27**		**82**	

The fifteen-year grants from the MEF, equal to €94 million, mainly consist of the discounted amount due in connection with the grants provided for by article 25.1 of Decree Law no. 4 of 27 January 2022, converted by Law no. 25 of 28 March 2022, as relief for the effects of Covid-19 and linked to the railway infrastructure business. The recognised amount represents the discounting of the long-term expenditure commitment (€10 million for each of the years from 2022 to 2034) and showed a decrease compared to 2023 as a result of the collection for the year.

The receivable from the MIT L.191/2023 - Concessions under Article 7 L.178/02, which included the credit position that Anas SpA claimed from Strada dei Parchi SpA, reclassified towards the MIT, at 31 December 2023, was settled in full, pursuant to Article 14-bis, paragraph 3, of Law 191/2023, through:

- the unencumbered amount of residual liabilities recorded in the last financial statements of Anas SpA, in any case not related to interventions not yet completed and tested, amounting to €381 million;
- the amount referred to in Article 7-ter, paragraph 10, of Decree Law no. 68 of 2022, amounting to €60 million;
- for the remainder, total toll revenues collected by Anas SpA during the period of operation of the A24 and A25 motorway sections, net of those used for operating and routine maintenance costs.

Other loans and loans showed a total increase of €115 million, mainly attributable to the net effect of the recognition of the gross receivable from FSE (+€190 million), including interest accrued on the loan and written down in full, as detailed in paragraph 4. Change in the scope of consolidation and extraordinary transactions, and the receivable for amounts to be collected in relation to treasury accounts (+€149 million), offset by the release of cash and cash equivalents made during the year (-€176 million), mainly from a supplier (-€106 million), as the result of the preventive seizure decree as part of an enforcement procedure at the Civil Court of Rome, and lower financial receivables related to factoring activities (-€20 million).

The loss allowance, which amounted to €260 million as at 31 December 2024, decreased by €76 million, mainly due to the net effect of the use of the provision set aside to cover potential losses on the above-mentioned receivable from MIT (formerly Strada dei Parchi, -€268 million), and the increase in the above-mentioned loss allowance related to the receivable from FSE (+€190 million).

29. Current and non-current trade receivables (€2,472 million)

millions of Euros

	31.12.2024			31.12.2023			Changes		
	Non current	Current	Total	Non current	Current	Total	Non current	Current	Total
Ordinary customers		1,782	1,782	3	1,803	1,806	(3)	(21)	(24)
Government authorities and other public authorities	2	208	210	1	242	243	1	(34)	(33)
Public service contracts:									
- regions		407	407		497	497		(90)	(90)
- government		388	388		406	406		(18)	(18)
Group companies		210	210		263	263		(53)	(53)
Contract assets for contract work in progress		308	308		249	249		59	59
Other trade receivables		77	77		59	59		18	18
Gross trade receivables	**2**	**3,380**	**3,382**	**4**	**3,519**	**3,523**	**(2)**	**(139)**	**(141)**
Loss allowance		(910)	(910)		(804)	(804)		(106)	(106)
Total trade receivables	**2**	**2,470**	**2,472**	**4**	**2,715**	**2,719**	**(2)**	**(245)**	**(247)**

"Current and non-current trade receivables", net of the loss allowance, amount to €2,472 million, down €247 million on the previous year end.

Those from ordinary customers showed a decrease of €24 million, which, in addition to the normal changes in the amounts collected in the period, was mainly due to the following factors: i) the decrease in amounts due from ordinary customers connected with the Riyadh Metro contract abroad (-€137 million); ii) the increase in amounts due from ordinary customers in the rail transport sector, in particular as a result of penalties receivable from a supplier of rolling stock (+€50 million); iii) a change in the scope of consolidation as the net effect of the entry of the Exploris Deutschland Group, and of Italia Loyalty SpA and the exit of FSE, as detailed in note 4. above (+€53 million); and iv) amounts collected from operators of energy services and telephone operators (-€9 million).

Amounts due under service contract show an overall decrease of €108 million, due to a reduction in receivables from Regions (-€58 million) and the MEF (-€18 million), as a result of the trend in the performance and rebalancing of Service Contracts, as well as to the change in the scope of consolidation (-€23 million) relating to the exit of FSE, as detailed in note 4. above.

Amounts due from Group companies decreased by €53 million, related to Trenord and TPER, was mainly attributable to the adjustment recognised for employee transport, allocated in 2023, the financial settlement of which took place in early 2024 (€60 million).
Contract assets for contract work in progress of €308 million reflect the gross amount due from customers for work in progress on contracts for which it incurred costs, plus recorded profits (and less recorded losses), exceeding progress billing. The increase in the year (+€59 million) is substantially due to the supply of new, state-owned hybrid trains from NRRP funds for the renewal of the Intercity fleet (+€35 million), and the progress of works on the Palermo Metroferrovia line and for works on the Brenner noise barriers (+€23 million).

The following table gives a breakdown of non-current and current trade receivables, including contract assets for contract work in progress, by geographical segment:

millions of Euros

	31.12.2024	31.12.2023	Change
Italy	3,078	3,027	51
Eurozone countries	243	284	(41)
United Kingdom	15	13	2
Other European countries (non-Euro EU)	3	12	(9)
Other non-EU European countries	24	27	(3)
Other countries	19	160	(141)
Total	**3,382**	**3,523**	**(141)**

The following table gives a breakdown of non-current and current trade receivables, including contract assets for contract work in progress, by geographical segment divided into business segments:

millions of Euros

31.12.2024	Passenger	Logistics	Railway infrastructure	Road infra-structure	Urban	Other	Disposals and adjust-ments	Ferrovie dello Stato Italiane Group
Italy	1,667	368	936	492	111	377	(873)	3,078
Eurozone countries	187	43	4	1	1	7		243
United Kingdom	15					2	(2)	15
Other European countries (non-Euro EU)		3						3
Other non-EU European countries	14	8	2					24
Other countries		**1**	**7**			**11**		**19**
Total	**1,883**	**423**	**949**	**493**	**112**	**397**	**(875)**	**3,382**

millions of Euros

31.12.2023	Passenger	Logistics	Railway in-frastructure	Roadinfra-structure	Urban	Other	Disposals and adjust-ments	Ferrovie dello Stato Italiane Group
Italy	1,648	365	875	522	87	324	(794)	3,027
Eurozone countries	232	33	10	1		4	4	284
United Kingdom	13					4	(4)	13
Other European countries (non-Euro EU)	9	3						12
Other non-EU European countries	13	7	4			3		27
Other countries			10			150		160
Total	**1,915**	**408**	**899**	**523**	**87**	**485**	**(794)**	**3,523**

30. Other non-current and current assets (€13,990 million)

millions of Euros

	31.12.2024			31.12.2023			Changes		
	Non current	Current	Total	Non current	Current	Total	Non current	Current	Total
Other assets from Group companies		4	4		3	3		1	1
VAT assets	6	91	97	6	67	73		24	24
MEF	3,990	3,652	7,642	4,713	1,886	6,599	(723)	1,766	1,043
MIT	2,432	539	2,971	2,322	1,303	3,625	110	(764)	(654)
Grants related to assets from the EU, other Ministries		18	18		97	97		(79)	(79)
Government for litigation	463		463	484		484	(21)		(21)
Other government authorities	177	711	888	23	604	627	154	107	261
Sundry assets and prepayments and accrued income	35	2,076	2,111	36	1,933	1,969	(1)	143	142
Gross other assets	**7,103**	**7,091**	**14,194**	**7,584**	**5,893**	**13,477**	**(481)**	**1,198**	**717**
Loss allowance	(9)	(195)	(204)	(9)	(207)	(216)		12	12
Total other assets	**7,094**	**6,896**	**13,990**	**7,575**	**5,686**	**13,261**	**(481)**	**1,210**	**729**

The assets with the MEF and the MIT, totalling €10,613 million, are mainly related to:

- grants in favour of RFI SpA (€8,192 million);
- grants earmarked for FS Italiane SpA (€1,791 million) for the Tunnel Euralpin Lyon Turin – TELT;
- MIT grants earmarked for Grandi Stazioni Rail SpA for the "Grandi Stazioni" scheme and to redevelop and improve the safety and accessibility of large railway stations and enhancing interchange between the rail and other transport systems (€43 million);
- one-time grants disbursed by the MEF and the MIT in favour of the FS Italiane Group for the epidemiological emergency caused by Covid-19 (€538 million), recognised in full in previous years, net of the recognition in the year of the reversal of the discounting on the grants previously recorded;
- grants in favour of Anas SpA (€39 million), provided for in Article 4, point 3 of Decree Law no. 10 of 5 February 2024 to be disbursed as from 2032, to cover any costs associated with the maintenance and safety of the road network, in the local areas affected by the sporting events at the Milan Cortina 2026 Winter Olympic and Paralympic Games.

FSE's receivable from MIT (€70 million) was written off as a result of the Judgment issued by the Council of State on 5 August. For more details, please refer to paragraph 4. Change in the scope of consolidation and extraordinary transactions.

The table below shows the changes in total grants (including the portion related to the epidemiological emergency):

millions of Euros

Grants in favour of the FS Group	31.12.2023	Increases	Decreases	Other changes	31.12.2024
Grants related to income:					
MEF	160	1,011	(986)		185
MIT	463	107	(150)		420
Total grants related to income	**623**	**1,118**	**(1,136)**		**605**
Grants related to assets:					
MEF	6,439	6,680	(5,662)		7,457
MIT	3,092	679	(1,151)	(69)	2,551
Total grants related to assets	**9,531**	**7,359**	**(6,813)**	**(69)**	**10,008**
Capital injections:					
MIT	70			(70)	
Total grants to the FS Italiane Group	**10,224**	**8,477**	**(7,949)**	**(139)**	**10,613**

Grants related to income

The following were recognised in 2024:

- €966 million from the MEF, mainly in relation to the Government Programme Contract. These amounts were granted using the chapter 1541 funds according to the allocations in the 2024 Budget Act (Law no. 213 of 30 December 2023). The amounts were all collected during the year;
- €39 million from the MEF for the expected grant in relation to the Milan Cortina 2026 Winter Olympic and Paralympic Games, as described above;
- €100 million from the MIT relating to the grant for freight for 2024;
- additional €6 million from the MEF related to measures to combat the epidemiological emergency from COVID-19 as a result of the recognition of reversal of discounting on grants previously stated;
- additional €7 million from the MIT relating to the Ferrobonus freight rail transport incentive from MIT-MEF Interministerial Decree of 30 August 2023, no. 134 "Ferrobonus", due for the current financial year.

Grants related to assets

The following grants were recognised in 2024:

- €6,680 million from the MEF, mainly in relation to the Government Programme Contract. These amounts were granted for investments and extraordinary maintenance to develop and update railway infrastructure, as established by the 2024 Budget Act, as well as by the 2013 Stability Act, refinanced under the 2015 Stability Act, the 2014 Stability Act and Decree Law 59/2021 (converted by Law no. 108/2021). This caption also includes the additional allocations for operating plans 4, 9, 10, 11, 12, 15 and 16, 7561;
- €673 million from the MIT, mainly intended to cover the Milan-Genoa-Terzo Valico dei Giovi works and for the Turin-Lyon railway line;
- additional receivables from MIT related to assets in the amount of €6 million, mainly related to the recognition of the financing of the design of Napoli Porta Est.

A total of €7,949 million was collected during the year. Finally, it should be noted that, following the Council of State's Judgment no. 06983 of 5 August 2024 regarding FSE, the receivable recorded by it from MIT (€70 million, at the time accounted for by FSE against an entry in a specific equity reserve) was derecognised, with a consequent decrease in Group shareholders' equity. Please refer to Note 4 above for further details on this matter

The grants related to assets recognised as amounts due from the MEF and the MIT as per the Government Programme Contract mostly refer to work not yet performed. Accordingly, they have a balancing entry in liabilities under payments on account.

Grants related to assets from the EU, other Ministries and other of €18 million include grants received from the European Union, other Ministries and other bodies. This item decreased by €79 million compared to the previous comparison period due to the deconsolidation of FSE, regarding the receivable it claimed from the Puglia Region and MIT on investment projects financed with EU and national resources (-€85 million).

The amounts from the government for disputes of €463 million cover disputes in connection with works on road infrastructure that are deemed probable and relate to projects financed by grants for which, unlike investments against a consideration, the risk of additional costs no longer lies with Anas SpA. The €21 million decrease substantially refers to the updating of the annual estimate of the dispute.

Amounts due from other government authorities increased by €261 million on the previous year, mainly due to the recognition of receivables from the regions for NRRP grants, recognised by them following the commissioning of new rolling stock by Trenitalia SpA as the implementing party from funds under Ministerial Decree no. 319/21 and Ministerial Decree no. 147/24.

Sundry assets and prepayments and accrued income rose by €142 million on 2023 mainly due to higher advances to suppliers, relating to local bodies for road network works, as well as a security deposit on the Riyadh contract to guarantee the execution of the works.
The following table gives a breakdown of other non-current and current assets by geographical segment:

millions of Euros

	31.12.2024	31.12.2023	Changes
Italy	14,024	13,166	858
Eurozone countries	117	275	(158)
United Kingdom	18	17	1
Other European countries (non-Euro EU)	11	8	3
Other non-EU European countries	6	7	(1)
Other countries	18	4	14
Total	**14,194**	**13,477**	**717**

The following table gives a breakdown of other non-current and current assets by geographical segment divided into business segments:

millions of Euros

31.12.2024	Passenger	Logistics	Railway transport	Road infrastructure	Urban	Other	Disposals and adjustments	Ferrovie dello Stato Italiane Group
Italy	1,060	98	8,864	2,418	8	2,342	(766)	14,024
Eurozone countries	107	4	3			3		117
United Kingdom	18							18
Other European countries (non-Euro EU)	7		4					11
Other non-EU European countries		6						6
Other countries			4			14		18
Total	**1,192**	**108**	**8,875**	**2,418**	**8**	**2,359**	**(766)**	**14,194**

millions of Euros

31.12.2023	Passenger	Logistics	Railway transport	Road infrastructure	Urban	Other	Disposals and adjustments	Ferrovie dello Stato Italiane Group
Italy	621	93	7,943	2,326	1	2,612	(430)	13,166
Eurozone countries	263	5	3			4		275
United Kingdom	17							17
Other European countries (non-Euro EU)	7	1						8
Other non-EU European countries	1	3	3					7
Other countries			4					4
Total	**909**	**102**	**7,953**	**2,326**	**1**	**2,616**	**(430)**	**13,477**

31. Inventories (€2,431 million)

This caption can be analysed as follows:

millions of Euros

	31.12.2024	31.12.2023	Change
Raw materials, consumables and supplies	2,008	1,905	103
Work in progress and semi-finished products	3	4	(1)
Retired assets to be sold		1	(1)
Land and buildings held for trading	612	928	(316)
White certificates	93	90	3
Gross inventories	**2,716**	**2,928**	**(212)**
Loss allowance	(285)	(441)	156
Total inventories	**2,431**	**2,487**	**(56)**

Raw materials, consumables and supplies comprise the inventories to be used in investments, superstructure material, electrical systems, navigation equipment and maintenance materials. The €103 million increase is mainly the combined effect of the following factors:

- net decrease in inventories (-€37 million) related to lower purchases of materials in 2024, amounting to €1,142 million, compared to the consumption of materials, amounting to €1,179 million;
- increased production at the National Workshops in Bari, Pontassieve and Bologna by €180 million for the construction of frogs, switches, insulating joints, glued joints and electrical equipment;
- net increase of €3 million in the loss allowance, due to the analysis carried out on materials with low utilisation and/or obsolete.

Land and buildings held for trading refer to the properties held by the Group which will be sold. The €157 million net decrease is mainly due to the sales, in the year, including the areas of Milan Scalo Farini and San Cristoforo railway yards, Pontedera, Napoli Bayard, Taranto, Milano Via Amadeo, Dobbiaco and other minor assets mainly attributable to the housing assets of the group.

White certificates, which showed an increase of €3 million compared to the previous year, comprise the energy efficiency certificates accrued by Group companies at the reporting date following the achievement of energy savings through the application of technologies and efficient systems.

32. Cash and cash equivalents (€1,183 million)

They can be analysed as follows:

millions of Euros

	31.12.2024	31.12.2023	Change
Bank and postal accounts	850	1,965	(1,115)
Cash and cash on hand	108	98	10
Cash pooling accounts	225	233	(8)
Gross balance	**1,183**	**2,296**	**(1,113)**
Loss allowance		(1)	1
Total cash and cash equivalents	**1,183**	**2,295**	**(1,112)**

The €1,112 million decrease in this caption at 31 December 2024 is mainly due to the net effect of the decrease recognised in the year on bank and postal accounts for €1,115 million, due to the use of the financial resources allocated in December 2023 and used during 2024.
For a breakdown of the changes in the balance, reference should be made to the statement of cash flows.

33. Tax assets (€95 million)

Tax assets amount to €95 million at 31 December 2024 (31 December 2023: €105 million) and relate to prior year income tax assets and foreign withholding taxes. The decrease (€10 million) is attributable to the combined effect of higher withholding tax credits accrued during the year (+€8 million) and the write-down of withholding tax credits, related to previous tax periods, for which refund is considered as being doubtful (-€18 million).

34. Equity attributable to the owners of the parent (€41,562 million)

Changes in the main equity captions in 2024 and 2023 are shown in the statement of changes in equity.

Share capital

On 25 March 2024 there was the finalisation of the full remodulation of FS shareholders' equity in execution of the resolution of the FS Extraordinary Shareholders' Meeting of 29 November 2023. Specifically, after the legal terms had passed, the voluntary reduction of FS's share capital from €39,204 million to €31,063 million was carried out, with a simultaneous increase in the legal reserve in the amount of €6,141 million and the capital reserve in the remaining amount of €2,000 million.

As a result of the above events, the parent's share capital at 31 December 2024, fully subscribed and paid up by the sole shareholder, the MEF, was made up of 31,062,952,307.00 ordinary shares, with a value of €1 each, for a total of €31,063 million.

Legal reserve

The legal reserve amounts to €6,212 million (20% of the share capital under Art. 2430 of the Italian Civil Code) increased by €6,141 million as a result of the transaction described above.

Other reserves

This item, amounting to €2 billion, was set aside as a result of the transaction described above.

Translation reserve

The translation reserve is negative by €9 million and reflects the changes in exchange rates during the year (-€5 million).

Hedging reserve

The hedging reserve includes the effective portion of the cumulative net change in the fair value of cash flow hedges relating to transactions that have not yet arisen and the portion of the accumulated reserve with previous financial instruments in relation to which, in 2012, the counterparties exercised the contractually-permitted early option. At 31 December 2024, this reserve was positive by €43 million (€99 million at 31 December 2023), essentially due to the fair value measurement of hedging instruments at the reporting date (decrease of €56 million).

Actuarial reserve

The actuarial reserve, which includes the effects of actuarial gains and losses on post-employment benefits and the Free Travel Card, is a negative €329 million at the reporting date (31 December 2023: negative by -€333 million).

Retained earnings

Retained earnings of €2,780 million substantially refer to the retained earnings and losses carried forward of the consolidated companies and prior year consolidation adjustments. Other changes from the previous year consist mainly of the write-down of the receivable from MIT made by FSE; for more details, please refer to Note 29 “Other non-current and current assets”.

Other comprehensive income (net of the tax effect)

The statement of comprehensive income, to which reference should be made, shows other comprehensive income net of the tax effect.

35.Non-controlling interests (€190 million)

The following table shows the financial highlights of each subsidiary with significant non-controlling interests for the Group, before intraGroup eliminations. Consequently, these figures match the information provided by these companies in their financial statements.

millions of Euros

	Inter-modali-dad de Levan-te SA	Terminal Alptran-sit Srl	Mercitalia Intermo-dal S.p.A.	Tunnel Ferrovia-rio del Brennero SpA	NETINERA Deutscha-land Group	Other subsidia-res which are individually immaterial	Elimina-tions/Adj ustments	Total
Balances at 31.12.2024								
Non-controlling interest (%)	49%	42%	46.72%	9.08%				
Current assets	74	9	66	10	496			
Non-current assets	716	17	62	1,410	806			
Current liabilities	(94)	(2)	(105)		(549)			
Non-current liabilities	(691)	(5)	(10)		(526)			
Net assets	5	19	13	1,420	227			
Net assets pertaining to non-controlling interests	**15**	**8**	**6**	**129**	**12**	**20**		**190**
Revenue	308		199		1,088			
Loss for the year	(32)	(1)	(6)	1	14			
Other comprehensi-ve income					2			
Comprehensive expense	(32)	(1)	(6)	1	16			
Profit (loss) attributable to non- controlling interests	**(9)**		**(3)**		**(1)**	**3**		**(10)**
Net cash flow from operating activities	26	(6)	4	1	118			
Net cash flow from investing activities	6		(5)	(150)	(22)			
Net cash flow from financing activities		5	2	100	(49)			
Total net cash flow for the year	32	(1)	1	(49)	47			

millions of Euros

	Grandi Stazione Immobiliare SpA	Intermodalidad de Levante SA	Terminal Alprtransit Srl	Mercitalia Intermodal SpA	Tunnel Ferroviario del Brennero SpA	Other subsidiares which are individually immaterial	Eliminations/Adjustments	Total
Balances at 31.12.2023								
Non-controlling interests (%)	40%	55%	42%	46.72%	9.28%			
Current assets	8	46	8	55	58			
Non-current assets	47	740	17	65	1,260			
Current liabilities	(21)	(92)	(5)	(89)				
Non-current liabilities	(1)	(702)		(13)				
Net assets	33	(8)	20	18	1,318			
Net assets pertaining to non-controlling interests	**13**	**3**	**8**	**9**	**122**	**34**		**189**
Revenue	6	213		202				
Loss for the year		(79)		(8)	1			
Other comprehensive income								
Comprehensive expense		(79)		(8)	1			
Profit (loss) attributable to non- controlling interests		**(36)**		**(3)**		**2**		**(37)**
Net cash flow from operating activities	3	(4)		5	1			
Net cash flow from investing activities		(6)	(3)	(5)	(150)			
Net cash flow from financing activities		5	5	(5)	150			
Total net cash flows for the year	3	(5)	2	(5)	1			

The balance of €190 million at 31 December 2024 remained substantially unchanged compared to 2023 (€189 million); the main changes were related to the capital increases and/or share premium reserve of Intermolidad de Levante SA (€22 million) and Tunnel Ferroviario del Brennero – Società di Partecipazioni (€9 million), as well as the dividends paid by Netinera, ATAF and Cremonesi Workshop (-€4 million), the change in the perimeter of Grandi Stazioni Immobiliare (-€13 million) and Tunnel Ferroviario del Brennero (-€3million), and the loss for the year (-€10 million).

36. Non-current and current loans and borrowings (€15,725 million)

This caption totals €15,725 million and can be analysed as follows:

millions of Euros

	Carrying amount		
Non-current loans and borrowings, net of the current portion	**31.12.2024**	**31.12.2023**	**Changes**
Bonds	7,716	9,107	(1,391)
Bank loans and borrowings	1,939	1,622	317
Loans and borrowings from other financial backers	3	3	
Total	**9,658**	**10,732**	**(1,074)**

millions of Euros

	Carrying amount		
Current loans and borrowings and current portion of noncurrent loans and borrowings	**31.12.2024**	**31.12.2023**	**Changes**
Bonds (current portion)	1,598	456	1,142
Bank loans and borrowings (current portion)	4,464	3,783	681
Loans and borrowings from other financial backers (current)	5	11	(6)
Total	**6,067**	**4,250**	**1,817**
Total loans and borrowings	**15,725**	**14,982**	**743**

Bonds" at 31 December 2024 comprise:

- thirteen bonds (private placement), issued by the parent and fully subscribed by the Swiss investee, Eurofima SA (private placement). The aim of these bonds is to finance rolling stock, with a total nominal value of €1,994 million and a book value, as the sum of outstanding debt and accrued interest, of €2,007 million. Repayment will take place in one instalment at the maturity date. Coupons accrue every six months at the variable interest rate for all thirteen bonds. They cannot be traded on listed markets. They may be analysed as follows:

millions of Euros

EUROFIMA series	Currency	Date of issue	Nominal interest rate	Amount of the issue	Carrying amount at 31.12.2024	Date of maturity
13	€	15/05/2006	6M Euribor + Spread	190	191	15/05/2026
14	€	15/05/2006	6M Euribor + Spread	100	100	15/05/2026
15	€	23/04/2007	6M Euribor + Spread	129	130	30/03/2027
16	€	19/04/2007	6M Euribor + Spread	116	117	15/05/2026
19	€	22/05/2007	6M Euribor + Spread	66	66	30/03/2027
26	€	20/12/2012	6M Euribor + Spread	43	43	08/07/2025
27	€	19/12/2019	6M Euribor + Spread	200	202	10/10/2034
28	€	02/04/2020	6M Euribor + Spread	200	202	10/10/2034
29	€	30/06/2020	6M Euribor + Spread	200	201	20/05/2030
30	€	31/07/2020	6M Euribor + Spread	240	242	10/10/2034
31	€	19/04/2021	6M Euribor + Spread	250	252	23/04/2041
32	€	07/06/2022	6M Euribor + Spread	160	161	10/10/2034
33	€	16/06/2023	6M Euribor + Spread	100	100	16/06/2033
		Total		**1,994**	**2,007**	

- eighteen bonds related to the Euro Medium Term Notes Programme placed by FS Italiane SpA on the Dublin Stock Exchange with a nominal amount of €7,340 million and a carrying amount (residual debt + accrued interest) of €7,323 million, as described below. Specifically, tranches 10, 17, 18, 19, 20, 21, 22 and 23 are green bonds issued as part of the Green Bond Framework set up by FS Italiane SpA in 2017 and tranches 3, 8, 14, 18, 19, 23 and 24 are private placements entirely subscribed by the European Investment Bank.

millions of Euros

EMTN series	Currency	Date of issue	Amount of the issue	Carrying amount at 31.12.2024	Coupon	Date of maturity
3	€	12/01/2016	300	300	6M Euribor + 1.15%	31/12/2025
5	€	25/07/2016	50	50	1.65%	25/07/2031
6	€	28/06/2017	1000	1009	1.50%	27/06/2025
8	€	21/12/2017	100	100	6M Euribor + 0.78%	21/12/2025
9	€	26/03/2018	200	202	6M Euribor + 0.982%	26/03/2030
10	€	09/07/2019	700	704	1.13%	09/07/2026
11	€	07/08/2019	100	100	1.04%	07/08/2029
12	€	23/12/2019	140	140	6M Euribor + 0.90%	23/12/2029
14*	€	31/07/2020	150	102	6M Euribor + 1.23%	31/07/2032
15	€	04/12/2020	250	250	0.64%	04/12/2030
17	€	25/03/2021	1000	1000	0.38%	25/03/2028
18*	€	23/12/2021	350	316	6M Euribor + 0.62%	23/12/2038
19*	€	20/07/2022	200	198	6M Euribor + 1.35%	20/07/2039
20	€	14/09/2022	1100	1127	3.75%	14/04/2027
21	€	23/05/2023	600	614	4.13%	23/05/2029
22	€	23/05/2023	500	509	4.50%	23/05/2033
23	€	14/12/2023	500	501	6M Euribor + 1.60%	14/12/2040
24	€	04/12/2024	100	100	6M Euribor + 1.15%	04/12/2036
		Total	**7,340**	**7,323**		

* amortising repayment plan.

This caption decreased as a result of the periodic measurement of the FVH, which, during the year, generated a negative differential of €16 million.

In 2024, the amount of bonds (both current and non-current) decreased by €249 million, substantially due to the redemptions of €354 million for the period, which was offset by the new bond issue (Series 24) under the Euro Medium Term Notes Programme (EMTN) for a total of €100 million in nominal value, at variable rate, and for a term of 12 years.

Bank loans and borrowings (current / non-current) increased by €998 million in 2024, mainly as the combined and opposing effect of the following:

- an increase as a result of new subscriptions (+€670 million), represented as follows: i) signing of five loan agreements for a total amount of €350 million, with maturities within 2029, with BNL, Barclays, ING, Unicredit, and BPM; ii) start of the Euro-Commercial Paper Program (ECP) through which, as at 31 December 2024, the Group had made 10 issues of ECP totalling €320 million in outstanding debt;
- an increase in short-term funding (+€1,410 million), related to the Group's liquidity and operational needs;
- an increase in funding due to the consolidation of the Exploris Group during 2024 (+€13 million), as detailed in the paragraph on "Change in the scope of consolidation";
- a decrease due to redemptions for the period (-€831 million), financed by BEI (-€84 million), Intesa Sanpaolo (-€290 million), Unicredit (-€200 million) and BPM (-€100 million); Caixa (-€150 million) and Banco di Sardegna (-€7 million);
- a decrease relating to factoring transactions on the part of the Group (-€269 million).

Loans and borrowings from other financial backers (both current and non-current) decreased by €6 million, mainly as a result of the repayment of the loan to Cassa Depositi e Prestiti (CDP).

The table below shows the net financial debt, at 31 December 2024 and 31 December 2023, respectively, in line with ESMA guidance no. 39 issued on 4 March 2021 applicable as of 5 May 2021 and Consob warning notice no. 5/2021 dated 29 April 2021, and reconciled with the net financial debt prepared in accordance with the Group's presentation approach.

millions of Euros

		31.12.2024	31.12.2023	Change
A)	Cash	1,181	2,294	(1,113)
B)	Cash equivalents	1	1	
C)	Other current financial assets	325	724	(399)
D)	**Liquidity (A + B + C)**	**1,507**	**3,019**	**(1,512)**
E)	Current financial debt (including debt instruments and excluding the current portion of non-current financial debt)	4,738	4,385	353
F)	Current portion of non-current financial debt	1,597	463	1,134
G)	**Current financial debt (E+F)**	**6,335**	**4,848**	**1,487**
H)	**Net current financial debt (G-D)**	**4,828**	**1,829**	**2,999**
I)	Non-current financial debt (excluding the current portion and debt instruments)	10,561	11,571	(1,010)
J)	Debt instruments			
K)	Trade payables and other non-current liabilities			
L)	**Non-current financial debt**	**10,561**	**11,571**	**(1,010)**
M)	Concession assets and contract advances	(1,583)	(1,752)	169
	of which: current portion	(2,716)	(2,737)	21
N)	**Total financial debt as per ESMA guidance (H+L+M)**	**13,806**	**11,648**	**2,158**
O)	Non-current loans and securities	310	490	(180)
P)	**Total net financial debt (N-O)**	**13,496**	**11,158**	**2,338**

In accordance with the Amendment to IAS 7, the reconciliation between the total changes in financial assets and liabilities broken down by monetary and non-monetary items is given below:

millions of Euros

Cash flows generated by/ (used in) financing activities	31.12.2023	Monetary items (statement of cash flows)	Effetti non monetari				31.12.2024
			Change in consolidation scope	Effects of IFRS 16	Hedging reserve	Other	
Cash and cash equivalents	(2,295)	1,113					(1,182)
Disbursement and repayment of current and non-current loans	14,982	748	16			(21)	15,725
Change in other financial assets	(1,215)	452	42			86	(635)
Change in other financial liabilities	1,438	(592)	48	239	63	(25)	1,171
Change in service concession assets/ liabilities	(1,752)	178				(9)	(1,583)
Total	**11,158**	**1,899**	**106**	**239**	**63**	**31**	**13,496**

37. Post-employment benefits and other employee benefits (Free Travel Card) (€589 million)

millions of Euros

	2024	2023
Present value of post-employment benefit obligations	545	630
Present value of Free Travel Card obligations	41	43
Present value of other employee benefit obligations	3	10
Total present value of obligations	**589**	**683**

Changes in the present value of liabilities for defined benefit obligations are shown in the table below.

millions of Euros

	2024	2023
Defined benefit obligations at 1 January	683	756
Service costs	1	1
Interest cost (*)	20	26
Actuarial (gains) losses recognised in equity	(1)	6
of which: from changes in demographic assumptions	(1)	
of which: from changes in financial assumptions	(1)	16
of which: based on past experience	1	(10)
Advances, utilisations and other changes	(114)	(106)
Total defined benefit obligations	**589**	**683**

(*) through profit or loss

Actuarial assumptions

The main assumptions for the actuarial estimate process are described below:

millions of Euros

	2024	2023
Discount rate (post-employment benefits)	2.94%	2.96%
Discount rate (Free Travel Card)	3.38%	3.17%
Annual increase rate of post-employment benefits	3.00%	3.00%
Inflation rate (post-employment benefits)	2.00%	2.00%
Inflation rate (Free Travel Card)	2.00%	2.00%
Expected turnover rate for employees - post- employment benefits	3.35%	3.37%
Expected turnover rate for employees - Free Travel Card	3.00%	3.06%
Expected rate of advances	1.96%	1.96%
Probability of death	RG48 mortality rate published by the General Accounting Office	
Disability	INPS tables broken down by gender and age	
Retirement age	100% upon meeting the compulsory general insurance requirements	

The following sensitivity analysis shows the effects that would have been recorded in terms of changes in the present value of liabilities for defined benefit obligations, following reasonably possible changes in actuarial assumptions.
The last table shows the average duration of the defined benefit obligations and the disbursements provided by the plan.

millions of Euros

	Post-employment benefits	Free Travel Card	Other employee benefits
Inflation rate +0.25%	572	42	4
Inflation rate -0.25%	562	40	4
Discount rate +0.25%	559	40	4
Discount rate -0.25%	575	42	4
Turnover rate +1%	567		
Turnover rate -1%	566		
Plan duration	10	19	16
Payment - first year	101	4	
Payment - second year	62	4	
Payment - third year	29	4	
Payment - fourth year	63	4	
Payment - fifth year	59	3	

38. Provisions for risks and charges (€1,808 million)

The opening and the closing balances of, and changes in, the provisions for risks and charges for 2024 are given below, indicating the current and non-current portions.

millions of Euros

Provisions for risks and charges	31.12.2023	Accruals	Utilisations and other changes	Release of excess provisions	31.12.2024
Tax provision	11				11
Litigation with employees	79	35	(32)		82
Litigation with third parties	1,361	340	(381)	(271)	1,049
Reclamation	116	3	13	(1)	131
Bilateral fund for income assistance	98			(36)	62
Leaving incentives	11	21	(2)	(8)	22
Contractual risks	197	71	(85)	(24)	159
Other sundry provisions	122	207	(31)	(6)	292
Total provisions for risks and charges	**1,995**	**677**	**(518)**	**(346)**	**1,808**
Of which: current portion	58	32	27	(16)	101
Of which: non-current portion	1,937	645	(545)	(330)	1,707

The provision for litigation with employees, which covers the probable charges arising from pending disputes and cases brought before the competent courts in respect of economic and career claims and compensation for occupational illness, amounts to €82 million. In 2024, total charges of €35 million were allocated; the provision showed a decrease due to uses to cover the social security contribution charges and costs related to disputes with personnel (€28 million) and as a result of the deconsolidation of FSE Srl; for more details, please refer to note 4 above (€4 million).

The Provision for litigation with third parties of €1,049 million included probable charges arising from the pending disputes with suppliers for subcontracting, services and supplies, the potential dispute for suppliers' claims and the charges prudently provided for probable disputes with the regions and the government about the quality of the transport services rendered as part of the public service contracts. This provision, with several income statement balancing entries and the caption amounts due from the government for litigation, as shown in note 30 - Other current and non-current assets, was adjusted by approximately €340 million in the year; specifically, it was used to settle disputes with an unfavourable outcome for the Group and pay penalties to customers and the regions (approximately €367 million), and released to reflect the smaller needs related to some pending disputes and the favourable outcome of some disputes (roughly €271 million). Furthermore, it showed a decrease due to the abovementioned deconsolidation of FSE Srl; for more details, please refer to note 4 above (€13 million).

The provision accrued to cover the charges related to the reclamation of polluted sites and the enhancement of works to be sold amounts to €131 million. €26 million was adjusted during the year, of which €23 million as a result of reclassifications from "Other sundry provisions" (€23 million), and used to cover the reclamation charges of €10 million incurred in the year.

The bilateral fund for income assistance, set up for income and employment assistance, amounts to €62 million, and has been released for €36 million, for lower prospective needs.

"Provisions for contractual risks", and "Other provisions" (equal to approximately €451 million) include, among others, accruals mainly for maintenance, workshop expense, expense related to buildings held for trading, and disputes with agents and contractual obligations. During 2024, the abovementioned provisions increased by €278 million, and decreased essentially as a result of the uses to cover contractual obligations (€85 million), the deconsolidation of FSE Srl (€63 million), and reclassifications (€32 million), and released to profit or loss due to lower requirements linked to pending contractual disputes and risks (€30 million).

39. Contract advances -- non-current and current (€1,832 million)

Contract advances - non-current and current, totalling €1,832 million (current portion: €609 million), refer to the portion of grants already collected for works still to be performed related to Anas SpA (31 December 2023: €1,797 million and current portion: €577 million).

This caption mainly comprises advances on prior year grants, such as the residual amounts pursuant to article 7 of Law no. 178/2002, 2003-2005 capital injections, former FAS and development and cohesion funds, which were not required to be reported prior to collection. The advances relate to works not yet performed and scheduled over the next few years and works in progress which resulted in bidding discounts and economies pending their utilisation in the work or their use in other programmes, after discussion with the competent ministries. The caption also includes extraordinary maintenance yet to be performed and financed using the portion of revenue from fee integration as per article 19.9 bis of Law no. 102/09, which was deferred until 2016 (€66 million).

The €35 million increase on the previous year end is essentially due to new advances received, net of reclassifications (€779 million), the increase in the reversal of prior year discounting (net of prior year discounting) (-€12 million), and the decrease in prior year advances due to the production of the year, net of collections (-€732 million).

40. Non-current and current financial liabilities (including derivatives) (€1,205 million)

millions of Euros

	Carrying amount								
	31.12.2024			31.12.2023			Changes		
	Non current	Current	Total	Non current	Current	Total	Non current	Current	Total
Hedging derivatives	15	3	18	19	2	21	(4)	1	(3)
Lease liabilities	778	254	1,032	713	216	929	65	38	103
Payables to the Government	128		128	170		170	(42)		(42)
Other financial liabilities		27	27	1	425	426	(1)	(398)	(399)
Total financial liabilities	**921**	**284**	**1,205**	**903**	**643**	**1,546**	**18**	**(359)**	**(341)**

Hedging derivatives essentially reflect the fair value of derivatives recognised under liabilities classified as hedges, which, for the Group, relate, based on the nature of the risks hedged, to cash flow and fair value hedging relationships. Following the measurement carried out at 31 December 2024, this caption decreased by €3 million, mainly due to the trend in interest rates during the year.

Lease liabilities amount to €1,032 million and showed an increase of €104 million on the previous year end. For additional information, reference should be made to note 22. Right-of-use assets.

Payables to the Government consist of the value of advance payments collected for works not yet carried out, for which, in the absence of specific planning, execution is not certain; the decrease of €43 million, compared with the previous year, refers to the reclassification in the item "Advances for works to be carried out" of the portion referring to interventions for which the procedure for implementation was started during the year.

The reduction of €399 million in "Other financial liabilities" is related to the use of the unrestricted portion of residual liabilities recorded in the balance sheet of Anas for the settlement of financial receivables from MIT, under Law 191/2023, against the Concession towards Strada dei Parchi under Art. 7 of Law 178/02 (€381 million).

Fair value measurement

The hedging derivatives included in the Group's portfolio are OTC and fall under Level 2 of the fair value hierarchy.
Financial instruments have been measured at fair value using financial models based on market standards. Specifically, this entailed determining the net present value of future flows for swaps and currency forwards. The inputs used to feed the above models reflect observable market parameters which are available with the main financial info providers.
Specifically, the swap vs. 3M Euribor curve figures were used, as well as those related to the swap vs. 6M Euribor curve, and forward exchange rates EUR/GBP, as well as credit default swap (CDS) curve of the parties to the derivative contract, which reflect the input widely accepted by market operators to calculate non-performance risk. This risk is calculated using adequate financial valuation techniques and models which include, inter alia, the following factors: i) the risk exposure, being the potential mark-to-market exposure throughout the life of the financial instrument and ii) adequate CDS curves to reflect their probabilities of default (PD).

41. Non-current and current trade payables (€9,131 million)

They can be analysed as follows

millions of Euros

Valore contabile									
	31.12.2024			31.12.2023			Changes		
	Non current	Current	Total	Non current	Current	Total	Non current	Current	Total
Suppliers	10	8,622	8,632	10	8,391	8,401		231	231
Advances	69	199	268	5	171	176	64	28	92
Group companies		198	198		270	270		(72)	(72)
Contract liabilities for contract work in progress		33	33		51	51		(18)	(18)
Total trade payables	**79**	**9,052**	**9,131**	**15**	**8,883**	**8,898**	**64**	**169**	**233**

The rise in amounts due to suppliers (+€233 million) is mainly due to the following factors:

- greater works performed in the year on the HS/HC and conventional network (+€357 million) and the road and motorway network (+€94 million);
- higher appropriations for acceptance, in the second half of 2024, of requests for price revisions (€77 million);
- normal dynamics of payments (-€287 million), including in particular the payment of the payable to the Government following the European Commission's decision for the incompatibility of some compensations received from the transport sector for public service obligations in the freight business segment (€108 million), and the settlement of trade payables to third parties for the purchase of shunting locomotives (€25 million).

"Advances" showed compared to the previous year an increase (+€92 million) related in particular to the aforementioned sale of Farini railway yard (€69 million) and the purchase of rolling stock for intercity services with NRRP funds (€43 million).

"Trade payables" to Group companies showed a decrease of €72 million compared to the previous year, and include payables to companies consolidated using the equity method and, in particular, to the companies TPER and Trenord, for tickets pertaining to these companies sold by Trenitalia.

42. Other non-current and current liabilities (€6,633 million)

They can be analysed as follows:

millions of Euros

	Valore contabile								
	31.12.2024			31.12.2023			Changes		
	Non current	Current	Total	Non current	Current	Total	Non current	Current	Total
Advances for grants	1,718	2,450	4,168	1,786	3,272	5,058	(68)	(822)	(890)
Social security charges payable	6	337	343	6	333	339		4	4
VAT liabilities		7	7		6	6		1	1
Other liabilities with Group companies		7	7		66	66		(59)	(59)
Other liabilities and accrued expenses and deferred income	120	1,988	2,108	105	1,925	2,030	15	63	78
Total other liabilities	**1,844**	**4,789**	**6,633**	**1,897**	**5,602**	**7,499**	**(53)**	**(813)**	**(866)**

Advances for grants are mainly related to:

- additional accruals (€1,791 million) for FS Italiane SpA in connection with the Tunnel Euralpin Lyon Turin Sas – TELT Sas project, as already described in the note to Other non-current and current assets to which reference should be made;
- the advances recognised by RFI SpA on the grants related to assets from the government (MEF and MIT), the EU and other bodies, for infrastructural investments (€2,206 million);
- the advances recognised by Trenitalia SpA against operating grants under the Relaunch Decree Law, amounting to €97 million and set-up grants in relation to the EU CEF Transport 2022 call for tenders for the installation of ERTMS on board trains of the HS Spain and Intercity Italy fleets amounting to €32 million;
- the advances recognised by GS Rail SpA against set-up grants allocated by the State (MIT) for the "Grandi Stazioni" Program and for the upgrading, safety and accessibility of large railway stations and for the enhancement of interchange between the railway system and other transport systems amounting to €35 million.

The table below shows the changes in advances for grants related to the FS Italiane Group:

millions of Euros

	31.12.2023	Increases	Decreases	Other changes	31.12.2024
Advances for grants:					
- MEF	951	6,680	(7,326)	(156)	149
- MIT	3,579	678	(1,062)		3,195
- European Regional Development Fund	7	130	(84)	(53)	
- Trans-European Network	41	53	(40)		54
- National recovery and resilience plan		2,083	(1,986)		97
- Other	480	385	(244)	51	672
Total advances for grants	**5,058**	**10,009**	**(10,742)**	**(158)**	**4,168**

The increases in advances for grants from the MEF and the MIT include the new amounts related to grants allocated during the year, as described in the notes to Other current and non-current assets and Financial assets.

The decrease in advances refer to the recognition of grants under Property, plant and equipment, Intangible assets and Equity investments to which reference should be made for additional information.

The Other changes mainly refer to the decrease of €50 million related to the capital increase of Tunnel Ferroviario del Brennero SpA, as better described in the note to equity investments, to which reference should be made for further details.

Other liabilities and accrued expenses and deferred income of €2,107 million include amounts due to personnel (€475 million), guarantee deposits (€113 million), amounts due to operators (€210 million), tax liabilities (€155 million), accrued expenses and deferred income (€205 million), advances for works on roads not yet under concession (€108 million), higher advances received on the German and Dutch markets, compared to the service rendered at 31 December 2024 (€326 million), and other sundry liabilities (€512 million).

43. Tax liabilities (€20 million)

The balance at 2024 year-end, equal to €20 million (€26 million at 2023 year-end), includes €16 million due by the Group companies included in the tax consolidation scheme, and by the other Group companies not included in the scheme, for IRAP tax purposes, as well as €4 million related to the income taxes of foreign companies.

44. Financial and operational risk management

The FS Italiane Group is exposed to the following risks arising from the use of financial instruments:
- credit risk;
- liquidity risk;
- market risk, specifically, interest rate and currency risks.

This section provides information on the Group's exposure to each of the risks listed above, the objectives, policies and processes for the management of these risks and the methods used to assess them, as well as capital management. These consolidated financial statements also include additional quantitative information.
The FS Italiane Group's risk management focuses on the volatility of financial markets and is aimed at minimising potential undesired effects on its financial position and results of operations.

millions of Euros

	2024	2023
Trade receivables at amortised cost	2,472	2,719
Cash and cash equivalents at amortised cost	1,183	2,295
Other assets at amortised cost	13,874	13,157
Service concession assets at amortised cost	3,415	3,549
Other financial assets:	694	1,412
- At amortised cost	*624*	*1,211*
- Derivatives at FVOCI	*33*	*109*
- Other assets measured at FVTPL	*37*	*92*
Total financial assets (*)	**21,638**	**23,132**
Loans and borrowings at amortised cost	15,725	14,982
Trade payables at amortised cost	9,131	8,898
Other liabilities at amortised cost	6,470	7,348
Contract advances at amortised cost	1,832	1,797
Other financial liabilities:	1,205	1,546
- At amortised cost	*1,187*	*1,525*
- Derivatives at FVOCI	*3*	*2*
- Derivatives at FVTPL	*15*	*19*
Total financial liabilities (*)	**34,363**	**34,571**

(*) The item does not include all tax assets and liabilities

To complete financial risk information, the table below gives a reconciliation between financial assets and liabilities as reported in the consolidated statement of financial position and the categories of financial assets and liabilities identified pursuant to IFRS 7. The figures shown in the statement of financial position match the financial assets and liabilities identified pursuant to IFRS 7, net of tax assets and equity investments. Furthermore, financial assets and liabilities include the respective hedging derivatives.

Credit risk

Credit risk is the risk that a customer or one of the counterparties of a financial instrument may cause a financial loss by not meeting an obligation. It mainly arises from trade receivables, loans with the public administration, derivatives and the financial investments of the FS Italiane Group.
With regard to credit risk deriving from investing activities, the Group applies a liquidity investment policy which is centrally managed by the parent and which defines:

- the minimum requirements of the financing counterparty in terms of creditworthiness and the related concentration thresholds; and
- the types of financial products that can be used.

With respect to the derivatives used for hedging purposes and which can potentially generate credit exposure to counterparties, the Group applies specific policies that define concentration thresholds by counterparty and credit rating.
With respect to the assessment of customers' credit risk, each Group company manages and analyses the risk of all new significant customers, regularly checks their commercial and financial exposure and monitors the collection of receivables from the public administration within the contractually agreed timeframe.
The following tables show the FS Italiane Group's exposure to credit risk at 31 December 2024, compared with that at 31 December 2023. **For information about the gross balance and the loss allowance, reference should be made to the notes to the relevant captions.**

millions of Euros

	31.12.2024				
	Public administration	Third party customers	Financial institutions	Group companies	Total
Trade receivables	851	1,562		59	2,472
Other current and non- current assets	11,900	1,894		4	13,798
Financial assets	3,508	398	175		4,081
Cash and cash equivalents			1,075		1,075
Total financial assets (*)	**16,259**	**3,854**	**1,250**	**63**	**21,426**

(*) the item does not include prepayments and accrued income, tax assets, cash in hand and equity investments

millions of Euros

	31.12.2023				
	Public administration	Third party customers	Financial institutions	Group companies	Total
Trade receivables	1,030	1,628		61	2,719
Other current and non- current assets	11,300	1,800		3	13,103
Financial assets	3,654	799	426		4,879
Cash and cash equivalents			2,197		2,197
Total financial assets (*)	**15,984**	**4,227**	**2,623**	**64**	**22,898**

(*) the item does not include prepayments and accrued income, tax assets, cash in hand and equity investments

A significant portion of trade receivables and loan assets relates to government and public authorities, such as the MEF and the regions.
The amount of financial assets whose recoverability is uncertain is negligible. However, an adequate loss allowance was accrued in this respect.
The maximum exposure to credit risk, broken down by counterparty and past due brackets, at 31 December 2024 is shown below:

millions of Euros

31.12.2024						
		Past due by				
	Not past due	0-180	180-360	360-720	More than 720 days	Total
Public administration (gross)	15,401	112	25	283	806	16,627
Loss allowance	(98)			(5)	(265)	(368)
Public administration (net)	**15,303**	**112**	**25**	**278**	**541**	**16,259**
Third party customers (gross)	3,544	416	37	109	798	4,904
Loss allowance	(46)	(209)	(18)	(28)	(749)	(1,050)
Third party customers (net)	**3,498**	**207**	**19**	**81**	**49**	**3,854**
Financial institutions (gross)	1,217	26	6		1	1,250
Loss allowance						
Financial institutions (net)	**1,217**	**26**	**6**		**1**	**1,250**
Group companies (gross)	56	6			1	63
Loss allowance						
Group companies (net)	**56**	**6**			**1**	**63**
Total financial assets	**20,074**	**351**	**50**	**359**	**592**	**21,426**

millions of Euros

31.12.2023						
		Past due by				
	Not past due	0-180	180-360	360-720	More than 720 days	Total
Public administration (gross)	15,020	53	96	342	829	16,340
Loss allowance	(121)	(5)	(6)	(1)	(223)	(356)
Public administration (net)	**14,899**	**48**	**90**	**341**	**606**	**15,984**
Third party customers (gross)	3,981	368	88	130	705	5,272
Loss allowance	(327)	(34)	(10)	(23)	(651)	(1,045)
Third party customers (net)	**3,654**	**334**	**78**	**107**	**54**	**4,227**
Financial institutions (gross)	2,579	25	20		1	2,625
Loss allowance	(1)					(1)
Financial institutions (net)	**2,578**	**25**	**20**			**2,623**
Group companies (gross)	52	4	3		5	64
Loss allowance						
Group companies (net)	**52**	**4**	**3**		**5**	**64**
Total financial assets	**21,183**	**411**	**191**	**448**	**665**	**22,898**

The total exposure and the impairment of each category was reclassified by risk class at 31 December 2024, as per the Standard & Poor's rating, shown below:

millions of Euros

	31.12.2024				
	FVTPL	**FVOCI**			**Amortised cost**
		12-months expected credit losses	**12-months expected credit losses**	**Lifetime - not impaired**	**Lifetime impaired**
from AAA to BBB-		33	5,460	12,487	625
from BB to BB+	1		2,477	114	108
from B to CCC			106	857	507
from CC to C					70
Gross carrying amount	**1**	**33**	**8,043**	**13,458**	**1,310**
Loss allowance			(22)	(385)	(1,012)
Carrying amount	**1**	**33**	**8,021**	**13,073**	**298**

millions of Euros

	31.12.2024				
	FVTPL	**FVOCI**			**Amortised cost**
		12-months expected credit losses	**12-months expected credit losses**	**Lifetime - not impaired**	**Lifetime impaired**
from AAA to BBB-		108	9,132	9,856	348
from BB to BB+	1		2,539	70	157
from B to CCC			14	823	429
from CC to C			8	769	47
Gross carrying amount	**1**	**108**	**11,693**	**11,518**	**981**
Loss allowance			(48)	(608)	(747)
Carrying amount	**1**	**108**	**11,645**	**10,910**	**234**

Changes in the loss allowance may be analysed as follows.

millions of Euros

	31.12.2024			
	12-months expected credit losses	Lifetime-not impaired	Lifetime-impaired	Total
Balance at 1 January 2024	**48**	**608**	**747**	**1,403**
Net impairment loss	(20)	41	248	269
Repaid financial assets	(7)	(1)		(8)
New assets acquired	1	5	37	43
Utilisation of the allowance		(268)	(20)	(288)
Balance at 31 December 2023	**22**	**385**	**1,012**	**1,419**

Liquidity risk

Liquidity risk is the risk that an entity may have difficulties in complying with the obligations associated with financial liabilities to be settled by delivering cash or another financial asset. Cash flows, cash requirements and the liquidity of Group companies are generally monitored and centrally managed by the division of Finance & Investor Relations at the Holding Company, to ensure efficient and effective management of financial resources. The parent adopts asset liability management techniques in collecting debt and loan principal from the Group companies.

The Group's objective is the prudent management of the liquidity risk arising from ordinary operations.

In order to meet potential and temporary cash requirements, the parent agreed a revolving and committed sustainability linked back-up facility (€3.5 billion) for general purposes expiring on 18 June 2027. Furthermore, it has the Euro-Commercial Paper programme in place for a maximum ceiling of €2 billion. Furthermore, the Group has various uncommitted credit lines granted by banks.

The following tables show the due dates of contractual cash flows and financial liabilities at 31 December 2024 and 2023, including interest to be paid:

millions of Euros

31 December 2024	6 months or less	6-12 months	1-2 years	2-5 years	After 5 years	Total
Non-derivative financial liabilities						
Bonds	1,205	537	1,369	3,849	3,617	10,577
Bank loans and borrowings	4,260	255	493	1,427	180	6,615
Loans and borrowings from other financial backers	(5)	5		1	3	4
Loans and borrowings from Group companies	26	3	2		124	155
Finance lease liabilities	74	171	177	372	346	1,140
Non-derivative financial liabilities	**5,560**	**971**	**2,041**	**5,649**	**4,270**	**18,491**
Trade payables	**4,307**	**4,745**	**76**	**1**	**2**	**9,131**
Hedging Interest rate swap	(15)	(7)	(5)	(4)		(31)
Derivative financial liabilities	**(15)**	**(7)**	**(5)**	**(4)**		**(31)**
Total financial liabilities	**9,852**	**5,709**	**2,112**	**5,646**	**4,272**	**27,591**

millions of Euros

31 dicembre 2023	6 months or less	6-12 months	1-2 years	2-5 years	After 5 years	Total
Non-derivative financial liabilities						
Bonds	624	1,180	1,077	4,246	3,827	10,954
Bank loans and borrowings	3,527	345	253	1,162	339	5,626
Loans and borrowings from other financial backers	6					6
Other loans	(5)	6			3	4
Financial liabilities	44	384			168	596
Finance lease liabilities	61	174	117	345	331	1,028
Non-derivative financial liabilities	**4,257**	**2,089**	**1,447**	**5,753**	**4,668**	**18,214**
Trade payables	**4,324**	**4,434**	**16**	**1**		**8,775**
Derivative financial liabilities	**2**					**2**
Total financial liabilities	**8,583**	**6,523**	**1,463**	**5,754**	**4,668**	**26,991**

The contractual flows from variable-rate loans have been calculated using the forward rates estimated at the reporting date. The amounts include both principal and interest.

The following table shows the repayments of financial liabilities within one year, 1-2 years, 2-5 years and after five years.

millions of Euros

31 dicembre 2024	Carrying amount	Within one year	1-5 years	After 5 years
Bonds	9,314	1,492	4,669	3,153
Bank loans and borrowings	6,403	4,456	1,777	170
Loans and borrowings from other financial backers	8	6		2
Financial liabilities	155	29	2	124
Lease liabilities	1,032	228	499	305
Non-derivative financial liabilities	**16,912**	**6,211**	**6,947**	**3,754**
Trade payables	**9,131**	**9,052**	**77**	**2**

millions of Euros

31 dicembre 2023	Carrying amount	Within one year	1-5 years	After 5 years
Bonds	9,563	1,461	4,728	3,374
Bank loans and borrowings	5,405	3,782	1,301	322
Loans and borrowings from other financial backers	14	12		2
Lease liabilities	597	428		169
Non-derivative financial liabilities	928	215	409	304
Bonds	**16,507**	**5,898**	**6,438**	**4,171**
Trade payables	**8,898**	**8,883**	**15**	

Non-derivative financial liabilities due within six months mostly consist of trade payables for HS/HC contracts and works which are mainly repaid through government grants. The residual part is repaid using cash flows from operations.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument may fluctuate following changes in market prices, due to changes in exchange rates, interest rates or prices of equity instruments.
As part of its operations, the Group is exposed to several market risks, specifically interest rate risk and, to a lesser extent, currency risk. The objective of market risk management is to manage and keep the Group companies' exposure to these risks within acceptable levels, while optimising returns on investments. The Group uses hedging transactions to manage the volatility of the results.

Interest rate risk

The Group is mainly exposed to interest rate risk relating to non-current loans indexed to variable rates. The Group companies which are mainly exposed to this risk (including Trenitalia and RFI) decided to enter into hedging transactions based on specific risk management polices approved by the relevant Boards of Directors in coordination with the FS Holding Company.
Despite the various customisations due to the financial and business characteristics of each company, the common objective of the applied policies is to limit cash flow fluctuations in financing transactions in place and, where possible, to exploit the opportunities to optimise borrowing costs offered by the indexing of variable-rate debt.
In accordance with the above polices, the Group only uses plain vanillas, such as interest rate swaps, interest rate collars and interest rate caps.
The Group may also be exposed to the risk of changes in the fair value, linked to fluctuations in interest rates, of financial instruments recorded in the balance sheet. To this end, the Group has in place hedges through Interest Rate Swaps aimed at optimising and balancing portfolios of financial assets and liabilities.

The table below shows variable and fixed rate loans and borrowings.

millions of Euros

	Carrying amount	Contractual cash flows	Current portion	1 - 2 years	2 - 5 years	after 5 years
Variable rate	9,618	10,600	4,494	1,039	2,184	2,883
Fixed rate	7,294	7,891	2,037	1,002	3,465	1,387
Balance at 31 December 2024	**16,912**	**18,491**	**6,531**	**2,041**	**5,649**	**4,270**
Variable rate	8,180	9,105	3,526	1,155	1,594	2,830
Fixed rate	8,327	9,109	2,820	292	4,159	1,838
Balance at 31 December 2023	**16,507**	**18,214**	**6,346**	**1,447**	**5,753**	**4,668**

The table below shows the impact of variable and fixed rate loans and borrowings, before and after hedging derivatives, which convert variable rates into fixed rates, i.e., which hedge against rises in variable rates beyond the maximum levels defined.

millions of Euros

	31.12.2024	31.12.2023
Before hedging with derivatives		
Variable rate	57%	50%
Fixed rate	43%	50%
After hedging with derivatives		
Variable rate	44%	34%
Hedged variable rate		1%
Fixed rate	56%	64%

The following sensitivity analysis shows the effects that would have been recorded in terms of changes in interest expense had an increase or a decrease of +/- 50 basis points in the Euribor interest rates affected loans in 2024.

millions of Euros

	Shift + 50 bps	Shift - 50 bps
Greater/(lower) interest expense on variable-rate debt	30	(30)
Net cash flow from hedges	(3)	3
Total	**27**	**(27)**

The following sensitivity analysis shows the effects of an increase or decrease of 50 basis points in the swap rates curve recognised at the reporting date on the fair value of hedging derivatives:

millions of Euros

	Shift + 50 bps	Shift - 50 bps
Fair value of hedging derivatives	9	(10)
Total	**9**	**(10)**

A table is also reported below, which shows, for cash flow hedges and by risk category, the change in valuez of the hedged item used as the basis for reporting hedge ineffectiveness during the year:

millions of Euros

	31.12.2024	31.12.2023
Change in value, since inception of hedge, related to the risk component stated in hedge accounting	28	93
Change in the value of the hedged item used to determine hedge ineffectiveness	28	93

Potential sources of ineffectiveness of cash flow hedging relationships for the Group may arise from a potential mismatch in the characteristics of the hedging instrument from that of the hedged item or from the effect of the credit risk component on changes in the value of the hedging instrument and the hedged item.
In any case, there is no ineffectiveness of hedging relationships in place or expired in the year 2024 in both cash flow hedges and fair value hedges.

Currency risk

The Group is mainly active in Italy. Therefore, the risk arising from the different currencies in which it operates is limited and substantially relates to the contracts agreed by Italferr.

FS Italiane has granted an intercompany loan to Trenitalia UK, which is owned by Trenitalia, for a nominal amount of GBP60 million. Currency forwards hedging the currency risk were agreed in respect of FS SpA's intercompany loan to Trenitalia UK.

Capital management

The FS Italiane Group's main objective with respect to capital risk management is to safeguard its ability to continue as a going concern, while ensuring returns for shareholders and benefits for the other stakeholders. The FS Italiane Group also intends to maintain an optimal capital structure in order to reduce the cost of debt.

45. Contingent assets and contingent liabilities

The FS Italiane Group is a party in civil and administrative proceedings and legal actions related to its normal business activities. In addition to the provisions already set up in the consolidated financial statements, the Group may incur additional liabilities, currently deemed improbable and/or unquantifiable. The main contingent assets and liabilities are described below.

Anas/Management Engineering Consulting SpA (MEC). The dispute concerns the appeal against the Lazio Regional Administrative Court's ruling no. 16995/2023, which rejected the claim for damages submitted by MEC against Anas, MIT and others regarding the failure to finalise the project finance proposal submitted by the plaintiffs. A ruling is awaited from the Council of State at the outcome of the last hearing on 11 July 2024. The litigation has a petitum of €356 million. On 22 July 2024, MEC served a new appeal against MIT, Anas and other public entities to establish the obligation to take action; however, against the administrations' silence following the notice of 12 July 2023, the administrations summoned before the Court were asked: (i) to settle the project finance procedure initiated on 30 June 2003 (for which the case is pending before the Council of State); (ii) to refrain from continuing further conduct aimed at hindering indefinitely the settlement of the procedure, "in particular, by ordering MIT, as the contracting entity, to put in place without further delay any propulsive act necessary for this purpose." On 29 November 2024, Judgment No. 21502 of the Lazio Regional Administrative Court, Rome, was published, in which the plea of lack of legitimacy of Anas with respect to the claim brought before the court by the plaintiff was upheld and therefore Anas was ordered to be excluded from the case. The Court also ordered MIT to rule on the appellant's notice of warning within the final term of 120 days from the publication of the ruling. Subsequently, on 27 December 2024, the State Attorney's Office served an appeal against the TAR ruling, contesting, among other things, Anas's exclusion from the proceedings. The date of the first hearing is still to be scheduled.

Anas/NBI SpA. The dispute concerns the claims (no. 24) recorded by NBI (in joint venture with Impresa SpA and Ellemme Impianti SpA) on the accounting documents pertaining to the contract concerning the construction works of the Variante alternative route to the State Road SS 145 Sorrentina between km 11+600 and km 14+000, completion and adaptation of civil works, and construction of technological and safety systems. NBI, in particular, sued Anas before the Court of Naples in order to have it obliged to pay the amount of €81.48 million for claims plus interest. In Judgment no. 7881/2019, the Court of Naples ordered Anas to pay €5.3 million plus revaluation and interest. The amount was paid by Anas in October 2019 subject to repetition in the event of a favourable outcome of the appeal judgment. By a deed of appeal, Anas challenged the aforementioned judgment, demanding its full reform. NBI, for its part, filed a cross-appeal requesting that Anas be ordered to pay the amount of €81.10 million. The case, at the end of the hearing on 6 September 2024, was retained for decision.

Trenitalia/CAF Italia SRL. Trenitalia has been sued before the Court of Rome (Civil proceedings under General Register RG no. 43504/2022) for an order on the grounds of "qualified social contact" liability, referring to the EU Official Journal tender No. 2018/S 048-106383 of 9 March 2018, quantified in damages suffered by way of loss of profit and emergent damage in an amount not less than a total of €24.8 million.
On 17 January 2024, the Court granted the request for the admission of evidence and adjourned the hearing on 23 October 2025 for the examination of the plaintiff's witnesses.

46. Audit fees

Pursuant to article 37 of Legislative decree no. 39/2010 and letter 16-bis of article 2427 of the Italian Civil Code, in 2024, the total fees due to the independent auditors and their network companies amounted to €4,662 million and include the fees paid for non-audit services (€326 thousand).

thousands of Euros

Type of services	Parent	Subsidiaries	Ferrovie dello Stato Italiane Group	Parent	Subsidiaries	Ferrovie dello Stato Italiane Group	Parent	Subsidiaries	Ferrovie dello Stato Italiane Group
Audit services	439	2,246	2,685		355	355	439	2,601	3,040
Assurance services	591	658	1,249		47	47	591	705	1,296
Other services	39	46	85		241	241	39	287	326
Total fees	**1,069**	**2,950**	**4,019**		**643**	**643**	**1,069**	**3,593**	**4,662**

47. Directors' and Statutory Auditors' fees

The following fees were paid to Directors and Statutory Auditors for the performance of their duties:

thousands of Euros

RECIPIENTS	2024	2023
Directors	1,209	1,209
Statutory Auditors	100	100
TOTAL	**1,309**	**1,309**

Directors' fees include the amounts envisaged for the positions of Chairman and Chief Executive Officer, as well as any amounts envisaged for the remaining board members. In addition to the above fees, the external members of the supervisory body received €113 thousand in 2024 (€105 thousand in 2023). The fees to the representatives of the MEF (Directors and Statutory Auditors) are transferred to such Ministry when the related parties are employees thereof.

48. Related parties

Related parties were identified in accordance with IAS 24.

Transactions with key managers

The general conditions that govern transactions with key managers and the parties related to them are not more favourable than those applied, or that could have been reasonably applied, to similar transactions with managers other than key managers associated with the same entities at market conditions.
Key managers' fees are as follows

millions of Euros

	2024	2023
Short-term benefits	14	12
Post-employment benefits	5	1
Total	**19**	**13**

The benefits relate to the fees paid to the above parties. To short-term benefits of €14 million paid out in 2024 must be added a variable portion to be paid in 2025, for an amount not exceeding €4.8 million (€3.4 million in 2023).
During the year, the key managers did not carry out any transactions, directly or through close family members, with the FS Italiane Group, Group companies or other related parties.

Related party transactions

The main transactions between FS Italiane Group and its related parties, which were all carried out on an arm's length basis, are described below.

Trade and other transactions

millions of Euros

Description	Assets	Liabilities	Acquisitions for investments	Guarantees	Revenue	Costs
Enel Group	7	75		21	5	111
Eni Group	4	18		20	9	25
Leonardo Group		2				14
Invitalia Group		8			1	17
Cassa Depositi e Prestiti Group	30	855		6,979	416	291
RAI Group						1
GSE Group		(77)				693
Poste Italiane Group	1	1			1	4
SO.G.I.N. Group		1			2	
IPZS						1
EUROFER		19				29
PREVINDAI		6				10
Other pension funds	3	20				53
Other related parties	43	15			96	38
Total	**88**	**943**		**7,020**	**530**	**1,287**

Financial transactions

millions of Euros

Description	Assets	Liabilities	Guarantees	Income	Expense
Cassa Depositi e Prestiti Group		50		20	
Poste Italiane Group	3				
Total	**3**	**50**		**20**	

The nature of the main transactions with non-Group parties is described below.
Assets with the Enel Group and Eni Group mainly refer to lease payments and material transport costs, while liabilities relate to sundry utility payments.
Liabilities with the Leonardo Group mainly refer to sundry maintenance (rolling stock, lines, software) and the purchase of materials.
Liabilities with the GSE Group mainly relate to the purchasing of electrical energy for train traction.
Assets with the Cassa Depositi e Prestiti Group mainly relate to lease and easement payments for land, while liabilities relate to loans and borrowings and electrical energy with Terna SpA.
Assets with the Poste Italiane Group mainly relate to lease payments, while liabilities principally relate to postal charges.

49. Guarantees and commitments

Guarantees given mainly refer to:

- collateral on Trenitalia SpA’s rolling stock, issued by the parent in favour of Eurofima SA, guaranteeing non- current loans and borrowings granted through FS Italiane SpA (the liability with Eurofima SA at 31 December 2024 amounts to €1,993 million);
- bank guarantees issued on behalf of Trenitalia SpA, including in connection with the service contracts signed with the regions (approx. €119 million);
- parent guarantees issued on behalf of RFI SpA and in favour of Terna SpA for the service contract governing electrical energy dispatching by withdrawal points which feed rail traction and for other uses (€24.2 million), a direct guarantee in favour of GSE SpA (for procurement of electricity on the open market) for an amount of €150 million, parent and bank guarantees issued on behalf of RFI SpA and in favour

of Areti SpA, e-distribuzione SpA, Unareti SpA, Inrete Distribuzione Energia SpA and Edyna Srl for contracts regulating energy transport services for rail traction and other uses (approximately €20.4 million), and other direct and bank guarantees issued on behalf of RFI (for a total of approx. €31.4 million);
- direct and bank guarantees as part of projects abroad, issued mainly on behalf of Trenitalia c2c Ltd (approximately €17 million), Trenitalia UK Ltd (€10.7 million), Italferr SpA (€11.6 million), Hellenic Train S.A. (€3.2 million), Qbuzz BV (€103.4 million), TX Logistik AG (€12.6 million) and Netinera Deutschland GmbH €231 million);
- other direct and bank guarantees issued on behalf of the Group Companies for a total amount of approx. €444 million (of which, in particular, approx. €49.7 million for Busitalia Sita Nord and its Subsidiaries, approx. €91 million for Logistics companies, and €226 million for the Urban business segment), and in the interest of Third-party Companies for an amount of about €8 million;
- direct guarantees issued on behalf of Group companies to the tax authorities for a total amount of approx. €42.0 million (of which €10.2 million on behalf of Trenitalia SpA, €15.7 million on behalf of FS Technology, €7.7 million on behalf of GS Rail and €6.5 million on behalf of Mercitalia Logistics, Treni Turistici Italiani €1.9 million, RFI €0.07 million, and Mercitalia Intermodal €0.02 million);
- bank guarantees issued on behalf of the parent: projects abroad include a bank counter-guarantee for an amount corresponding to €48.6 million and relating to the performance bond issued in favour of the Royal Commission for Riyadh City (RCRC);
- bank sureties issued to other parties such as bid bonds, performance bonds and advance payment bonds;
- sureties issued in favour of third parties by Anas (€27.4 million), of which €17.6 million related to the contracts in Algeria, Lybia and Georgia, and €8 million in favour of Enel SpA as compensation for direct and indirect damage caused by the performance of works and bank and insurance sureties for €1.8 million, of which €0.98 million in favour of private parties and €0.82 million on behalf of public bodies;
- a corporate guarantee issued on behalf of AIE SpA in liquidation from 23 June 2023 on the part of Anas SpA in favour of Simest, regarding the contract in Russia, for a total of €2.5 million.

For additional information about the parent's guarantees and commitments issued on behalf of Group companies, reference should be made note 41 of the notes to the separate financial statements.

50. Information pursuant to Law no. 124/2017

Reference should be made to Annex 6 for the information required by article 1.125 of Law no. 124/2017 about Italian investees consolidated on a line-by-line basis, as shown in the financial statements of such investees.

51. Events after the reporting date

15 April 2025 marked the finalization of the transfer of the shares held by ANAS SpA in the concessionaire companies Concessioni Autostradali Venete – CAV, Autostrada Asti – Cuneo, Società Italiana per Azioni per il Traforo del Monte Bianco – SITMB and Società Italiana Traforo Autostradale del Fréjus – SITAF, for an amount of €343 million.

ANNEXES

Consolidation scope and the Group's equity investments

PARENT AND LIST OF SUBSIDIARIES

Parent

Name	Registered office	Country	Share capital	Currency	Sector	Investor	Investment %
Ferrovie dello Stato Italiane SpA	Rome	Italy	39,204,173,802		Other services		

Subsidiaries

Name	Registered office	Country	Share capital	Currency	Sector	Investor	Investment %
ABS Arbeitsmedizin Braunschweig GmbH	Braunschweig	Germany	50,000	EUR	Logistics	NEF Norddeutsche Eisenbahnfachschule GmbH	31.00
Anas SpA	Rome	Italy	2,269,892,000	EUR	Infrastructure	FS Italiane SpA	100.00
Ataf Gestioni Srl	Florence	Italy	3,500,000	EUR	Passenger	Busitalia - Sita Nord Srl	70.00
Blu Jet Srl	Messina	Italy	200,000	EUR	Infrastructure	Rete Ferroviaria Italiana - RFI SpA	100.00
Bluferries Srl	Messina	Italy	20,100,000	EUR	Infrastructure	Mercitalia Logistics SpA	100.00
Busitalia - Sita Nord Srl	Rome	Italy	73,000,000	EUR	Passenger	Fs Italiane SpA	100.00
Busitalia Campania SpA	Salerno	Italy	50,000	EUR	Passenger	Busitalia - Sita Nord Srl	100.00
Busitalia Rail Service Srl	Rome	Italy	3,497,788	EUR	Passenger	Busitalia - Sita Nord Srl	100.00
Busitalia Veneto SpA	Padua	Italy	20,500,000	EUR	Passenger	Busitalia - Sita Nord Srl	78.78
Cremonesi workshop Srl	Brescia	Italy	100,000	EUR	Urban	FS Sistemi Urbani	93.00
DeltaRail GmbH	Frankfurt	Germany	115,000	EUR	Logistics	Exploris DE GmbH	90.00
Die Länderbahn CZ s.r.o.	Ústi nad Labem	Czech Republic	40,000,000	CZK	Passenger	Die Länderbahn GmbH DLB	100.00
Die Länderbahn GmbH DLB (già Vogtlandbahn-GmbH)	Viechtach	Germany	1,022,584	EUR	Passenger	Regentalbahn GmbH	100.00
erixx GmbH	Celle	Germany	25,000	EUR	Passenger	Osthannoversche Eisenbahnen Aktiengesellschaft	87.51
erixx Holstein GmbH	Lübeck	Germany	25,000	EUR	Passenger	Osthannoversche Eisenbahnen Aktiengesellschaft	87.51
Exploris DE GmbH	Hamburg	Germany	265,000	EUR	Logistics	TX Logistik AG	100.00
Fercredit SpA	Rome	Italy	32,500,000	EUR	Other services	Fs Italiane SpA	100.00
Ferservizi SpA	Rome	Italy	8,170,000	EUR	Other services	Fs Italiane SpA	100.00
Firenze City Sightseeing Srl	Florence	Italy	200,000	EUR	Passenger	Busitalia – Sita Nord Srl	60.00
FS International SpA	Rome	Italy	2,739,515	EUR	Other services	FS Italiane SpA	100.00
FS Park SpA	Rome	Italy	3,016,463	EUR	Urban	FS Sistemi Urbani Srl	100.00
FS Security SpA	Rome	Italy	500,000	EUR	Other services	FS Italiane SpA	100.00
FS Sistemi Urbani Srl	Rome	Italy	532,783,501	EUR	Urban	Fs Italiane SpA	100.00

Subsidiaries

Name	Registered office	Country	Share capital	Currency	Sector	Investor	Investment %
FS Treni Turistici Italiani Srl	Rome	Italy	2,000,000	EUR	Passenger	Trenitalia SpA	100.00
FSI Saudi Arabia for Land Transport LLC	Riyadh	Arabia Saudita	10.030.000	SAR	Altri servizi	FS Italiane SpA	100,00
FSTechnology SpA	Rome	Italy	27,578,244	EUR	Other services	FS Italiane SpA	100.00
Grandi Stazioni Immobiliare SpA	Rome	Italy	4,000,000	EUR	Urban	Fs Italiane SpA	100.00
Grandi Stazioni Rail SpA	Rome	Italy	4,304,201	EUR	Infrastructure	Rete Ferroviaria Italiana - RFI SpA	100.00
Hellenic Train - Railway Company SA - già TrainOSE SA	Athens	Greece	6,219,456	EUR	Passenger	Trenitalia SpA	100.00
HSL Akademie GmbH	Hamburg	Germany	25,000	EUR	Logistics	Exploris DE GmbH	100.00
HSL Belgium PgmbH	Eupen	Belgium	50,000	EUR	Logistics	Exploris DE GmbH	90.00
HSL Logistik Austria GmbH	Wiener Neudorf	Austria	1,635,000	EUR	Logistics	Exploris DE GmbH	100.00
HSL Logistik GmbH	Hamburg	Germany	750,000	EUR	Logistics	Exploris DE GmbH	100.00
HSL Netherlands B.V.	Hendrik-Ido-Ambacht	The Netherlands	50,000	EUR	Logistics	Exploris DE GmbH	90.00
HSL Polska Sp. Z o.o.	Warsaw	Poland	1,000,000	PLN	Logistics	Exploris DE GmbH	100.00
HSL Schweiz GmbH	Muttenz	Switzerland	50,000	CHF	Logistics	Exploris DE GmbH	100.00
HSL-Logistik s.r.o	Prague	Czech Republic	200,000	CZK	Logistics	Exploris DE GmbH	100.00
Infrarail Srl	Florence	Italy	5,500,000	EUR	Infrastructure	Rete Ferroviaria Italiana - RFI SpA	100.00
Infrastructure Engineering Services doo Beograd	Belgrade	Serbia	39,626,684	RSD	Infrastructure	Italferr SpA	100.00
Intermodalidad de Levante SA	Valencia	Spain	2,400,000	EUR	Passenger	Trenitalia SpA	51.00
Italcertifer SpA	Florence	Italy	480,000	EUR	Other services	FS Italiane SpA	55.67
Italferr SpA	Rome	Italy	14,186,000	EUR	Infrastructure	Fs Italiane SpA	100.00
Italia Loyalty SpA	Rome	Italy	500,000	EUR	Passenger	Trenitalia SpA	100.00
Mercitalia Intermodal SpA	Milan	Italy	7,000,000	EUR	Logistics	Mercitalia Logistics SpA	53.28
Mercitalia Logistics SpA	Rome	Italy	385,294,666	EUR	Logistics	Fs Italiane SpA	100.00
Mercitalia Rail Srl	Rome	Italy	164,884,293	EUR	Logistics	Mercitalia Logistics SpA	100.00
Mercitalia Shunting & Terminal Srl	Genova	Italy	5,000,000	EUR	Logistics	Mercitalia Logistics SpA	100.00
metronom Eisenbahngesellschaft mbH	Uelzen	Germany	500,000	EUR	Passenger	NiedersachsenBahn GmbH & Co. KG	74.76
NEF Norddeutsche Eisenbahnfachschule GmbH	Braunschweig	Germany	100,000	EUR	Logistics	Exploris DE GmbH	51.00
Neißeverkehr GmbH	Forst	Germany	1,074,000	EUR	Passenger	Prignitzer Eisenbahngesellschaft mbH	80.00
NETINERA Bachstein GmbH	Celle	Germany	150,000	EUR	Passenger	NETINERA Deutschland GmbH	100.00
NETINERA Deutschland GmbH	Viechtach	Germany	1,025,000	EUR	Passenger	Trenitalia SpA	100,00
NiedersachsenBahn GmbH & Co. KG	Celle	Germany	100,000	EUR	Passenger	Osthannoversche Eisenbahnen Aktiengesellschaft	87.51

Subsidiaries

Name	Registered office	Country	Share capital	Currency	Sector	Investor	Investment %
NiedersachsenBahn Verwaltungsgesellschaft mbH	Celle	Germany	25,000	EUR	Passenger	Osthannoversche Eisenbahnen Aktiengesellschaft	52.50
ODEG Ostdeutsche Eisenbahngesellschaft mbH	Parchim	Germany	500,000	EUR	Passenger	Prignitzer Eisenbahngesellschaft mbH	50.00
ODIG Ostdeutsche Instandhaltungsgesellschaft mbH	Eberswalde	Germany	250,000	EUR	Passenger	ODEG Ostdeutsche Eisenbahngesellschaft mbH	50.00
Osthannoversche Eisenbahnen Aktiengesellschaft	Celle	Germany	21,034,037	EUR	Passenger	NETINERA Bachstein GmbH	87.51
Prignitzer Eisenbahngesellschaft mbH	Berlin	Germany	200,000	EUR	Passenger	NETINERA Deutschland GmbH	100.00
Qbuzz BV	Amersfoort	The Netherlands	400,000	EUR	Passenger	Busitalia - Sita Nord Srl	100.00
Qbuzz Groningen-Utrecht BV	Amersfoort	The Netherlands	18,000	EUR	Passenger	Qbuzz BV	100.00
Qbuzz DMG Materieel BV	Utrecht	The Netherlands	100	EUR	Passenger	Qbuzz BV	100.00
Qbuzz Mobility Service BV	Utrecht	The Netherlands	18.000	EUR	Passenger	Busitalia - Sita Nord Srl	100.00
Qbuzz Multimodaal BV	Amersfoort	The Netherlands	100	EUR	Passenger	Qbuzz BV	100.00
Qbuzz Taxi BV	Amersfoort	The Netherlands	100	EUR	Passenger	Qbuzz BV	100.00
Quadrilatero Marche-Umbria SpA	Rome	Italy	50,000,000	EUR	Infrastructure	Anas SpA	92.38
Regentalbahn GmbH	Viechtach	Germany	2,444,152	EUR	Passenger	NETINERA Deutschland GmbH	100.00
Rete Ferroviaria Italiana - RFI SpA	Rome	Italy	31,528,425,068	EUR	Infrastructure	Fs Italiane SpA	100.00
Rom Rail Transport Srl	Bucharest	Romania	385,943	RON	Logistics	Mercitalia Rail Srl	93.00
Savit Srl	Terni	Italy	1,000,000	EUR	Passenger	Busitalia - Sita Nord Srl	100.00
Schienenlogistik Hamburg SLH GmbH	Hamburg	Germany	25,500	EUR	Logistics	Exploris DE GmbH	100.00
sei mobil on demand GmbH	Sendenhorst	Germany	25,000	EUR	Passenger	sei mobil Verkehrsgelschaft GmbH	100.00
sei mobil Verkehrsgeselschaft mbH	Sendenhorst	Germany	26,000	EUR	Passenger	Verkehrsbetriebe Bils GmbH	100.00
Task Force Team GmbH	Essen	Germany	25,000	EUR	Logistics	Exploris DE GmbH	100.00
Terminal Alptransit Srl	Milan	Italy	19,500,000	EUR	Logistics	Mercitalia Logistics SpA	58.00
Terminali Italia Srl	Rome	Italy	7,345,686	EUR	Logistics	Mercitalia Logistics SpA	100.00
Trenitalia c2c Limited	London	United Kingdom	100,000	GBP	Passenger	Trenitalia UK Limited	100.00
Trenitalia France SAS - già Thello SAS	Paris	France	1,500,000	EUR	Passenger	Trenitalia SpA	100.00
Trenitalia SpA	Rome	Italy	1,607,137,500	EUR	Passenger	Fs Italiane SpA	100.00
Trenitalia UK Limited	London	United Kingdom	13,000,100	GBP	Passenger	Trenitalia SpA	100.00
Tunnel Ferroviario del Brennero - Società di partecipazioni SpA	Rome	Italy Austria	1,415,790,910	EUR	Infrastructure	Rete Ferroviaria Italiana - RFI SpA	90.92
TX Logistik A/S	Padborg	Denmark	500,000	CKK	Logistics	TX Logistik AG	100.00

Subsidiaries

Name	Registered office	Country	Share capital	Currency	Sector	Investor	Investment %
TX Logistik AB	Helsingborg	Sweden	2,240,238	SEK	Logistics	TX Logistik AG	100.00
TX Logistik AG	Troisdorf	Germany	55,079,070	EUR	Logistics	Mercitalia Logistics SpA	100.00
TX Logistik GmbH	Basel	Switzerland	50,000	CHF	Logistics	TX Logistik AG	100.00
TX Logistik Transalpine GmbH	Schwechat	Austria	35,000	EUR	Logistics	TX Logistik AG	100.00
Verkehrstriebe Bils GmbH	Sendenhorst	Germany	25,000	EUR	Passenger	NETINERA Deutschland GmbH	100.00
Via Cargo Logistics GmbH	Essen	Germany	215,000	EUR	Logistics	Via Cargo S.A.	100.00
Via Cargo S.A.	Warsaw	Poland	206,000	PLN	Logistics	Exploris DE GmbH	100.00
vlexx GmbH	Mainz	Germany	25,000	EUR	Passenger	Regentalbahn GmbH	100.00

2. LIST OF JOINT VENTURES

Joint arrangements

Name	Registered office	Country	Share capital	Currency	Sector	Investor	Investment %
Berchtesgardener Land Bahn GmbH	Freilassing	Germany	25,000	EUR	Passenger	Die Länderbahn GmbH DLB	50.00
Galleria di base del Brennero – Brenner Basistunnel BBT SE	Bolzano	Italy Austria	10,240,000	EUR	Infrastructure	Tunnel Ferroviario del Brennero SpA	45.41
Kraftverkehr - GMBH - KVG Lüneburg	Lüneburg	Germany	25,565	EUR	Passenger	KVG Stade GmbH & Co. KG	31.02
Kraftverkehr Celle Stadt und Land GmbH	Celle	Germany	1,099,300	EUR	Passenger	Verkehrsbetriebe Osthannover GmbH	27.42
KVG Stade GmbH & Co. KG	Stade	Germany	4,600,000	EUR	Passenger	Verkehrsbetriebe Osthannover GmbH	31.02
KVG Stade Verwaltungs GmbH	Stade	Germany	25,000	EUR	Passenger	Verkehrsbetriebe Osthannover GmbH	26.97
Operation Alliance OPS Co	Riyadh	Saudi Arabia	100,000	SAR	Infrastructure	FSI Saudi Arabia for Land Transport LLC	50.00
SWS Italferr Adi Ortakligi	Ankara	Turkey	1,000	TRL	Infrastructure	Italferr SpA	50.00
Trenitalia TPER Scarl	Bologna	Italy	11,000,000	EUR	Passenger	Trenitalia SpA	70.00
Trenord Srl	Milan	Italy	76,120,000	EUR	Passenger	Trenitalia SpA	50.00
Tunnel Euralpin Lyon Turin - TELT SaS (già Lyon-Turin Ferroviarie - LTF Sas)	Le Bourget du Lac	Italy France	1,000,000	EUR	Infrastructure	FS Italiane SpA	50.00
Verkehrsbetriebe Osthannover GmbH	Celle	Germany	600,000	EUR	Passenger	Osthannoversche Eisenbahnen AG	44.95

3. LIST OF ASSOCIATES

Associates

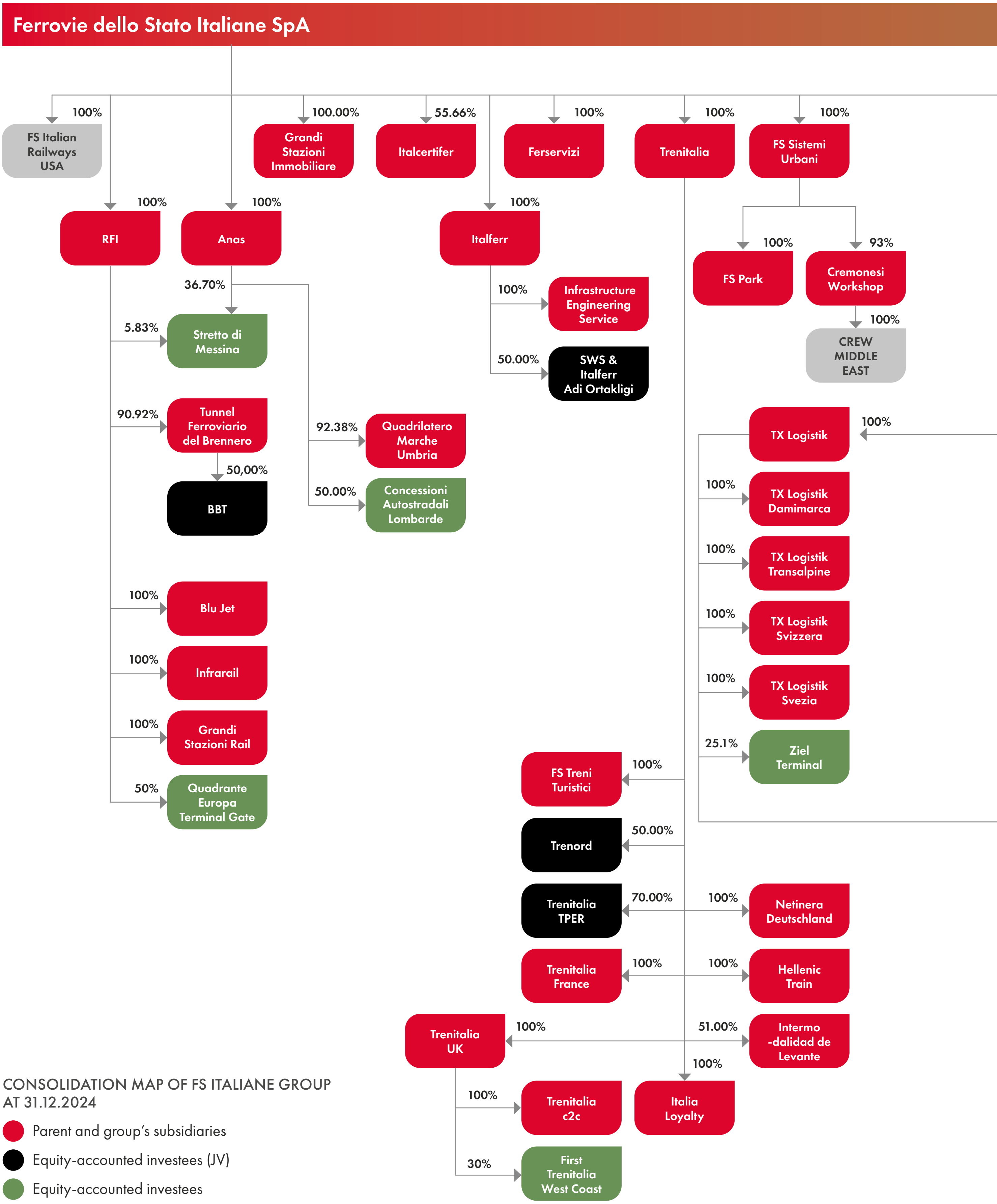
Name	Registered office	Country	Share capital	Currency	Sector	Investor	Investment %
Alpe Adria SpA	Trieste	Italy	300,000	EUR	Logistics	Mercitalia Rail Srl	33.33
CeBus GmbH & Co. KG	Celle	Germany	25,000	EUR	Passenger	Kraftverkehr Celle Stadt und Land GmbH Celler Straßenbahngesellschaft mbH	9.46
CeBus Verwaltungsgesellschaft mbH	Celle	Germany	25,000	EUR	Passenger	Kraftverkehr Celle Stadt und Land GmbH Celler Straßenbahngesellschaft mbH	9.43
Celler Straßenbahngesellschaft mbH	Celle	Germany	572,680	EUR	Passenger	Kraftverkehr Celle Stadt und Land GmbH	9.52
Cesar Information Services - CIS Scrl	Brussels	Belgium	100,000	EUR	Logistics	Mercitalia Intermodal SpA	13.37
Concessioni Autostradali Lombarde - CAL SpA	Milan	Italy	4,000,000	EUR	Infrastructure	Anas SpA	50.00
EVG Euregio - Verkehrsgesellschaft mbH & Co. KG	Münster	Germany	60,000	EUR	Passenger	Verkehrsbetriebe Bils GmbH	29.67
EVG Euregio Verwaltungs- und Beteiligungs GmbH	Münster	Germany	36,000	EUR	Passenger	Verkehrsbetriebe Bils GmbH	29.67
First Trenitalia West Coast Limited	London	United Kingdom	100	GBP	Passenger	Trenitalia UK Limited	30.00
FNM SpA (già Ferrovie Nord Milano SpA)	Milan	Italy	230,000,000	EUR	Passenger	FS Italiane SpA	14.74
Hafen Lüneburg GmbH	Lüneburg	Germany	1,750,000	EUR	Passenger	Osthannoversche Eisenbahnen AG	26.25
Logistica SA	Levallois	France	37,000	EUR	Logistics	Mercitalia Rail Srl	50.00
METRO 5 SpA	Milan	Italy	53,300,000	EUR	Passenger	FS Italiane SpA	36.70
Quadrante Europa Terminal Gate SpA	Verona	Italy	20,476,000	EUR	Infrastructure	Rete Ferroviaria Italiana - RFI SpA	50.00
Stretto di Messina SpA	Rome	Italy	672,527,489	EUR	Infrastructure	Anas SpA Rete Ferroviaria Italiana - RFI SpA	36.70 5.83
Ziel Terminal GmbH	Duisburg	Germany	1,000,000	EUR	Logistics	TX Logistik AG	25.10

4. LIST OF OTHER UNCONSOLIDATED EQUITY INVESTMENTS

Other equity investments

Name	Registered office	Country	Share capital	Investor	% of voting rights
Anas Concessioni Autostradali SpA in liquidation	Rome	Italy	1,000,000	Anas Spa	100.00
Anas International Enterprise	Rome	Italy	3,000,000	Anas Spa	100.00
Crew Middle East DMCC	Dubai	United Arab Emirates	25,668	Cremonesi workshop Srl	100.00
Ferrovie del Sud Est e Servizi Automobilistici Srl	Bari	Italy	4,682,830	Fs Italiane SpA	100.00
FS Italian Railways USA Inc	New York City	New York	96,256	FS Italiane SpA	100.00
Terminal Tremestieri Srl	Messina	Italy	78,363	Bluferries Srl	33.33
TX Service Management GmbH	Troisdorf	Germany	50,000	TX Logistik AG	100.00
TX Consulting Gmbh	Troisdorf	Germany	25,000	TX Logistik AG	100.00
Concessioni Autostradali Venete - CAV SpA	Venice	Italy	2,000,000	Anas Spa	50.00
Società Italiana Autostradale del Frejus - SITAF SpA	Susa	Italy	65,016,000	Anas SpA	31.74
Società Italiana per il Traforo del Monte Bianco SpA	Prè Saint Didier	Italy	198,749,000	Anas Spa	32.12
Autostrada Asti - Cuneo SpA	Rome	Italy	200,000,000	Anas Spa	35.00

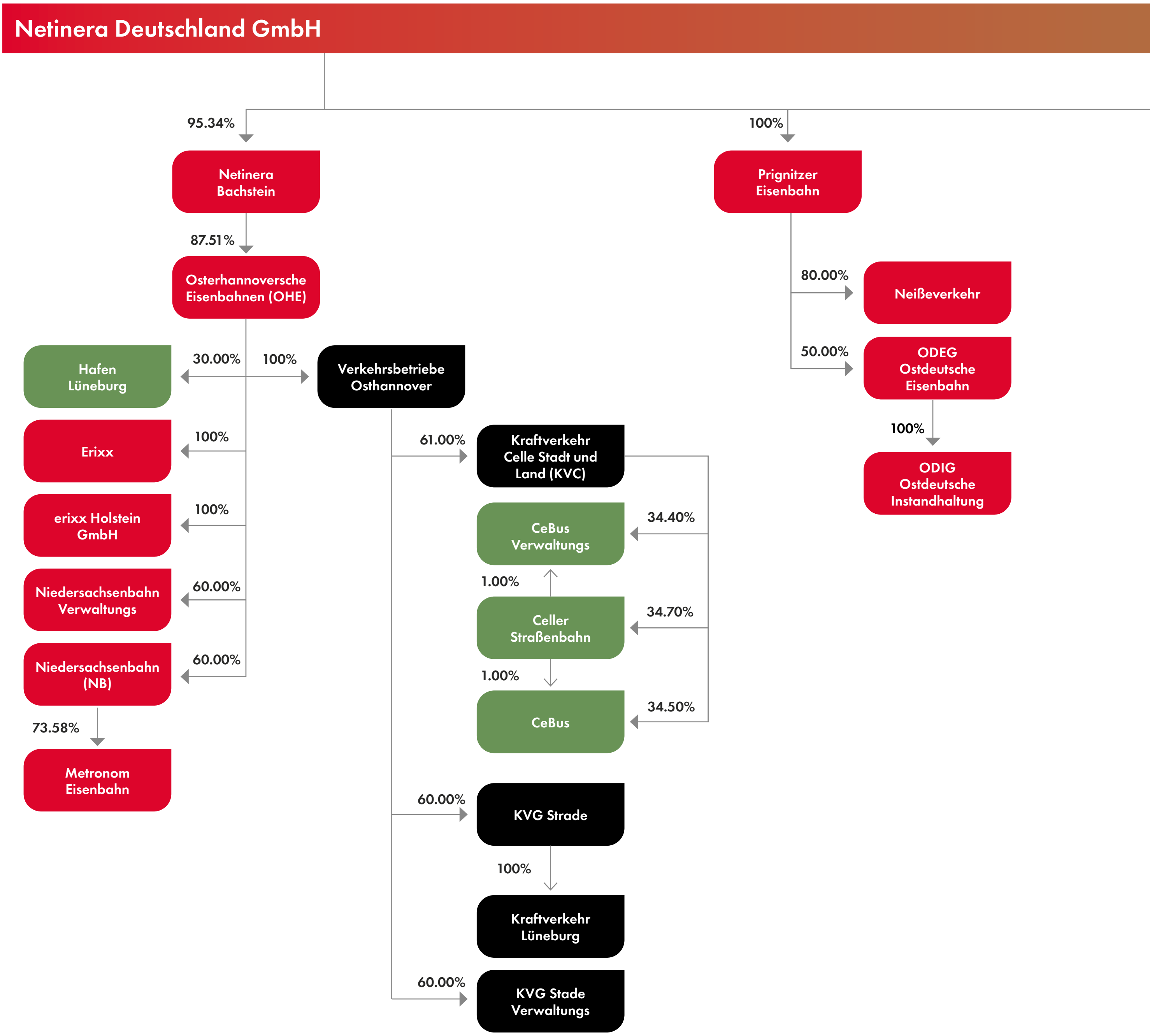
5. MAPPA DI CONSOLIDAMENTO DEL GRUPPO FERROVIE DELLO STATO ITALIANE



CONSOLIDATION MAP OF FS ITALIANE GROUP
AT 31.12.2024

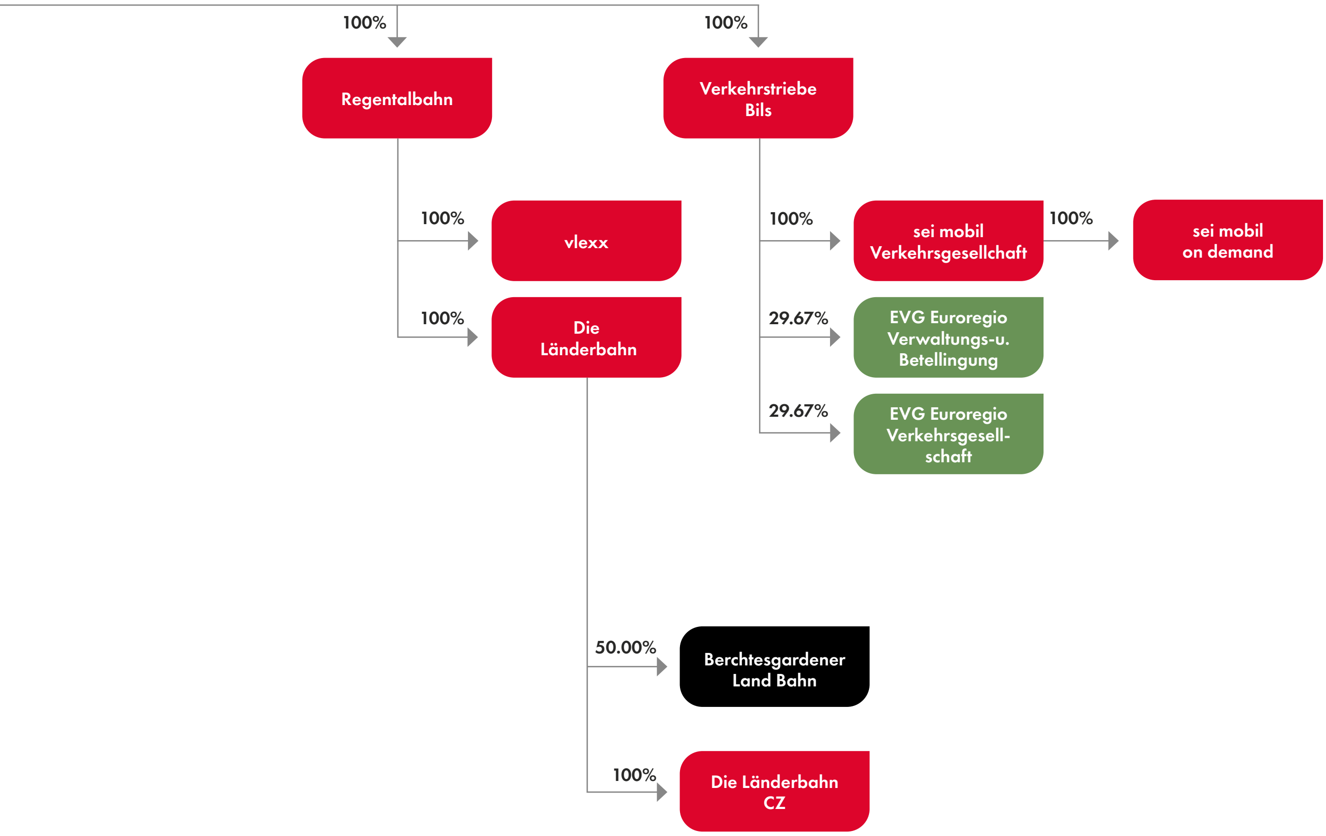
- Parent and group's subsidiaries
- Equity-accounted investees (JV)
- Equity-accounted investees
- Subsidiaries measured at cost

100%
Mercitalia Logistics
100%
Fercredit
100%
FS Technology
100%
FS Security
50.00%
TELT
36.70%
METRO 5
14.74%
FNM
58.00%
Terminal Alptransit
100%
Bluferries
100%
Mercitalia Shunting & Terminal
100%
Terminali Italia
100%
Mercitalia Rail
93.00%
Rom Rail Transport
50.00%
Logistica SA
33.33%
Alpe Adria
53.28%
Mercitalia Intermodal
25.10%
CIS
100%
FSI Saudi Arabia for Land Transport
50%
Operation Alliance OPS
100%
Busitalia Sita Nord
100%
FS International
70.00%
ATAF gestioni
60.00%
Firenze City Sightseeing
100%
Busitalia Rail Service
78.78%
Busitalia Veneto
100%
Busitalia Campania
100%
Savit
100%
Qbuzz Mobility Service
100%
Qbuzz
100%
Qbuzz DMG Materieel BV
100%
Qbuzz Taxi
100%
Qbuzz Multimodaal
100%
Qbuzz Groningen-Utrecht
100%
EXPLORIS Deutschland Holding GmbH
100%
VIA Cargo S.A.
100%
Via Cargo Logistics GmbH
100%
HSL Polska Sp. Z o.o.
100%
HSL Logistik S.r.o.
100%
HSL Logistik Hamburg GmbH
100%
HSL Logistik Austria GmbH
90%
HSL Belgium PgmbH
100%
HSL Schweiz GmbH
90%
HSL Netherlands B.V.
51%
NEF GmbH
60%
ABS Gmbh
100%
HSL Akademie GmbH
100%
Schienen Logistik SLH
90%
DeltaRail GmbH
100%
Task Force Team GmbH



CONSOLIDATION MAP OF NETINERA GROUP
AT 31.12.2024

- Parent and group's subsidiaries
- Equity-accounted investees (JV)
- Equity-accounted investees
- Subsidiaries measured at cost


100%
100%
Regentalbahn
Verkehrstriebe Bils
100%
vlexx
100%
Die Länderbahn
100%
sei mobil Verkehrsgesellchaft
100%
sei mobil on demand
29.67%
EVG Euroregio Verwaltungs-u. Betellingung
29.67%
EVG Euroregio Verkehrsgesell-schaft
50.00%
Berchtesgardener Land Bahn
100%
Die Länderbahn CZ

6. DISCLOSURE PURSUANT TO LAW NO. 124/2017

FERROVIE DELLO STATO ITALIANE

Provider	Description	Amount in €
MIT to TELT Sas	Pass-through grant	503,480,000
Europe's Rail	Grant related to income	98,000

TRENITALIA

Provider	Description	Amount in €
Friuli-Venezia Giulia region	compensation for loss of regional traffic revenue	2,939,506
Liguria region	compensation for loss of regional traffic revenue	2,134,056
Tuscany region	compensation for loss of regional traffic revenue	1,427,149
Umbria region	compensation for loss of regional traffic revenue	4,402,830
Abruzzo region	compensation for loss of regional traffic revenue	2,858,905
Puglia region	compensation for loss of regional traffic revenue	4,205,894
Abruzzo region	compensation for increased cost of fuels and purchase of electricity	205,806
Basilicata region	compensation for increased cost of fuels and purchase of electricity	322,757
Campania region	compensation for increased cost of fuels and purchase of electricity	173,897
Lazio region	compensation for increased cost of fuels and purchase of electricity	314,124
Azienda della Mobilità Piemontese	compensation for increased cost of fuels and purchase of electricity	693,428
Puglia region	compensation for increased cost of fuels and purchase of electricity	969
Sardegna region	compensation for increased cost of fuels and purchase of electricity	1,659,444
Sicily region	compensation for increased cost of fuels and purchase of electricity	682,163
MIT	compensation for loss of HS traffic revenue	41,560,528

RETE FERROVIARIA ITALIANA

Provider	Description	Amount in €
MEF	Grants related to assets	5,661,107,848
MIT	Grants related to assets	813,996,644
Prime Minister's Office	Grants related to assets	2,088,854
UE	Grants related to assets	2,265,693,488
Local bodies	Grants related to assets	76,112,064
Ministry of Culture	Grants related to assets	80,447,281
MIT	Grants related to income	10,000,000
MEF	Grants related to income	965,556,791
MIT Chapter 1274/7302/1300 incentive for freight transport	Pass-through grants *	109,900,000
CSEA	Pass-through grants *	589,099,388
Fondimpresa	Aid to training (art.31)	66,781

ANAS

Provider	Description	Amount in €
Government	Grants related to income	17,730,000
Other Government bodies	Grants related to income	12,839,000
MIT	Grants related to assets	2,904,354,000
Local bodies	Grants related to assets	450,747,000
Local bodies - EU (ROP programmes)	Grants related to assets	198,000
Grants collected by Quadrilatero on behalf of Anas	Grants related to assets	55,416,000

GRANDI STAZIONI RAIL

Provider	Description	Amount in €
MIT	Programme of interventions for the redevelopment and construction of large stations complementary infrastructure	414,018
MIT	Interventions in favour of Grandi Stazioni for the redevelopment and accessibility of large railway stations	4,666,998
MIT	Fund for the revision of material prices in public contracts to cope with exceptional price increases	362,178
MEF	Prime Minister's Decree of 11 June 2024, on the approval of the detailed program of interventions related to the celebrations of the Jubilee of the Catholic Church 2025	541,130

ITALFERR

Provider	Description	Amount in €
Europe's Rail Joint Undertaking (ERJU)	Grants related to income	186,000
MISE	Grants related to income	67,000
HADEA (European Health and Digital Executive Agency)	Grants related to income	54,000
CINEA	Grants related to income	55,000

FS PARK

Provider	Description	Amount in €
Municipality of Albano	Lease of spaces	25,000
Municipality of Aversa	Lease of spaces	12,000
Municipality of Certaldo	Lease of spaces	20,000
Municipality of Legnano	Lease of spaces	17,000
Municipality of Abbiategrasso	Lease of spaces	14,000

MERCITALIA LOGISTICS

Provider	Description	Amount in €
Electricity Services Operator (GSE)	Incentive tariff awarded to the Company by GSE for power generation plant by photovoltaic conversion of solar source	433,276

MERCITALIA SHUNTING & TERMINAL

Provider	Description	Amount in €
MIT	Grant under the Rail Freight Transport Scheme, pursuant to Article 2, paragraphs 3 and 4 of Regulation no. 64 of 20.3.2023,	68,569
MIT	Grants provided for by the Supplementary Fund "Renewal of Vehicles to handle goods", Decree Law no. 59 of 6.05.2021, as converted by Law no. 101 of 01.07.2021	235,800

MERCITALIA RAIL

Provider	Description	Amount in €
MIT	Grants related to income – rail transport	3,035,200
MIT	Grants related to income – freight transport	44,836,703
MIT	Grants related to income – paid to rail freight companies whose purpose is to compensate for the damage suffered from the Covid 19 pandemic	1,125,288
European Commission - Europe's Rail Joint Undertaking (EU-Rail)	Grants related to income paid to railway companies whose use is aimed at developing new technologies	244,942

MERCITALIA INTERMODAL

Provider	Description	Amount in €
MIT	Incentives to promote intermodality (Ferrobonus)	1,183,478
OFT	Swiss Federal Government grants to promote combined transport and encourage the transfer of transalpine heavy-duty traffic from road to rail	2,366,500
Provincia Autonoma di Bolzano	Grant for provision of rail freight services in South Tyrol	238,323
Europe's Rail (UE)	Flagship Project 5 - Sustainable Competitive Digital Green Rail Freight Services grants	118,346
Regione Emilia-Romagna	Grant on "Interventions for rail and sea-flow transport of goods"	17,968

BUSITALIA CAMPANIA

Provider	Description	Amount in €
Campania region	Reimbursements of fuel expenses 2nd and 3rd quarters 2022	712,692
Campania region	Covid reimbursements for loss of traffic revenues 2021 - 2022	503,597
Ministry of Labour	Grants for illness costs - 2024	35,548

BUSITALIA VENETO

Provider	Description	Amount in €
Veneto region	Grants related to income – Veneto regional decision (DGRV) no. 1487/2024 Annex A- FNT finan.	4.116.965
Veneto region	Grants related to income – Regional decree (DDR) no. 732/89000400 Annexes A and B final compensation for lower tariff revenue in financial periods 2020, 2021 and Ist quarter 2022	5.012.817
Comune di Padova	FIN DM 443 OF 12.11.2021	2.911.684
Ministero Lavoro e Ministero Infrastrutture	Grants related to income – grants for illness costs 2023	23.324

ATAF GESTIONI

Provider	Description	Amount in €
Tuscany region – through One scarl	Decision of the regional executive of the Tuscany region (DGRT) no. 16907 of 19/07/2024	7,621,520

BUSITALIA SITA NORD

Provider	Description	Amount in €
Ministry of Labour	Grant under National Collective Labour Agreement (CCNL) 2024- Umbria	5,613,668
Ministry of Labour	10% estimate of illness costs 2024	63,511
Tuscany Region – through scarl	Covid-19 reimbursements	2,131,319
Umbria Region – through Scarl	Covid-19 reimbursements	4,129,611
Umbria Region	Covid-19 reimbursements	329,984

FSTECHNOLOGY

Provider	Description	Amount in €
European Commission	Ride2Rail and IP4MaaS projects	50,635
European Commission	PRECINT project	17,808
European Commission	Motional project	131,249

CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER AND THE OFFICER IN CHARGE OF FINANCIAL REPORTING OF THE CONSOLIDATED FINANCIAL STATEMENTS

FERROVIE DELLO STATO ITALIANE

MOBILITY PREMIUM PARTNER

Certification of the Chief Executive Officer and the Officer in charge of Financial Reporting of the consolidated financial statements of Ferrovie dello Stato Italiane Group at 31 December 2024 pursuant to article 154-bis, paragraph 5, of Legislative decree no. 58/1998

1. The undersigned Stefano Antonio Donnarumma and Fabio Paris, respectively as Chief Executive Officer and Officer in charge of Financial Reporting of Ferrovie dello Stato Italiane SpA, also considering the provisions of the article 154-bis paragraphs 3 and 4 of Legislative decree no. 58 of 24 February 1998, certify:
   - the adequacy with regard to the characteristics of Ferrovie dello Stato Italiane Group and
   - the effective application

   of the administrative and accounting procedures in preparing the consolidated financial statements at 31 December 2024.
2. In this regard, we report that:
   a. the evaluation of the adequacy and effective application of the administrative and accounting procedures used to prepare the consolidated financial statements of the Ferrovie dello Stato Italiane Group was based on the internal control model, consistent with the *"Internal Controls – Integrated Framework"* issued by the *"Committee of Sponsoring Organizations of the Treadway Commission"* which represents an internationally-accepted framework for the internal control system;

   b. this evaluation did not identify any significant issues.
3. In addition, we certify that:

   3.1. the consolidated financial statements:

   a. have been prepared according to the International Financial Reporting Standards endorsed by the European Community pursuant to regulation (CE) 1606/2002 of European Parliament and Council of 19 July 2002;

   b. correspond to the entries in the books and accounting records;

   c. provide a true and fair view of the financial position and results of operations of Ferrovie dello Stato Italiane SpA and the companies included in the Ferrovie dello Stato Italiane Group's consolidation scope.

   3.2. the Directors' Report includes a reliable analysis of the financial position, performance and results of operations of Ferrovie dello Stato Italiane SpA and the consolidated companies as a whole, together with a description of the main risks and uncertainties to which they are exposed.

April 3rd, 2025

Stefano Antonio Donnarumma
Chief Executive Officer

Fabio Paris
Officer in charge of Financial Reporting

INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

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Independent auditor's report

in accordance with article 14 of Legislative Decree No. 39 of 27 January 2010 and article 10 of Regulation (EU) No. 537/2014

To the sole shareholder of
Ferrovie dello Stato Italiane SpA

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of the Ferrovie dello Stato Italiane Group (the Group), which comprise the consolidated statement of financial position as of 31 December 2024 the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as of 31 December 2024, and of the result of its operations and cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree No. 38/05.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of this report. We are independent of Ferrovie dello Stato Italiane SpA (the Company) pursuant to the regulations and standards on ethics and independence applicable to audits of financial statements under Italian law. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

PricewaterhouseCoopers SpA

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Key Audit Matters	*Auditing procedures performed in response to key audit matters*

Recoverability of intangible assets of Anas SpA

Explanatory note no. 6 "Accounting policies" sections "Impairment losses on intangible assets and property, plant and equipment" and "Use of estimates and judgements", explanatory note no. 24 "Intangible assets" to the consolidated financial statements

The consolidated financial statements as at 31 December 2024 included intangible assets for Euro 1,695 million, of which Euro 795 million attributable to the concession of the toll-free motorway network of national interest assigned to Anas SpA pursuant to Article 7, para. 2 of Law Decree 138/2002 converted, with amendments, into Law 178/2002 (hereinafter also the "Concession").

The directors, having identified potential impairment indicators on intangible assets related to Anas SpA, carried out a specific impairment test. The recoverability of the value was verified by comparing the carrying amount of net assets attributable to Anas with the related recoverable value, represented by the higher between the fair value, less costs to sell, and the value in use, in compliance with the provisions of IAS 36 "Impairment of assets".

In particular, the configuration of recoverable value used by the Company is the value in use, calculated as the current value of the cash flows of the 2025-2052 economic and financial plan (hereinafter also the "Plan"), approved by the Board of Directors of Anas SpA on 5 March 2025, to which a terminal value was added equal to the Regulatory Net Invested Capital at the end of the Concession. The Plan flows were considered for an explicit period until 2052 by assuming the extension of the Concession which is currently due to expire on 31 December 2032.

With reference to the financial statements ended 31 December 2024, the Company's management

We carried out the audit procedures to address such key audit matter and to evaluate the consistency of the process and methodology for estimating the recoverability of intangible assets used by the Group with the provisions of IAS 36 and the valuation practices, verifying the appropriateness of the type of cash flows used, their consistency with the Plan and the mathematical accuracy of the quantification of the recoverable amount.

Specifically, the audit procedures performed, also with the support of the PwC network experts, included:

- the understanding of the process adopted by the directors to prepare the impairment test;
- the verification of the completeness and accuracy of the existence of impairment indicators identified by management and for which the impairment test was performed;
- the verification of the reasonableness of the key assumptions underlying the prospective cash flows and discounting rates used to perform the impairment test (also through comparison with forecast data deriving from external information sources, where available);
- the analyses of the most significant differences between the estimates performed in the previous years and the actual data (retrospective review), in order to evaluate the adequacy and the estimation capacity of the valuation process adopted.

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availed itself of an external expert in order to carry out the impairment test.

As part of the audit activities, we considered the recoverability of the value of the intangible assets of Anas SpA as a key matter of the audit of the consolidated financial statements as the related estimation process was particularly complex and based on valuation assumptions influenced by future economic, financial, market and regulatory conditions that are difficult to predict. Should any future developments lead to considerations and results that differ from expectations, the book value of the Concession could be reduced on the basis of the cash flows expressed by an economic and financial plan revised accordingly.

- the verification of the sensitivity analysis carried out by the Group in relation to the discounting rate.

We evaluated the technical skills and objectivity of the external expert engaged by the Group's management to perform the impairment test.

Finally, we verified the accuracy and the completeness of the information provided by the directors in the notes to the consolidated financial statements on the matters described above.

Calculation of depreciation of the railway infrastructure

Explanatory note no. 6 "Accounting policies" sections "Rete Ferroviaria Italiana - RFI SpA's calculation of depreciation of property, plant and equipment" and "Use of estimates and judgements", explanatory note no. 21 "Property, plant and equipment", explanatory note no. 23 "Investment property" and explanatory note no. 24 "Intangible assets" to the consolidated financial statements

The consolidated financial statements at 31 December 2024 included property, plant and equipment for a value equal to Euro 50,270 million, investment property for a value of Euro 1,337 million and intangible assets amounting to Euro 1,695 million.
A significant portion of such non-current assets pertains to the railway infrastructure.

Depreciation of the railway infrastructure is calculated on a straight-line basis at variable rates based on train-km production volumes, in compliance with Article 1, paragraph 87, of Law 266/2005. Calculating depreciation of the railway infrastructure represents a complex and, by its nature, subjective accounting estimate, as it is influenced by multiple factors, including:

The audit procedures performed to address such key audit matter included:

- the understanding and valuation of the process adopted by the Group and of the related IT environment to calculate depreciation of the railway infrastructure in accordance with the applicable regulations;
- the verification of the operational effectiveness of key controls in order to validate the internal control system with reference to the company processes related to the calculation of depreciation of the railway infrastructure;
- the analyses of the reasonableness of the estimates carried out in determining the overall production volumes expressed in train-km and in calculating the residual value;

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- the estimated production volumes expressed as train-km (the number of train events per kilometre travelled);
- the estimated residual value;
- the impacts of any changes to the regulatory framework.

Therefore, calculating depreciation requires significant judgements by the directors.

For these reasons we considered the calculation of depreciation of the railway infrastructure as a key audit matter.

- the historical analysis of the directors' ability to make reliable estimates of production volumes expressed in train-km through the analysis of the differences between forecast and actual data (retrospective review);
- the verification of the accuracy of the calculation of trains per km by macro main lines and of the depreciation rates used by the Group;
- the recalculation on a sample basis of the mathematical accuracy of the annual depreciation charge of the non-current assets of the railway infrastructure.

Finally, we verified the accuracy and the completeness of the information provided by the directors in the explanatory notes to the consolidated financial statements in relation to depreciation of the railway infrastructure.

Determination of the provisions for risks and charges – suppliers' claims for additional fees

Explanatory note no. 6 "Accounting policies" sections "Provisions for risks and charges" and "Use of estimates and judgements", explanatory note no. 38 "Provisions for risks and charges" to the consolidated financial statements

The Group's business is exposed to suppliers' claims for additional fees.

The consolidated financial statements as at 31 December 2024 included in the item "Provisions for risks and charges", accruals to the "Provisions for litigation with third parties" mainly related to suppliers' claims and disputes for additional fees.

The valuation of provisions for risks and charges requires the formulation of estimates on the outcome of claims and disputes, which are by their nature complex and characterised by a high degree of uncertainty, and which involved a significant degree of judgement by the directors. For these reasons, and for the significance of the financial statement item under examination, we considered the determination of the provisions

The audit procedures performed to address such key audit matter included:

- the understanding and valuation of the process adopted by the Group to determine the provisions for risks and charges for suppliers' claims for additional fees;
- the verification of the operational effectiveness of key controls in order to validate the internal control system with reference to the company processes related to the determination of the provisions for risks and charges;
- the analyses of the differences between the accounting estimate of the provisions for risks and charges for suppliers' claims for additional fees of the prior years and the actual values resulting from the subsequent

for risks and charges related to the suppliers' claims for additional fees as a key audit matter.	settlement of disputes (retrospective review), in order to understand the accuracy of the valuation process adopted; • the obtainment of information, through written request to legal advisors who assist the Group, selected on a sample basis, on the assessment of the risk of losing the case as for the existing disputes for suppliers' claims for additional fees and on the quantification of the related liability; • the analyses of the assumptions adopted in determining the provisions for risks and charges, for the main disputes for suppliers' claims for additional fees, through interviews with the corporate functions involved and analysis of the supporting documentation; • for the main disputes, analyses of the events occurred after the reporting date which provide useful information to evaluate the provisions for risks and charges for suppliers' claims for additional fees. Finally, we verified the accuracy and the completeness of the information provided by the directors in the explanatory notes to the consolidated financial statements in relation to the suppliers' claims for additional fees.

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Responsibilities of the Directors and the Board of Statutory Auditors for the Consolidated Financial Statements

The directors are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree No. 38/05 and, in the terms prescribed by law, for such internal control as they determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

The directors are responsible for assessing the Group's ability to continue as a going concern and, in preparing the consolidated financial statements, for the appropriate application of the going concern basis of accounting, and for disclosing matters related to going concern. In preparing the consolidated financial statements, the directors use the going concern basis of accounting unless they either intend to liquidate Ferrovie dello Stato Italiane SpA or to cease operations, or have no realistic alternative but to do so.

The board of statutory auditors is responsible for overseeing, in the terms prescribed by law, the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

As part of our audit conducted in accordance with International Standards on Auditing (ISA Italia), we exercised professional judgement and maintained professional scepticism throughout the audit. Furthermore:

- We identified and assessed the risks of material misstatement of the consolidated financial statements, whether due to fraud or error; we designed and performed audit procedures responsive to those risks; we obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- We obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- We evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- We concluded on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists

related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;

- We evaluated the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We obtained sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion on the consolidated financial statements.

We communicated with those charged with governance, identified at an appropriate level as required by ISA Italia regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during our audit.

We also provided those charged with governance with a statement that we complied with the regulations and standards on ethics and independence applicable under Italian law and communicated with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate the related risks, or safeguards applied.

From the matters communicated with those charged with governance, we determined those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We described these matters in our auditor's report.

Additional Disclosures required by Article 10 of Regulation (EU) No. 537/2014

On 21 March 2023 the shareholders of Ferrovie dello Stato Italiane SpA in general meeting engaged us to perform the statutory audit of the Company's and the consolidated financial statements for the years ending 31 December 2023 to 31 December 2031.

We declare that we did not provide any prohibited non-audit services referred to in article 5, paragraph 1, of Regulation (EU) No. 537/2014 and that we remained independent of the Company in conducting the statutory audit.

We confirm that the opinion on the consolidated financial statements expressed in this report is consistent with the additional report to the board of statutory auditors, in its capacity as audit committee, prepared pursuant to article 11 of the aforementioned Regulation.

Report on Compliance with other Laws and Regulations

Opinions and statement in accordance with article 14, paragraph 2, letters e), e-bis) and e-ter) of Legislative Decree No. 39/10 and with article 123-bis, paragraph 4, of Legislative Decree No. 58/98

The directors of Ferrovie dello Stato Italiane SpA are responsible for preparing a directors' report and a report on the corporate governance and ownership structure of the Ferrovie dello Stato Italiane Group as of 31 December 2024, including their consistency with the relevant consolidated financial statements and their compliance with the law.

We have performed the procedures required under auditing standard (SA Italia) No. 720B in order to:

- express an opinion on the consistency of the directors' report and of the specific information included in the report on corporate governance and the ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree No. 58/98, with the consolidated financial statements;
- express an opinion on the compliance with the law of the directors' report, excluding the section on the consolidated sustainability reporting, and of the specific information included in the report on corporate governance and the ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree No. 58/98;
- issue a statement on material misstatements, if any, in the directors' report and in the specific information included in the report on corporate governance and the ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree No. 58/98.

In our opinion, the directors' report and the specific information included in the report on corporate governance and the ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree No. 58/98 are consistent with the consolidated financial statements of the Ferrovie dello Stato Italiane Group as of 31 December 2024.

Moreover, in our opinion, the directors' report, excluding the section on the consolidated sustainability reporting, and the specific information included in the report on corporate governance and the ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree No. 58/98 are prepared in compliance with the law.

With reference to the statement referred to in article 14, paragraph 2, letter e-ter), of Legislative Decree No. 39/10, issued on the basis of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have nothing to report.

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Our opinion on compliance with the law does not extend to the section of the directors' report relating to the consolidated sustainability reporting. The conclusions on the compliance of that section with the rules governing its preparation and on compliance with the disclosure requirements established by article 8 of Regulation (EU) 2020/852 are expressed by ourselves in the report prepared in accordance with article 14-bis of Legislative Decree No. 39/10.

Rome, 18 April 2025

PricewaterhouseCoopers SpA

Signed by

Luigi Necci
(Partner)

This independent auditor's report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.

Separate financial statements of Ferrovie dello Stato Italiane SpA at 31 December 2024

FERROVIE DELLO STATO ITALIANE SPA'S FINANCIAL STATEMENTS

Income statement

Euros

	Notes	2024	2023
Revenue		**150,239,829**	**121,444,104**
Revenue from sales and services	4	147,892,248	116,735,787
Other income	5	2,347,581	4,708,317
Operating costs		**(277,942,872)**	**(243,493,585)**
Personnel expense	6	(77,496,830)	(73,793,425)
Raw materials, consumables, supplies and goods	7	(9,337)	(7,288,717)
Services	8	(164,382,926)	(115,523,308)
Other operating costs	9	(15,407,135)	(30,613,035)
Internal work capitalised	10		564,796
Amortisation and depreciation, provisions and impairment losses	11	(20,646,643)	(16,839,896)
Operating loss		**(127,703,043)**	**(122,049,481)**
Net financial income		**355,113,050**	**246,137,724**
Financial income	12	1,088,276,157	770,532,991
Financial expense	13	(733,163,107)	(524,395,267)
Pre-tax profit (loss)		**227,410,007**	**124,088,243**
Income taxes	14	203,724,185	76,640,871
Profit for the year		**431,134,192**	**200,729,114**

Statement of comprehensive income

Euros

	Notes	2024	2023
Profit for the year		**431,134,192**	**200,729,114**
Items that will not be reclassified to profit or loss:			
Net actuarial gains (losses)	27/29	56,584	(41,714)
Tax effect on actuarial gains/losses	27/29	(11,429)	8,966
Items that will or may be reclassified to profit or loss, net of tax effect:			
Cash flow hedges - effective portion of changes in fair value	27/29	1,836	(117,281)
Cash flow hedges - effective portion of changes in fair value: tax effect	27/29	(441)	28,147
Other comprehensive income (expense), net of the tax effect		**46,550**	**(121,882)**
Comprehensive income (expense)		**431,180,742**	**200,607,232**

Statement of financial position

Euros

	Notes	31.12.2024	31.12.2023
Assets			
Non-current assets			
Property, plant and equipment	15	2,330,531	52,899,207
Investment property	16		388,731,956
Intangible assets	18	937,804	1,178,343
Equity investments	20	38,798,167,059	38,222,414,480
Financial assets (including derivatives)	21	9,012,829,282	10,069,986,269
Deferred tax assets	19	49,214,923	85,462,729
Trade receivables and service contracts	24	17,969,970	2,553,508
Other assets	22	1,737,763,407	1,792,552,801
Total		**49,619,212,975**	**50,615,779,293**
Current assets			
Inventories	23		334,026,397
Financial assets (including derivatives)	21	7,404,052,488	3,811,913,225
Cash and cash equivalents	25	313,420,073	1,504,360,565
Tax assets	26	81,698,767	90,839,402
Trade receivables and service contracts	24	161,575,812	370,987,205
Other assets	22	568,674,659	779,735,700
Total		**8,529,421,799**	**6,891,862,493**
Total assets		**58,148,634,774**	**57,507,641,786**
Equity and liabilities			
Equity			
Share capital	27	31,062,952,307	39,204,173,802
Reserves	27	8,212,888,667	71,620,621
Retained earnings	27	915,364,099	714,634,985
Profit for the year	27	431,134,192	200,729,114
Total		**40,622,339,264**	**40,191,158,522**
Liabilities			
Non-current liabilities			
Loans and borrowings	28	9,138,013,816	10,180,762,628
Employee benefits	29	4,191,305	4,505,556
Provisions for risks and charges	30	12,109,438	33,697,135
Financial liabilities (including derivatives)	31	11,501,280	12,908,926
Deferred tax liabilities	19		61,822,275
Other liabilities	32	1,729,638,826	1,801,273,397
Total		**10,895,454,665**	**12,094,969,917**
Current liabilities			
Loans and borrowings and current portion of non- current loans and borrowings	28	5,310,643,493	3,201,288,336
Financial liabilities (including derivatives)	31	883,848,908	1,216,019,380
Tax payables	33	170,923	
Trade payables	34	107,467,504	143,894,571
Other liabilities	32	328,710,016	660,311,060
Total		**6,630,840,844**	**5,221,513,347**
Total Liabilities		**17,526,295,509**	**17,316,483,264**
Total equity and liabilities		**58,148,634,774**	**57,507,641,786**

Statement of changes in equity (Note 27)

			Other reserves	
	Share capital	Legal reserve	Extraordinary reserve	Sundry reserves
Balance at 1 January 2023	**39,204,173,802**	**66,861,466**		
Allocation of profit for 2022		4,507,501		
Comprehensive Profit/(Losses) recognised				
of which:				
Profit for the year				
Net losses recognised directly in equity				
Balance at 31 December 2023	**39,204,173,802**	**71,368,967**		
Balance at 1 January 2024	**39,204,173,802**	**71,368,967**		
Allocation of profit for 2023				
Comprehensive Profit/(Losses) recognised				
of which:				
Profit for the year				
Profits recognised directly in equity				
Other changes	(8,141,221,495)	6,141,221,496		2,000,000,000
Balance at 31 December 2024	**31,062,952,307**	**6,212,590,463**		**2,000,000,000**

Euros

Cash Flow Hedge	Reserve for actuarial gains (losses) for employee benefits	Total reserves	Retained earnings	Profit for the year	Total equity
	373,536	**67,235,002**	**628,992,464**	**90,150,022**	**39,990,551,290**
		4,507,501	85,642,521	(90,150,022)	
				200,729,114	200,729,114
(89,133)	(32,749)	(121,882)			(121,882)
(89,133)	**340,788**	**71,620,621**	**714,634,985**	**200,729,114**	**40,191,158,522**
(89,133)	**340,788**	**71,620,621**	**714,634,985**	**200,729,114**	**40,191,158,522**
			200,729,114	(200,729,114)	
				431,134,192	431,134,192
1,396	45,155	46,550			46,550
		8,141,221,495			
(87,738)	**385,942**	**8,212,888,667**	**915,364,099**	**431,134,192**	**40,622,339,264**

STATEMENT OF CASH FLOWS

Euros

	Notes	2024	2023
Profit for the year		**431,134,192**	**200,729,114**
Income taxes	14	(203,724,185)	(76,640,871)
Financial expense	12-13	(355,113,050)	(246,137,724)
Amortisation and depreciation	11	915,596	17,148,100
Accruals to provisions	11	11,642,423	1,570,000
Impairment losses	11	(428,394)	177,769
Accruals for employee benefits	29	4,560	
Accruals to provisions and impairment losses		**11,218,589**	**1,747,769**
Net losses on sales	5	(1,718)	
Change in inventories	23		6,686,177
Change in trade receivables	24	172,614,998	(173,052,269)
Change in trade payables	34	(19,439,738)	47,492,813
Change in other assets	22	399,351,402	(223,713,058)
Change in other liabilities	32	(394,332,170)	239,890,952
Utilisation of the provisions for risks and charges	30	(11,611,342)	(4,023,674)
Payment of employee benefits	29	(417,977)	(1,087,347)
Financial income collected/financial expense paid	12-13	443,366,831	147,186,000
Change in tax assets/liabilities	26-32	68,314,082	62,158,250
Net cash flows generated by (used in) operating activities		**542,275,510**	**(1,615,768)**
Increases in property, plant and equipment	15	(278,791)	(2,138,108)
Increases in investment property	16		(3,655,484)
Increases in intangible assets	18	(48,476)	(4,923,538)
Increases in equity investments	20	(514,960,000)	(746,433,000)
Investments, before grants		**(515,287,267)**	**(757,150,130)**
Grants for equity investments	20	503,480,000	452,640,000
Grants		**503,480,000**	**452,640,000**
Decreases in property, plant and equipment	15	251,667	1,890,266
Decreases in investment property	16		9,271
Decreases in intangible assets	18	736,438	43,208,622
Decreases		**988,105**	**45,108,159**
Net cash flows used in investing activities		**(10,819,162)**	**(259,401,971)**
Disbursement and repayment of non-current loans	28	(403,737,590)	1,754,179,010
Disbursement and repayment of current loans	28	1,667,837,416	1,508,993,396
Change in lease liabilities	17	(243,735)	(344,883)
Change in financial assets	21	(2,599,337,570)	(2,325,033,356)
Change in financial liabilities	31	(53,485,779)	(463,153)
Net cash flows generated by (used in) financing activities		**(1,388,967,258)**	**937,331,014**
Total cash flows		**(857,510,910)**	**676,313,275**
Opening cash and cash equivalents		302,041,799	(374,271,477)
Closing cash and cash equivalents		(555,469,111)	302,041,798
of which intraGroup current account		(868,889,184)	(1,202,318,766)

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

1. Company business

Ferrovie dello Stato Italiane SpA (the "Company" or "FS Italiane SpA") was set up in accordance with Italian law and is based in Italy. Its registered office is in Piazza della Croce Rossa 1, Rome.
The directors approved these financial statements on 3 April 2025 and they will be made available to the shareholder for approval and subsequent filing within the terms established by law. The shareholder has the power to make changes to these financial statements.
Due to its significant controlling investments and in compliance with IFRS 10 - Consolidated financial statements, the Company prepares consolidated financial statements which show equity and loss attributable to the owners of the parent of €41,562 million and €198 million, respectively, in 2024.

PwC SpA was appointed independent auditor for the 2023-2031 nine-year period.

2. Basis of preparation

These separate financial statements at 31 December 2024 have been prepared in accordance with international accounting standards (IFRS issued by the International Accounting Standards Board and adopted by the European Union, IFRS-EU) issued by the International Accounting Standards Board (IASB) and the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) and the Standing Interpretations Committee (SIC), endorsed by the European Union pursuant to EC Regulation no. 1606/2002 and in effect at the reporting date ("IFRS"). Specifically, the Company consistently applies the IFRS to all periods presented in these financial statements. Furthermore, these separate financial statements have been prepared on the basis of the best knowledge of the IFRS and considering best practices in this respect. Any future guidance and interpretations will be applied in future years, as established by the standards over time.
The separate financial statements have been prepared and presented in Euro, which is the Company's functional currency, i.e. the currency of the primary economic environment in which the Company operates. All amounts included in the tables of the following notes, except as otherwise specified, are expressed in thousands of euros.

The financial statements format applied and the related classification criteria adopted by the Company in accordance with the options provided for in IAS 1 Presentation of financial statements are set out below:

- the statement of financial position has been prepared by classifying assets and liabilities as "current/non-current";
- the income statement has been prepared by classifying operating costs by nature, indicating the profit (loss) from continuing operations separately from any profit (loss) from discontinued operations;
- the statement of comprehensive income includes the profit for the year, as well as any other changes in equity captions, specifically actuarial gains or losses on employee benefits, and fair value gains or losses on hedging instruments;
- the statement of changes in equity shows the profit (loss) for the year separately from any other changes not through profit or loss;
- the statement of cash flows has been prepared by presenting cash flows from operating activities using the indirect method.

These separate financial statements have been prepared on a going-concern basis, as the directors established that there are no financial or operational indicators or any other indications of critical issues about the Company's ability to meet its obligations in the foreseeable future and, specifically, in the next twelve months.
The separate financial statements have been prepared on the historical cost basis, except for those items which are measured at fair value, as required.
Furthermore, "current" refers to the 12 months immediately after the reporting date, while "non-current" refers to periods more than 12 months after the reporting date.
These separate financial statements have been prepared using the same accounting policies applied when drawing up the financial statements at 31 December 2023 except for what is stated in the paragraph on "New standards" of the Consolidated financial statements.

3. Accounting policies

The accounting policies are the same as those applied for the preparation of the consolidated financial statements, to which reference should be made, except for the recognition and measurement of investments in subsidiaries, jointly controlled entities and joint ventures, which are recognised at acquisition or incorporation

cost. If there is an indication of impairment, the recoverability of their carrying amount is checked by comparing the carrying amount and the higher of the investment's value in use, calculated by discounting forecast cash flows, where possible, and its fair value, less costs to sell. The amount of loss exceeding the carrying amount is recognised in a specific provision under liabilities to the extent that the Company deems necessary to meet legal or constructive obligations to cover the loss and/or restore the share capital required by the law. Should the subsequent performance of the impaired investment improve to the point that the reasons for the impairment losses no longer apply, such losses are reversed within the limits of the impairment recognised in previous years, under "Charges on equity investments". Other equity investments, other than subsidiaries, jointly controlled entities and associates not listed in an active market and for which a suitable measurement model would not be reliable, are measured at cost.
Dividends from investees are taken to profit or loss in the year they are resolved.

New standards
Reference should be made to the consolidated financial statements.

Use of estimates and judgements
Reference should be made to the consolidated financial statements.

4. Revenue from sales and services (€147,892 thousand)

(€'000)

	2024	2023	Changes
Revenue from contracts with customers	**147,789**	**106,300**	**41,489**
Sundry services	147,565	98,067	49,498
Sale of land and buildings		7,971	(7,971)
Sundry sales	224	262	(38)
Other revenue from sales and services	**103**	**10,436**	**(10,333)**
Revenue from property management		10,289	(10,289)
Revenue from grants	103	147	(44)
Revenue from contracts with customers	**147,892**	**116,736**	**31,156**

"Revenue from contracts with customers" increased by €41,489 thousand on 2023, mainly due to the combined effect of the following:

- an increase in revenue from "Sundry services" (+€49,498 thousand) resulting from the increase in revenue from the Metro Riyadh contract (+€52,494 thousand) due to the resumption of operations as from the second half of 2023, the increase in revenue from services rendered to Group companies under the service contract (+€8,153 thousand), partially offset by a reduction in IT services (-€11,149 thousand) following the disposal of IT assets and related activities to the subsidiary FS Technology;
- a decrease in revenue from "Sale of land and buildings" by -€7,971 thousand due to the intercompany transfer of the Company's real estate business unit as from 15 January 2024. For more details, please refer to the chapter on "Main events" in the Directors' Report.

"Other revenue from sales and services", mainly consisting of "revenue from property management", showed a decrease of €10,333 thousand compared to the previous year, due to the transfer of the real estate business unit described above.

BREAKDOWN OF REVENUE BY IFRS 15

The table below provides a disaggregation of revenue from contracts with customers by geographical area, type, and timing of recognition:

(€'000)

	Real estate		Other services		Total	
	2024	2023	2024	2023	2024	2023
Geographical segment						
Italy		7,971	52,621	55,651	52,621	63,622
Europe				4		4
Non-EU			95,168	42,674	95,168	42,674
Total revenue from contracts with customers		**7,971**	**147,789**	**98,329**	**147,789**	**106,300**
Moment of recognition						
Over time		7,971	147,789	98,329	147,789	106,300
Total revenue from contracts with customers		**7,971**	**147,789**	**98,329**	**147,789**	**106,300**
Total other revenue from sales and services		**10,289**	**103**	**147**	**103**	**10,436**
TOTAL REVENUE FROM SALES AND SERVICES	**0**	**18,260**	**147,892**	**98,476**	**147,892**	**116,736**

CONTRACT ASSETS AND LIABILITIES

The table below provides information about contract assets and liabilities:

(€'000)

	31.12.2024	31.12.2023
Contract assets classified under "Current/non-current trade receivables"	**45,078**	**62,692**
Invoices to be issued	14,930	15,420
Contract assets	**14,930**	**15,420**
Advances from customers under contracts according to IFRS 15	27,322	60,916
Contract liabilities	**27,322**	**60,916**

Assets under contracts with customers consist of the Company's right to consideration for work completed but not yet invoiced at the end of the period with reference to contracts with Group Companies and to a residual extent third-party customers. These assets are classified as receivables when the right becomes unconditional. Contract liabilities with customers consist mainly of advances related to the Riyadh Contract, for which revenues will be recognised on an accruals basis in future periods in line with the provisions of IFRS 15.

The table below shows the significant changes in contract assets and liabilities for the year:

(€'000)

	Contract assets	Contract liabilities
Balance at 31 December 2023	**15,420**	**60,916**
Revenue recognised during the year which was included in the opening balance of "contract liabilities"		(33,594)
Reclassifications from "contract assets" recognised at the beginning of the year to receivables	(8,715)	
Increases in contract assets due to the provision of services	8,833	
Other changes	(608)	
Balance at 31 December 2024	**14,930**	**27,322**

5. Other income (€2,348 thousand)

(€'000)

	2024	2023	Changes
Other repayments	2		2
Sundry income and services	2,302	4,654	(2,352)
Repayments from personnel	43	54	(11)
Total other income	**2,348**	**4,708**	**(2,360)**

The €2,360 thousand decrease was mainly due to a reduction in revenue for corporate positions held by FS employees (-€1,301 thousand) to Group companies, revenues related to the management of real estate assets following the transfer of business unit (-€705 thousand), and surety fee income issued in favour of subsidiaries (-€262 thousand).

6. Personnel expense (€77,497 thousand)

(€'000)

	2024	2023	Changes
Wages and salaries	49,227	51,511	(2,284)
Social security charges	14,519	15,156	(637)
Other expense for employees	(9,158)	(3,293)	(5,865)
Post-employment benefits	3,151	3,197	(46)
Accruals and releases	11,633	(25)	11,658
Employees	**69,372**	**66,546**	**2,826**
Wages and salaries	335	198	137
Social security charges	167	90	77
Consultants and freelancers	**502**	**288**	**214**
Temporary workers, seconded employees and trainees	3,100	3,306	(206)
Other employee-related costs	4,523	3,653	870
Other costs	**7,623**	**6,959**	**664**
Total personnel expense	**77,497**	**73,793**	**3,704**

"Personnel expense" showed a total increase of €3,704 thousand.

Specifically, the increase of €2,826 thousand in cost of **"Employees"** compared to the previous year was attributable to the combined effect of the following factors:

- an increase in provisions mainly related to the provision for change management (+€11,658 thousand); for more details, please refer to Note 30 - Provision for risks and charges;
- a decrease in "Other expense for employees" mainly due to the use of the provision set aside in previous years for early retirement incentives (-€7,304 thousand) and offset by a reduction in chargebacks for seconded personnel (+€1,355 thousand);
- a decrease in "Wages and salaries", "Social security charges" and "Post-employment benefits" (-€2,967 thousand) resulting from a reduction in the average headcount of workforce (-34 FTE).

"Other costs" for personnel showed an increase of €664 thousand, mainly attributable to higher costs of personnel training.

The table below gives a breakdown of the Company's average number of employees by category:

(€'000)

	2024	2023	Changes
Personnel			
Managers	120	128	(8)
Junior managers	310	288	22
Other	231	279	(48)
Total	**661**	**695**	**(34)**

7. Raw materials, consumables, supplies and goods (€9,000 thousand)

(€'000)

	2024	2023	Changes
Raw materials and consumables	9	27	(18)
Lighting and driving force		10	(10)
Change in land and buildings held for trading		7,251	(7,251)
Total	**9**	**7,288**	**(7,279)**

The decrease in this item (-€7,279 thousand) was entirely attributable to the transfer of the Company's real estate business unit in January 2024, as described above.

8. Services (€164,383 thousand)

The table below shows the related balance:

(€'000)

	2024	2023	Changes
Maintenance, cleaning and other contracted services	**144**	**1,280**	**(1,136)**
Contracted services and work		458	(458)
Cleaning and other contracted services	27	17	10
Maintenance and repair of intangible assets and property, plant and equipment	117	815	(698)
Accruals/releases for maintenance		(10)	10
Property services and utilities	**1,969**	**2,495**	**(526)**
Administrative and IT services	**23,654**	**35,723**	**(12,070)**
External communications and advertising expense	**13,198**	**13,943**	**(745)**
Use of third-party assets	**6,365**	**7,528**	**(1,163)**
Other sundry services	**119,052**	**54,554**	**64,499**
Other third-party services	96,821	40,040	56,781
Professional services - Consultancies	11,511	10,617	894
Insurance	5,179	511	4,668
Fees due to corporate bodies	2,510	1,341	1,169
Engineering services	639	755	(115)
Other services	2,392	1,289	1,103
Total services	**164,383**	**115,523**	**48,860**

The increase in costs for **"Services"** amounted to €48,860 thousand and resulted, mainly, from the combined effect of the following factors:

- lower costs for **"Maintenance, cleaning and other contracted services"** and **"Property services and utilities"** (-€1,662 thousand), mainly attributable to lower charges incurred to Ferservizi for the management of real estate assets following their sale in January 2024;
- lower costs for **"Administrative and IT services"** due to reduced costs for IT services (-€13,101 thousand) following the disposal of IT assets and related activities to the subsidiary FS Technology in June 2023 and higher administrative costs to Ferservizi (+€1,031 thousand) due to additional services received during the year;
- lower **"Costs for the use of third-party assets"** (-€1,163 thousand) related to lower lease charges for Villa Patrizi, the Company's registered office, to the subsidiary FS Sistemi Urbani;
- increased in costs for **"Other sundry services"** (+€64,499 thousand), mainly due to the increase in costs related to the Riyadh Metro Contract amounting to +€61,751 thousand. The residual increase in the item (+€2,748 thousand) was mainly attributable to higher costs for "Professional services – Consultancies" and higher fees due to corporate bodies, for which please refer to the chapter on "Report on corporate governance and ownership structure" in the Directors' Report.

9. Other operating costs (€15,407 thousand)

(€'000)

	2024	2023	Changes
Other costs	12,199	9,919	2,280
Other costs, accruals/releases		1,570	(1,570)
Local taxes and duties	3,208	19,124	(15,916)
Total	**15,407**	**30,613**	**(15,206)**

The decrease of €15,206 thousand in the item was attributable to the combined effect of the following factors:

- lower "Local taxes and duties" paid (-€15,916 thousand), mainly due to the disposal of the Company's real estate assets;
- an increase in "Other operating costs" (+€2,280 thousand), mainly attributable to higher charges for membership fees, both national and international, paid by the FS Holding Company and partly passed on to Group companies (for more details, please refer to Note 42 - Information pursuant to Law no. 124/2017);
- a reduction in accruals to provisions for risks compared to the previous year (-€1,570 thousand).

10. Internal work capitalised (€0 thousand)

Internal work capitalised, amounting to €565 thousand at 31 December 2023 and equal to zero at 31 December 2024, refers to capitalised costs for non-routine maintenance work carried out on real estate assets transferred following the well-known demerger transaction.

11. Amortisation and depreciation, provisions and impairment losses (€20,647 thousand)

(€'000)

	2024	2023	Changes
Amortisation	139	8,497	(8,358)
Depreciation	777	8,651	(7,874)
Impairment losses on property, plant and equipment	586	9	577
Adjustments and impairment gains (losses) on financial assets	19,573	(495)	20,068
Impairment losses on cash and cash equivalents	(428)	178	(606)
Total amortisation and depreciation, provisions and impairment losses	**20,647**	**16,840**	**3,807**

The increase of €3,807 thousand in the item compared to the previous year was due to the combined effect of the following factors:

- an increase in "Adjustments and impairment gains on financial assets" (+€20,068 thousand) due to the recognition of a provision for bad debts (+€17,541 thousand) to cover the receivable for withholding taxes related to previous years, recognised among tax receivables in the financial statements, and higher adjustments on financial assets for the year due to the application of IFRS 9 (+€2,527 thousand);
- an increase in "Amortisation, depreciation and impairment losses on property, plant and equipment and intangible assets" (+€577 thousand);
- a decrease in amortisation of intangible assets (-€8,358 thousand) following the disposal of IT assets to the subsidiary FS Technology in June 2023;
- a reduction in depreciation related to property, plant and equipment (-€7,874 thousand) following the disposal of the Company's real estate assets;
- a decrease in impairment losses on cash and cash equivalents (-€606 thousand) as a result of the release of the amounts previously set aside for IFRS 9 due to lower cash and cash equivalents compared to the previous year.

12. Financial income (€1,088,276 thousand)

(€'000)

	2024	2023	Changes
Financial income from non-current loans and securities	423,473	354,131	69,342
Financial income on derivatives	1,767	1,035	732
Other financial income	250,768	178,103	72,665
Dividends	402,231	228,360	173,871
Exchange gains	10,037	8,903	1,134
Total financial income	**1,088,276**	**770,532**	**317,744**

The balance of **"Financial income"** showed an increase of €317,744 thousand compared to the previous year, essentially due to:

- a net increase in dividends distributed by subsidiaries, associates and non-controlling interests totalling €173,871 thousand, mainly due to higher dividends received from Trenitalia (+€196,202 thousand), FS Sistemi Urbani (+€24,774 thousand), Fercredit (+€4,305 thousand), Metro 5 (+€3,670 thousand), Italferr (+€2,540 thousand), Eurofima (+€1,458 thousand), Ferrovie Nord Milano (+€1,410 thousand), Ferrovie Sud Est (+€751 thousand) and Hit Rail (+€1 thousand), offset by lower dividends received from RFI (-€50,000 thousand), Ferservizi (-€7,500 thousand) and Sita (-€3,740 thousand);
- higher financial income on non-current loans and securities for €69,342 thousand accrued on receivables for non- medium/long-term loans disbursed to Group companies, mainly determined by the new Intercompany disbursements in the year;
- higher other financial income totalling €72,665 thousand due in the amount of €110,268 thousand to the higher amount of short-term loans granted to Group companies compared to the previous year, in the amount of €21,167 thousand to interest on the financial receivable from Ferrovie Sud Est subject to reclassification following the Council of State's ruling, and in the amount of €8,230 thousand to higher income from the use of liquidity on the banking system and, partially offset in the amount of €67,000 thousand by the release of a provision in the 2023 financial statements related to the sale of equity investments that had occurred in previous years;
- an increase in foreign exchange gains in the amount of €1,134 thousand brought about by the combined effect of higher gains on short- and medium/long-term loans and bank current accounts, together with year-end translation of trade items.

13. Financial expense (€733,163 thousand)

(€'000)

	2024	2023	Changes
Interest on financial liabilities	542,605	381,088	161,517
Financial expense on employee benefits	156	183	(27)
Financial expense on derivatives	5,415	6,729	(1,314)
Financial expense on leases	11	9	2
Impairment of financial assets	175,404	132,845	42,559
Exchange loss	9,572	3,541	6,031
Total financial expense	**733,163**	**524,395**	**208,768**

"Financial expense" showed an increase of €208,768 thousand, compared with the previous year, mainly attributable to:

- an overall increase of €161,517 thousand in "Interest on financial liabilities", in line with what is noted in the paragraph on financial income, due both to higher charges from borrowing, then allocated to FS Group companies, and to a higher remuneration on the cash pooling accounts of the other Group companies at FS under applicable cash pooling agreements;
- an increase of €42,559 thousand in "Impairment of financial assets" made during the year, mainly

attributable to the write-down of financial receivables from Ferrovie del Sud Est for €176,503 thousand following the Council of State's ruling of 5 August 2024 (for more details, please refer to Note 20 - Equity investments and Note 21 - Non-current and current financial assets; the 2023 balance mainly referred to the write-down following the Impairment tests of the investees Anas and Ferrovie del Sud Est, amounting to €131,216 thousand;
- an increase of €6,031 thousand in foreign exchange losses, due to combined effect of losses related to the observations made on loans and bank accounts, together with year-end translation of trade items.

14. Current and deferred income taxes (€203,724 thousand)

The table below shows the breakdown of income taxes:

(€'000)

	2024	2023	Changes
IRAP tax	897		897
IRES tax	9,422		9,422
Pillar 2 taxes	171		171
Income from the tax consolidation scheme	(175,008)	(96,892)	(78,116)
Deferred tax assets and liabilities	(41,793)	19,328	(61,121)
Current foreign taxes	2,587	923	1,664
Total income taxes	**(203,724)**	**(76,641)**	**(127,083)**

Income taxes showed a positive net balance of €203,724 thousand, mainly due to "Income from the tax consolidation scheme", and deferred and current taxation. The overall increase of €127,083 thousand was essentially attributable to the combined effect of the following factors:
- an increase in "Income from the tax consolidation scheme", stated for €175,008 thousand (+€78,116 thousand on 2023), mainly due to the higher income taxes transferred by the Group companies;
- an increase of €61,121 thousand in net deferred tax assets and liabilities (see note 19 Deferred tax assets and deferred tax liabilities);
- an increase of +€10,319 thousand in direct IRES (Corporate Income) and IRAP (Regional Production Activity) taxes, related to the upward and downward changes due to the application of tax regulations to the profit before tax, for the determination of which please refer to the following table of reconciliation of the actual tax rate;
- an increase of +€1,664 thousand in foreign taxes to be paid on the Riyadh contract in Saudi Arabia as a result of the start of operations.

Reconciliation of the actual tax rate

(€'000)

	2024		2023	
	€	%	€	%
Profit for the year	431,305		200,729	
Total income taxes	203,895		76,641	
Pre-tax profit	227,410		124,088	
IRES theoretical tax (national tax rate)		**24.0%**		**24.0%**
Lower taxes:				
Dividends from investees	(387,120)		(225,782)	
Utilisation of provisions	(11,611)		(70,908)	
Other decreases	(15,827)		(17,856)	
Higher taxes:				
Accruals	13,168		1,600	
Prior year expense	1,698		2,600	
Exchange difference			2,464	
Non-deductible amortisation and depreciation	188,136		141,394	
Non-deductible taxes	320		13,477	
Other increases	23,107		25,323	
Total IRES taxable profit	**39,281**		**(3,600)**	
Total current income taxes (IRES tax)	**(9,422)**			
IRAP tax	**(897)**			
Foreign taxes	**(2,587)**		**(917)**	
Total deferred taxes	**41,793**		**(19,328)**	
Income from the tax consolidation scheme	**175,008**		**96,892**	
Other	**(171)**		**(6)**	
TOTAL INCOME TAXES	**203,724**		**76,641**	

15. Property, plant and equipment (€2,331 thousand)

The opening and closing balances of this caption and changes therein are shown in the table below. The assets' estimated useful lives did not change during the year.

(€'000)

	Land and buildings	Industrial and commercial equipment	Other assets	Assets under construction and payments on account	Total
Historical cost	72,291	56	9,145	1,227	82,719
Depreciation and impairment losses	(21,948)	(56)	(5,953)		(27,957)
Grants			(14)		(14)
Balance at 1.1.2023	**50,343**	**0**	**3,178**	**1,227**	**54,748**
Investments				2,138	2,138
Placement in service	900		1,725	(2,625)	
Depreciation	(1,218)		(893)		(2,111)
Disposals and divestments			(1,667)	(223)	(1,890)
Other reclassifications	20		15	(21)	14
Total changes	**(298)**	**0**	**(820)**	**(731)**	**(1,849)**
Historical cost	73,128	56	5,710	496	79,390
Depreciation and impairment losses	(23,083)	(56)	(3,338)		(26,477)
Grants			(14)		(14)
Balance at 31.12.2023	**50,045**	**0**	**2,358**	**496**	**52,899**
Investments				279	279
Placement in service			646	(646)	
Depreciation	(15)		(631)		(646)
Disposals and divestments	(49,839)		(252)		(50,091)
Other changes			(5)	(105)	(110)
Total changes	**(49,854)**	**0**	**(241)**	**(473)**	**(50,568)**
Historical cost	373	56	6,025	23	6,477
Depreciation and impairment losses	(182)	(56)	(3,894)		(4,132)
Grants			(14)		(14)
Balance at 31.12.2024	**191**	**0**	**2,117**	**23**	**2,331**

The total change in property, plant and equipment, amounting to €50,568 thousand, was mainly due to the intercompany sale of the real estate business units from 15 January 2024. For more details, please refer to the chapter on "Main Events" in the Directors' Report.

16. Investment property (€0 thousand)

The caption at 31 December 2024 and changes therein are shown in the table below.

(€'000)

	31.12.2024		31.12.2023	
	Land	**Buildings**	**Land**	**Buildings**
Balance at 1 January				
Cost	357,680	454,888	358,657	451,671
of which:				
Accumulated depreciation	(37,150)	(239,715)	(37,152)	(233,397)
Loss allowance	(113,358)	(33,613)	(114,269)	(33,821)
Carrying amount	**207,171**	**181,561**	**207,236**	**184,453**
Changes of the year				
Increases				3,655
Reclassifications			(65)	(7)
Depreciation				(6,541)
Disposals	(207,171)	(181,561)		
Total changes	**(207,171)**	**(181,561)**	**(65)**	**(2,893)**
Balance at 31 December				
Cost			357,680	454,888
of which:				
Accumulated depreciation			(37,150)	(239,715)
Loss allowance			(113,358)	(33,613)
Carrying amount	**0**	**0**	**207,171**	**181,561**

At 31 December 2023 this caption included land and buildings leased to Group companies and third parties, as well as land and buildings transferred following the intercompany sale of the Company's real estate business unit.

17. Right-of-use assets (€191 thousand)

The table below shows the changes in right-of-use assets during 2024:

(€'000)

Right-of-use assets	Buildings	Plant and equipment	Total
Historical cost	584	15	599
Depreciation and impairment losses	(166)	(10)	(176)
Balance at 31.12.2023	**418**	**5**	**423**
Depreciation	(141)	(5)	(146)
Contract termination	(125)		(125)
Other reclassifications	39		39
Total changes	**(227)**	**(5)**	**(232)**
Historical cost	373		373
Depreciation and impairment losses	(182)		(182)
Balance at 31.12.2024	**191**	**0**	**191**

Lease liabilities and the related changes of the year are shown below:

(€'000)

Changes in lease liabilities	2024
Lease liabilities at 1 January	**423**
Recognition of new right-of-use assets	(38)
Recognition of financial expense	11
Payments	(244)
Oher reclassifications	39
Lease liabilities at 31 December	**191**

The following table shows the impacts on profit or loss:

valori in mila euro

Impacts on profit or loss	2024
Depreciation of right-of-use assets	146
Interest expense on lease liabilities	11
Lease liabilities outside the scope of IFRS 16	6,365
Total impacts on profit or loss	**6,522**

18. Intangible assets (€938 thousand)

This caption exclusively comprises costs incurred for software creation and development related mainly to the Group's IT systems.

Opening and closing balances are shown in the table below.

(€'000)

	Concessions, licences, trademarks and similar rights	Assets under development and payments on account	Total
Historical cost	242,844	5,116	247,960
Amortisation and impairment losses	(189,868)		(189,868)
Grants	(10,090)		(10,090)
Balance at 1.1.2023	**42,886**	**5,116**	**48,002**
Investments		4,924	4,924
Placement in service	6,733	(6,733)	
Amortisation	(8,497)		(8,497)
Disposals and divestments	(40,581)	(2,628)	(43,209)
Other reclassifications		(42)	(42)
Total changes	**(42,346)**	**(4,478)**	**(46,824)**
Historical cost	1,941	638	2,580
Amortisation and impairment losses	(1,401)		(1,401)
Balance at 31.12.2023	**540**	**638**	**1,178**
Investments		635	635
Placement in service	687	(687)	
Amortisation	(139)		(139)
Disposals and divestments	(150)	(586)	(736)
Reclassifications from/to "Assets held for sale"			
Total changes	**398**	**(638)**	**(241)**
Historical cost	2,034		2,034
Amortisation and impairment losses	(1,096)		(1,096)
Balance at 31.12.2024	**938**	**0**	**938**

During June 2024, a contract was entered into for an additional sale of IT assets, inherent and functional to the performance of ICT Services to FS Group companies, to the subsidiary FS Technology for a net book value of €150 thousand.

During the year, investments amounted to €635 thousand. They mainly relate to the acquisition and development of Group IT applications in the commercial, administrative, management and cyber security fields.

19. Deferred tax assets and deferred tax liabilities (€49,215 thousand)

The table below shows deferred tax assets and deferred tax liabilities at 31 December 2024 and changes of the year due to the main temporary differences between carrying amounts and the related tax amounts.

(€'000)

	31.12.2023	Incr.(decr.) through profit or loss	Other changes	31.12.2024
Deferred tax assets				
Assets and Inventories	134,631		(134,631)	
Provision for risks	9,964	43	(6,426)	3,581
Post-employment benefits	2			2
Other	8,912	42,596	(2,865)	48,643
Total deferred tax assets	**153,510**	**42,639**	**(143,922)**	**52,226**
Deferred tax liabilities				
Provision for deferred tax liabilities				
Assets and inventories	65,893		(65,893)	
Other	2,154	846	11	3,011
Total provision for deferred tax liabilities	**68,048**	**846**	**(65,882)**	**3,011**
Net deferred tax assets	**85,462**	**41,793**	**(78,040)**	**49,215**
Provision for IRES tax consolidation scheme	61,822		(61,822)	
Provision for tax consolidation scheme	**61,822**	**0**	**(61,822)**	**0**

This caption mainly relates to the deferred deductibility applied to provisions for risks and charges and the effects of IFRS 9 FTA.
The net increase of +€41,793 thousand in deferred tax assets and liabilities in 2024 was mainly due to the accruals and uses of the provision for risks and charges, and of the provision for bad debts, and for dividends recognised in 2024 and not yet collected; other changes of -€78,040 thousand mainly refer (-€78,029 thousand) to the decrease due to the disposal of the Company's real estate assets as from 15 January 2024 and residually (-€11 thousand) to other amounts recognised in equity which reflect the changes in the actuarial reserves.
The provision for IRES tax consolidation scheme was used in full during the year to partially cover the losses transferred by the subsidiaries that participate in the tax consolidation scheme.

20. Equity investments (€38,798,167 thousand)

The tables below show the opening and closing balances of **equity investments**, broken down by category, and changes therein in 2024 and 2023.

(€'000)

	Carrying amount 31.12.2024	Carrying amount 31.12.2023	Cumulative loss allowance
Investments in:			
Subsidiaries	38,633,677	38,058,055	364,147
Associates	53,369	53,369	
Joint arrangements	95,120	95,120	
Other companies	16,001	15,871	
Total investments	**38,798,167**	**38,222,414**	**364,147**

The table below shows the changes in the caption that were recorded in 2024.

(€'000)

	Carrying amount 31.12.2023	Changes of the year				Carrying amount 31.12.2024	Cumulative loss allowance
		Acquisitions/subscriptions	Impairment losses/gains	Reclassifications	Other changes		
Investments in subsidiaries							
Anas SpA	2,745,741					2,745,741	118,000
Fercredit SpA	31,413					31,413	
Ferservizi SpA	8,378					8,378	
Mercitalia Logistic SpA	516,321					516,321	202,170
Nuova Sistemi Urbani SpA	0	624,407			(624,407)	0	
FS Sistemi Urbani SpA	534,094				624,407	1,158,500	
Grandi Stazioni Immobiliare SpA	616	11,300				11,916	
Italcertifer SpA	738					738	
Italferr SpA	8,047					8,047	
RFI SpA	32,463,899					32,463,899	
Trenitalia SpA	1,607,137					1,607,137	
Busitalia - Sita nord Srl	48,226					48,226	37,148
Tav Srl in liquidazione	50	50	(50)			50	
FSTechnology SpA	27,578					27,578	
Ferrovie del Sud Est e Servizi Automobilistici – FSE Srl	60,084		13,216	(73,300)			
FS Italian Railways USA Inc	3,034					3,034	
FS Saudi Arabia for Land Transport LLC	2,199					2,199	
FS International SpA							6,830
FS Security SpA	500					500	
	38,058,055	**635,757**	**13,166**	**(73,300)**	**0**	**38,633,677**	**364,147**
Investments in associates							
Metro 5 SpA	30,308					30,308	
Ferrovie Nord Milano SpA	23,061					23,061	
	53,369	**0**	**0**	**0**	**0**	**53,369**	**0**
Investments in joint arrangements							
T.E.L.T. Sas	95,120	503,480			(503,480)	95,120	
	95,120	**503,480**	**0**	**0**	**(503,480)**	**95,120**	**0**
Other companies							
BCC Bureau Central de Clearing	7					7	
Eurofima SA	14,583					14,583	
Hit Rail B.V.	97					97	
Isfort SpA	61					61	
Treccani SpA	1,000					1,000	
Italiacamp Srl	23					23	
ROAD - Rome Advanced District Road	100	100				200	
Sita SpA in liquidation (*)						0	
Consorzio Sagitta		30				30	
	15,871	**130**				**16,001**	
Total investments	**38,222,414**	**1,139,367**	**13,166**	**(73,300)**	**(503,480)**	**38,798,167**	**364,147**

(*) On 30 December 2024 the Extraordinary Shareholders' Meeting of Sita revoked the state of liquidation, which will become effective on 18 March 2025.

Below are the changes that occurred in 2024:

FS Sistemi Urbani – On 10 January 2024 a deed of demerger by spin-off was signed pursuant to Article 2506.1 of the Italian Civil Code, effective from 15 January 2024, involving part of FS's assets with allocation to a newly-established beneficiary company - Nuova Sistemi Urbani -, which was subsequently merged into FS Sistemi Urbani, in execution of the resolution passed by FS' Extraordinary Shareholders' Meeting on 29 November 2023. As a result of the transaction, there was a reduction of €624,407 thousand in the relevant share capital in FS, and the simultaneous allocation of a capital reserve of the same amount as a contra-entry of the equity investment in the Beneficiary company, obtained as a result of the transfer of the demerged complex. For more details, please refer to the chapter on "Main Events" in the Directors' Report.

Grandi Stazioni Immobiliari – On 11 November 2024, FS (already holding 60% of shares) completed the acquisition of 40% of the investment through the purchase and sale of the stakes held by Eurostazioni for a consideration of €11,300 thousand.

TAV Srl in liquidation – On 20 March 2024 the Shareholders' Meeting resolved to cover past and liquidation losses, and to close the liquidation with repayment of all the debts of the company, replenishing, for a consideration, the amount of €50 thousand as a capital contribution on the part of the Sole Quotaholder (contribution to cover remaining losses). On 20 December 2024, TAV's Quotaholders' Meeting approved the final liquidation balance sheet and distribution plan, and on 24 January 2025 TAV was deleted from the Register of Companies.

Ferrovie Sud Est – On 5 August 2024, the Council of State's judgment was published, as a result of which the conditions prescribed by IFRS 10 with regard to the FS Group's control over FSE ceased to apply and, therefore, the company was excluded from the scope of consolidation as from that date. The value of the equity investment, amounting to €73,300 thousand, corresponding to the capital increase made in 2018, was reinstated by the amount written down in 2023 as a result of an impairment test. This value was fully reclassified as a financial receivable to current financial assets and subsequently written down. For more details, please also refer to the chapter "Main events" in the Directors' Report.

TELT – The equity investment recorded an increase of €503,480 thousand, which was entirely offset by the increase in the grants related to assets received from the MIT for financial investments as per chapter 7532, with reference to the Government Programme Contract 2021-2029 for the financing, design and construction of the new Turin-Lyon railway line.

ENI Road – There was an increase in the equity investment following the payment (+€100 thousand) for the payment of FS's annual fees as a co-founding partner in Eni SpA's "Road" project aimed at creating a technology district of public-private entities to foster the development of innovative energy transition projects.

Consorzio Sagitta – The investment was recognised against the payment of the consortium quota of €30 thousand with which FS Holding holds an interest of 20% to establish the Sagitta Consortium, which aims to coordinate the activities of its members in order to convey a "Made in Italy" offering of IT solutions and products in the transport and logistics sector.

Changes in 2023.

(€'000)

	Carrying amount 31.12.2022	Changes for the period				Carrying amount 31.12.2023	Cumulative loss allowance
		Acquisitions/ subscriptions	Impairment losses/ gains	Reclassifications	Other changes		
Investments in subsidiaries							
Anas SpA	2,863,741		(118,000)			2,745,741	118,000
Fercredit SpA	31,413					31,413	
Ferservizi SpA	8,378					8,378	
Mercitalia Logitics SpA	222,628	293,693				516,321	202,169
FS Sistemi Urbani SpA	534,094					534,094	
Grandi Stazioni Immobiliare SpA	616					616	
Italcertifer SpA	738					738	
Italferr SpA	8,047					8,047	
RFI SpA	32,463,899					32,463,899	
Trenitalia SpA	1,607,137					1,607,137	
Busitalia - Sita nord Srl	48,226					48,226	37,148
Tav Srl in liquidation	50					50	
FS Technology SpA	27,578					27,578	
Ferrovie del Sud Est e Servizi Automobilistici - FSE Srl	73,300		(13,216)			60,084	13,216
FS Italian Railways USA Inc	3,034					3,034	
FS Saudi Arabia for Land Transport LLC	2,199					2,199	
FS International SpA							6,830
FS Security SpA	500					500	
	37,895,578	**293,693**	**(131,216)**	**0**	**0**	**38,058,055**	**377,363**
Investments in associates							
Metro 5 SpA	30,308					30,308	
Ferrovie Nord Milano SpA	23,061					23,061	
	53,369	**0**	**0**	**0**	**0**	**53,369**	**0**
Investments in joint arrangements							
T.E.L.T. Sas	95,120	452,640			(452,640)	95,120	
	95,120	**452,640**	**0**	**0**	**(452,640)**	**95,120**	**0**
Other companies							
BCC Bureau Central de Clearing	7					7	
Eurofima SA	14,583					14,583	
Hit Rail B.V.	97					97	
Isfort SpA	61					61	
Treccani S.p.A.	1,000					1,000	
Italiacamp Srl	23					23	
ROAD - Rome Advanced District Road		100				100	
Sita SpA in liquidation							
	15,771	**100**				**15,871**	
Total investments	**38,059,838**	**746,433**	**(131,216)**	**0**	**(452,640)**	**38,222,414**	**377,363**

The table below provides a list of investments in subsidiaries, associates and joint arrangements, and a comparison of carrying amounts with the corresponding share of equity.

(€'000)

	HQ	Share/ quota capital	Profit (loss) for the period	Equity at 31.12.2024	% of investment	Share of equity (a)	Carrying amount at 31.12.2024 (b)	Difference (b) - (a)
Investments in subsidiaries								
Anas SpA	Rome	2,269,892	(92,011)	2,189,966	100.00%	2,189,966	2,745,741	555,775
Fercredit SpA	Rome	32,500	16,622	104,098	100.00%	104,098	31,413	(72,685)
Ferservizi SpA	Rome	8,170	6,729	36,349	100.00%	36,349	8,378	(27,972)
Mercitalia Logitics SpA	Rome	385,295	(94,012)	317,322	100.00%	317,322	516,321	198,999
FS Sistemi Urbani Srl	Rome	532,784	85,819	1,301,915	100.00%	1,301,915	1,158,500	(143,415)
Grandi Stazioni Immobiliare SpA	Rome	4,000	(972)	31,554	100.00%	31,554	11,916	(19,638)
Italcertifer SpA	Florence	480	1,343	17,644	55.66%	9,821	737	(9,083)
Italferr SpA	Rome	14,186	52,102	125,710	100.00%	125,710	8,047	(117,662)
RFI SpA	Rome	31,528,425	(99,078)	33,912,044	100.00%	33,912,044	32,463,899	(1,448,144)
Trenitalia SpA	Rome	1,607,138	155,272	3,091,044	100.00%	3,091,044	1,607,138	(1,483,906)
Busitalia - Sita Nord Srl	Rome	73,000	2,225	77,968	100.00%	77,968	48,226	(29,742)
TAV Srl in liquidazione	Rome	50	(52)	(20)	100.00%	(20)	50	70
FSTechnology SpA	Rome	27,578	500	43,271	100.00%	43,271	27,578	(15,693)
FS Italian Railways USA Inc	San Francisco	3,001	(52)	3,185	100.00%	3,185	3,034	(152)
FS Saudi Arabia for								
Land Transport LLC	Riyadh	2,662	268	3,214	100.00%	3,214	2,199	(1,015)
FS International SpA	Rome	2,740	(510)	2,229	100.00%	2,229		(2,229)
FS Security SpA	Rome	500	1,915	5,434	100,00%	5,434	500	(4,934)
Total						**41,255,103**	**38,633,677**	**(2,621,426)**
Investments in associates								
Metro 5 SpA	Milan	53,300	19,880	218,515	36.70%	80,195	30,308	(49,887)
Ferrovie Nord Milano SpA (*)	Milan	230,000	14,237	417,345	14.74%	61,517	23,061	(38,456)
Total						**141,712**	**53,369**	**(88,343)**
Investments in joint arrangements								
T.E.L.T. Sas (**)	Le Bourget du Lac	1,000	0	3,814,105	50.00%	1,907,052	95,121	(1,811,932)
Total						**1,907,052**	**95,121**	**(1,811,932)**
TOTAL INVESTMENTS						**43,303,867**	**38,782,166**	**(4,521,700)**

(*) Figures are drawn from the 2023 financial statements
(**) Reclassification of the governments grants related to assets disbursed to the former parent RFI SpA up to 2006 and reclassified in accordance with the Group's accounting policies (as per IAS 20.27). These grants are used to finance the studies and preliminary works for the construction of the international section of the Turin-Lyon railway line. They are not presented in equity in accordance with French GAAP.

As of the reporting date, the Directors assessed whether there was evidence of any impairment losses on all equity investments. Where there is evidence of any impairment loss, the recoverable value of these equity investments was tested by comparing their carrying value and their value in use, which was determined in accordance with methodologies appropriate to each case and circumstance.

The table below shows the methodology and discount rates used for impairment testing purposes, following the identification of any evidence of impairment losses.

(€'000)

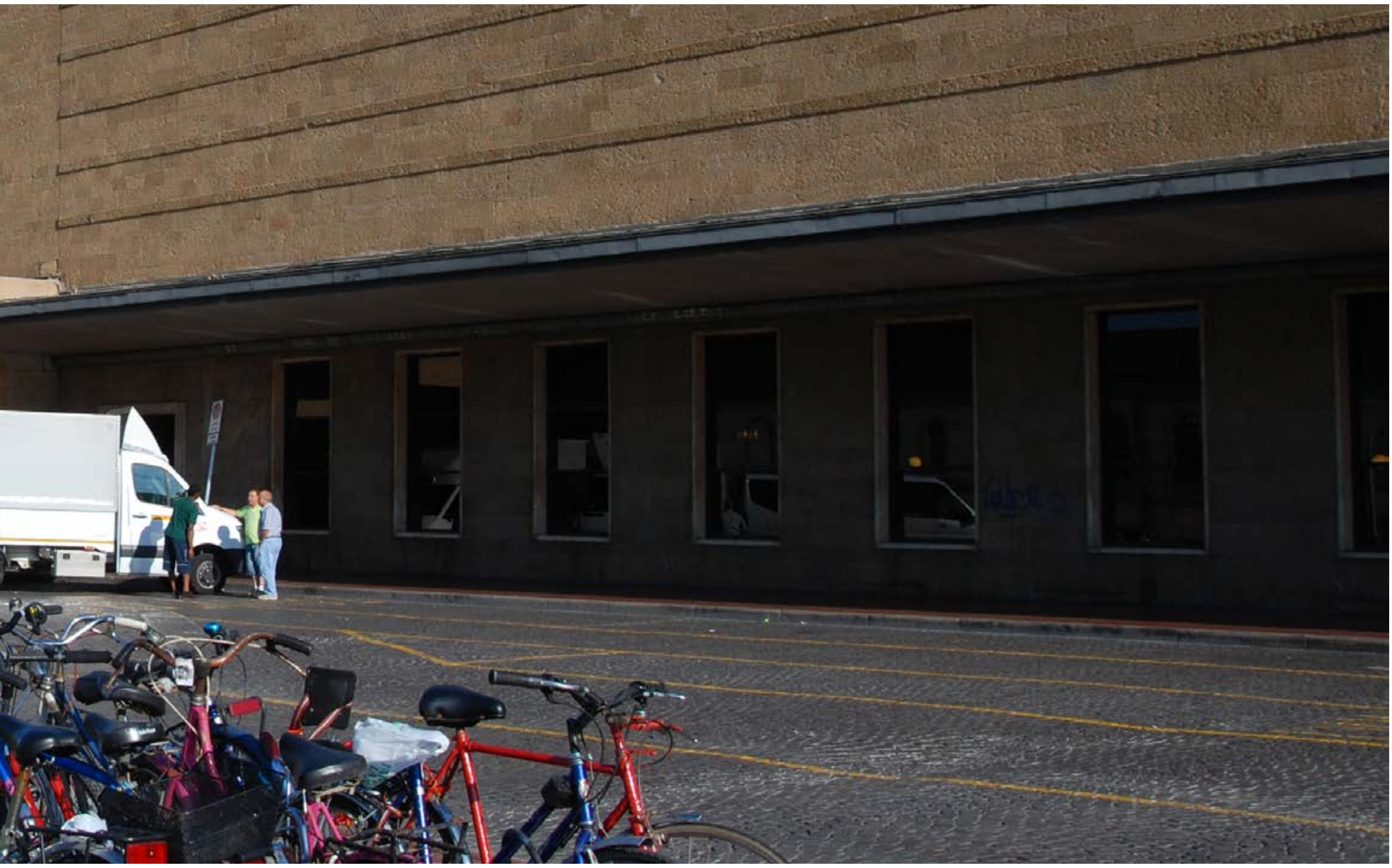
CGU	Carrying amount at 31.12.2024	Tasso di attualizzazione (WACC)	Growth Rate
Anas SpA	2,745,741	516,321	
Mercitalia Logitics SpA	516,321	6.28%	1.50%

The following companies have been recognised at carrying amounts above the corresponding portion of equity:

- for Anas, the Directors considered it appropriate to verify the recoverability of the investment's carrying amount by means of an impairment test, which was prepared based on the cash flows of the economic and financial plan 2025-2052 approved by Anas' Board of Directors in March 2025. Specifically, the value configuration used to determine the recoverable value of the cash-generating unit is the "value in use," calculated, in this case, using cash flow projections based on the Plan's financial forecasts, considered for an explicit period up to 2052, assuming the adjustment to the Concession term until that date, currently expiring on 31 December 2032, based on the regulatory developments previously described in paragraph 24 - Intangible assets of the Consolidated Financial Statements to which reference should be made. The flows under the plan are based on the following assumptions: a) the values of investments up to 2034 were determined by taking into account

the investments that are currently being made and the overall project portfolio of the Government Programme Contract 2021-2025; b) the values of investments in subsequent years were estimated by taking into account a slight reduction, with growth only due to the price adjustment provided for in the economic frameworks; c) any costs related to investments were estimated with the same assumptions as above; and d) the other cost items were estimated based on the expected growth in inflation.For the purpose of determining recoverable value, an estimate of the discounted residual value (terminal value) was also included, based on the assumption that it is equal to the Regulatory Net Invested Capital at the end of the Concession term. The expected cash flows from the CGU were discounted based on a discount rate ("WACC") of 4.9%, which was deemed adequate to discount these cash flows. The impairment test showed no impairment losses on the investment to be reflected in the financial statements at 31 December 2024. In taking into account the key assumptions above, the sensitivity analysis with respect to the discount rate (WACC +/-0.5%), all other things being equal, would result in a write-down of €67,000 thousand in the first case and a positive value (headroom) of €197,000 thousand in the second case. Should any and future developments lead to different considerations and results than expected, the carrying amount of the investment could be reduced based on the cash flows reported under an EFP reworked accordingly.

- Mercitalia Logistics was tested for impairment in 2024, whose cash flows were determined based on the best information available at the time of the estimate and inferable for the explicit period from the Business Plan for the period 2025-2029 approved by the Company's Board of Directors. Specifically, the value in use was estimated by applying the Discounted Cash Flow method, by means of the formula that considers the discounting of analytically expected flows over the horizon of the duration of the forecast plans and the determination, where possible by analysing individual businesses, of a terminal value after that time horizon. The average cost of invested capital (WACC) at 31 December 2024 was 6.28% The impairment test yielded a negative result and therefore no impairment was recorded in the financial statements. Sensitivity analysis with respect to the discount rate and growth rate (+/- 50 basis points) showed no significant effects on the results of the evaluations performed.



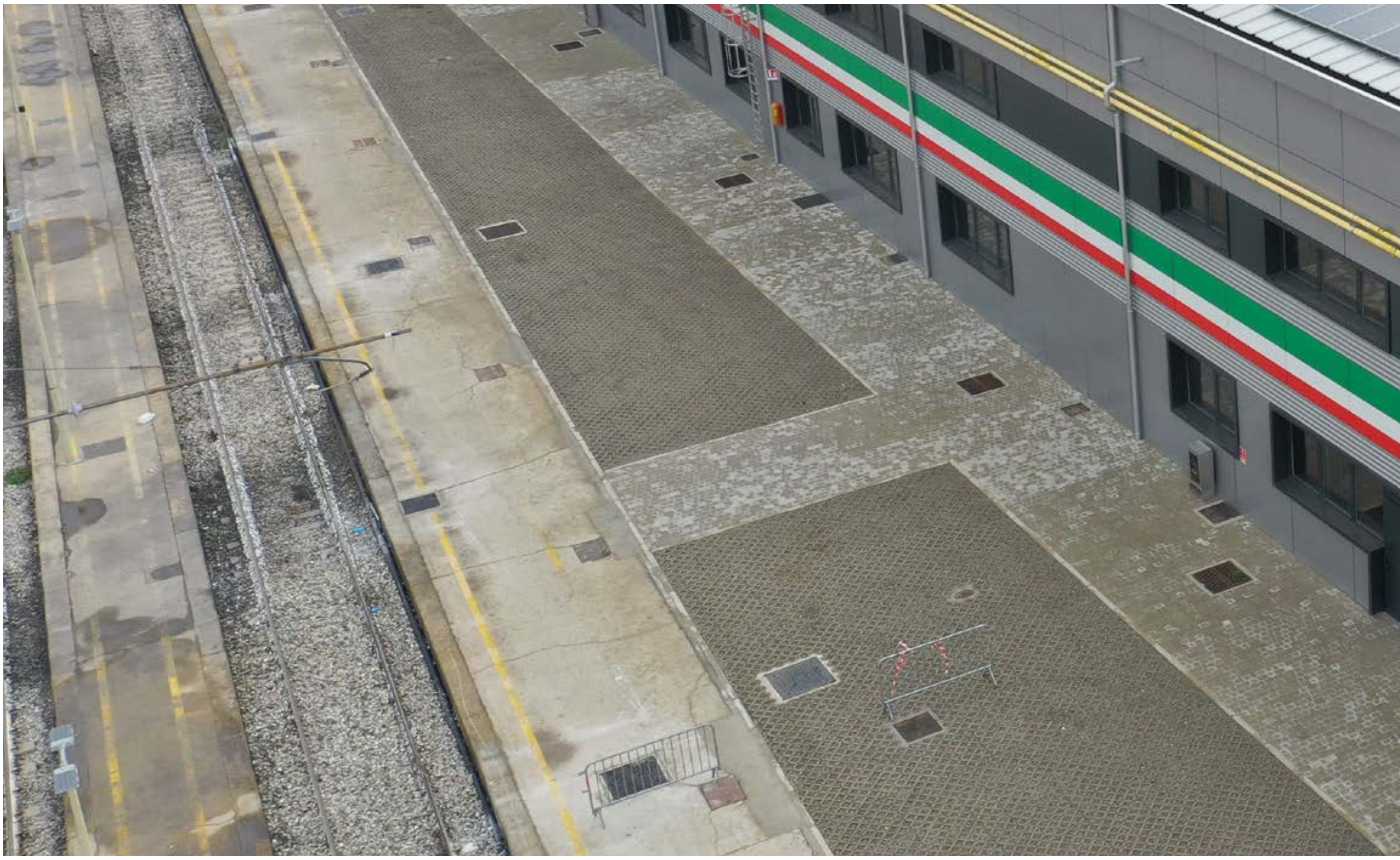
The table below summarises the main statement of financial position and income statement captions of associates and joint arrangements. Figures are drawn from the 2024 and 2023 financial statements.

Investments in joint arrangements 31.12.2024	% of investment	Current assets	Non-current assets	Assets held for sale
Investments in associates				
FNM SpA (*)	14.74%	336,927	1,108,324	
Metro 5 SpA	36.70%	122,585	581,335	
Investments in joint arrangements				
T.E.L.T. Sas	50.00%	1,469,129	4,177,913	

(*) These figures are drawn from the 2023 financial statements

Investments in associates and joint arrangements 31.12.2023	% of investment	Current assets	Non-current assets	Assets held for sale
Investments in associates				
FNM SpA (*)	14.74%	166,483	1,141,792	3,912
Metro 5 SpA	36.70%	117,710	600,753	
Investments in joint arrangements				
T.E.L.T. Sas (**)	50.00%	493,810	3,137,405	

(*) These figures are drawn from the 2022 financial statements
(**) In the current financial year, data were classified differently, and data from the previous year were also reclassified for the purpose of better comparability



(€'000)

Total assets	Current liabilities	Non-current liabilities	Total liabilities	Revenue	Costs	Profit (loss)
1,445,250	355,420	672,485	1,027,905	119,965	105,728	14,237
703,920	90,540	394,859	485,399	84,256	64,367	19,889
5,647,042	1,463,074	4,183,101	5,646,175	14,440	14,440	

(€'000)

Total assets	Current liabilities	Non-current liabilities	Total liabilities	Revenue	Costs	Profit (loss)
1,312,187	218,593	680,467	899,060	85,478	77,448	8,031
718,463	89,965	417,359	507,324	81,308	61,691	19,618
3,631,215	456,480	3,173,868	3,630,348	12,651	12,651	

21. Non-current and current financial assets (including derivatives) (€16,416,881 thousand)

The table below gives a breakdown of this caption at the end of the two financial years under comparison.

(€'000)

	Carrying amount								
	31.12.2024			31.12.2023			Changes		
	Non current	Current	Total	Non current	Current	Total	Non current	Current	Total
Hedging derivatives		367	367		277	277		90	90
Non-current loans and borrowings	9,008,865	1,851,123	10,859,988	10,068,753	1,273,332	11,342,085	(1,059,888)	577,791	(482,097)
Current loans		5,544,344	5,544,344		2,535,396	2,535,396		3,008,948	3,008,948
Other loans	3,964	8,218	12,182	1,234	2,908	4,142	2,730	5,310	8,040
Total non-current and current financial assets	**9,012,829**	**7,404,052**	**16,416,881**	**10,069,986**	**3,811,913**	**13,881,899**	**(1,057,158)**	**3,592,139**	**2,534,981**

Financial assets showed a total increase of €2,534,981 thousand overall in 2024.

Non-current loans and borrowings at 31 December 2024 refer to the loans granted to Group companies, mainly to the subsidiaries RFI and Trenitalia for a total of €9,750,073 thousand, including €7,118,618 thousand in connection with the Euro Medium Term Notes Programme and €1,992,900 thousand in connection with the Eurofima programme. The balance is net of the loss allowance of €6,767 thousand.
During the year, the Company granted medium-/long-term loans totalling €317,226 thousand mainly to Trenitalia, FS Technology, TX Logistics, Qbuzz, Treni Turistici Italiani, Terminal Alptransit and Busitalia Sita Nord.
These increases are offset by the repayments made by Group companies during the year for an overall total of €729,345 thousand, mainly attributable to RFI, Trenitalia, Mercitalia Rail, Busitalia Sita Nord, FS Technology, TX Logistics, Bluferries, Mercitalia Intermodal and Hellenic Trains.
During the year, following the Council of State's ruling of 5 August 2024, the conditions prescribed by IFRS 10 with regard to the FS Group's control over the investee Ferrovie del Sud Est ceased to apply, and therefore the company was excluded from the scope of consolidation as from that date. The loans granted to it, previously stated as "Medium/long-term loans" to subsidiaries, have been reclassified as "Receivables for short-term loans" from third parties for a total of €81,260 thousand. For more details, please refer to the chapter on "Main events" in the Directors' Report.
The increase of €3,008,948 thousand in receivables for "Current loans" during the year was essentially due to the higher short-term borrowing granted to the Group companies, net of the repayments for the year for a total amount of €2,858,208 thousand and to the increase in receivables for interest accrued and not paid for an amount of €1,354 thousand. This item also included receipts in-transit related to the Central State Treasury Account in the amount of €149,386 thousand at 31 December 2024.
As previously described, the item includes the increase due to the reclassification of the loan granted to Ferrovie del Sud Est in the amount of €81,260 thousand and the amount of the equity investment reclassified to financial receivables in the amount of €73,300 thousand plus interest in the amount of €21,167 thousand. The item already included a short-term receivable of €14,047 thousand claimed from Ferrovie del Sud Est. The total receivable amounting to €189,774 thousand was written down in full following the assessment of recoverability according to IFRS 9.

In accordance with Article 2467 of the Italian Civil Code, loans granted whose repayment is subordinated to the satisfaction of other creditors amount to a total €269,115 thousand.

The increase of €8,040 thousand in "Other loans" was mainly due to the higher financial receivables from credit institutions to take out the new committed and revolving credit line during 2024, the funds of which are used to meet the Group's liquidity requirements and which have been allocated through intercompany loans to subsidiaries. Specifically, the item includes prepaid expenses for upfront fees related to committed credit lines.

For more information regarding the most significant financial transactions during the year, please refer to the paragraph on "Main events" of the Directors' Report.

22. Other non-current and current assets (€2,306,438 thousand)

(€'000)

	31.12.2024			31.12.2023			Changes		
	Non current	Current	Total	Non current	Current	Total	Non current	Current	Total
Other assets from Group companies		448,255	448,255	1	262,394	262,395	(1)	185,861	185,860
VAT assets	5,504		5,504	6,141		6,141	(637)		(637)
MIT	1,718,541	71,836	1,790,376	1,786,186	507,670	2,293,856	(67,646)	(435,834)	(503,480)
Other government authorities		14	14	11	21	32	(11)	(7)	(17)
Sundry assets and prepayments and accrued income	14,847	8,622	23,469	1,288	3,915	5,203	13,559	4,707	18,266
Tax consolidation receivables		41,372	41,372		7,345	7,345		34,026	34,026
Total	**1,738,891**	**570,098**	**2,308,989**	**1,793,627**	**781,345**	**2,574,972**	**(54,735)**	**(211,247)**	**(265,982)**
Loss allowance	(1,128)	(1,423)	(2,551)	(1,074)	(1,609)	(2,683)	(54)	186	132
Total Other assets	**1,737,763**	**568,675**	**2,306,438**	**1,792,553**	**779,736**	**2,572,289**	**(54,789)**	**(211,061)**	**(265,850)**

The caption recorded a total decrease of €265,850 thousand due to the following changes:

- an increase of €185,860 thousand in "Other assets from Group companies" due to the combined effect of an increase in receivables from RFI for the 2023 dividend (+€100,000 thousand), an increase in receivables from RFI and FS Sistemi Urbani for the disposal of Scalo Farini - San Cristoforo railway yards (+€108,121 thousand), for which reference should be made to the chapter on "Main events" in the Directors' Report, offset by a reduction in receivables for amounts collected and received by the Group (-€11,879 thousand) and a reduction in Group VAT receivables (-€10,382 thousand);
- a decrease in receivables from "MIT", which refer to the transfer made to TELT Sas for the construction of the Turin - Lyon railway line, under chapter 7532, for amounts collected and received during the year for a total of €503,480 thousand. The transfer of grants from MIT to TELT Sas is already described in Note 20 - Equity investments;
- an increase of €18,266 thousand in "Sundry assets and prepayments and accrued income", mainly attributable to the Riyadh Metro contract for setting aside a guarantee deposit (+€13,667 thousand) as security for the execution of the works and higher tax receivables for foreign taxes to be recovered (+€5,269 thousand);
- an increase of €34,026 thousand in "Tax consolidation receivables" due to higher taxes received from Group companies: for more details, please refer to Note 14 – Current and deferred taxes for the period;
- an increase of €132 thousand in "Loss allowance" compared to the previous period, which reflects the adjustment to the impairment of other assets following the application of IFRS 9.

The table below shows assets broken down by geographical segment:

(€'000)

	31.12.2024	31.12.2023	Changes
Italy	2,294,417	2,573,030	(278,613)
Eurozone countries	325	1,614	(1,289)
United Kingdom	81	155	(74)
Other non-EU European countries	1	8	(7)
United States	30	151	(121)
Other countries	14,135	14	14,121
Total Current and non-current assets	**2,308,989**	**2,574,972**	**(265,983)**

23. Inventories (€0 thousand)

(€'000)

	31.12.2024	31.12.2023	Changes
Land and buildings held for trading		502,976	(502,976)
Loss allowance		(168,950)	168,950
Total Inventories	**0**	**334,026**	**(334,026)**

Following the disposal of the Company's real estate assets, inventories, which entirely consist of properties held for sale, were transferred as described above.

24. Non-current and current trade receivables (€179,546 thousand)

(€'000)

	31.12.2024			31.12.2023			Changes		
	Non current	Current	Total	Non current	Current	Total	Non current	Current	Total
Ordinary customers		13,671	13,671	2,564	175,567	178,131	(2,564)	(161,896)	(164,460)
Government authorities and other public authorities		2,842	2,841		4,244	4,244		(1,402)	(1,402)
Group companies	17,970	150,842	168,812		212,863	212,863	17,970	(62,021)	(44,051)
Total	**17,970**	**167,355**	**185,324**	**2,564**	**392,674**	**395,238**	**15,406**	**(225,319)**	**(209,913)**
Loss allowance		(5,779)	(5,779)	(10)	(21,687)	(21,697)	10	15,908	15,918
Total trade receivables	**17,970**	**161,576**	**179,546**	**2,554**	**370,987**	**373,541**	**15,416**	**(209,411)**	**(193,995)**

The caption recorded a decrease of €209,913 thousand in 2024, mainly due to the amounts collected and received which were mostly related to the Metro Riyadh contract (€138,394 thousand), and partly due to services rendered by the FS Holding Company (€32,139 thousand). The further change amounting to €39,380 thousand was attributable to the demerger of the real estate business unit of FS, which became effective as from January 2024.
The nature of receivables from related parties is detailed in Note 40 – Related Party Transactions.
"Loss allowance" showed a total decrease of €15,918 thousand compared to the previous period. This change includes the reduction in the provision due to the assignment of receivables related to the real estate business unit (€18,000 thousand) and the adjustment to the write-down of trade receivables due to the application of IFRS 9 accounting standard in the amount of -€2,169 thousand.

The maximum exposure to credit risk, broken down by geographical segment, is as follows:

(€'000)

	31.12.2024	31.12.2023	Changes
Italy	176,010	246,148	(70,138)
Eurozone countries	1,523	1,596	(73)
United Kingdom	62	59	3
Other non-Euro EU European countries		7	(7)
Other non-EU European countries	24		24
Other countries	7,705	147,428	(139,723)
Total Non-current and current trade receivables	**185,324**	**395,238**	**(209,913)**

25. Cash and cash equivalents (€313,420 thousand)

(€'000)

	31.12.2024	31.12.2023	Changes
Bank and postal accounts	263,955	1,403,189	(1,139,234)
Cash and cash on hand	24	25	(1)
Central State Treasury Account	49,583	101,717	(52,134)
Total	**313,562**	**1,504,931**	**(1,191,369)**
Loss allowance	(142)	(570)	428
Total net of the loss allowance	**313,420**	**1,504,361**	**(1,190,941)**

The decrease in the item at 31 December 2024 amounted to €1,190,941 thousand and was mainly attributable to a decrease of €1,139,234 thousand in bank and postal accounts, due to the use of the funding raised in December 2023 and used during 2024, as well as to a reduction of €52,135 thousand in the funds available on the Central State Treasury account.
For more details on the change in the balance, please refer to the cash flow statement.

26. Tax assets (€81,699 thousand)

Tax assets amounted to €81,699 thousand in 2024, down by €9,140 thousand on the balance at 31 December 2023, mainly refer for €99,240 thousand to IRES tax credits arising from tax consolidation and Group withholding taxes, net of a Loss Allowance recognised for €17,541 thousand in 2024 to cover the withholding tax receivable claimed in relation to previous years.

27. Equity (€40,191,205 thousand)

Changes in the main equity captions in 2024 and 2023 are shown in the statement of changes in equity.

Share capital

FS Italiane's share capital at 31 December 2024 was entirely subscribed and paid up and consisted of 31,062,952,307 ordinary shares with a nominal amount of €1 each, for a total of €31,062,952,307.

Specifically, it should be noted that during 2024:

- the demerger by spin-off of the real estate business unit resulted in a reduction in the share capital by €624,407 thousand and at the same time the recognition of an equity reserve of the same amount as a contra-entry of the equity investment first in Nuova Sistemi Urbani, which was subsequently merged into FS Sistemi Urbani;
- on 25 March 2024, the reduction of FS Italiane's share capital was completed pursuant to Article 2445 of the Italian Civil Code in execution of the remodulation of FS Italiane's Shareholders' equity, as resolved on by the Shareholders' Meeting of 29 November 2023; therefore, FS Italiane's share capital decreased from €38,579,767 thousand (already net of the reduction of €624,407 thousand in share capital mentioned above) to €31,062,952 thousand;
- the accounting transactions described above did not have any impact on the total value of FS Italiane's Shareholders' Equity; for further details, please refer to the chapter on "Main events" in the Directors' Report.

Legal reserve

This reserve amounted to €6,212,590 thousand at 31 December 2024, up by €6,141,221 thousand as a result of the remodulation transaction described above, following which the legal reserve reached a percentage of 5% of the share capital.

Other reserves

As a result of the above-described transactions of demerger by spin-off and remodulation of shareholders' equity, a reserve of €2,000,000 thousand was set aside, which is available in full.

Valuation reserves

They include the effects of actuarial gains and losses on post-employment benefits (TFR), the Free Travel Card (CLC) and the Fair Value change on Derivatives. As at 31 December 2024 the reserve, net of tax effect, amounted to a total of €298 thousand.

Retained earnings

This caption of €915,364 thousand refers to the allocation of part of the 2023 profit and prior year profits.

Profit for the year

2024 ended with a profit of €431,134 thousand.

The origin, availability and distributability of equity captions are shown below.

(€'000)

	Balance at 31.12.2024 (a+b)	Unavailable portion (a)	Available portion (b)	Possibility of use
Share capital	**31,062,952**	**31,062,952**		
Legal reserve	6,212,590	6,212,590		B
Other reserves	2,000,000	2,000,000		A, B, C
Cash Flow Hedge reserve	(88)			A, B
Reserve for actuarial gains (losses) for employee benefits	386		386	A, B
Retained earnings	915,364		915,364	A,B,C
Total	**40,191,205**	**39,275,543**	**915,750**	

Key:
A: capital increase
B: coverage of losses
C: dividends

28. Non-current and current loans and borrowings (€14,448,657 thousand)

Details on the amounts and terms and conditions of the Company's loans measured at amortised cost are as follows:

(€'000)

	Carrying amount		
Non-current loans and borrowings, net of the current portion	**31.12.2024**	**31.12.2023**	**Changes**
Bonds	7,720,998	9,113,353	(1,392,355)
Bank loans and borrowings	1,417,016	1,067,409	349,607
Total	**9,138,014**	**10,180,763**	**(1,042,749)**

(€'000)

	Carrying amount		
Loans and borrowings and current portion of non-current loans and borrowings	**31.12.2024**	**31.12.2023**	**Changes**
Bonds (current portion)	1,597,360	456,325	1,141,035
Bank loans and borrowings (current portion)	3,713,275	2,744,958	968,317
Loans and borrowings from Group companies (current portion)	8	5	3
Total	**5,310,643**	**3,201,288**	**2,109,355**
Total Loans and borrowings	**14,448,657**	**13,382,051**	**1,066,606**

In 2024, the amount of "Bonds" (both current and non-current portions) decreased by €251,320 thousand due to the repayments made in the total amount of €353,732 thousand, and reduced interest expense on bonds in the amount of €3,831 thousand. These decreases were offset by the subscription of a new bond under the EMTN (Euro Medium Term Notes) Programme, which was fully subscribed by the European Investment Bank (EIB), in the amount of €100,000 thousand at a floating rate and a term of 12 years.
It should be noted that the caption decreased as a result of the periodic valuation of the Fair Value Hedge derivative, which generated a differential of €2,736 thousand in the period.

For more information regarding the most significant financial transactions during the year, please refer to the paragraph on "Main events" of the Directors' Report.

"Banks loans and borrowings" (both current and non-current portions) showed an increase of €1,317,924 thousand, mainly as the combined and opposing effect of the following elements:

- on 15 January 2024, as part of the assignment of the real estate business unit of FS in favour of the subsidiary Nuova Sistemi Urbani, the latter received the transfer of two bank loans signed with Caixa and Intesa Sanpaolo for a total of €200,000 thousand, previously held by FS;
- five loan agreements were signed for a total amount of €350,000 thousand with maturities by 2029;
- work commenced on the launch of the Euro-Commercial Paper (ECP) programme: as at 31 December 2024, the Company had made 10 issues of ECPs with a debt of €320,000 thousand;
- capital quotas were repaid for loans, financed by Intesa San Paolo, Unicredit and BPM in the amount of €500,000 thousand;
- there was an increase in short-term funding for €1,350,692 thousand related to the liquidity and operational requirements of the Group.

The terms and conditions of all non-current loans and borrowings, including the current portion, are summarised in the table below:

(€'000)

				31.12.2024		31.12.2023	
Creditor	Currency	Nominal interest rate	Year of maturity	Nominal amount	Carrying amount	Nominal amount	Carrying amount
EUROFIMA SERIES 13	EUR	6M Euribor + Spread	2026	190,000	190,676	190,000	191,000
EUROFIMA SERIES 14	EUR	6M Euribor + Spread	2026	100,000	100,356	100,000	100,526
EUROFIMA SERIES 15	EUR	6M Euribor + Spread	2027	128,700	129,765	128,700	130,072
EUROFIMA SERIES 16	EUR	6M Euribor + Spread	2026	116,000	116,414	116,000	116,612
EUROFIMA SERIES 18	EUR	6M Euribor + Spread	2024			122,200	122,742
EUROFIMA SERIES 19	EUR	6M Euribor + Spread	2027	65,700	66,246	65,700	66,403
EUROFIMA SERIES 26	EUR	6M Euribor + Spread	2025	42,500	43,339	42,500	43,375
EUROFIMA SERIES 27	EUR	6M Euribor + Spread	2034	200,000	201,493	200,000	201,980
EUROFIMA SERIES 28	EUR	6M Euribor + Spread	2034	200,000	201,461	200,000	201,947
EUROFIMA SERIES 29	EUR	6M Euribor + Spread	2030	200,000	200,702	200,000	201,014
EUROFIMA SERIES 30	EUR	6M Euribor + Spread	2034	240,000	241,844	240,000	242,428
EUROFIMA SERIES 31	EUR	6M Euribor + Spread	2041	250,000	251,532	250,000	252,093
EUROFIMA SERIES 32	EUR	6M Euribor + Spread	2034	160,000	161,169	160,000	161,558
EUROFIMA SERIES 33	EUR	6M Euribor + Spread	2033	100,000	100,128	100,000	100,162
EMTN PROGR. TR. 3	EUR	6M Euribor + Spread	2025	300,000	300,031	300,000	300,126
EMTN PROGR. TR. 5	EUR	Fixed rate 1.65%	2031	49,895	50,256	49,879	50,240
EMTN PROGR. TR. 6	EUR	Fixed rate 1.50%	2025	999,781	1,007,507	999,340	1,007,045
EMTN PROGR. TR. 8	EUR	6M Euribor + Spread	2025	100,000	100,085	100,000	100,144
EMTN PROGR. TR. 9	EUR	6M Euribor + Spread	2030	200,000	202,252	200,000	202,729
EMTN PROGR. TR. 10	EUR	Fixed rate 1.12%	2026	699,844	703,641	699,738	703,525
EMTN PROGR. TR. 11	EUR	Fixed rate 1.03%	2029	99,912	100,329	99,892	100,308
EMTN PROGR. TR. 12	EUR	6M Euribor + Spread	2029	140,000	140,124	140,000	140,093
EMTN PROGR. TR. 13	EUR	6M Euribor + Spread	2024			190,000	190,117
EMTN PROGR. TR. 14	EUR	6M Euribor + Spread	2032	100,000	102,061	112,500	115,003
EMTN PROGR. TR. 15	EUR	Fixed rate 0.64%	2030	250,000	250,123	250,000	250,123
EMTN PROGR. TR. 17	EUR	Fixed rate 0.37%	2028	997,287	1,000,184	996,465	999,354
EMTN PROGR. TR. 18	EUR	6M Euribor + Spread	2029	316,129	316,386	338,710	338,922
EMTN PROGR. TR. 19	EUR	6M Euribor + Spread	2039	193,548	197,908	200,000	204,870
EMTN PROGR. TR. 20	EUR	Fixed rate 3.75%	2027	1,097,525	1,127,135	1,096,455	1,125,983
EMTN PROGR. TR. 21	EUR	Fixed rate 4.125%	2029	597,341	612,462	596,780	611,860
EMTN PROGR. TR. 22	EUR	Fixed rate 4.5%	2033	495,234	508,981	494,763	508,472
EMTN PROGR. TR. 23	EUR	6M Euribor + Spread	2040	500,000	500,946	500,000	501,390
EMTN PROGR. TR. 24	EUR	6M Euribor + Spread	2040	100,000	100,298		
TLTRO (ISP)	EUR	6M Euribor + Spread	2024			199,936	200,214
TLTRO (ISP)	EUR	6M Euribor + Spread	2024			49,978	50,106
TLTRO (UNICREDIT)	EUR	6M Euribor + Spread	2024			199,953	200,298
TLTRO BPM	EUR	6M Euribor + Spread	2024			99,986	100,035
TLTRO CAIXA	EUR	6M Euribor + Spread	2024			149,940	150,187
CAIXA loan	EUR	6M Euribor + Spread	2029	99,762	101,807	149,655	152,792

(€'000)

Creditor	Currency	Nominal interest rate	Year of maturity	31.12.2024 Nominal amount	31.12.2024 Carrying amount	31.12.2023 Nominal amount	31.12.2023 Carrying amount
CAIXA loan	EUR	6M Euribor + Spread	2028	149,726	152,598	99,717	101,940
BNL loan	EUR	6M Euribor + Spread	2026	99,871	100,313	99,808	100,423
Unicredit loan	EUR	6M Euribor + Spread	2028	299,467	301,045	299,413	301,503
BPER loan	EUR	6M Euribor + Spread	2028	119,713	120,345	119,648	120,484
BBVA loan	EUR	6M Euribor + Spread	2028	99,721	100,245	99,658	100,352
CA-CIB loan	EUR	6M Euribor + Spread	2028	199,602	200,615	199,511	200,839
BNL loan	EUR	6M Euribor + Spread	2029	59,826	60,214		
Barclays loan	EUR	6M Euribor + Spread	2027	49,927	50,232		
ING loan	EUR	6M Euribor + Spread	2029	69,762	70,154		
Unicredit loan	EUR	6M Euribor + Spread	2029	69,784	70,220		
BPM loan	EUR	6M Euribor + Spread	2028	99,854	100,210		
Total loans and borrowings (*)				**10,646,412**	**10,753,831**	**11,246,824**	

(*) As at 31 December 2024, the carrying amount of loans and borrowings did not include current funding of €3,702,294 thousand, and the -€9,801 thousand adjustment to financial liabilities for fair value hedges. The balance at 31 December 2023 excluded current funding of €2,033,193 thousand and the -€12,536 thousand adjustment to financial liabilities for fair value hedges, as well as financial payables to group companies for €5 thousand.

The table below analyses the net financial position, shown in the reclassified statement of financial position, as presented in the 2024 directors' report compared with 31 December 2023:

(€'000)

Net financial position (debt)	31.12.2024	31.12.2023	Change
Current net financial debt	**(1,522,980)**	**(898,966)**	**(624,014)**
Central State Treasury Account	(49,535)	(101,653)	52,118
Derivatives	1,069	1,353	(284)
Bank loans and borrowings	3,713,275	2,744,958	968,317
Bonds	1,597,360	456,325	1,141,035
IntraGroup current account	874,032	1,204,684	(330,652)
Borrowings	(7,403,685)	(3,811,636)	(3,592,049)
Bank and postal accounts	(263,885)	(1,402,708)	1,138,823
Current financial liabilities - IFRS 16	83	169	(85)
Other financial liabilities	8,306	9,542	(1,236)
Net non-current financial position (debt)	**136,686**	**123,685**	**13,001**
Derivatives	9,916	12,654	(2,737)
Bank loans and borrowings	1,417,016	1,067,409	349,607
Bonds	7,720,998	9,113,353	(1,392,356)
Loans	(9,011,353)	(10,069,986)	1,058,634
Non-current financial liabilities - IFRS 16	109	255	(147)
Total	**(1,386,294)**	**(775,281)**	**(611,014)**

Pursuant to the amendments to IAS 7, the reconciliation between the total changes in financial assets and liabilities broken down by monetary and non-monetary items is given below.

(€'000)

Cash flows generated by / (used in) financing activities	31.12.2023	Monetary items (statement of cash flows)	IntraGroup current account	Non-monetary items		31.12.2024
				IFRS 9	Other	
Cash and cash equivalents	(1,504,361)	1,190,940				(313,420)
Disbursement and repayment of current and non-current loans	13,382,051	1,266,900			(200,294)	14,448,657
Change in other financial assets	(13,881,899)	(2,461,987)	(1,049)	1,444	(73,390)	(16,416,882)
Change in other financial liabilities	1,228,928	2,095	(330,446)		(5,226)	895,350
Total	**(775,281)**	**(2,052)**	**(331,496)**	**1,444**	**(278,910)**	**(1,386,294)**

29. Employee benefits (€4,192 thousand)

(€'000)

	31.12.2024	31.12.2023
Present value of post-employment benefit obligations	3,984	4,284
Present value of Free Travel Card obligations	208	221
Total present value of obligations	**4,192**	**4,505**

Changes in the present value of liabilities for defined benefit obligations for post-employment benefits and the Free Travel Card (excluding other employee benefits) are shown in the table below.

(€'000)

	31.12.2024	21.12.2023
Defined benefit obligations at 1 January	4,505	5,364
Service Costs	5	4
Interest cost (*)	156	183
Actuarial (gains) losses recognised in equity (**)	(56)	41
- from changes in demographic assumptions	(10)	
- from changes in financial assumptions	(35)	117
- arising from past experience	(11)	(75)
Advances, utilisations and other changes	(418)	(1,087)
Total defined benefit obligations	**4,192**	**4,505**

(*) with recognition through P&L
(**) net of tax effects

The decrease in the provision for post-employment benefits and the Free Travel Card (approximately €313 thousand) mainly refers to:
- the benefits paid to personnel who left the Company during the year (-€315 thousand) and transfers of employees to and from other Group companies (-€88 thousand);
- the difference between the expected accrued amount at the end of the observation period and the expected present value of the benefits payable in the future as recalculated at the end of the period and considering the updated valuation assumptions, which represents the actuarial gains/losses. This calculation generated an actuarial loss of €56 thousand compared to the loss of €41 thousand generated in 2023.

Actuarial assumptions

The main assumptions for the actuarial estimate process are described below.

(€'000)

	31.12.2024	21.12.2023
Discount rate (post-employment benefits)	3.18%	3.08%
Discount rate (Free Travel Card)	3.38%	3.17%
Annual rate of increase in post-employment benefits (Year x+1)	3.00%	3.00%
Inflation rate (post-employment benefits (Year +1)	2.00%	2.00%
Inflation rate (Free Travel Card) (Year +1)	2.00%	2.00%
Expected turnover rate for employees	3.00%	3.00%
Expected rate of advances	2.00%	2.00%
Probability of death	RG48 mortality rate published by the General Accounting Office	
Disability	INPS tables broken down by gender and age	
Retirement age	100% upon meeting the Compulsory general insurance requirements	

The following table shows the results of the sensitivity analysis performed to assess the effects that would have been recorded in terms of changes in the present value of liabilities for defined benefit obligations, following reasonably possible changes in actuarial assumptions. The last table shows the average duration of the defined benefit obligations and the disbursements provided by the plan.

(€'000)

	Post-employment benefits	CLC
Inflation rate +0.25%	4,023	215
Inflation rate -0.25%	3,944	200
Discount rate +0.25%	3,922	202
Discount rate -0.25%	4,047	214
Turnover rate +1%	3,994	
Turnover rate -1%	3,972	
Service Cost		5
Plan duration	7	13
Payment - first year	685	16
Payment - second year	334	16
Payment - third year	182	15
Payment - fourth year	337	15
Payment - fifth year	264	15

30. Provisions for risks and charges (€12,109 thousand)

The opening and the closing balances of, and changes in, the provisions for risks and charges in the year are given below.

(€'000)

Description	31.12.2023	Accruals	Utilisations and Other changes	Release of excess provisions	31.12.2024
Provision for early retirement incentive (*)	8,300	10,000	(8,300)		10,000
Bilateral fund for income assistance	522			(522)	0
Litigation with employees	67	15	(4)	(3)	75
Litigation with third parties	5,967		(5,553)		414
Other sundry provisions	18,841	1,620	(16,180)	(2,662)	1,620
Total provision for risks and charges	**33,697**	**11,635**	**(30,037)**	**(3,186)**	**12,109**

* for reporting purposes, the balance of the bilateral fund for income assistance referring to the change management process has been reclassified to a dedicated "Provision for early retirement incentive."

The "Provision for early retirement incentive" mainly covers the probable estimated charges to be incurred for managers involved in the change management process, previously included within the "Bilateral fund for income assistance." The balance of the provision at 31 December 2024 was attributable to the amounts set aside during the reporting period and their uses; for more details, please refer to Note 6 - Personnel expense.

The "Bilateral fund for income assistance" set aside for the pursuit of active income support policies was released during 2024 since the related projects activated in previous years had come to an end.

The "Provision for litigation with employees", set aside to cover probable expenses due to litigation with employees, was used for €4 thousand for unfavourable rulings. Furthermore, additional provisions were set aside in the amount of €15 thousand in the year and releases were made for excess funds in the amount of €3 thousand.

The "Provision for litigation with third parties" was accrued to cover probable expenses due to the third-party litigation. This provision was reduced as a result of the disposal of the company's real estate business unit. For more details, please refer to the chapter on "Main events" in the Directors' Report.

"Other sundry provisions" related to provisions for other future risks and charges. The provision was reduced as a result of the disposal of a business unit of the company's real estate assets, and the release attributable to the favourable settlement of contractual issues with an investee company of the FS Holding Company. The remaining balance of the provision at 31 December 2024 was attributable to provisions set aside for contractual requirements related to personnel costs.

31. Non-current and current financial liabilities (including derivatives) (€895,350 thousand)

valori in mila euro

	Carrying amount								
	31.12.2024			31.12.2023			Change		
	Non current	Current	Total	Non current	Current	Total	Non current	Current	Total
Hedging derivatives	9,916	1,437	11,352	12,654	1,630	14,284	(2,738)	(193)	(2,931)
Lease liabilities	108	83	192	255	169	424	(147)	(86)	(233)
Other financial liabilities	1,477	882,329	883,806		1,214,221	1,214,221	1,477	(331,892)	(330,415)
Total financial liabilities	**11,501**	**883,849**	**895,350**	**12,909**	**1,216,019**	**1,228,928**	**(1,408)**	**(332,171)**	**(333,579)**

The decrease in "Other financial liabilities" was mainly due to the lower liability to the Group companies managed under a cash pooling arrangement, which transfer liquid assets into the FS account on a daily basis.

The decrease in "Hedging derivatives" includes the smaller liability deriving from the measurement of derivatives hedging financial risk in accordance with IFRS 13. In particular, based on the nature of the hedged risks, the Company has cash flow hedge and fair value hedge relationships. Following the valuation carried out at 31 December 2024, the item decreased by €2,931 thousand, which was substantially attributable to the trend in rates over the reporting period.

Lease liabilities of €192 thousand consist of the financial liability recognised in accordance with IFRS 16.

32. Other non-current and current liabilities (€2,058,349 thousand)

(€'000)

	Carrying amount								
	31.12.2024			31.12.2023			Change		
	Non current	Current	Total	Non current	Current	Total	Non current	Current	Total
Advances for grants	1,718,541	71,836	1,790,376	1,786,186	507,670	2,293,856	(67,646)	(435,834)	(503,480)
VAT liabilities		426	426		681	681		(255)	(255)
Social security charges payable		5,735	5,735		5,732	5,732		3	3
Other liabilities with Group companies	8,081	191,411	199,491	10,018	82,275	92,293	(1,937)	109,136	107,198
Other liabilities and accrued expen-ses and deferred income	3,018	48,242	51,259	5,069	53,108	58,178	(2,052)	(4,867)	(6,918)
Liabilities for tax consolidation	0	11,061	11,061	0	10,845	10,845		215	215
Total other liabilities	**1,729,639**	**328,710**	**2,058,349**	**1,801,273**	**660,311**	**2,461,584**	**(71,635)**	**(331,601)**	**(403,236)**

This caption showed a decrease of €403,236 thousand as a result of the following changes:

- "Advances for grants" are entirely related to the resources allocated to the construction of the Turin - Lyon railway line. The decrease on the previous year end (-€503,480 thousand) mirrors the decrease in the amounts due from the MIT; for more details, please refer to Note 22 – Other non-current and current assets;
- "Other liabilities with Group companies" showed an increase of €107,198 thousand, mainly due to the increase in payables to RFI related to the disposal of Scalo Farini - San Cristoforo railway yards (+€108,121 thousand); for more details, please refer to Note 22 - Other non-current and current assets, and the chapter on "Main events" in the Directors' Report, offset by a reduction in payables to the Group following the demerger of the real estate business unit;
- "Other liabilities and accrued expenses and deferred income" showed a decrease of €6,918 thousand, mainly due to a decrease in tax payables for foreign VAT to be paid (-€3,437 thousand) attributable to the Riyadh contract and in a residual part to a reduction in other payables following the demerger of the real estate business unit;
- "Liabilities for tax consolidation" showed an increase of €215 thousand; for more details, please refer to Note 14 – Current and deferred taxes.

33. Tax payables (€171 thousand)

Following the adoption of Council Directive (EU) 2022/2523 in Italy, providing for the mandatory application of the Pillar II/Global Minimum Tax according to the OECD framework in EU Member Countries, by means of Title II of Legislative Decree no. 209/2023, and subsequent implementing decrees, there was the recognition of tax liabilities of €171 thousand.
For more details, please refer to Note 19 – Current and deferred taxes in the Consolidated Financial Statements.

34. Current trade payables (€107,468 thousand)

(€'000)

	31.12.2024	31.12.2023	Changes
Suppliers	34,567	32,410	2,157
Advances	28,019	65,407	(37,388)
Group companies	44,882	46,078	(1,196)
Total Current trade payables	**107,468**	**143,895**	**(36,427)**

In 2024 trade payables shoed a decrease of €36,427 thousand as a result of the following changes:

- "Advances" showed a decrease of -€37,388 thousand, which mainly related to the Riyadh contract, and was attributable to the combined effect of the recognition of accrued revenues for +€95,168, offset by the advances invoiced during the year (-€61,602 thousand). The remaining change was attributable to the demerger of FS Italiane's real estate business unit (-€4,008 thousand), and an increase in advances from ordinary customers (+€184 thousand);
- "Group companies" showed a decrease of €1,196 thousand as the combined result of an increase in payables related to the Riyadh contract (+€12,782 thousand), and a reduction in payables arising from the demerger of FS Italiane's real estate business unit (-€11,887 thousand), and, for the remaining amount (-€2,091 thousand) to a reduction in trade payables to Group companies.
  The nature of liabilities with related parties are described in Note 40 Related party transactions;
- "Suppliers" showed an increase of +€2,157 thousand and were mainly linked to an increase in costs for services, for which please refer to Note 8 – Services.

35. Financial risk management

The activities that the Company carries out expose it to various types of risks arising from the use of financial receivables that include market risk (interest rate and currency risk), liquidity risk and credit risk.
Financial assets and financial liabilities measured in accordance with IFRS 9 may be analysed as follows.

(€'000)

	31.12.2024	31.12.2023
Trade receivables at amortised cost	179,546	373,541
Cash and cash equivalents at amortised cost	313,420	1,504,361
Other assets at amortised cost	2,253,439	2,558,095
Other financial assets	**16,416,881**	**13,881,899**
- At amortised cost	16,416,514	13,881,622
- Derivatives at FVOCI		13
- Derivatives at FVTPL	367	264
Total financial assets (*)	**19,163,286**	**18,317,896**
Loans and borrowings at amortised cost	14,448,657	13,382,051
Trade payables at amortised cost	107,468	143,895
Other liabilities at amortised cost	2,036,139	2,434,412
Other financial liabilities:	**893,876**	**1,228,928**
- At amortised cost	882,523	1,214,645
- Derivatives at FVOCI	1,552	1,747
- Derivatives at FVTPL	9,801	12,536
Total financial liabilities (*)	**17,486,139**	**17,189,286**

(*) The caption does not include all tax assets and liabilities

This section provides information on the Company's exposure to each of the risks listed above, the objectives, policies and processes for the management of these risks and the methods used to assess them, as well as capital management.
Risk management focuses on the volatility of financial markets and is aimed at minimising potential undesired effects on the company's financial position, performance and cash flows.
To complete financial risk information, the table below gives a reconciliation between financial assets and liabilities as reported in the statement of financial position and the categories of financial assets and liabilities identified pursuant to IFRS 7. The figures shown in the statement of financial position match the financial assets and liabilities identified pursuant to IFRS 7, net of tax assets and equity investments. Furthermore, financial assets and liabilities include the respective hedging derivatives.

Credit risk

Credit risk is the risk that a customer or one of the counterparties of a financial instrument may cause a financial loss by not complying with an obligation. It mainly arises from loans with the public administration, trade receivables and the financial investments of the Company.
With regard to credit risk deriving from investing activities, the company applies a liquidity investment policy which is centrally managed by the FS Holding Company and which defines:

- the minimum requirements of the financing counterparty in terms of creditworthiness and the related concentration thresholds; and
- the types of financial products that can be used.

With respect to the derivatives used for hedging purposes and which can potentially generate credit exposure to counterparties, the Company applies a specific policy that defines concentration thresholds by counterparty and credit rating.
With respect to the assessment of customers' credit risk, the company manages and analyses the risk of all new significant customers, regularly checks their commercial and financial exposure and monitors the collection of

receivables from the public administration within the contractually agreed timeframe.
The following tables shows the Company's exposure to credit risk at 31 December 2024, compared with that at 31 December 2023. For information about the gross balance and the loss allowance, reference should be made to the notes to the relevant captions.

(€'000)

	31.12.2024				
	Public administration	**Third-party customers**	**Financial institutions**	**Group companies**	**Total**
Trade receivables (current and non-current)	24	14,604		164,918	179,546
Other current and non-current assets	1,789,302	15,427		489,346	2,294,075
Current and non-current financial assets		178,513	444	16,237,924	16,416,881
Cash and cash equivalents			313,396		313,396
Total financial assets (*)	**1,789,326**	**208,544**	**313,840**	**16,892,188**	**19,203,898**

*Tax assets, prepayments and equity investments are not included

(€'000)

	31.12.2023				
	Public administration	**Third-party customers**	**Financial institutions**	**Group companies**	**Total**
Trade receivables (current and non-current)	111	162,895		210,535	373,541
Other current and non-current assets	2,292,632	2,424		269,585	2,564,641
Current and non-current financial assets		47,440	1,511	13,832,948	13,881,899
Cash and cash equivalents			1,504,336		1,504,336
Total financial assets (*)	**2,292,743**	**212,759**	**1,505,847**	**14,313,068**	**18,324,417**

*Tax assets and equity investments are not included

The tables below show a breakdown of financial assets at 31 December 2024 and 2023 by overdue amounts, net of the loss allowance.

(€'000)

	31.12.2024					
		Past due by				
	Not past due	**0-180**	**180-360**	**360-720**	**More than 720 days**	**Total**
Public administration	1,790,438				2,841	1,793,279
Loss allowance	(1,136)				(2,817)	(3,953)
Public administration (net)	**1,789,302**				**24**	**1,789,326**
Third party customers	200,763	197,506	66	6	1,518	399,859
Loss allowance	(1,140)	(189,774)			(401)	(191,315)
Third party customers (net)	**199,623**	**7,732**	**66**	**6**	**1,117**	**208,544**
Financial institutions	313,982					313,982
Loss allowance	(142)					(142)
Financial institutions (net)	**313,840**					**313,840**
Group companies	16,819,515	73,365	3,222	5,927	3,183	16,905,212
Loss allowance	(4,404)	(6,804)	(1,484)	(72)	(260)	(13,024)
Group companies (net)	**16,815,111**	**66,561**	**1,738**	**5,855**	**2,923**	**16,892,188**
Total Financial assets	**19,117,876**	**74,293**	**1,804**	**5,861**	**4,064**	**19,203,898**

(€'000)

31.12.2023						
	Past due by					
	Not past due	0-180	180-360	360-720	More than 720 days	Total
Public administration	2,296,445	78	22	12	1,763	2,298,320
Loss allowance	(3,827)			(4)	(1,746)	(5,577)
Public administration (net)	**2,292,618**	**78**	**22**	**8**	**17**	**2,292,743**
Third party customers (gross)	78,096	133,396	382	1,091	18,328	231,293
Loss allowance	(1,346)	(64)	(61)	(749)	(16,314)	(18,534)
Third party customers (net)	**76,750**	**133,332**	**321**	**342**	**2,014**	**212,759**
Financial institutions	1,506,417					1,506,417
Loss allowance	(570)					(570)
Financial institutions (net)	**1,505,847**					**1,505,847**
Group companies	14,216,770	66,912	32,850	1,831	3,717	14,322,080
Loss allowance	(9,007)				(5)	(9,012)
Group companies (net)	**14,207,763**	**66,912**	**32,850**	**1,831**	**3,711**	**14,313,068**
Total Financial assets	**18,082,978**	**200,322**	**33,193**	**2,181**	**5,742**	**18,324,417**

The total exposure and the impairment of each category, determined by risk class at 31 December 2024 and 2023, as per Fitch's rating, are shown below:

(€'000)

31.12.2024					
	FVTPL	FVOCI	Amortised cost		
		12-months expected credit losses	12-months expected credit losses	Lifetime not impaired	Lifetime impaired
from AAA to BBB-			16,813,628	2,407,439	190,874
from BB to BB+					392
Gross carrying amount			16,813,628	2,407,439	191,266
Loss allowance			13,196	3,970	191,266
Carrying amount	**0**	**0**	**16,800,432**	**(2,403,468)**	**0**

FVTPL = Fair value through profit and loss; FVOCI = Fair value through other comprehensive income

(€'000)

31.12.2023					
	FVTPL	FVOCI	Amortised cost		
		12-months expected credit losses	12-months expected credit losses	Lifetime not impaired	Lifetime impaired
from AAA to BBB-			18,178,720		5,835
from BB to BB+			155,350		18,205
Gross carrying amount			18,334,070		24,040
Loss allowance			33,693		
Carrying amount	**0**	**0**	**18,300,377**	**0**	**24,040**

FVTPL = Fair value through profit and loss; FVOCI = Fair value through other comprehensive income

Changes in the loss allowance may be analysed as follows:

(€'000)

31.12.2024	12-months expected credit losses	Lifetime not impaired	Lifetime-impaired	Total
Balance at 1 January 2024	**33,693**			**33,693**
Net revaluation of the loss allowance	(20,416)	3,970	191,266	174,820
Utilisation of the allowance	(80)			(80)
Balance at 31 December 2024	**13,197**	**3,970**	**191,266**	**208,433**

Liquidity risk

Liquidity risk is the risk that an entity may have difficulties in complying with the obligations associated with financial liabilities to be settled by delivering cash or another financial asset. Cash flows, cash requirements and the liquidity of Group companies are generally monitored and centrally managed by the Finance & Investor Relations department of the FS Holding Company to ensure efficient and effective management of financial resources.

The FS Holding Company adopts asset liability management techniques in collecting debt and loan principal from the Group companies, and its objective is the prudent management of the liquidity risk arising from ordinary operations.

In order to meet potential and temporary cash requirements, the FS Holding Company can access different sources of funding that grant the Group flexibility in short-term funding.

In particular, the FS Holding Company:

- has entered into a Sustainability-linked Back-up Facility of €3.5 billion to meet general purposes. This revolving and committed backup credit facility expires on 18 June 2027;
- has numerous uncommitted credit lines granted by banks;
- has in place the Euro-Commercial Paper program for a maximum ceiling of €2 billion.

In addition, the FS Holding Company has in place an integrated and ongoing process for monitoring the Group's liquidity requirements, which allows for the implementation of targeted actions if short-term needs arise.

The table below shows the due dates of financial liabilities, including interest to be paid:

(€'000)

31 December 2024	6 months or less	6-12 months	1-2 years	2-5 years	After 5 years	Total
Non-derivative financial liabilities						
Bonds	1,204,643	536,874	1,369,084	3,849,375	3,617,000	10,576,976
Bank loans and borrowings	3,730,754	23,361	374,237	1,143,413		5,271,764
Financial liabilities	882,329		1,477			883,806
Lease liabilities	45	45	89	22		201
Financial payables to Group companies	8					8
Non-derivative financial liabilities	**5,817,779**	**560,280**	**1,744,887**	**4,992,810**	**3,617,000**	**16,732,755**
Trade payables	**107,468**					**107,468**
Derivative financial liabilities	**1,552**					**1,552**
Total financial liabilities	**5,926,799**	**560,280**	**1,744,887**	**4,992,810**	**3,617,000**	**16,841,775**

(€'000)

31 December 2023	6 months or less	6-12 months	1-2 years	2-5 years	After 5 years	Total
Non-derivative financial liabilities						
Bonds	624,565	1,180,013	1,076,617	4,246,037	3,826,768	10,954,000
Bank loans and borrowings	2,797,387	16,888	142,143	894,449	101,498	3,952,365
Financial liabilities	1,214,221					1,214,221
Lease liabilities	121	92	135	131		479
Financial payables to Group companies	5					5
Non-derivative financial liabilities	**4,636,299**	**1,196,993**	**1,218,895**	**5,140,617**	**3,928,266**	**16,120,594**
Trade payables	**143,895**					**143,895**
Derivative financial liabilities	**1,747**					**1,747**
Total financial liabilities	**4,781,941**	**1,196,993**	**1,218,895**	**5,140,617**	**3,928,266**	**16,266,236**

Derivative and non-derivative financial liabilities

The contractual flows of variable-rate loans have been calculated using the forward rates estimated at the reporting date. The amounts include both principal and interest.

The following table shows the repayments of financial liabilities within one year, 1-5 years and after five years.

(€'000)

31 December 2024	Carrying amount	Within one year	1-5 years	After 5 years
Bonds	9,318,358	1,497,360	4,668,467	3,152,531
Bank loans and borrowings	5,130,291	3,712,286	1,418,005	
Lease liabilities	192	89	112	
Financial payables to Group companies	8	8		
Financial liabilities	883,806	882,329	1,477	
Non-derivative financial liabilities	**15,332,655**	**6,092,072**	**6,088,061**	**3,152,531**
Trade payables	**107,468**	**107,468**	**0**	**0**

(€'000)

31 December 2023	Carrying amount	Within one year	1-5 years	After 5 years
Bonds	9,569,679	1,467,121	4,727,721	3,374,837
Bank loans and borrowings	3,812,367	2,744,001	968,393	99,973
Lease liabilities	424	169	255	
Financial payables to Group companies	5			
Financial liabilities	1,214,221	1,219,226		
Non-derivative financial liabilities	**14,596,696**	**5,430,517**	**5,696,369**	**3,474,810**
Trade payables	**143,895**	**143,895**	**0**	**0**

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument may fluctuate following changes in market prices, due to changes in exchange rates, interest rates or prices of equity instruments. The objective of market risk management is to keep the Company's exposure to these risks within acceptable levels, while optimising returns on investments.

Among market risks, the Company is exposed to interest rate risk and in a limited manner to the exchange risk.

Interest rate risk

Based on asset-liability management practices, whereby FS Italiane raises debt on the market and lends almost all of it to Group companies, the Company is not generally exposed to the interest rate risk on non-current loans

and borrowings indexed to the variable rate. Indeed, the interest rate risk is almost entirely reversed through intraGroup loans.
Consequently, the Group companies which are mainly exposed to this risk (including Trenitalia SpA and RFI SpA) decided to enter into hedging transactions based on specific risk management polices approved by the relevant Boards of Directors and implemented with the technical and operational support of the FS Holding Company's Finance & Investor Relations function.
Despite the various customisations due to the financial and business characteristics of each company, the common objective of the applied policies is to limit cash flow fluctuations in financing transactions in place and, where possible, to exploit the opportunities to optimise borrowing costs offered by the indexing of variable-rate debt.
FS's interest rate hedging operations are limited to a few rare transactions.
The table below shows variable and fixed rate loans.

(€'000)

	Carrying amount	Contractual cash flows	Current portion	1 - 2 years	2 - 5 years	after 5 years
Variable rate	10,031,732	10,972,215	5,260,408	942,034	1,994,375	2,775,398
Fixed rate	5,300,922	5,760,540	1,117,762	802,763	2,998,413	841,602
Balance at 31 December 2024	**15,332,654**	**16,732,755**	**6,378,170**	**1,744,797**	**4,992,788**	**3,617,000**
Variable rate	8,949,140	9,833,090	4,550,629	1,088,121	1,450,976	2,743,364
Fixed rate	5,647,556	6,287,982	1,282,664	130,775	3,689,641	1,184,902
Balance at 31 December 2023	**14,596,696**	**16,121,072**	**5,833,293**	**1,218,896**	**5,140,617**	**3,928,266**

The following sensitivity analysis shows the effects that would have been recorded in terms of changes in interest expense had an increase or a decrease of 50 basis points in the Euribor interest rates affected loans in 2024.

	31.12.2024	31.12.2023
Before hedging with derivatives		
Variable rate	65.43%	61.31%
Fixed rate	34.57%	38.69%
After hedging with derivatives		
Variable rate	65.79%	61.91%
Fixed rate	34.21%	38.09%

(€'000)

	Shift + 50 bps	Shift - 50 bps
Higher/(lower) interest expense on variable-rate debt	(27,193)	27,193
(Higher)/lower interest income from loans	28,311	(28,316)
Net Cash Flow from hedging transactions	80	(81)
Total	**1,197**	**(1,203)**

(€'000)

	Shift + 50 bps	Shift – 50 bps
Fair value of hedging derivatives	(1,881)	1,937
Total	**(1,881)**	**1,937**

Potential sources of ineffectiveness of cash flow hedging relationships for FS may derive from a potential mismatch between the characteristics of the hedging instrument and the hedged item, or from the effect of the credit risk component on the changes in value of the hedging instrument and the hedged item.
In any case, no ineffectiveness is reported in hedging relationships in place or expiring in 2024, both in cash flow hedge and fair value hedge.

Currency risk

FS Italiane has granted an intercompany loan to Trenitalia UK, a subsidiary of Trenitalia, for a nominal amount of GBP 60,000 thousand. Currency forward hedging the currency risk was agreed in respect of FS Italiane's intraGroup loan to Trenitalia UK.

Capital management

The Company's main objective with respect to capital risk management is to safeguard its ability to continue as a going concern, while ensuring returns for the shareholder and benefits for the other stakeholders. The Company also intends to maintain an optimal capital structure in order to reduce the cost of debt.

36. Contingent assets and contingent liabilities

At the reporting date, there were no contingent assets or liabilities.

37. Other information

As in previous years, as at the date of presentation of these Financial Statements, the share capital of Eurofima SA with registered office in Basel, and in which the Company holds a 13.50% investment, was not entirely called up. Consequently, based on the following observations, this represents a financial commitment by the Company:
- the callable shares were last approved in 1997;
- the Swiss legislation allows callable shares to never be called up.

The callable share capital that FS holds amounts to CHF280,800,000 (€298,343 thousand at the exchange rate ruling on 31 December 2024).

As a result of the extraordinary meeting of Mercitalia Logistics held on 31 May 2023, the company's share capital was approved in the amount of €604,102,000 and €385,295,000 had been subscribed and paid up as at 31 December 2024.
On 27 February 2025, FS subscribed for an additional tranche of capital increase amounting to €96,000 thousand. As a result, the callable share capital as at the date of presentation of the Financial Report was €218,807 thousand.

38. Audit fees (€1,069 thousand)

Pursuant to article 37.16 of Legislative decree no. 39/2010 and letter 16-bis of article 2427 of the Italian Civil Code, the total fees due to the independent auditors and its network companies amount to €1,069 thousand, of which €439 thousand related to the statutory audit and €630 thousand to services other than the statutory audit.

39. Directors' and Statutory Auditors' fees (€1,309 thousand)

(€'000)

	2024	2023	Change
Directors	1,209	1,209	
Statutory Auditors	100	100	
Total	**1,309**	**1,309**	**0**

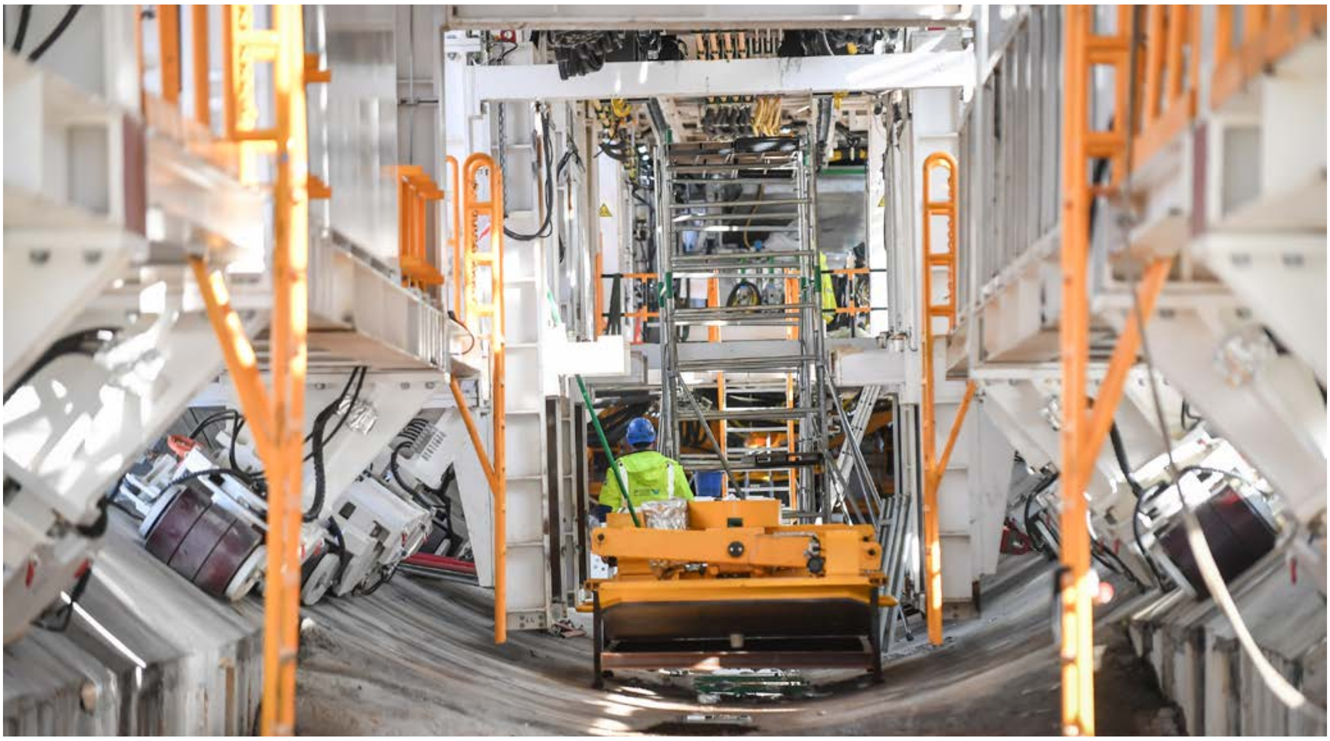
Directors' fees include the amounts envisaged for the positions of Chairperson, CEO and the remaining board members; the aforesaid fees include the fixed and variable components envisaged as per contract.
In addition to the above fees, the external member of the supervisory body received € 113 thousand. The fees to the representatives of the MEF (directors and statutory auditors) are transferred to such Ministry according to the rules applicable on the matter.

40. Related parties

(€'000)

	2024	2023
Short-term benefits	4,207	4,921
Post-employment benefits	346	350
Total benefits	**4,553**	**5,271**

The benefits relate to the sundry remuneration paid to executives with strategic responsibilities.
In addition to short-term benefits of €4,207 thousand paid out in 2024, a variable portion is still to be paid in 2024 for an amount not exceeding €2,120 thousand, once checks have been made on whether objectives have been reached for the financial year.
No other long-term benefits were paid to key managers.
During the year, the key managers did not carry out any transactions, directly or through close family members, with the Group, Group companies or other related parties.



Related party transactions

The main transactions between FS Italiane SpA and its related parties, which were all carried out on an arm's length basis, are described below.

(€'000)

	ASSETS	LIABILITIES
Subsidiaries		
Anas SpA	Company officers	Seconded employees
	Seconded employees	
	Reimbursements for external communication activities	
	Services provided by the parent	
Ataf Gestioni Srl	Company officers	
	Services provided by the parent	
Bluferries Srl	Services provided by the parent	
Busitalia Rail Service Srl	Company officers	
	Services provided by the parent	
Busitalia Sita Nord Srl	Brokerage	Seconded employees
	Company officers	
	Recharge of claims management services	
	Training reimbursements	
	Insurance refunds	
	Services provided by the parent	
Busitalia Veneto SpA	Company officers	
	Services provided by the parent	
Cremonesi Workshop Srl	Reimbursements for external communication activities	
Fercredit SpA	Brokerage	Other group services
	Company officers	
	Services provided by the parent	
Ferrovie del Sud Est e Servizi Automobilistici – FSE Srl	Company officers	Seconded employees
	Seconded employees	
	Services provided by the parent	
Ferservizi SpA	Brokerage	Seconded employees
	Company officers	Ticket purchase fees
	Recharge of claims management services	Facilities management
	Consultancy reimbursements	Administrative services
	Training reimbursements	Catering services
	Services provided by the parent	
FS International SpA	Brokerage	Seconded employees
	Company officers	
	Insurance refunds	
	Services provided by the parent	
FS Park SpA	Company officers	
	Reimbursements for external communication activities	
	Services provided by the parent	

(€'000)

	ASSETS	LIABILITIES
Subsidiaries		
FS Security SpA	Brokerage	Seconded employees
	Seconded employees	
	Reimbursements for professional services	
	Services provided by the parent	
FS Sistemi Urbani SpA	Services provided by the parent	Seconded employees
	Brokerage	Lease payment
	Company officers	Condominium expenses
	Recharge of external communication services	Recharge of utilities
	Recharge of claims management services	
	Training reimbursements	
	Insurance refunds	
FSTechnology SpA	Brokerage	Seconded employees
	Company officers	IT services
	Seconded employees	
	Training reimbursements	
	Insurance refund	
	Reimbursement of external communication expenses	
	Services provided by the parent	
FSI Saudi for Land Transport LLC	Brokerage	Seconded employees
	Seconded employees	
	Insurance refunds	
	Reimbursements of travel and accommodation	
	Services provided by the parent	
Grandi Stazioni Immobiliare SpA	Brokerage	
	Services provided by the parent	
Grandi Stazioni Rail SpA	Services provided by the parent	Occupancy allowance fees
		Facilities management
		Condominium expenses
Italcertifer SpA	Brokerage	Seconded employees
	Training reimbursements	
	Insurance refunds	
	Services provided by the parent	
Italferr SpA	Brokerage	Seconded employees
	Company officers	
	Recharge of claims management services	
	Training reimbursements	
	Insurance refunds	
	External communication services	
	Services provided by the parent	

(€'000)

	ASSETS	LIABILITIES
Subsidiaries		
Mercitalia Intermodal SpA	Services provided by the parent	
	Company officers	
Mercitalia Logistics SpA	Brokerage	Provision of services
	Company officers	
	Recharge of claims management services	
	Training reimbursements	
	Insurance refunds	
	Reimbursement of external communication expenses	
	Services provided by the parent	
Mercitalia Rail Srl	Company officers	
	Training reimbursements	
	Services provided by the parent	
Mercitalia Shunting & Terminal Srl	Services provided by the parent	
	Company officers	
Netinera Deutschland GmbH	Services provided by the parent	Seconded employees
Qbuzz BV	Company officers	
Rete Ferroviaria Italiana SpA	Brokerage	Health services
	Company officers	
	Recharge of claims management services	
	Recharge of external relations services	
	Training reimbursements	
	Insurance refunds	
	Services provided by the parent	
Terminali Italia Srl	Company officers	
	Services provided by the parent	
Trenitalia SpA	Services provided by the parent	Seconded employees
	Brokerage	Contribution for Free Travel Card
	Recharge of professional services and consultancy	Entertainment expenses
	Recharge of claims management services	Passenger transport costs
	Training reimbursements	
	Insurance refunds	
	External communication services	
Trenitalia TPER Scarl	Brokerage	
	Recharge of claims management services	
	Insurance refunds	
	Services provided by the parent	

Other related parties

TAX CONSOLIDATION SCHEME	VAT UNDER THE VAT CONSOLIDATION SCHEME	INTRAGROUP BANK AND POST OFFICE CURRENT ACCOUNTS	LOANS GRANTED	OVERDRAFTS AND LOANS RECEIVED	ISSUE OF SURETIES TO	SUPPLE-MENTARY PENSION FUNDS
Bluferries Srl	Bluferries Srl	Bluferries Srl			Bluferries Srl	
Busitalia Campania SpA		Busitalia Campania SpA			Busitalia Campa-nia SpA	
Busitalia Rail Service Srl		Busitalia Rail Service Srl				
Busitalia Sita Nord Srl		Busitalia Sita Nord Srl			Busitalia Sita Nord Srl	
Busitalia Veneto SpA		Busitalia Veneto SpA			Busitalia Veneto SpA	
Mercitalia Intermodal SpA	Mercitalia Intermo-dal SpA	Mercitalia Intermo-dal SpA			Mercitalia Inter-modal SpA	
Fercredit SpA	Fercredit SpA	Fercredit SpA				
Ferservizi SpA	Ferservizi SpA	Ferservizi SpA				
Mercitalia Logistics SpA	Mercitalia Logistics SpA	Mercitalia Logistics SpA			Mercitalia Logisti-cs SpA	
FS Security SpA	FS Security SpA	FS Security SpA				
FS Sistemi Urbani SpA	FS Sistemi Urbani SpA	FS Sistemi Urbani SpA			FS Sistemi Urbani SpA	
FSTechnology SpA	FSTechnology SpA	FSTechnology SpA			FSTechnology SpA	
Mercitalia Rail Srl	Mercitalia Rail Srl	Mercitalia Rail Srl			Mercitalia Rail Srl	
Grandi Stazioni Rail SpA	Grandi Stazioni Rail SpA	Grandi Stazioni Rail SpA			Grandi Stazioni Rail SpA	
Italcertifer SpA		Italcertifer SpA			Italcertifer SpA	
Italferr SpA	Italferr SpA	Italferr SpA			Italferr SpA	
FS Park SpA	FS Park SpA	FS Park SpA				
RFI SpA	RFI SpA	RFI SpA			RFI SpA	
Mercitalia Shunting&Terminal Srl	Mercitalia Shunting&Terminal Srl	Mercitalia Shunting&Terminal Srl			Mercitalia Shunting&Termi-nal Srl	
Trenitalia SpA	Trenitalia SpA	Trenitalia SpA			Trenitalia SpA	
Tunnel Ferroviario del Brennero SpA						
	Terminali Italia Srl	Terminali Italia Srl			Terminali Italia Srl	
	FS Treni Turistici Italiani Srl	FS Treni Turistici Italiani Srl			FS Treni Turistici Italiani Srl	
		Ataf Gestioni Srl				
		Qbuzz BV			Qbuzz BV	
		Grandi Stazioni Immobiliare SpA				
		Trenitalia TPER				
		FS International SpA				
		Ferrovie del Sud Est e Servizi Automobili-stici – FSE Srl				
					Busitalia Savit Srl	
					Crew Middle East DMCC	

TAX CONSOLIDATION SCHEME	VAT UNDER THE VAT CONSOLIDATION SCHEME	INTRAGROUP BANK AND POST OFFICE CURRENT ACCOUNTS	LOANS GRANTED	OVERDRAFTS AND LOANS RECEIVED	ISSUE OF SURETIES TO	SUPPLEMENTARY PENSION FUNDS
					Hellenic Train - Railway Company SA	
					Netinera Deutschland GmbH	
					TELT Sas	
					Terminal Alptransit Srl	
					Trenitalia France SAS	
					Trenitalia c2c Limited	
					Trenitalia UK Limited	
					Trenitalia TPER Scarl	
					TX Logistik AG	
					Altre Parti correlate	Altre Parti correlate
					Fondazione FS	Eurofer
						Previndai

The tables below summarise statement of financial position amounts at 31 December 2024 and the income statement figures for the year then ended.

Trade and other transactions

(€'000)

Name	2024				
	Assets	Liabilities	Guarantees and commitments	Costs	Revenue
Subsidiaries					
Alpe Adria SpA	6				6
Anas SpA	3,965	447		1,128	1,816
Ataf Gestioni Srl	2				5
Bluferries Srl	75		7,000	13	9
Blu Jet					
Busitalia Campania SpA	24		15,935		24
Busitalia Rail Service Srl	775	14		4	
Busitalia Veneto SpA	33	8	14,898	(11)	32
Busitalia - Sita Nord Srl	1,388	3,590	18,885	(117)	2,108
Cremonesi Workshop Srl	17		406	2	2
Fercredit SpA	2,118	17		(87)	68
Ferservizi SpA	1,661	6,545		8,906	577
FS International SpA	40	137		137	
FS Park SpA	1,772			(97)	10
FS Saudi for Land Trasport LLC	352	(16)		(761)	
FS Security SpA	96	531		282	11
FS Technology SpA	28,809	8,437	28,498	19,394	2,104
FS Treni Turistici Italiani Srl	522		1,891	(111)	
FS Sistemi Urbani Srl	202,941	1,251	12,718	8,606	803
Grandi Stazioni Immobiliare SpA	12				(1)
Grandi Stazioni Rail SpA	1,257	398	7,694	28	13
Hellenic Train - Railway Company SA	119	187	3,245	120	14
Italcertifer SpA	946	2	7,483	(20)	106
Italferr SpA	2,269	1,651	12,880	(53)	1,429
Infrarail Firenze Srl	18			(18)	
Mercitalia Intermodal SpA	430	753	1,320	(10)	10
Mercitalia Logistics SpA	22,355	486	9,851	(248)	2,547
Mercitalia Rail Srl	20,487	297	41,387	(28)	67
Mercitalia Shunting & Terminal Srl	2,745	1,693	17,568	(98)	50
Netinera Deutschland GmbH	831		23,760	(11)	75
Nugo SpA in liquidation		(1)			
Qbuzz BV	353		29,472		163
Rete Ferroviaria Italiana SpA	288,929	202,113	225,936	(5,124)	18,692
Savit Srl	1		25		
TAV Srl in liquidation					
Terminal Alptransit Srl	5		2,951		5

(€'000)

Name	2024				
	Assets	Liabilities	Guarantees and commitments	Costs	Revenue
Terminali Italia Srl	116	996	3,633	(2)	10
Trenitalia France Sas	5				6
Trenitalia SpA	68,689	2,853	131,024	(4,968)	23,246
Trenitalia c2c	48		17,069		41
Trenitalia UK Ltd	52				2
Tunnel Ferroviario del Brennero SpA		222			
TX Logistik AG	277		2,938		12
Total	**654,541**	**232,613**	**638,467**	**26,856**	**54,063**
Associates					
Metro 5 SpA	20				10
Total	**20**				**10**
Joint arrangements					
Operation Alliance OPS Co	(1)	22,791		79,202	(236)
T.E.L.T. Sas	973		2,803	(2,177)	1
Trenitalia TPER Scarl	86		234	(15)	38
Trenord Srl	295			(4)	147
Total	**1,353**	**22,791**	**3,037**	**77,007**	**(50)**
Associates of subsidiaries					
First Trenitalia West Coast Rail Limited	27				
Total	**27**				
TOTAL	**655,941**	**255,404**	**641,504**	**103,863**	**54,023**
Other related parties					
Anas Group					
CDDPP Group		87		153	
ENEL Group					
ENI Group		23		36	
ENAV Group					
Leonardo Group					
Finmeccanica Group					
INVITALIA Group				300	
POSTE Group	3	(1)		136	
RAI Group					
Equitalia Giustizia Group					
IPZS				49	
Eurofer		207		281	20
Other pension funds	20	20		768	
Cooperatives, associations, EEIGs and partnerships				29	6
Ferrovie del Sud Est e Servizi Automobilistici – FSE Srl	401	69			831
Fondazione FS	415	113	107	8,326	17
Previndai		841		1,356	
Total	**839**	**1,360**	**107**	**11,432**	**874**

Financial transactions

(€'000)

Name	2024				
	Assets and current accounts	Liabilities	Guarantees and commitments	Costs	Revenue
Subsidiaries					
Ataf Gestioni Srl		20,422		369	
Bluferries Srl	22,722	7,879		279	1,375
Busitalia Campania SpA	9,496	1,563		85	611
Busitalia Rail Service Srl	6,795	3,385		84	453
Busitalia Veneto SpA	9,995	3,776		227	561
Busitalia - Sita Nord Srl	18,735	12,423		242	1,539
Cremonesi Workshop Srl	2				48
Fercredit SpA	150,153	699		38	12,581
Ferservizi SpA		26,570		922	3,593
FS International SpA		2,170		51	
FS Park SpA	29	9,559		355	
FS Security SpA	30	27,246		926	
FSTechnology SpA	154,450	29,560		1,740	5,981
FS Treni Turistici Italiani Srl	13,426	4,041		63	539
FS Saudi for Land Trasport LLC				4	
FS Sistemi Urbani Srl	6,005	444,699	213,000	18,579	25,689
Grandi Stazioni Immobiliare SpA	14,093	430		100	1,076
Grandi Stazioni Rail SpA	45,052	8,302		323	2,189
Hellenic Train - Railway Company SA	167,182				7,087
Italcertifer SpA		134		46	
Italferr SpA	85,898	3,803	15,000	385	60,236
Mercitalia Logistics SpA	128,171	1,285		178	7,680
Mercitalia Rail Srl	276,509	18,804	6,868	1,754	10,621
Mercitalia Shunting & Terminal Srl	42,774	10,961		136	1,737
Mercitalia Intermodal SpA	50,892	2,019		214	2,592
Netinera Deutschland GmbH	28		207,102		799
Qbuzz BV	205,853	47,855	74,111	937	11,736
Rete Ferroviaria Italiana SpA	5,925,047	149,236		7,705	331,006
Savit Srl	2,907				148
Sita SpA in liquidation				(2,649)	
TAV Srl in liquidation		30		50	
Trenitalia France Sas	123,722				5,386
Terminali Italia Srl		21		1	
Terminal Alptransit Srl	5,026				26
Trenitalia SpA	8,424,566	27,515		7,558	493,640
Trenitalia UK Ltd	99,222		10,673		8,315
TX Logistik AG	249,143		10,000		10,846
TOTAL	**16,237,924**	**864,387**	**536,754**	**40,703**	**1,008,088**

(€'000)

Name	2024				
	Assets and current accounts	Liabilities	Guarantees and commitments	Costs	Revenue
Associates					
Ferrovie Nord Milano SpA					1,475
Metro 5 SpA					3,670
Total					**5,144**
Joint arrangements					
Operation Alliance OPS Co				394	
Trenitalia TPER Scarl		11,322		898	1,109
Total		**11,322**		**1,292**	**1,109**
TOTAL	**16,237,924**	**875,709**	**536,754**	**41,994**	**1,014,341**
Other related parties					
Ferrovie del Sud Est e Servizi Automobilistici – FSE Srl	189,775	205		1,393	26,187
CDDPP Group					
TOTAL	**189,775**	**205**		**1,393**	**26,187**

41. Guarantees

The table below details the guarantees issued by the Company on behalf of subsidiaries, third parties or other subsidiaries, broken down by financial and non-financial.

(€'000)

Issued on behalf of	Financial	Non-financial
Bluferries Srl	7,000	
Busitalia Savit Srl	25	
Busitalia Campania SpA	15,935	
Busitalia Sita Nord Srl	18,885	
Busitalia Veneto SpA	14,898	
Crew Middle East DMCC	406	
Fondazione FS	107	
FS Treni Turistici Italiani Srl	1,891	
FSTechnology SpA	28,498	
FS Sistemi Urbani SpA	12,718	213,000
Grandi Stazioni Rail SpA	7,694	
Hellenic Train - Railway Company SA	3,245	
Italcertifer SpA	7,483	
Italferr SpA	12,880	15,000
Mercitalia Intermodal SpA	1,320	
Mercitalia Logistics SpA	9,851	
Mercitalia Rail Srl	41,387	6,868
Mercitalia Shunting & Terminal Srl	17,568	
Netinera GmbH	23,760	207,102
Qbuzz BV	29,472	74,111
RFI SpA	225, 936	
TELT Sas	2,803	
Terminal Alptransit Srl	2,951	
Terminali Italia Srl	3,633	
Trenitalia France Sas		
Trenitalia SpA	131,024	
Trenitalia C2C Limited	17,069	
Trenitalia UK Limited		10,673
Trenitalia TPER Scarl	234	
TX Logistik AG	2,938	10,000
Total guarantees	**641,611**	**536,754**

Financial guarantees are mainly comprised of guarantees and counter-guarantees issued to banks for loans or to secure obligations of a merely financial nature. Non-financial guarantees are mainly comprised of bid bonds, performance bonds, commercial guarantees and commitments in favour of the tax authorities.
The following are examples of the most relevant financial and non-financial guarantees in terms of materiality of amount.

The main non-financial guarantees include those issued

by financial institutions in favour of Trenitalia for €57,672 thousand in favour of Agenzia Mobilità Piemontese, a guarantee of €20,000 thousand in favour of RFI to cover the obligation of the Framework Agreement for HS/HC infrastructure, and a guarantee of €10,710 thousand in favour of Ferrovie dell'Emilia-Romagna, and a guarantee of €10,000 thousand in favour of SNCF Mobilites of Trenitalia; a guarantee issued in the interests of RFI for an amount of €12,872 thousand in favour of E-Distribuzione SpA; and a guarantee issued in the interests of Busitalia Veneto for €11,315 thousand in favour of the Provincial government of Padua.
Lastly, a guarantee of €15,300 thousand was issued on behalf of Netinera Deutschland GmbH in the interest of Ostdeutssche Eisenbahn GMbh in favour of NDL Brandenburg relating to the Net Elbe-Spree (NES) project.

Non-financial guarantees also include direct guarantees (issued in the form of Parent Company guarantees, without the use of banks) such as that in favour of GSE to cover the service contract for energy supply signed with Rete Ferroviaria Italiana (€150,000 thousand); the guarantees issued to Terna to cover the contracts signed by Rete Ferroviaria Italiana for the electrical energy dispatching service for withdrawal points which power rail traction and for other uses (guarantees of €22,400 thousand and €1,800 thousand, respectively); a guarantee of €14,333 thousand in favour of the Bestuur Utrecht Regional Government and in the interests of Qbuzz BV, and a guarantee of €10,441 thousand in favour of IBM AWC and in the interest of FS Technology.

Other non-financial direct guarantees were issued to the tax authorities (€42,039 thousand) as security for refunds of tax credits to the following subsidiaries: Rete Ferroviaria Italiana, Trenitalia, Mercitalia Logistics, Mercitalia Intermodal, Grandi Stazioni Rail, and FS Technology.

The main financial guarantees also include that issued to Trenitalia UK for GBP 6,750 thousand (equal to a countervalue of about €8,140 thousand) issued by a credit institution to cover payment obligations.

Financial guarantees also include direct guarantees including those issued in the interest of FS Sistemi Urbani for €160,000 thousand to cover payment obligations arising from the loan agreement with CaixaBank and for €53,000 thousand to cover payment obligations arising from the loan agreement with Intesa Sanpaolo SpA; a guarantee of €66,145 thousand in the interest of Qbuzz B.V. to cover payment obligations with Vereniging Studentenkaart Streekvervoer (VSS); guarantees in the interest of Netinera Deutschland GmbH in favour of the European Investment Bank in the amount of €60,403 thousand, in favour of Amozela in the amount of €49,638 thousand, in favour of Commerzbank AG of €34,500 thousand, in favour of Intesa Sanpaolo of €30,000 thousand, in favour of Unicredit Bank AG of €20,050 thousand; a guarantee issued in the interest of TX Logistik AG of €10,000 thousand to cover payment obligations for the acquisition of Exploris.

Among guarantees issued on behalf of the parent is, for projects abroad, a bank counter-guarantee of SAR189,318 thousand (€48,594 thousand) relating to the performance bond issued in favour of the Royal Commission for Riyadh City (RCRC).

42. Information pursuant to Law no. 124/2017

According to Law no. 124 of 4 August 2017, Article 1 (paragraphs 125 to 129) for the market and competition on public grants to companies that are directly and indirectly controlled by the Government in 2024, regarding significant amounts paid (exceeding €10 thousand):

Euro units

Beneficiary	Description	Amount
CONFINDUSTRIA ASSOCIATIONS		
Agenzia Confederale dei Trasporti e Servizi	Grant	690,000
Confindustria	Grant	2,451,178
Federturismo	Grant	50,000
INTERNATIONAL ASSOCIATIONS		
Gaia-X	Grant	75,000
Business Integrity Forum	Grant	10,000
Carbon Disclosure Project	Grant	13,810
Community of European Railway and Infrastructure Companies	Grant	272,300
Conseil de Cooperation Economique	Grant	50,000
Corporate Partnership Board OECD	Grant	50,000
H&Z Railsponsible	Grant	20,000
International Association For Public Transport	Grant	101,527
International Capital Market Association	Grant	22,852
The Trilateral Commission	Grant	20,000
Trace International, Inc	Grant	16,755
Union International Of Railways	Grant	332,578
OTHER ASSOCIATIONS		
Accademia Nazionale Santa Cecilia	Grant	170,000
Agici Finanza d'Impresa Srl	Grant	11,000
Aspen Institute Italia	Grant	35,000
Associazione Amici dei Lincei	Grant	10,000
Associazione Civita	Grant	22,000
Associazione Italiadecide	Grant	50,000
Associazione Italia-India per la Cooperazione tra Paesi	Grant	10,000
Assonime	Grant	226,800
Centro Nazionale Ricerca High Perform. Computing & Big Data	Grant	250,000
Consiglio per le Relazioni tra gli Stati Uniti e l'Italia	Grant	15,000
Consumers' Forum	Grant	21,000
Cotec Fondazione per L'innovazione	Grant	30,000
Digital Transformation Institute	Grant	30,000
European University Institute	Grant	20,000
Federazione Industrie Prodotti Impianti Servizi ed Opere Spec. per le Costruzioni e la Manutenzione	Grant	40,000
Fondazione Centro Studi Coldireretti - Divulga	Grant	150,000
Fondazione Centro Nazionale Mobilità Sostenibile	Grant	400,000
Fondazione FS Italiane	Grant	8,363,531
Fondazione Global Compact Network	Grant	23,500

Euro units

Beneficiary	Description	Amount
Fondazione Nuovo Millennio Scuola Politica	Grant	30,000
Fondazione Ottimisti & Razionali	Grant	15,000
Fondazione per lo Sviluppo Sostenibile	Grant	18,000
Fondazione Return Pe3	Grant	20,000
Fondazione Ricerca & Imprenditorialità	Grant	50,000
Fondazione Venezia Capitale Mondiale della Sostenibilità	Grant	33,000
Fondazione Vittorio Occorsio	Grant	35,000
Istituto Grandi Infrastrutture	Grant	106,000
Istituto per gli Studi di Politica Internazionale	Grant	23,000
Italia Camp	Grant	300,000
Kyoto Club	Grant	10,000
Parks Liberi e Uguali	Grant	25,000
Remind	Grant	40,000
Utenti Pubblicità Associati	Grant	16,846
Valore D	Grant	20,000
Total beneficiaries		**14,795,677**

The table below summarises the information required by the aforesaid law about the funds received in 2024:

Provider	Description	Amount
MIT to TELT Sas	Pass-through grant	503,480,000
Europe's Rail of which:	Operating grant	287,423
in favour of other Group companies		189,164
in favour of FS SpA		98,259

43. Events after the reporting date

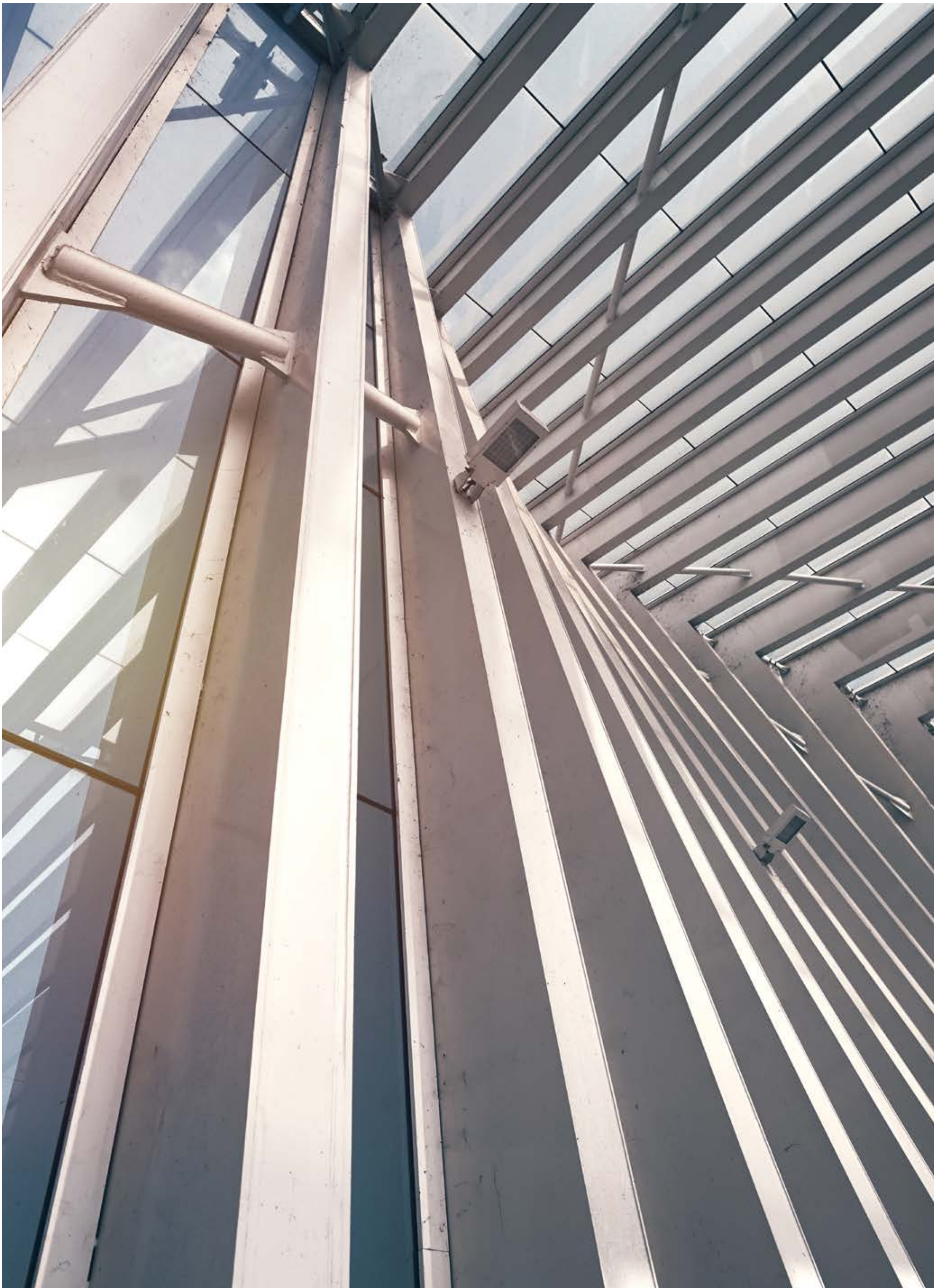
On 27 February 2025 FS entered into an agreement for an additional tranche of capital increase equal to €96,000 thousand against Mercitalia Logistics, for which reference should be made to Note 37 of the Separate financial statements.

PROPOSED ALLOCATION OF THE PROFIT FOR THE YEAR OF FS ITALIANE SPA

It is proposed to carry the profit for the year 2024, equal to €431,134,192.20, forward to subsequent financial periods.

Rome, 3 April 2025

For the Board of Directors
The CEO and General Manager



CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER AND THE OFFICER IN CHARGE OF FINANCIAL REPORTING OF THE SEPARATE FINANCIAL STATEMENTS

FERROVIE DELLO STATO ITALIANE

MOBILITY PREMIUM PARTNER

Certification of the Chief Executive Officer and the Officer in charge of Financial Reporting of the separate financial statements of Ferrovie dello Stato Italiane SpA at 31 December 2024 pursuant to article 154-bis, paragraph 5, of Legislative Decree no. 58/1998

1. The undersigned Stefano Antonio Donnarumma and Fabio Paris, respectively as Chief Executive Officer and Officer in charge of Financial Reporting of Ferrovie dello Stato Italiane S.p.A., also considering the provisions of the article 154-bis paragraphs 3 and 4 of Legislative decree no. 58 of 24 February 1998, certify:
   - the adequacy with regard to the characteristics of Ferrovie dello Stato Italiane SpA and
   - the effective application

   of the administrative and accounting procedures in preparing the separate financial statements at 31 December 2024.
2. In this regard, we report that:
   a. the evaluation of the adequacy and effective application of the administrative and accounting procedures used to prepare the separate financial statements of Ferrovie dello Stato Italiane SpA was based on internal control model, consistent with the *"Internal Controls – Integrated Framework"* issued by the *"Committee of Sponsoring Organizations of the Treadway Commission"* which represents an internationally-accepted framework for the internal control system;

   b. this evaluation did not identify any significant issues.
3. In addition, we certify that:

   3.1. the separate financial statements of Ferrovie dello Stato Italiane SpA:

   a. have been prepared according to the International Financial Reporting Standards endorsed by the European Community pursuant to regulation (CE) 1606/2002 of European Parliament and Council of 19 July 2002;

   b. correspond to the entries in the books and accounting records of the company;

   c. provide a true and fair view of the financial position and results of operations of Ferrovie dello Stato Italiane SpA.

   3.2. the Directors' Report includes a reliable analysis of the financial position, performance and results of operations of Ferrovie dello Stato Italiane SpA, together with a description of the main risks and uncertainties to which it is exposed.

April 3rd, 2025

Stefano Antonio Donnarumma
Chief Executive Officer

Fabio Paris
Officer in charge of Financial Reporting

CQY CERTIQUALITY

SGS

INDEPENDENT AUDITOR'S REPORT ON THE SEPARATE FINANCIAL STATEMENTS

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Independent auditor's report

in accordance with article 14 of Legislative Decree No. 39 of 27 January 2010 and article 10 of Regulation (EU) No. 537/2014

To the sole shareholder of
Ferrovie dello Stato Italiane SpA

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Ferrovie dello Stato Italiane SpA (the Company), which comprise the statement of financial position as of 31 December 2024, the income statement, statement of comprehensive income, statement of changes in equity, statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as of 31 December 2024, and of the result of its operations and cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree No. 38/05.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of this report. We are independent of the Company pursuant to the regulations and standards on ethics and independence applicable to audits of financial statements under Italian law. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

PricewaterhouseCoopers SpA

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Key Audit Matters

Recoverability of the value of equity investments in subsidiaries

Explanatory note no. 3 "Accounting policies", explanatory note no. 20 "Equity investments" to the separate financial statements

The financial statements as at 31 December 2024 included equity investments in subsidiaries equal to Euro 38,634 million.

Equity investments in subsidiaries are valued at acquisition or incorporation cost and, if there is an indication of impairment, the recoverability of their value is checked by comparing the book value with the related recoverable amount, which is represented by the higher between the fair value, less costs to sell, and their value in use, in compliance with the provisions of IAS 36 "Impairment of assets".
Based on the analyses performed, the directors identified impairment indicators related to investments in the subsidiaries Anas SpA and Mercitalia Logistics SpA.

In particular, with regard to the investment in the subsidiary Anas SpA, the configuration of recoverable value used by the Company is the value in use calculated by discounting the cash flows of the 2025-2052 economic and financial plan (hereinafter also the "Plan"), approved by the Board of Directors of Anas SpA on 5 March 2025, to which a terminal value was added equal to the Regulatory Net Invested Capital at the end of the Concession. The Plan flows were considered for an explicit period until 2052, by assuming the extension of the Concession which is currently due to expire on 31 December 2032.

With reference to the financial statements ended 31 December 2024, the Company's management availed itself of an external expert in order to carry out the impairment test on the equity investment in Anas SpA.

Auditing procedures performed in response to key audit matters

In order to address this key audit matter, we carried out our audit procedures to evaluate the consistency of the process and methodology for estimating the recoverability of equity investments used by the Company with the provisions of IAS 36 and the valuation practices, verifying the appropriateness of the cash flows used, their consistency with the business plans of the subsidiaries and the mathematical accuracy of the quantification of the recoverable amount.

Specifically, the audit procedures performed also with the support of the PwC network experts, included:

- the understanding of the process adopted by the directors to assess the recoverability of the equity investments in subsidiaries;
- the verification of the completeness and accuracy of the existence of impairment indicators identified by management and for which the impairment test was performed;
- the verification of the reasonableness of the key assumptions underlying the prospective cash flows and discounting rates used to perform the impairment test (also through comparison with forecast data deriving from external information sources, where available);
- the analyses of the most significant differences between the estimates performed in the previous years and the actual data (retrospective review), in order to evaluate the adequacy and the

2 of 6

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As part of the audit activities, we considered the recoverability of the value of equity investments in subsidiaries as a key matter of the audit of the financial statements as the related estimation process is particularly complex and based on valuation assumptions influenced by future economic, financial, market and regulatory conditions that are difficult to predict. Should any future developments lead to considerations and results that differ from expectations, the book value of the equity investment could be reduced on the basis of the cash flows expressed by an economic and financial plan revised accordingly.	estimation capacity of the valuation process adopted; • the verification of the sensitivity analysis carried out by the Company in relation to the discounting rate. We evaluated the technical skills and objectivity of the external expert engaged by the Company's management to perform the impairment test on the equity investment in Anas SpA. Finally, we verified the accuracy and the completeness of the information provided by the directors in the notes to the separate financial statements on the matters described above.

Responsibilities of the Directors and the Board of Statutory Auditors for the Financial Statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree No. 38/05 and, in the terms prescribed by law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The directors are responsible for assessing the Company's ability to continue as a going concern and, in preparing the financial statements, for the appropriate application of the going concern basis of accounting, and for disclosing matters related to going concern. In preparing the financial statements, the directors use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The board of statutory auditors is responsible for overseeing, in the terms prescribed by law, the Company's financial reporting process.

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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of our audit conducted in accordance with International Standards on Auditing (ISA Italia), we exercised our professional judgement and maintained professional scepticism throughout the audit. Furthermore:

- We identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error; we designed and performed audit procedures responsive to those risks; we obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- We obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- We evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- We concluded on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- We evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicated with those charged with governance, identified at an appropriate level as required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during our audit.

We also provided those charged with governance with a statement that we complied with the regulations and standards on ethics and independence applicable under Italian law and communicated with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate the related risks, or safeguards applied.

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From the matters communicated with those charged with governance, we determined those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We described these matters in our auditor's report.

Additional Disclosures required by Article 10 of Regulation (EU) No 537/2014

On 21 March 2023, the shareholders of Ferrovie dello Stato Italiane SpA in general meeting engaged us to perform the statutory audit of the Company's and consolidated financial statements for the years ending 31 December 2023 to 31 December 2031.

We declare that we did not provide any prohibited non-audit services referred to in article 5, paragraph 1, of Regulation (EU) No. 537/2014 and that we remained independent of the Company in conducting the statutory audit.

We confirm that the opinion on the financial statements expressed in this report is consistent with the additional report to the board of statutory auditors, in its capacity as audit committee, prepared pursuant to article 11 of the aforementioned Regulation.

Report on Compliance with other Laws and Regulations

Opinions and statement in accordance with article 14, paragraph 2, letters e), e-bis) and e-ter) of Legislative Decree No. 39/10 and with article 123-bis, paragraph 4, of Legislative Decree No. 58/98

The directors of Ferrovie dello Stato Italiane SpA are responsible for preparing a directors' report and a report on corporate governance and the ownership structure of Ferrovie dello Stato Italiane SpA as of 31 December 2024, including their consistency with the relevant financial statements and their compliance with the law.

We have performed the procedures required under auditing standard (SA Italia) No. 720B in order to:

- express an opinion on the consistency of the directors' report and of the specific information included in the report on corporate governance and the ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree No. 58/98, with the financial statements;
- express an opinion on the compliance with the law of the directors' report and of the specific information included in the report on corporate governance and the ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree No. 58/98;
- issue a statement on material misstatements, if any, in the directors' report and in the specific information included in the report on corporate governance and the ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree No. 58/98.

In our opinion, the directors' report and the specific information included in the report on corporate governance and the ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree No. 58/98 are consistent with the financial statements of Ferrovie dello Stato Italiane SpA as of 31 December 2024.

Moreover, in our opinion, the directors' report and the specific information included in the report on corporate governance and the ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree No. 58/98 are prepared in compliance with the law.

With reference to the statement referred to in article 14, paragraph 2, letter e-ter), of Legislative Decree No. 39/10, issued on the basis of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have nothing to report.

Rome, 18 April 2025

PricewaterhouseCoopers SpA

Signed by

Luigi Necci
(Partner)

This independent auditor's report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.

REPORT OF THE BOARD OF STATUTORY AUDITORS

(Translation from the Italian original which remains the definitive version)

The Board of Statutory Auditors

Report of the Board of Statutory Auditors to the shareholder's meeting of sole-shareholder company Ferrovie dello Stato Italiane SpA pursuant to article 2429, paragraph 2, of the italian civil code

To the Sole Shareholder of Ferrovie dello Stato Italiane SpA

INTRODUCTION

Dear Shareholder,

this Report, prepared pursuant to Article 2429, paragraph 2, of the Italian Civil Code, describes the supervisory work performed by the Board of Statutory Auditors of Ferrovie dello Stato Italiane SpA during the 2024 financial year in compliance with the rules of conduct recommended by the Italian Accounting Profession (*Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili*).

The current composition of the Board of Statutory Auditors, appointed for three financial years and, in any case, until the Sole Shareholder's Meeting convened to approve the 2024 financial statements, was set by the resolution it passed on 3 May 2022, appointing the Standing Statutory Auditors Rosalba Cotroneo (Chairwoman), Sergio Duca and Marino Marrazza, and the Alternate Statutory Auditors Letteria Dinaro and Francesco Tulimieri.

In consideration of the status of Public Interest Entity (PIE) of Ferrovie dello Stato Italiane SpA (hereinafter also referred to as "FS SpA" or "FS"), the members of the Board of Statutory Auditors of the Parent Company also act as members of the "Internal Control and Audit Committee" under Article 19 of Legislative Decree no. 39/2010, with responsibility for monitoring financial reporting, the efficacy of the internal control, internal audit and risk management systems, the statutory audit of accounts and, finally, the independence of the audit firm, particularly with respect to the type of services, other than auditing, if any, provided to the audited company.

The accounting control and statutory audit work is entrusted to the independent auditors PricewaterhouseCoopers SpA (hereinafter also referred to as "PwC"), which issued its Report on Sole-Shareholder company Ferrovie dello Stato Italiane SpA's separate financial statements at 31 December 2024 on 18 April 2025, in accordance with Article 14 of Legislative Decree no. 39 of 27 January 2010 and Article 10 of Regulation (EU) No 537 of 16 April 2014, whereby it expressed the following opinion: "*[...] the financial statements give a true and fair view of the financial position of the Company as of 31 December 2024, and of the result of its operations and cash flows for the year then ended in accordance*

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Cod. Fisc. e P. Iva 06359501001 – R.E.A. 962805

with IFRS Accounting Standards as issued by the International Accounting Standards Board and adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree No. 38/05."

The draft financial statements for the financial year ended 31 December 2024 of Sole-Shareholder company Ferrovie dello Stato Italiane SpA, which are submitted for your attention, were approved by the Board of Directors at its meeting held on 3 April 2025, and were made available to us within the time limit prescribed by law.

1. Supervisory activities pursuant to Articles 2403 and ff. of the Italian Civil Code

During 2024, we performed our supervisory duties as required by law and in compliance with the code of conduct for boards of statutory auditors recommended by the Italian Accounting Profession (*Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili*). We supervised compliance with the law and the Articles of Association, the observance of the principles of proper administration and, in particular, the adequacy of the organisational, administrative and accounting structure adopted by the Company and its actual operation while ensuring, together with the other Parent Company Bodies, ongoing control of the proper application of the principles of corporate governance.

As reported in the Corporate Governance Report, the Group's organisational structure at 31 December 2024 includes four hubs, comprising homogeneous business areas, namely:

- Infrastructure (RFI SpA, as Sector Parent Company, and its subsidiaries; Anas SpA; Italferr SpA; Ferrovie del Sud Est Srl for the railway infrastructure area only);
- Passengers (Trenitalia SpA, as Sector Parent Company, and its subsidiaries; Busitalia Sita Nord Srl; Ferrovie del Sud Est Srl for the transport services area only);
- Logistics (Mercitalia Logistics SpA, as Sector Parent Company, and its subsidiaries);
- Urban (FS Sistemi Urbani SpA as Sector Parent Company, and its subsidiaries; Grandi Stazioni Immobiliare SpA).

This structure is also completed with "shared services" companies (among them, Ferservizi SpA, Fercredit SpA, FSTechnology SpA, FS Security SpA and FS International SpA).

At the meeting held on 21 March 2025, the FS Board of Directors approved the issuance of the new Group Governance Model in accordance with the FS Group Rules with an arrangement that envisages the identification of the following Business Units (BUs): (i) Infrastructure - Railways BU, headed by Rete Ferroviaria Italiana S.p.A.; (ii) Infrastructure – Roads BU, headed by ANAS S.p.A.; (iii) Transport – Freight BU, headed by Mercitalia Logistics SpA.; (iv) Transport - International Passengers BU, headed by FS International S.p.A.; (v) Transport – Passengers BU, headed by Trenitalia S.p.A. The companies mentioned above are qualified as "Business Unit Lead Companies."

During 2024, the members of the Board of Statutory Auditors met a total of 17 times, and the Court of Auditors' Magistrate, as appointed to control financial management pursuant to Article 12 of Law no. 259 of 21 March 1958, was invited to attend all our meetings. We attended the meetings of the Control and Risk Committee, the Governance, Appointments and Remuneration Committee, and the Sustainability Committee, as stipulated in the respective Rules of the Committees. As from October, joint meetings were held with the Control and Risk Committee in order to facilitate the exchange of information between persons with relevant tasks in internal control and audit of accounts. During 2025 and up to the date of issuance of this report, the Board of Statutory Auditors held 11 meetings, 3 of which were held jointly with those of the Control and Risk Committee.

We provide the following information with respect to the work we performed.

During 2024, the Board of Statutory Auditors attended the Ordinary Sole Shareholder's Meetings held on 27 June 2024, during which, pursuant to Article 2364, paragraph 1, of the Italian Civil Code, the Annual Financial Report for the 2023 Financial Year was approved, and the members of the Board of Directors were appointed for the three-year period from 2024 to 2026.
The Board of Statutory Auditors - or some members in its representation - also attended 12 meetings of the Board of Directors (8 of which were held by the Board in its current composition[1]), 9 meetings of the Control and Risk Committee (3 of which were held jointly with the meetings of the Board of Statutory Auditors), 4 meetings of the Governance, Appointments and Remuneration Committee, and no. 3 meetings of the Sustainability Committee. We also took part in induction sessions on specific topics targeted at directors and statutory auditors, particularly in the matter of Strategic Guidelines and Business Plan 2025-2029. During 2025, the Board of Statutory Auditors - or some members in its representation - also attended 4 meetings of the Board of Directors, 4 meetings of the Control and Risk Committee (3 of which were held jointly with the meetings of the Board of Statutory Auditors) 6 meetings of the Governance, Appointments and Remuneration Committee, and 4 meetings of the Sustainability Committee. The Board of Statutory Auditors also took part in induction sessions on specific topics addressed to directors and statutory auditors, particularly in the area of Governance, in light of the approval of the Group's new Governance Model.

The Board of Directors' and the Board Committees' meetings in which we participated were held in compliance with the rules of the relevant legislation, regulations and articles of association governing their operation. During the board meetings, we met our obligations to periodically report to the Board of Directors and the Board of Statutory Auditors as prescribed by Article 2381 of the Italian Civil Code. We received information from the governing body, with adequate prior notice and even during the meetings held, about the general performance of operations and their outlook, as well as the Company's and its subsidiaries' most significant transactions in terms of size or characteristics.

We met with the statutory auditors of the major subsidiaries (including strategic subsidiaries and the parent companies heading the divisions), from which we obtained assessments of the general adequacy of their internal control systems and no relevant facts or information were noted at these meetings, which should be disclosed in this report.

[1] With the approval of the 2023 financial statements by a resolution passed by the Sole Shareholder's Meeting held on 27 June 2024, the term of office of the governing body appointed for the three-year period 2021-2023 expired, which was composed of seven members: Nicoletta Giadrossi (Chairwoman), Luigi Ferraris (CEO), Pietro Bracco, Alessandra Bucci, Riccardo Barbieri Hermitte, Paola Gina Maria Schwizer and Tommaso Tanzilli. As a result, the Sole Shareholder's Meeting of 27 June 2024 resolved to appoint a new Board of Directors for the three-year period 2024-2026 (until the date of the Sole Shareholder's Meeting to approve the 2026 financial statements), again composed of seven members: Tommaso Tanzilli (Chairman), Stefano Antonio Donnarumma, Caterina Belletti, Pietro Bracco, Tiziana De Luca, Franco Fenoglio and Loredana Ricciotti. On the same date, the Board of Directors appointed Stefano Antonio Donnarumma as Chief Executive Officer and General Manager.

We held periodic meetings with the independent auditors, with whom we promptly shared data and information relevant for the performance of our supervisory work.

With respect to our duties to supervise the independence of the audit firm, we performed the following work, in our role as members of the Internal Control and Audit committee:

- We verified and monitored the independence of the audit firm pursuant to Articles 10, 10-*bis*, 10-*ter*, 10-*quater* and 17 of Legislative Decree no. 39 of 27 January 2010, and Article 6 of Regulation (EU) No 537 of 16 April 2014, even with specific regard to the adequacy and the absence of any cause of incompatibility of the provision of non-audit services;
- We approved the non-audit engagements to the audit firm and its network, and received periodic reports from company units concerning the monitoring of compliance with the limits on the fees that can be paid for non-audit engagements as required by the applicable company procedures;
- We noted that PwC SpA had confirmed its independence under Article 6.2.a) of Regulation (EU) No 537 of 16 April 2014 in the additional Report provided pursuant to Article 11 of the same Regulation.

Consequently, we have nothing to report with respect to the independence of the audit firm, PwC SpA, based on the documentation and information we received.

We met with the Heads of the company functions that make up the Internal Control and Risk Management System (ICRMS) and, in generally referring to the Annual Financial Report, we have nothing to disclose in this report based on the information we obtained.

We met with the head of the internal control system, receiving reports on the related activities that had been carried out. During the year, we also received information and updates from the Security Manager and the Risk Manager, regarding the work performed in their area of responsibility, including that in the matter of anti-corruption. Furthermore, including with support from the Technology Manager, the Board of Statutory Auditors received disclosures on the safeguards put in place by the company in the field of cybersecurity. We also acknowledge that the Control and Risk Committee has positively evaluated the Company's Internal Control and Risk Management system with respect to its size and characteristics.

We met with the members of the Supervisory Board, and received information regarding the work performed during the year on the relevant issues for the purposes of the Internal Control and Risk Management System, from which no topics emerged which should be noted in this report. With specific regard to the Organisational, Management and Control Model and the procedural safeguards put in place under Legislative Decree no. 231 of 2001, we received adequate information, including from the company units concerned, about the work performed during the 2024 financial year, and the work to update the Organisational, Management and Control Model under Legislative Decree no. 231 of 2001, approved by the Board of Directors on 27 February 2024, and most recently on 28 February 2025, in light of changes in legislation and internal organizational changes related to the internal control and risk management system.

We also met with the members of the Ethics Committee to get an update on the work performed during 2024, and received confirmation that there were no critical issues to be submitted to the control body with regard to the year under review.

We gathered information about, and monitored the adequacy of the organisational, administrative and accounting structure, as well as its actual operation, including by gathering information from the heads of functions.

We also gathered information about, and monitored, insofar as we are concerned, the adequacy and actual functioning of the administrative and accounting system, as well as its reliability in properly representing operations through the information obtained from the heads of functions and the examination of company documents.

The Board has verified that the Company has fulfilled its Sustainability Reporting obligations under Legislative Decree no. 125 of 6 September 2024, which implements Directive (EU) no. 2464 of 14 December 2022 on corporate sustainability reporting (Corporate Sustainability Reporting Directive, CSRD), and received updates on Double Materiality.

Neither during the 2024 financial year nor after the reporting date did we identify any atypical and/or unusual transactions with third and/or related parties. Specifically, the ordinary transactions carried out on an arm's length basis with Group companies and other related parties, which are described in the financial report, reflect and are in line with the Company's interests.

Among the main events that occurred during 2024, we note, in particular, those of major significance in chronological order:

- Intercompany reorganisation of the real estate business unit:

  In the execution of the resolution passed by the Extraordinary Sole Shareholder's Meeting of FS SpA, held on 29 November 2023, and as part of the project for the intercompany reorganisation of the ownership and management of real estate assets, which are not used for the performance of railway or transport operations, a deed of demerger by spinoff was entered into on 10 January 2024, pursuant to Article 2506.1 of the Italian Civil Code, concerning part of the assets of FS, contributing them to a newly-established beneficiary company, Nuova Sistemi Urbani SpA, with effect from 15 January 2024, which was subsequently merged into FS Sistemi Urbani.

- Remodulation of the shareholders' equity of FS SpA.

  On 25 March 2024, the remodulation of FS SpA's equity was finalized as resolved by the Sole Shareholder's Meeting of 29 November 2023. Specifically, after the legal terms had expired, the voluntary reduction of FS's share capital from Euro 38,579,767,278 (as the amount already resulting from the completion of the intercompany reorganisation of FS's real estate business unit) to Euro 31,062,952,307 was carried out, with a simultaneous increase in the legal reserve, until it was replenished in full, and in the capital reserve while keeping the overall amount of FS SpA's equity unchanged.

- Finalisation of the sale of the former Milanese Farini and San Cristoforo railway yards

  On 29 March 2024, FS Sistemi Urbani finalised the sale of the decommissioned Farini and San Cristoforo railway yards in Milan to REDEUS Fund - a closed-end real estate alternative investment fund managed by Prelios SGR S.p.A. - at a total selling price of Euro 489.5 million.

- Disposal of toll road concessions held by Anas

On 4 June 2024, the new in-house company, wholly owned by the MEF and subject to similar control by the MIT, called Autostrade dello Stato S.p.A. and having as its object the operation and construction of state highways under concession, was established, thus implementing the reorganization plan of the highway sector outlined by Decree Law no. 121/2021, as converted, with amendments, by Law no. 156/2021 ("Infrastructure Decree"). Subsequently, Decree Law no. 155 of 19 October 2024, as converted with amendments into Law no. 189 of 9 December 2024 ("Fiscal Decree") defined the terms and conditions for the transfer of the investments held by Anas in toll concession companies to Autostrade dello Stato S.p.A, identifying the exact scope of the transfer (i.e., the investments in Concessioni Autostrade Venete - CAV S.p.A., Autostrada Asti-Cuneo S.p.A., Società Italiana per Azioni per il Traforo del Monte Bianco and Società Italiana Traforo Autostradale del Frejus - SITAF S.p.A.) and establishing the procedures for their transfer. The law, in fact, in order to strengthen Autostrade dello Stato's capital structure allocated the sum of Euro 343 million for the purpose of transferring the aforementioned investments by means of an onerous transfer, an amount determined to correspond to the net book value of these investments in the Anas financial statements. The transfer operations are expected to be completed during 2025.

- Council of State's ruling on the appeal for the transfer of the investment in FSE Srl to FS S.p.A.

On 5 August 2024, judgment no. 06983/2024 of the Council of State was published in settlement of the dispute, brought by Arriva Italia Srl, Ferrotramviaria S.p.A. and COTRAP, against MIT decree no. 248 of 4 August 2016, by which FS S.p.A. had been identified as the entity to which the investment in FSE Srl, held until then by the MIT, was to be transferred. In said judgment, the Council of State granted the appeal brought by the appellants with the consequent annulment of the MIT's decree of 4 August 2016 in the part in which it identified FS S.p.A. as the entity to which FSE had to be transferred, subject to the disapplication of Law no. 208/2015 in the part in which it provided for the allocation of Euro 70 million in favour of FSE. As a result of the aforementioned ruling, the conditions under IFRS 10 concerning the FS Group's control over FSE (i.e. impossibility of acting on the capital of FSE) ceased to apply as from 5 August 2024, and therefore, the company was excluded from the scope of consolidation as from that date.

- Regulatory measures concerning Stretto di Messina SpA

Law no. 120 of 8 August 2024 provides for amendments to Decree Law no. 35/2023 on "Urgent provisions for the construction of the stable link between Sicily and Calabria", as converted into Law no. 58/2023 to ensure compliance with the timetable for the operations of Stretto di Messina. The aforementioned legislation provides for the identification, by means of MIT decrees to be adopted by 31 December 2025, of the works for the implementation of the Trans-European Transport Network (TEN-T) projects and the relevant extraordinary commissioners, who are appointed from among the managerial staff of RFI and Anas.

Furthermore, during 2024, the Board of Statutory Auditors

- received information on the main disputes in which the Company and the Group are involved and we further analysed those that were the most significant with the support of the company functions concerned.
- gathered information from the Heads of the main company units, both directly during their meetings and by

attending the meetings of the Board committees.

- issued:
  - *i)* the opinion pursuant to Article 2389, paragraph 3, of the Italian Civil Code on 5 August 2024;
  - *ii)* the opinion on the appointment of the Officer in charge of Financial Reporting on 28 October 2024.

During 2024, we did not receive any complaints from the sole shareholder pursuant to Article 2408 of the Italian Civil Code, nor did we take any action as a result of omissions by the governing body pursuant to Article 2406 of the Italian Civil Code.

Finally, we attested to compliance with the limit imposed by Article 2412 of the Italian Civil Code at the time of the resolution adopted by the Board of Directors:

- on 10 April 2024 relating to the issue of bonds for a total amount up to a maximum of Euro 682,100,000.00 (six hundred and eighty-two million one hundred thousand point zero cents), consisting of bonds to be issued under FS's EMTN Programme (as updated annually in line with market practice and whose update was lastly authorised by resolution passed on the same date)
- on 21 March 2025 relating to the annual update of the EMTN Programme of Euro 12 billion.

Furthermore, for 2024, we note that:

- we did not make any reports to the governing body pursuant to and for the purposes of Article 15 of Decree Law no. 118 of 2021, or Article 25-*octies* of Legislative Decree no. 14 of 12 January 2019;
- we did not receive any reports from public creditors pursuant to and for the purposes of Article 25-*novies* of Legislative Decree no. 14 of 12 January 2019, or Article 30-*sexies* of Decree Law no. 152 of 6 November 2021, as converted into Law no. 233 of 29 December 2021, as amended.

During our supervisory work, as described above, no other significant facts emerged which would require mention in this report.

2. Separate and consolidated financial statements

The Board of Statutory Auditors notes that the Draft Integrated Report of the FS Group, approved by the Board of Directors at the meeting held on 3 April 2025, consists of the 2024 Annual Financial Report, which includes the Consolidated and Separate Financial Statements of Ferrovie dello Stato Italiane S.p.A., as well as the Directors' Report. The latter complies with the provisions of the Italian Civil Code and specifically applicable regulations, as well as with the provisions of Legislative Decree no. 125 of 6 September 2024, which implements Directive (EU) No. 2464 of 14 December 2022 on Corporate Sustainability Reporting (CSRD).

We examined the draft separate financial statements at 31 December 2024, which show a profit for the year of Euro 431,134,192, and equity of Euro 40,622,339,264. Since we are not required to perform the statutory audit work, we supervised the general presentation of the financial statements, as well as their compliance with law with regard to their preparation and structure, and we have nothing to report. We also checked their compliance with the provisions of law regarding the preparation of the Directors' Report, and again in this regard we have nothing to report. In the Annual Financial Report, the Board of Directors has detailed the captions that contributed to the profit for the year and the underlying events. We have checked that the financial statements are consistent with the facts and information known to us. In this regard, as stated in the independent auditors' report, it emerges that the financial statements for the financial year ended 31 December 2024 have been prepared in accordance with the IFRS issued by the International Accounting Standards Board, and adopted by the European Union in compliance with the Italian regulations governing their preparation. Furthermore, the Independent Auditors have certified that they performed their audit work in accordance with International Standards on Auditing (ISA Italia) prepared pursuant to Article 11 of Decree no. 39/2010.

Since the Board of Statutory Auditors has not been entrusted with the analytical control of the content of the Sustainability Report, the Board of Statutory Auditors monitored the Directors' compliance with the procedural rules concerning the drafting, approval and publication of the Sustainability Reporting, establishing its general compliance with the law with regard to its formation and structure, and supervising the process of its preparation.

The certification activities on the Sustainability Reporting were carried out by the audit firm PwC in application of Articles 8 and 18 of Legislative Decree no. 125/2024, on the basis of which the limited review of the non-financial statement was assigned by FS S.p.A. until the financial year 2031.

The new certification obligations on sustainability reporting introduced by Legislative Decree no. 125/2024 also entailed a greater effort for the independent auditors compared to the limited review of the non-financial statement in previous years. Due to this circumstance, the Board of Statutory Auditors authorised in favour of PwC an increase in the originally agreed fees for the limited review of the non-financial statement.

On 18 April 2025, the independent auditors issued an unqualified opinion on the outcome of the limited assurance engagement, carried out in accordance with the Standard on Sustainability Assurance Engagements - SSAE (Italia), concerning the information relating to sustainability reporting under Article 4 of Legislative Decree no. 125/2024 and that required by Article 8 of Regulation (EU) No. 852/2020 of the European Parliament and of the Council of 18 June 2020. In particular, the audit firm stated that: "*Based on the procedures performed, nothing has come to our attention that causes us to believe that:*

- *the consolidated sustainability reporting of the Ferrovie dello Stato Italiane Group for the year ended 31 December 2024 is not prepared, in all material respects, in accordance with the reporting criteria adopted by the European Commission pursuant to Directive (EU) 2013/34/EU (European Sustainability Reporting Standards, [...]);*
- *the information set out in paragraph "EU Taxonomy disclosure" of the consolidated sustainability reporting is not prepared, in all material respects, in accordance with article 8 of Regulation (EU) No. 852 of 18 June 2020 [...].'"*

In their report, the independent auditors have indicated as a key audit matter the recoverability of the value of equity investments in subsidiaries. In particular, with regard to the investment in the subsidiary Anas SpA, the configuration of recoverable value used by the Company is the value in use calculated by discounting the cash flows of the 2025-2052 economic and financial plan (hereinafter also the "Plan"), approved by the Board of Directors of Anas SpA on 5 March 2025, to which a terminal value was added, equal to the Regulatory Net

Invested Capital at the end of the Concession. The Plan flows were considered for an explicit period until 2052, by assuming the extension of the Concession which is currently due to expire on 31 December 2032.

To the extent of our knowledge, the Directors did not apply any of the exceptions permitted by Article 2423.5 of the Italian Civil Code during the preparation of the financial statements.

Pursuant to Article 154-*bis* of Legislative Decree no. 58 of 1998, in a specific report attached to the draft separate financial statements and the consolidated financial statements for 2024, the CEO and the Officer in charge of Financial Reporting have attested to:

- the adequacy and actual application of the administrative and accounting procedures for the preparation of the aforesaid financial statements;
- the compliance of the financial statements with the applicable international accounting standards endorsed by the European Union pursuant to Regulation (EC) No 1606/2002;
- the consistency of the financial statements with the accounting ledgers and records, and their adequacy in giving a true and fair view of the financial position, results of operations and cash flows of the Company and of consolidated companies; and
- the fact that the directors' report, which accompanies the financial statements, provides a reliable analysis of the performance and results of operations, as well as of the financial position of the Company and the consolidated companies, together with a description of the main risks and uncertainties to which they are exposed.

It should be noted that, as from the 2024 financial year, due to the entry into force of the Corporate Sustainability Reporting Directive (CSRD), the Officer in charge of Financial Reporting was also entrusted with the responsibility of Certification, jointly signed with the Chief Executive Officer, on sustainability reporting (pursuant to Article 154-*bis*, paragraph 5-*ter*, of the Consolidated Finance Act). This Certification concerns the compliance of the Consolidated Sustainability Reporting, included in the Directors' Report, with the ESRS reporting standards and the Taxonomy Regulation.

The Board of Statutory Auditors noted that the aforementioned Certifications, jointly signed by the Chief Executive Officer and the Officer in charge of Financial Reporting, had been issued without any significant issue on the separate financial statements of FS S.p.A. and the consolidated financial statements of the Ferrovie dello Stato Italiane Group and on the Consolidated Sustainability Reporting as at 31 December 2024, presented to the Board of Directors of the Holding Company at the meeting held on 3 April 2025.

Although we are not required to issue a report or provide a formal opinion on the consolidated financial statements, which is the responsibility of the independent auditors, we report that:

- the consolidated financial statements show a net loss for the year of Euro 208 million, and equity of Euro 41,752 million;
- according to the independent auditors' report, the consolidated financial statements have been prepared in accordance with the IFRS Accounting Standards as issued by the International Accounting Standards Board and adopted by the European Union in compliance with the Italian regulations governing their preparation. In addition, the Independent Auditors have certified that it conducted the audit in accordance with the International Standards on Auditing (ISA Italia) drawn up

pursuant to Article 11 of Decree no. 39/2010.

- PwC SpA's report issued pursuant to Article 14 of Legislative Decree no. 39/2010 is not qualified and contains no emphasis of matter paragraphs.

The independent auditors highlighted the following key audit matters in their report on the consolidated financial statements:

- Recoverability of intangible assets of ANAS S.p.A.;
- Calculation of depreciation of the railway infrastructure;
- Determination of the provisions for risks and charges – suppliers' claims for additional fees.

The following significant events occurred after 31 December 2024 and are disclosed in the annual report:

- on 27 February 2025, FS subscribed to a further tranche of a capital increase in the amount of Euro 96,000 to Mercitalia Logistics.

The Board of Statutory Auditors also notes that no events occurred after the reporting date of the financial statements with regard to the consolidated financial statements.

3. Conclusions

In conclusion, considering the results of the activities performed and the opinion expressed in the Independent Auditors' Report, and having acknowledged the certifications issued by the Officer in charge of Financial Reporting responsible for the preparation of accounting documents and sustainability reporting, insofar as we are concerned, we agree with the proposed approval of the draft financial statements of Ferrovie dello Stato Italiane SpA as at and for the year ended 31 December 2024, as submitted by the Board of Directors to the Sole Shareholder's Meeting, and the proposal for the allocation of the result for the financial year submitted by the directors in the notes to the financial statements.

Lastly, considering that our term of office will expire with the approval of the annual financial statements at 31 December 2024, we thank the Company for the profitable cooperation shown to us in the performance of our functions.

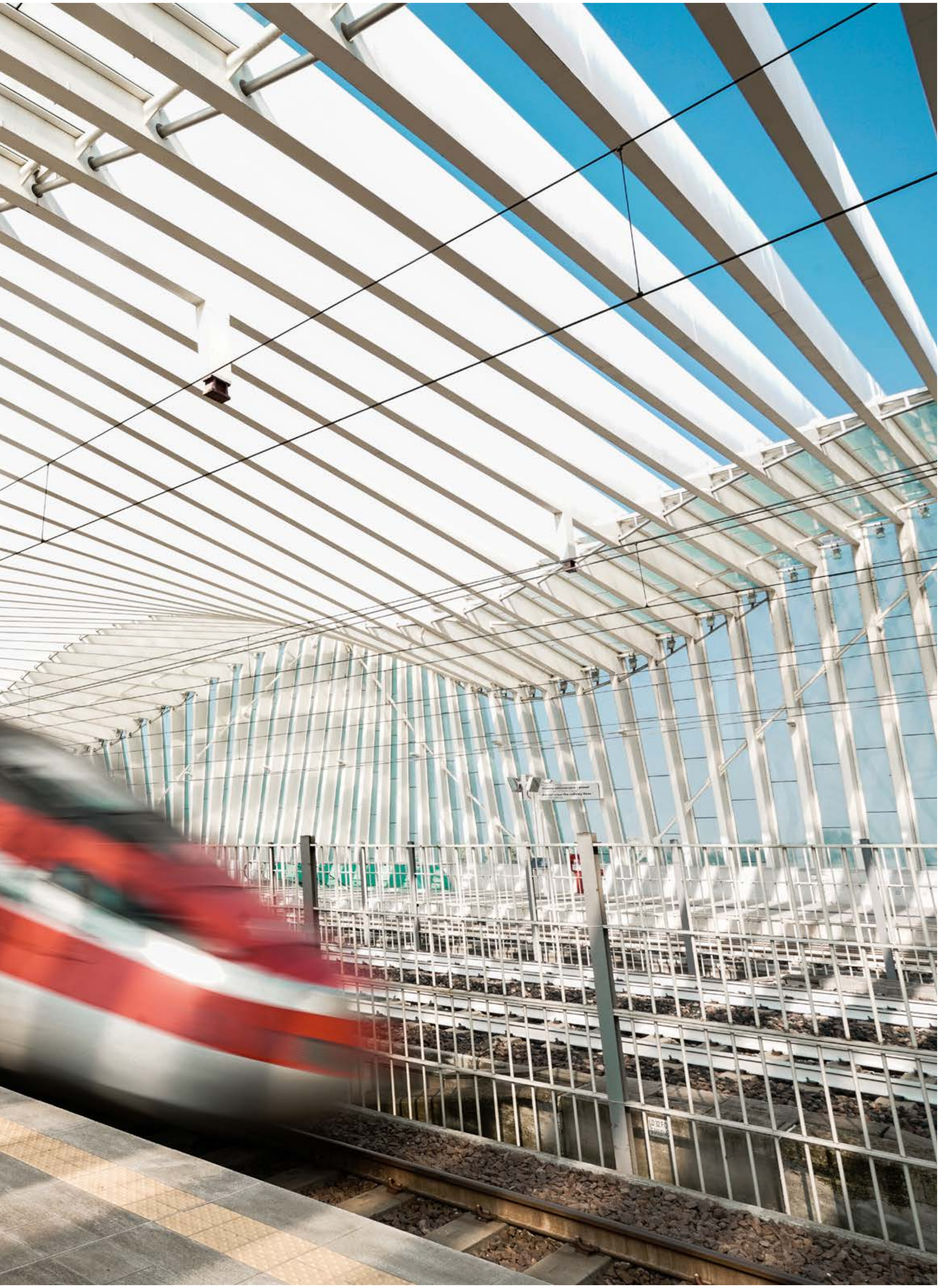
Rome, 18 April 2025

THE BOARD OF STATUTORY AUDITORS

Rosalba Cotroneo (Chairwoman)

Sergio Duca (Standing Statutory Auditor)

Marino Marrazza (Standing Statutory Auditor)



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