Slovenske železnice

Direction: Green Future

Annual report of Slovenske železnice and the Slovenske železnice Group 2024

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2024 in brief

Performance highlights of the Slovenske železnice Group

We have adopted an ambitious sustainability strategy for the Slovenske železnice Group and put our trains on a fast track to a green future.

Items from statement of financial position
(EUR thousand)

Assets

1,289,754	101.4 Index	1,271,549
31 December 2024		31 December 2023

Equity

901,074	104.2 Index	864,346
31 December 2024		31 December 2023

Net financial liabilities

60,982	95.8 Index	63,671
31 December 2024		31 December 2023

Indicators

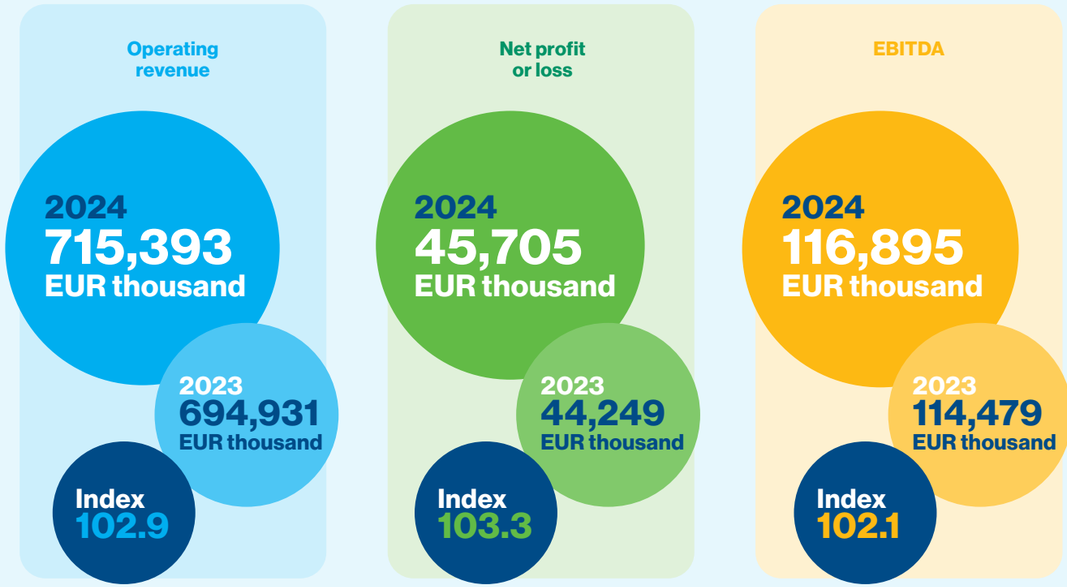
ROE – return on equity

5.2%	100.0 Index	5.2%
31 December 2024		31 December 2023

ROA – return on assets

3.6%	100.0 Index	3.6%
31 December 2024		31 December 2023

Income statement items



Investments, volume of work and employees

	Investments (EUR thousand)	Number of employees	Value added per employee (EUR)	Goods carried (thousand tonnes)	Work done (million NTKM)
2024	42,904	7,114	62,507	17,764	4,555
2023	36,838	7,102	60,340	18,215	4,482
Index	116.5	100.2	103.6	97.5	101.6

	Passengers carried (thousands)	Passenger kilometres (million PKM)	Freight delays (minutes per 100 km)	Passenger delays (minutes per 100 km)	Carbon footprint (gCO_2e per PKM)[1]
2024	16,758	1,091	97.5	6.7	14
2023	15,749	990	113.1	5.8	31
Index	106.4	110.2	86.2	115.5	45.2

[1]Market-based method

To our founding entity, members of the Supervisory Board, business partners, employees and other stakeholders

The Slovenske železnice Group concluded 2024 positively – both from the point of view of operating results achieved and as regards the realisation of the strategic priorities that are leading us towards a greener, more connected, digital future. Despite economic uncertainty and geopolitical impacts on international transport, we have succeeded, through innovative approaches, investment and partnerships, in consolidating our position as Slovenia's leading railway operator and an important regional partner.

Operationally, we achieved record revenue of EUR 715 million and a net profit of EUR 45.7 million, while EBITDA amounted to nearly EUR 117 million. We invested almost EUR 43 million, including in the further modernisation of passenger and freight rolling stock. The number of passengers carried increased by more than 6% and we also exceeded a billion passenger kilometres, in this way proving that the railway is seen as a reliable and sustainable means of transport.

We are proud to have adopted our sustainability strategy, through which we have defined our transport sector decarbonisation targets, human impact objectives and governance objectives. Our electric trains are already 100% CO_2 emissions-free in that they use electricity from 100% renewable sources. We are well aware that the transition to a green future must be based on concrete actions, and this is also demonstrated by our successful project to promote sustainable mobility, which in November 2024 won the prestigious Best National Campaign award at the European Travel Commission's Rail Tourism Awards.

By joining international organisations and through membership of the European Management Committee of the International Union of Railways (UIC), we have further strengthened our role as a co-shaper of the future of Europe's railways.

Under the logistics pillar, we are continuing with the modernisation of our fleet – with the publication of an invitation to tender for the supply of 30 new electric locomotives and the signing of a purchase agreement in March 2025. This is an important step towards increasing efficiency, reducing energy consumption and raising the quality of rail freight services.

We are also continuing with the realisation of the strategic objective to make the logistics pillar a key regional player in this sector in conjunction with our strategic partner.

I am proud to be able to say that in March 2025 we signed an agreement to purchase the remaining portion of bus operator Nomago. In this way, we are laying the foundations for the integrated management of passenger mobility in Slovenia and beyond. This and other strategic projects – such as the digitalisation of transport via the integrated information system for rail traffic management (ilSUP) – are gradually leading to the realisation of our vision of integrated, sustainable and user-friendly transport.

Another important turning point is the construction of the new Ljubljana Passenger Centre, a project in which we are one of the key investors. This project symbolises our commitment to the transformation of urban and national mobility and will contribute to a better user experience for passengers of all generations.

Our construction subsidiary remains the most reliable partner for the construction and repair of railway lines within the region and is ready to undertake projects in the coming years.

Responsibility towards our employees has a special place in our operations. The first generation of Business Academy students have now successfully completed their training, strengthened the ranks of our staff and consolidated Slovenske železnice's reputation as one of the country's most prestigious employers.

A number of ambitious objectives lie before us: the completion of key strategic projects, the continuation of the green transformation, expansion of international connections and the digitalisation of operations and business processes. I believe that with our know-how, commitment and cooperative partnerships we will be equal to every challenge.

Thank you to all who are helping us write the Slovenske železnice success story – employees, passengers, business partners, Supervisory Board members and our founding entity. Through investments, people and a commitment to sustainability, we are building a tomorrow in which – as our slogan puts it – we are moving together towards a green future.

Dušan Mes
Director-General of Slovenske železnice

Significant events

Connecting places and people

New direct connections between Ljubljana and Austria

Since 21 March 2024, six additional pairs of direct passenger trains have been running between Slovenia and Austria: one pair on the Ljubljana–Graz route, another on the Maribor–Graz route and a third on the Pragersko–Maribor–Graz route. Three other pairs of direct trains operate each day on the Ljubljana–Villach route.

Regional connectivity enhanced by new direct Villa Opicina–Rijeka service

A new direct rail connection between Villa Opicina in Italy and Rijeka in Croatia was established on 24 April 2024. The new service (Villa Opicina–Sežana–Divača–Pivka–Ilirska Bistrica–Šapjane–Opatija–Matulji–Rijeka) is part of the SUSTANCE project, financed by Interreg Central Europe, which aims to improve regional connectivity and examine the potential use of public transport for tourism on the Villa Opicina–Rijeka route.

Strategic dialogue for better connections between Slovenske železnice and UIC

On 18 October 2024 Slovenske železnice Director-General Dušan Mes hosted a senior delegation from the International Union of Railways (UIC). Leading representatives of the two organisations took the opportunity to discuss sustainable mobility and solutions in cross-border rail transport. They discussed strategic issues, specific characteristics and new features of the business environment in Slovenia and the Balkans, and key projects such as the Future Railway Mobile Communication System (FRMCS) and Digital Automatic Coupling (DAC).

Increased safety through participation in RAILPOL campaign

As part of the activities taking place during Rail Safety Week (23–29 September 2024), police officers and representatives of Slovenske železnice's Internal Control Office stepped up controls of line crossings and behaviour on trains throughout the country. We also gave a talk about rail safety to young people.

Slovenske železnice Director-General appointed to UIC European Management Committee

On 11 December 2024 Slovenske železnice's Director-General, Dušan Mes, was appointed a member of the UIC's European Management Committee. In this way Slovenske železnice demonstrated its willingness to participate actively in international railway structures and contribute to the development of sustainable and efficient railway systems.

Building a green future

Start of reconstruction of the Dunajska cesta overpass in Ljubljana

As part of the upgrading of Ljubljana railway station, which is taking place within the context of construction of the Ljubljana Passenger Centre, we began demolition of the southern section of the railway overpass crossing Dunajska cesta on 4 January 2024. As a result of the demolition works, the underpass on Dunajska cesta was closed to all traffic until 8 February and railway traffic was limited to two tracks. The first goods train bound for Koper crossed the new overpass in late May 2024.

SŽ-ŽGP projects

In January 2024 we signed a contract for the renovation of Litija railway station. In February construction work began at Nova Gorica railway station. In April we completed renovation of Zagorje railway station. The completion of the Pekel tunnel and the Pesnica viaduct in May 2024 concluded another PRI major investment – modernisation of the Maribor–Šentilj railway line. Renovation of the Šentjur and Laze railway stations was also completed in 2024.

Invitation to tender for the supply of multi-system electric locomotives

In February 2024 SŽ-Tovorni promet, d.o.o. published an invitation to tender on e-naročanje.si for the supply of 30 new four-axle multi-system electric locomotives. The purchase of these locomotives forms part of the company's extensive investments in new rolling stock and equipment to be realised by 2028 with Czech co-owner EPLI.

100% CO_2 free with Slovenske železnice electric trains

Mobility Week saw the campaign '100% CO_2 free with Slovenske železnice electric trains', highlighting the fact that electric trains run on electricity that is 100% generated from renewable sources, enabling carbon-free passenger and freight transport. In this way Slovenske železnice is making an important contribution to protecting the environment and following the strategic objective of reducing CO_2 emissions in the transport sector.

Two major Slovenske železnice projects presented at international logistics conference Moving Slovenia 8.0

The business and logistics conference Moving Slovenia 8.0, dedicated to the logistics and transport challenges facing Slovenia, took place in Brdo pri Kranj on 9 October 2024. The current state of Slovenia's biggest infrastructure projects, the needs and prospects of the logistics sector and new opportunities in logistics and mobility projects were among the topics presented at this conference focusing on infrastructure, logistics and mobility. Slovenske železnice gave a presentation on the importance of the second track of the Divača–Koper railway line for freight transport in Slovenia and the wider region and presented the project 'Construction of the new Ljubljana bus station with underground car park and commercial premises'.

Third visit of hydrogen delegation to Japan

The visit further strengthened the role of Slovenia's hydrogen consortium and established closer ties with a number of key Japanese partners. The delegation, which visited Japan in November 2024, included a representative of Slovenske železnice, who offered the consortium support in exploring the possibilities of introducing hydrogen technologies in the rail transport sector.

Successes are confirmation of our work

Three decades of successful operation by SŽ-ŽIP

In September 2024 the roundhouse of the Railway Museum hosted a ceremony to mark 30 years of successful operation by SŽ-ŽIP, a sheltered company employing workers with disabilities and providing a range of services. This is a success story built on the hard work and dedication of all employees, in particular those with disabilities, who demonstrate every day that they are an equal and valuable part of every work team.

First generation of Business Academy graduates

The first generation of selected talented individuals have successfully completed the Business Academy. They received their certificates at a ceremony at the Faculty of Economics in Ljubljana on 16 October 2024. The successful Business Academy graduates comprise 24 employees identified by the companies of the Slovenske železnice Group as talented individuals with great potential for professional development.

AAA Gold Certificate of Business Excellence for SŽ-Tovorni promet

The company was awarded the certificate in October 2024 by rating agency Dun & Bradstreet, which certifies businesses in 19 European countries. As a company with a gold credit rating, SŽ-Tovorni promet represents the most reliable, credible and low-risk business entity for collaboration with all business partners.

A prestigious accolade for Slovenske železnice at the ETC Rail Tourism Awards 2024

As part of its annual round-up of the most innovative and inspiring promotional campaigns highlighting sustainable rail travel, the European Travel Commission (ETC), in collaboration with Eurail, recognised Slovenske železnice's passenger transport campaign 'New Generation Trains' as the Best National Campaign at the Rail Tourism Awards 2024.

Managing changes

Changes in Slovenske železnice's Management Board

On 14 March 2024 the Supervisory Board of Slovenske železnice named Gorazd Podbevšek as a new member of the Management Board and extended Tomaž Kraškovic's term of office.

Dušan Mes began a new four-year term as Director-General of Slovenske železnice on 25 March 2024.

Tomaž Kraškovic, a member of the Management Board and director of Slovenske železnice, d.o.o., submitted his resignation and was dismissed as a member of the Management Board by the Supervisory Board of Slovenske železnice on 25 October 2024.

Changes in the management of subsidiaries

Extensive changes were made to the Management Board of SŽ EP Logistika in October 2024 as part of an overhaul of governance arrangements within the SŽ EP Group, with the appointment of three new members: Milan Vondráček, Gorazd Podbevšek and Remigiusz Jan Paszkiewicz.

Ernest Gortan began his term as director of SŽ-Tovorni promet on 1 November 2024, while Martin Lunak began his term as director of VV-LOG.

New Articles of Association of Slovenske železnice adopted

The new Articles of Association of Slovenske železnice entered into force on 9 September 2024, introducing, among other things, new provisions on the competences of the founding entity,, cases in which the consent of the Supervisory Board is required and representation of the company.

Framework agreement signed between Slovenske železnice and Adventura Investments

On 30 December 2024 Slovenske železnice and management company Adventura Investments signed an agreement setting out framework conditions for the sale/purchase of the remaining 50% stake in bus operator Nomago.

Significant events after the reporting period

Connecting places and people

Renovation of Nova Gorica railway station
A ceremony to mark the completion of renovation of the railway station, one of the key infrastructure projects of the European Capital of Culture Nova Gorica–Gorizia 2025, was held in Nova Gorica on 31 January 2025.

SŽ-ŽGP projects
The construction projects 'Ljubljana railway station upgrade – phases B and C' and 'Second track of the Divača–Koper railway line' (2TDK) are continuing in 2025, with the participation of SŽ-ŽGP as a major partner.

Ljubljana Passenger Centre project continues
Construction work is continuing on the new Ljubljana Passenger Centre, a project involving three developers. Slovenske železnice will be responsible for building the new bus station with commercial premises and an underground car park, and for the north and south terminals. The public contract notice for construction supervision and project management has already been published and a contractor has been selected to undertake a study of the information management system for the new bus station.

Building a green future

Contract signed for the purchase of 30 new locomotives
On 21 March 2025 SŽ-Tovorni promet, d.o.o. signed a contract with Alstom Transportation Germany for the purchase of 30 state-of-the-art multi-system electric locomotives. This purchase represents one of the biggest strategic investments of the last two decades and a significant factor in the modernisation of freight transport.

On 27 March 2025 the Management Board of SŽ EP Logistika adopted the decision (No. 323) to increase the capital of SŽ-Tovorni promet, d.o.o. with a cash contribution of EUR 4 million in order to finance the above purchase. This move increases the company's capital reserves.

Slovenske železnice acquires Nomago
An agreement on the sale/purchase of the remaining 50% stake in Nomago was signed on 25 March 2025. The acquisition of Nomago aligns fully with the strategic orientations and objectives of the mobility pillar, under which Slovenske železnice establishes itself as the cornerstone of integrated public passenger transport with a majority share in the intercity public transport market and in this way contributes to a more environmentally sustainable transport sector.

Purchase agreement signed for rail crane
As part of the investment programme for the acquisition of machinery necessary to carry out the functions of PRI manager, an agreement was signed on 1 April 2025 to purchase a modern rail crane intended for emergency response and routine work on PRI, such as installing points and track panels, assembling concrete and other structural elements, and similar tasks.

Successes are confirmation of our work

European Commission approves grant of EUR 4 million for the iISUP project
A meeting of partners who have received grants under the Connecting Europe Facility (CEF) 2024 took place in March 2025 at the offices of RailNetEurope (RNE) in Vienna. Prometni institut Ljubljana, in collaboration with Slovenske železnice and SŽ-Infrastruktura and European partners received a CEF 2024 grant for the 'Integrated information system for rail traffic management (iISUP)' project. The new system will replace the existing rail traffic monitoring information system (ISSŽP), developed in the early 1990s, and represents a significant step towards the digitalisation and optimisation of railway traffic in Slovenia.

Managing changes

Changes at the top
On 17 January 2025 Dean Čerin was appointed by the Supervisory Board of Slovenske železnice as a new member of the Management Board, responsible for finance, accounting and management control.

Changes in the representation and leadership of certain companies within the Slovenske železnice Group
Miha Butara took over as director of SŽ-Potniški promet on 17 February 2025.

The terms of the directors of SŽ-Infrastruktura, SŽ-ŽIP and SŽ-VIT – respectively Matjaž Kranjc, Vojka Martinčič and Dušan Žičkar – were extended.

On 3 March 2025 Nenad Resman began his term as chair of the Management Board and director of Fersped and VV-LOG and as a member of the Management Board of SŽ EP Logistika.

Cessation of operations of SŽ-Železniška tiskarna Ljubljana
On 19 February 2025 the general meeting of the company adopted a resolution to commence the liquidation of SŽ-Železniška tiskarna Ljubljana under the simplified procedure.

Closure of Ogranak branch office in Serbia
In January 2025 the Management Board of SŽ-ŽGP adopted the decision to close the Ogranak branch office in Serbia. The company's Supervisory Board gave its consent to this in March 2025 and the process of closing the branch began.

Capital increase of Slovenske železnice for the acquisition of machinery necessary to carry out the functions of the PRI manager
On 15 May 2025 the Slovenian government gave its consent to the Annual Investment Management Plan for 2025, which represents the fundamental document for SDH, the principal manager of state capital assets. Important projects in 2025 include a capital increase of Slovenske železnice in the amount of EUR 80 million. The full amount of the capital increase is intended for the capital increase of SŽ-Infrastruktura to finance the purchase of the machinery that is needed to carry out the tasks of PRI manager defined in the investment programme 'Acquisition of machinery necessary to carry out the tasks of PRI manager, December 2024'.

Governance

The Slovenske železnice Group: this is who we are

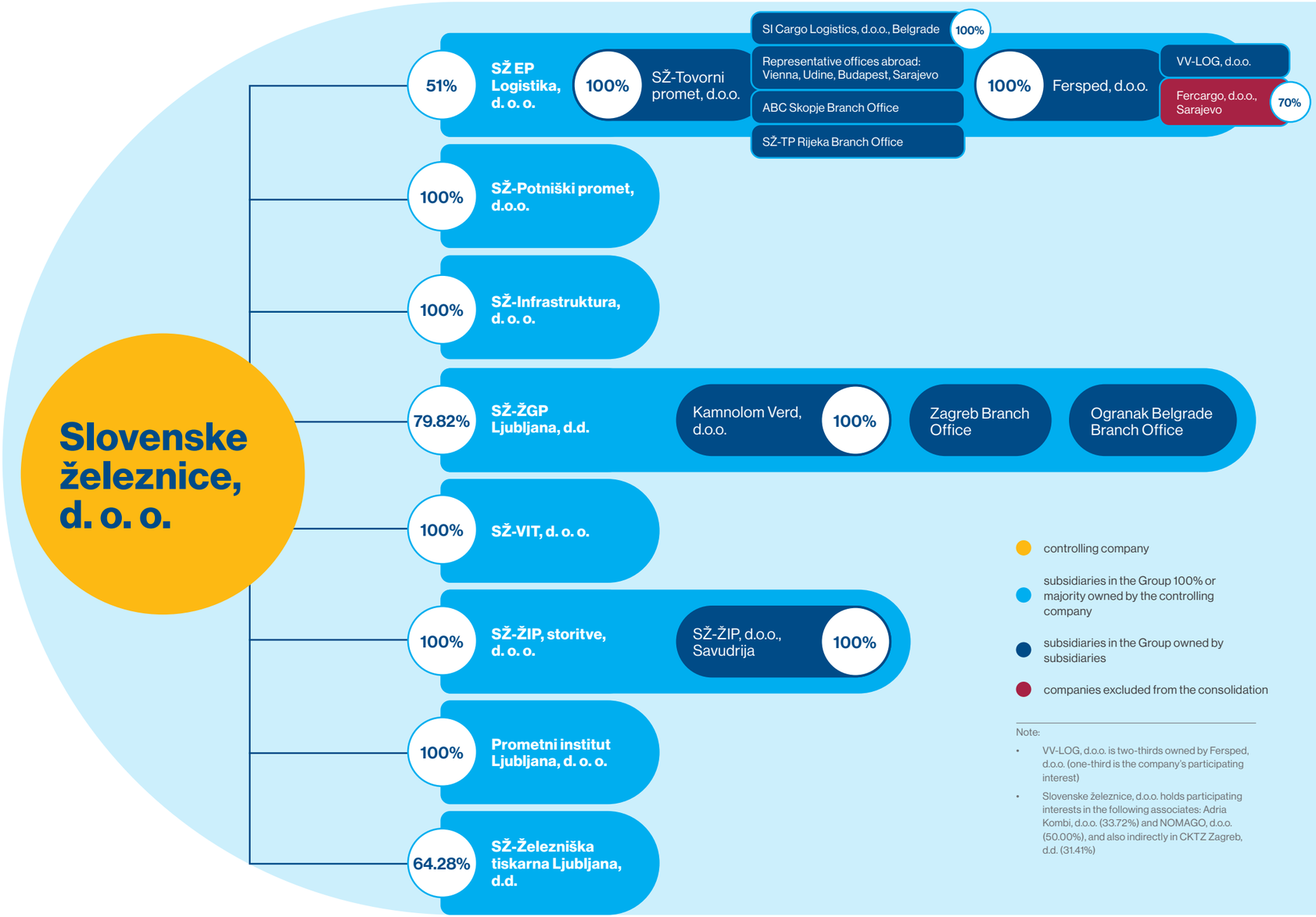
The Slovenske železnice Group sets green standards and creates advanced practices in land passenger transport in Slovenia, while supporting the economy with environmentally and economically efficient freight transport. We use advanced solutions to enable faster, more efficient and more affordable transport of goods and passengers, going beyond national borders and connecting regions.

> **Our core activity is rail transport, which is the most energy- and environmentally efficient mode of transport. In the era of transport decarbonisation, the railway is becoming increasingly attractive and recognised as a sustainable solution. We deliver our services with significantly lower energy consumption, with a large proportion of the energy we use coming from renewable sources.**

More than seven thousand dedicated employees ensure we are moving towards a green future. As the largest logistics company in Slovenia, we are a reputable and reliable employer offering a wide range of employment opportunities across the country. Our associated companies encompass more than seventy different occupations, providing attractive career paths for everyone – regardless of experience or career stage.

The Slovenske železnice Group consists of the controlling company Slovenske železnice and eight subsidiaries with companies they wholly or jointly own.

Organisational structure

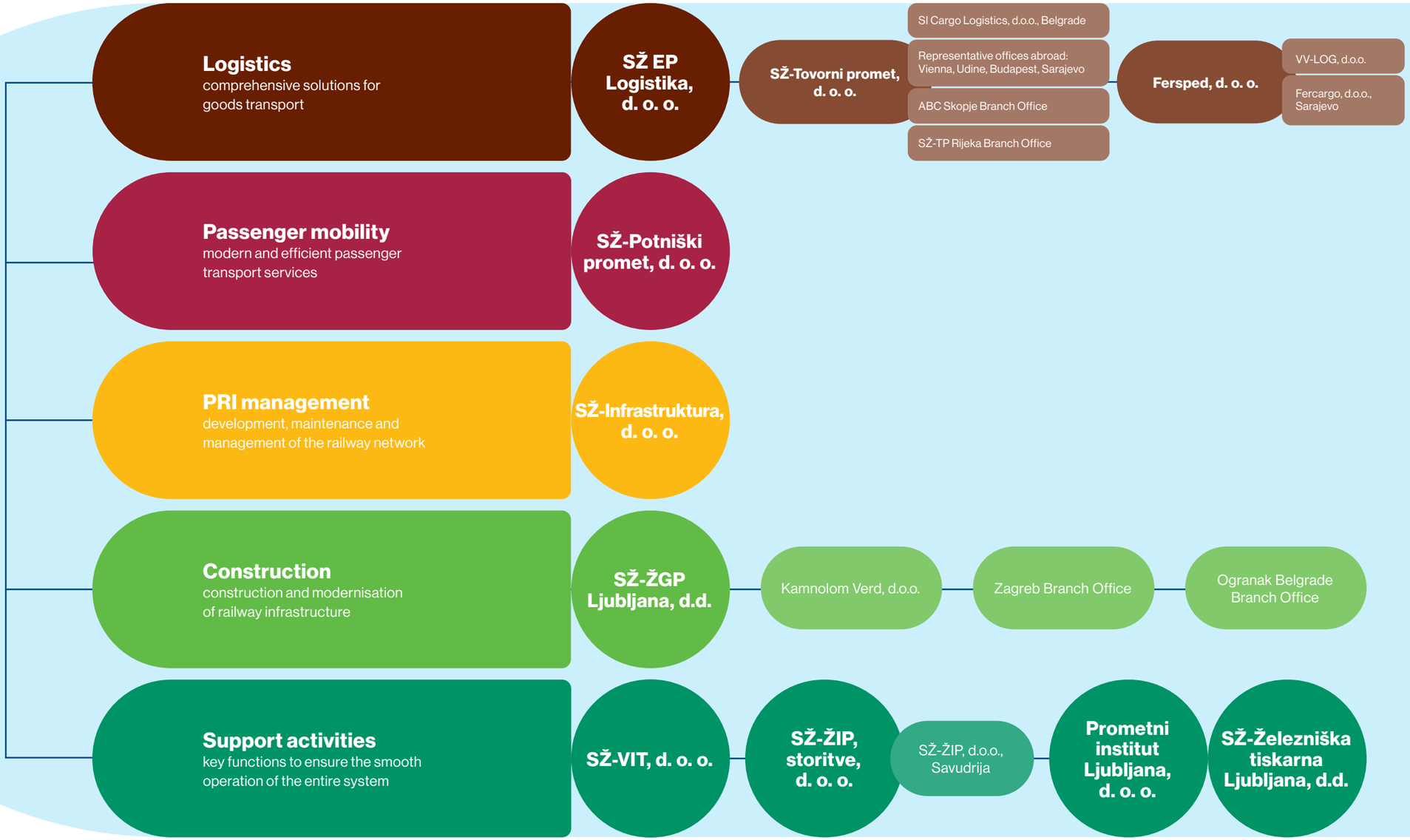


Note:

- VV-LOG, d.o.o. is two-thirds owned by Fersped, d.o.o. (one-third is the company's participating interest)
- Slovenske železnice, d.o.o. holds participating interests in the following associates: Adria Kombi, d.o.o. (33.72%) and NOMAGO, d.o.o. (50.00%), and also indirectly in CKTZ Zagreb, d.d. (31.41%)

Pillars of the Slovenske železnice Group

Slovenske železnice, d.o.o.



Details of the controlling company as at 31 December 2024

COMPANY NAME

Slovenske železnice, d.o.o.

ADDRESS

Kolodvorska ulica 11
1000 Ljubljana
Slovenija

Tel:
+386 (01) 291 40 00

Email:
info@slo–zeleznice.si

Website:
www.slo–zeleznice.si

MANAGEMENT BOARD

Director-General:
Dušan Mes

Management Board member:
Gorazd Podbevšek

Workers' Director:
Nina Avbelj Lekić

MEMBERS OF THE SUPERVISORY BOARD

Chair:
Gabrijel Škof

Deputy Chair:
Hilda Pipan

Members:
Marko Babič
Silvo Berdajs
Vinko Filipič
Melita Malgaj
Aleksander Nagode
Zlatko Ratej
Jože Pavšek

COMPANY DETAILS

Core activity:
70.100 Activities of head offices

Quality certificate:
ISO 9001:2015, January 2028

Environmental certificate:
ISO 14001:2015, January 2027

Energy certificate:
ISO 50001:2018, January 2028

Entry number:
10537000

Registration number:
5142733000

VAT number:
SI 18190995

CONTACT FOR INFORMATION REGARDING THE ANNUAL REPORT:

Slovenske železnice, d.o.o.
Kolodvorska ulica 11, 1000 Ljubljana
Office of the Management Board

Details of subsidiaries as at 31 December 2024

Official company name/abbreviated company name	SŽ EP Logistika, d.o.o.	SŽ-Tovorni promet, d.o.o.	Fersped, d.o.o.	VV-LOG, d.o.o.	SŽ-Potniški promet, d.o.o.	SŽ-Infrastruktura, d.o.o.
Business address	Kolodvorska ulica 11, 1000 Ljubljana	Kolodvorska ulica 11, 1000 Ljubljana	Zaloška cesta 219, 1000 Ljubljana	Ankaranska cesta 5 B, 6000 Koper - Capodistria	Kolodvorska ulica 11, 1000 Ljubljana	Kolodvorska ulica 11, 1000 Ljubljana
Registered office	Ljubljana	Ljubljana	Ljubljana	Koper	Ljubljana	Ljubljana
Core activity	64.200 Activities of holding companies	49.200 Freight rail transport	52.290 Freight forwarding and other transport support activities	52.290 Freight forwarding and other transport support activities	49.100 Passenger rail transport	68.320 Property management for a fee or under contract
Registration/entry number	/	/	10125000	10812500	/	/
Company registration number	8973784000	6017231000	5069084000	2361191000	6017274000	6017177000
VAT number	95301623	SI84667044	SI76557995	SI97246239	SI89393686	SI94995737
Management	Zbigniew Klepacki Milan Vondráček Dušan Žičkar Remigiusz Jan Paszkiewicz Gorazd Podbevšek	Ernest Gortan Remigiusz Jan Paszkiewicz Tamara Luskovec (workers' director)	Dean Peršić Martin Lunák	Dean Peršić Martin Lunák	Darja Kocjan Igor Birčaković (workers' director)	Matjaž Kranjc Milorad Šljivić (workers' director)
Supervisory Board	Dušan Mes Milan Jelenc Silvo Berdajs Michal Antonin Miodrag Maksimović	/	/	/	Aleš Mihelič Bernarda Babič Leon Didič	Jernej Pavlič Tjaša Ribič Urh Dragan Malinović
General Meeting	General Meeting SŽ EP Logistika, d.o.o.	Sole shareholder SŽ EP Logistika, d.o.o.	Sole shareholder SŽ EP Logistika, d.o.o.	Founding company Fersped, d.o.o.	Founding company SŽ, d.o.o.	Founding company SŽ, d.o.o.

Official company name/abbreviated company name	SŽ-Železniško gradbeno podjetje Ljubljana, d.d.	Kamnolom Verd, d.o.o.	SŽ-VIT, d.o.o.	SŽ-ŽIP, storitve, d.o.o.	Prometni institut Ljubljana, d.o.o.	SŽ-Železniška tiskarna Ljubljana, d.d.
Business address	Ob zeleni jami 2, 1000 Ljubljana	Verd 145, 1360 Vrhnika	Zaloška cesta 217, 1000 Ljubljana	Kolodvorska ulica 11, 1000 Ljubljana	Kolodvorska ulica 11, 1000 Ljubljana	Hladilniška pot 28, 1000 Ljubljana
Registered office	Ljubljana	Vrhnika	Ljubljana	Ljubljana	Ljubljana	Ljubljana
Core activity	42.120 Construction of railways and underground railways	23.990 Manufacture of other non-metallic mineral products n.e.c.	33.170 Repair and maintenance of other transport equipment	80.100 Private security activities	72.200 Research and experimental development in social sciences and humanities	18.120 Other printing
Registration/entry number	10011300	13135100	12596100	12501700	11645100	10004600
Company registration number	5143004000	1278061000	5865824000	5824290000	5674522000	5142881000
VAT number	SI46621474	SI34750720	SI99181762	SI61613223	SI34722645	SI41764544
Management	Anton Žagar Pavel Piškur (workers' director)	Uroš Močnik Sergij Grmek - authorised signatory	Dušan Žičkar Zdravko Skrbiš (workers' director)	Vojka Martinčič Vesna Ritlop (workers' director)	dr. Peter Verlič	Majda Železnik
Supervisory Board	Gorazd Podbevšek Dušan Mes Simon Kokalj Bernarda Babič Miha Črne	Anton Žagar Pavel Piškur Gašper Marc	Jana Končar Gorazd Podbevšek Zdenko Lorber	Miha Butara Andreja Košir Jože Pavšek	/	Boštjan Koren Daniel Vasiljević Gašper Kranjc
General Meeting	General meeting of shareholders	Founding company SŽ-ŽGP Ljubljana, d.d.	Founding company SŽ, d.o.o.	Founding company SŽ, d.o.o.	Founding company SŽ, d.o.o.	General meeting of shareholders

Corporate governance statement

In accordance with the provision of the fifth paragraph of Article 70 of the Companies Act and the recommendations of the Corporate Governance Code for Companies with Capital Assets of the State, Slovenske železnice, d.o.o. hereby issues its corporate governance statement for 2024.

Reference to the Corporate Governance Code

As a company under 100% state ownership, Slovenske železnice applies the Corporate Governance Code for Companies with Capital Assets of the State (hereinafter: SDH Code) and the Recommendations and Expectations of Slovenski državni holding. These two documents are the key governance documents of Slovenski državni holding and are available online at https://www.sdh.si/.

Statement of compliance with the provisions of the Corporate Governance Code for Companies with Capital Assets of the State and the Recommendations and Expectations of Slovenski državni holding, d.d.

The company continuously monitors all changes and amendments to both documents. At least once a year we verify compliance with both documents following the principle of 'comply or explain'.

The company strives to comply with both documents to the greatest possible extent, taking into account the specifics of its operations (activity, size, single-owner enterprise, etc.).

Under the 'comply or explain' principle, we provide point-by-point explanations of deviations from the individual recommendations of the two documents that were in force in 2024. If we were not fully compliant with an individual provision in 2024 and we intend to change this policy in 2025, this is stated separately in accordance with Recommendation 3.6.1 of the SDH Code. Several activities already implemented in 2024 to reduce the above-mentioned deviations are listed below.

Corporate Governance Code for Companies with Capital Assets of the State

Management Board

Recommendation 7.7: Employee development plans

In 2024 we intensively tested the SAP SuccessFactors personnel information system, which we plan to use to digitalise the majority of HR processes. In 2025 we will introduce the system at Slovenske železnice, refine it and train end-users. With additional information support and taking into account the good practices of other companies integrated into the information system, we will be able, among other things, to:

- gradually cover all employee profiles;
- develop the personnel process for managing employees' development plans, which will define each worker's career path;
- develop a systematic approach to employee development by creating a competence catalogue and increasing skills and competences in connection with (development) objectives;
- support and renew the process of annual development discussions between managers and employees by setting objectives and through evaluation and self-evaluation of the achievement of objectives and competences;
- revise the management of training, education and knowledge transfer, including mentoring;
- introduce profiles for managers, (targeted) leadership and team management, and monitor employee development through evaluation and giving and receiving feedback.

As a result of all the above, talent and succession management will also become easier. In 2025 we plan to launch a call for the next generation of talents, who will be trained within the context of the Business Talent Academy.

In 2025 a new series of training courses for formal managers will also start within the context of Business Academy for Leaders.

Recommendation 7.10: Internal succession policy

The Supervisory Board has not adopted a unified succession policy document, but management training for this purpose is taking place within the Slovenske železnice group. The Supervisory Board initiates the candidate selection process for members of the Management Board before the expiry of the current members' terms of office or when the need arises to start the personnel procedure for appointing members of the Management Board.

Recommendations and Expectations of Slovenski državni holding

Procurement of goods and services, and sponsorships and donations

Recommendation 3.9: Publication of data on the total value of transactions relating to service contracts

The company does not publish data on its website regarding the total value of transactions that are, by their legal nature, mandate contracts or work contracts or whose subject is intellectual work; however, it does publish data in accordance with the applicable regulations regarding specific contracts in a manner that makes it possible to identify data regarding the total value from individual announcements.

Description of the main features of the company's internal control and risk management systems in relation to the financial reporting process

Internal controls are guidelines and procedures defined in the Slovenske železnice Group in order to manage risks associated with financial reporting.

A comprehensive risk management system is in place at the Slovenske železnice Group. The system ensures that the books of account are managed appropriately. A system

has been created that ensures the functioning of internal controls at all levels of the Slovenske železnice Group's operations. The company's Management Board is aware that every internal control system has its limits regardless of how it functions. However, the internal control system provides sufficient assurances for the identification and assessment of significant risks, the defining of risk management measures and reporting on risks.

The Slovenske železnice Management Board and the management boards of Slovenske železnice Group companies, which ensure that internal controls are systematically built into business processes, are responsible for maintaining the books of account and ensuring that internal controls and the internal control system function effectively, and protecting the assets of the company.

Internal accounting controls function on the basis of the following principles:

- veracity and the division of responsibility;
- control of transactions;
- separation of accounting records from transactions;
- the accuracy, reliability, completeness and timeliness of financial reports;
- the compliance of operation with legislation, the International Financial Reporting Standards, contracts and company by-laws, and the guidelines and policies adopted by the Management Board of Slovenske železnice;
- professionalism and independence of accountants.

Accounting controls are to a large degree also directly linked to controls in the area of the IT system, which ensures restrictions and control of access to the network, applications and information, and controls of accuracy, completeness of capture and data processing. The proper operation and determination of appropriate controls within the IT system is verified through authorised external service providers.

Risks associated with the consolidated financial statements of the Slovenske železnice Group are largely managed through the centralised accounting function within Slovenske železnice and by auditing the annual financial statements of all major subsidiaries comprising the Slovenske železnice Group.

Internal auditing

The Internal Audit Department of Slovenske železnice conducts internal auditing at the level of the Slovenske železnice Group. It is organised as a central office (independent organisational unit) that reports directly to the company's Management Board. The head of the department reports directly to the Management Board on administrative matters and to the company's Supervisory Board on functional matters.

The department acts in accordance with the principles of independence, professionalism and impartiality, and with ethical principles and the core principles of the auditing profession. It operates in accordance with the Internal Auditing Rules Hierarchy, the Internal Audit Charter, and the Rules on the Functioning of the Internal Audit Department. The compliance and quality of its work, as well as continuous improvements, are confirmed every year via an internal quality assessment, while an independent external quality assessment was carried out in 2023.

Internal auditors are highly qualified, undertake regular specialist training and are active in professional circles that cover internal auditing.

The primary objective of the department is to provide independent and impartial assurance and consulting services within the Slovenske železnice Group. The Internal Audit Department's primary focus in on assessing the extent to which objectives have been achieved successfully and effectively, and on the drafting of proposed improvements in the governance of the Slovenske železnice Group and the management of risks and control procedures, through which it generates added value for the Group and its stakeholders.

In 2024 the Internal Audit Department operated on the basis of the approved work plan for 2024, which is based on a risk assessment and identified key and current risks. It provided assurance and consulting services, and issued recommendations on how to improve internal controls and manage risks more effectively in the areas audited.

It regularly and directly reports on all completed audits, findings, recommendations and their implementation to the management and supervisory bodies of the controlling company and subsidiaries.

Compliance and corporate integrity system

On 1 January 2025 a compliance department was established, reporting directly to the Management Board of the controlling company; it is responsible for all companies in the Group. Before this the area of compliance was managed by the compliance and integrity officer, who reported to the management boards, audit committees of supervisory boards and the supervisory boards of the companies in the Group. In accordance with the Articles of Association of Slovenske železnice, d. o. o., the Supervisory Board of the company gives consent to the appointment, dismissal, remuneration and annual programme of the compliance officer.

The compliance function is one of the key functions in the governance system of the Slovenske železnice Group and part of the second line of defence in the internal control system. The task of the compliance department is to control and manage risks arising from compliance with legislation and internal rules, as well as to monitor risks arising from business relationships. It also plays an important role in efforts to achieve the highest possible standards of business ethics and to strengthen the corporate culture of the company.

The goal of compliance can be defined as managing a system through which the Group acts preventively and consequently reduces risks arising from compliance with legislation; establishes uniform minimum standards of conduct within the Slovenske železnice Group; promotes transparent operations and a corporate culture oriented towards legality and integrity; assists management boards in the Group in exercising due oversight and consequently encourages the protection of companies against liability for non-compliance with legislation or other breaches caused by employees or other persons acting on behalf of and for the account of the companies for which they are responsible.

The companies in the Slovenske železnice Group have adopted a corporate integrity plan, which they update every year. In 2024 we prepared a new code of conduct, which was adopted in April 2025. In accordance with the Whistleblower Protection Act, all companies in the Group with fifty or more employees have designated integrity officers whose job is to receive reports of breaches of corporate integrity.

Information provided in accordance with point 4 of Article 70(5) of the Companies Act

The company is established as a limited liability company. Its sole shareholder (owner) is the Republic of Slovenia, which holds the entire participating interest. In accordance with the first paragraph of Article 2 of the Slovenske Železnice Act, the Republic of Slovenia may not divide its participating interest in the company or transfer it to another party. As the sole shareholder, there are no restrictions on the Republic of Slovenia's voting rights.

The company is led by the Management Board, which has between two and four members, one of whom is the director-general, who leads and coordinates the work of the Management Board. Members of the Management Board are appointed and dismissed by the company's Supervisory Board, while the workers' director is appointed and dismissed by the Supervisory Board on the proposal of the works council of companies linked by capital. The Director-General has the right to propose to the Supervisory Board the appointment of the other members of Management Board, although the Supervisory Board is not legally bound to follow that proposal. The Supervisory Board may dismiss members of the Management Board at any time without explanation.

The company has a Supervisory Board consisting of nine members. Six members are appointed and dismissed by the founding entity (Slovenski državni holding) in accordance with regulations and its by-laws, while three members representing employees are appointed by the works council of companies linked by capital.

The Articles of Association and the amendments thereto are adopted by the founding entity, Slovenski državni holding.

The Management Board manages the operations of Slovenske železnice and represents the company at its own responsibility. Individual members of the Management Board are assigned their respective areas of work by the rules of procedure of the Management Board. In accordance with the Articles of Association, the workers' director represents the interests of workers as they relate to human resource and social issues.

The director-general represents the company jointly with another member of the Management Board or together with the workers' director. In the absence of the director-general, the company may be represented jointly by the other two of the remaining three members of the Management Board.

Owing to the legal prohibition on the division or transfer of the participating interest to another party, the Management Board has no powers to issue or purchase treasury shares.

Functioning of the general meeting and its key powers, description of the rights of shareholders and the manner in which those rights are exercised

Under the Companies Act, all the major corporate decisions in single-partner limited liability companies that are set out in the Companies Act and in the Articles of Association are taken by the founding entity. The function of founding entity is performed by Slovenski državni holding.

The founding entity has all the powers of the general meeting and independently decides on the appointment and dismissal of members of the Supervisory Board, except those appointed by the works council; on enforcing the company's claims against the Management Board and Supervisory Board members in relation to compensation for damages to the company and representing the company in court proceedings against the Management Board and Supervisory Board members at its own initiative or at the proposal of the competent company body; on appointing the auditor of the annual report (and consolidated annual report) at the proposal of the Supervisory Board; on the remuneration of members of the Supervisory Board and Supervisory Board committees (internal members); on acquiring participating interests; on changes to the company's share capital; on payment and return of subsequent payments; on the division and termination of participating interests; on changes of status and dissolution of the company; on the adoption of and amendments to the Articles of Association; on the use of distributable profit, interim distribution of profit to the founding entity and the adoption of the annual report if the Supervisory Board has not approved the annual report or if the Management Board and Supervisory Board leave the decision on adopting the annual report to the founding entity; at the proposal of the Supervisory Board, the founding entity decides on consent to the remuneration policy for management bodies if required under Article 90 ZSDH-1, because the remuneration policy for management bodies defines remuneration differently from how it is defined in the ZPPOGD; otherwise the founding entity is merely informed of the remuneration policy for management bodies; on conferring official approval on the Supervisory Board and Management Board, where claims for damages may also be enforced against persons on whom official approval has been conferred; and on other matters in accordance with applicable regulations and these Articles of Association. The founding entity is also responsible for interpreting these Articles of Association.

Meetings of the founding entity are held in accordance with the founding entity's by-laws. The founding entity, in its role as the general meeting, is also responsible for convening meetings.

Composition and functioning of management and supervisory bodies and their committees

The company is governed by the founding entity directly and through its governing bodies, namely the Supervisory Board and the Management Board (two-tier governance system).

Composition of the Supervisory Board

In accordance with the Articles of Association of Slovenske železnice, the Supervisory Board of Slovenske železnice, d.o.o. comprises nine members. Six members are appointed by the founding entity and three by the works councils of companies linked by capital.

Composition of the Supervisory Board and its committees during the 2024 financial year:

Name	Function	Education	First appointment to function	End of function / term of office	Shareholder/ employee representative [1]	Gender [2]	Nationality [2]	Year of birth [2]	Professional profile [2]	Participation in Supervisory Board meetings with respect to total number held	Independence under Article 23 of the Code	Existence of conflicts of interest during the financial year [3]	Membership of supervisory bodies of other companies	Membership of committees	Chair/ member	Participation in committee meetings with respect to total number held
Gabrijel Škof	chair	bachelor's degree in law	27 August 2020	28 August 2028	S	ND	ND	ND	ND	15/15	YES	NO	ELEKTRO GORENJSKA, d.d.	Strategic Investments Committee	member	6/6
														HR Committee	member	11/11
Hilda Pipan	deputy chair	bachelor's degree in law	15 February 2023	15 February 2027	S	ND	ND	ND	ND	15/15	YES	NO	2TDK, d.o.o.	HR Committee	chair	11/11
Aleksander Nagode	member	master's degree	11 September 2015	13 September 2027	S	male	Slovenian	1975	corporate governance	15/15	YES	YES	Succession Fund of the Republic of Slovenia (public fund)	Audit Committee	member	10/10
														Strategic Investments Committee	chair	6/6
Silvo Berdajs	member	secondary vocational	11 September 2015	13 September 2027	E	ND	ND	ND	ND	15/15	YES	NO	SŽ EP Logistika, d.o.o.	Audit Committee	member	10/10
														Strategic Investments Committee	member	6/6
Jože Pavšek	member	lower secondary	11 September 2015	13 September 2027	E	male	Slovenian	1952	social and human resources	14/15	YES	NO	SŽ-ŽIP, storitve, d.o.o.			
Zlatko Ratej	member	secondary vocational	24 April 2018	13 September 2027	E	ND	ND	ND	ND	15/15	YES	NO	/	HR Committee	member	11/11
Vinko Filipič	member	bachelor's degree in economics	15 February 2023	15 February 2027	S	male	Slovenian	1971	management, corporate governance, logistics	15/15	YES	NO	Javno podjetje za mestni potniški promet Marprom, d. o. o.	Audit Committee	member	10/10
													Javni holding Maribor d.o.o. (until 25 August 2024)			
Melita Malgaj	member	bachelor's degree in economics	12 June 2020	13 June 2028	S	female	Slovenian	1971	corporate governance	15/15	YES	NO	CINKARNA, kemična industrija Celje, d.d.	Audit Committee	chair	10/10
Marko Babič	member	bachelor's degree in economics	15 February 2023	15 February 2027	S	ND	ND	ND	ND	15/15	YES	NO	/	Strategic Investments Committee	member	6/6
Barbara Nose	external member AC	postgrad. specialisation in auditing	19 October 2015	21 February 2027	S	female	Slovenian	1964	auditing and accounting	/	YES	NO	Zavarovalnica Triglav, d.d.	Audit Committee	member	10/10
													Pošta Slovenije, d.o.o.			
													LUKA KOPER, d.d.			

[1] S – shareholder representative; E – employee representative

[2] ND – not disclosed

[3] If a conflict of interest arose in a particular case, the member of the Supervisory Board in question was recused from discussions and decisions by the Supervisory Board.

Activities of the Supervisory Board

The legal bases for the work of the Supervisory Board are the Companies Act, Slovenske železnice, d.o.o.'s Articles of Association, the Rules of Procedure of the Supervisory Board, the Rules of Procedure and Remuneration of Supervisory Board Committees, and the Rules of Procedure of the Supervisory Board's Audit Committee.

The Supervisory Board exercises its powers and performs its duties at meetings and via its committees.

The most important responsibilities of the Supervisory Board are the following:

- supervision of the management of Slovenske železnice's operations;
- giving consent to the company's and Group's long-term business strategy or strategic business plan and to the company's and Group's annual business and financial plan;
- appointment of the audit committee and other necessary Supervisory Board committees, and determination of the remuneration of external members of Supervisory Board committees;
- review and approval of the company's annual report and the Group's consolidated annual report, and of the proposal for the use of the distributable profit submitted by the Management Board, and preparation of a written report for the founding entity;
- appointment and dismissal of members of Management Board;
- approval of employment contracts or civil law contracts with members of the Management Board;
- adoption of the Management Board remuneration policy in accordance with the recommendations and expectations of SDH and informing the founding entity, unless the founding entity decides by resolution to adopt it itself or if it is necessary for the founding entity to approve it in connection with Article 90 ZSDH-1, deciding on the level of Management Board remuneration, taking into account applicable legislation and the adopted remuneration policy;
- submitting a proposal to the founding entity regarding the appointment of an auditor, which must be based on the audit committee's recommendation;
- giving consent to the appointment, dismissal and remuneration of the head of the Internal Audit Department, to the annual and/or multi-year work programme of this department, and to the rules governing the operation of the Internal Audit Department; if internal audit services are provided by external contractors, the Supervisory Board gives consent to the conclusion, amendment and termination of the contract entered into by the company with the external contractor;
- giving consent to the Management Board to make decisions on the appointment and dismissal of directors or executive managers of subsidiaries, except those who perform the tasks of PRI managers under the law, for whom it only gives a prior opinion on the appointment and dismissal of their directors or executive managers;
- adoption of the rules of procedure for the Supervisory Board and its committees;
- giving consent to the company's Management Board to make decisions at the general meetings of subsidiaries in cases of changes of status, amendments to the articles of association and equity changes;
- giving consent to the division of business areas among members of the Management Board as proposed by the Management Board;
- giving consent to the appointment, dismissal, remuneration and annual work programme of the compliance and integrity officer;
- appointment of the workers' director to the company's Management Board and dismissal at the proposal of the works council;
- discussing and deciding on other matters in accordance with regulations and the Articles of Association.

The Supervisory Board also makes decisions and gives its consent in the matters set out in Articles 14 and 32 of the applicable Articles of Association of Slovenske železnice, d.o.o.

Supervisory Board committees

The composition of the Supervisory Board's committees and their activities in 2024 are presented in detail in the report on the work of the Supervisory Board, and are not described again in this section.

Management Board

In accordance with the applicable Articles of Association of Slovenske železnice, d. o. o., the company's operations are managed by the Management Board, which comprises the director-general, who represents the company jointly with another member of the Management Board or together with the workers' director, up to two members of the Management Board, and the workers' director, who is appointed in accordance with the Workers' Participation in Management Act.

Executive managers and the Management Board direct business under their own responsibility. When directing business, executive managers and the Management Board make all decisions that are not the responsibility of the Supervisory Board and the founding entity. Individual members of the Management Board are assigned their respective areas of work by the rules of procedure of the Management Board. The Workers' Director represents the interests of workers as they relate to human resource and social issues, in accordance with the Articles of Association. The Management Board acts as a collegiate body when making the most important decisions for Slovenske železnice and the Slovenske železnice Group.

Composition of the Management Board during the 2024 financial year:

Name	Position (president or chair, member)	Education	Area of work as member of Management Board	First appointment to function	End of function / term of office	Gender	Nationality	Year of birth	Professional profile	Membership in supervisory bodies of unaffiliated companies
Dušan Mes	director-general	master's degree in business studies	implementation of the strategic business plan, logistics, operations of subsidiaries, internal audit, corporate and information security and internal control, marketing and communications, property marketing and management, procurement, information technology and new technologies	22 March 2012	25 March 2028	male	Slovenian	1978	business management and organisation, strategic planning	/
Tomaž Kraškovic	member of the Management Board (director)	master's degree in economics	finance, accounting, controlling and investments, and the mobility company development project	1 April 2016	23 October 2024	male	Slovenian	1974	finance and accounting	/
Gorazd Podbevšek	member of the Management Board (director)	bachelor's degree in law	compliance and integrity, legal affairs, human resources and training centre activities, sustainable operations, risk management, quality and process optimisation, and corporate governance	3 April 2024	3 April 2028	male	Slovenian	1977	corporate governance, legal	/
Nina Avbelj Lekić	workers' director	bachelor's degree in law	HR and social issues	21 March 2018	22 March 2026	female	Slovenian	1981	labour and social law	/

Governance of subsidiaries

The Governance Policy of Slovenske železnice, d.o.o. and the Slovenske železnice Group was adopted in 2023 and renewed at the end of 2024. It lays down the main governance policies of Slovenske železnice and all companies comprising the Group, paying due regard to the long-term objectives and values of the Group. The Governance Policy is published on the Slovenske železnice Group website at https://www.sz.si.

The Management Board and Supervisory Board of the company also play a key role in the governance of subsidiaries.

The Slovenske železnice Group consists of Slovenske železnice itself and the directly dependent subsidiaries SŽ EP Logistika, SŽ-Potniški promet, SŽ-Infrastruktura, SŽ-VIT, SŽ-Železniško gradbeno podjetje, SŽ-ŽIP, storitve, Prometni institut Ljubljana and SŽ-Železniška tiskarna Ljubljana, in which Slovenske železnice holds a 100% or majority interest, along with subsidiaries in which these subsidiaries hold a 100% or majority interest.

These companies are engaged in the core activities of the maintenance and management of PRI, rail traffic management, the conveyance of passengers and goods on public railway infrastructure, train traction and technical wagon inspection services, in other services, and in supplementary and complementary activities required for the continuous and high-quality performance of the core activities.

Slovenske železnice has concluded control agreements with SŽ-Potniški promet, SŽ-Infrastruktura, SŽ-VIT, SŽ-ŽIP, storitve, and Prometni institut Ljubljana, d.o.o. Together they therefore comprise a contractual concern. A control agreement sets out the conditions for and method of management of operations in the contractual concern, along with other mutual rights and obligations. Under a control agreement, the subsidiary is subject to the management and governance of Slovenske železnice, as the controlling company. On its basis, Slovenske železnice is entitled to issue binding instructions to the subsidiary on the management of business, and is also obliged to cover the subsidiary's losses.

Description of the diversity policy

Slovenske železnice has adopted a diversity policy for management and supervisory bodies, based on the principle of inclusion and cooperation among people with different ways of thinking, backgrounds, knowledge, experience, skills and personal characteristics. When composing the bodies, particular consideration is given to professional diversity, diversity of competences, gender and age diversity, and ensuring continuity. The policy also sets measurable targets, including at least 25% representation of the less represented gender in management and supervisory bodies. The share of women in the management and supervisory bodies of Slovenske železnice at the end of 2024 was 3 out of 12 (25%), including 2 out of 9 (22.2%) on the Supervisory Board. The Slovenske železnice Group has set a target in its sustainability strategy to achieve at least 40% representation of the less represented gender in supervisory bodies and at least one representative of the less represented gender in the management bodies of each company in the Slovenske železnice Group, in this way aiming to further increase the inclusion of women in all areas. The Slovenske železnice Group plans to adopt a new diversity policy in 2025.

The core principle of the policy is diversity in terms of the inclusion and participation of people with different ways of thinking, backgrounds, knowledge, experience, skills and personal characteristics at all levels of the company.

The objective of the diversity policy is to ensure that the composition of each body results in a set of abilities, expertise, skills and experience that will ensure a sound understanding of current events and of long-term risks and opportunities in connection with the operations of the company and Group, and therefore the long-term successful and sustainable performance of the company and the Group.

When determining the optimal composition of bodies, the following aspects of diversity are taken into account in particular. This is to ensure that an individual body functions as a whole as effectively as possible:

- professional diversity to ensure the complementarity of knowledge and skills;
- diversity in terms of competences;
- gender diversity;
- diversity in terms of age, which is particularly important because of the ageing of the population and the raising of the retirement age; and
- continuity in the form of an appropriate ratio of existing members to new members of the company's Supervisory Board and management.

The policy also sets out measurable objectives for selected aspects of diversity:

- at least 25% representation of the less represented gender among members of companies' management boards and supervisory boards;
- continuity of at least one third at the level of the entire Supervisory Board, and of at least one quarter among shareholder representatives.

The diversity policy is applied primarily in:

- the recruitment, selection and submission of proposed candidates for the Supervisory Board to the founding entity;
- the appointment of the Supervisory Board's committees;
- the appointment or approval of the appointment of managing directors of Group companies;
- the appointment of the senior management team; and
- the self-assessment of the Supervisory Board's work, which also includes an assessment of the composition of the Supervisory Board in terms of diversity.

If several candidates fulfil fit and proper criteria, preference is given in the selection/appointment process to the candidate who will contribute to the diversity of the Company's executive staff and/or Supervisory Board.

At the end of 2024 the share of women in the management and supervisory bodies of Slovenske železnice was 3 out of 12 (and 2 out of 9 in the case of the Supervisory Board). The imbalance is primarily due to the desire to ensure continuity of leadership, while the implementation of the diversity policy in the company must also take into account that six members of the Supervisory Board are appointed and dismissed by the founding entity (Slovenski državni holding).

The Slovenske železnice Group has made considerable strides forward in ensuring that women are represented in leading positions. In line with the Human Resource Management Strategy 2021–2025 and the revised diversity policy to be adopted in 2025, the company will continue to strive for greater inclusion of women in all areas.

Dušan Mes
Director-General

Gorazd Podbevšek
Member of the Management Board

Dean Čerin
Member of the Management Board

Nina Avbelj Lekić
Workers' director

Report on the activities of the Supervisory Board

Composition of the Supervisory Board

Under the Articles of Association of Slovenske železnice, d.o.o., the Supervisory Board of Slovenske železnice (hereinafter: the Supervisory Board) has nine members. Six are appointed by the founding entity and three (employee representatives) are appointed in accordance with the Workers' Participation in Management Act.

The composition of the Supervisory Board remained unchanged in 2024. The term of Supervisory Board member Melita Malgaj expired in June 2024, and that of the Supervisory Board Chair Gabrijel Škof in August 2024. Both were reappointed by the founding entity.

The Supervisory Board comprised the following members in 2024:

- Representatives of the founding entity:
  - Gabrijel Škof (Chair)
  - Hilda Pipan (Deputy Chair)
  - Marko Babič;
  - Vinko Filipič
  - Melita Malgaj
  - Aleksander Nagode;
- Employee representatives:
  - Silvo Berdajs
  - Jože Pavšek
  - Zlatko Ratej

The Supervisory Board states that the costs of its activities are disclosed in this annual report.

Activities of the Supervisory Board

The Supervisory Board carries out its work in accordance with the powers and competences defined by the Companies Act, the Rules of Procedure of the Supervisory Board, the Articles of Association of Slovenske železnice, d.o.o., and other applicable regulations, and in accordance with the Corporate Governance Code for Companies with Capital Assets of the State and the Recommendations and Expectations of Slovenski državni holding, d.d.

More detailed information on the composition of the Supervisory Board can be found in the tables included in the Corporate Governance Statement. The Supervisory Board is comprised of members who complement each other in terms of areas of expertise, competences, experience, age, gender and working methods. This allows for opinions and positions to be shared effectively at board meetings. All members of the Supervisory Board have signed declarations of independence in accordance with the Corporate Governance Code for Companies with Capital Assets of the State, which are published on the company's website.

The Supervisory Board is fully liable for the performance of its functions and makes its decisions independently. This ensures that supervision of the operations of Slovenske železnice and the Slovenske železnice Group takes place with accountability and to a high standard of quality. The members of the Supervisory Board discharge their competences, duties and responsibilities conscientiously and honesty, with due regard to best corporate governance practice. The discussions summarised in the minutes of the board's meetings are proof that members prepare thoroughly for meetings and take an active part in discussions in order to resolve any differences of opinion to the point that any decision is strategically and professionally harmonised. Members make constructive proposals and competently make decisions in accordance with their powers during meetings.

The Supervisory Board had fifteen meetings in 2024, of which twelve were ordinary meetings and three were meetings by correspondence. All decisions were adopted unanimously. The Supervisory Board also regularly monitors the implementation of its own decisions. Individual topics were as a rule first considered by the relevant Supervisory Board committees in accordance with their competences, with all members of the Management Board present on all committees.

The Supervisory Board considered various aspects of the Slovenske železnice Group's operations at its meetings. Below we highlight the key areas addressed by the Supervisory Board in 2024.

In the area of corporate governance the Supervisory Board:

- gave an opinion on the views of the Management Board of Slovenske železnice regarding proposed new Articles of Association of Slovenske železnice, d.o.o.;
- gave consent to the rules of procedure of the Management Board of Slovenske železnice, d.o.o., because of the new division of areas among members of the Management Board;
- adopted the updated Corporate Governance Policy of Slovenske železnice, d.o.o. and the Slovenske železnice Group;
- took note of the revised by-laws of Slovenski državni holding;
- gave consent to the control agreements concluded between SŽ EP Logistika and SŽ-Tovorni promet, between SŽ EP Logistika and Fersped, and between Fersped and VV-LOG;
- gave consent to or took note of the 2025 work plans in the areas of key functions (internal audit, risk, integrity and compliance).

In the area of monitoring and supervising the Group's operations, the Supervisory Board did the following, within its spheres of competence:

- approved the audited annual report of Slovenske železnice and the Slovenske železnice Group for 2023;
- regularly discussed interim reports on the operations of the Slovenske železnice Group, reports from the main project office on the status of the Group's strategic projects, and sustainability reports;
- discussed quarterly reports on risk management, compliance and integrity;
- discussed the report on received and filed lawsuits;
- monitored the work of the Internal Audit Department through internal audit reports and the register of internal and external audit recommendations;
- discussed the half-yearly report on the state and development of information security;
- discussed the double materiality matrix and gave consent to the sustainability strategy of the Slovenske železnice Group;

- took note of the second report on a major incident – the railway accident that took place on 21 December 2023 – and the report reviewing the safety measures implemented following the accident;
- discussed the performance analysis of the individual business pillars of the Slovenske železnice Group compared to comparable companies in other European countries;
- regularly monitored activities on the Nomago project and took note of the presentation of the company's operations and strategy by its current management;
- gave consent to the business plan of Slovenske železnice and the Slovenske železnice Group for 2025 with projections for 2026 and 2027.

In accordance with its competences, as set out in the Articles of Association of Slovenske železnice, d.o.o., the Supervisory Board gave consent to certain major transactions, namely:

- a contract of exchange for a large number of properties concluded between Slovenske železnice and the City of Ljubljana;
- a contract for the reconstruction of the Slape building;
- the purchase of six road-rail vehicles for railway track maintenance;
- construction of the new office and warehouse building of SŽ-ŽGP Ljubljana.

In the area of human resources, the Supervisory Board:

- at its regular meeting on 14 March 2024, at the proposal of the Director-General, appointed the other two members of the Management Board/directors, Tomaž Kraškovic and Gorazd Podbevšek, who began a four-year term on 3 April 2024.
- consented to the appointments of the director of Prometni institut Ljubljana, the workers' director of SŽ-ŽGP Ljubljana, the workers' director of SŽ-Tovorni promet, the workers' director of SŽ-Infrastruktura and the workers' director of SŽ-Potniški promet;
- at its regular meeting on 25 October 2024, on the basis of a letter of resignation, dismissed the member of the Management Board/director Tomaž Kraškovic;
- as part of the overhaul of governance arrangements within the SŽ EP Logistika Group, gave consent to the dismissals and appointments of the deputy chair and two members of the Management Board of SŽ EP Logistika; to the dismissal and appointment of the chair of the Management Board of SŽ-Tovorni promet; and to the appointment of the director of VV-LOG;
- gave consent to the appointment of the head of the Internal Audit Department;
- took note of the proposed Remuneration Policy of the management body of Slovenske železnice and the management bodies of the subsidiaries in the Slovenske železnice Group and proposed to the Management Board of Slovenski državni holding that it adopt it, in its role as founding entity – the founding entity adopted the remuneration policy on 16 April 2024;
- adopted the Act setting out the criteria for the payment of the variable component of remuneration to the Management Board of Slovenske železnice for 2024;
- gave consent to the appointment of a member of the Management Board of Slovenske železnice as a member of the Supervisory Board at SŽ-VIT and SŽ-ŽGP and gave consent to the level of remuneration for performing these functions;
- gave consent to the amendments to the Rules and elements for concluding individual employment contracts;
- adopted new Rules on other rights of members of the Management Board;
- took note of the new Rules on the internal organisation of companies in the Slovenske železnice Group, effective from 1 January 2025.

Composition and function of Supervisory Board committees

The Supervisory Board has three standing committees: the Audit Committee, the Strategic Investments Committee and the Human Resources Committee. The committees, in accordance with their competences and tasks, discussed matters within their respective fields of expertise and regularly reported to and advised the Supervisory Board, while decision-making remained within the competence of the Supervisory Board. The committees' detailed expert scrutiny of material made a major contribution to ensuring the effectiveness of the work carried out at Supervisory Board meetings. They carry out their tasks in accordance with the provisions of the Companies Act and the Rules of Procedure of the Committees.

More detailed information on the composition of all committees can be found in the tables included in the Corporate Governance Statement.

The Audit Committee is an advisory body that provides the Supervisory Board with assistance in overseeing financial reporting, internal controls, risk management, monitoring the audit of the annual report, and sustainability reporting. In its work it cooperates actively with the holders of key functions (internal audit, risk management and compliance and integrity).

Audit Committee

The Audit Committee comprised the following members in 2024:

- Melita Malgaj (Chair)
- Aleksander Nagode
- Vinko Filipič
- Silvo Berdajs (Employee Representative)
- Barbara Nose (External Member)

The Audit Committee had ten ordinary meetings in 2024.

Key tasks of the Audit Committee in 2024:

- it monitored the operations of the Slovenske železnice Group and the work of the holders of key functions (internal audit, risk management, integrity and compliance) through the established periodic reporting system;
- it took note of the summary reports on internal audits performed and other regular reports, plans and by-laws governing the work of the Internal Audit Department;
- it held a discussion with the head of the Internal Audit Department without the presence of the Management Board;
- it took note of the interim reports on the establishment of sustainability within the Slovenske železnice Group;
- it closely monitored the course of the external audit of the financial statements through four meetings

with representatives of the auditing firm Deloitte Revizija, during which it carefully reviewed:

- report on the completed pre-audit of the financial statements for 2023;
- management presentation in connection with the audit of financial statements for 2023;
- letter to the management following the completed audit of the financial statements for 2023;
- the unaudited and audited annual report of Slovenske železnice and the Slovenske železnice Group for 2023;
- the Management Board's proposal for the use of distributable profit;
- report to the Audit Committee on the audit for 2023;
- auditor's opinion on the financial statements of Slovenske železnice and the Slovenske železnice Group for 2023,
- plan for auditing financial statements for 2024 with deadlines for drafting the annual report;

- it gave consent to services relating to the audit of the Slovenske železnice Group's sustainability report for 2024 and, at a special meeting with the auditor, took note of their approach to providing limited assurance in this area;
- in accordance with the adopted Guidelines for ensuring the independence of auditor of the financial statements, it monitored the conclusion of contracts with auditing firms and, to this end, issued consents for the provision of services;
- it took note of the work plans for 2025 in the area of key functions.

The head of the Internal Audit Department was invited to all meetings of the Audit Committee. The Audit Committee also held a separate meeting with the head of the Internal Audit Department without the presence of the Management Board.

Strategic Investments Committee

The Strategic Investments Committee met at six regular meetings in 2024, during which it regularly monitored progress in implementing strategic projects and preliminarily discussed project documentation, tender documents and contracts that were the subject of briefing or consent at Supervisory Board meetings.

The Strategic Investments Committee comprised the following members in 2024:

- Aleksander Nagode (chair);
- Marko Babič;
- Gabrijel Škof;
- Silvo Berdajs (employee representative).

Most of the topics addressed were stand-alone items on the agendas of Supervisory Board meetings.

Human Resources Committee

The Human Resources Committee met eleven times in 2024: at nine regular meetings and two meetings by correspondence.

The Human Resources Committee comprised the following members in 2024:

- Hilda Pipan (chair);
- Gabrijel Škof;
- Zlatko Ratej (employee representative).

The main tasks of the Human Resources Committee were:

- it held an extensive discussion with the new candidate for membership of the Management Board of Slovenske železnice and examined the fulfilment of the required conditions;
- it examined the fulfilment of the required conditions of the candidates proposed as members of the management boards of subsidiaries;
- it examined the reasons and circumstances for the dismissal of a member of the Management Board;
- it held a discussion with the candidate for head of the Internal Audit Department;
- it thoroughly reviewed proposed major regulations and by-laws in the area of human resources.

All of the topics addressed were stand-alone items on the agendas of Supervisory Board meetings.

Self-assessment of the work of the Supervisory Board and the Audit Committee

The members of the Supervisory Board and the Audit Committee completed the Slovenian Directors' Association's self-evaluation questionnaire. Two analyses were carried out on the basis of the completed questionnaires and examined by both bodies. The analyses indicated that the Supervisory Board and its committees were performing well. Slightly lower scores were given mainly to matters outside the Supervisory Board's direct control.

Both bodies adopted decisions or conclusions giving rise to tasks for improvements the system of work and the ongoing and thorough monitoring of the implementation of Supervisory Board decisions and Audit Committee conclusions.

Assessment of the work of the Management Board and Supervisory Board

On the basis of the continuous monitoring and supervision of the operations and management of Slovenske železnice and the Group during the 2024 financial year, and the consolidated annual report of the Slovenske železnice Group for 2024, compiled and submitted by the Management Board, the Supervisory Board assesses that the annual report and the disclosures contained therein reflect the actual situation and position of Slovenske železnice and the Group.

Conditions in 2024 were very challenging owing to numerous infrastructure works. The Supervisory Board assesses the work of the Management Board in 2024 as successful, since it successfully continued with key projects that form a foundation for the further growth and development of the Group, both domestically and internationally. Delays have occurred in some projects, but the Management Board regularly informs the Supervisory Board about the objective causes of these delays, the current status and the measures taken.

In 2024 the Management Board of the company regularly attended meetings of the Supervisory Board and its committees, and, together with specialist back-office services, provided the relevant material for discussion at meetings and, if there were any additional questions, always responded in good time and prepared further clarifications. The Management Board and members of the Supervisory Board worked constructively together at sessions, while the chair of the Supervisory Board, the chairs of the committees, the Director-General and the two members of the Management Board communicated regularly in the intervals between sessions.

The Supervisory Board is particularly careful to manage any potential conflicts of interest between its members. The Supervisory Board discussed four points in 2024 from which one member of the Supervisory Board was excluded from discussions and decision-making for the purpose of managing conflicts of interest.

All members of the Supervisory Board and the external member of the Audit Committee signed statements of independence in which they declared themselves to be independent members. Their statements of independence are published on the company's website.

Approval of the annual report and the proposed use of distributable profit of Slovenske železnice for 2024

The unaudited annual report of Slovenske železnice and the Slovenske železnice Group for 2024 was discussed by the Supervisory Board's Audit Committee at its 52nd session on 28 May 2025.

The certified audit firm Deloitte Revizija, d.o.o., which audited the financial statements for 2024 for Slovenske železnice, d.o.o., its subsidiaries and the Slovenske železnice Group as a whole, reported its findings and the audit process for 2024. The same auditing firm also performed the task of providing limited assurance on the consolidated sustainability report.

The Management Board discussed and approved the annual report of Slovenske železnice the consolidated annual report of the Slovenske železnice Group for 2024 at its 553rd ordinary session on 12 June 2025 and submitted them to the Audit Committee and Supervisory Board for review and verification in accordance with the third paragraph of Article 272 of the Companies Act, together with the independent auditor's report of 16 June 2025, a limited assurance independent report on the consolidated sustainability report and a proposal for the use of the distributable profit of Slovenske železnice. The audited consolidated annual report of the Slovenske železnice Group and Slovenske železnice for 2024 was discussed by the Supervisory Board's Audit Committee at its 53rd session on 16 June 2025 and by the Supervisory Board at its 66th session on 18 May 2025. The certified auditors therefore reported to both the Supervisory Board and the Audit Committee.

It is evident from the auditor's opinion that the financial statements of Slovenske železnice and the consolidated financial statements of the Slovenske železnice Group present a true and fair picture of the financial position of Slovenske železnice and the Slovenske železnice Group as at 31 December 2024, and of their operating results and cash flows for the year then ended, in accordance with the International Financial Reporting Standards as adopted by the EU.

The independent limited assurance report on the consolidated sustainability report states that the auditor found no matter that would lead them to believe that the consolidated sustainability report is not prepared, in all material respects, in accordance with Articles 70(c) and 70(č) of the Companies Act (ZGD-1), including compliance with the European Sustainability Reporting Standards, disclosure requirements under Article 8 of the Taxonomy Regulation, and requirements regarding preparation of the consolidated sustainability report as set out in Article 58 ZGD-1 and Article 3 of the ESEF Regulation.

After the Audit Committee's review and verification of the business and financial reports for 2024, the Supervisory Board found, based on the Audit Committee's findings, that the audited annual report and the consolidated annual report for the 2024 fiscal year had been compiled in a clear and transparent manner, and in accordance with the provisions of the Companies Act. The business report is in line with the audited financial statements. After the final verification of the audited annual report, the Supervisory Board had no comments to make on it and gave a favourable opinion on the auditor's report on the financial statements and the independent limited assurance reports on the consolidated sustainability report.

In addition to the annual report, the Supervisory Board also verified and approved the proposed use of distributable profit of Slovenske železnice, which was EUR 5,265,046.22 as at 31 December 2024, and had no comments to make in that regard. The Supervisory Board proposed that the founding entity adopt a resolution on the use of distributable profit in the enclosed text.

Based on its review of the annual report and the proposed use of distributable profit for 2024, and on its review of the certified auditor's report, the Supervisory Board approved the annual report of Slovenske železnice, d.o.o. and the Slovenske železnice Group for 2024, in accordance with the provisions of Article 282 of the Companies Act and the Articles of Association of Slovenske železnice, d.o.o.

The Supervisory Board believes that the Management Board managed the company successfully, prudently and in accordance with regulations and the company's by-laws, and that, despite the very difficult conditions, the Group even exceeded most of the targets set out in the business plan for 2024. The Supervisory Board proposes that the founding entity adopt a resolution conferring official approval on the Management Board and Supervisory Board for their work in 2024.

When adopting the annual report, the Supervisory Board took a position regarding the Corporate Governance Statement and the statement of compliance with the reference code, and assessed that they reflected the actual state of corporate governance in 2024.

Ljubljana, 18 June 2025

Gabrijel Škof
Chairman of the Supervisory Board

Statement of Management Board's responsibility

The Management Board of the company is responsible for drafting the company's annual report for 2024. The members of the Management Board ensure to the best of their knowledge that the annual report and all the constituent parts thereof were compiled in accordance with the Companies Act and the International Financial Reporting Standards as adopted by the EU.

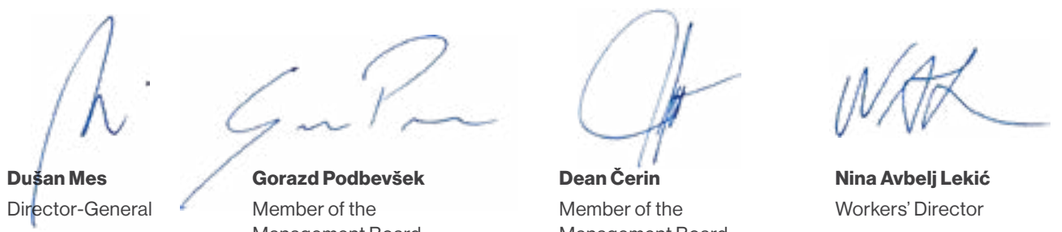
The Management Board also confirms that the appropriate accounting policies were consistently applied when the financial statements were being compiled, that accounting estimates were made according to the principles of prudence and due diligence, and that the financial statements presented a true and fair picture of the financial assets, operating results and cash flow of the Slovenske železnice Group and Slovenske železnice, d.o.o. for 2024.

The Management Board is also responsible for ensuring that accounting is conducted correctly and that appropriate measures are taken to protect property and other assets, and confirms that the financial statements, together with the notes thereto, have been compiled on a going concern basis in relation to Slovenske železnice, d.o.o. and its subsidiaries, and in line with current legislation and the International Financial Reporting Standards.

In accordance with Directive 2014/95/EU regarding the disclosure of non-financial and diversity information by certain large undertakings and groups and the guidelines issued by Slovenski državni holding, d.d. on non-financial reporting, and in accordance with the diligence of a good manager, the Management Board uses this report as a vehicle to recognise the importance of non-financial reporting indicators by including that information in a more transparent manner in the system of key success factors of Slovenske železnice, and therefore in a traceable reporting system.

The Management Board is responsible for taking measures to prevent and detect fraud and irregularities, and for maintaining the value of the Slovenske železnice Group's assets.

The Management Board of Slovenske železnice, d.o.o. approved the financial statements on 12 June 2025.



Dušan Mes
Director-General

Gorazd Podbevšek
Member of the Management Board

Dean Čerin
Member of the Management Board

Nina Avbelj Lekić
Workers' Director

Strategy and operations

Strategy and objectives of the Slovenske železnice Group for the period 2021–2025

In shaping our strategy and daily work, we are guided by our vision and mission.

Vision

The Slovenske železnice Group is an efficient manager of modern passenger transport and a generator of new solutions for faster and environmentally friendlier goods transport.

Mission

The Slovenske železnice Group sets green standards and creates advanced practices in Slovenian land passenger transport, and supports the economy with the environmentally and economically efficient transport of goods.

In setting our focuses, shaping our strategy and making strategic decisions, we act in accordance with established values that form the heart and foundation of every company.

They influence the way we work and relationships among employees, build trust and serve as a compass that helps us stay true to our vision and maintain stability in times of crisis.

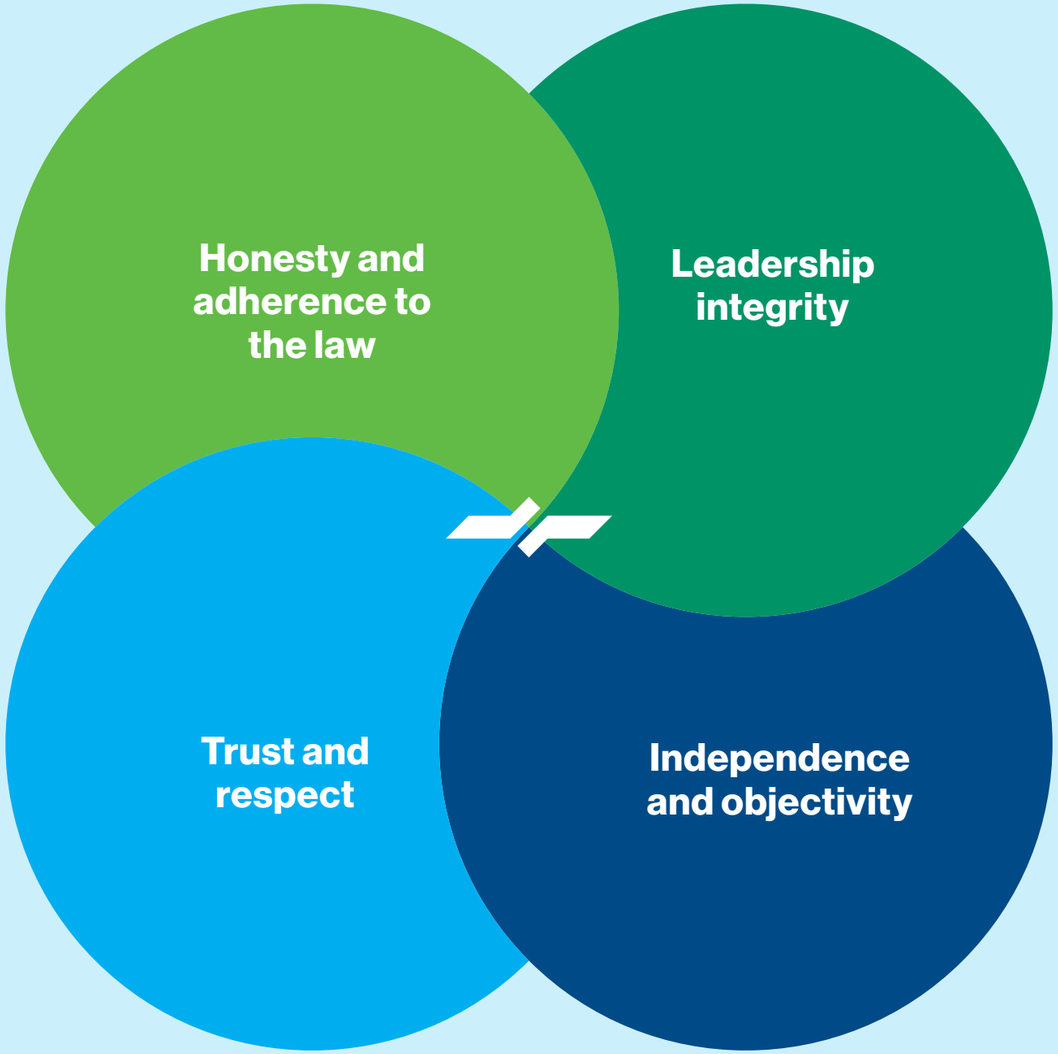
Values

Honesty and adherence to the law

Our employees carry out their tasks with honesty, responsibility, without political bias and in compliance with internal codes and regulations and positive national legislation.

Trust and respect

Our work has to inspire trust and respect. Our conduct and professionalism contribute to good relations with all company stakeholders. Trust and respect are grounded in professionalism and economy of operation.



Leadership integrity

The management team and other management personnel set an example for other employees and all other community stakeholders through their work.

Independence and objectivity

We do our work independently and objectively. We do not abuse our positions, and we avoid situations in both professional and private life that could compromise our independence, objectivity or impartiality, or have a negative effect on our personal reputations or the reputation of the Slovenske železnice Group.

Strategic focuses

The strategic plan for the period 2021–2025 contains development guidelines involving the upgrading and digitalisation of all five pillars of the Slovenske železnice Group's activities: logistics, passenger mobility, management of the PRI and construction, and the efficient functioning of all support activities.

Through the guidelines, projects, investments and objectives of the Strategic Business Plan, the Slovenske železnice Group is transforming from a national rail operator into one of the leading technologically advanced providers of comprehensive goods logistics and passenger mobility services in the wider region.

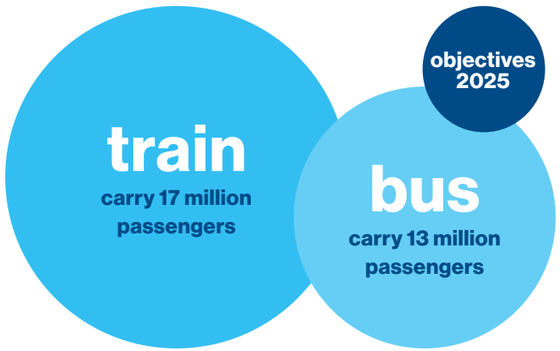
The changes dictated by the business environment and the opportunities presented to us by the developmental policies of Slovenia and the European Union will become evident as we replace passenger trains, renew the freight transport fleet, modernise PRI management machinery, construct a modern passenger centre in Ljubljana, coordinate rail and bus timetables and expand the geographical coverage of public transport through the spatial optimisation of transport services. Most importantly, we intend to work with our strategic partner to become the leading provider of comprehensive freight logistics services in the region.

A new dedicated company, SŽ EP Logistika, was established in response to the strategic partner's entry into the logistics pillar. The financial statements of this new company are fully consolidated in the Slovenske železnice Group. The planned acquisition of the bus company, the financial statements of which will be consolidated with those of the Slovenske železnice Group after its 100% acquisition in 2025, will have a direct impact on operating profit (a 50% stake was acquired at the end of 2022, as reflected in the participation in the bus company's profit).

In the fulfilment of its task to pursue the public interest, the Slovenske železnice Group set as one of its key underlying objectives the strategic objective of formulating a multimodal range of mobility services at the national level, in such a way as to integrate efforts by the state to establish uniform, accessible and efficient public transport and develop the areas around railway stations and stops, and enhance those activities by integrating various types of transport and related transport services into the range of mobility services.

The plan is to design mobility services that allow passengers to travel by rail and other modes of public transport by providing transfer points between rail and bus transport and coordinating the timetables of these two modes of transport.

In addition, multimodal mobility services will make it easier and simpler for passengers to complete the first and last miles of their journey. Park and Ride car parks will be set up at starting stations and a range of electric vehicle hire services designed; this will help reduce car use, mitigate the negative impacts of transport on the environment, and increase Slovenia's contribution to efforts to achieve the objectives of the European Green Deal. We are planning to carry more than 30 million passengers by combined transport (17 million by train and 13 million by bus) in 2025.



In tandem with the development of the mobility pillar, the PRI management pillar will be improved through planned investments in the urgently needed revitalisation of SŽ-Infrastruktura's machinery and a substantial increase in the throughput of the railway network by minimising traffic disruptions. This will free up substantially more maintenance machinery. The costs of outsourced services will also be reduced through the development of additional services that could not be provided in the past on account of outdated machinery.

The successful digital transformation of the Slovenske železnice Group is a cornerstone for the development of all pillars. This process takes the form of several key projects that are being or will be implemented across all pillars of the Group.

Together Towards a Green Future.

As a guiding principle to help us pursue the Group's strategic focuses, we have also come up with a slogan: Together Towards a Green Future. The slogan reflects one of the main areas of focus of railway administrations, united under the aegis of the Community of European Railway and Infrastructure Companies (CER), as well as a wider social awareness that goes beyond the boundaries of a single industry.

Sustainability strategy of the Slovenske železnice Group

In December 2024 we adopted the Sustainability Strategy of the Slovenske železnice Group, in which we set out at the strategic level our sustainability goals in the environmental, social and governance spheres.

The key environmental goals are the reduction of emissions, the use of renewable energy sources and the protection of the natural environment, where these goals can be grouped into three categories:

- the reduction of CO2 emissions from train traction by 70% by 2030 compared to 2023,
- obtaining 100% of electricity for train traction from renewable sources,
- significantly improved energy efficiency.

In the social dimension, our focus is on continuing to promote inclusion, improving working conditions and investing in employees – goals that are already being implemented. The key objectives are:

- to systematically increase the satisfaction of employees, business partners and passengers,
- to promote diversity and the inclusion of all under-represented employee groups,
- to ensure a motivating, safe and health-friendly working environment.

In the governance dimension, we are implementing sustainable business practices in the areas of:

- quality management under ISO standards,
- conducting business according to the ethical principles of integrity and prevention of corruption,
- digitalisation of work processes for greater efficiency.

→ **More information on the Sustainability Strategy is available in the section 'Sustainability Report – Strategy, Business Model and Value Chain' (SBM-1).**

Strategic focuses by pillars of the Slovenske železnice Group's activities

Logistics

- extend the logistics chain from freight receipt to delivery;
- establish hinterland logistics terminals with adequate storage facilities;
- become the leading regional logistics group through the acquisition of companies;
- become the leading regional operator in the markets of the Western Balkans, Italy, Austria and Hungary, thereby strengthening the importance of the Port of Koper;
- increase the volume of transport with new customers;
- increase the share in goods flows along corridors to Central Europe (Poland, Czech Republic, Slovakia and Germany);
- accelerate investment in rolling stock;
- increase the volume of SŽ-Tovorni promet's operations in the region (Austria, Italy, Hungary and the Balkans).

Passenger mobility

- be the supporting pillar of integrated public transport (IPT) in Slovenia, with a majority market share of the intercity public transport market, thereby contributing to a more environmentally sustainable transport sector;
- offer competitive public rail transport by providing comprehensive travel services from the passenger's home to their final destination, with safe, reliable and comfortable travel by rail and the use of other forms of IPT in Slovenia and Europe;
- introduce bus transport as a service that complements rail transport;
- increase the number of passengers carried by rail to 17 million (in 2025);
- reduce costs per passenger carried by 10%;
- increase the market share of Slovenian intercity public transport to 33%;
- overhaul the sales and marketing policy with a proactive approach and a range of new services on trains and at stations.

PRI management

- align operations with the national railway infrastructure development project 2020–2050;
- revitalise machinery, which will have a positive impact on the environment in terms of less noise, reduced CO_2 emissions and lower consumption of fuel and lubricants;
- ensure at least 80% availability of machinery for maintenance through the purchase of new machinery;
- overhaul the organisational and employee structure;
- take over shunting services in marshalling yards;
- digitalise traffic management and maintenance processes;
- increase the provision of services that are currently outsourced because of outdated machinery with low levels of availability;
- develop in-house additional services not provided to date because of a lack of machinery;
- reduce the cost of outsourced services.

Construction

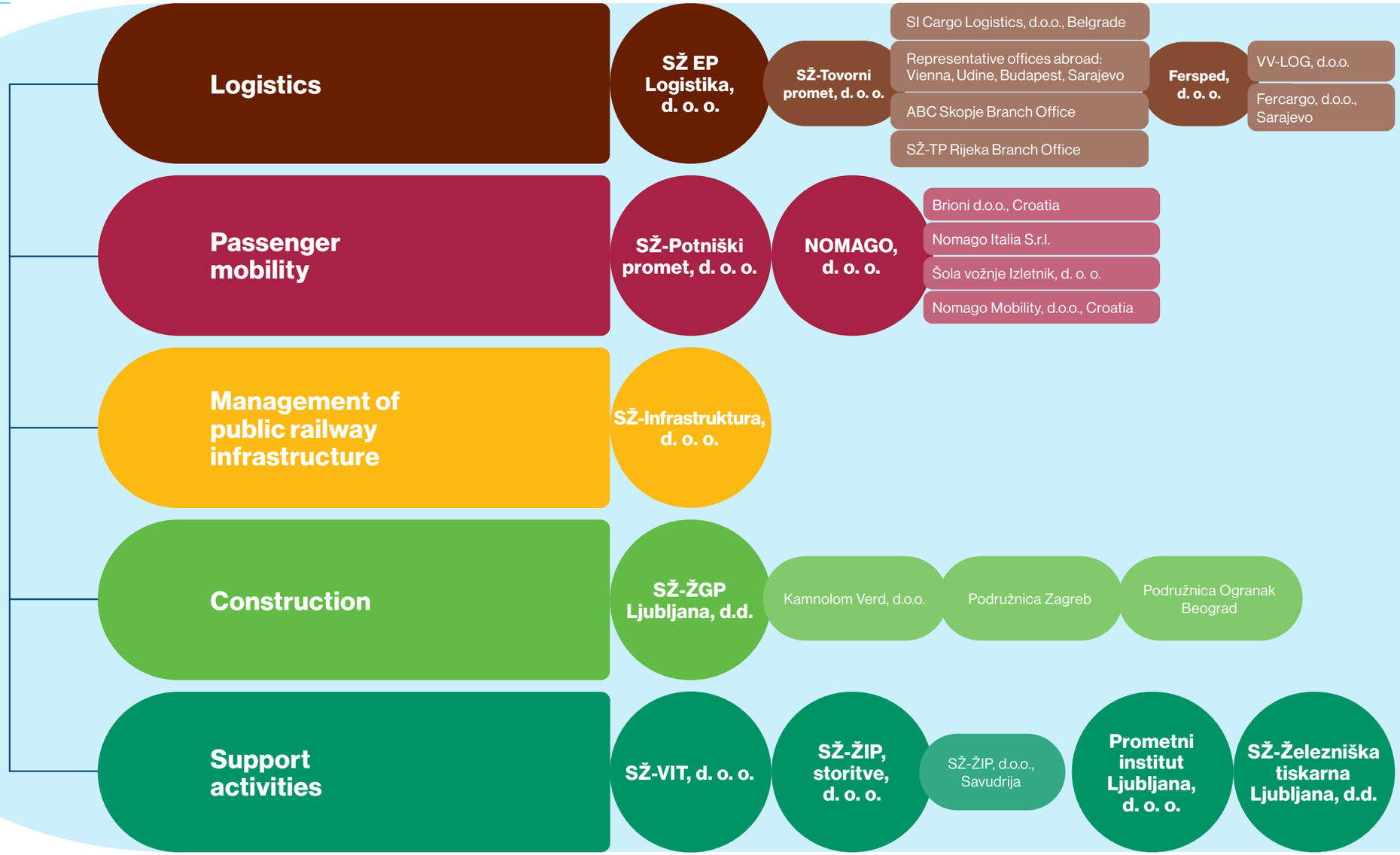
- link with a strategic partner;
- extend the concession for the quarry at Verd (Kamnolom Verd);
- obtain a concession for Kamnolom Verd in its expansion area.

Support activities

- ensure that Slovenske železnice can direct, finance and control all digital transformation projects in the Slovenske železnice Group, provide all support functions (IT, finance, accounting, HR services, etc.) and take responsibility for the Slovenske železnice Group's development strategy;
- increasing the efficiency of services performed by Slovenske železnice for its subsidiaries;
- increase the availability of rolling stock and the use of personnel on rolling stock at SŽ-VIT, d.o.o.;
- ensure that SŽ-ŽIP, storitve, d.o.o. continues to provide services that can be performed by disabled employees and other workers with a reduced capacity to work;
- ensure that Prometni institut Ljubljana, d.o.o. serves as a generator of know-how within the Slovenske železnice Group and as a coordinator between the Slovenske železnice Group and national and European institutions in the field of legislation, guidelines and development trends.

Distribution of companies in the Slovenske železnice Group by pillars in 2025:

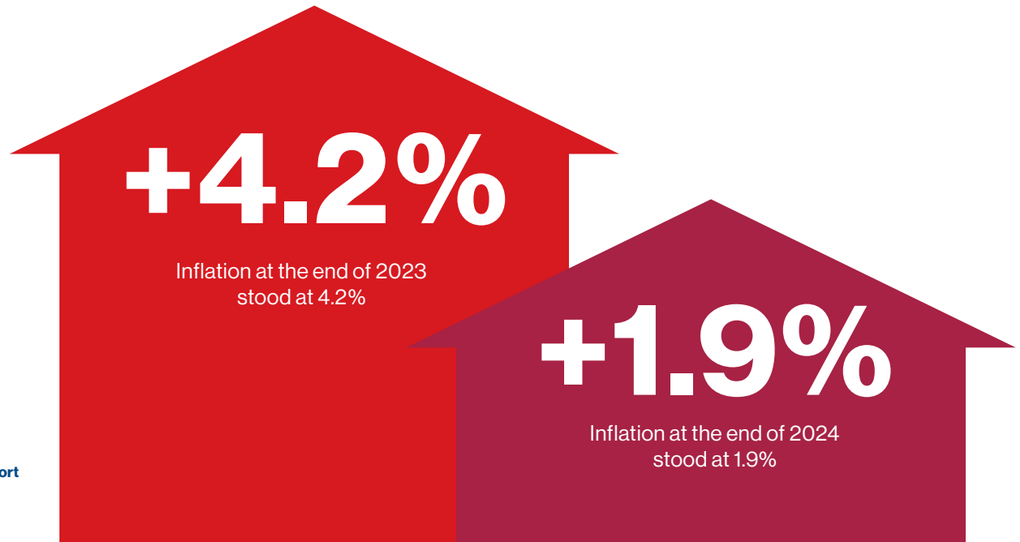
Slovenske železnice, d.o.o.



The economic environment and market potential

According to the spring forecast of the Institute of Macroeconomic Analysis and Development (UMAR), gross domestic product growth in 2024 amounted to 1.6% and was slightly lower than the growth in 2023, which was 2.1%. The lower growth was expected and was close to the growth forecast in UMAR's autumn forecast (1.5%), with private and public consumption fully in line with the autumn forecast. Investments were lower than expected, while export movements were more encouraging than anticipated. Inflation at the end of 2024 stood at 1.9% and was more than half lower than in 2023, when it was 4.2%. The average annual inflation rate in 2024 was 2%.

Total exports of goods and services increased by 3.2% compared to 2023. The increase in goods exports was mainly driven by exports of chemical products and vehicles, with exports of electrical machinery and primary products also rising. Production of pharmaceutical products and electrical devices increased significantly in 2024. Energy-intensive sectors strengthened in 2024 following the energy crisis, with the exception of the non-metallic mineral products sector, which was affected by a decline in domestic construction activity. The increase in services exports was mainly due to higher exports of business services and services related to information and communications technology. In 2024 exports of transport, construction and tourism services decreased slightly compared to 2023, although exports of these services increased had significantly in previous years.



Total imports of goods increased by 3.9% compared to 2023 as a result of higher household consumption, which rose by 1.6% compared to 2023. Private consumption strengthened compared to 2023 as a result of lower price pressures, higher real growth in gross disposable income amid high employment levels, and relatively strong real growth in wages and social contributions.

Investment declined by 3.7% in 2024 compared to 2023, falling well short of the autumn forecast. The volume of construction investment declined in 2024, mainly as a result of lower government investment, which nevertheless remains relatively high compared to other European Union countries. Investment in equipment and machinery also declined, which is connected to the slow recovery in the international environment and uncertainty surrounding international trade policy. Higher interest rates had a negative impact on private investment, particularly in housing and other buildings.

Economic growth in the euro area picked up slightly in 2024, with a preliminary Eurostat estimate putting it at 0.7%. This positive economic growth is primarily the result of higher private and public consumption and increased net exports, while investment has declined slightly. GDP growth in the final quarter of 2024 in the biggest economies points to significant differences in the pace of recovery. Among Slovenia's neighbours, the highest economic growth in 2024 was recorded in Croatia, at 3.8%, and the lowest in Austria, at -1.2%. Germany, currently the largest European economy and an important trading partner for Slovenia, also recorded modest economic growth of 0.2% in 2024. Italy and Hungary also recorded modest economic growth of 0.5% and 0.7% respectively in 2024.

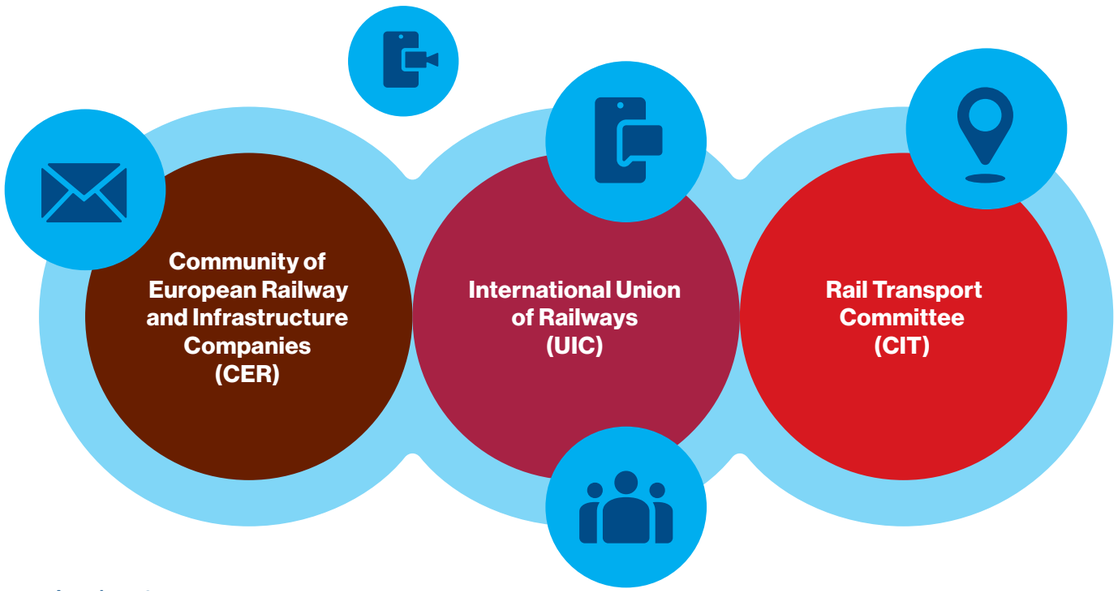
Numerous construction and maintenance works were carried out on the railway network in 2024. These are essential for upgrading the railway infrastructure, narrowing the development gap between Slovenia's network and those of more advanced countries, and increasing competitiveness.

Investment works in railway infrastructure completed in good time will be key in future to improving the throughput of the railway network and increasing competitiveness in both passenger and freight transport. Bypass routes through neighbouring countries are creating growing competition, as a result of the increasing number of foreign operators and the accelerated construction of modern railway infrastructure in those neighbouring countries. Some freight flows are already being redirected to other ports and thus along routes that bypass Slovenia.

International cooperation

In today's world, international cooperation is essential for the successful functioning of the railway sector, given that it faces numerous challenges and opportunities that extend beyond national borders. Slovenske železnice is actively engaged at the international level through cooperation with international railway organisations, railway undertakings, infrastructure managers and other stakeholder groups. In this way it ensures the regular exchange of information, knowledge and best practices and keeps abreast of current developments in transport policy and the railway sector in Europe and beyond.

The majority of exchanges take place with the Community of European Railway and Infrastructure Companies (CER), the International Union of Railways (UIC) and the International Rail Transport Committee (CIT), organisations of which Slovenske železnice is a member. Cooperation takes place at several levels, including electronic communication, telephone and video contact, and in-person meetings at domestic and international events, as well as participation in working groups and projects led by these organisations. Such connections enable the monitoring of current trends, the development of partnerships and synergies, and the improvement of services for railway users. Activities in international organisations and initiatives also strengthen the position of Slovenske železnice globally and contribute to the achievement of sustainable mobility.



In 2024 discussion in the railway sector continued to focus on addressing the challenges of energy supply, sustainable development, the green transition and digitalisation. In the European context, the key event was the European elections. Railway associations lobbied for the interests of the railway sector and actively prepared information materials and events, seeking in this way to raise awareness among current and future European policymakers of the needs of the railway sector and the benefits of railway use. The next multiannual financial framework for the period 2028–2034 is also in preparation, with the railway sector striving to be included and to present its objectives and funding needs appropriately, in order to secure adequate public funding to support investment in railway infrastructure.

In 2024 the sector was also preparing for the requirements of the new European Corporate Sustainability Reporting Directive (CSRD), which introduces more detailed rules for reporting on the sustainability of business activities, including for railway operators. Slovenske železnice is actively involved in discussions on the preparation of sector-specific reporting standards and is submitting proposals aimed at improving transparency in the industry. Railway associations engage with decision-making bodies on the one hand, and on the other provide support to the railway community in key areas such as the development of the high-speed network, completion of the TEN-T network, digital management of capacity and timetables, and ensuring interoperability and alignment of railway systems.

Promoting technologies for the digitalisation and automation of rail transport is key to more efficient operation and achieving greater energy savings. In this context, 2024 again saw calls from the sector for a significant increase in funding for the renovation and construction of railway infrastructure, as well as investment in railway systems and research and development. Rail transport is, after all, considered a more environmentally friendly and sustainable alternative to road transport – something the sector strives to promote at every opportunity.

Slovenske železnice also followed the discussion on sustainable tourism, an increasingly important topic due to the growing environmental impact of tourism and the European Union's climate change priorities. The planned European regulation extending passenger rights for multimodal travel should also be mentioned. As part of efforts to promote gender equality, emphasis was placed on the preparation of a new report on the representation of women in the railway sector.

Representatives of Slovenske železnice were also internationally active in areas such as safety, resilience and protection, environmental footprint, and the development of knowledge and training. Through these joint efforts and active participation at the international level, the company continues to work towards improving services and promoting environmentally friendly solutions, to the benefit of both users and society as a whole.

Risk management

Risk management system

The Slovenske železnice Group has a complex risk management system in place. Until the end of 2024 it was overseen by the central risk management and compliance office of the controlling company, Slovenske železnice. In 2025 these tasks are carried out by the risk management and business continuity officer within the newly established corporate governance department.

In risk management we follow the guidelines of the international ISO 31000 standard (Risk Management System) and the PDCA analytical method (plan–do–check–act), which we use to identify, assess, manage through measures, report on and monitor the effectiveness of those measures. Risks are managed through clearly defined roles and responsibilities (Management Board, business process managers, individual risk and action owners), which is why each company in the Slovenske železnice Group has a risk committee in place, the tasks of which are to:

- define the strategy for managing each individual risk;
- adopt policies within the risk management system;
- be responsible for the risk management process;
- monitor operations from a risk perspective and take risks into account when making business decisions.

Each risk management committee monitors and updates the measures and mechanisms for effective risk identification and management on a quarterly basis and reports on this to the management and supervisory bodies.

The following key activities were carried out in 2024 in connection with the upgrade of the risk management system:

- risk management reporting was upgraded through a new software tool that includes additional functions for assessing and managing key risk indicators (KRI);
- a new content area – business continuity – was added to the risk domain, in line with the international ISO 22301 standard (Business Continuity Management System);
- the risk register was continuously updated with new risks;
- specialist workshops were held for risk owners and the broader group of internal specialists.

Risk register

The Slovenske železnice Group has identified 142 active risks, which are classified into five groups as follows:

- strategic risks (S);
- operational risks (O);
- financial risks (F);
- regulatory risks (RS);
- information and communications risks (K);

Among active risks, 46 key risks have been identified. These are risks with a damage assessment higher than the risk acceptance threshold set for individual companies.

The risk register is continuously updated with new risks. In 2024, in line with the ESRS directive and ESG standards, we continued to add sustainability-related risks and new categories of climate and environmental risks. We added integrity risks, where we are in the process of obtaining ISO 37001 certification (Anti-bribery management systems). In order to adapt to heightened security and economic conditions and the related demands of external institutions, we will continue to respond actively to new threats in 2025. We will begin to address supply chain disruption risks and the risks associated with implementing supply chain security measures (EU NIS-2 Directive).

Risk profile [1]

The risk profile of Slovenske železnice Group companies was estimated at EUR 18 million as at 31 December 2024, after implementation of the adopted measures.

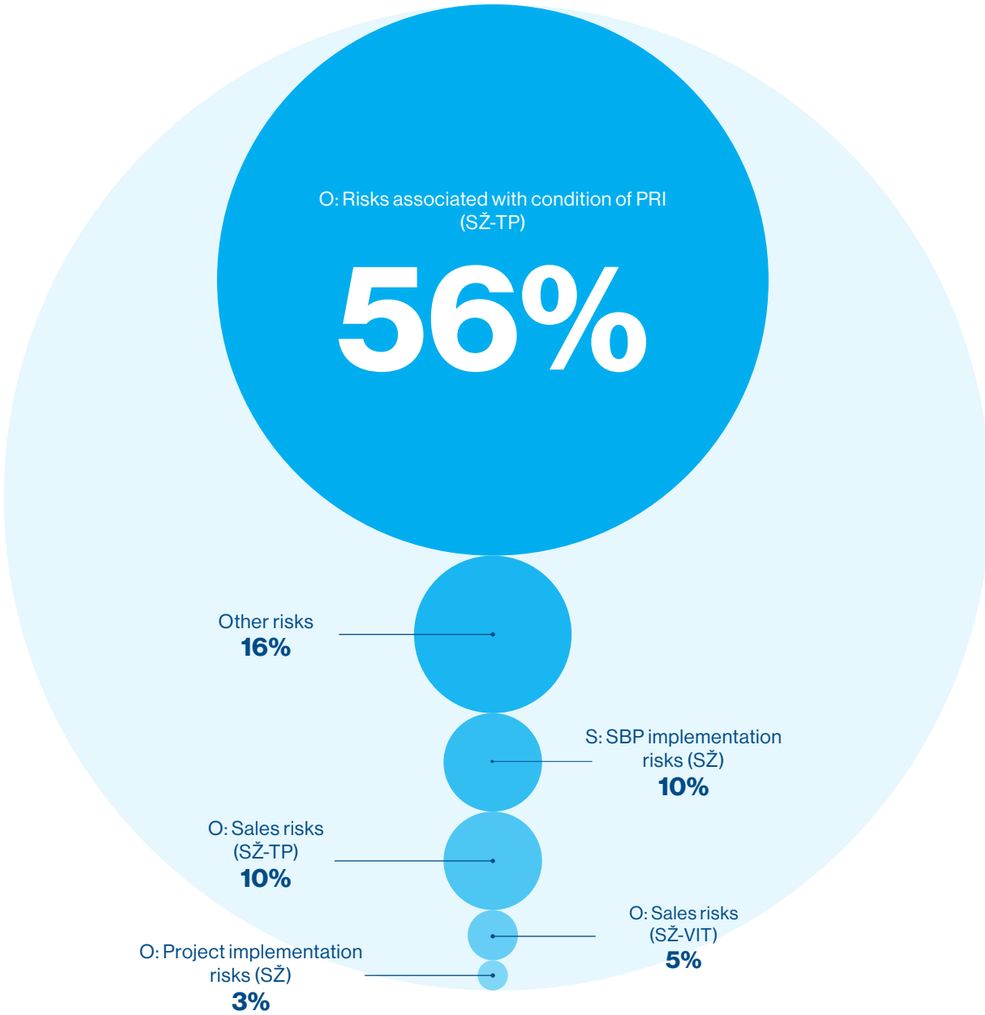
The biggest contribution to the risk profile of the Slovenske železnice Group comes from the Group of operational risks, with risks related to the condition of PRI ranking highest among them. These are the consequence of ongoing and planned large-scale investment works on PRI and the construction of the new main railway and bus station in Ljubljana, which will temporarily reduce the throughput of passenger and freight rail traffic.

The second largest contribution comes from risks related to the implementation of strategic business plans. These relate to the risks of implementing ambitious business plans involving numerous investment projects, as well as risks associated with implementing the adopted sustainability strategy.

These are followed by sales risks, which are linked to investment projects on PRI and reduced rail traffic throughput, the potential loss of key customers and business partners, the diversion of rail freight traffic in the event of a shift in the competitive position of the Port of Koper, and the risk of recession as a result of heightened economic and security tensions in the wider region. This could also result in a reduction in government investment in railway infrastructure.

Attention should also be drawn to the risks associated with the implementation of key projects, among which projects in the field of digitalisation and the upgrading of information support for railway traffic management play a particularly important role. In this area we are facing staffing and organisational changes, as well as growing awareness that, due to heightened geopolitical tensions, railway companies across Europe are being targeted by cyber attacks from external actors. It has therefore been necessary to reassess project risks and change the approach to certain projects.

Risk profile of the Slovenske železnice Group

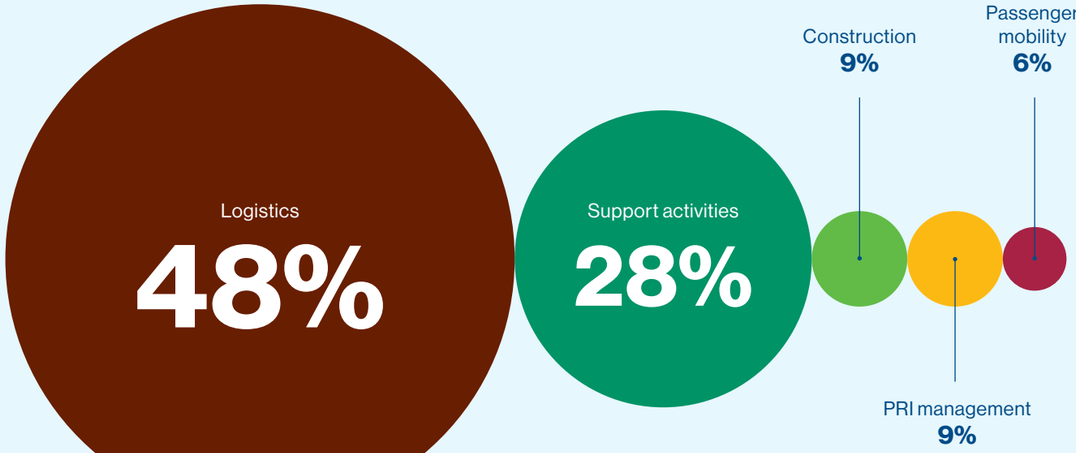


1 "Since the second quarter of 2024, the risk management process in the SŽ Group has been supported by a new risk management software application, Silver Bullet Risk (SBR), which enables evaluation of individual risk losses using a hybrid Monte Carlo method. This means that risks are not aggregated in the application by summation, but by calculating probability distributions of occurrence and all possible losses in the event of risks materialising, with correlations taken into account. Risks are consolidated and presented in a final risk profile, which provides information on the required available cash resources (bank deposits together with bridging credit lines) that the company would need to have at its disposal to manage risks successfully in the event of a five per cent probability of the worst-case scenarios materialising."

The risk profile thus shows the contribution of individual risks to the organisation's overall risk and provides an estimate of the required available cash resources (bank deposits together with bridging credit lines) in the event that the worst five per cent of risk scenarios materialise.

Risks and opportunities by pillars

Risk profile by pillars of the Slovenske železnice Group's activities



Below we present three key risks for each individual pillar, along with measures to manage them and opportunities identified.

Logistics

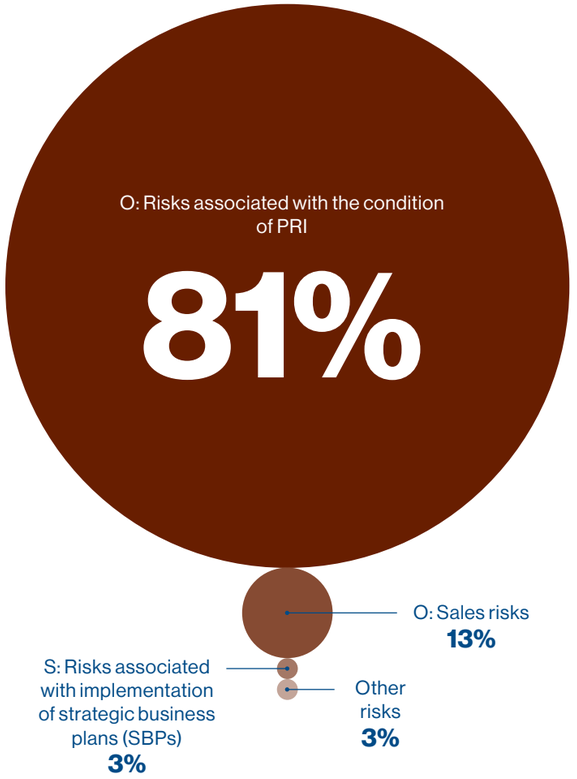
The biggest contribution to the risk profile of the logistics pillar came from risks related to the condition of PRI, which are associated with intensive investment works on PRI. As a result, delays on services to and from neighbouring countries are increasing, leading to ongoing adjustments to the timetable in response to current conditions on PRI, along with the planning of alternative solutions due to prolonged maintenance works.

As a result of this risk, sales risks in the logistics pillar are also increasing, further exacerbated by challenging market conditions and the arrival of new logistics service providers. Through promotional activities in domestic and foreign markets, we aim to establish new long-term partnerships.

The implementation of strategic investments within specific time and financial constraints is one of the key risks important for maintaining competitiveness in the field of rail logistics services, which the company is managing through investment in new rolling stock.

We see the expected deterioration of economic conditions in the wider region as an opportunity to accelerate planned acquisition activities within the framework of the strategic partnership project. We aim to become the leading logistics group in the region, successfully connecting the northern Adriatic ports with Central Europe and the Balkan countries with northern Italy.

Biggest risks of the LOGISTICS pillar



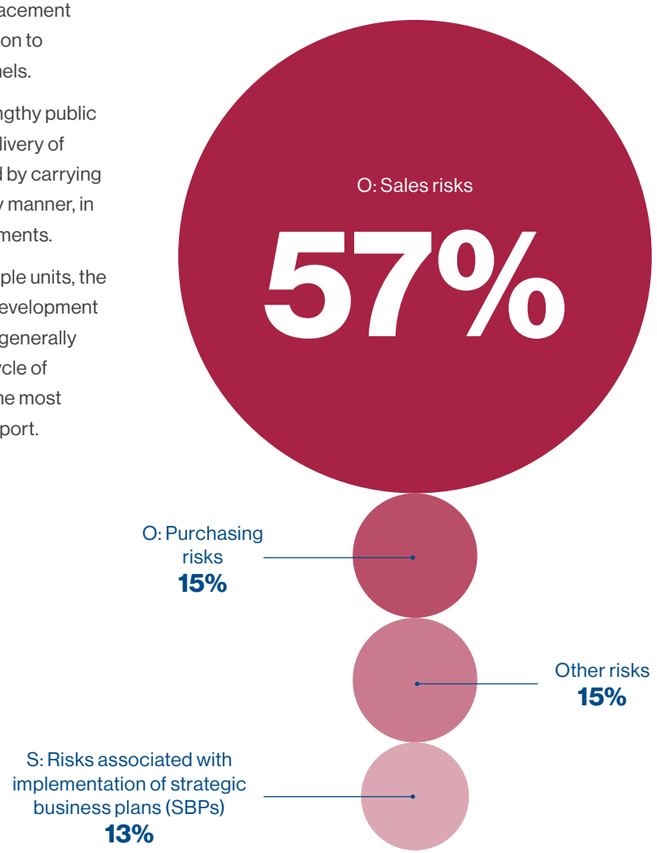
Passenger mobility

The biggest contribution to the risk profile of the passenger mobility pillar came from operational risks, with sales risks predominant among them. These are linked to the risk associated with the operation of the electronic ticketing system and to delays in traffic due to construction works, which require replacement bus services. The key risks are managed through coordination with the PRI manager and the provider of replacement bus services and by providing timely information to passengers via various communication channels.

Procurement risks are related to the risk of lengthy public procurement procedures and the untimely delivery of goods and services. These risks are managed by carrying out public procurement procedures in a timely manner, in coordination with the relevant internal departments.

We see the continued investment in new multiple units, the acquisition of Nomago, and the accelerated development of sustainability as an opportunity to become generally recognised, following the conclusion of the cycle of historical investments by the state in PRI, as the most popular green alternative for passenger transport.

Biggest risks of the MOBILITY pillar



PRI management

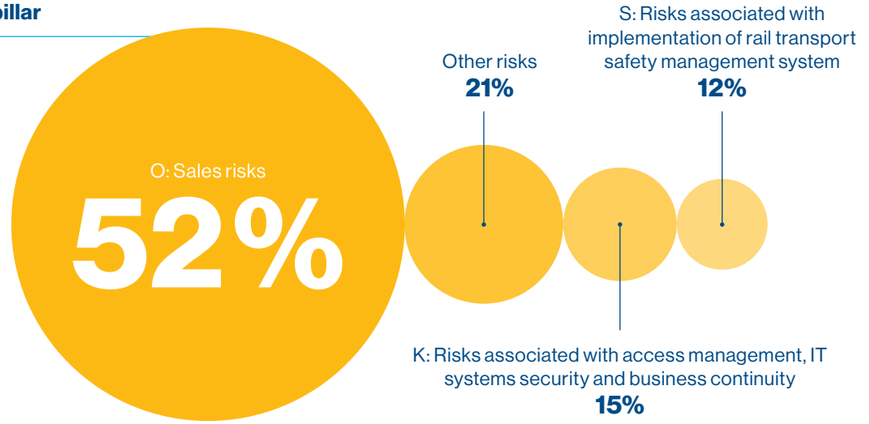
Sales risk is linked to the risk of reduced operating revenue as a result of negative macroeconomic trends, recession, and lower government investment in railway infrastructure. The risk is managed by communicating with and informing operators and by including an energy clause in contracts.

As a result of heightened geopolitical tensions worldwide and hacker attacks on railway companies in Europe, the risk associated with managing access control and securing IT systems, as well as ensuring the uninterrupted operation of railway traffic management and control systems, has been raised as a precaution. The risk is actively managed through regular training and a plan to ensure the continuity of critical IT systems.

The risk related to the implementation of the rail transport safety management system (SMS) concerns the possibility that the manager may fail to apply safety procedures and methods aimed at improving the level of safety in rail traffic, as required by the Commission Implementing Regulation on a Common Safety Method for Risk Evaluation and Assessment (EU Regulation No. 402/2013) and the Rail Safety Act (ZVZelP), or that the safety authority may revoke the authorisation to perform the functions of railway infrastructure manager. The risk is actively managed through regular monitoring of SMS implementation and strict measures to ensure the renewal of the safety authorisation.

The purchase of new machinery required to perform the tasks of infrastructure manager will create the conditions for improving the quality of maintenance work on PRI lines. This will be directly reflected in the quality of transport services and will enhance the reputation and attractiveness of rail transport overall (shorter line closures, lower energy consumption, reduced emissions, the ability to clear certain grassy areas along the line while traffic is running and without line closures, reduced fire risk, and faster, more efficient handling of incidents).

Biggest risks of the PRI MANAGEMENT pillar



Construction

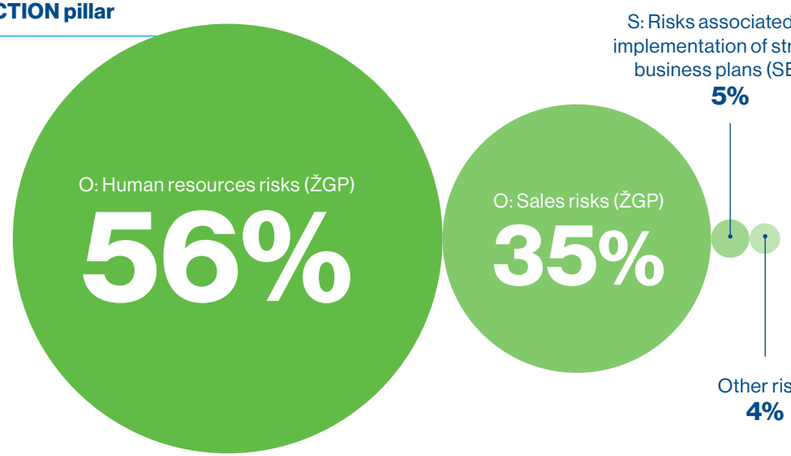
Human resources risk is a key risk arising from the retirement of qualified engineering staff with the required licences and difficulties in recruiting new personnel due to competition in the labour market. The company is aware of the increasingly challenging conditions in the labour market and is actively working to ensure timely staff replacement through an established system of mentoring and scholarships for shortage occupations, as well as by concluding individual contracts with highly qualified professional (non-management) staff.

The key risk for the subsidiary Kamnolom Verd is the risk related to the implementation of strategic plans, which are related to the obtaining of permits for the continuation and expansion of operations. To this end, the company has adopted a communication strategy for engaging with all stakeholders and is carrying out activities to obtain a new concession for the expansion area (Verd-3).

Sales risk is also a key risk, due fluctuations in the prices of key materials, high penalties for delays in project execution, and the risk of reduced state investment funds and the postponement of approved projects in the event of a revised state budget. The risk is actively managed through regular assessment of the impact of rising purchase prices, contractual provisions on price indexation and ongoing coordination of deviations from the agreed schedule with clients or investors.

The company's involvement in projects forming part of the state's historical investment in PRI is seen as an opportunity to build important references for a likely necessary shift to foreign markets after the completion of the current cycle of intensive investment in the domestic market.

Biggest risks of the CONSTRUCTION pillar



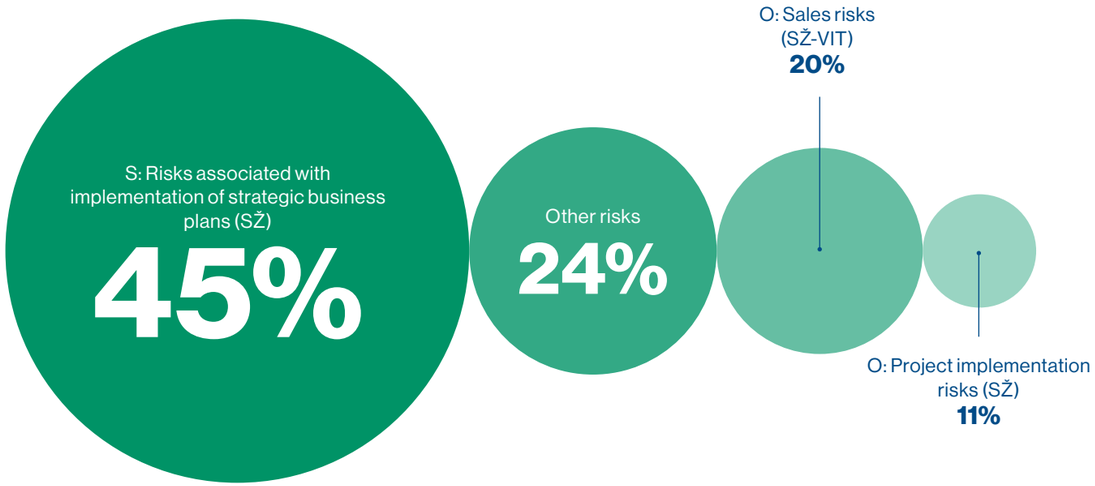
Support activities

Among the key risks identified for the controlling company Slovenske železnice were risks related to the implementation of digitalisation projects and the execution of strategic business plans. The main risk among these concerns the start of construction of the Ljubljana Passenger Centre and the resulting delays in rail traffic. Part attention was devoted in 2024 to preparing a sustainability strategy aimed at achieving decarbonisation targets by 2030 and assessing climate and environmental risks, which the company addressed through a long-term contract for the purchase of electricity from renewable energy sources.

The key risk for SŽ-VIT is sales risk. This stems from unstable market conditions in the region, which bring the risk of cancellation of existing contracts for the maintenance of rolling stock, and from lost revenue due to the purchase of new railway vehicles still covered by manufacturer warranties. The company manages this risk through ongoing monitoring of market conditions and client credit ratings, cost-reduction measures and the pursuit of new opportunities, including marketing activities targeting potential customers and clients outside the Slovenske železnice Group.

The key risk for SŽ-ŽIP is human resources risk, linked to the sustainability of the business model of a sheltered company (with more than 50% of employees being persons with disabilities, allowing the company to receive the full amount of state aid under the Vocational Rehabilitation and Employment of Persons with Disabilities Act – ZZRZI), to the age structure of the workforce, and to unwanted staff turnover, which may lead to loss of business as key employees move to competing companies. The company manages this risk through workforce planning, employee training and education, and timely replacement of departing employees with disabilities.

Biggest risks of the SUPPORT ACTIVITIES pillar



Operating results

Performance by pillar

Logistics

At the end of 2024 the logistics pillar included the companies SŽ EP, SŽ-Tovorni promet, SI-Cargo Logistics, Fersped and VV-LOG.

	Unit	2024	2023	Index
EBIT	EUR thousand	14,935	16,025	93.2
EBITDA	EUR thousand	43,266	44,144	98.0
Net profit or loss (E)	EUR thousand	14,389	15,562	92.5
Return on equity (ROE)	%	7.2	8.2	87.8
Value-added per employee	EUR	88,565	84,527	104.8
Net financial debt/EBITDA	ratio	0.2	0.9	22.2

The operations of SŽ-Tovorni promet were negatively affected by infrastructure works on the Slovenian network, infrastructure obstacles abroad and a shortage of train crew. Moreover, the activity of competing transport operators on the Slovenian market strengthened in 2024, resulting in a decline in market share (which decreased by 0.8% compared to 2023).

Volume of work performed in freight transport

	Unit	2024	2023	Index
Inland transport	tonnes thousand	946	1,023	92.5
International transport	tonnes thousand	16,818	17,192	97.8
Goods transported	**tonnes thousand**	**17,764**	**18,215**	**97.5**
Work performed in Slovenia	NTKM million	4,345	4,312	100.8
Work performed abroad	NTKM million	210	170	123.5
Work performed	**NTKM million**	**4,555**	**4,482**	**101.6**

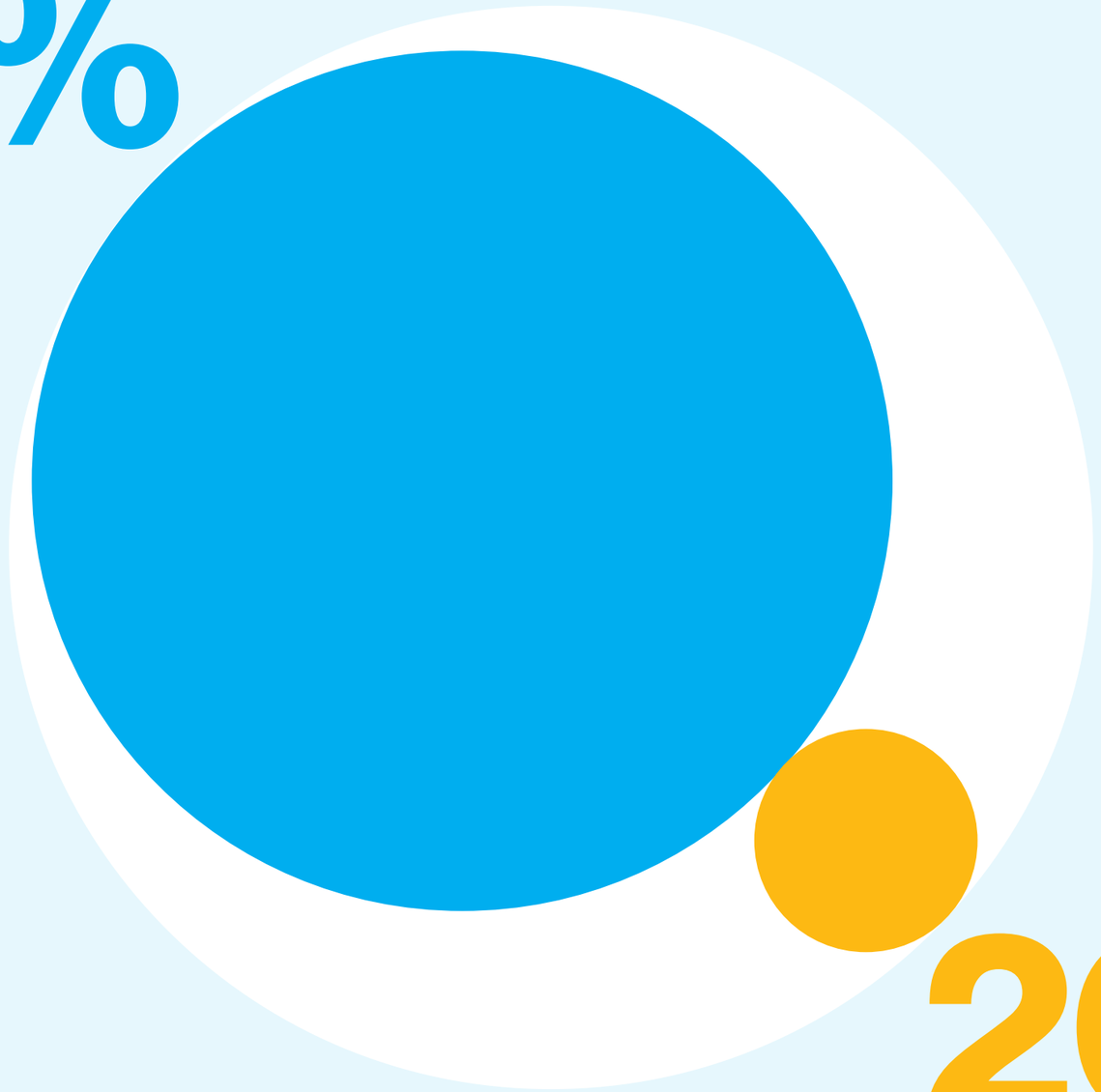
Transport for the needs of the Slovenian economy (inland transport, imports and exports) was down by 9.5% relative to the previous year, while transit transport increased by 1.4%.

Transport volume of SŽ-Tovorni promet

	Unit	2024	2023	Index
Conventional	tonnes thousand	14,079	14,017	100.4
Multimodal transport	tonnes thousand	3,653	4,192	87.1
Total wagon consignments	**tonnes thousand**	**17,732**	**18,209**	**97.4**

The transport of wagon consignments is performed in the form of the conventional transport of wagon consignments and as transport in intermodal transport units (ITU) in combined transport. We also provide transport services in Austria and Croatia through our own haulage.

79.4%



Conventional transport

The conventional transport of wagon consignments accounted for 79.4% of wagon consignments transported on the Slovenske železnice network in 2024. The share of conventional transport has been increasing in recent years, partly as a result of a significant decline in combined transport. More than 95% of goods consist of raw materials or primary products and semi-finished products such as ore, coal, petroleum and derivatives, agricultural products, sand and stone aggregates, iron and steel, paper and cellulose, wood, scrap iron, chemical products, cement and vehicles. In 2024 we transported more agricultural products, oil and petroleum derivatives, wood and ores, but less coal and sand.

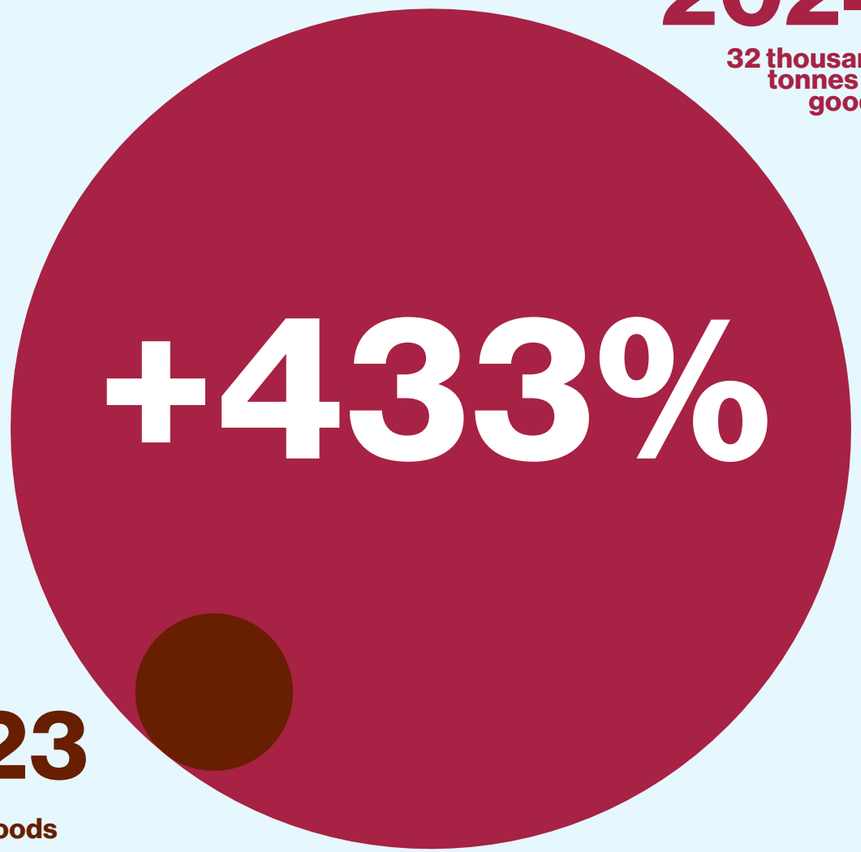
Combined transport

Ninety-nine per cent of goods are carried in combined transport using full trains, the majority of which are 'shuttle trains', where wagons are not switched except for traffic and technical reasons. Transport is primarily carried out on lines to and from the Port of Koper towards Hungary, Slovakia and the Czech Republic, and on the Ljubljana KT–Germany line. The remaining percentage of goods is transported in single wagons, primarily to countries in SE Europe (Serbia and Croatia). In 2024 we transported 12.9% less in combined shipments compared to 2023. The volume of transport was negatively affected by infrastructure obstacles on Slovenske železnice lines and by European and global economic trends, including reduced trade between Turkey and Germany, escalating tensions in the Middle East (the maritime route between Asia and Europe), a German railway strike, and so on.

20.6%

SI-Cargo Logistics

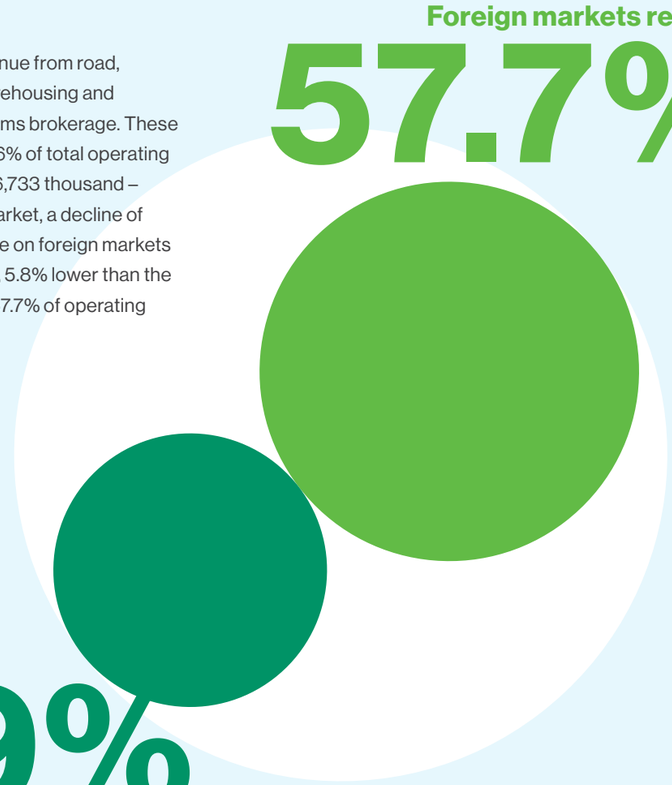
In addition to securing business for SŽ-Tovorni promet, the subsidiary SI-Cargo Logistics Belgrade also handles the transport of wagon consignments that do not pass through Slovenia, contributing to the competitiveness of SŽ-Tovorni promet. In 2024 SI-Cargo Logistics transported 32 thousand tonnes of goods through Slovenia, 26 thousand tonnes more than in 2023.



Fersped

Fersped also had to adapt to changes in the logistics market. Its core activity is the organisation and execution of comprehensive, modern logistics services in domestic and international goods transport.

Fersped generates operating revenue from road, rail, maritime and air transport, warehousing and transshipment services, and customs brokerage. These activities together account for 99.6% of total operating revenue, of which 41.9% – or EUR 6,733 thousand – was generated on the domestic market, a decline of 25.0% compared to 2023. Revenue on foreign markets amounted to EUR 9,285 thousand, 5.8% lower than the previous year, and accounted for 57.7% of operating revenue.



VV-LOG

The customs services of VV-LOG, d.o.o., are a major source of revenue within the logistics pillar, which provides us with the important advantages of being well acquainted with customs legislation and actively following all changes to customs procedures.

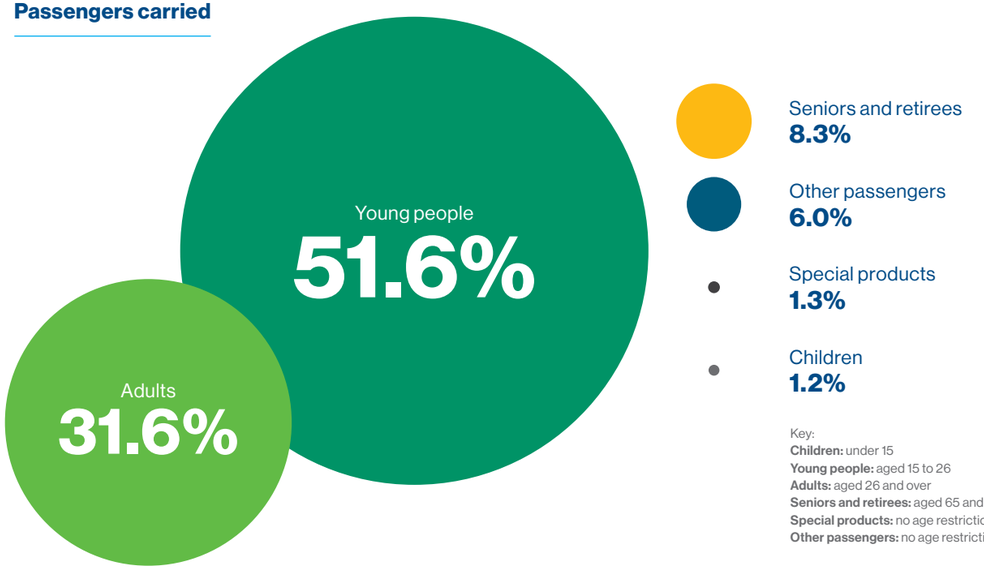
Passenger mobility

	Unit	2024	2023	Index
EBIT	EUR thousand	16,932	14,329	118.2
EBITDA	EUR thousand	43,227	41,668	103.7
Net profit or loss (E)	EUR thousand	16,477	16,030	176.1
Return on equity (ROE)	%	3.3	3.3	100.0
Value-added per employee	EUR	111,087	112,632	98.6
Net financial debt/EBITDA	ratio	-1.7	-1.3	130.8

In 2024, despite extensive investment and maintenance works on the public railway infrastructure causing disruptions and obstacles in traffic, SŽ-Potniški promet carried 16.8 million passengers. The increase in train services both domestically and in cross-border regional traffic, improvements in transport services, and greater passenger awareness of the environmental and social benefits of choosing sustainable modes of travel all contributed to the growth in passenger numbers.

	Unit	2024	2023	Index
Inland transport	passengers thousand	15,205	14,039	108.3
International transport	passengers thousand	1,553	1,710	90.8
Passengers carried	**passengers thousand**	**16,758**	**15,749**	**106.4**
Inland transport	PKM million	843	702	120.1
International transport	PKM million	248	288	86.1
Passenger kilometres	**PKM million**	**1,091**	**990**	**110.2**

Passengers carried



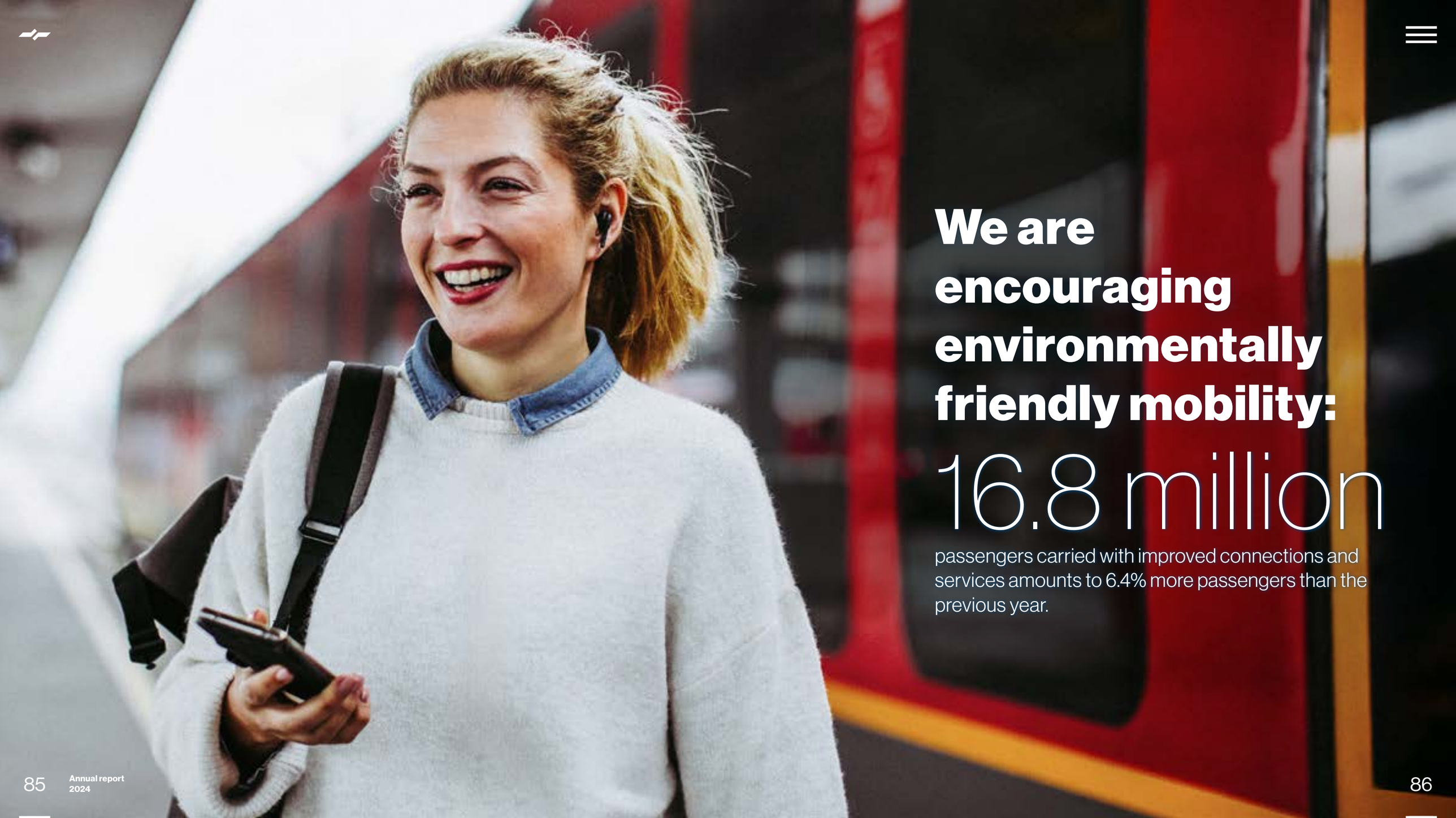
SŽ-Potniški promet continually strives to improve the passenger experience, taking into account the state of the railway infrastructure, which is beyond the company's control. The company's goal is to ensure passenger satisfaction and to encourage more and more people to use the train to commute to and from work and school and for days out, trips, cultural events and sports events.

In international passenger rail transport, SŽ-Potniški promet is endeavouring to shape both the offer of train services and marketing/commercial offers in a way that takes the fullest possible account of the public importance of passenger rail and ensures adequate connectivity between Slovenia and neighbouring countries.

Through active cooperation with foreign railway operators in both nearby and more distant regions, the company strengthened its market position relative to the competition by introducing new international rail connections, which contributed to an increase in passenger numbers and the expansion of services.

The introduction of new train connections to Graz and Villach resulted in more than a 30% increase in traffic between Slovenia and Austria.

We continued activities with the Friuli Venezia Giulia region to establish passenger rail services on the Nova Gorica–Gorizia Centrale line. We also continued and expanded cooperation with private tourism operators in the area of organising and operating special train services.

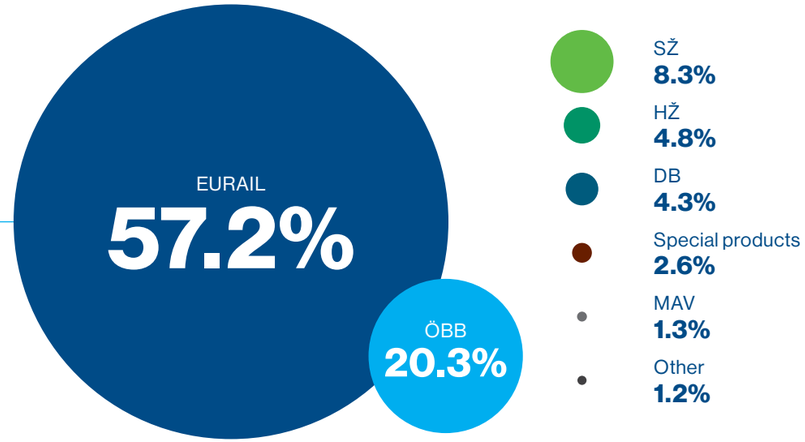


We are encouraging environmentally friendly mobility:

16.8 million

passengers carried with improved connections and services amounts to 6.4% more passengers than the previous year.

Proportion of passengers carried by operator

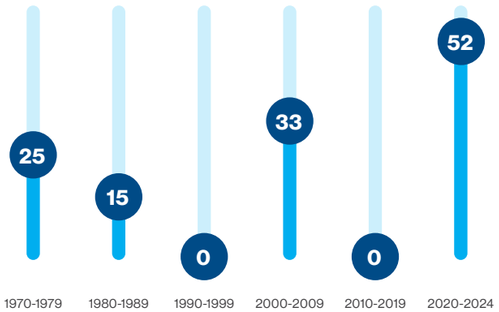


On the basis of the multi-year contract for the performance of public service obligations, SŽ-Potniški promet prepares an annual service offer for passenger transport, which must be approved by the contracting authority. This forms the basis for consideration of the Addendum by the Slovenian government. In this way the financial framework for covering the difference between revenue and eligible costs incurred in connection with public passenger transport, representing compensation for train-kilometres travelled, is guaranteed.

With the aim of maintaining and further strengthening its competitive position, SŽ-Potniški promet signed a contract in June 2023 for the purchase of 20 diesel passenger trains, with the option of upgrading them to dual-system vehicles. Consent for the conclusion of the contract was given by the company's founding entity, Slovenski državni holding, in May 2023. The first two units are scheduled for delivery in June 2025, with deliveries continuing gradually until the end of 2025. The new multiple units are intended to replace older rolling stock operating on regional, non-electrified lines.

In the fourth investment cycle, the company plans to purchase four electric locomotives and 20 passenger coaches, with delivery scheduled for 2028. These will operate both domestically and internationally. The locomotives will be equipped with modern technologies to reduce environmental impact, enabling sustainable growth in passenger mobility. The new air-conditioned coaches will provide passengers with a comfortable travel experience over longer distances and will feature modern equipment (advanced passenger information system, passenger counting, selective door locking, reservation system, Wi-Fi, etc.), as well as facilities for transporting bicycles and luggage.

Number of multiple units acquired (as at 31 December 2024)



PRI management

	Unit	2024	2023	Index
EBIT	EUR thousand	9,501	7,334	129.5
EBITDA	EUR thousand	12,810	10,343	123.9
Net profit or loss (E)	EUR thousand	7,994	6,624	120.7
Return on equity (ROE)	%	16.7	16.2	103.1
Value-added per employee	EUR	51,161	48,194	106.2
Net financial debt/EBITDA	ratio	-6.6	-7.0	94.3

For SŽ-Infrastruktura, d.o.o. the 2024 financial year was characterised by numerous infrastructure works, upgrades to lines and other investment projects crucial to improving rail infrastructure.

Key maintenance projects

In 2024 SŽ-Infrastruktura, as the PRI manager, was involved in the following major projects: the upgrade of the Brezovica–Preserje–Borovnica line, the Zidani Most–Šentilj remote control project, rearrangement of the Pragersko junction, construction of the second track on the Divača–Koper line, the Ljubljana junction, the upgrade of sections and stations in Ljubljana, the Dunajska Cesta overpass, the upgrade project regarding the Kranj–Podnart and Podnart–Lesce Bled–Jesenice lines, and the upgrade of Nova Gorica railway station.

Volume of maintenance work

	2024		2023	
	Hours	Breakdown	Hours	Breakdown
Number of hours of maintenance				
PRI maintenance work	1,430,715	89.9	1,365,082	86.7
Renovation as part of PRI maintenance work	23,300	1.5	26,159	1.7
Other services	137,702	8.6	183,244	11.6
Total	**1,591,717**	**100.0**	**1,574,485**	**100.0**
Number of hours worked by department				
Track maintenance	782,849	49.2	785,460	49.9
Maintenance of SS and TC systems	545,623	34.3	530,216	33.7
Electrical system maintenance	263,245	16.5	258,809	16.4
Total	**1,591,717**	**100.0**	**1,574,485**	**100.0**

In 2024 we carried out scheduled maintenance works and maintained the required normal operating capacity of line superstructure and substructure elements, signal safety, telecommunications and power systems, structures and emergency machinery. As part of maintenance work we also dealt with the consequences of damage events on PRI and maintained passenger stations and stops that form an integral part of PRI.

In the context of PRI repairs and renovations, we refurbished individual railway infrastructure subsystems or parts thereof, without altering their function or mode of operation (e.g. replacement of points, complete rehabilitation of the track superstructure in individual sections, replacement of elements and devices of the overhead line and equipment in individual sections, etc.).

In terms of PRI operation, all tasks deriving from the public service obligation of traffic control and the tasks directly associated with that obligation were performed.

Volume of infrastructure operation work

	Occupancy of service points – number of hours		
	2024	2023	Index
Traffic management centres	134,235	129,461	103.7
Local traffic management	814,207	820,154	99.3
Securing train paths	139,146	151,748	91.7
Securing traffic at level crossings	10,301	10,248	100.5
Management of train paths and levying of infrastructure charges	24,000	21,912	109.5
Total	**1,121,889**	**1,133,523**	**101.0**

Contract with the Slovenian government

On 12 November 2024 the company signed Addendum No. 10 to the Agreement on the provision of public railway infrastructure management services for the period from 1 January 2021 to 31 December 2030 with the contracting authority, the Government of the Republic of Slovenia. The addendum specifies the approximate contract value, the scope of services to be provided by the manager in 2024, and the projected composition of funds for financing in this period. As part of the compensation for the performance of PSO tasks involving PRI maintenance, the addendum also lays down the funds for financing the purchase of new machinery to perform the PSO tasks of PRI maintenance in accordance with Article 14 of the Agreement on the provision of public railway infrastructure management services for the period from 1 January 2021 to 31 December 2030.

On 29 November 2024 the company signed Addendum No. 11 to the Agreement on the provision of public railway infrastructure management services for the period from 1 January 2021 to 31 December 2030 with the contracting authority, the Government of the Republic of Slovenia. By concluding the addendum, the parties determined the amount and method of financing monetary compensation to freight operators for costs incurred due to the implementation of capital works on public railway infrastructure for the period 1 January 2023 to 31 December 2023, which the manager reimburses to railway operators on behalf of and for the account of the contracting authority.

Construction

	Unit	2024	2023	Index
EBIT	EUR thousand	6,107	10,020	60.9
EBITDA	EUR thousand	9,473	13,748	68.9
Net profit or loss (E)	EUR thousand	4,688	8,004	58.6
Return on equity (ROE)	%	11.5	21.1	54.5
Value-added per employee	EUR	81,317	91,649	88.7
Net financial debt/EBITDA	ratio	-0.3	-0.7	42.9

2024 was a successful year for the pillar of construction as a vital part of Slovenske železnice Group's structure. Through investments in state-of-the-art technological equipment and improvements to working conditions, participation in strategic railway line modernisation projects, and efforts to improve connectivity and increase the capacity of the Slovenian railway network, SŽ-ŽGP strengthened its position as the only company specialising in the construction of railway track superstructure.

SŽ-ŽGP performs a specific activity, since it only has two clients for railway infrastructure works: the PRI manager SŽ-Infrastruktura for maintenance works and DRSI for investment projects.

Kamnolom Verd manages the quarry and supplies rock aggregates. Its business depends directly on the trends in the construction industry.

Key projects

With the completion of construction work on the Pekel tunnel and the Pesnica viaduct, another major investment in PRI was brought to a close, delivering important improvements – the upgrade of the Maribor–Šentilj section of main railway line No. 30 (Zidani Most–Šentilj–national border).

The railway stations in Zagorje, Litija, Šentjur, Laze, Rače and Ponikva were refurbished. Construction work for the upgrade of Nova Gorica railway station was also completed.

The upgrade of the Brezovica–Borovnica section and works at Borovnica railway station were completed, as were the works on the railway overpass across Dunajska Cesta in Ljubljana.

In September 2024 a contract was signed with DRSI for phases B and C of the upgrade of Ljubljana railway station, with a total value of EUR 199.9 million. The value of the works awarded to SŽ-ŽGP amounts to EUR 48.1 million.

The subsidiary Kamnolom Verd, which is engaged in the extraction, processing and sale of stone materials, paid EUR 180,802 in mining concession fees for the exploitation of mineral resources for 2022 in 2023, in accordance with Article 70b ZGD-1 and on the basis of a decision issued by the Ministry of Natural Resources and Spatial Planning of the Republic of Slovenia (under this decision 50% was paid to the Municipality of Vrhnika and 50% to the state budget). The company did not receive a decision for 2023 in 2024, so these payments were not made.

Support activities[1]

	Unit	2024	2023	Index
EBIT	EUR thousand	1,528	2,683	57.0
EBITDA	EUR thousand	9,694	9,987	97.1
Net profit or loss (E)	EUR thousand	10,121	12,604	80.3
Return on equity (ROE)	%	1.5	1.9	79.8
Value-added per employee	EUR	50,360	48,332	104.2
Net financial debt/EBITDA	ratio	18.3	16.0	114.6

[1] unconsolidated values

In 2024, support activities delivered high-quality and cost-effective services mostly to companies in the Slovenske železnice Group.

In accordance with the strategy of Slovenske železnice, digitalisation programmes were also continued in the area of support activities, with the Group being well aware how important the success of digitalisation is for the development of all its pillars.

Slovenske železnice generated a significant proportion of its operating revenue (76.7%) with revenue from the support services of the head office (charged to all companies of the Slovenske železnice Group on the basis of SLAs). Revenue from property management and marketing (rent from storage spaces, land and advertising spaces, non-profit rental of flats, rental of holiday homes, workers' hostels and other buildings) and revenue from the sale of property accounted for 12.4% of total operating revenue. Among other operating income (10.9%), the majority consists of income from the reimbursement of costs arising from business events not covered by SLAs, which are recharged to companies in the Slovenske železnice Group.

SŽ-VIT provided services that ensured the availability and reliability of their train fleet and safe and competitive freight and passenger transport services. The company carried out the maintenance of rolling stock (maintenance of railway vehicles and repairs, and the manufacture of components and spare parts) largely for Slovenske železnice Group companies (72.9% of revenue from contracts with customers). For other customers at home and abroad (23.8% of revenue from contracts with customers) with owned or leased railway vehicles, the company mostly repaired wheelsets and maintained freight wagons and locomotives. The activity of traction (performance of train traction and shunting according to pre-planned rosters for tractive vehicles and engineering staff) and technical wagon inspection (monitoring of the technical condition and equipment of unpowered rolling stock, and monitoring of their operation in a train) was carried out by the company exclusively for SŽ-Tovorni promet and SŽ-Potniški promet.

In 2024, SŽ-ŽIP continued to manage buildings, perform cleaning of exterior and interior spaces and the rolling stock of Slovenske železnice, manage and maintain holiday units in Croatia, maintain the security of buildings, etc.

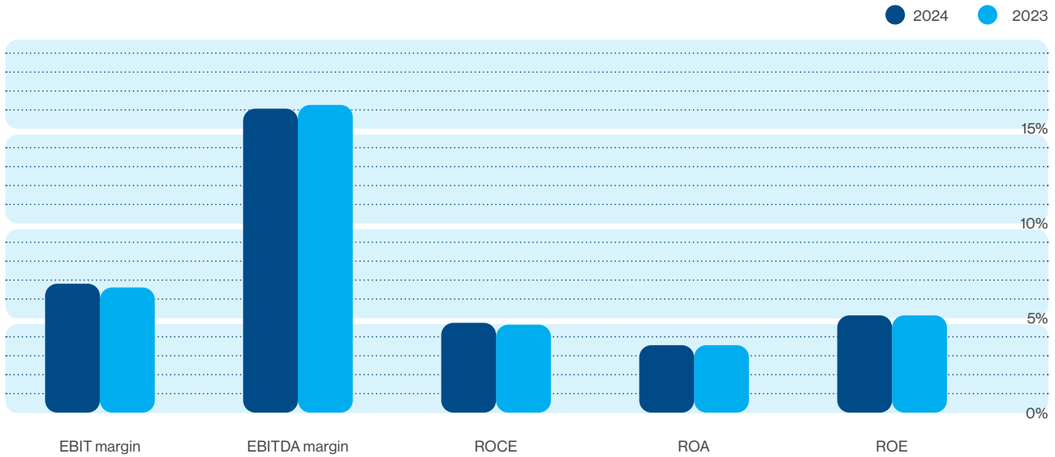
Prometni institut Ljubljana provided research and development services for companies in the Slovenske železnice Group. As part of these tasks, we developed software for faster processing of data on the condition of railway lines, carried out measurements of dynamic track parameters and prepared investment documentation for measures relating to the renewal of PRI, the procurement of track maintenance machinery, the procurement of new locomotives and coaches for passenger transport, and the modernisation of the locomotive and wagon fleet in freight transport. In 2024 the company also actively participated in various international projects and took part in domestic and international professional conferences in the fields of transport, logistics and railway infrastructure development. In cooperation with the International Union of Railways (UIC), the company organised and participated in an international conference on the development of railways in SE Europe.

The activity of SŽ-Železniška tiskarna Ljubljana comprises all printing and bookbinding work and the distribution of final products.

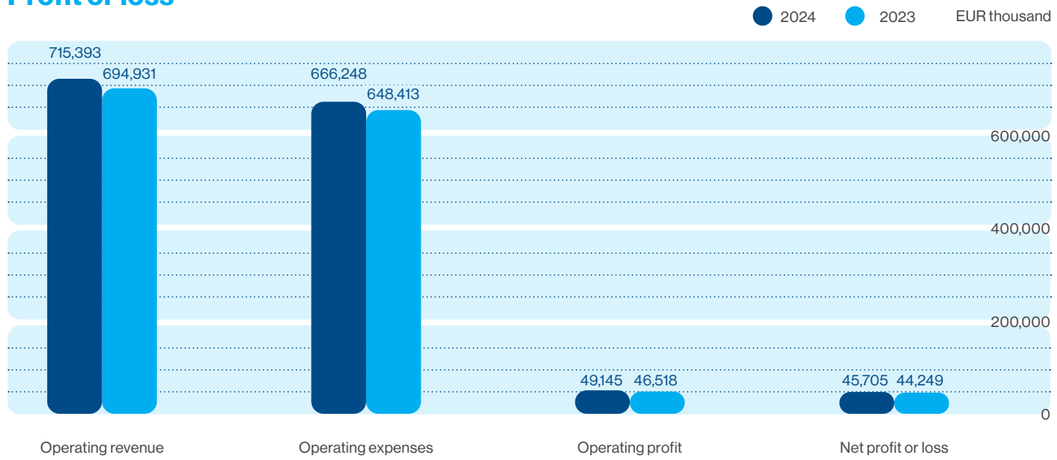
How we operated: SLOVENSKE ŽELEZNICE GROUP

	Unit	2024	2023	Index
EBIT	EUR thousand	49,145	46,518	105.6
EBITDA	EUR thousand	116,895	114,479	102.1
Net profit or loss (E)	EUR thousand	45,705	44,249	103.3
EBIT as a proportion of revenue	%	6.9	6.7	103.0
Return on equity (ROE)	%	5.2	5.2	100.0
Return on assets (ROA)	%	3.6	3.6	100.0
Value-added per employee	EUR	62,507	60,340	103.6
Net financial debt/EBITDA	ratio	0.5	0.6	83.3
Net financial debt/equity	ratio	0.1	0.1	100.0

Performance indicators



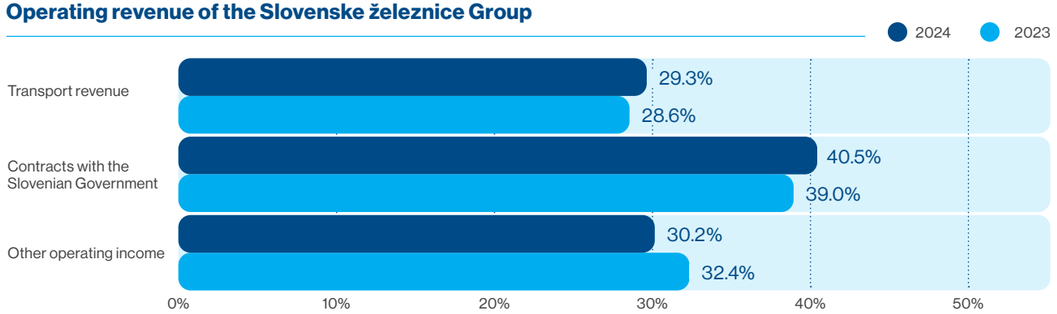
Profit or loss



Operating revenue

EUR thousand	2024	2023	Index
Operating revenue	**715,393**	**694,931**	**102.9**
Transport revenue	209,419	198,616	105.4
Revenue under contracts with the Slovenian government	290,188	271,341	106.9
Other operating income	215,786	224,974	95.9

Operating revenue of the Slovenske železnice Group



Operating revenue by strategic activity

EUR thousand	2024	2023	Index
Logistics	**231,061**	**218,354**	**105.8**
SŽ EP Logistika	29	44	65.9
SŽ-Tovorni promet	210,350	198,405	106.0
SI-Cargo Logistics, Belgrade	631	307	205.5
Fersped	16,084	18,948	84.9
VV-LOG	7,576	5,891	128.6
Mobility	**173,363**	**160,014**	**108.3**
SŽ-Potniški promet	173,363	160,014	108.3
PRI management	**230,915**	**224,595**	**102.8**
SŽ-Infrastruktura	230,915	224,595	102.8
Construction	**64,134**	**84,747**	**75.7**
SŽ-Železniško gradbeno podjetje Group	64,134	84,747	75.7
Support activities[1]	**227,154**	**214,078**	**106.1**
SŽ-Vleka in tehnika	145,672	133,487	109.1
SŽ-ŽIP Group	41,122	42,391	97.0
Prometni institut Ljubljana	1,370	1,290	106.2
SŽ-Železniška tiskarna	557	504	110.5
Slovenske železnice	38,433	36,406	105.6

[1] unconsolidated values

The biggest share of revenue in the Slovenske železnice Group was generated in logistics (24.9% of unconsolidated revenue) and in PRI management (24.9% of unconsolidated revenue). The mobility sector generated 18.7% of unconsolidated revenue and the construction sector 6.9% of unconsolidated revenue. Support activities generated 24.5% of all unconsolidated revenue.

Logistics

EUR thousand	2024	2023	Index
Operating revenue	**231,061**	**218,354**	**105.8**
Transport revenue	164,424	157,616	104.3
Other operating revenue	66,637	60,738	109.7

Transport revenue exceeded last year's figures on both the domestic and foreign markets. Other revenue increased mainly as a result of compensation received for traffic disruptions and subsidies in the form of grants for the promotion of rail freight transport. Other significant sources of revenue include revenue from container terminal services, services at border stations, the letting of warehouses and services provided to other operators.

Mobility

EUR thousand	2024	2023	Index
Passengers carried (thousands)	16,758	15,749	106.4
Operating revenue	**173,363**	**160,014**	**108.3**
Contracts with the Slovenian government	110,920	102,167	108.6
Transport revenue	46,178	42,514	108.6
Other operating revenue	16,265	15,333	106.1

Transport revenue in domestic rail transport exceeded the 2023 figure by EUR 3,815 thousand. The increase in transport revenue is partly the result of a higher number of passengers carried and partly of the introduction of new IPT products, which led to the adjustment of SŽ-Potniški promet's ticket pricing. Transport revenue in international transport was lower than in 2023 by EUR 151 thousand.

PRI management

EUR thousand	2024	2023	Index
Operating revenue	**230,915**	**224,595**	**102.8**
Contracts with the Slovenian government	179,268	169,174	106.0
Other operating revenue	51,647	55,421	93.2

Revenue under contracts on the provision of PRI management services concluded with the Slovenian government accounted for 77.6% of all operating revenue. Revenue from PSO agreements with the Slovenian government amounted to EUR 130,646 thousand in the area of PRI maintenance and EUR 48,622 thousand in the area of PRI operation.

Construction

EUR thousand	2024	2023	Index
Operating revenue	**64,134**	**84,747**	**75.7**
Revenue on the domestic market	62,539	81,933	76.3
Revenue on the foreign market	416	1,651	25.2
Other operating revenue	1,179	1,163	101.4

SŽ-ŽGP generated 93.7% of its revenue from contracts with customers, the majority of which came from the sale of services for work carried out under contracts and public tenders.

Revenue from contracts with customers totalled EUR 54,252 thousand (accounting for 84.3% of operating revenue), generated from transactions with customers outside the Slovenske železnice Group. This figure was EUR 17,531 thousand less than in 2023. Revenue from transactions with companies within the Slovenske železnice Group amounted to EUR 8,703 thousand, representing 13.5% of operating revenue, and was EUR 3,098 thousand lower than in 2023.

Support activities

EUR thousand	2024	2023	Index
Operating revenue[1]	**227,154**	**214,078**	**106.1**
Revenue on the domestic market	204,774	182,971	111.9
Revenue on the foreign market	15,329	15,445	99.2
Other operating revenue	7,051	15,662	45.0

[1] unconsolidated values

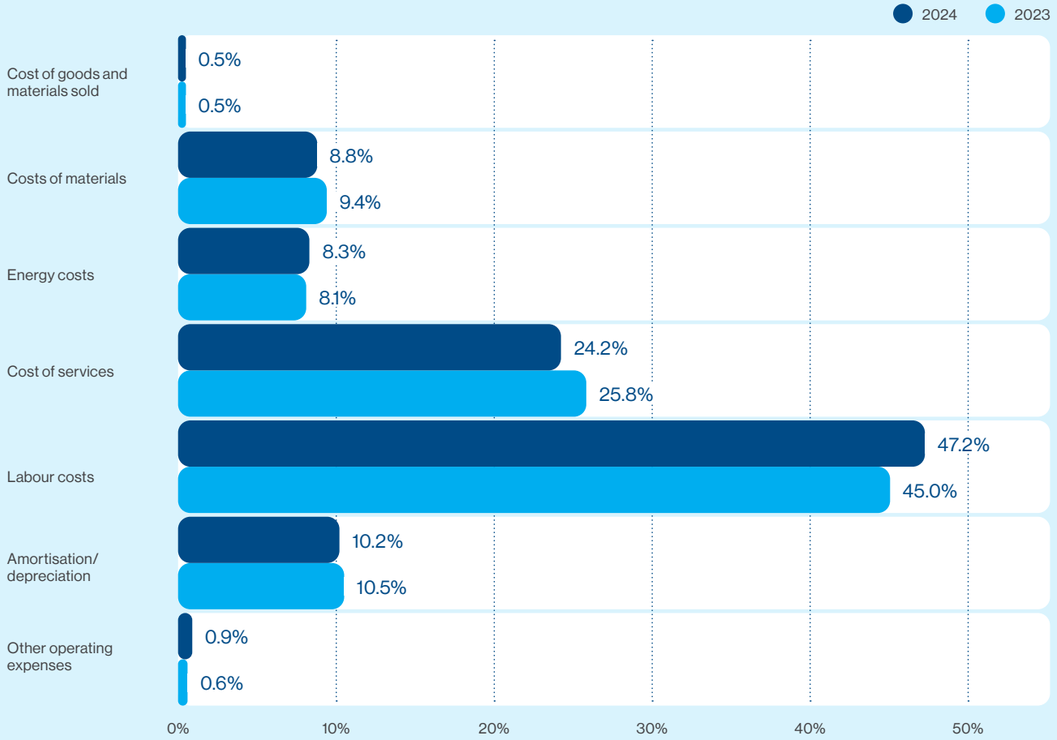
Companies in the support activities pillar generated 24.5% of unconsolidated operating revenue in the Slovenske železnice Group. The largest part of revenue was generated by performing services for the logistics and mobility pillars.

Operating expenses

Slovenske železnice Group

EUR thousand	2024	2023	Index
Operating expenses	**666,248**	**648,413**	**102.8**
Cost of goods and materials sold	3,452	2,990	115.5
Costs of materials	58,412	61,253	95.4
Energy costs	55,104	52,806	104.4
Cost of services	161,125	167,266	96.3
Labour costs	314,597	291,982	107.7
Depreciation/amortisation	67,750	67,961	99.7
Other operating expenses	5,808	4,155	139.8

Operating expenses of the Slovenske železnice Group



Operating expenses in the Slovenske železnice Group were 2.8% higher compared to the previous year. Labour costs exceeded the 2023 figures (explanations of deviations are provided in the financial report), and the share of labour costs in operating revenue was 44.0%, which is 2 percentage points higher than in 2023.

Energy costs were higher in 2024 than the year before as a result of increased use of electric locomotives and higher electricity prices. Other operating expenses also increased, mainly due to the reversal of accrued revenue from state aid (2023 floods) and higher compensation payments for damage caused to legal and natural persons. Service costs decreased on account of lower costs for building maintenance services and services related to construction activity, while material costs fell due to a lower volume of work in the construction sector.

Operating expenses by strategic activity

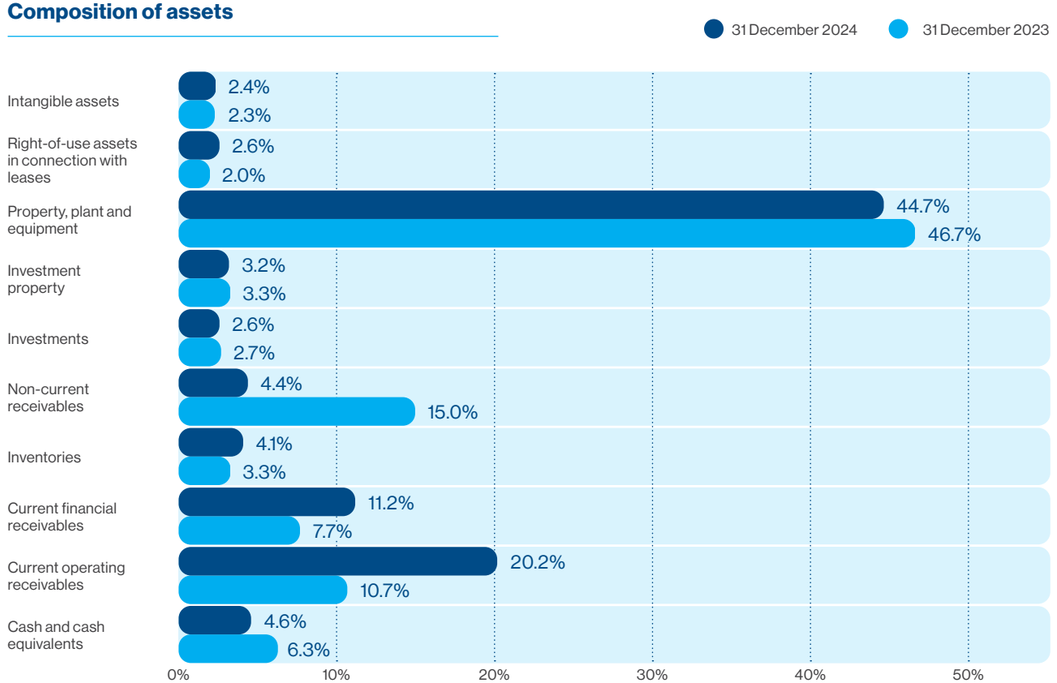
EUR thousand	2024	2023	Index
Logistics	**216,126**	**202,329**	**106.8**
SŽ EP Logistika	715	618	115.7
SŽ-Tovorni promet	195,065	182,531	106.9
SI-Cargo Logistics, Belgrade	611	294	207.8
Fersped	16,241	18,708	86.8
VV-LOG	7,049	5,370	131.3
Mobility	**156,431**	**145,685**	**107.4**
SŽ-Potniški promet	156,431	145,685	107.4
PRI management	**221,414**	**217,261**	**101.9**
SŽ-Infrastruktura	221,414	217,261	101.9
Construction	**58,027**	**74,727**	**77.7**
SŽ-Železniško gradbeno podjetje Group	58,027	74,727	77.7
Support activities[1]	**225,626**	**211,395**	**106.7**
SŽ-Vleka in tehnika	144,205	132,432	108.9
SŽ-ŽIP Group	40,943	40,977	99.9
Prometni institut Ljubljana	1,303	1,223	106.5
SŽ-Železniška tiskarna	858	602	142.5
Slovenske železnice	38,317	36,161	106.0

[1] unconsolidated values

Analysis of financial position

EUR thousand	2024	2023	Index
ASSETS	**1,289,754**	**1,271,549**	**101.4**
Non-current assets	**772,452**	**914,880**	**84.4**
Intangible assets	30,878	29,567	104.4
Right-of-use assets	34,055	25,079	135.8
Property, plant and equipment	576,610	592,575	97.3
Investment property	41,179	41,783	98.6
Investments	33,239	34,711	95.8
Non-current receivables	56,491	191,165	29.6
Current assets	**517,302**	**356,669**	**145.0**
Assets held for sale	122	15	813.3
Inventories	52,961	42,112	125.8
Current financial receivables	144,291	98,202	146.9
Current operating receivables	260,698	136,382	191.2
Cash and cash equivalents	59,230	79,958	74.1

Composition of assets



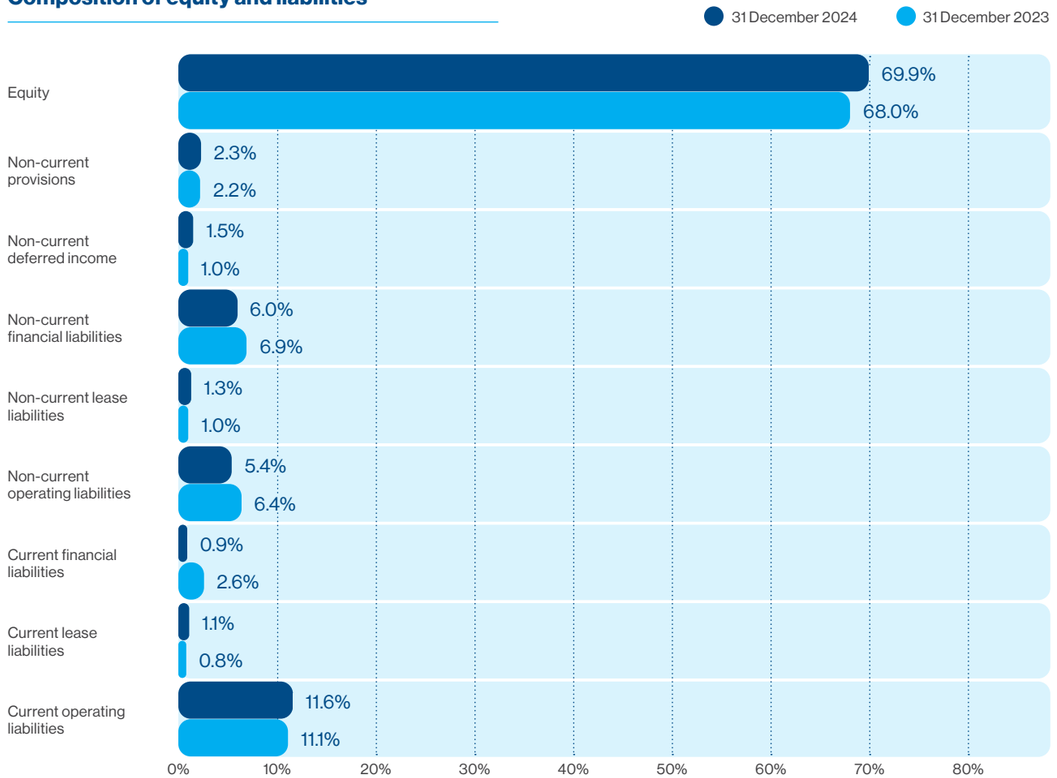
Non-current assets were lower at the end of 2024 primarily on account of the reclassification of non-current receivables arising from advances paid to the supplier of 20 new diesel multiple units to current receivables in the amount of EUR 98,241 thousand. The decrease in non-current assets also reflects the reclassification of a loan to EP Logistic International in the amount of EUR 41,352 thousand from non-current to current financial receivables. Right-of-use assets increased compared to the end of the previous year, mainly as a result of leased freight wagons.

Property, plant and equipment declined compared to the end of 2023, primarily as a result of depreciation.

The increase in current assets was driven not only by the above-mentioned reclassification of receivables relating to the loan to EP Logistic International and the transfer of receivables for 20 diesel multiple units, but also to an increase in inventories. The increase was mainly due to a rise in material inventories, which stood at EUR 23,266 thousand (end of 2023: EUR 14,254 thousand).

EUR thousand	2024	2023	Index
EQUITY AND LIABILITIES	**1,289,754**	**1,271,549**	**101.4**
Equity	**901,074**	**864,346**	**104.2**
Non-current liabilities	**213,633**	**222,390**	**96.1**
Non-current provisions	30,210	28,335	106.6
Non-current deferred income	18,950	13,114	144.5
Non-current financial liabilities	77,668	88,011	88.2
Non-current lease liabilities	17,375	12,108	143.5
Non-current operating liabilities	69,430	80,822	85.9
Current liabilities	**175,047**	**184,813**	**94.7**
Current financial liabilities	11,254	33,474	33.6
Current lease liabilities	13,914	10,036	138.6
Current operating liabilities	149,879	141,303	106.1

Composition of equity and liabilities



Contributing most to the change in equity at the end of 2024 were net profit in the amount of EUR 45,705 thousand and an actuarial loss from the calculation of provisions for retirement benefits in the amount of EUR 177 thousand. Part of the net profit was allocated to an increase in profit reserves in the amount of EUR 9,929 thousand and statutory reserves in the amount of EUR 507 thousand.

Financial liabilities in the Slovenske železnice Group decreased by EUR 32,561 thousand during the reporting period as a result of principal repayments to banks.

According to the situation at the end of 2024, less than one third of current operating liabilities was accounted for by trade payables (EUR 52,143 thousand), one eighth by liabilities to employees (EUR 21,133 thousand) and one tenth by accrued costs and deferred income (EUR 19,869 thousand, the majority of which were accrued costs – unused annual leave).

Value added per employee (based on the average number of employees calculated from working hours) amounted to EUR 62,507 at the end of 2024, an increase of EUR 2,167 compared to 2023.

We are increasing added value per employee:

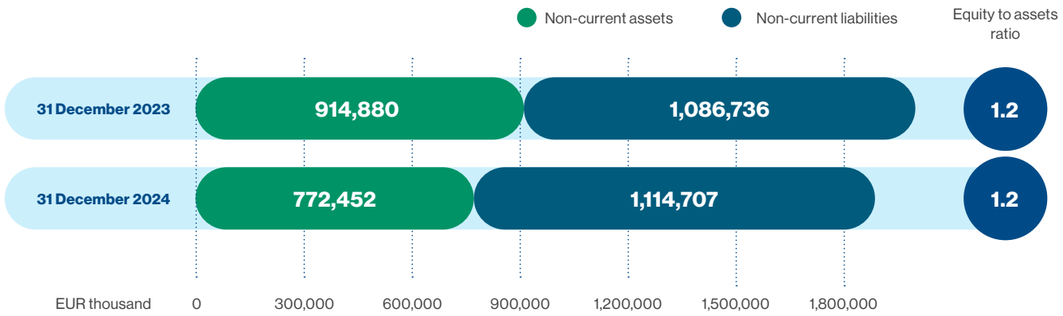
62,507 euros

which is 2,167 euros more per employee than the previous year.

Financing of non-current investments

The net financial debt/EBITDA ratio stood at 0.5 at the end of 2024, an improvement of 0.1 percentage points compared to the end of 2023.

Ratio of non-current assets to sources of funding



EUR thousand	31 December 2024	31 December 2023	Index
Current assets	517,302	356,669	145.0
Current liabilities	175,047	184,813	94.7
Working capital	342,255	171,856	199.2

At the end of 2024 working capital was EUR 170,399 thousand higher compared to the end of 2023, primarily as a result of higher current receivables. The current ratio, which expresses the ratio of current assets to current liabilities, amounted to 3.0 at the end of 2024, compared to 1.9 at the end of 2023.

Cash flows

EUR thousand	31 December 2024	31 December 2023
A. Cash flows from operating activities	76,130	89,524
B. Cash flows from investing activities	-47,153	-120,057
C. Cash flows from financing activities	-49,704	-7,802
Closing balance of cash and cash equivalents (x + y)	59,230	79,958
x) Net cash flow for period (sum of A, B and C)	-20,727	-38,335
+/– Calculated exchange rate differences from foreign currency assets	0	-1
y) Opening cash balance	79,958	118,293

The Slovenske železnice Group generated a positive cash flow from operations in 2024. This was positively affected by net profit (EUR 45,705 thousand) and adjustments (EUR 63,234 thousand), primarily for amortisation/depreciation, and negatively by changes in net working capital in the amount of EUR 32,809 thousand (of which EUR 19,202 thousand was accounted for by an increase in operating receivables and EUR 10,551 thousand by an increase in inventories).

Cash flow from investing activities was negative due to outflows from investing activities of EUR 407,072 thousand (most of which related to the acquisition of financial assets and receivables) and inflows from investing activities of EUR 359,918 thousand (most of which related to the disposal of financial receivables).

Cash flow from financing activities was negative due to financing outflows amounting to EUR 127,004 thousand (repayment of financial liabilities of EUR 102,989 thousand, repayment of lease liabilities under IFRS 16 of EUR 11,427 thousand, and other interest paid of EUR 2,051 thousand), and financing inflows of EUR 77,300 thousand (inflows from the increase in financial liabilities).

Investments

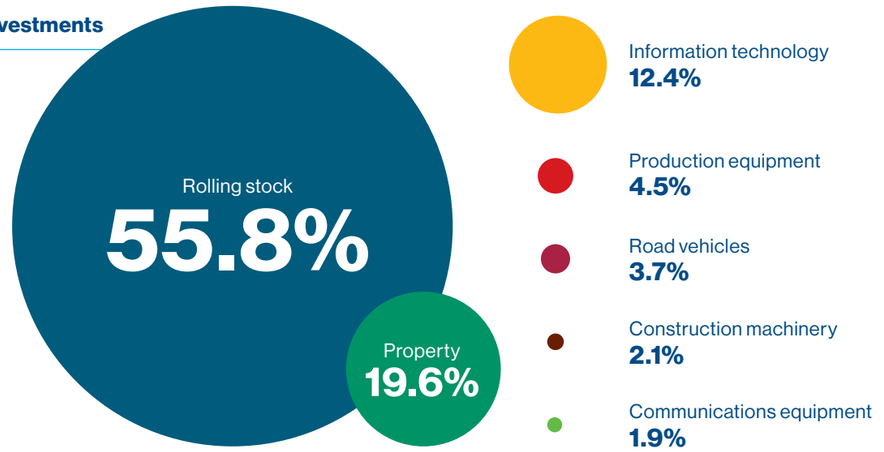
Investments by the Slovenske železnice Group in 2024

EUR thousand	2024	2023	Index
Logistics	**16,641**	**13,785**	**120.7**
SŽ EP Logistika	0	0	-
SŽ-Tovorni promet	16,620	13,770	120.7
SI-Cargo Logistics, Belgrade	15	11	136.4
Fersped	6	4	150.0
VV-LOG	0	0	-
Mobility	**4,195**	**5,003**	**83.8**
SŽ-Potniški promet	4,195	5,003	83.8
PRI management	**5,120**	**3,171**	**161.5**
SŽ-Infrastruktura	5,120	3,171	161.5
Construction	**3,164**	**2,976**	**106.3**
SŽ-Železniško gradbeno podjetje Group	3,164	2,976	106.3
Support activities	**13,784**	**11,903**	**115.8**
SŽ-Vleka in tehnika	3,257	2,430	134.0
SŽ-ŽIP Group	885	838	105.6
Prometni institut Ljubljana	21	35	60.0
SŽ-Železniška tiskarna	1	0	-
Slovenske železnice	9,620	8,600	111.9

Investments by the Slovenske železnice Group in 2024, by purpose

EUR thousand	2024	2023	Index
Rolling stock	23,950	17,264	138.7
Construction machinery	902	715	126.2
Road vehicles	1,569	2,118	74.1
Information technology	5,340	8,758	61.0
Property	8,388	4,710	178.1
Production equipment	1,948	2,127	91.6
Communications equipment	801	1,121	71.5
Other	6	25	24.0
Total	**42,904**	**36,838**	**116.5**

Structure of investments



Investments follow the objectives set out in the Slovenske železnice Group Strategic Business Plan for the period 2021–2025:

- the modernisation of our fleet of rolling stock in passenger and freight transport is helping us achieve the objective of becoming the leading provider of comprehensive logistics services for freight and passenger transport in the region,
- the purchase of new machinery for the maintenance of railway infrastructure so as to facilitate the modernisation and maintenance of railway infrastructure as a prerequisite for the development of modern logistics services;
- Preparation of documentation and construction of a new modern Ljubljana Passenger Centre will contribute to the integration of public rail and bus transport services;
- completion of the upgrade of the business information system (BIS) and other digitalisation programmes, which are an essential building block for further development;
- in order to ensure the maximum availability and safety of rolling stock, investments in rolling stock included regular overhauls to and the maintenance of vehicles after their useful life comes to an end, and vehicle adaptations.

The biggest share of investment in 2024 was allocated to rolling stock, primarily for the overhauls of traction and non-traction vehicles and vehicles for special railway purposes (55.8%), followed by investment in property (19.6%) – mainly for the refurbishment of commercial premises and land purchases – and investment in the completion of the upgrade of the business information system (12.4%).

The primary aim of rolling stock overhauls is to ensure that the vehicles are safe, reliable and compliant with technical requirements. The overhauls involve the inspection and maintenance of various components such as braking systems, running gear, electrical systems and other critical parts. As part of the overhaul process, any faults or damage that could compromise the safety of passengers and staff are identified and rectified, ensuring the reliable functioning of the vehicles under regular operating conditions. Most importantly, the lifespan of the vehicles is extended and their reliability and safety improved. Regular overhauls also contribute in the long term to lower costs associated with unexpected breakdowns and repairs and improve the efficiency of regular operations.

Most of the investment in property was earmarked for the construction of the new Ljubljana bus station, which, together with the new railway station, will form Slovenia's main multimodal passenger transport hub. Investment was also made in holiday accommodation as an additional benefit for employees, which helps increase job satisfaction and motivation, and in turn enhances productivity and loyalty.

The upgrade of the business information system is crucial for maintaining competitiveness and success in the modern business world. The new system will increase employee productivity, reduce operating costs, improve data analysis essential for informed strategic decision-making, enhance communication and improve the company's adaptability.

Sustainability aspects of investments

Projects involving the purchase of new rolling stock, construction of the new Ljubljana bus station and digitalisation contribute to sustainability in the following ways:

- The purchase of new rolling stock contributes to the shift of long-distance freight and passenger transport from road to rail, which is a more environmentally friendly mode of transport and the most effective alternative to the rapidly growing volume of road traffic. Compared to road transport, it enables more efficient energy use and causes less environmental pollution.
- The new bus station, together with the new railway station, will form Slovenia's main multimodal passenger transport hub, encouraging the use of public transport as a sustainable, low-carbon mobility option. This will help reduce environmental pressures and contribute to achieving the objectives of the European Green Deal. The building will help increase the city's sustainability, since it will be constructed as a near zero energy building with a green roof and planted atriums. Electricity will also be generated on site by a solar power plant on the roof of the upper part of the building.
- In terms of support activities, digital transformation programmes will help improve the efficiency of rolling stock maintenance processes, increase the availability of rolling stock (asset management), optimise the driving hours of train drivers relative to their total working hours, and increase the daily distance travelled. The human capital management system will also be further developed.

We are investing in the convenience of multimodal mobility:

20

diesel multiple units with the option of upgrading them to bi-mode units, the acquisition of Nomago and the planned construction of a new bus station in Ljubljana improve the synchronisation of transport services, connectivity and journey planning.

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General information

[BP-1] General basis for preparation of sustainability statements

The Slovenske železnice Group prepared a sustainability statement in accordance with the requirements of the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS). The statement forms an integral part of the 2024 business report and includes information on impacts, risks and opportunities relating to the sustainability aspects of operations.

The sustainability report was prepared on a consolidated basis for the Slovenske železnice Group, which includes Slovenske železnice as the controlling company and its subsidiaries. The scope of consolidation is the same as in the financial statements of the Slovenske železnice Group. For certain metrics, small companies, branches and representative offices were excluded due to immateriality. The composition of the Slovenske železnice Group is presented in more detail in section 2.2. Material information on the accounting policies is provided in the accounting section of the annual report on page 285.

The Slovenske železnice Group operates in a complex value chain encompassing railway infrastructure management, passenger and freight transport, construction and support activities. We work with various suppliers, including providers of energy, railway infrastructure and rolling stock, and with companies offering IT solutions. Key stakeholders such as service users, ports and logistics companies are also included.

The upstream and downstream parts of the value chain are covered in the sustainability statement to the extent required under ESRS 1, section 5.1. Both the upstream and downstream parts of the value chain were included in the Group's due diligence procedures and in the assessment of significant impacts, risks and opportunities (double materiality assessment), with disclosure based on identified materiality and available data. The material impacts and financial materiality identified in the upstream and downstream parts of the value chain mainly relate to climate change.

The statement does not omit confidential or sensitive data or specific information relating to intellectual property, know-how, expertise or innovation results, nor does it omit information relating to planned events that are the subject of ongoing negotiations.

[BP-2] Disclosures in relation to specific circumstances

Time horizons

The reporting period for the sustainability statement is the same as the financial year, which runs from 1 January to 31 December 2024. Comparative information is based on data for 2023, where available. For certain indicators, particularly environmental ones, projections are also used for the medium term (1–5 years) and the long term (more than 5 years), as indicated in the double materiality assessment.

We applied a uniform definition of time horizons across all companies in the Group, defined as short term (up to 1 year), medium term (1–5 years) and long term (more than 5 years), in line with the definition in ESRS 1.

Value chain assessment

We operate in a complex value chain covering a range of rail transport activities, from infrastructure management to construction.

In accordance with the requirements of the ESRS, a detailed assessment of the value chain should be carried out. For the first year of reporting, we opted for a limited scope of value chain analysis in the double materiality assessment, on account of the complexity of the process. This is because a comprehensive analysis would require in-depth examination of the supply chain, internal processes and end-user relationships for each subsidiary.

For the 2024 disclosures, the value chain is mainly included through the calculation of Scope 3 emissions. In accordance with point 10 of ESRS 2, we clarify that these figures are estimates based on indirect sources rather than data obtained directly from suppliers.

In future years we plan to gradually expand the scope of the value chain included in the double materiality assessment process. This will enable a more comprehensive view of the Group's overall sustainability impacts..

Sources of uncertainty with respect to the assessment and results

In preparing the Group's double materiality assessment and sustainability reporting, we identified several sources of uncertainty that may affect the accuracy of results. A key factor is the varying level of maturity of sustainability management across the companies in the Group. Some companies already have advanced systems in place for monitoring the sustainability aspects of operations, while others are still developing in this area, which may affect data consistency at Group level.

Another source of uncertainty is the nature of the Group's operations, characterised by a high degree of complexity and interdependence between activities. The companies in the Group are interconnected through numerous business processes, which makes it difficult to clearly distinguish the impacts of individual activities and evaluate them precisely.

All identified sources of uncertainty were carefully considered during the preparation of the report and analysis, so as to ensure the most accurate and relevant information for all stakeholders. These uncertainties also provide a basis for further improvements in the Group's sustainability management systems and reporting. An overview of the reliability of the metrics and monetary amounts presented in each thematic disclosure is provided in section [GOV-5] Risk Management and Internal Control of Sustainability Reporting, under the heading Quality Assurance Process, and in the respective thematic disclosures.

The approach to data collection and reporting is consistent with our commitment to transparency and accuracy in sustainability reporting, as outlined in the methodology for the double materiality assessment.

Disclosure of quantitative metrics and monetary amounts subject to high measurement uncertainty

On the basis of an analysis of the materiality of impacts, risks and opportunities, we identified the priority topics requiring the most attention in the next strategic period. Priorities were ranked according to their level of importance, potential impact on operations and expected environmental, social and governance benefits. Key priorities include reducing emissions, improving energy efficiency, enhancing safety, digitalisation and ensuring inclusive access to services.

Disclosures under other legislation and international guidelines

In addition to the CSRD and ESRS requirements, the Group also takes into account other legislative guidelines and international agreements relevant to its development.

The Group operates in compliance with the Companies Act (ZGD-1), the Accounting Act (ZR), the Slovenski državni holding [Slovenian Sovereign Holding] Act (ZSDH-1), Directive 2013/34/EU and Regulation (EU) 2022/2464 on corporate sustainability reporting (CSRD). It also complies with the Corporate Governance Code for Companies with Capital Assets of the State and other relevant regulations governing the reporting framework, the functioning of the Supervisory Board and disclosure obligations relating to sustainable operations.

This approach ensures compliance with all relevant legislation and global sustainable development objectives.

Most of the Group's subsidiaries have in place an integrated management system based on internationally recognised standards:

- ISO 9001:2015 (quality management system), which ensures a systematic approach to quality management of services and processes and continuous improvement of operations;
- ISO 14001:2015 (environmental management system), which enables systematic management of environmental aspects and reduction of environmental impacts;
- ISO 50001:2018 (energy management system), which ensures efficient energy management and improvement of energy efficiency.

These three systems are interconnected and complementary, forming a comprehensive framework for sustainable and responsible operations across the Group. Regular audits by independent certification bodies confirm compliance with the requirements of the standards. Through regular internal and external audits and continuous improvement, subsidiaries ensure the effectiveness of the systems and their development in line with Group needs and stakeholder expectations.

This integrated systems management approach enables the Group to effectively align different aspects of operations and ensure a high level of quality of services, while also acting responsibly towards the environment and using energy efficiently.

The established and functioning management systems are also a source of value creation for the Slovenske železnice Group and represent key intangible assets for us.

Gradual implementation under Annex C to ESRS 1

As of the balance sheet date, the Slovenske železnice Group exceeds the threshold of an average of 750 employees in the financial year and therefore does not apply the transitional disclosure exemptions provided for in Annex C to ESRS 1. The statement discloses all topics identified as material through the due diligence and double materiality assessment process. The topics covered by ESRS S2 and ESRS E4 are not disclosed because they were not assessed as material. The topics under ESRS S1, ESRS S3 and ESRS S4 were identified as material and are disclosed in this statement.

Quality assurance process

The Group's sustainability reporting quality assurance process is a complex, system-wide approach based on several key mechanisms. The organisational structure ensures a clear division of responsibilities across organisational units. Each organisational unit has clearly defined tasks and protocols for collecting and verifying sustainability data, which reduces the risk of information gaps or incomplete data.

A digital infrastructure is being established to enable centralised collection and management of sustainability data. During the transitional period, data are collected through traditional communication channels, with clearly defined procedures and responsibilities for each organisational unit.

An overview of data sources used in sustainability reporting and an assessment of their reliability is presented in the table below.

Data type	Source of data	Data provider	Accuracy (1–3)
Climate change	Energy consumption as indicated by the electricity supplier or read from own consumption meters.	Internal and external	1.2
GHG emissions (Scope 1, 2)	Carbon footprint calculations (Scope 1 and 2) and metering points	Internal and external	1
GHG emissions (scope 3)	Own accounting and other records, emission factor data from external sources	Internal and external	3
Waste management	Based on actual recorded quantities of collected waste (ARSO records).	External	1.3
Own workforce	Obtained from internal human resources information systems.	Internal	1
Consumers and end-users	Based on the internal quality management system.	Internal	2
Business conduct	Based on internal records	Internal	1

PIn assessing the reliability of data from various sources, we used a scale from 1 to 3, where a score of 1 indicates the highest level of accuracy, 2 represents a moderate level of accuracy, and 3 indicates lower data accuracy.

In accordance with the provisions of the CSRD, the sustainability report was reviewed by an external auditor, who issued an assurance statement, presented on page 486.

Governance information

[GOV-1] The role of administrative, management and supervisory bodies

In the 2024 financial year, Slovenske železnice d.o.o. was managed by a multi-member Management Board, where continuity of leadership was ensured by the director-general, whose term of office runs until March 2028. In April the Management Board was supplemented by a new director responsible for legal affairs, human resources, the training centre, compliance and integrity, sustainable business, quality and process optimisation, risk management and corporate governance, with a term of office until April 2028. In October the term of office ended for the member of the Management Board responsible for finance, accounting, controlling, investment and the mobility company development project.

Along with the director-general, the workers' director also held office, having taken up the role in 2018 and set to remain in post until March 2026.

Among the key competences of the Management Board is the implementation of decisions not within the remit of the Supervisory Board or the founding company. In managing Slovenske železnice d.o.o. and the Slovenske železnice Group, the Management Board implements the strategic business plan and steers the Group's activities in the areas of logistics, finance, human resources and social affairs, legal matters, compliance, internal audit and corporate security.

In the area of sustainable development, the Management Board adopts strategic guidelines, confirms the methodology for including the subsidiaries of Slovenske železnice d.o.o. in the consolidated double materiality assessment, and appoints experts to assess environmental, social and governance impacts. It also maintains dialogue with stakeholders and ensures that their proposals are implemented in governance processes and reporting.

The responsibilities of individual bodies and members of the Management Board in relation to impacts, risks and opportunities are laid down in the by-laws and related policies of Slovenske železnice. The administrative and management bodies are responsible for defining strategic focuses, confirming the methodologies for double materiality assessment and incorporating sustainability aspects into the Group's operations. The mandates of individual members of the Management Board cover areas such as sustainable business, corporate security, compliance and internal audit. The Supervisory Board and Audit Committee oversee the implementation of these responsibilities. The related responsibilities and division of competences are defined in the rules of procedure of the Supervisory Board and the Management Board, the Articles of Association, and the Slovenske železnice Group Sustainability Policy.

The Supervisory Board of the controlling company Slovenske železnice d.o.o. has nine members (six shareholder representatives and three employee representatives) and three committees:

- Audit Committee
- Human Resources Committee
- Strategic Investments Committee

Within its competences, the Supervisory Board exercises comprehensive oversight of the management of Slovenske železnice d.o.o. and the Slovenske železnice Group, with particular attention to strategic direction and business plans. It plays a key role in human resources decisions, appointing and dismissing members of the Management Board and giving consent to major business decisions. In the area of sustainable operations, the Supervisory Board plays an important role by giving consent to the sustainability strategy, reviewing and approving the annual report together with the sustainability statement, and guiding and monitoring the implementation of the Group's sustainability priorities and objectives. Members of the Supervisory Board are independent in accordance with the Corporate Governance Code for Companies with Capital Assets of the State.

Heads of business areas and projects report regularly to the Management Board, which then forwards the information to the Supervisory Board. Direct lines for reporting to the Supervisory Board on key sustainability issues have also been established for workers' representatives and other stakeholders. The management and oversight of sustainability impacts, risks and opportunities are embedded across all key business functions, enabling an integrated approach to incorporating sustainability into everyday operations and decision-making.

To ensure effective management of sustainability impacts, risks and opportunities, the Slovenske železnice Group has in place a multi-level system of dedicated controls. Employees report observed impacts regularly to their direct managers in the context of working meetings. A reporting system has been established that includes regular meetings at all organisational levels and the monitoring of key indicators. These dedicated controls are integrated with the existing ISO-certified quality, environmental and energy management systems, ensuring a comprehensive approach to monitoring and managing sustainability aspects of operations.

Slovenske železnice d.o.o. has an Internal Audit Department which performs internal audits at Group level. It is organised as an independent organisational unit that reports directly to the company's Management Board. The head of the department reports directly to the Management Board on administrative matters and to the company's Supervisory Board on functional matters. It regularly and directly reports on all completed audits, findings, recommendations and their implementation to the management and supervisory bodies of the controlling company and subsidiaries.

Workers' councils and trade unions play an important role in representing employee interests within the Slovenske železnice Group. They engage in dialogue with the management and participate in decision-making concerning workers' rights, occupational health and safety and other employment-related matters.

All governance bodies operate in compliance with Slovene legislation, in particular ZGD-1 and ZSDH-1, the Corporate Governance Code for Companies with Capital Assets of the State, and the by-laws of Slovenske železnice d.o.o. The Governance Policy of Slovenske železnice d.o.o. and the Slovenske železnice Group which sets out the key principles of governance, was adopted in 2023 and updated at the end of 2024. A coordination and reporting system is in place among all governance bodies, enabling an integrated approach to sustainable development, with responsibilities and competences clearly defined for effective management and oversight.

No dedicated control procedures are applied to the management of impact-related risks, risks and opportunities.

Organisational structure of sustainability management

- The member of the Management Board responsible for sustainability leads and oversees the Sustainability (ESG) and Climate Change Committee and reports directly to the Management Board of Slovenske železnice d.o.o. on progress in the area of sustainability.
- The Slovenske železnice Group Sustainability (ESG) and Climate Change Committee operates as an interdisciplinary project group at Group level and is composed of representatives of various business areas. It is responsible for monitoring the implementation of the sustainability strategy, coordinating the integration of sustainability across all areas of operations and monitoring achievements in this field.
- The head of the Sustainability, Quality and Process Optimisation Office at Slovenske železnice d.o.o. plays a key role in coordinating the work of the Sustainability (ESG) and Climate Change Committee and sustainability coordinators at subsidiaries. They also monitor trends, legislation and other factors affecting sustainability policy and report on results achieved.
- Sustainability coordinators at subsidiaries are responsible for implementing sustainability activities in their respective companies. They report regularly to the Sustainability (ESG) and Climate Change Committee on the implementation of sustainability activities and are also responsible for monitoring sustainability-related risks and opportunities.

The Management Board of the controlling company and its subsidiaries is responsible for implementing the sustainability strategy, while coordination of the introduction of sustainable operations across the Slovenske železnice Group is the responsibility of the head of the Sustainability, Quality and Process Optimisation Office, who reports to the Management Board of Slovenske železnice d.o.o. Within this office, an expert group covers the areas of sustainable operations, energy management, environmental management and quality management. The office steers the development of the sustainability strategy and the transition plan for the Slovenske železnice Group. In addition to regular members, the Sustainability (ESG) and Climate Change Committee also includes, as needed, all heads of departments and offices and the coordinators of energy management and environmental management systems within the Group.

Governance bodies of Slovenske železnice

The members of the Management Board and the Supervisory Board bring a range of professional competences that ensure the effective governance of the Slovenske železnice Group. The Management Board consists of a team of experts in strategic business planning, logistics, finance, accounting, controlling, investment, legal affairs, human resources, compliance and corporate governance. The Supervisory Board includes members with expertise in economics, law and engineering, and experience in the rail sector.

Slovenske železnice has adopted a Diversity Policy for management and supervisory bodies based on the principle of inclusion and cooperation among people with different ways of thinking, backgrounds, knowledge, experience, skills and personal characteristics. When composing the bodies, particular consideration is given to professional diversity, diversity of competences, gender and age diversity, and ensuring continuity. The policy also sets measurable targets, including at least 25% representation of the less represented gender in management and supervisory bodies. The share of women in the management and supervisory bodies of Slovenske železnice at the end of 2024 was 3 out of 12 (25%), including 2 out of 9 (22.2%) on the Supervisory Board. The Slovenske železnice Group has set a target in its sustainability strategy to achieve at least 40% representation of the less represented gender in supervisory bodies and at least one representative of the less represented gender in the management bodies of each company in the Slovenske železnice Group, in this way aiming to further increase the inclusion of women in all areas. The Slovenske železnice Group plans to adopt a new diversity policy in 2025.

A key role in the management of sustainable development is played by bodies at th-e level of Slovenske železnice (the controlling company) and bodies of subsidiaries:

- The Management Board, which manages the company's operations on its own responsibility and makes all decisions not reserved for the Supervisory Board or the founding company. The director-general represents Slovenske železnice jointly with another member of the Management Board or with the workers' director, who represents employees in relation to human resources and social matters.
- The Supervisory Board, which with its nine members and three committees (Audit Committee, Human Resources Committee and Strategic Investment Committee) oversees the management of operations, gives consent to strategic documents and major business decisions, and monitors the achievement of objectives.
- Works councils and trade unions, which represent employees in accordance with the Worker Participation in Management Act and whose representatives are included in both the Supervisory Board and the Management Board via the role of workers' director.
- Administrative, management and supervisory bodies and the senior executive management monitor the setting of goals related to material impacts, risks and opportunities, regularly review progress towards achieving these goals, and ensure that they are suitably incorporated into decision-making and oversight processes.

Sustainability expertise

The governance, management and supervisory bodies of the Slovenske železnice Group companies regularly review the availability of relevant knowledge and expertise in the field of sustainable development. Members of the administrative and management bodies of Slovenske železnice d.o.o. and its subsidiaries have participated in specialist training on the CSRD and sustainability reporting, in this way ensuring competent leadership and oversight of sustainability aspects of operations at the highest level.

Training of members of the Management Board of Slovenske železnice d.o.o. in 2024:

Name	Name of training course
Dušan Mes	CSRD and sustainability reporting SŽ Code of Ethics
Gorazd Podbevšek	CSRD and sustainability reporting, SŽ Code of Ethics Integrity-related topics (SDH, CPC) Corporate governance, sustainability (SDA) Consideration of environmental aspects in Management Board decision-making (Chapter Zero)
Tomaž Kraškovic	-
Nina Avbelj Lekić	CSRD and sustainability reporting SŽ Code of Ethics HR development seminar Training for works council members HR congress Classification of positions Labour law procedures at the employer Modern HR (academy)

Training of members of the Supervisory Board of Slovenske železnice d.o.o. in 2024:

Name	Name of training course
Vinko Filipič	Practical experience in supervising sustainability matters – Marprom Supervisory Board Sustainable supply chain management, fleet electrification, RES and cogeneration projects
Marko Babic	-
Hilda Pipan	-
Gabrijel Škof	-
Aleksander Nagode	-
Melita Malgaj	SDH training – Impact of cyber (in)security on operations and strengthening organisational resilience SDH training – Corporate sustainability due diligence directive and its impact on operations (CSRD, CS3D, value chain, transition plan, etc.)
Silvo Berdajs	-
Jože Pavšek	-
Zlatko Ratej	-
Barbara Nose	Certificate of expertise for providing sustainability assurance ANR authorisation to provide sustainability assurance

Employees of the Slovenske železnice Group who work in the field of sustainability continuously upgrade their knowledge through recognised certified institutions. Employees working in this area have participated in a number of training programmes and workshops focused on the implementation of standards and guidelines for sustainability reporting.

Key programmes have included:

- Introduction to ESRS reporting,
- Double materiality assessment under ESRS 1,
- Preparing a sustainability report to CSRD requirements,
- Sustainability Management Expert

Employees also gained additional professional training through various academies and training courses, such as:

- Introduction to ESG reporting standards,
- CSRD Directive and preparation of a sustainability report in accordance with the ESRS,
- Corporate sustainability impact assessment,
- Sustainable development strategy and management,
- Chief Sustainability Officer (CSO),
- Sustainable Business Transformation Manager,
- Carbon footprint – methodology, calculation and reduction measures,
- Certified coordinator for achieving climate neutrality in companies or institutions

This expertise is essential for the comprehensive management of sustainable development across the Group.

The Slovenske železnice Group also strengthens its sustainability competences through certification under the following standards:

- ISO 9001:2015, which ensures effective quality management and continuous process improvement, contributing to greater customer satisfaction and better risk management,
- ISO 14001:2015, which enables systematic management of environmental aspects, reduction of environmental impacts and improvement of environmental results,
- ISO 50001:2018, which promotes efficient energy use, reduces greenhouse gas emissions and lowers energy costs, contributing to sustainable operations.

Through regular training and of its specialist staff, the Slovenske železnice Group ensures the competent management of all aspects of sustainable operations, including the assessment, reporting and management of sustainability aspects.

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

The Management Board and Supervisory Board of Slovenske železnice d.o.o. regularly receive reports on the implementation of the sustainability strategy, double materiality analysis, reviews of sustainability-related risks and opportunities, and reports on the progress made in introducing sustainable operations and achieving sustainability objectives. They also receive proposals for improvements and changes in sustainability management.

Management and supervisory bodies pay particular attention to key sustainability topics, notably climate change mitigation, energy efficiency, occupational health and safety, employee development, corporate culture, digital transformation and cybersecurity. These topics are regularly discussed at their meetings.

Each quarter, the Management Board and Supervisory Board review progress reports on the achievement of sustainability goals. An annual review of the sustainability strategy and its implementation also takes place. Key contents reviewed include reports on environmental indicators such as CO_2 emissions and energy consumption, and reports on social indicators including workplace safety and employee satisfaction. Analyses of sustainability-related risks and reviews of regulatory requirements and legal compliance are also discussed at these meetings.

Through its Audit Committee, the Supervisory Board also oversees the quality of sustainability reporting. This ensures that all submitted information complies with sustainability reporting requirements and standards and supports transparency and consistency in monitoring outcomes.

It addresses material impacts, risks and opportunities at the strategic level, in business decision-making, and as part of regular oversight of company operations, with the aim of ensuring a comprehensive approach to management of the sustainable development of the Slovenske železnice Group.

Risk and opportunity notification system

As part of the risk management system, key risks are regularly monitored and assessed. These are reported to the Management Board and Supervisory Board through regular reports on operations and special risk reports. A key role is played by the Audit Committee of the Supervisory Board, which reviews risk management reports on a quarterly basis.

The Supervisory Board and Management Board address risks and opportunities in all major business decisions. The risk management system is integrated into strategic planning and investment decision-making processes.

Among the key risks and opportunities regularly addressed by the Group's management and supervisory bodies are strategic risks relating to competitiveness and business development, risks connected to the condition of public railway infrastructure (PRI), and sustainability-related risks and opportunities. Strategic risks relating to competitiveness and business development include challenges in maintaining market position in freight and passenger transport and opportunities for developing new services. Operational risks in transport activities mainly concern ensuring uninterrupted railway operations, maintenance of PRI and rolling stock, and management of incidents.

Financial risks, including liquidity management, credit risk, and risks linked to changes in the prices of raw materials and energy, also represent an important category. The Slovenske železnice Group also pays particular attention to compliance risks, where alignment with regulatory requirements and internal rules is essential.

High on the priority list are risks related to occupational health and safety, with a focus on preventive measures and continuous improvement of safety culture. Environmental risks, as one segment of sustainability-related risks, are gaining importance, particularly in the light of climate change and efforts to reduce the carbon footprint.

To effectively monitor performance, the Slovenske železnice Group has established a comprehensive system of mechanisms. A central role is played by the balanced scorecard system, which provides a comprehensive overview of business results. Regular monthly and quarterly reports on operations offer timely insight into current operations and deviations from plans. The achievement of annual plans is tracked through detailed reports that include both financial and non-financial indicators.

Special attention is devoted to monitoring key projects and investments, for which dedicated reports are prepared, including analysis of progress and any deviations. The risk management system is supported by regular reporting on identified risks and the effectiveness of mitigation measures.

[GOV-3] Integration of sustainability-related performance in incentive schemes

Slovenske železnice operates a variable remuneration system for Management Board that includes sustainability criteria as an important component of performance evaluation. In accordance with the Act setting out the criteria for the payment of the variable component of remuneration for 2024, non-financial criteria account for 50% of the overall score, with the following sustainability elements as key components:

- Environmental responsibility (10% weighting)
  - Environmental targets from the annual management plan
  - Assessment system with clear performance thresholds
- Social responsibility (26% of the total weighting)
  - Measurement of organisational climate and employee engagement (8%)
  - User satisfaction (10%)
  - Communication with stakeholders (8%)

We have introduced a clear four-level performance matrix (0–49%, 50–89%, 90–99%, 100–110%). To be eligible for the minimum variable payment, a score of at least 90 points must be achieved, while the maximum payment is awarded at 100 points. The Supervisory Board has the discretion to adjust the payment by up to 20% on the basis of an overall assessment of sustainability performance.

Key criteria for assessing sustainability performance

To be awarded variable component of remuneration, certain minimum performance conditions must be met. Achievement of targets is assessed annually on the basis of the audited annual report.

Incentive systems across the Slovenske železnice Group measure sustainability performance using the following key indicators:

Performance for each criterion is assessed on a four-level scale, with the highest score awarded only for full achievement of objectives and exceeding expected performance quality.

The incentive system is adopted and overseen by the Supervisory Board of Slovenske železnice, which may adjust the criteria during the year if required by exceptional circumstances or the long-term interests of the company. The system is integrated into the broader remuneration framework, as defined by applicable regulations and SDH recommendations.

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1. Environmental indicators

- Achievement of environmental targets set in the annual performance plan, which requires satisfactory fulfilment of all objectives
- Line utilisation as a measure of efficient infrastructure use

2. Social indicators

- Employee engagement, measured through organisational climate using a comprehensive system of analyses and action plans
- User satisfaction is monitored as a key indicator of the quality of our services
- Quality of stakeholder communication, especially during major investments and incidents

3. Development indicators

- Implementation of strategic projects, including:
  - Construction of the Ljubljana Passenger Centre
  - Expansion into new markets and modernisation of rolling stock
  - Development of a mobility company

[GOV-4] Statement on due diligence

The Slovenske železnice Group carries out due diligence on the sustainability aspects of its operations through a structured process that includes identifying and assessing actual and potential impacts, preventing and mitigating adverse effects, monitoring the effectiveness of measures, and reporting findings. This process is based on stakeholder engagement and covers areas such as environmental impacts, human rights, labour standards, business ethics and the supply chain.

We pay particular attention to areas such as greenhouse gas emissions, occupational health and safety, human rights in the supply chain and the prevention of corruption. The due diligence process is aligned with international guidelines and ensures that sustainability goals are achieved in a responsible and transparent manner.

Key elements of the due diligence process	Section of sustainability report
1. Integrating due diligence into governance, strategy and business model	ESRS 2 (GOV-1, GOV-2, GOV-3, SBM-1, SBM-3,); E1-SBM-3; S1-SBM-3; S3-SBM-3; S4-SBM-3;
2. Engagement with relevant stakeholders at all key stages of due diligence	ESRS 2 (GOV-2, SBM-2, IRO-1) S1-SBM-2; S3-SBM-2; S4-SBM-2;
3. Identification and assessment of adverse impacts	ESRS 2 (IRO-1; SBM-3) E1-SBM-3; E1-IRO-1; E2-IRO-1; E5-IRO-1; E5-5; E5-6; G1-IRO-1;
4. Adoption of measures to eliminate these adverse impacts	E1-1; E1-2; E1-3; E2-1; E2-2; E5-1; E5-2; S1-1; S1-3; S1-4; S3-1; S3-3; S4-1; S4-3; S4-4; G1-1;
5. Tracking the effectiveness of these efforts and informing	E1-4; E2-3; E5-3; S1-5; S3-5; S4-5; G1-Specific disclosures;

Disclosure of information mapping from the sustainability report on the due diligence process

The Slovenske železnice Group has in place a framework for risk assessment and management, in which risk identification is carried out across all three lines of defence and is an integral part of the decision-making process. Risks are systematically assessed on the basis of probability and potential impact. All identified risks are recorded in the risk register, together with their characteristics and control measures. An important element of the system is the quarterly review of key risks, which are regularly reported to the Management Board and the Supervisory Board.

The system of internal controls is based on a clear division of responsibilities between the management and supervisory bodies. We apply the three lines of defence model, which includes operational functions, risk management and internal audit. Internal control measures include regular monitoring of operations, document reviews and employee oversight. The risk management officer acts as the central coordinator for risk management and regularly checks the effectiveness of the measures implemented.

The Slovenske železnice Group maintains active communication with various stakeholder groups, including employees and trade unions, customers and suppliers, government institutions, local communities, the media and the general public. Communication takes place through regular meetings, reports and established communication channels, thus ensuring that all stakeholders are effectively involved in the company's processes.

Risk monitoring and reporting activities are carried out on the basis of an approved annual work plan, in accordance with the international standard ISO 31000 (Risk management system) and the PDCA analytical method, and with clearly defined roles and responsibilities for risk owners. These steps and risk mitigation measures, combined with risk profiling, allow us to identify key risks that could have a negative impact on the work and performance of Slovenske železnice and the Slovenske železnice Group.

In the area of ethics and compliance, the Slovenske železnice Group has adopted a Code of Conduct that sets out core values and standards of behaviour. It places particular emphasis on zero tolerance for corruption, the protection of confidential information and personal data, and a commitment to environmental protection. Particular emphasis is also placed on occupational safety and employee well-being.

The risk management system is based on clearly defined roles and responsibilities. Risk committees operate at both Group and company level and the Supervisory Board also performs regular oversight. Risk aspects are incorporated into the strategic planning of Slovenske železnice and the Slovenske železnice Group, where the responsibility of management for risk oversight is specifically defined.

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[GOV-5] Risk management and internal controls over sustainability reporting

The system for managing sustainability-related risks within the Slovenske železnice Group forms a strategic component of the overall approach to addressing organisational challenges. It is based on the proactive identification, assessment and mitigation of potential negative impacts on the Slovenske železnice Group's operations.

As part of sustainability reporting, we carry out internal control processes that include data quality checks, coordination with specialists responsible for specific content, verification of compliance with legislation and the ESRS, and final review by the Internal audit department. The process also includes assessment of the uncertainty and reliability of disclosed information, which is tied to sources of data and the methodologies used. Data quality is ensured through process standardisation, coordination among Group companies and regular training of responsible staff.

Information on risks obtained through the risk management system serves as a key input into the Group's sustainability reporting process. Identified risks are analysed quarterly at meetings of the Management Board, where risk assessments are used to determine disclosure priorities and the extent of additional controls required when preparing sustainability data. Areas with higher risk ratings are subject to more frequent and detailed review before being included in the report. Risk information is also used to determine the materiality of individual sustainability topics, to improve the data collection methodology and to identify areas where further clarification or context is needed in the sustainability report. This systematic approach ensures that all relevant information is included in sustainability reporting, while enabling continuous improvement in the quality and reliability of sustainability disclosures.

Internal controls

Internal controls within sustainability reporting in the Slovenske železnice Group constitute a complex and carefully planned system for ensuring the quality of information.

At the forefront is the establishment of a clear organisational structure, with precisely defined responsibilities for departments and individuals. Every employee involved in the reporting process understands their role and the importance of accurate and timely information.

Multi-stage verification of data is a key mechanism. Each strategic sustainability indicator passes through several levels of verification – from data collection at the source, i.e. at the controlling company Slovenske železnice, d.o.o., via the subsidiaries, to final confirmation by the competent departments. This approach minimises the risk of error and ensures a high level of reliability in the information reported.

The internal audit department conducts sustainability-related reviews, identifies systemic improvements and proposes measures for optimisation.

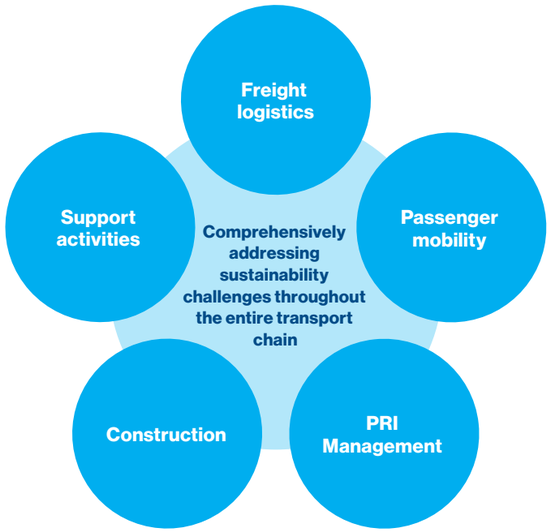
Information on the strategy and business model

[SBM-1] Strategy, business model and value chain

The Slovenske železnice Group plays a key role in the sustainable transition of Slovenia's transport sector. As the national railway operator, we form the backbone of sustainable mobility in the country, with a business model based on freight logistics, passenger mobility, PRI management, construction and support activities. This integrated approach enables us to address sustainability challenges throughout the transport chain.

In the passenger rail segment, we provide a vital alternative to private car use, with more than 150,000 passengers using our services daily. In freight transport, we are the leading provider of rail logistics with a strong international presence, transporting over 18 million tonnes of goods annually. Our role in managing railway infrastructure is essential for ensuring the safe and efficient functioning of the railway system.

Detailed information on the total number of employees by individual countries where the Slovenske železnice Group operates is provided in section [S1-SBM-3] Material impacts, risks and opportunities and their interaction with strategy and business model.



Sustainable transformation and strategic focuses

In line with the European Green Deal and national climate targets, the Slovenske železnice Group has adopted an ambitious sustainability strategy built on three key pillars: environmental, social and governance. In the environmental area, our primary objective is to offer **zero-direct-emissions transport services** and become the first-choice transport provider in Slovenia. We will achieve this by using 100% renewable electricity for railway vehicles. By 2030, we aim to reduce CO_2e emissions (Scope 1 and 2, market-based method) from rail traction by 70% compared to the 2023 baseline. Our ultimate objective is to achieve carbon neutrality by 2050. We are also focusing on improving energy efficiency, reducing noise and waste, and cutting water consumption.

On the social front, we are committed to **increasing diversity and inclusion**, as reflected in our target of at least 40% representation of the less represented gender in supervisory bodies and at least one representative of the less gender in management bodies. Our goal is to retain all employees who become disabled while working in the Slovenske železnice Group. The integration of this vulnerable group of disabled persons is based on adaptation of the working environment, employee training to understand the needs of disabled employees, and fostering inclusion of disabled employees in all aspects of operations. We plan to increase the proportion of employees over the age of 50 included in training, with the aim of reaching 60% participation by 2030.

In the area of **employee health and well-being**, we have set ourselves the target of increasing the share of employees participating in healthy lifestyle workshops, with the aim of achieving 100% participation (relative to the possible number of participants as defined by the criteria) by 2030. We are increasing the number of employees over the age of 50 participating in the preventive healthcare programme, with the aim of having at least 300 employees included in the programme each year by 2030. We encourage timely planning and use of annual leave, with the aim of ensuring that the amount of unused annual leave decreases consistently compared to the previous year.

In the area of the **development of competences and innovation**, we have set a target of increasing the share of employees participating in training and education each year, with the plan of reaching 60% participation by 2030. We will increase the number of scholarship contracts and contracts for part-time study concluded each year compared to the previous year. Our target is for the share of employment contracts concluded after the completion of scholarship programmes to reach 100% in 2030. In the area of innovation, we already have a system in place for encouraging and monitoring innovative proposals for improvements from employees, and we will define targets in this area in 2025.

In the area of **quality and safety of services**, our goals include improving user satisfaction (with a target of 85% positive ratings), improving safety by reducing the number of accidents and incidents by 5% annually until 2030, and optimisation and improvement of services on the basis of the findings of the "mystery shopper" method, where we are aiming for a score of between 90 and 100. The Slovenske železnice Group also seeks to improve access to stations and trains for people with reduced mobility, older people and other vulnerable groups. This includes physical adjustments such as lifts, ramps, travelators, accessible toilets, and training staff to assist passengers with special needs.

In the area of governance, the Slovenske železnice Group pursues high standards of integrity, transparency and

ethical operations in all areas of its activity. We plan to implement the ISO 37001 standard for the prevention of corruption and are also focusing on the digitalisation of processes and services, the development of new forms of mobility and good connectivity with the road network and ports. **Good port connectivity is a strategic priority for Slovenske železnice**.

Products and services prohibited in certain markets

Rail transport is a systemic service whose primary function is to provide safe, reliable and efficient passenger mobility and freight logistics. All services are legally defined, standardised and compliant with national and international regulations. The Slovenske železnice Group does not offer products that could be controversial or prohibited, but rather provides transport and mobility services that must comply with clear safety, technical and legal standards. The business model does not foresee the sale or transport of specific products subject to international or local restrictions. We are a transport-focused group whose operations are transparent and regulated and serve the general public interest and the market.

Upstream and downstream value chain

The value chain of the Slovenske železnice Group is a complex system of interrelated activities structured on two main levels. The upstream part of the value chain encompasses strategic activities such as green technology procurement, investment in infrastructure modernisation, development of low-emission rolling stock and improvements in energy efficiency. These elements reflect the Group's long-term commitment to sustainable and environmentally friendly operations. The downstream part focuses on the operational activities of everyday operations, including services such as passenger and freight rail transport, diligent management of railway infrastructure and the development of multimodal transport solutions integrating various transport modes.

When defining the value chain, the Group applied a "bottom-up" approach, meaning that each subsidiary within the Group independently defined its own specific value chain. This approach was chosen because of the significant differences in the activities of individual companies – some focus mainly on business customers, others on individuals, and one company, for example, has a significant impact on biodiversity, while the others do not.

When designing their value chains, Group companies systematically mapped the entire supply chain, analysed internal structures and processes, examined customer relations, and identified key stakeholders in the support environment. This comprehensive approach enables a deeper understanding of all the Group's impacts on people and the environment.

Value chain information serves as a foundation for the Group's sustainable management and reporting. It is used to gather data on emissions, particularly those from Scope 3, to analyse supplier compliance with sustainability standards, assess supply chain risks, and evaluate impacts on service quality, safety and reliability of supply. This information then enables the preparation of effective action plans, the identification of priority sustainability targets, the monitoring of progress, and the development of strategies for cooperation with suppliers and development projects.

Important activities linked to material impacts

The Slovenske železnice Group operates in several interlinked pillars forming a complex ecosystem of rail transport and infrastructure. The central pillar consists of passenger rail, where we provide both domestic regional and intercity services and cross-border connections for various user groups ranging from commuting workers and students to tourists. Another important pillar is freight rail transport, which covers domestic and international goods transport, including specialised transport of hazardous materials and specific transport equipment.

A third key pillar is the maintenance of public railway infrastructure, where SŽ-Infrastruktura manages and maintains the railway network.

Construction is also an important pillar, involving the construction of new railway infrastructure the ongoing modernisation of transport infrastructure.

Particular emphasis is placed on sustainable and green transport, where we are implementing projects aimed at reducing the carbon footprint, accelerating the electrification of the train fleet and improving the energy efficiency of rolling stock. Support activities include the maintenance of rolling stock, systematic training of personnel and active participation in international railway connections and development projects.

This structure enables us to pursue a comprehensive and dynamic approach to the provision of railway services, while also ensuring planning and development flexibility in a rapidly changing transport environment.

Sectors excluded from the business model

The Slovenske železnice Group is not directly active in fossil fuels sectors (coal, oil, gas), the manufacture of chemicals, controversial weapons, or the cultivation and production of tobacco, so these topics are not relevant for our reporting. The reason for this lies in the company's core activity, which is focused exclusively on passenger and freight rail transport, railway infrastructure management, and related services in the transport sector. Rail activity is by its nature separate from the industrial sectors listed, so none of these topics directly forms part of the business model.

Business model

At the Slovenske železnice Group we are committed to the sustainable development of rail transport, where our key objectives are focused on providing environmentally friendly, safe and efficient transport.

The business model of the Slovenske železnice Group is based on the integrated management of the railway system, including the planning, maintenance and operation of railway infrastructure and the provision of transport services.

Core service areas include passenger and freight rail transport, PRI management, railway infrastructure construction, and support services. Target customers cover a range of segments, from daily commuters, students and tourists to undertakings requiring passenger and freight transport. Geographically, activities are focused on Slovenian territory with international cross-border connections, primarily with Italy, Austria, Hungary and Croatia, and with other countries in central and SE Europe. Stakeholder relations are based on transparency,

sustainable development and continuous improvement of services.

The sustainability strategy of the Slovenske železnice Group is based on a multi-level approach that promotes further electrification of lines and includes the introduction of energy-efficient trains, optimisation of logistics processes and reduction of environmental impacts. Key strategic elements include investment in green infrastructure, digitalisation of services, development of intelligent transport systems and continuous staff training. Particular attention is also paid to the social dimension of sustainability, such as employee safety and quality of working conditions, and the accessibility of services for different social groups.

The key sources of revenue of the Slovenske železnice Group derive from passenger and freight rail transport, the management and maintenance of public railway infrastructure, the construction of railway infrastructure, and various support services such as logistics solutions and rolling stock maintenance. The largest share of revenue comes from passenger transport, where the key sources are ticket sales and state subsidies, and from freight transport, where revenue comes from transport services for domestic and international clients. In addition, a significant share of revenue comes from infrastructure maintenance, capacity leasing and ancillary services.

[SBM-2] Interests and views of stakeholders

The Slovenske železnice Group actively involves stakeholders in the formulation and implementation of sustainability strategies. The key stakeholders are employees, passengers, business partners, owners (SDH, shareholders), regulators and local communities. Within the Slovenske železnice Group, we provide employees with a safe and healthy working environment, career development, fair pay and benefits. We offer passengers and business partners reliable and sustainable transport solutions. For owners and regulators we ensure compliance with regulations, transparent reporting and effective risk management, while for local communities we work to reduce environmental impacts and support local initiatives.

Our success is intrinsically linked to understanding and considering the interests of our stakeholders. We maintain regular dialogue with employees through various channels, including regular meetings with trade unions, internal communication tools and annual interviews. The stakeholder survey conducted as part of the double materiality assessment indicates that their main concerns relate to workplace safety, opportunities for professional development, and work–life balance.

For our passengers and business partners, the reliability of services and the competitiveness of the offering are of key importance. Through regular satisfaction surveys and the complaint management system, we actively monitor their needs and expectations. Our goal is for 85% of surveyed users to rate our services with a score of 3 or higher.

We maintain active dialogue with local communities, primarily with regard to noise reduction and other environmental impacts. We are involved in a variety of local initiatives and projects that contribute to the development of communities located near railway infrastructure.

The Slovenske železnice Group takes a strategic and integrated approach to stakeholder engagement, recognising the importance of active and transparent communication with the various groups affected directly or indirectly by the Group's activities.

Each of these groups has specific interests and expectations, which we address systematically through various communication channels and engagement mechanisms.

Stakeholder engagement is structured around a multi-level approach that includes regular meetings, annual interviews, electronic communication platforms, satisfaction surveys, public presentations and direct dialogue. Particular attention is devoted to understanding stakeholders' needs, expectations and views regarding the Group's sustainability strategy and business model.

The purpose of stakeholder engagement is multifaceted – from obtaining feedback and identifying development opportunities, to co-creating more sustainability-oriented solutions. At the Slovenske železnice Group, we actively monitor and analyse the results of these interactions, evaluate them systematically, and incorporate them into our strategic documents.

Key milestones and changes in the business model are a direct result of insights gained through stakeholder engagement processes. For example, ambitious environmental targets for reducing CO_2 emissions, plans for electrification and digitalisation and employee training programmes have all been developed through dialogue with various stakeholder groups.

The management, supervisory and executive bodies of the Slovenske železnice Group are kept regularly informed of stakeholder opinions and interests through systematic reporting, which includes both qualitative and quantitative analyses of the insights obtained. This ensures that decisions are based on the real needs and expectations of the wider environment.

Planned next steps include upgrading communication platforms, improving digital accessibility of information and adapting the business model to identified trends and stakeholder needs.

We expect that stakeholders of the Slovenske železnice Group will show increasing interest in the sustainability aspects of operations, especially in the areas of environmental responsibility, social inclusion and corporate governance. We anticipate growing stakeholder interest in progress towards achieving set sustainability goals, such as reducing CO_2 emissions, increasing energy efficiency, improving workforce diversity and strengthening employee health and well-being.

We also expect more intensive dialogue with employees, trade unions, local communities and regulators, particularly in relation to projects linked to the green transition and railway infrastructure improvement. We will therefore continue to focus on proactive communication and the involvement of stakeholders in key strategic plans.

On the basis of analyses, strategic focuses and anticipated sustainability transformations in the rail sector, we expect certain changes in relations with key stakeholders. In the case of local communities, we anticipate stronger cooperation as a result of more intensive infrastructure projects, particularly in the areas of line electrification and noise reduction. With users of services, we plan to develop more advanced communication channels, with an emphasis on digital platforms for monitoring transport sustainability parameters. In relations with employees, trade unions and workers' representatives, dialogue will focus on

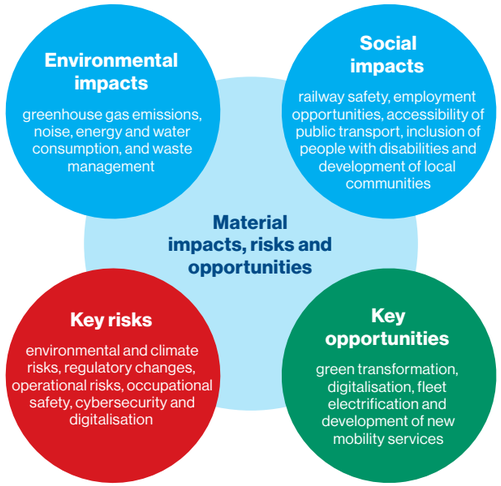
adapting existing competences for the green transition and digitalisation. With regulatory authorities and owners, we expect more intensive cooperation in the formulation of policies to support the sustainable transformation of rail transport, particularly in relation to the accessibility of funding for green investments.

[SBM-3] Material impacts, risks and opportunities and their interaction with strategy and business model

We regularly monitor the key impacts, risks and opportunities arising from the operations of the Slovenske železnice Group, not only those directly related to sustainable operations. Environmental impacts include greenhouse gas emissions, noise, energy and water consumption, and waste management. Social impacts cover safety in rail transport, employment opportunities, access to public transport, the inclusion of disabled persons and the development of local communities. Key risks include environmental and climate-related risks, regulatory changes, operational risks, occupational safety, cybersecurity and digitalisation, while key opportunities include the green transition, digitalisation, electrification of the train fleet and the development of new mobility services.

On the basis of the risks and opportunities assessed, we have not identified any material effects on the financial position, performance or cash flows of the Slovenske železnice Group. Nor have we identified any material impacts on the booking of assets and liabilities, which will be regularly verified in the periods ahead. We expect relations with stakeholders to adapt to planned changes in the future, although no significant changes in these relations have currently been identified.

On the basis of the double materiality analysis carried out, the most significant impacts identified in the social area include employee health and safety, gender equality and equal pay for work of equal value, measures against workplace violence and harassment, employee promotion, and the employment and inclusion of disabled persons.



The most prominent environmental impacts include climate change mitigation, climate change adaptation and the use of renewable energy sources.

The expected consequences of these environmental impacts include a reduction in greenhouse gas emissions, increased energy efficiency, more sustainable resource use, and a contribution to climate change mitigation and adaptation. At the social level we expect improvements in employee health and safety, increased diversity and equality, greater inclusion of vulnerable groups and strengthened employee satisfaction and engagement. These impacts will contribute in the long term to the greater resilience of the company and the creation of added value for the wider society.

From the governance perspective, the most significant impacts relate to corporate culture, cybersecurity and digitalisation. New forms of mobility, intermodality and connectivity with ports and the road network represent a major opportunity for the Slovenske železnice Group.

On the basis of the risks and opportunities assessed, we have not identified any material effects on the financial position, financial performance or cash flows of the Slovenske železnice Group. Nor have we identified any significant risks that would result in a material adjustment to the carrying amount of assets and liabilities in the Group's financial statements in the coming reporting periods.

Given the opportunities offered by rail in the decarbonisation of transport, we have also identified significant governance-related opportunities in connection with the climate transition, as outlined above.

Investment plans associated with specific environmental, social and governance measures are set out in the disclosures for the specific thematic standard.

Value chain and sustainability impacts

The value chain and sustainability impacts of the Slovenske železnice Group represent a complex ecosystem of interconnected processes and stakeholders, ranging from the procurement of raw materials and equipment to the final provision of passenger and freight transport services. Each company within the Group has defined its own value chain.

When defining their value chains, the companies followed an approach based on mapping the supply chain, internal structures and processes, customers and stakeholders in the support environment.

Procurement practices represent a critical point of sustainable operations. Within the Slovenske železnice Group we are systematically introducing sustainability criteria in the selection of suppliers, gradually applying specific criteria that include assessment of environmental impacts, working conditions and ethical standards of individual partners. In the case of public contracts, we also comply with green public procurement requirements. The goal is to establish a supply chain that goes beyond purely economic parameters and actively contributes to sustainable development.

Energy efficiency is a key pillar of value chain management. We are continuously implementing advanced technologies and practices to reduce energy consumption, including the transition to renewable energy sources, the procurement of efficient electric rolling stock, which includes the purchase of new multi-system electric locomotives, the remotoring of diesel locomotives, the implementation of organisational measures and advanced energy solutions in buildings, and spatial optimisation.

Environmental aspects are integrated into all phases of the value chain. From the design of rolling stock to waste management and the reduction of noise and vibrations – every segment of operations is subject to critical analysis of environmental impacts.

The strategic vision for the future foresees even more intensive integration of sustainability principles. This includes closer partnerships with suppliers and customers in developing innovative green solutions, further digitalisation of processes and the gradual decarbonisation of all operations.

In today's efforts towards a sustainable future, the Slovenske železnice Group plays a unique and key role in decarbonising the transport sector. The zero-carbon services sustainability strategy is an ambitious yet achievable plan for the green transition in transport.

We have set an ambitious target for the transition to zero-carbon services: by 2030 we plan to reduce emissions from rail vehicles by 70% compared to 2023. This includes the transition to electricity from renewable sources, the remotoring of diesel locomotives, and increased energy efficiency.

In the context of impacts, it is important to distinguish between short-term (e.g. energy efficiency measures), medium-term (transition to renewable electricity, remotoring) and long-term impacts (contribution to decarbonisation of the sector, intermodality, new mobility).

The role of railways in decarbonising transport goes beyond merely reducing their own emissions. As the backbone of a sustainable transport system, railways enable a significant shift of freight and passenger transport from road to rail, which makes a substantial contribution to the overall reduction of emissions in the transport sector. By linking different modes of transport and establishing efficient multimodal transport chains, railways enable comprehensive sustainable logistics solutions.

In this way, Slovenske železnice is taking a leading role in achieving European and national climate objectives in the transport sector. By providing reliable, efficient and environmentally friendly transport, we aim to become the first choice for transport users and in this way make an active contribution to shaping a sustainable future for future generations.

We ensure a resilient business model in three main areas:

1. Identification of material sustainability matters

At Group level, the following sustainability matters were identified as material on the basis of the defined threshold:

Environment

			Time period (S, M, L)
E1	Climate change	**Consumption and production of renewable energy sources**	M, L
		⊕ The consumption and production of renewable energy sources represents a strategic opportunity for the Slovenske železnice Group, since it enables the sustainable development of operations and a reduction of the carbon footprint, where its importance in the context of sustainable operations is constantly increasing.	
		⊖ The transition to renewable energy sources means higher procurement costs for renewable energy products for the Slovenske železnice Group, with potentially higher costs being passed on to end users. There is also a risk of rising electricity prices due to electrification, which may have a negative impact on operations, particularly for companies where electricity is a key cost.	
		Climate change mitigation	S, M, L
		⊕ Climate change mitigation gives the Slovenske železnice Group a competitive advantage because of the lower carbon footprint of rail transport compared to other modes of transport, which increases the inflow of passengers, the volume of freight and the associated revenue.	
		⊖ Adaptation to climate change mitigation requirements represents a financial burden for the Slovenske železnice Group, owing to the necessary investment in new rolling stock, the limitations of the non-electrified network, tighter emissions legislation and rising expectations from contracting authorities regarding the measurement and reduction of the carbon footprint.	
		Climate change adaptation	L
		⊕ Climate change adaptation represents a business opportunity for the Slovenske železnice Group in the form of additional works on infrastructure remediation following extreme weather events such as floods, ice storms and windstorms, and enables the construction of protective infrastructure and the introduction of preventive measures to improve the resilience of the railway system.	
		⊖ Climate change causes direct financial losses for the Slovenske železnice Group due to traffic disruptions, damage to public railway infrastructure and increased costs for insurance and preventive measures against floods, ice storms, landslides and windstorms, which requires the reallocation of financial resources and increases the volume of work without generating additional revenue.	
E2 - SS[1]	Pollution	**Transport of dangerous goods**	L
		⊕ The document does not explicitly state a positive impact of the transport of dangerous goods for the Slovenske železnice Group, but in the case of SŽ-Tovorni promet there is an indirect reference to the possibility of providing transport for specific goods that other operators cannot carry, which may represent an additional business opportunity.	
		⊖ The transport of dangerous goods – particularly oil, petroleum derivatives and chlorine – represents a significant safety risk for SŽ-Tovorni promet, requiring special safety protocols, trained personnel and appropriate equipment to prevent and manage potential incidents.	
E5	Resource use and circular economy	**Waste management**	M, L
		⊕ Waste management enables the Slovenske železnice Group to carry out efficient waste separation at source, with certain materials being 100% recyclable, which contributes to reducing the environmental footprint and to implementing the principles of the circular economy in line with the waste management hierarchy.	
		⊖ Waste management presents a challenge for the Slovenske železnice Group because of the significant increase in waste disposal costs due to the absence of an incineration plant in Slovenia, with prices depending on waste management service providers, while there is also a risk of the breakdown of relationships with key partners in this area.	

Company

			Time period (S, M, L)
S1	Own workforce	**Health and safety**	S, M, L
		⊕ The Slovenske železnice Group actively implements numerous activities to promote the health and safety of employees, including active breaks, psychosocial support, on-site workshops and stress management programmes, which contribute to employee well-being and reduce the number of workplace injuries.	
		⊖ Employee health and safety represent a significant challenge for the Slovenske železnice Group on account of stressful working conditions, shift work, the dispersed nature of work sites and specific risks related to the maintenance of railway infrastructure and rolling stock, all of which require continuous investment in preventive measures and employee training.	
		Gender equality and equal pay for equal work	S, M, L
		⊕ The Slovenske železnice Group ensures equal pay supplements regardless of employees' gender, reflecting efforts to promote gender equality and implement the principle of equal pay for work of equal value in accordance with applicable legislation and internal rules.	
		Measures against violence and harassment in the workplace	S, M, L
		⊕ The Slovenske železnice Group has improved procedures and guidelines for the prevention and handling of violence and harassment in the workplace, which ensures a safer working environment for all employees and contributes to a more inclusive organisational culture.	
		⊖ Employees in certain roles at the Slovenske železnice Group – such as signallers, conductors, ticket office staff and security personnel – are particularly exposed to the risk of violence and harassment in interactions with customers, which requires additional protective measures and training in managing conflict situations.	
		Training and development of knowledge and skills	S, M, L
		⊕ The Slovenske železnice Group actively promotes employee training and development through participation in EU projects (particularly for employees over the age of 45 and for women), calls for part-time study in priority areas that are strategically important to the organisation, and the establishment of systematic knowledge transfer and mentoring programmes, all of which contribute to the preservation and enhancement of key competences within the company.	
		Employment and inclusion of persons with disabilities	S, M, L
		⊕ The Slovenske železnice Group takes a proactive approach to the employment and inclusion of persons with disabilities, offering protections beyond those required by law. This demonstrates a commitment to social inclusion and equal opportunities, most notably at SŽ-ŽIP, where the employment of persons with disabilities forms an important part of the company's mission.	
		Work–life balance	S, M, L
		⊕ The Slovenske železnice Group supports work–life balance through the introduction of flexible forms of work, such as working from home (where the nature of the job allows this), additional leave for special personal events, the option of paid absences, and obtaining the Family-Friendly Company certificate, all of which help increase employee satisfaction and fosters a sense of belonging to the organisation.	
		⊖ Achieving work–life balance presents a challenge for Slovenske železnice Group due to the specific nature of work in the railway sector, which involves shift work, night work, split shifts and round-the-clock operations. Working from home is not possible in production processes, so alternative solutions have to be developed to support employees in balancing their work and personal commitments.	
		Social dialogue	S, M, L
		⊕ The Slovenske železnice Group actively promotes cooperation with social partners in order to achieve greater impact when implementing changes. Topics for social dialogue are carefully selected with the aim of securing the support of social partners, which contributes to improved relations between management and employees and to a more stable working environment.	
		Privacy	
		⊖ The Slovenske železnice Group ensures the handling of personal data in accordance with legislation, where it systematically ensures the appropriate records are kept and ensures the lawful processing of data for various purposes (such as holiday accommodation and gift-giving). The future introduction of digital consent procedures is also planned, which reflects the organisation's commitment to protecting the privacy of employees and users.	
		⊕ Privacy represents a challenge for the Slovenske železnice Group because of the need to collect and process personal data in various activities, such as issuing discounted tickets (season tickets for students and pensioners), managing video surveillance systems as part of site security, and increased information requirements during pandemics and crisis events, which requires additional attention and resources to ensure compliance.	

S1	**Own workforce**	**Collective bargaining, including the share of workers covered by collective agreements**	S, M, L
		The Slovenske železnice Group promotes collective bargaining and cooperation with social partners to achieve greater impact in the implementation of changes. Topics for collective bargaining are carefully selected with the aim of securing the support of social partners, which contributes to well-regulated employment relationships and mutually beneficial social dialogue between the employer and employees.	
		Demands for higher minimum wages and other labour costs, as well as broader trade union demands, can affect working conditions and present potential challenges in reconciling the interests of employers and workers, especially during periods of economic change and in the event of major contractions of the economy.	
		Diversity	S, M, L
		In the Slovenske železnice Group, the diversity policy is formally focused primarily on management and supervisory bodies, reflecting the organisation's efforts to implement the principles of diversity and inclusion at management level. At the same time, the company emphasises that it ensures equal treatment of employees regardless of their personal circumstances.	
		The document states that women account for less than 20% of the Slovenske železnice system, which points to challenges in achieving balanced gender representation and broader diversity within the organisation, particularly in the traditionally male-dominated railway sector, although the importance of this area is increasing over the long term.	
		Working hours	S, M, L
		The Slovenske železnice Group offers flexible working hours where the nature of the work allows this, enabling employees to take advantage of any surplus hours. This increases flexibility and employee satisfaction and allows for better balance between work and private obligations.	
		Working hours present a challenge for the Slovenske železnice Group because of due to the need to adapt to the specific demands of railway operations, including on-call duties, shift work, night work, split shifts and irregular working hours. Substitution options are limited, while appropriate rest periods must also be ensured, which restricts flexibility in the scheduling of working time.	
		Adequate wages	S, M, L
		The Slovenske železnice Group carries out regular annual pay adjustments and introduces minor changes in the form of allowances, which contributes to the gradual improvement of the pay system and to ensuring adequate pay for work performed. All employees are entitled to systemic allowances in accordance with collective agreements.	
		A challenge for the Slovenske železnice Group as regards adequate wages is posed by pay that is at the level of the minimum wage, particularly among engineering staff, where pay is disproportionate to the complexity and importance of the work. Increases linked to the rise in the minimum wage also raise labour costs and may adversely affect the organisation's financial stability.	
		Freedom of association, existence of works councils and workers' rights to information, consultation and participation	S, M, L
		The Slovenske železnice Group provides assistance and enables pay deductions for trade union membership and other forms of worker representation, while also monitoring such expenditures and eligibility. This reflects the organisation's support for workers' rights to freedom of association, access to information and participation in decisions concerning their work.	
		The exercise of these rights requires the establishment of appropriate mechanisms for communication and consultation with workers' representatives, which can affect the speed of business decision-making and requires additional organisational resources to implement these processes effectively.	
S1 - LZD		**Adequate housing**	S, M, L
		The Slovenske železnice Group lets company-owned housing to employees, with the selection process managed by the property management office. This represents an additional benefit for employees and can contribute to greater loyalty and staff retention, particularly in areas where access to affordable housing is limited.	
		This factor is of relatively low importance compared to other social aspects, given that the existing housing stock may not be sufficient to meet the needs of all interested employees.	
S1 - LZD		**Knowledge transfer (mentoring) of own employees**	S, M, L
		The Slovenske železnice Group strongly encourages knowledge transfer and mentoring, recognising the need for maximum digital support for this process through the implementation of structured mentoring programmes and the deploying of instructors, particularly in areas such as PSCT and dispatchers. This contributes in the long term to the improvement of employees' professional competences and the preservation of institutional knowledge within the organisation.	
		Regular advancement of own employees	S, M, L
		The Slovenske železnice Group is implementing changes in the dynamics of advancement that may affect all employees. This represents an important mechanism for motivating staff, acknowledging their development and contribution to the organisation, and enabling the construction of long-term career paths within the Slovenske železnice system.	
		Part-time study for own employees	S, M, L
		The Slovenske železnice Group enables part-time study through a mechanism available to all employees, who apply by responding to calls for applications, after which candidates are selected with regard to priority areas that are defined strategically. This contributes to the development of the organisation's human resource potential and the acquisition of specific professional knowledge required for the functioning of the railway system.	
S3[1]	**Affected communities**	**Impacts related to safety**	M, L
		SŽ-Infrastruktura actively contributes to improving transport safety by securing level crossings and implementing other safety measures, which significantly reduces the risk of accidents and improves the overall safety of the railway system, both for users of railway services and for residents living near railway lines.	
		ŽGP Ljubljana faces negative impacts on the surrounding population in terms of safety because of the nature of its activities, particularly in the quarry, while SŽ-Infrastruktura faces other safety challenges, such as safety at level crossings, protecting infrastructure from damage caused by incidents, and ensuring adequate evacuation routes, all of which require continuous investment in safety measures.	
S4	**Consumers and end-users**	**Access to (quality) information**	S, M, L
		The Slovenske železnice Group, in particular SŽ-Infrastruktura, provides timely and comprehensive information on rail transport, as also required under rail transport safety obligations, while SŽ-Potniški promet provides information through several communication channels and SŽ-Tovorni promet supplies its customers with all necessary information, all of which contributes to a better user experience and increased trust in services.	
		For SŽ-Potniški promet, complaints from passengers about inadequate responses represent a challenge, since this causes passenger dissatisfaction and requires monitoring of key performance indicators regarding dissatisfaction. At the same time, SŽ-Infrastruktura faces the challenge that not all stations are technically equipped to provide adequate passenger information, while additional costs are also incurred because of the need to provide extra information regarding the condition of the public railway infrastructure and delays, especially during major infrastructure projects such as Emonika.	
		Freedom of expression	S, M, L
		The Slovenske železnice Group, in particular SŽ-Infrastruktura, SŽ-Potniški promet and SŽ-Tovorni promet, enables customers and end users to express themselves in several ways and to receive responses to complaints, thereby also ensuring freedom of expression for stakeholders, which contributes to open dialogue and service improvement on the basis of user feedback.	
		The document mentions civil initiatives, especially environmental protection initiatives connected to noise (e.g. during the construction of Situla, where residents organised themselves as a non-governmental organisation, and in Zalog as a civil initiative for the installation of a noise barrier), stating that 'to date civil initiatives have not been recognised as an opportunity,' which indicates that the Slovenske železnice Group is not yet fully making use of the potential for constructive dialogue with civil society.	

Governance

			Time period (S, M, L)
G1	Business conduct	**Corporate culture**	S, M, L
		Corporate culture in the Slovenske železnice Group constitutes an important foundation for the effective functioning of the organisation, where the need for further strengthening and promotion of this area has been identified, particularly in the context of major state investments and the creation of a competitive environment, which may enhance the company's competitiveness and thereby its positive financial effects.	
		For the Slovenske železnice Group, corporate culture represents a challenge because of potential political changes that could result in significant reorganisation of the system, which could have a considerable negative impact on corporate culture and consequently on business performance and the value of capital. In the case of SŽ-Tovorni promet, the issues of ownership change and different treatment by other companies within the Group are also mentioned.	
		Protection of whistleblowers	S, M, L
		The Slovenske železnice Group has a whistleblower protection framework in place, which includes the coordination of designated integrity officers. Management believes that the system will be effective if appropriately designed, since in this case reports will be addressed in a timely manner, which contributes to transparency, the prevention of irregularities and the long-term stability of the organisation.	
		Implementing an effective whistleblower protection system requires investment in training, the establishment of suitable communication channels, and the development of protective mechanisms for whistleblowers.	
G - SS	Business conduct	**Cybersecurity**	S, M, L
		Cybersecurity represents a key area for the Slovenske železnice Group in ensuring the protection of business and operational systems. Alongside digitalisation, intensive investment is being made in securing information networks, both for signalling safety systems and for the business segment, which in the long term reduces risks and ensures stable operation of critical infrastructure.	
		The Slovenske železnice Group's cybersecurity risk assessment primarily covers the IT (business) segment, for which SINT is responsible, while the assessment does not include the impact on the OT (operational technology) segment of information systems. The intensity of potential cyber incidents is set to increase, with more processes dependent on information support as a result of the digitalisation programme and the expansion of the business product portfolio. An information system outage would therefore cause greater business damage, while additional challenges are presented by the need to invest in cyber-information resilience, which for manufacturing/logistics companies primarily represents a cost.	
		Digitalisation	S
		Digitalisation represents a strategic opportunity for the Slovenske železnice Group, reflected in several revenue-generating projects (SŽ-Potniški promet), greater work efficiency and cost reduction (SŽ-Tovorni promet), with particular importance attached to the renewal of the traffic management information system (SŽ-Infrastruktura), which contributes to the improved management of business processes, optimisation of work operations and improved resource management.	
		For the Slovenske železnice Group, the main negative financial impacts of digitalisation are the high costs and investment needed for the realisation of planned digitalisation projects and those already being realised, while SŽ-ŽGP Ljubljana also highlights challenges in using specific ICT software, the need to train employees, and difficulties in maintaining competitiveness and securing business requiring a higher degree of digitalisation.	
G SS[1]	Business conduct	**New aspects of mobility and intermodality**	S
		New aspects of mobility and intermodality represent an important opportunity for the Slovenske železnice Group – particularly for SŽ-Tovorni promet – to attract additional freight and increase the volume of operations, while SŽ-Potniški promet sees an opportunity in attracting passengers from more distant areas and relieving road traffic in the long term. Both aspects are recognised as strategically important for SŽ d.o.o., since they enhance the competitiveness of the Group as a whole in the transport market.	
		Connectivity (local, regional, international) with ports and airports	S
		Connectivity with ports and airports represents a strategic opportunity for the Slovenske železnice Group, particularly for SŽ-Tovorni promet (the connection with the Port of Koper via the second track) and SŽ-VIT (its own branch at the Port of Koper, acquisition of foreign service certificates, increased freight throughput due to the second track), where improved connectivity means greater demand for services, more lines, more connections and consequently more funding for maintenance, which enables long-term growth and the development of intermodal transport solutions.	

[1] Individual disclosure, broken down at subsidiary level
SS - sector-specific impact
OCG - own characteristic of Slovenske železnice Group

Positive material impact
Negative material impact
Financial materiality – positive impact
Financial materiality – negative impact

S = short term (1 year)
M = medium term (1 to 5 years)
L = long term (over 5 years)

As part of strategic sustainable development, the Slovenske železnice Group has conducted a thorough double materiality assessment, which has identified the key sustainability aspects of its operations. In the environmental domain, two topics stand out in particular: **climate change mitigation, with a long-term impact rating of 3.48**, which represents a strategic opportunity for the development of rail transport as a low-carbon alternative, and the **production and consumption of renewable energy, with a rating of 4.25**, which reflects our commitment to the transition to cleaner energy sources. We are proactively proposing the implementation of a railway network expansion and electrification programme. Waste management has also been identified as significant, with a long-term rating of 2.54, which exceeds the defined materiality threshold. Key risks identified include the vulnerability of railway infrastructure to extreme weather events, tighter emissions legislation and rising energy costs.

The social domain shows the highest materiality ratings in our sustainable development framework, particularly in relation to our own workforce. Occupational health and safety, with a rating of 4.89, underscores our commitment to protecting employees. Other highly rated aspects include job security, adequate wages, social dialogue, gender equality and employee training and development. We devote particular attention to privacy (rating 3.74) and diversity (rating 3.63). Topics specific to the Group also stand out, such as regular promotions, part-time study and mentoring. In relation to end users, it is important to ensure access to high-quality information, since we are committed to transparency. For SŽ-Infrastruktura, the safety of affected communities has been identified as a particularly important topic, with a rating of 4.

In the governance domain, corporate culture and whistleblower protection are particularly prominent, reflecting our commitment to ethical conduct and transparency. Cybersecurity is recognised as critical for data protection and adequate risk management. Digitalisation, new forms of mobility and intermodality represent major opportunities, with the highest rating of 5, and the same applies to connectivity with ports and the road network, which is seen as a strategic opportunity.

For SŽ-Tovorni promet, the transport of hazardous goods is particularly important, with a rating of 4.54, which calls for high safety standards and well-trained staff. Analysis has shown that social sustainability issues are ranked more highly in the Slovenske železnice Group than environmental and governance topics. This is partly the result of the consolidation process, since environmental issues vary more across the Group due to the different natures of activities, whereas social issues are relevant to all Group companies. The Slovenske železnice Group regularly reviews and updates the process of disclosing sustainability information to ensure compliance with changes in the business environment and legal requirements, thereby ensuring accurate and relevant information for all stakeholders.

The Slovenske železnice Group's business model demonstrates a high level of resilience to long-term sustainability challenges due to several key factors. Rail transport is inherently one of the most sustainable modes of transport, which gives it a strategic advantage in the context of the transition to a low-carbon economy. Our diverse range of services, from passenger and freight transport to infrastructure management, allows for risk diversification and adaptability to different scenarios. The gradual electrification of railway lines and modernisation of rolling stock reduce our exposure to risks associated with fluctuations in fossil fuel prices. We are responding to social change by adapting our services to demographic trends and new mobility patterns, including integration into multimodal transport systems. Systematic energy (ISO 50001) and environmental (ISO 14001) management further strengthen the resilience of our business model to challenges related to climate change and environmental protection requirements.

Information relating to impacts, risks and opportunities

[IRO-1] Description of processes to identify and assess material impacts, risks and opportunities

In 2024 the Slovenske železnice Group carried out its first double materiality assessment, in this way establishing a systematic approach to identifying and assessing material sustainability impacts, risks and opportunities. The process was conducted in several phases, some of which began in 2023, and resulted in a comprehensive and objective assessment. Since 2024 was the first year of full materiality assessment under the CSRD, no changes were made to the assessment procedures themselves. In future years, the assessment process will be further refined on the basis of experience gained and feedback from auditors and stakeholders, particularly in terms of more precise quantification of impacts, risks and opportunities across the value chain.

When assessing the materiality of sustainability impacts, risks and opportunities, different time periods were systematically considered. The short-term period (up to one year) was analysed with a focus on direct operational impacts such as energy consumption, emissions and workplace safety, as well as immediate business risks and opportunities. The medium-term period (one to five years) was assessed in terms of project implementation, including electrification, modernisation of rolling stock and the development of new mobility services, and the associated investment risks and market opportunities. The long-term period (more than five years) was considered from the perspective of structural changes in the transport sector, comprehensive decarbonisation, climate change adaptation and the resulting strategic business risks and opportunities.

Methodological preparation and definition of the initial set of topics

The Management Board appointed a specialist working group to prepare a broad set of potentially relevant sustainability topics. The group drew on the following:

- ESRS requirements Sector-specific topics from SASB standards relevant to the rail sector
- specific topics material to the operations of the Slovenske železnice Group
- analysis of business risks and opportunities arising from sustainability trends.

Expert assessment

To ensure an in-depth understanding of the impacts, risks and opportunities, expert workshops were held involving representatives of all Group companies. Prior to the assessment, all relevant impacts, risks and opportunities were identified from the environment, society and governance perspectives, as deriving from the Slovenske železnice Group's operations. Identification was based on analysis of existing documents, legislation, the ESRS, relevant sectors and good practices.

The assessment followed a unified double materiality methodology, with experts using a scale from 0 to 5 to score various parameters. These included impacts on people and the environment (extent, scale, nature, likelihood of occurrence and magnitude of financial effect) and financial materiality: an "outside-in" assessment of risks and opportunities that may generate financial effects for the Group, including impacts on access to resources, relationships and trust, and overall business performance. Both negative and positive effects were assessed for the short, medium and long term.

Methods used to assess impacts

The Slovenske železnice Group applies a combination of quantitative and qualitative methods when assessing the materiality of impacts, risks and opportunities. Quantitative assessment is based on data on emissions, energy consumption and other measurable indicators, which are systematically collected through the ISO 14001 and 50001 systems. Qualitative assessment includes structured interviews with experts, impact assessment workshops and analysis of stakeholder survey feedback.

Financial materiality is assessed on the basis of risks and opportunities that could affect the Group's financial performance. This includes analysing the effects on access to resources (prices, availability, maintenance costs), relationships and trust (with financial institutions, suppliers, customers and employees), and general business opportunities or threats. Existing risk management systems and financial analyses are used in this process.

We also pay particular attention to the context of operating in the transport sector context, where we take into account sectoral standards and comparative analyses.

Stakeholder engagement

To ensure a broader perspective, an extensive stakeholder survey was carried out during the period. Stakeholders assessed the significance of impacts on people and the environment, while financial materiality was assessed exclusively by internal experts with in-depth knowledge of business processes and financial implications. A weighting of 70:30 in favour of expert assessment was applied during the consolidation of scores, reflecting the higher level of understanding of specific impacts among experts.

Consolidation of results

In order to provide a comprehensive and balanced view of sustainability performance, a system for consolidating results at Group level was established. This took into account the relative importance of each subsidiary, determined on the basis of the company's size (number of employees, revenue in the previous year) and the strategic

importance of its activities (weighting). Consolidated results were produced both for impacts on people and the environment and for the financial materiality of risks and opportunities.

Verification and confirmation of results

The results of the materiality assessment underwent a multi-stage verification and confirmation process. The methodology committee, made up of internal experts in sustainability, finance and risk management, first reviewed the consistency of the methodology used. The Sustainability and Climate Change Committee then reviewed the results and their alignment with the Group's strategic orientations. The final results were discussed and approved by the Management Board of Slovenske železnice, while the Audit Committee carried out an additional review to verify compliance with CSRD requirements. The entire process was documented through the minutes of meetings and reports, in this way ensuring the traceability of decisions and the transparency of the process.

Definition of materiality threshold

At Group level, the threshold for disclosing material impacts, risks and opportunities was set at a score above 2.5 (on a 1 to 5 scale) in any period, taking into account impact, financial risks and opportunities, or both. Owing to the diversity of the Group, we also set a threshold for individual disclosure at the level of each company if the identified impacts, risks and opportunities for an individual company exceeded 4, while at the level of the Slovenske železnice Group (consolidated level) they did not exceed the defined materiality threshold of above 2.5.

Assumptions and limitations

Certain assumptions and limitations were taken into account in the assessment of impacts, risks and opportunities. These included the continuation of current railway electrification trends in Slovenia and the wider region, and the gradual tightening of environmental legislation. Key limitations included data availability across the entire value chain, particularly in relation to Scope 3 emissions, and uncertainty in projecting long-term climate and social changes. With regard to financial materiality, limitations were also acknowledged in the quantification of all potential long-term sustainability impacts on operations and the complexity of forecasting the financial effects of macroeconomic and regulatory changes in the railway sector.

[IRO-2] Disclosure requirements from ESRS included in the sustainability report

When defining the contents of the sustainability report, the Slovenske železnice Group established a materiality threshold of above 2.5 for all sustainability areas across all time horizons, taking into account impact, financial risks and opportunities. In accordance with ESRS we also disclose topics that are of strategic importance to individual companies within the Group, even if they do not reach the defined materiality threshold at the consolidated level.

For Slovenske železnice, the areas of connectivity with ports and airports and new mobility aspects and intermodality are of particular importance, both with the highest opportunity rating of 5. In the case of SŽ-Tovorni promet, the transport of hazardous goods stands out with an impact rating of 4.5, while for SŽ-Infrastruktura safety impacts are key, with a rating of 4.

This methodology ensures that our sustainability report contains only relevant and material information for a comprehensive understanding of the Group's sustainability performance in the environmental, social and governance dimensions.

Policies and measures (or) targets not adopted

In the course of the double materiality assessment for the Slovenske železnice Group, we found that appropriate policies and measures are already in place or are in the process of being implemented for all identified material areas. No gaps were therefore identified in the management of the material sustainability aspects of our operations.

It should be emphasised that the assessment process included certain expert adjustments to initial assessments, based on professional judgement and coordination among stakeholders. This approach ensures that all disclosures in the sustainability statement are comprehensive and relevant and reflect the actual state of the Group's sustainability activities.

Compliance with disclosure requirements in the preparation of the consolidated sustainability report

	Description	Disclosure
ESRS 2		
BP-1	General basis for preparation of sustainability statements	BP-1
BP-2	Disclosures in relation to specific circumstances	BP-2
GOV-1	The role of the administrative, management and supervisory bodies	GOV-1
GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	GOV-2
GOV-3	Integration of sustainability-related performance in incentive schemes	GOV-3
GOV-4	Statement on due diligence	GOV-4
GOV-5	Risk management and internal controls over sustainability reporting	GOV-5
SBM-1	Strategy, business model and value chain	SBM-1
SBM-2	Interests and views of stakeholders	SBM-2
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model(s)	SBM-3
IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	IRO-1
IRO-2	Disclosure requirements from ESRS included in the sustainability report	IRO-2

	Description	Disclosure
ESRS E1		
E1-GOV-3	Integration of sustainability-related performance in incentive schemes	E1-GOV-3
E1-1	Transition plan for climate change mitigation	E1-1
E1-SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model(s)	E1-SBM-3
E1-IRO-1	Description of the processes to identify and assess material climate-related impacts, risks and opportunities	E1-IRO-1
E1-2	Policies related to climate change mitigation and adaptation	E1-2
E1-3	Actions and resources in relation to climate change policies	E1-3
E1-4	Targets related to climate change mitigation and adaptation	E1-4
E1-5	Energy consumption and mix	E1-5
E1-6	Gross Scopes 1, 2, 3 and total GHG emissions	E1-6
E1-7	GHG removals and GHG mitigation projects financed through carbon credits	NO, not relev.
E1-8	Internal carbon pricing	NO, not relev.
ESRS E2		
E2-IRO-1	Description of the processes to identify and assess material pollution-related impacts, risks and opportunities	E2-IRO-1
E2-1	Policies related to pollution	E2-1
E2-2	Actions and resources related to pollution	E2-2
E2-3	Targets related to pollution	E2-3
E2-4	Air, water and soil pollution	E2-4
E2-5	Substances of concern and substances of very high concern	NO, immat.
E2-6	Anticipated financial effects of pollution-related impacts, risks and opportunities	E2-6
ESRS E3	IMMATERIAL	
ESRS E4	IMMATERIAL	
ESRS E5		
E5 IRO-1	Description of procedures for identifying and assessing the use of material resources and the impacts, risks and opportunities associated with the circular economy	E5 IRO-1

	Description	Disclosure
E5-1	Policies implemented to manage resource use and circular economy	E5-1
E5-2	Actions and resources related to resource use and circular economy	E5-2
E5-3	Resource use and circular economy action plans	E5-3
E5-4	Resource inflows	NO, immat.
E5-5	Resource outflows	E5-3
E5-5	Hazardous waste and radioactive waste	NO, immat.
E5-6	Potential financial effects from resource use and circular-economy-related impacts, risks and opportunities	E5-6
ESRS S1		
S1 SBM-2	Interests and views of stakeholders	S1 SBM-2
S1 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model(s)	S1 SBM-3
S1-1	Policies related to own workforce	S1-1
S1-2	Processes for engaging with own workers and workers' representatives about impacts	S1-2
S1-3	Processes to remediate negative impacts and channels for its own workforce to raise concerns	S1-3
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 approaches	S1-4
S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	S1-5
S1-6	Characteristics of the undertaking's employees	S1-6
S1-7	Characteristics of non-employee workers in the undertaking's own workforce	S1-7
S1-8	Collective bargaining coverage and social dialogue	S1-8
S1-9	Diversity metrics	S1-9
S1-10	Adequate wages	S1-10
S1-11	Social protection	S1-11
S1-12	Persons with disabilities	S1-12

	Description	Disclosure
S1-13	Training and skills development metrics	S1-13
S1-14	Health and safety metrics	S1-14
S1-15	Work-life balance metrics	S1-15
S1-16	Remuneration metrics (pay gap and total remuneration)	S1-16
S1-17	Incidents, complaints and severe human rights impacts	S1-17
ESRS S2	IMMATERIAL	
ESRS E5		
S3 SBM-2	Interests and views of stakeholders	S3 SBM-2
S3 SBM-3	Material security impacts, risks and opportunities and their interaction with strategy and business model(s)	S3 SBM-3
S3-1	Policies related to affected communities	S3-1
S3-2	Processes for engaging with affected communities about impacts	S3-2
S3-3	Processes to remediate negative impacts and channels for affected communities to raise concerns	S3-3
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 the effectiveness of those actions	S3-4
S3-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	S3-5
ESRS S4		
S4 SBM-2	Interests and views of stakeholders	S4-SBM-2
S4-SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model(s)	S4-SBM-3
S4-1	Policies related to consumers and end-users	S4-1
S4-2	Processes for engaging with consumers and end-users about impacts	S4-2
S4-3	Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	S4-3
S4-4	approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and the effectiveness of those actions	S4-4
S4-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	S4-5
ESRS		
G1 GOV-1	Role of the administrative, management and supervisory bodies	G1 GOV-1
G1 IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	G1 IRO-1
G1-1	Corporate culture and business conduct policies	G1-1
G1-2	Management of relationships with suppliers	NO, immat.
G1-3	Prevention and detection of corruption or bribery	NO, immat.
G1-4	Confirmed incidents of corruption or bribery	NO, immat.
G1-5	Political influence and lobbying activities	NO, immat.
G1-6	Payment practices	NO, immat.
G-SS	Cybersecurity	G-SS
G-SS	Digitalisation	G-SS
G-SS	New aspects of mobility and intermodality	G-SS
G-SS	Connectivity (local, regional, international) – with ports and airports	G-SS

Explanation of abbreviations used in the above table:
NO, not relev. – the disclosure is not relevant because the activities in question are not carried out
NO, trans. period – the disclosure is not included because, in accordance with ESRS 1, Appendix C, a transitional period applies to this disclosure
NO, immat. – the disclosure is not included because the sustainability sub-topic or sub-sub-topic was not identified as material
IMMATERIAL – the disclosure is not included because the sustainability topic was not identified as material
In accordance with the requirements of ESRS 2, we also disclose an overview of data points originating from other legislation.

List of data points from cross-cutting and topical standards that originate from other EU legislation

Chapter	Disclosure requirements	SFDR (Sustainable Finance Disclosure Regulation) reference	Pillar 3 reference	Benchmark regulation reference	EU climate law reference	Link
ESRS 2 GOV-1	**Board gender diversity**					
	The role of the administrative, management and supervisory bodies *paragraph 21(d)*	Indicator 13 from Table 1, Annex I		Commission Delegated Regulation (EU) 2020/1816, Annex II		GOV-1
	Proportion of independent members of the management committee *paragraph 21(e)*			Delegated Regulation (EU) 2020/1816, Annex II		GOV-1
ESRS 2 GOV-4	Statement on due diligence *paragraph 30*	Indicator 10 from Table 3, Annex I				GOV-4
ESRS 2 SBM-1	Involvement in activities related to fossil fuels *paragraph 40(d)(i)*	Indicator 4 from Table 1, Annex I	Article 449a of Regulation (EU) 575/2013; Commission Implementing Regulation (EU) 2022/2453, Table 1 Qualitative information on environmental risk and Table 2 Qualitative information on social risk	Delegated Regulation (EU) 2020/1816, Annex II		SBM-1
	Involvement in activities related to chemical production *paragraph 40(d)(ii)*	Indicator 9 from Table 2, Annex I		Delegated Regulation (EU) 2020/1816, Annex II		SBM-1
	Involvement in activities related to controversial weapons *paragraph 40(d)(iii)*			Delegated Regulation (EU) 2020/181829, Article 12(1), Delegated Regulation (EU) 2020/1816, Annex II		SBM-1
	Involvement in activities related to cultivation and production of tobacco *paragraph 40(d)(iv)*			Delegated Regulation (EU) 2020/1818, Article 12(1), Delegated Regulation (EU) 2020/1816, Annex II		SBM-1
ESRS E1-1	Transition plan to reach climate neutrality by 2050 *paragraph 14*				Regulation (EU) 2021/1119, Article 2(1)	ESRS E1
	Undertakings excluded from Paris-aligned benchmarks *paragraph 14*		Article 449a 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	Delegated Regulation (EU) 2020/1818, Article 12(1), points (d) to (g), and Article 12(2)		ESRS E1

Chapter	Disclosure requirements	SFDR (Sustainable Finance Disclosure Regulation) reference	Pillar 3 reference	Benchmark regulation reference	EU climate law reference	Link
ESRS E1-4	Undertakings excluded from Paris-aligned benchmarks *paragraph 34*	Indicator 4 from Table 2, Annex I	Article 449a of Regulation (EU) 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 6		ESRS E1
ESRS E1-5	Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) *paragraph 38*	Indicator 5 from Table 1 and Indicator 5 from Table 2, Annex I				ESRS E1
	Energy consumption and mix *paragraph 37*	Indicator 5 from Table 1, Annex I				ESRS E1
	Energy intensity associated with activities in high climate impact sectors *paragraphs 40 do 43*					ESRS E1
ESRS E1-6	Gross Scopes 1, 2, 3 and total GHG emissions *paragraph 44*	Indicators 1 and 2 from Table 1, Annex I	Article 449a 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	Delegated Regulation (EU) 2020/1818, Articles 5(1), 6 and 8(1)		ESRS E1
	Gross GHG emissions intensity *paragraphs 53 do 55*	Indicator 3 from Table 1, Annex I	Article 449a of Regulation (EU) 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 8(1)		ESRS E1
ESRS E1-7	GHG removals and carbon credits *paragraph 56*				Regulation (EU) 2021/1119, Article 2(1)	
ESRS E1-9	Exposure of the benchmark portfolio to climate-related physical risks *paragraph 66*			Delegated Regulation (EU) 2020/1818, Annex II; Delegated Regulation (EU) 2020/1816, Annex II		
	Disaggregation of monetary amounts by acute and chronic physical risk, *paragraph 66(a)*		Article 449a of Regulation (EU) 575/2013; Commission Implementing Regulation (EU) 2022/2453, paragraphs 46 and 47; Template 5: Banking book – Climate change physical risk: Exposures subject to physical risk			

Chapter	Disclosure requirements	SFDR (Sustainable Finance Disclosure Regulation) reference	Pillar 3 reference	Benchmark regulation reference	EU climate law reference	Link
ESRS E1-9	Location of significant assets exposed to material physical risk *paragraph 66(c)*					
	Breakdown of the carrying value of its property assets by energy-efficiency classes *paragraph 67(c)*		Article 449a of Regulation (EU) 575/2013; Commission Implementing Regulation (EU) 2022/2453, paragraph 34; Template 2: Banking book – Climate change transition risk: Loans collateralised by property – Energy efficiency of the collateral			
ESRS E2-4	Quantity of each pollutant from Annex II to the Regulation on the European Pollutant Release and Transfer Register released to air, water and soil *paragraph 28*	Indicator 8 from Table 1, Annex I, Indicator 2 from Table 2, Annex I, Indicator 1 from Table 2, Annex I, Indicator 3 from Table 2, Annex I				ESRS E2
ESRS E3-1	Water and marine resources, *paragraph 9*	Indicator 7 from Table 2, Annex I				
	Dedicated policy *paragraph 13*	Indicator 8 from Table 2, Annex I				
	Sustainable oceans and seas *paragraph 4*	Indicator 12 from Table 2, Annex I				
ESRS E3-4	Total water recycled and reused, *paragraph 28(c)*	Indicator 6.2 from Table 2, Annex I				
	Total water consumption in m^3 per net turnover from own operations *paragraph 29*	Indicator 6.1 from Table 2, Annex I				
ESRS 2 IRO-1 E4	Description of the processes to identify and assess material biodiversity- and ecosystem-related impacts, risks and opportunities *paragraph 16(a), point (i)*	Indicator 7 from Table 1, Annex I				
	Description of the processes to identify and assess material biodiversity- and ecosystem-related impacts, risks and opportunities *paragraph 16(b)*	Indicator 10 from Table 2				
	Description of the processes to identify and assess material biodiversity- and ecosystem-related impacts, risks and opportunities *paragraph 16(c)*	Indicator 14 fromTable 2, Annex I				

Chapter	Disclosure requirements	SFDR (Sustainable Finance Disclosure Regulation) reference	Pillar 3 reference	Benchmark regulation reference	EU climate law reference	Link
ESRS E4-2	Sustainable practices or policies related to land/agriculture *paragraph 24(b)*	Indicator 11 from Table 2, Annex I				
	Sustainable practices or policies related to oceans/seas *paragraph 24(c)*	Indicator 12 from Table 2, Annex I				
	Policies to address deforestation *paragraph 24(d)*	Indicator 15 from Table 2, Annex I				
ESRS E5-5	Non-recycled waste, *paragraph 37(d)*	Indicator 13 from Table 2, Annex I		Regulation (EU) 2021/1119, Article 2(1)		ESRS E5
	Hazardous waste and radioactive waste *paragraph 39*	Indicator 9 from Table 1, Annex I				ESRS E5
ESRS S1 SBM-3	Risk of forced labour incidents *paragraph 14(f)*	Indicator 13 from Table 3, Annex I				S1-SBM-3
	Risk of child labour incidents *paragraph 14(g)*	Indicator 12 from Table 3, Annex I				S1-SBM-3
ESRS S1-1	Commitments regarding human rights policies, *paragraph 20*	Indicator 9 from Table 3 and Indicator 11 from Table 1, Annex I				S1-1
	Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8 *paragraph 21*			Delegated Regulation (EU) 2020/1816, Annex II		S1-1
	Processes and measures for preventing trafficking in human beings *paragraph 22*	Indicator 11 from Table 3, Annex				S1-1
	Workplace accident prevention policy or management system *paragraph 23*	Indicator 1 from Table 3, Annex I				S1-1

Chapter	Disclosure requirements	SFDR (Sustainable Finance Disclosure Regulation) reference	Pillar 3 reference	Benchmark regulation reference	EU climate law reference	Link
ESRS S1-2	Processes for engaging with own workers and workers' representatives about impacts					S1-2
ESRS S1-3	Grievance handling mechanisms *paragraph 32(c)*	Indicator 5 from Table 3, Annex I				S1-3
ESRS S1-14	Number of fatalities and number and rate of work-related accidents *paragraph 88(b) and (c)*	Indicator 2 from Table 3, Annex I		Delegated Regulation (EU) 2020/1816, Annex II		S1-14
	Number of days lost due to injuries, accidents, fatalities or illness *paragraph 88(e)*	Indicator 3 from Table 3, Annex I				S1-14
ESRS S1-16	Unadjusted gender pay gap *paragraph 97(a)*	Indicator 12 from Table 1, Annex I		Delegated Regulation (EU) 2020/1816, Annex II		S1-16
	Excessive executive pay *paragraph 97(b)*	Indicator 8 from Table 3, Annex I				S1-16
ESRS S1-17	Discrimination incidents *paragraph 103(a)*	Indicator 7 from Table 3, Annex I				S1-17
	Non-respect of UNGPs on Business and Human Rights and OECD *paragraph 11(b)*	Indicator 10 from Table 1 and Indicator 14 from Table 3, Annex I		Delegated Regulation (EU) 2020/1816, Annex II; Delegated Regulation (EU) 2020/1818, Article 12(1)		S1-17
ESRS 2 – SBM-3 – S2	Significant risk of child labour or forced labour in the value chain *paragraph 11(b)*	Indicators 12 and 13 from Table 3, Annex I				
ESRS S2-1	Commitments regarding human rights policies *paragraph 17*	Indicator 9 from Table 3 and Indicator 11 from Table 1, Annex I		Delegated Regulation (EU) 2020/1816, Annex II; Delegated Regulation (EU) 2020/1818, Article 12(1)		
	Policies related to value chain workers *paragraph 18*	Indicators 11 and 4 from Table 3, Annex I				
	Non-respect of UNGPs on Business and Human Rights and OECD *paragraph 19*	Indicator 10 from Table 1, Annex I		Delegated Regulation (EU) 2020/1816, Annex II; Delegated Regulation (EU) 2020/1818, Article 12(1)		
	Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8 *paragraph 19*			Delegated Regulation (EU) 2020/1816, Annex II		

Chapter	Disclosure requirements	SFDR (Sustainable Finance Disclosure Regulation) reference	Pillar 3 reference	Benchmark regulation reference	EU climate law reference	Link
ESRS S2-4	Human rights issues and incidents connected to its upstream and downstream value chain *paragraph 36*	Indicator 14 from Table 3, Annex I				
ESRS S3-1	Commitments regarding human rights policies *paragraph 16*	Indicator 9 from Table 3, Annex I and Indicator 11 from Table 1, Annex I				S3-1
	Non-respect of UNGPs on Business and Human Rights and, MOD principles and/or OECD guidelines *paragraph 17*	Indicator 10 from Table 1, Annex I		Delegated Regulation (EU) 2020/1816, Annex II; Delegated Regulation (EU) 2020/1818, Article 12(1)		S3-1
ESRS S3-4	Human rights issues and incidents *paragraph 36*	Indicator 14 from Table 3, Annex I				S3-4
ESRS S4-1	Policies related to consumers and end-users *paragraph 16*	Indicator 9 from Table 3 and Indicator 11 from Table 1, Annex I				S4-1
	Non-respect of UNGPs on Business and Human Rights and OECD *paragraph 17*			Annex II; Delegated Regulation (EU) 2020/1818, Article 12(1)		S4-1
ESRS S4-4	Human rights issues and incidents *paragraph 35*	Indicator 14 from Table 3, Annex I				S4-4
ESRS G1-1	United Nations Convention Against Corruption, *paragraph 10(b)*	Indicator 15 from Table 3, Annex I				G1
	Protection of whistleblowers, *paragraph 10(d)*	Indicator 6 from Table 3, Annex I				G1
ESRS G1-4	Fines for violation of anti-corruption and anti-bribery laws *paragraph 24(a)*	Indicator 17 from Table 3, Annex I		Delegated Regulation (EU) 2020/1816, Annex II		
	Standards for the fight against corruption and bribery *paragraph 24(b)*	Indicator 16 from Table 3, Annex I				

Environmental information

Report on environmentally sustainable economic activities and investments of the Slovenske železnice Group for 2024

For the Slovenske železnice Group and Slovenske železnice, d.o.o. we are disclosing information for 2024 on whether, how and to what extent our activities are connected to the economic activities that are regarded as environmentally sustainable under Articles 3 and 9 of the Taxonomy Regulation (Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088).

The disclosure of information relates to Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to climate change mitigation or climate change adaptation and for determining whether that economic activity causes no significant harm to any of the other environmental objectives

Commission Delegated Regulation (EU) 2022/1214 of 9 March 2022 was adopted 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. Treatment of the area of natural gas and nuclear energy from the point of view of the first two environmental objectives: climate change mitigation or climate change adaptation.

In drafting the report for 2024, we took account of the Commission Notice on the interpretation of certain legal provisions of the Disclosures Delegated Act under Article 8 of EU Taxonomy Regulation on the reporting of eligible economic activities and assets (2022/C 385/01), which was published in the Official Journal of the European Union on 6 October 2022.

Commission Delegated Regulation (EU) 2023/2485 of 27 June 2023 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 additional disclosure of information relates to Commission Delegated Regulation (EU) 2023/2486 of 27 June 2023 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to the sustainable use and protection of water and marine resources, to the transition to a circular economy, to pollution prevention and control, or to the protection and restoration of biodiversity and ecosystems and for determining whether that economic activity causes no significant harm to any of the other environmental objectives and amending Commission Delegated Regulation (EU) 2021/2178 as regards specific public disclosures for those economic activities.

Taxonomy-eligible activities of the Slovenske železnice Group

Companies in the Slovenske železnice Group are engaged in the following Taxonomy-eligible activities under the Regulation:

3.3. Production of low-carbon technologies for transport

– Substantial contribution to climate change mitigation (CCM) and climate change adaptation (CCA). This activity includes repair, maintenance, retrofitting, repurposing and upgrade of low-carbon electric rolling stock, wagons and components.

3.19. Manufacture of rail rolling stock constituents

Substantial contribution to climate change mitigation (CCM). This activity includes the repair, maintenance and manufacture of wheelsets, electric motors, generators and transformers, and other electrical equipment for rail rolling stock.

5.5. Collection and transport of non-hazardous waste in source-segregated fractions –

Substantial contribution to climate change mitigation (CCM) and climate change adaptation (CCA). This activity includes the separate collection and transport of non-hazardous waste in single or comingled fractions aimed at preparing for reuse or recycling.

6.1. Passenger interurban rail transport

Substantial contribution to climate change mitigation (CCM) and climate change adaptation (CCA) This activity includes the purchase, financing, leasing, rental and operation of inland and international rail passenger transport using rail rolling stock on mainline networks and sidings in Slovenia.

6.2. Freight rail transport

Substantial contribution to climate change mitigation (CCM) and climate change adaptation (CCA). This activity includes the acquisition, financing, leasing, rental and operation of freight transport on mainline networks and railways.

6.3 Urban and suburban transport, road passenger transport

Substantial contribution to climate change mitigation and climate change adaptation (CCA) This activity includes replacement bus services in the event of maintenance or investment works on PRI and during emergencies, and the provision of bus transport as part of combined passenger rail/bus transport. This activity includes replacement bus transport in the event of maintenance and investment works on PRI and during emergencies, and the provision of bus transport as part of combined rail/bus transport.

6.13. Infrastructure for personal mobility, cycle logistics

Substantial contribution to climate change mitigation (CCM) and climate change adaptation (CCA). This activity includes construction, maintenance and operation of infrastructure for personal mobility dedicated to pedestrians and bicycles, with or without electric assist. No revenue was generated from this activity in 2024.

6.14. Infrastructure for rail transport

Substantial contribution to climate change mitigation (CCM) and adaptation to climate change (ACC). This activity includes construction operation and maintenance of railways, bridges and tunnels, stations, terminals, railway services facilities, safety and traffic management systems including the provision of engineering services. The activity includes transhipment of freight between different modes of transport and enables passenger transfers within rail transport or to other modes of transport. It also includes railway line electrification. This activity is carried out by SŽ-Infrastruktura and SŽ-Tovorni promet.

7.1 Construction of new buildings

Substantial contribution to climate change mitigation (CCM) and climate change adaptation (CCA). Companies in the Slovenske železnice Group do not perform this economic activity themselves, they merely act as the contracting authority for construction work carried out on land owned by Slovenske železnice. An investment (construction of the new bus station) is related to activity 6.3, but this activity in itself is not an economic activity of the Slovenske železnice Group that generates revenue. The activity is recognised in capital and operating expenditure.

7.3. Installation, maintenance and repair of energy efficiency equipment

Substantial contribution to climate change mitigation (CCM). Individual renovation measures that involve installation, maintenance or repair of energy efficiency equipment. This activity primarily includes the purchase and installation of new air conditioning units, the repair and maintenance of existing ones, and the replacement of windows. This is not an economic activity of the Slovenske železnice Group that generates revenue, but it is recognised in investments in capital and operating expenditure.

7.6. Installation, maintenance and repair of renewable energy technologies

Substantial contribution to climate change mitigation (CCM). Installation, maintenance and repair of renewable energy technologies, on-site. This activity primarily includes the purchase and installation of heat pumps and energy storage batteries. This is not an economic activity of the Slovenske železnice Group that generates revenue, but it is recognised in investments in capital and operating expenditure.

7.7. Acquisition and ownership of buildings

Substantial contribution to climate change mitigation (CCM) and climate change adaptation (CCA). This activity includes the acquisition, letting and operation of properties owned by the Slovenske železnice Group (such as the letting of holiday accommodation).

Verification of compliance with substantial contribution and Do No Significant Harm (DNSH) criteria

In order to be recognised as Taxonomy-aligned activities, Taxonomy-eligible economic activities must, in addition to making a substantial contribution to environmental objectives, also meet the DNSH criteria for the other environmental objectives and comply with the minimum safeguards. If all criteria are not met, activities will be counted as not Taxonomy-aligned.

We have carried out the procedures to verify the substantial contribution and DNSH criteria for the identified Taxonomy-eligible activities. Not all evidence required to demonstrate compliance with the defined criteria has yet been provided, which is why no Taxonomy-aligned activities are currently reported.

Verification of substantial contribution criteria

On the basis of the verification and the submitted evidence, two activities meet the substantial contribution criteria under the EU Taxonomy:

6.1. Passenger interurban rail transport

Substantial contribution to climate change mitigation (CCM) and climate change adaptation (CCA)

This Taxonomy-aligned is performed by SŽ-Potniški promet. The portion of the activity that is performed using electric traction with zero direct CO_2 emissions meets the substantial contribution criteria. The portion of the activity that is performed using diesel traction and does not meet the zero-emission requirement does not meet the substantial contribution criteria. Not all necessary evidence has yet been submitted to demonstrate compliance with the DNSH criteria for this activity, which is therefore reported as non-aligned.

6.2. Freight rail transport

Substantial contribution to climate change mitigation (CCM) and climate change adaptation (CCA)

This Taxonomy-aligned activity is performed by SŽ-Tovorni promet. The portion of the activity that is performed using electric traction with zero direct CO_2 emissions meets the substantial contribution criteria. The portion of the activity that is performed using diesel traction and does not meet the zero-emission requirement does not meet the substantial contribution criteria. Turnover related to the transport of fossil fuels is also recognised as part of the activity that does not meet the substantial contribution criteria.

Not all necessary evidence has yet been submitted to demonstrate compliance with the DNSH criteria for this activity, which is therefore reported as non-aligned.

Verification of DNSH criteria

We assessed exposure and vulnerability to physical climate risks under the adaptation to climate change criterion for the Taxonomy-eligible economic activities of the Slovenske železnice Group. The assessment took into account the expected service life of the fixed assets and railway infrastructure used, as well as ARSO's projection of climate change in Slovenia up to the end of the twenty-first century, applying the RCP8.5 greenhouse gas emissions scenario. We also verified the other DNSH criteria (sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control, protection and restoration of biodiversity and ecosystems). On the basis of the verification and the evidence submitted under these criteria, we are not yet showing Taxonomy-alignment.

Compliance with minimum safeguards

In addition to meeting the environmental criteria for substantial contribution and DNSH, alignment with the EU Taxonomy also requires adherence to the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, the principles and rights set out in the eight core conventions listed in the ILO Declaration on Fundamental Principles and Rights at Work, and the International Bill of Human Rights.

In 2023 and 2024 there were no complaints, serious human rights violations or incidents involving our workforce that would constitute a breach of the UN Global Compact principles or the OECD Guidelines for Multinational Enterprises, as detailed in section S1-17 of this report. In 2019 we signed the Commitment to respect human rights in business operations and in 2024 we appointed a human rights officer at level of the Slovenske železnice Group.

The Slovenske železnice Group has a system in place for reporting inappropriate conduct and breaches of corporate integrity. Employees can report negative impacts or behaviour to integrity officers or authorised staff, in writing or verbally. Individuals who submit reports are protected from retaliatory measures and the privacy, dignity and identity of the reporting person are also protected. The Slovenske železnice Group monitors reports regularly and adopts corrective measures as necessary. A multi-tiered anti-corruption system is in place. In 2024 we began preparations to introduce a management system for the prevention of corruption in accordance with ISO 37001, under which a special supplier code of conduct is also being developed. We plan to implement the standard in 2025. No breaches of anti-corruption regulations were found in 2024, as determined by the decisions of the competent authorities. The regulation of this area and the monitoring of reports of irregularities are presented in more detail in Section S1-3, G1-IRO-1 and section G1-1.

The Slovenske železnice Group regularly settles its tax liabilities. No infringements of tax regulations were identified in 2024 on the basis of decisions issued by the competent authorities.

We adhere to the rules of fair competition. No infringements of competition rules were identified for any company in the Slovenske železnice Group in 2024 on the basis of decisions issued by the competent authorities.

Key performance indicators in accordance with the EU Taxonomy

Annex I to the Disclosures Delegated Act clarifies that undertakings must use the same accounting principles that apply to the preparation of their consolidated annual financial statements to calculate their Taxonomy-aligned turnover. This is to ensure comparability with the turnover reported in the entity's consolidated financial statements. As a result, when a consolidated Sustainability Report is prepared, the accounting principles of consolidation would exclude intercompany sales and turnover from own consumption. The scope of consolidation is the same as in the financial statements of the Slovenske železnice Group, which are prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union.

The indicators are calculated on the basis of the definitions given in Annex I (KPIs of non-financial undertakings) to Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by specifying the content and presentation of information to be disclosed by undertakings subject to Articles 19a or 29a of Directive 2013/34/EU concerning environmentally sustainable economic activities, and specifying the methodology to comply with that disclosure obligation.

Information at Slovenske železnice Group level is obtained from the financial statements by individual activity, and from the internal information system.

When reporting on individual Taxonomy-aligned activities, we also retained those activities that did not generate turnover or had capital or operating expenditure in the 2024 financial year; this was in order to ensure that the report contained a comprehensive overview.

Performance indicator related to turnover

The key performance indicator for turnover is calculated such that the numerator includes turnover from Taxonomy-aligned activities, while the denominator includes the total net turnover of the Slovenske železnice Group for the period.

The share of Taxonomy-aligned turnover in the Slovenske železnice Group for 2024 was 0%.

Performance indicator for capital expenditure

The key performance indicator for capital expenditure is calculated such that the numerator includes Taxonomy-aligned capital expenditure, while the denominator includes all increases in tangible and intangible fixed assets before depreciation/amortisation and revaluation during the period.

The share of Taxonomy-aligned capital expenditure for the Slovenske železnice Group for 2024 was 0%.

Performance indicator for operating expenditure

The key performance indicator for operating expenditure is calculated such that the numerator includes Taxonomy-aligned operating expenditure, while the denominator includes all operating expenditure during the period (including direct costs related to research and development, ongoing maintenance, repair and servicing of fixed assets, and the costs of short-term leases).

The share of Taxonomy-aligned operating expenditure for the Slovenske železnice Group for 2024 was 0%.

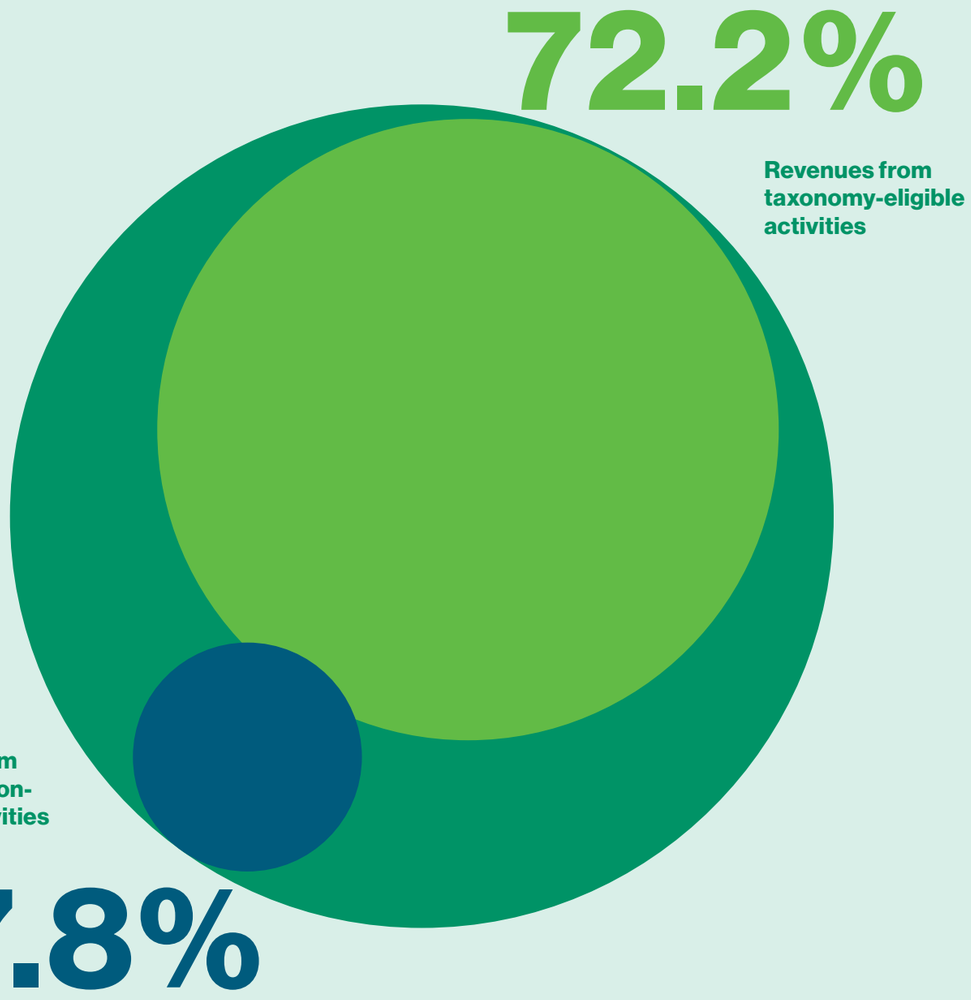
I. Slovenske železnice Group

1. Proportion of turnover from products or services associated with Taxonomy-aligned economic activities – disclosure for the Slovenske železnice Group covering 2024

Revenues

2023 FINANCIAL YEAR				SUBSTANTIAL CONTRIBUTION CRITERIA						DNSH ('DO NO SIGNIFICANT HARM') CRITERIA									
Economic activities	Code	Revenue	Proportion of turnover 2024	Climate Change Mitigation	Climate change adaptation	Water	Pollution	Circular Economy	Biodiversity	Climate Change Mitigation	Climate change adaptation	Water	Pollution	Circular Economy	Biodiversity	Minimum Safeguards	Proportion of Taxonomy-aligned (A.1) or Taxonomy-eligible (A.2) turnover 2023	Category enabling activity	Category transitional activity
		EUR thousand	%	YES/NO/ NON-ELIGIBLE	YES/NO/ NON-ELIGIBLE	YES/NO/ NON-ELIGIBLE	YES/NO/ NON-ELIGIBLE	YES/NO/ NON-ELIGIBLE	YES/NO/ NON-ELIGIBLE	YES/ NO	YES/ NO	YES/ NO	YES/ NO	YES/ NO	YES/ NO	YES/ NO	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Passenger interurban rail transport	CCM 6.1	0	0.0	YES	NO	N-EL	N-EL	N-EL	N-EL	-	NO	-	YES	YES	-	YES	0.0		
Freight rail transport	CCM 6.2	0	0.0	YES	NO	N-EL	N-EL	N-EL	N-EL	-	NO	-	YES	YES	-	YES	0.0		
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0.0	0%	0%	0%	0%	0%	0%	YES	YES	YES	YES	YES	YES	YES	0.0		
Of which enabling		0	0.0	0%	0%	0%	0%	0%	0%	YES	YES	YES	YES	YES	YES	YES	0.0	E	
Of which transitional		0	0.0	0%	0%	0%	0%	0%	0%	YES	YES	YES	YES	YES	YES	YES	0.0		T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Manufacture of low-carbon technologies for transport	CCM 3.3	8,153	1.1	EL	EL	N-EL	N-EL	N-EL	N-EL								1.4		
Manufacture of rail rolling stock constituents	CCM 3.19	8,317	1.2	YES	NO	N-EL	N-EL	NO	N-EL								1.1		
Collection and transport of non-hazardous waste in source-segregated fractions	CCM 5.5	1,470	0.2	YES	NO	N-EL	N-EL	N-EL	N-EL								0.2		
Passenger interurban rail transport	CCM 6.1	144,609	20.2	EL	EL	N-EL	N-EL	N-EL	N-EL								19.2		
Freight rail transport	CCM 6.2	178,803	25.0	EL	EL	N-EL	N-EL	N-EL	N-EL								24.2		
Urban and suburban transport, road passenger transport	CCM 6.3	23	0.0	EL	EL	N-EL	N-EL	N-EL	N-EL								0.1		
Infrastructure for rail transport	CCM 6.14	173,848	24.3	YES	NO	N-EL	N-EL	N-EL	N-EL								27.0		
Acquisition and ownership of buildings	CCM 7.7	1,011	0.1	EL	EL	N-EL	N-EL	N-EL	N-EL								0.3		
Turnover from Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		516,234	72.2	100%	0%	0%	0%	0%	0%								73.6		
A. Turnover of Taxonomy-eligible activities (A.1 + A.2)		516,234	72.2	100%	0%	0%	0%	0%	0%								73.6		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities		199,159	27.8																
TOTAL		715,393	100.0																

Applying the accounting principles used to prepare consolidated annual financial statements, the Slovenske železnice Group generated turnover of EUR 715,393 thousand in 2024, of which EUR 516,234 thousand (72.2%) came from Taxonomy-eligible activities. The Group generated EUR 199,159 thousand or 27.8% of turnover from Taxonomy-non-eligible activities.



On the basis of a review of the required technical criteria, we established that not all the requirements for ensuring the Taxonomy alignment of individual activities were met. As a result, all Taxonomy-recognised activities were classified as Taxonomy-eligible.

In 2024 we generated turnover of EUR 8,153 thousand (1.1% of all turnover in the Slovenske železnice Group) from the 'Manufacture of low-carbon technologies for transport' activity, within which we repair, maintain, repurpose or upgrade trains and coaches.

The 'Manufacture of rail rolling stock constituents' activity, which was subsequently recognised as a Taxonomy-eligible activity in accordance with Commission Delegated Regulation (EU) 2023/2485, was presented last year within the 'Manufacture of low-carbon technologies for transport' activity. In that activity, we generated EUR 8,317 thousand of turnover in 2024 (1.2% of total turnover).

We generated 0.2% of all turnover (EUR 1,470 thousand) from the 'Collection and transport of non-hazardous waste in source-segregated fractions' activity.

In the 'Interurban rail passenger transport' activity, we generated EUR 144,609 thousand in turnover, accounting for 20.2% of total turnover.

In the 'Freight rail transport', EUR 178,803 thousand in turnover was generated in 2024, representing 25.0% of total turnover, all of which was realised by SŽ-Tovorni promet. Net transport revenue of EUR 152,228 thousand represented the largest share of operating revenue. Revenue from compensation on account of additional expenses resulting from PRI maintenance and the resulting traffic disruptions amounted to EUR 17,043 thousand, while the remaining operating revenue comprised subsidies from the Climate Change Fund for combined transport (EUR 3,921 thousand) and revenue from the use of wagons/coaches (EUR 2,395 thousand). Revenue generated from the lease of locomotives (EUR 1,024 thousand) and subsidies from the Climate Change Fund for single consignments (EUR 2,206 thousand). Revenue from the transport of fossil fuels was excluded from the revenue base used to distinguish between Taxonomy-aligned and Taxonomy non-aligned turnover and is considered Taxonomy non-aligned turnover.

The majority of turnover from Taxonomy-aligned activities is from the 'Infrastructure for rail transport' activity, performed as part of the public service obligation of PRI maintenance and renovation. This activity also includes container handling carried out by SŽ-Tovorni promet and the construction and modernisation of railways, bridges and tunnels carried out by SŽ-ŽGP. Regular maintenance and renewal of PRI generated EUR 123,157 thousand in turnover, container handling generated EUR 1,779 thousand, and railway construction and modernisation generated EUR 48,912 thousand, giving a total of EUR 173,848 thousand (24.3% of all turnover in 2024).

In the 'Urban and suburban transport, road passenger transport' activity, we generated EUR 23 thousand in 2024, all of which came from travel packages offered by SŽ-Potniški promet.

The 'Acquisition and ownership of buildings' activity, which includes the leasing-out of the company's own property, is also responsible for a portion of Taxonomy-eligible turnover. We generated EUR 1,011 thousand of turnover (0.1% of total turnover) from this activity in 2024.

Investments

2. Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities – disclosure for the Slovenske železnice Group covering 2024

2023 FINANCIAL YEAR				SUBSTANTIAL CONTRIBUTION CRITERIA						DNSH ('DO NO SIGNIFICANT HARM') CRITERIA								
Economic activities	Code	CapEx	Proportion of turnover 2024	Climate Change Mitigation	Climate change adaptation	Water	Pollution	Circular Economy	Biodiversity	Climate Change Mitigation	Climate change adaptation	Water	Pollution	Circular Economy	Biodiversity	Minimum Safeguards	Proportion of Taxonomy-aligned (A.1) or Taxonomy-eligible (A.2) turnover 2023	Category enabling activity	Category transitional activity
		EUR thousand	%	YES/NO/ NON-ELIGIBLE	YES/NO/ NON-ELIGIBLE	YES/NO/ NON-ELIGIBLE	YES/NO/ NON-ELIGIBLE	YES/NO/ NON-ELIGIBLE	YES/NO/ NON-ELIGIBLE	YES/ NO	YES/ NO	YES/ NO	YES/ NO	YES/ NO	YES/ NO	YES/ NO	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Passenger interurban rail transport	CCM 6.1	0	0.0	YES	NO	N-EL	N-EL	N-EL	N-EL	-	NO	-	YES	YES	-	YES	0.0		
Freight rail ttransport	CCM 6.2	0	0.0	YES	NO	N-EL	N-EL	N-EL	N-EL	-	NO	-	YES	YES	-	YES	0.0		
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0.0	0%	0%	0%	0%	0%	0%	YES	YES	YES	YES	YES	YES	YES	0.0		
Of which enabling		0	0.0	0%	0%	0%	0%	0%	0%	YES	YES	YES	YES	YES	YES	YES	0.0	E	
Of which transitional		0	0.0	0%	0%	0%	0%	0%	0%	YES	YES	YES	YES	YES	YES	YES	0.0		T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Manufacture of low-carbon technologies for transport	CCM 3.3	25	0.0	EL	EL	N-EL	N-EL	N-EL	N-EL								0.1		
Manufacture of rail rolling stock constituents	CCM 3.19	720	1.1	YES	NO	N-EL	N-EL	NO	N-EL								0.9		
Passenger interurban rail transport	CCM 6.1	3,890	6.0	EL	EL	N-EL	N-EL	N-EL	N-EL								7.4		
Freight rail transport	CCM 6.2	36,577	56.3	EL	EL	N-EL	N-EL	N-EL	N-EL								57.3		
Infrastructure for rail transport	CCM 6.14	8,019	12.3	YES	NO	N-EL	N-EL	N-EL	N-EL								7.0		
Construction of new buildings	CCM 7.1	4,411	6.8	YES	NO	N-EL	N-EL	N-EL	N-EL								3.1		
Installation. maintenance and repair of energy efficiency equipment	CCM 7.3	299	0.5	EL	EL	N-EL	N-EL	N-EL	N-EL								0.0		
Installation. maintenance and repair of energy technologies	CCM 7.6	50	0.1	EL	EL	N-EL	N-EL	N-EL	N-EL								0.0		
Acquisition and ownership of buildings	CCM 7.7	37	0.1	EL	EL	N-EL	N-EL	N-EL	N-EL								0.7		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		54,028	83.2	100%	0%	0%	0%	0%	0%								76.5		
A. CapEx of Taxonomy-eligible activities (A.1 + A.2)		54,028	83.2	0%	0%	0%	0%	0%	0%								76.5		

B. TAXONOMY-NON-ELIGIBLE ACTIVITIES		
CapEx of Taxonomy-non-eligible activities	10,908	16.8
TOTAL	64,936	100.0

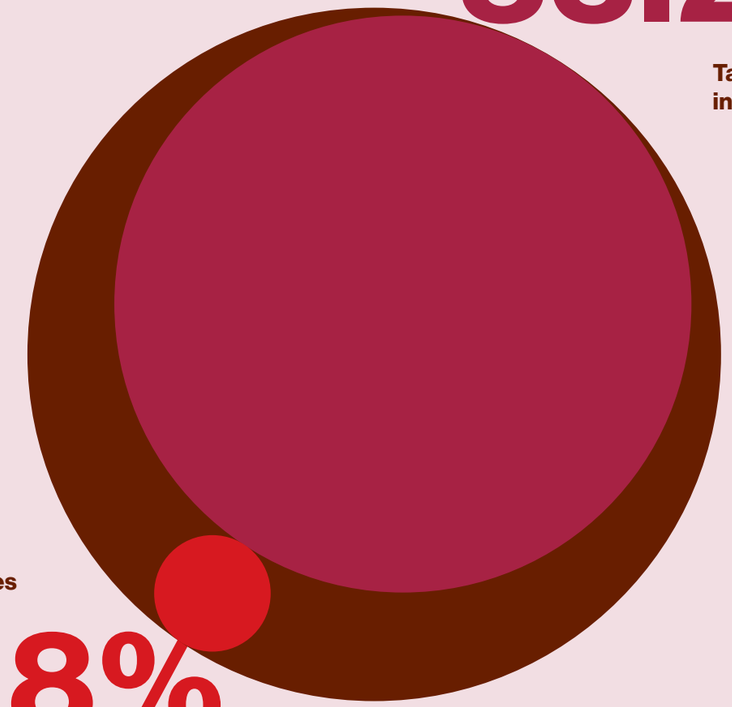
We used the investments from the following standards to calculate the proportions of Taxonomy-eligible and not-Taxonomy-aligned investments and Taxonomy-non-eligible investments:

- acquisition of property, plant and equipment (IAS 16);
- acquisition of intangible assets (IAS 38);
- acquisition of investment property (IAS 40);
- acquisition of right-of-use lease assets (IFRS 16).

The total for the above-mentioned acquisitions constitutes the denominator for the calculation of the proportions.

Capital expenditure totalled EUR 64,936 thousand in 2024. Capital expenditure in Taxonomy-eligible activities amounted to EUR 54,028 thousand, or 83.2% of all capital expenditure in 2024. Capital expenditure in Taxonomy-non-eligible activities amounted to 16.8%, or EUR 10,908 thousand.

The acquisition of property, plant and equipment within the 'Manufacture of low-carbon technologies for transport' activity totalled EUR 25 thousand in 2024, with the bulk of that figure going towards investments in manufacturing equipment.



83.2%

Taxonomy-eligible investments

Investments in taxonomy non-eligible activities

16.8%

Investments in property, plant and equipment within the 'Manufacture of rail rolling stock constituents' activity amounted to EUR 720 thousand in 2024 (1.1% of all capital expenditure).

Regarding CapEx in the 'Passenger interurban rail transport' activity, we are compelled to invest in the electrification of railway infrastructure, which depends on investments by the government as the owner of the entire rail network. Under the terms of the PSO to which we are bound, we are required to provide passenger transport on electrified and non-electrified routes; accordingly, we invest in both electric and diesel units. Acquisitions of property, plant and equipment within the 'Passenger interurban rail transport' activity accounted for 6.0% of all investments by the Slovenske železnice Group in 2024 (EUR 3,890 thousand), with the bulk going towards investments in the modernisation of traction and hauled vehicles.

Fixed assets totalling EUR 36,577 thousand were acquired within the Taxonomy-aligned activity of the 'Freight rail transport' activity in 2024, with the bulk of that figure coming from the acquisition of right-of-use lease assets associated with leased wagons and locomotives (EUR 21,432 thousand). The remaining EUR 15,144 thousand came from acquisitions of property, plant and equipment, with the inspection and adaptation of traction and hauled vehicles accounting for the largest share of that figure. It should be noted that part of the investment in the activity in question, amounting to EUR 257 thousand, relates to the purchase of 30 new electric locomotives to be delivered in 2027 and 2028.

CapEx on acquisitions of property, plant and equipment within the 'Infrastructure for rail transport' activity totalled EUR 8,019 thousand in 2024, with the bulk of this figure going towards investments in special-purpose rolling stock, construction machinery, road vehicles and manufacturing equipment. Acquisitions within the scope of this activity and relating to SŽ-Infrastruktura, d.o.o. amounted to EUR 4,495 thousand, with the remainder relating to SŽ-ŽGP Ljubljana (EUR 2,517 thousand) and SŽ-Tovorni promet, d.o.o. (EUR 1,007 thousand).

In the 'Construction of new buildings' activity, EUR 4,411 thousand was invested in 2024 as part of preparatory works for the construction of the new bus station and associated office building, as well as a new office building for SŽ-ŽGP Ljubljana. Of this figure, SŽ-ŽGP invested EUR 638 thousand, while Slovenske železnice invested EUR 3,773 thousand.

Capital expenditure in the 'Installation, maintenance and repair of energy efficiency equipment' activity amounted to EUR 299 thousand in 2024. This activity mainly involves the purchase and installation of new air conditioning units and the regular maintenance of existing ones. SŽ-Potniški promet invested EUR 3 thousand, SŽ-ŽGP Ljubljana EUR 5 thousand, SŽ-VIT EUR 209 thousand, SŽ-Tovorni promet EUR 7 thousand and Slovenske železnice EUR 75 thousand.

Capital expenditure in the 'Installation, maintenance and repair of renewable energy technologies' activity amounted to EUR 50 thousand in 2024. This activity primarily includes the purchase and installation of heat pumps and energy storage batteries. SŽ-ŽGP Ljubljana invested EUR 29 thousand and Slovenske železnice EUR 21 thousand.

We invested EUR 37 thousand in property maintenance within the 'Acquisition and ownership of buildings' activity in 2024. Slovenske železnice invested the most in this activity (EUR 23 thousand).

OpEx

3. Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities – disclosure for the Slovenske železnice Group covering 2024

2023 FINANCIAL YEAR				SUBSTANTIAL CONTRIBUTION CRITERIA						DNSH ('DO NO SIGNIFICANT HARM') CRITERIA								
Economic activities	Code	OpEx	Proportion of turnover 2024	Climate Change Mitigation	Climate change adaptation	Water	Pollution	Circular Economy	Biodiversity	Climate Change Mitigation	Climate change adaptation	Water	Pollution	Circular Economy	Biodiversity	Minimum Safeguards	Proportion of Taxonomy-aligned (A.1) or Taxonomy-eligible (A.2) turnover 2023	Category enabling activity	Category transitional activity
		EUR thousand	%	YES/NO/ NON-ELIGIBLE	YES/NO/ NON-ELIGIBLE	YES/NO/ NON-ELIGIBLE	YES/NO/ NON-ELIGIBLE	YES/NO/ NON-ELIGIBLE	YES/NO/ NON-ELIGIBLE	YES/ NO	YES/ NO	YES/ NO	YES/ NO	YES/ NO	YES/ NO	YES/ NO	%	E	P
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Passenger interurban rail transport	CCM 6.1	0	0.0	YES	NO	NSP	NSP	NSP	N-EL	-	NO	-	YES	YES	-	YES	0.0		
Freight rail transport	CCM 6.2	0	0.0	YES	NO	N-EL	N-EL	N-EL	N-EL	-	NO	-	YES	YES	-	YES	0.0		
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0.0	0%	0%	0%	0%	0%	0%	YES	YES	YES	YES	YES	YES	YES	0.0		
Of which enabling		0	0.0	0%	0%	0%	0%	0%	0%	YES	YES	YES	YES	YES	YES	YES	0.0	E	
Of which transitional		0	0.0	0%	0%	0%	0%	0%	0%	YES	YES	YES	YES	YES	YES	YES	0.0		T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Manufacture of low-carbon technologies for transport	CCM 3.3	454	0.4	EL	EL	N-EL	N-EL	N-EL	N-EL								0.6		
Manufacture of rail rolling stock constituents	CCM 3.19	85	0.1	YES	NO	N-EL	N-EL	NO	N-EL								0.1		
Passenger interurban rail transport	CCM 6.1	12,239	11.2	EL	EL	N-EL	N-EL	N-EL	N-EL								11.0		
Freight rail transport	CCM 6.2	16,227	14.8	EL	EL	N-EL	N-EL	N-EL	N-EL								14.0		
Infrastructure for rail transport	CCM 6.14	49,202	44.9	YES	NO	N-EL	N-EL	N-EL	N-EL								46.6		
Installation. maintenance and repair of energy efficiency equipment	CCM 7.3	184	0.2	EL	EL	N-EL	N-EL	N-EL	N-EL								0.0		
Acquisition and ownership of buildings	CCM 7.7	397	0.4	EL	EL	N-EL	N-EL	N-EL	N-EL								0.2		
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		78,786	71.9	100%	0%	0%	0%	0%	0%								72.6		
A. OpEx of Taxonomy-eligible activities (A.1 + A.2)		78,786	71.9	100%	0%	0%	0%	0%	0%								72.6		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy-non-eligible activities		30,764	28.1																
TOTAL		109,550	100.0																

The denominator of the key performance indicator of operating expenditure (OpEx) in conjunction with the EU Taxonomy covers direct non-capitalised costs relating to the day-to-day servicing of assets of property, plant and equipment by the undertaking or third party to whom activities are outsourced that are necessary to ensure the continued and effective functioning of such assets.

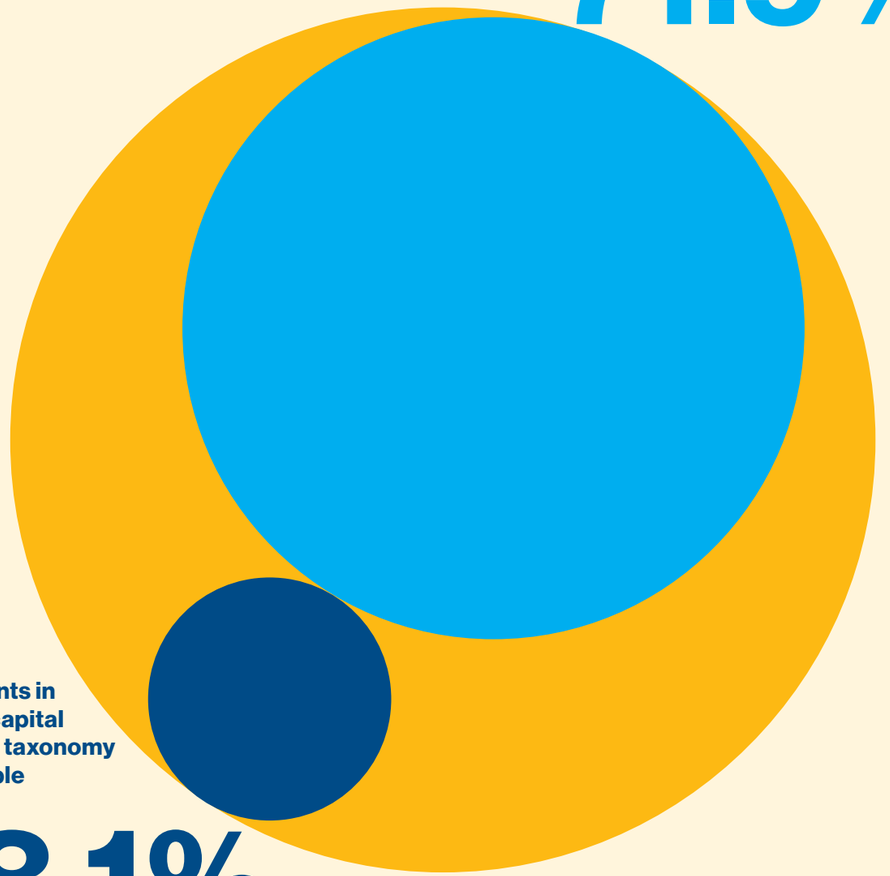
These are costs associated with:

- research and development;
- building renovation measures;
- short-term leases;
- maintenance and repairs.

OpEx totalled EUR 109,550 thousand in 2024. OpEx in Taxonomy-eligible activities amounted to EUR 78,786 thousand, or 71.9% of all OpEx in 2024. OpEx in Taxonomy-non-eligible activities amounted to 28.1%, or EUR 30,764 thousand.

OpEx in Taxonomy-eligible investments in working capital

71.9%



Investments in working capital related to taxonomy non-eligible activities

28.1%

OpEx in the 'Manufacture of low-carbon technologies for transport' activity amounted to EUR 454 thousand, or 0.4% of all OpEx.

OpEx in the 'Manufacture of rail rolling stock constituents' activity amounted to EUR 85 thousand in 2024 (0.1% of all OpEx).

OpEx in the 'Passenger interurban rail transport' activity amounted to EUR 12,239 thousand in 2024.

OpEx in the 'Freight rail transport' activity amounted to EUR 16,227 thousand in 2024, representing 14.8% of total OpEx. Of this, SŽ-Vleka in tehnika accounted for EUR 30 thousand and SŽ-Tovorni promet for EUR 16,197 thousand.

OpEx in the 'Infrastructure for rail transport' activity related to short-term leases, services for the renovation and regular maintenance of buildings, road vehicles and machinery for the maintenance of PRI and for materials and replacement parts. These expenditures totalled EUR 49,202 thousand, or 44.9% of all OpEx. SŽ-Infrastruktura incurred OpEx of EUR 36,078 thousand in 2024, with the remainder (EUR 13,124 thousand) incurred by SŽ-ŽGP Ljubljana.

The 'Acquisition and ownership of buildings' activity incurred OpEx of EUR 184 thousand (0.2% of all OpEx) in 2024. The majority of OpEx in this activity relates to SŽ-Infrastruktura (EUR 90 thousand), SŽ-Tovorni promet (EUR 9 thousand), SŽ-Vleka in tehnika (EUR 63 thousand), SŽ-ŽGP Ljubljana (EUR 4 thousand) and Slovenske železnice (EUR 18 thousand).

The 'Acquisition and ownership of buildings' activity incurred OpEx of EUR 397 thousand (0.4% of all OpEx) in 2024. These investments related to the ongoing maintenance of buildings being leased out. The majority of OpEx in this activity relates to Slovenske železnice (EUR 142 thousand), with the remainder relating to SŽ-Potniški promet (EUR 9 thousand), SŽ-ŽGP Ljubljana (EUR 16 thousand) and SŽ-Tovorni promet (EUR 70 thousand).

We prepared these disclosures after studying the relevant Taxonomy documents and on the basis of our current understanding, the available data and an assessment of the requirements. We are aware that Commission Delegated Regulation (EU) 2021/2178 is to be updated; we will therefore study the further explanations and requirements carefully as they arrive, and take their impact into account when disclosing Slovenske železnice Group data in the future. Amendments by the European Commission to Commission Delegated Regulation (EU) 2021/2178 also require those subject to a reporting obligation to disclose the proportion of activities in the area of nuclear energy and natural gas that are not Taxonomy-aligned. The Slovenske železnice Group is not engaged in any activities that belong in that category.

ESRS E1 Climate change

Rail transport plays a key role in reducing greenhouse gas emissions and achieving climate targets. Emissions in the railway sector are already the lowest compared to other forms of land transport, making railways a central partner in the decarbonisation of transport.

Comparison of the carbon footprint per passenger-kilometre (PKM) for a Slovenske železnice passenger train (own calculation, 2024 – market-based and location-based method), a bus (EU average) and a car (EU average – source: European Environment Agency).

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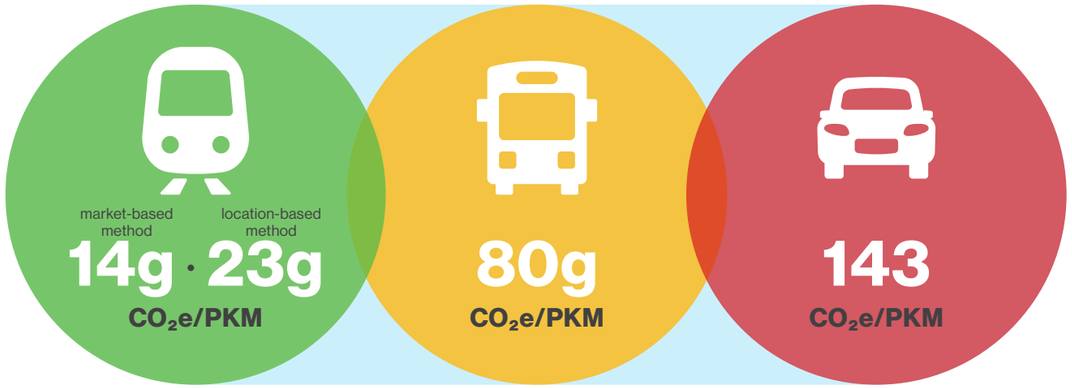


[E1-GOV-3] Integration of sustainability-related performance in incentive schemes

Part of the remuneration of the Management Board is variable and linked to the achievement of defined key performance indicators. Climate-related considerations were included in the remuneration criteria for the Management Board of Slovenske železnice, d.o.o. in 2024 via the realisation of annual management plan objectives as defined by Slovenski državni holding.

The environmental targets set out in the 2024 annual management plan include the calculation of Scope 1 and Scope 2 CO_2e emissions in accordance with the GHG Protocol for each company within the Slovenske železnice Group, as well as for the Group as a whole, the preparation of a comprehensive sustainability strategy, and the establishment of Group-level annual reporting in line with the ESRS.

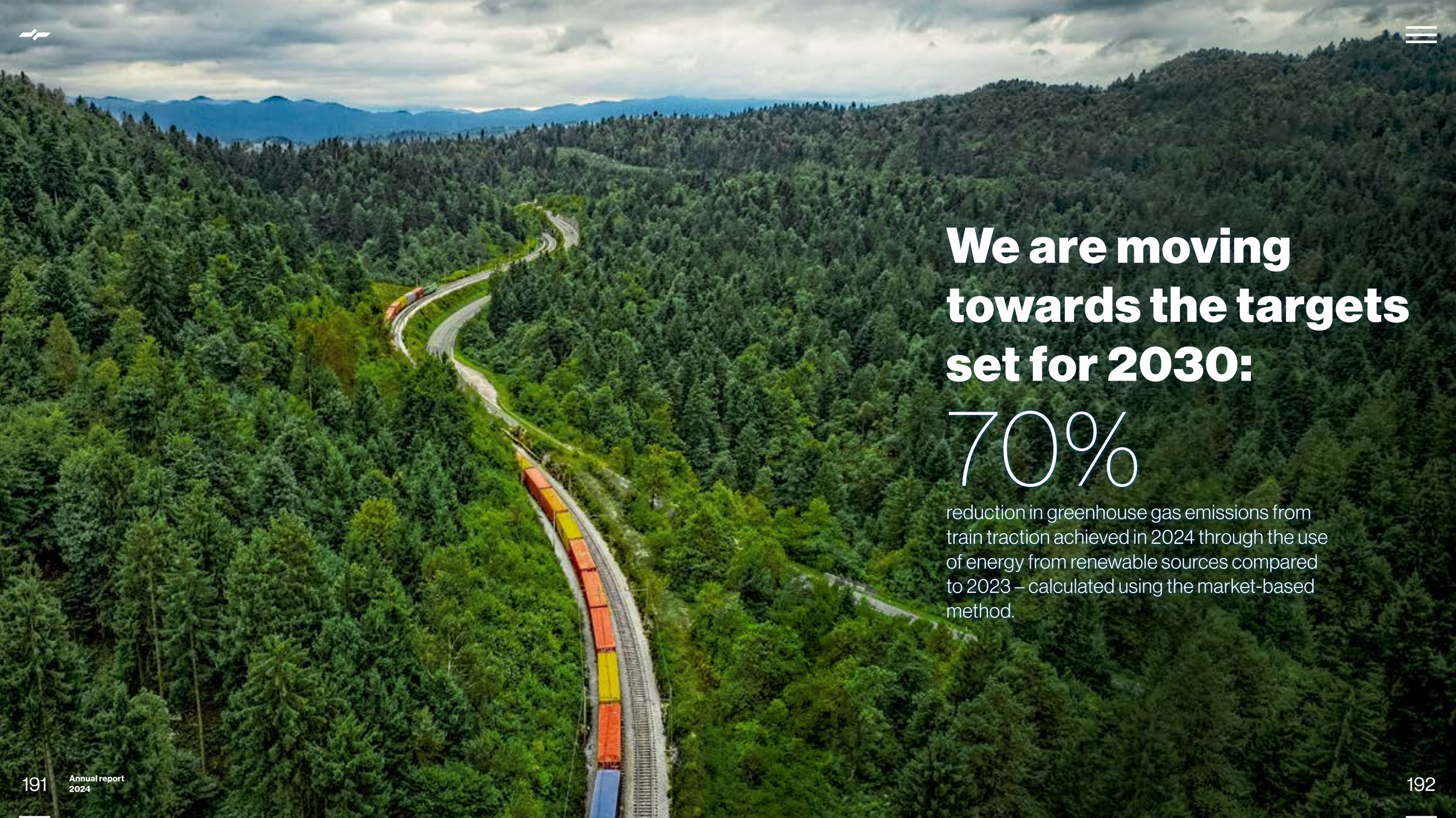
The proportion of remuneration linked to climate-related considerations ranges from 5% to 12% of total variable pay (the share varies between companies in the Group). For the management boards of other companies in the Group, the remuneration criteria include participation in the Group-level sustainable operations project. The supervisory bodies of Slovenske železnice Group companies do not have any variable remuneration tied to performance criteria or indicators. Remuneration of the Supervisory Board and Management Board, along with sustainability-related incentive systems, are also disclosed in this report under General information [GOV-3].

[E1-1] Transition plan for climate change mitigation

The Slovenske železnice Group plans to achieve climate neutrality by 2050. We have adopted a sustainability strategy aligned with the transition to a sustainable economy, limiting global warming to 1.5°C in line with the Paris Agreement, with the aim of achieving climate neutrality by 2050 and meeting the targets of the European rail sector as defined by the International Union of Railways (UIC). Part of the decarbonisation strategy and transition plan was established in 2024 and will be fully completed in 2025. The disclosure under E1 does not yet represent a fully developed decarbonisation plan in line with ESRS E1, but the Group is currently in the process of preparing a complete plan. Not all relevant topics related to the ESRS standard have yet been developed, but we are adapting in accordance with the size of the undertaking and the pace of development.

Since 2018 we have held ISO 50001 certification for systematic energy management, which ensures efficient energy use and systematically reduces energy consumption per unit, thereby contributing to lower greenhouse gas emissions. We also plan to further develop the use of our own renewable energy sources in the future.

The Group aims to reduce greenhouse gas emissions from traction operations by 70% by 2030 compared to the 2023 baseline year in the rolling stock segment (Scopes 1 and 2 under the GHG Protocol).

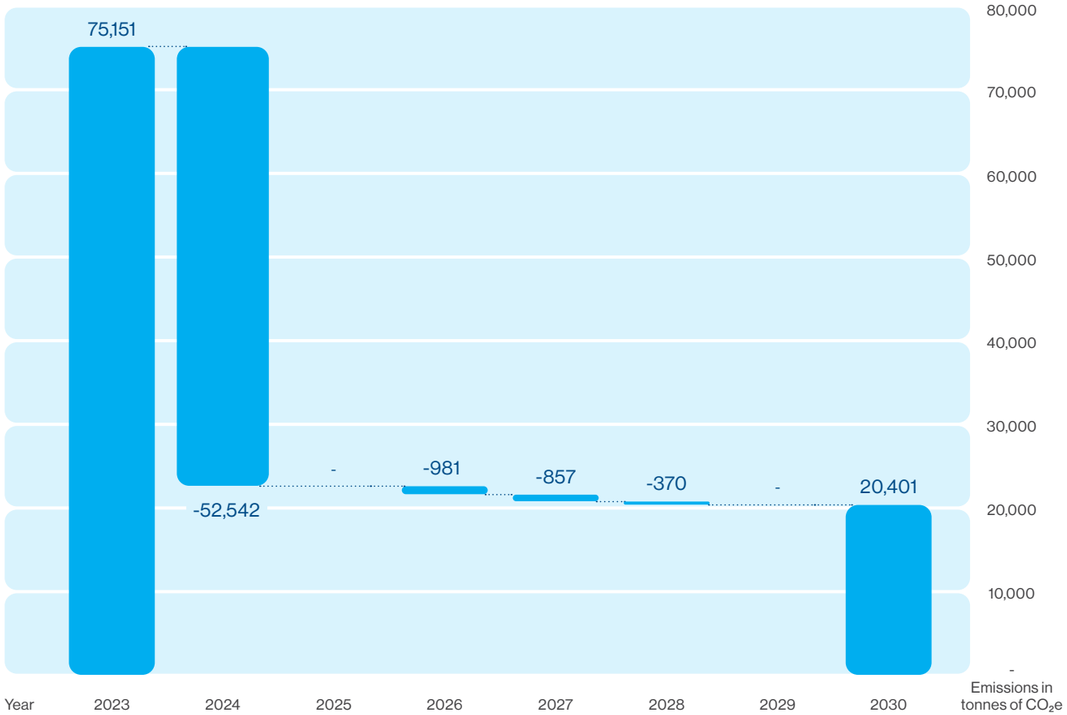


We are moving towards the targets set for 2030:

70%

reduction in greenhouse gas emissions from train traction achieved in 2024 through the use of energy from renewable sources compared to 2023 – calculated using the market-based method.

Targets for reducing CO_2e emissions in the area of train traction



We intend to achieve this through the following activities:

- Participating in investments to upgrade PRI with a focus on energy efficiency (processes, buildings, etc.),
- Replacing all electricity used by the Slovenske železnice Group with electricity generated exclusively from renewable sources,
- Increasing energy supply independence by establishing own renewable electricity sources (solar power plants),
- Raising the level of employee education and awareness across the Group on sustainability issues,
- Gradually transitioning from fossil fuels to more environmentally friendly energy sources,
- Encouraging government investment in track electrification,
- Introducing new alternative technologies that offer greater energy efficiency and lower carbon footprints (trains powered by hydrogen/biofuels/ energy storage systems).

The targets set focus on reducing Scope 1 and Scope 2 CO_2e emissions from traction operations. Targets for reducing Scope 3 emissions have not yet been defined, since the Group is calculating Scope 3 emissions for the first time for 2024. These figures will provide the basis for setting future Scope 3 targets.

The Group has clear decarbonisation plans and measures through to 2030, as presented in section [E1-3] Actions and resources in relation to climate change policies.

Achieving the 2050 decarbonisation targets will require a shift to new alternative technologies such as hydrogen-powered trains and trains with energy storage batteries. We are aware that not all technologies can be planned in advance, since they are not yet sufficiently developed. We are therefore committed to monitoring development to ensure timely and appropriate action. Specific measures will be defined in future periods.

The sustainability strategy, from which decarbonisation plans and targets are derived, has been approved by the Management Board and endorsed by the Supervisory Board. A new business plan for investments up to 2030 will be adopted in 2025, with particular attention also devoted to the sustainability of operations.

[E1-SBM-3] Material impacts, risks and opportunities and their interaction with strategy and business model

As part of the double materiality assessment, we identified climate change related impacts, risks and opportunities for the Slovenske železnice Group. We identified three material sustainability matters:

- consumption and production of renewable energy sources,
- climate change mitigation,
- climate change adaptation.

We identified material impacts, risks and opportunities for our own activities and analysed the value chain in order to define affected stakeholder groups. Stakeholder assessments were incorporated into the overall assessment of impacts, risks and opportunities using a weighting method (presented in point 3. Stakeholder engagement in ESRS 2 [SBM-2]). The value chain will be included in more detailed double materiality assessments in future periods. The material climate-related risks identified are presented in more detail in the [IRO-1] section of the disclosure of this standard.

Resilience of the strategy and business model in relation to climate change

The main pillars of the Slovenske železnice Group's business model include: logistics, mobility, PRI management, construction and support services. Own operations were included in the assessment of physical climate risks within Slovenia, while the value chain was also taken into account in the assessment of transition climate risks.

The resilience of the strategy and business model in relation to climate change was assessed during the double materiality assessment carried out in 2023 and 2024, in the climate risk assessment (in 2024 and early 2025), and in the process of drafting the sustainability strategy in 2024. For exposure to physical climate risks, the assessment used the 'Estimate of Climate Change in Slovenia up to the End of the 21st Century' prepared by

ARSO (Slovenian Environment Agency). The scenarios applied take into account global socio-economic factors such as population growth, gross domestic product and technological development in the twenty-first century, which influence primary energy consumption and land use change. In the various scenarios ARSO conducted simulations of temperature, precipitation, vegetation conditions, groundwater and surface water. For the purposes of the analysis, Slovenia was divided into six smaller regions and the twenty-first century was divided into three periods.

To assess exposure to physical climate risks, the RCP8.5 emissions scenario was used – the most pessimistic scenario, which assumes no climate change mitigation. This scenario assumes high greenhouse gas emissions continuing beyond the year 2100.

In identifying physical risks, we took into account exposure trends over the short, medium and long term. In the short term, the analysis conducted by the Slovenske železnice Group for the purpose of ensuring business continuity was also taken into account.

The most significant physical hazards identified arise from chronic and acute risks related to changes in wind patterns, river flooding and landslides, and concern the entire area of PRI in Slovenia. The maximum gross damage from the most significant hazards was classified as high (level 4, range EUR 5–10 million), while the probability of such damage occurring was defined as less frequent (level 3, once in a five-year period). These exposures are expected to remain approximately the same over time.

For the identified exposures, the Slovenske železnice Group has defined mitigation measures which, when implemented, reduce the exposure (net damage) from high to elevated (level 3, range EUR 1–5 million).

The assessment of exposure to transition risks and the assessment of opportunities were carried out taking into account planned policies and strategies at EU and national level. We considered the planned policies, actions and decarbonisation dimensions set out in Slovenia's National Energy and Climate Plan, draft update 2024, version 5.0, which covers the period to 2030 with an outlook up to 2040, and follows the targets of the Paris Agreement. The assessment also considered, among other things, the European Green Deal, the European Commission's Strategy for Smart and Sustainable Mobility, and the planned measures set out in the 'Fit for 55' legislative package, which supports the scenario of limiting climate change to 1.5°C in line with the Paris Agreement.

It was determined that the climate transition represents a primary material opportunity for Slovenske železnice in the area of sustainable mobility, since rail provides a solution for transport decarbonisation. Opportunities were identified in the growing competitiveness of rail, in increasing rail's share in land transport, in new forms of mobility and intermodality, and in better integration with the road network and ports. We will continue efforts to further reduce operational emissions in order to offer services without direct emissions.

At the same time, exposures to transition risks were identified in relation to the availability of financial resources, the availability of suitable technologies at an acceptable price to replace diesel locomotives, the availability and cost of renewable electricity, and reputational risk linked to delays resulting from large-scale upgrades to PRI (material sustainability matters are presented in section [E1-SBM-3]). A suitable alternative to diesel locomotives for full decarbonisation of traction has not yet been identified, and we will continue to closely monitor the development of battery-powered and hydrogen-powered locomotives and the use of biodiesel.

The Slovenske železnice Group is carrying out numerous activities to increase the share of rail in passenger and freight transport. We are also undertaking activities to decarbonise our own operations, as shown in the decarbonisation plan. We are also pursuing increased electrification of lines as part of the railway infrastructure development programme in Slovenia.

We are adapting our business model in the Group by fully switching to renewable energy sources for traction electricity supply and by making investments that enable lower emissions. The largest investments contributing to transport decarbonisation are:

- purchase of electric locomotives with regenerative braking,
- refurbishment of diesel locomotives,
- purchase of new multiple units.

[E1-IRO-1] Description of the processes to identify and assess material climate-related impacts, risks and opportunities

As part of the double materiality assessment, the Slovenske železnice Group assessed material climate-related impacts, risks and opportunities in accordance with the adopted methodology. Climate risks (physical and transition) were assessed separately.

The starting point for the assessment was a review of the Group's own activities and business relationships across the companies within the Group, as well as the context in which these take place.

To determine impact in the area of climate change, we calculated Scope 1 and Scope 2 CO_2e emissions and, for material categories, Scope 3 emissions, and also identified levers for reduction.

Within our own activities, we identified material climate-related physical and transition risks, some of which were also analysed along the value chain. We took the scenarios presented in section E1-SBM-3 as a starting point in the analysis of risks.

→
A more detailed description of the assessment procedures is provided in the General information [IRO-1] disclosures.

Physical climate risks

In terms of physical risks, the Slovenske železnice Group is primarily exposed through PRI and through impacts on employees within its own activities. Physical risks affecting PRI, Group-owned facilities, and also locomotives and wagons, are present in the short, medium and long term.

Through impact on railway infrastructure, we identified above all the following material physical risks (damage assessment scale: 1 – very low, 2 – moderate, 3 – elevated, 4 – high, 5 – very high).

Related factor	Risk type	Description of cause	Description of risk	Area	Gross damage
Temperature	Chronic	Change in air temperature	Damage to the overhead line system, deformation of railway tracks and trackside equipment, and loss of mechanical capacity in the track.	Entire area of PRI in Slovenia	**3**
		Temperature variability			
	Acute	Wildfire	Damage to trackside and EE/SSTC equipment due to high temperatures, disruption of railway operations, and complete suspension of rail traffic in areas affected by fire.	Entire area of PRI in Slovenia	**3**
Wind	Chronic	Change in wind patterns	Falling trees on railway infrastructure, disruption of trackside and EE/SSTC equipment, and suspension of rail traffic in areas affected by windthrow.	Entire area of PRI in Slovenia	**4**
	Acute	Storm (including heavy snowfall)	Windthrow of vegetation along the railway line, formation of snowdrifts on railway infrastructure, avalanches on slopes above railway infrastructure and failures of trackside and EE/SSTC equipment due to ice formation during storms.	Entire area of PRI in Slovenia	**3**
Water	Chronic	Changes in precipitation patterns and types (rain, hail, snow/ice)	Sudden changes in known or new precipitation patterns and types over short time intervals in both expected and unexpected locations, unforeseen impacts on the functioning of trackside and EE/SSTC equipment.	Entire area of PRI in Slovenia	**3**
		Precipitation variability or hydrological variability	Ice formation on overhead lines, saturation of soil, damage to components of railway tracks due to standing water, traffic obstructions and other hazards.		
	Acute	Heavy precipitation (rain, hail, snow/ice)	Undermining of railway embankments, deposition of debris on railway tracks, damage to river piers of bridges, damage to retaining and support walls, and damage to drainage systems for diverting groundwater in flooded areas.	Entire area of PRI in Slovenia	**3**
		River flood			**4**
Solid mass	Acute	Avalanche	Collision of railway vehicles with avalanche debris on the track, damage to EE/SSTC equipment in the avalanche area.	Entire area of PRI in Slovenia	**3**
		Landslide	Collision of railway vehicles with landslide debris on the track, damage to EE/SSTC equipment in the landslide area. Passage of railway vehicles over a location where the ground has subsided beneath the track, failure of EE/SSTC equipment in the ground subsidence area.		**4**
		Soil erosion			

Through impact on employees, the following physical risks, which are increasing over time, were identified.

Temperature	Chronic/Acute	Heat stress/Heatwave	Impossible working conditions	Entire area of PRI in Slovenia	**1**
			Interruptions of work processes because of high temperatures		
			Health problems for employees related to high temperatures		

Climate-related transition opportunities and risks

Rail provides the most energy-efficient form of land-based mass transport and therefore offers a solution for transport decarbonisation. Material opportunities have therefore been identified in connection with the climate transition.

Type of opportunity	Related factor	Activity	Description of opportunity
Policy and law	Increased emissions reporting obligations	Passenger traffic, freight traffic	We are a provider of sustainable mobility that reduces transport-related emissions in society.
			Higher prices for GHG emissions may encourage a shift towards more sustainable business practices, enhance the competitiveness of rail transport, and increase demand for rail services.
	Liabilities for and regulation of existing products and services		New forms of mobility and intermodality
Market	Changes in customer behaviour	Passenger traffic, freight traffic	We are a provider of an environmentally more suitable form of transport than road transport.
			Connectivity with road transport, ports, airports
Reputation	Changes in consumer preferences	All activities	Rail offers a solution for the decarbonisation of transport.

The Slovenske železnice Group has also identified material transition risks, which are increasing in the medium term, while some also decrease in the long term.

Type of transition risk	Related factor	Activity	Description of risk
Policy and law	Liabilities for and regulation of existing products and services	SŽ-Infrastruktura	Failure to meet prescribed obligations in the performance of contracted services for the maintenance of PRI due to a lack of adequate resources.
Technology	Availability of technologies to achieve the ultimate decarbonisation target	Passenger traffic, freight traffic, traction	At present there is no suitable new technology available at an acceptable cost, nor the infrastructure or sufficient investment funding to achieve the decarbonisation target.
	Costs of transition to lower-emission technologies		It is necessary to adapt to new technologies – staff training and the purchase of suitable maintenance equipment will result in additional costs.
	Replacement of existing products and services with lower-emission options	Passenger traffic, freight traffic	Limited transport capacity on PRI, especially during extensive investment works.
	Unsuccessful investments in new technologies	Traction	The possibility that the selected new technology is not the right one.
Market	Higher costs of raw materials	Passenger traffic, freight traffic	Availability and price of RES
Reputation	Negative feedback from stakeholders	SŽ-Potniški promet	Increased user dissatisfaction has been observed during the infrastructure renovation period.

[E1-2] Policies related to climate change mitigation and adaptation

The Slovenske železnice Group's energy policy also addresses climate change mitigation. We have adopted a Group sustainability strategy, which sets key priorities in the area of sustainability, defines targets for reducing environmental impacts, promotes social responsibility and ensures long-term economic viability. The Management Board has assumed responsibility for implementing the Group's energy policy, which is binding on all subsidiaries.

In 2025 we will integrate climate change mitigation and adaptation policies into all operations of Slovenske železnice. Measures will be incorporated into strategic plans and operational processes. Compliance with these policies will be monitored and reported regularly to ensure the effectiveness of measures and the achievement of our climate targets.

As a Group, we strive to develop cleaner and sustainably oriented mobility. We are working to reduce carbon dioxide emissions, promote energy efficiency, establish renewable energy sources and reduce our environmental footprint. Through advanced technology, modernised infrastructure and sustainable solutions, we aim to provide users with an efficient, comfortable, accessible and environmentally friendly transport experience. Our goal is to make rail transport the first choice, promoting sustainability, preserving natural resources and enabling a sustainable future for all.

We have been implementing an energy efficiency system (ISO 50001) for several years. The energy efficiency system is a driver of both mitigation and adaptation to climate change. The energy policy adopted in 2021 already included elements relating to renewable energy sources and their use, although these sources have not yet been implemented in our own production. In 2024 the Group took a major step forward with the decision to purchase electricity for trains that is 100% sourced from renewable energy. This decision had a significant impact on our greenhouse gas emissions by reducing their volume in 2024.

[E1-3] Actions and resources in relation to climate change policies

The Slovenske železnice Group is implementing a range of measures to carry out its own climate change policies, whether in the direction of mitigation or adaptation to climate change.

For the period 2023–2026, the Slovenske železnice Group has planned investments totalling EUR 540 million in energy efficiency. This investment plan was approved by the Management Board of SŽ, d.o.o. in 2023. The resources are available in line with the investment plans of the Group and its subsidiaries. The development of the action plan is monitored within the ISO 50001 energy efficiency system. The energy efficiency action plan is only one part of the Group's climate-related measures and resources and is dynamic in nature, which makes it difficult to determine the amount of funds and implementation in a given year, since projects span multiple years. In the current phase of the undertaking's development, the level of implementation is only an estimate.

The plan includes the delivery of 20 diesel multiple units with the option of upgrading to electric units in 2025 for use in passenger transport. With this purchase, we will obtain energy-efficient multiple units that will also contribute to a reduction in the undertaking's greenhouse gas emissions. At the same time, we are leaving open the option of later electrification of these trains, since we are aware that electric multiple units are even more energy-efficient and are also climate-neutral.

The energy efficiency action plan also includes the purchase by SŽ-Potniški promet of four modern multi-system locomotives and 20 modern passenger coaches, which will improve the energy efficiency of international passenger trains and increase the level of energy returned to the railway network.

The plan also includes the purchase of thirty new electric multi-system freight locomotives, with which we intend to replace older electric locomotives. We plan to improve the energy efficiency of the locomotives being replaced and increase the amount of energy returned to the network by SŽ-Tovorni promet trains. The company also plans to upgrade its Class 664 diesel locomotives, modernising them into energy-efficient locomotives capable of using biofuels.

By acquiring new locomotives and new freight wagons, we aim to achieve higher capacity for operating heavier and longer trains, which improves energy efficiency per gross tonne-kilometre.

Through the gradual replacement of the building stock in Ljubljana with more energy-efficient buildings – including the new Emonika building, the new SŽ-ŽGP building, the new SŽ-ŽIP building, and various station upgrades – we expect a greater reduction in energy consumption in the buildings segment, which will also lead to an increased impact on CO_2 emissions.

In conjunction with the state, we plan to modernise the fleet of vehicles used for track and equipment maintenance in Slovenia in the area of machinery procurement.

Through a series of smaller investments and activities, we aim to improve energy efficiency and cost efficiency, contribute to climate change mitigation, and achieve carbon neutrality for the Slovenske železnice Group in terms of greenhouse gas emissions by 2050.

The Slovenske železnice Group has also included an increase in the share of own-generation renewable energy among its objectives. Solar power plants are planned for new buildings, and in 2025 a study will be conducted to examine the possibility of installing solar power plants on existing buildings owned by the Group, as well as the potential for self-supply solar power communities on PRI.

We plan to enter into long-term contracts with green energy suppliers, with the aim of sourcing 100% of required electricity from renewable sources.

We support greater electrification of the railway network, in line with the vision for the development of the Slovenian rail system. Decisions on this are taken by the owner of PRI.

We promote sustainable mobility – we are implementing various measures to increase rail passenger and freight transport, which leads to emissions avoidance, since rail transport on electrified lines is one of the most sustainable forms of land-based transport. In line with the adopted annual media plan, we are investing in the promotion of our activities in the field of sustainability.

Successful implementation of the measures will require both financial and human resources, as well as cooperation with other companies and institutions.

The decarbonisation measures were approved by the Management Board of Slovenske železnice as part of the adoption of the sustainability strategy. Under the new business strategy to 2030, which will be adopted in 2025, the Slovenske železnice Group will also revise its sustainability targets.

[E1-4] Targets related to climate change mitigation and adaptation

Our plan is to achieve carbon neutrality across the Slovenske železnice Group by 2050. We have adopted a sustainability strategy compatible with the transition to a sustainable economy and the limiting of global warming to 1.5°C in line with the Paris Agreement, with the aim of reaching climate neutrality by 2050.

The targets are not yet science-based, and the full set of measures has not yet been clearly defined. We are aware of certain developments in the coming years that will contribute to the achievement of these targets. ESRS alignment is not yet addressed systematically, given that a large undertaking adapts more slowly to changes in reporting requirements.

In the Slovenske železnice Group's sustainability strategy, we have defined targets for 2030 and 2050:

	Targets 2030		Targets 2050
Slovenske železnice	**Target**	**Indicator (base 2023)**	**Description of the opportunity**
1. ROLLING STOCK/ TRACTION	Reduction of specific emissions (Scope 1, 2) compared to 2023 (market-based approach)	-70%	Carbon-neutral operations
	Transition to renewable energy sources		
	Acquisition of electricity from RES for rolling stock (flexible target*)	100%	Establishment of partnerships for the supply of electricity from RES
	Generation of own electricity from RES	Construction of power plants on owned and leased properties	
	Phasing out fossil fuels, use of renewable fuels – share of biofuel within diesel use – and use of HVO fuel	SŽ-Potniški promet 7% Freight transport using remotored rolling stock 10%	
	Reduction of energy consumption		
	Achievement of energy efficiency (EE) targets / improvement in EE compared to the initial energy baseline (2017) in passenger transport	-2%	
	Achievement of energy efficiency (EE) targets / improvement in EE compared to the initial energy baseline (2017) in buildings	-4%	
	Procurement of 30 new multi-system electric locomotives with regenerative braking for freight transport	Regenerated energy in freight transport	
	Procurement of new diesel multiple units for passenger transport (reduced fuel consumption); the units are preconfigured for electrification	18%	
	Installation of LED lighting in passenger coaches	Reduction of carbon footprint in passenger transport by 2%	
	Reduction of fuel consumption through pre-heating of diesel engines	Reduction of carbon footprint by 0.3% in passenger transport	
	Optimisation of heating of parked trains	Reduction of carbon footprint by 0.5% in freight transport	
2. ROAD VEHICLES / OWN INTERNAL TRANSPORT	The target will be defined at a later stage		Carbon-neutral operations
3. BUILDINGS	Improvement in energy efficiency (EE) compared to the 2017 energy baseline by 2026	The target will be defined at a later stage	Carbon-neutral operations
	Spatial optimisation		
	Phasing out fossil fuels for building heating		
	Relocation to new, more energy-efficient premises (Emonika, new building for ŽIP, ŽGP)		
	Action plans under the ISO 50001 system		
4. SCOPE 3 EMISSIONS	The target will be defined at a later stage		Carbon-neutral operations

[E1-5] Energy consumption and mix

At the Slovenske železnice Group, we recognise that energy efficiency and sustainable energy sources are key elements of our climate change mitigation strategy. Our vision is to reduce energy consumption and transition to renewable energy sources, thereby contributing to the reduction of greenhouse gas emissions and the achievement of carbon neutrality targets. In line with these goals, we closely monitor energy consumption and strive to optimise the energy mix in order to ensure the most sustainable and energy-efficient business model possible.

The Slovenske železnice Group operates in a sector with a significant climate impact. In calculating energy intensity, it is assumed that the great majority of revenue (disclosed in section 1.2 Consolidated income statement in the Financial Report on page 276) is generated by transport activities. Accordingly, total Group revenue is used in the calculation. Energy intensity of the Slovenske železnice Group:

Energy intensity per net turnover of the Slovenske železnice Group	2024
Total energy consumption from activities in climate-relevant sectors with significant impact per net turnover from activities in climate-relevant sectors with significant impact (in MWh/EUR million)	443

Energy consumption within the boundaries and scope of the Slovenske železnice Group in Slovenia amounted to 316 GWh in 2024. Energy consumption is the basis for calculating greenhouse gas emissions. In 2024 the Slovenske železnice Group used 153 GWh (48%) of fossil fuels and 163 GWh (52%) of energy from renewable sources. Renewable energy sources are verified through green certificates – certificates of cancellation of guarantees of origin for electricity obtained by the Group from the electricity distributor and on the market. The Group is subject to green public procurement requirements, which oblige us to ensure that at least 50% of supplied electricity comes from renewable sources and high-efficiency cogeneration with lower greenhouse gas emissions.

A list of energy sources consumed by the Slovenske železnice Group is presented below, while data for individual companies is provided in the annex to the Sustainability Report.

	Energy consumption and mix for the Group	2024
1	Fuel consumption from coal and coal products (MWh)	0
2	Fuel consumption from crude oil and petroleum products (MWh)	104,424
3	Fuel consumption from natural gas (MWh)	3,829
4	Fuel consumption from other fossil sources (MWh)	0
5	Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources (MWh)	45,052
6	Total fossil energy consumption (MWh) (calculated as the sum of 1 to 5)	153,305
	Fossil sources as a proportion of total energy consumption (in %)	48
7	Consumption from nuclear sources (MWh)	0
	Share from nuclear sources in total energy consumption (%)	0
8	Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.) (MWh)	424
9	Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh)	0
10	Consumption of self-generated energy from non-fuel renewable sources (in MWh)	162,846
11	**Total renewable energy consumption (MWh) (calculated as the sum of 8 to 10)**	**163,270**
	Renewable sources as a proportion of total energy consumption (%)	52
	Fossil sources as a proportion of total energy consumption (in %)	48
	Total energy consumption (MWh) (calculated as the sum of lines 6 and 11)	**316,575**

[E1-6] Gross Scopes 1, 2 and 3 and total GHG emissions

Slovenske železnice is committed to monitoring and reporting greenhouse gas (GHG) emissions in line with national and European legislation. In accordance with European and international standards for climate impact reporting, we have divided our emissions into Scopes 1 and 2, as defined by the Greenhouse Gas Protocol (GHG Protocol). Scope 3 is being reported for the first time for the year 2024. These scopes provide a clear framework for categorising and tracking emissions and support our targets for reducing our carbon footprint. The scopes are:

- **Scope 1:** Direct emissions resulting from the activities of the Slovenske železnice Group, such as fuel combustion and industrial processes.
- **Scope 2:** Indirect emissions associated with the use of electricity, heat or steam purchased by the Slovenske železnice Group.
- **Scope 3:** All other indirect emissions related to the activities of the Slovenske železnice Group, including supply chains, product transport, employee travel, waste, etc.

A list of emissions for Scopes 1, 2 and 3 for the Slovenske železnice Group is provided below, while data for individual companies is presented in the annexes to the Sustainability Report.

Slovenske železnice Group		Retrospective		
		Base year (2023)	Comparison year (2024)	% N / N-1
	Scope 1 GHG emissions			
	Gross greenhouse gas emissions Scope 1 (t CO_2 equivalent)	31,733	30,035	95
	Scope 2 GHG emissions			
	Gross location-based Scope 2 GHG emissions (tonnes of CO_2 equivalent)	66,938	48,629	73
	Gross market-based greenhouse gas emissions Scope 2 (t CO_2 equivalent)	48,844	9,643	20
	Significant scope 3 GHG emissions			
	Total gross indirect (Scope 3) greenhouse gas emissions (t CO_2 equivalent)		108,827	
1	Goods and services purchased		67,659	
2	Capital goods		6,503	
3	Fuel and energy-related activities (not included in Scope 1 or Scope 2)		24,986	
5	Waste generated in activities		355	
6	Business traveling		immaterial	
7	Employee commuting		9,426	
8	Upstream leased assets leased		not relevant	
9	Downstream transport and distribution		immaterial	
10	Processing of sold products		not relevant	
11	Use of sold products		not relevant	
12	Management of end-of-life sold products		not relevant	
13	Downstream leased assets		in Scope 1 and 2	
14	Franchises		not relevant	
15	Investments		15,361	
	Total GHG emissions			
	Total GHG emissions (location-based) (in tonnes of CO_2 equivalent)		202,986	
	Total GHG emissions (market-based) (in tonnes of CO_2 equivalent)		163,967	

We are moving closer to the vision of predominantly carbon-free mobility

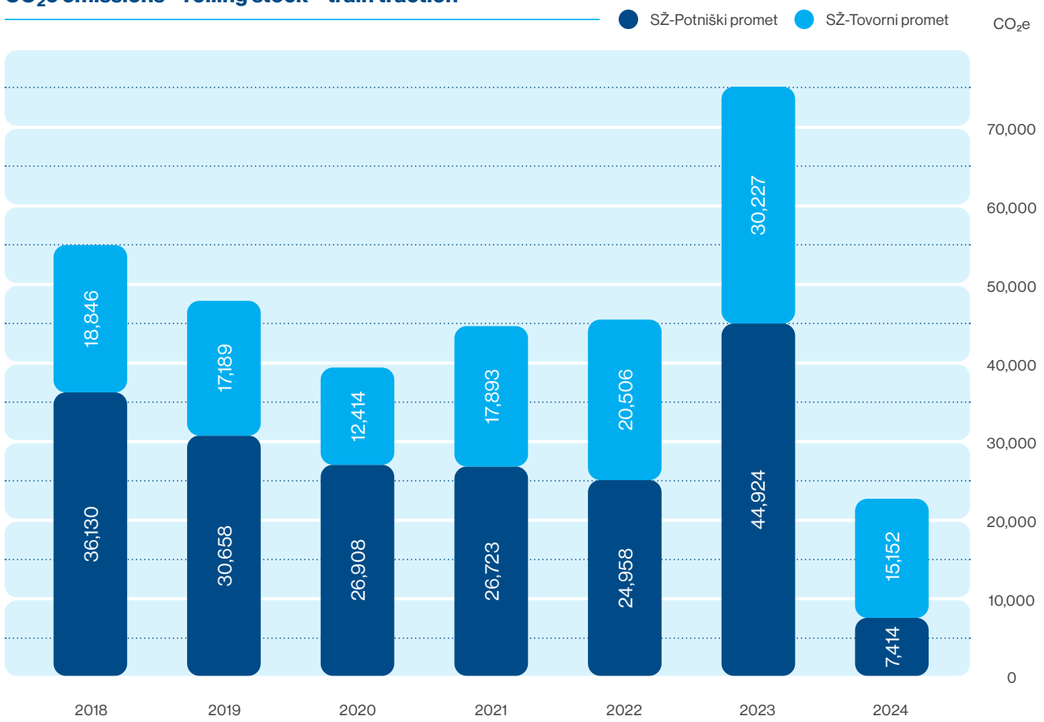
52%

is the share of electricity obtained from renewables out of the total 316 GWh of energy consumed in 2024.

In the process of calculating the carbon footprint, all volumes of green energy documented by cancellations of guarantees of origin were allocated to SŽ-Tovorni promet and SŽ-Potniški promet. This enabled zero-carbon passenger transport with electric passenger trains and nearly zero-carbon freight transport with electric goods trains.

Within our climate-mitigation targets we set a strategic goal to reduce greenhouse gas emissions from traction vehicles by 70% by 2030 compared to 2023 (market-based method). In 2024, with the help of renewable sources in the purchased electricity mix, we succeeded in reducing emissions in the train segment by 70% (market-based method).

CO_2e emissions – rolling stock – train traction



Slovenske železnice Group	Retrospective			Milestones and targets	
	Base year (2023)	Comparison year (2024)	% N/N-1	2030	2050
	Emissions from train traction				
Scope 1 and Scope 2					
location-based method	77,269	60,898	79	no partial target	decarbonisation
Scope 1 and Scope 2					
market-based method	75,150	22,566	30	-70%	decarbonisation

The base year for greenhouse gas (GHG) emissions reporting is 2023. This report has been prepared for the 2024 financial year and includes results for Scope 1, Scope 2 and Scope 3. Activity data were gathered from distributor and supplier invoices or obtained through procedures aligned with GHG Protocol guidelines.

The 2024 carbon footprint calculation is based on the requirements of the GHG Protocol Corporate Standard (2004) and the Corporate Value Chain (Scope 3) Accounting and Reporting Standard.

The objective is to establish a methodology for monitoring and reporting GHG emissions and to prepare a report on emissions arising from the activities of the Slovenske železnice Group.

The results on GHG emissions are used to:

- identify key sources of GHG emissions;
- manage risks and opportunities related to GHG emissions;
- publish the report and participate in voluntary GHG reduction programmes;
- assess future progress in reducing the organisation's carbon footprint;
- report in accordance with legal requirements.

The carbon footprint calculation covers the entire Slovenske železnice Group (as presented in ESRS 2 [BP-1]), with the exception of certain smaller organisational units that, due to their size and scope, are not material to the Group's total GHG emissions. Consolidation and reporting follow the financial control approach, whereby the organisation has control over operations and reports all identified GHG emissions. Associated companies are not included in the footprint calculation, since the Group does not have operational control over them.

The basis for preparing the Group's carbon footprint report consists of calculations based on the reports of individual companies:

- SŽ, d.o.o. SUST/61-017.1/25;
- SŽ-Infrastruktura, d.o.o. SUST/61-017.2/25;
- Fersped, d.o.o. SUST/61-017.3/25;
- SŽ-ŽGP Ljubljana, d. d. SUST/61-017.4/25;
- SŽ-VIT, d.o.o. SUST/61-017.5/25;
- SŽ-ŽIP, storitve, d.o.o. SUST/61-017.6/25;
- SŽ-Potniški promet, d.o.o. SUST/61-017.11/25;
- SŽ-Tovorni promet, d.o.o. SUST/61-017.12/25.

Certain smaller companies, branches and representative offices that are immaterial and do not affect the uncertainty level of the calculation have been excluded from the consolidated GHG footprint calculation for the Slovenske železnice Group.

The Group has decided to calculate GHG emissions for:

- **Scope 1,**
- **Scope 2,**
- **Scope 3 for the following categories:**
  - Category 1, Purchased goods and services,
  - Category 2: Capital goods,
  - Category 3: Fuel- and energy-related activities not included in Scope 1 or 2,
  - Category 5, Waste disposal and management,
  - Category 7, Employee commuting,
  - Category 15, Investments,
  - Categories 4, 6, 8, 9, 10, 11, 12, 13 and 14 are immaterial, not relevant or accounted for elsewhere

Scope 1

Direct emissions are calculated for fuel consumption from stationary sources owned or controlled by the organisation, from mobile sources owned or controlled by the organisation, and for fugitive emissions from the use of refrigerants.

Scope 2

Scope 2 covers indirect emissions from energy sources. This includes emissions from the consumption of electricity and heat acquired and used by the undertaking, in the form of purchased electricity and heat from the distribution network for its own operations.

Indirect emissions from electricity consumption (S2-1 location)

Electricity is supplied by suppliers that guarantee a clear origin of their electricity. Location-based emissions are calculated using national emission factors for electricity generation, representing the average emission factor of the distribution grid in Slovenia.

Indirect emissions from electricity consumption (S2-2 market)

The electricity supplier has publicly disclosed the source mix and carbon footprint of the electricity sold, and the Slovenske železnice Group also claims guarantees of origin for known electricity consumption from its supplier.

Scope 3

Scope 3 includes the calculation and reporting of indirect emissions that arise as a result of the company's activities from sources not owned or controlled by the organisation. Scope 3 emission calculations follow the 'Technical Guidance for Calculating Scope 3 Emissions (ver.1.0)'. On the basis of emission data from peer undertakings in the railway industry that already report Scope 3, we have defined six reporting categories. The remaining Scope 3 categories were identified as immaterial or not relevant. In Category 3.4 (Upstream transport and distribution), all services have been included under Category 1 of Scope 3. Category 13 (Downstream leased assets) is included in the Scope 1 and Scope 2 emissions calculation, because the Slovenske železnice Group has direct control over energy consumption and procurement and does not have a system in place to measure the quantities of energy supplied to lessees. Category 15 includes the carbon footprint report of NOMAGO, d.o.o. for 2024, when SŽ held a 50% participating interest. The base year for Scope 3 will be defined at a later stage. Data for Scope 3 calculations are sourced from accounting records. Emissions for Categories 1 and 2 of Scope 3 were estimated on the basis of procurement costs, since direct emissions data from suppliers of materials and capital goods were not available. Relationships among companies in the Slovenske železnice Group were excluded from the consolidated Scope 3 calculation. Within Scope 3, econometric data were multiplied by the emission factors for individual categories of materials and services. These were compiled by the accounting department for the individual group to which the emission factors were applied. Emission factors are selected on the basis of data from nationally and internationally recognised organisations that maintain relevant emission factor information (Jožef Stefan Institute, Slovenian Environment Agency, Energy Agency, Department for Environment, Food and Rural Affairs (DEFRA), etc.).

Activity data for calculating the carbon footprint were collected from the reporting systems of companies within the Group and from the responsible person for each area for which the carbon footprint was calculated. Companies in the Slovenske železnice Group obtain most of the activity data for calculating the carbon footprint by collecting measured quantities from supplier invoices. Companies in the SŽ Group that have implemented the SIST EN 50001 system ensure data quality control in accordance with point 9.1 Supervision, measurement, analysis and evaluation of energy efficiency and the EMS, EMS Rulebook 997 and other internal documents based on the ISO 9001 and ISO 14001 quality management systems.

The uncertainty assessment follows the basic recommendations of the GHG Protocol guidelines intended for evaluating uncertainty in the context of carbon footprinting, as set out in the 'GHG Protocol guidance on uncertainty assessment'. Uncertainty is evaluated by assessing the sources of data and the use of measuring devices in determining the results. Despite a high tolerance margin, the level of uncertainty in greenhouse gas emissions remains within the allowable limits prescribed by the GHG Protocol.

The metric of greenhouse gas intensity relative to the net turnover of the Slovenske železnice Group aligns emissions with the scale of economic activity. This is a key indicator for assessing the environmental impact of an undertaking's operations in relation to its financial performance. By focusing on emissions intensity rather than absolute emissions, the metric helps undertakings evaluate the effectiveness of their sustainability strategies and efficiency improvements. At the same time, it enables stakeholders to compare the emissions efficiency of different undertakings in the same sector, which enables more informed decisions based on environmental performance.

GHG intensity relative to net turnover of the Slovenske železnice Group	**2024**
Total GHG emissions (location-based) per net turnover (tonnes of CO_2 equivalent/EUR million)	262
Total GHG emissions (market-based) per net turnover (tonnes of CO_2 equivalent/EUR million)	208
GHG intensity per net turnover of the Slovenske železnice Group (SCOPE 1 and 2)	
Total GHG emissions (location-based) per net turnover (tonnes of CO_2 equivalent/EUR million)	72
Total GHG emissions (market-based) per net turnover (tonnes of CO_2 equivalent/EUR million)	55

[E1-7] Carbon credits

The Slovenske železnice Group does not use a carbon credit system.

[E1-8] Internal carbon price

The Slovenske železnice Group does not use an internal carbon price.

ESRS E2 Pollution

The disclosures in this section relate to the transport of dangerous goods, which has been recognised as a material environmental sustainability matter specific to the rail transport sector. The transport of dangerous goods exceeded the materiality threshold for individual disclosure for SŽ-Tovorni promet. The disclosures in this section therefore relate to SŽ-Tovorni promet.

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A more detailed overview of the recognised sustainability topics is disclosed in section ESRS 2, [IRO-1]

[E2-IRO-1] Description of the processes to identify and assess material pollution-related impacts, risks and opportunities

As part of its freight transport activity, SŽ-Tovorni promet also provides transport of dangerous goods (fuels, chemicals and gases) by rail, which represents a high level of risk of environmental pollution in the event of a railway accident.

The risks include:

1. Spillage of hazardous substances in the event of a collision or derailment, which may cause contamination of soil and water sources.
2. Release of toxic gases into the atmosphere.
3. Fires and explosions, which affect the environment and human health.
4. Long-term degradation of ecosystems in the case of unremediated spills.

In accordance with the applicable legal regulation governing safety in rail transport and the transport of dangerous goods by rail in Slovenia/EU, SŽ-Tovorni promet, as a carrier of dangerous goods by rail, has adopted a Safety Management System (SMS), which represents a comprehensive framework of rules, procedures and measures that a railway undertaking must establish and implement to ensure the safe operation of the railway system.

The implementation of the SMS is defined in the Safety Management System Rules for the railway undertaking SŽ-Tovorni promet, which systematically regulate the management of safety in railway freight transport. The main purpose of the SMS is to prevent accidents and ensure safe, reliable and efficient rail transport.

SŽ-Tovorni promet, as a freight transport operator and SMS entity, is obliged to carry out maintenance in accordance with the Statement on safety and health at work with risk assessment for SŽ-Tovorni promet, which defines procedures for identifying operational risks arising from work activities. Processes and documentation are used for the introduction of changes to the existing safety management system using the monitoring method in accordance with Commission Implementing Regulation (EU) No 402/2013 and Commission Implementing Regulation (EU) 2015/1136 amending Implementing Regulation (EU) No 402/2013 on the common safety method for risk evaluation and assessment. Safety monitoring and improvements are carried out in accordance with the defined internal processes.

From the point of view of change management and the objective of maintaining and improving the level of safety in rail transport and rolling stock maintenance, the company is subject, as an entity in charge of maintenance, to the provisions of Commission Implementing Regulation (EU) No 402/2013 and Commission Implementing Regulation (EU) No 1136/2015 amending Regulation 402/2013 on the common safety method for risk evaluation and assessment. On the basis of these legal norms, the company has adopted and implemented the processes 'Safety monitoring and improvement method' and 'Risk management' and the document "Risk management documentation", and, as an entity in charge of maintenance, performs a risk assessment when introducing changes in the SMS and rolling stock maintenance activities.

The risks affect three areas of activity, namely: the financial area, the time of provision of services and the quality of services.

The occurrence of a safety risk is associated with technical systems, human resources or organisational factors. For the safe operation of the railway system and the control of related risks, the company, as a railway undertaking and an entity in charge of maintenance of rolling stock, is obliged to implement control measures and comply with national regulations and related standards together with the infrastructure manager.

The procedures for risk analysis and assessment are carried out in accordance with the Regulation defining the common safety method for risk evaluation and assessment, and also according to the Failure Mode and Effects Analysis (FMEA) method.

The procedures and methods for risk evaluation and assessment at SŽ-Tovorni promet are carried out in accordance with the Statement on safety and health at work with risk assessment for SŽ-Tovorni promet and the Rules on compliance and risk management. All potential risks arising from operations are monitored through internal control, while potential risks for employees are monitored through risk assessment for each individual job.

The evaluation and assessment of risks using the common safety methods for risk evaluation and assessment in change management, with the aim of maintaining and improving the level of safety in rail transport, is carried out by the company in accordance with the Commission Implementing Regulation on the common safety method for risk evaluation and assessment (EU) 402/2013, Commission Implementing Regulation (EU) 1136/2015 amending Regulation 402/2013, and the Railway Safety Directive (Directive (EU) 2016/798).

SŽ-Tovorni promet made no CapEx and incurred no OpEx related to major pollution incidents and deposits connected to this. In the transport of dangerous goods by rail, the potential exists for a harmful environmental impact that may occur as a consequence of a railway accident. In accordance with the Environmental Protection Act (ZVO-2), SŽ-Tovorni promet has taken out insurance for its liability for the occurrence of environmental damage as a carrier of dangerous goods.

[MDR-P] Policies related to pollution

In connection with the potential for environmental pollution in the event of an accident involving the transport of dangerous goods, SŽ-Tovorni promet has adopted the

SŽ-Tovorni promet Safety Policy, which ensures a uniform and comprehensive approach to implementing the SMS for freight transport and for carrying out rolling stock maintenance activities. The Safety Policy was adopted by the company's top management at the proposal of the safety manager, while its implementation is the responsibility of management staff at all levels of the Slovenske železnice Group. The introduction of the Safety Policy ensures the highest level of safety, confidentiality, integrity and availability in rail freight transport. The Safety Policy is publicly available to all employees, contractual partners and other interested parties.

The SMS includes procedures to ensure the highest level of safety, the prevention of accidents, and a rapid response in the event of an accident involving the transport of dangerous goods. It also includes various emergency management protocols, including evacuation plans, remediation and damage containment:

- Safety policy setting out the operator's safety objectives, responsibilities and commitments.
- Organisational structure defining roles and responsibilities in the undertaking in relation to safety
- Risk assessment identifying potential risks in a systematic manner, assessing and adopting measures to reduce risks in the transport of dangerous goods by rail.
- Operational control laying down procedures to ensure the safe performance of transport services, including vehicle and infrastructure maintenance.
- Change management procedures regulating the safe introduction of technological, organisational or regulatory changes.
- Training and competence of staff to ensure that employees are appropriately professionally trained and participate in regular professional training to carry out their tasks.
- Reporting of accidents and incidents – a system for recording, investigating and responding to safety events.
- Internal assessments and monitoring – regular checks of the functioning of the SMS to improve safety standards.
- Cooperation with other stakeholders – coordination with infrastructure managers, regulators and other operators.

[MDR-A] Actions and resources related to pollution

In accordance with the Working Instruction for the Carriage of Dangerous Goods–RID, which forms part of the operator's Safety Management System (SMS), SŽ-Tovorni promet continuously plans and implements measures to reduce the risk of railway accidents during transport of hazardous substances.

The working instruction defines in detail the procedures for transporting dangerous goods during train preparation within Slovenia and sets out the tasks of the authorised person for the transport of hazardous substances. It also supplements the performance of technical inspection tasks, train journey preparation and the transport of dangerous goods.

[MDR-T] Targets and metrics related to pollution

At SŽ-Tovorni promet we have adopted our own safety targets in relation to the transport of hazardous substances by rail. These are developed in accordance with the SMS and the rolling stock maintenance system. Safety targets are determined on the basis of performance evaluation in previous periods and reflect the common safety targets (CSTs) and common safety indicators (CSIs) set out in Annex I to Directive 2016/798 on railway safety. On the basis of the Common Safety Indicators and Common Safety Targets, SŽ-Tovorni promet has developed its own safety indicators (OSI) and set its own safety targets (OST) and own reference values (ORV), in accordance with the act governing these matters. These form the basis for monitoring and analysing the level of safety in the performance of the activities of a rail freight undertaking and rolling stock maintenance activities as an entity in charge of maintenance.

SŽ-Tovorni promet maintains a record of incidents as part of the SMS. The reporting of accidents, incidents and other extraordinary events, together with investigation, analysis, and preventive and corrective measures, provides an overview of the status of safety information and data, which is recorded and stored at a SŽ-Tovorni promet service point.

Two incidents occurred during the transport of dangerous goods by rail in 2024. The first took place in August 2024 at Postojna railway station, where a freight wagon carrying motor fuel derailed. The second occurred in December 2024 and involved a leak of hazardous substance from a tank wagon used for the transport of dangerous goods. In neither case was there any environmental pollution or adverse environmental impact.

ESRS E5 Resource use and circular economy

[E5-IRO-1] Description of procedures for identifying and assessing the use of material resources and the impacts, risks and opportunities associated with the circular economy

Within the environmental management system under ISO 14001:2015, the Slovenske železnice Group has systemically regulated the use of material resources and waste management through internal documents that clearly set out the procedures and the obligations of all stakeholders. These are:

- Environmental Management System Rules of the Slovenske železnice Group,
- Environmental Management System Manual of the Slovenske železnice Group,
- General environmental protection conditions for Slovenske železnice contractors.

Waste management is important because it affects:

- Pollution of soil, water and air.
- Depletion of natural resources.
- Legislative requirements and environmental penalties.
- Opportunities for recycling and reuse of materials.

When identifying environmental impacts and determining the materiality assessment of waste, the key impacts associated with it were taken into account in accordance

with the Environmental Management System Manual of the Slovenske železnice Group, which regulates the assessment of environmental impact materiality. The focus is on:

Environmental impact: waste accumulation, soil, water and air pollution, GHG emissions from waste management.

Social impact: the impact of waste on human health and local communities.

Economic impact: the cost of waste disposal, opportunities for savings in raw materials.

Two environmental aspects of waste management have been identified as part of the environmental management system of the Slovenske železnice Group:

Non-hazardous waste: all waste that does not have any of the hazardous properties defined by waste regulations, and which, during temporary storage, does not pose a risk to human health or environmental pollution.

Hazardous waste: all waste that has one or more properties defined as hazardous under waste regulations. In the case of improper temporary storage and incorrect treatment, hazardous waste may pose a risk to human health and pollution of the natural environment (soil, watercourses, groundwater).

On the basis of the Environmental Management System Rules and Manual of the Slovenske železnice Group, the companies in the Group have identified the following risks associated with the handling of hazardous waste:

Regulatory risks – more stringent legislation may require additional measures and costs.

Financial risks – high waste disposal costs and penalties for non-compliance with regulations.

Environmental risks – pollution resulting from improper waste handling may, in the event of spillage or leakage of hazardous waste into the environment, fire or explosion, cause environmental degradation.

The companies in the Slovenske železnice Group have identified the following opportunities in relation to waste management:

- Circular economy: use of recycled materials, reuse of by-products in the production process.
- Cost reduction through process optimisation to reduce the quantity of waste.
- Sustainable innovation: development of biodegradable materials or packaging.
- Cooperation with suppliers in seeking sustainable solutions to reduce waste across the entire supply chain.

[E5-1] Policies implemented to manage resource use and circular economy

At the level of the Slovenske železnice Group, the use of material resources and waste management are systemically regulated through internal documents that clearly define procedures and the obligations of all stakeholders. These are:

- Sustainability Policy of the Slovenske železnice Group,
- Environmental Policy of the Slovenske železnice Group.

The Sustainability Policy and the Environmental Policy of the Slovenske železnice Group were adopted by the top management of the controlling company, while responsibility for their implementation lies with management staff at all levels within the Slovenske železnice Group. The role of the Sustainability Policy and the Environmental Policy of the Slovenske železnice Group in identifying and assessing the use of material resources and the related impacts, risks and opportunities associated with the circular economy is focused on the integration of sustainability principles at all levels of operations. These are key documents for guiding the Group towards sustainable development, reducing environmental impacts and ensuring the efficient use of resources, and they form the foundation for long-term competitiveness and alignment with the objectives of the circular economy.

The key components of the Sustainability Policy include:

- **Focus on the circular economy** (Promoting reuse and recycling) – we are committed to maximising the use of recycled materials and to ensuring that services and products are safe, energy-efficient, environmentally friendly and as recyclable as possible at the end of their life cycle.
- **Systematic identification and treatment of risks** (Assessment of sustainability risks) – the Sustainability Policy requires us to monitor and assess environmental risks related to climate change and to identify opportunities for decarbonisation and the green transition.
- **Promotion of innovation in the development of sustainable solutions** – we support research and the use of new sustainable techniques, technologies and processes to optimise the use of material resources.
- **Engagement with stakeholders** – the Slovenske železnice Group actively engages with internal and external stakeholders to improve sustainability awareness and promote sustainable practices throughout the value chain.
- **Setting sustainability targets** – the Sustainability Policy sets short-, medium- and long-term targets to reduce environmental impacts and provides for regular monitoring of their achievement.
- **Compliance with legislation and commitments** – the ESG sustainability policy supports the objectives of the Paris Agreement, the European Green Deal and the UN Sustainable Development Goals by 2030.

The Environmental Policy of the Slovenske železnice Group is committed to:

- Responsible management of natural resources,
- Waste reduction,
- Increasing energy and material efficiency,
- Supporting sustainable technologies,
- Implementing systems for circular use of materials.

At the level of each company in the Slovenske železnice Group, the waste management plan for identifying and assessing the use of material resources and the related impacts, risks and opportunities associated with the circular economy includes the following key aspects of waste management, reduction of negative environmental impacts and integration of circular economy principles into the organisation's operations:

- **Ensuring legal compliance** – the plan is based on legislative requirements, including the Environmental Protection Act (ZVO-2) and the Decree on Waste. Compliance with these regulations ensures responsible waste management without adverse impacts on the environment or human health.
- **Systematic monitoring and documentation** – this includes keeping records on waste generation and management, enabling an overview of material flows and waste. This is essential for improving material use efficiency.
- **Support for the waste management hierarchy** – the plan follows the waste management hierarchy, where the most important measures are waste prevention, followed by reuse, recycling, recovery and, finally, disposal. This supports the circular economy and reduces the need for new materials.
- **Identification and analysis of environmental impacts** – the plan describes in detail the types and quantities of waste, methods of handling it and environmental impacts. This enables assessment of the environmental impact of material resources and the identification of areas for improvement.
- **Measures for preventing and reducing waste** – the emphasis is on extending the life of materials and products and their reuse. The plan sets out concrete measures for preventing and reducing the volume of waste generated.
- **Safety and risk reduction** – the document sets out requirements for waste storage, pollution prevention and measures to reduce the risk of fire and accidents, which is essential for sustainable materials management.
- **Promotion of the circular economy** – with an emphasis on recycling and material recovery, reducing landfill waste and optimising the use of material resources. The plan directly supports circular economy principles.
- **Awareness-raising** – the plan includes an obligation to raise employee awareness of the importance of proper waste management and to provide training, which fosters a sustainability-oriented culture within the organisation.

[E5-2] Actions and resources related to resource use and circular economy

The companies in the Slovenske železnice Group, in accordance with the regulations governing waste management in Slovenia, consistently ensure the implementation of the following measures across all their processes:

- Separation of waste at the point of generation.
- Maintenance of collection and reception points for temporary waste storage. The area where hazardous waste is stored is physically secured and inaccessible to unauthorised or third parties.
- Labelling of containers and other waste collection vessels with the waste classification number and name. Containers for hazardous waste are additionally marked with the label 'nevarni odpadek' [hazardous waste].
- Handing over waste for further treatment or recovery to authorised collectors, processors, brokers or dealers who hold the required authorisation from the competent ministry for the environment.
- Annual reporting on the quantity of waste forwarded for further treatment to authorised collectors, processors or brokers.
- Up-to-date waste documentation to ensure appropriate traceability of handling and treatment (records of waste generation, waste tracking sheets, waste management plans, and annual reports on waste generated in the previous calendar year).

Certain companies within the Slovenske železnice Group that generate more than 150 tonnes of non-hazardous waste or 200 kilograms of hazardous waste annually are required to prepare and implement a Waste Management Plan. This plan sets out in detail the measures for preventing and reducing waste generation and the procedure for its treatment. The Waste Management Plan, drawn up pursuant to Article 27 of the Decree on Waste, links legislative requirements with operational measures, enabling each company to manage material resources effectively, reduce environmental impacts and promote sustainable development.

[E5-3] Targets related to resource use and circular economy

Within the environmental management system, the general environmental targets also include targets aimed at reducing the annual quantity of municipal waste generated per employee in each company of the Slovenske železnice Group, and at ensuring that at least 90% of the waste generated in the activity of each subsidiary is separated.

Waste management targets in the Slovenske železnice Group are set on the basis of the requirements of the Environmental Policy of the Slovenske železnice Group and the Environmental Management System Rules of the Slovenske železnice Group. As such, they are not explicitly linked to the requirements of the relevant legal framework governing waste management in Slovenia.

Achievement of the environmental targets is regularly monitored as part of the annual review of the environmental management system in each company of the Slovenske železnice Group that has implemented ISO 14001. Appropriate measures are adopted on the basis of the results achieved.

[E5-5] Resource outflow

The table below presents data on the quantity of waste generated by the companies of the Slovenske železnice Group in 2024. Data on the monitoring of material waste flows generated by the companies of the Slovenske železnice Group in the course of their activities are drawn from the Waste Information System (IS-Odpadki), which is managed and maintained by the Slovenian Environment Agency.

Data on the total quantity of waste generated at the level of each individual company in the Slovenske železnice Group as well as at the consolidated level, and data on the total quantity of hazardous waste generated at both individual company and consolidated level, are obtained from IS-Odpadki.

Other data on generated waste that in the course of further treatment is subject to recycling, energy recovery, landfill disposal or other recovery processes, are provided in the table below in the form of an expert estimate only. This is because the waste generator does not obtain information from the waste tracking sheet on what the authorised collector, trader, broker or processor will actually do with the waste in the subsequent stage of treatment or recovery. In preparing the expert estimate, we relied on the applicable legal framework governing waste management in Slovenia and the EU, which mandates further treatment for certain categories of waste (metal waste, waste paper and cardboard, plastic waste, glass waste, packaging waste, waste batteries and accumulators, waste oils, construction waste, end-of-life vehicles, waste electrical and electronic equipment).

The table below contains data on waste in companies that was handed over for further treatment or recovery to persons registered for waste treatment/recovery in 2024. The table does not include data on the quantity of waste generated in 2024 that is still being temporarily stored by the companies, since this would require the establishment of an internal information system to record waste generation on a continuous basis. The table shows that the companies of the Slovenske železnice Group do not currently ensure the reuse of waste in waste treatment processes. It also does not include data on municipal waste, since such data are, in accordance with the applicable legal framework, collected and reported by municipal utility companies providing the local public utility service of municipal waste collection and treatment in Slovenia. The table does not include data on the quantity of waste generated by the companies Fersped and Prometni inštitut Ljubljana, since they are original generators of municipal waste exclusively.

[E5-6] Potential financial effects from resource use and circular-economy-related impacts, risks and opportunities

The Slovenske železnice Group has assessed the risks and opportunities associated with the circular economy. One identified risk in the area of waste management was the possibility of a significant change in prices and the possible termination of cooperation with the service provider responsible for the incineration of hazardous waste. Since there are several providers of incineration services on the market, our assessment is that the service can be obtained from alternative providers at roughly the same price as in previous periods. The Slovenske železnice Group has therefore not identified this risk in the risk register – it has been assessed as immaterial. The risk related to price fluctuations in renewable energy sources is included in the disclosure of risks in section E1 Climate change.

Waste generated in the activities of the Slovenske železnice Group:

	Slovenske železnice Group [kg]	% of the total quantity
Hazardous waste treated/recovered in accordance with the applicable legal framework	2,363,593	6.16
Non-hazardous waste treated/recovered in accordance with the applicable legal framework	35,994,210	93.84
Total waste generated	**38,357,803**	**100**
Total non-recycled waste	**2,014,204**	**5.25**
Total quantity of waste recycled in the treatment process	**16,073,363**	41.90
Hazardous waste	53,561	
Non-hazardous waste	16,019,802	
Total quantity of waste subjected to energy recovery in the treatment process	**1,888,904**	4.92
Hazardous waste	1,888,904	
Non-hazardous waste	0	
Total quantity of waste disposed of in landfill	**125,300**	0.33
Hazardous waste	48,580	
Non-hazardous waste	76,720	
Total quantity of waste treated through other recovery methods	**20,270,236**	52.85
Hazardous waste	372,548	
Non-hazardous waste	19,897,688	

Waste management is generally recorded as a service cost, although in certain cases – such as the disposal of written-off fixed assets – it may also generate revenue. Certain quantities of non-hazardous waste, primarily metal waste, are handed over by the Slovenske železnice Group to authorised collectors for further processing as secondary raw materials. We have not yet identified any material opportunities in connection with resource use and the circular economy, although we will continue to explore this area.

No significant anticipated financial effects on financial position, financial performance or cash flows have been identified in the coming periods on the basis of the dependencies associated with resource use and the circular economy.

Social information

The disclosures in this section relate to social sustainability matters associated with own workforce, affected communities, consumers and end-users, which have been identified as specific to the Slovenske železnice Group.

ESRS S1 Own workforce

[S1-SBM-2] Interests and views of stakeholders

In the double materiality assessment, we paid particular attention during the stakeholder engagement process to interaction with our own workforce. Employees, as key stakeholders, identified four main areas of interest: occupational health and safety, gender equality and fair pay, measures against workplace violence, and career development. The results of the analysis show that employees place high value on issues such as work–life balance, knowledge transfer and mentoring, which we have recognised as important elements in shaping our human resource management policies. In stakeholder engagement, we also took into account the views of trade unions and works councils, which emphasised the importance of stable working conditions, social dialogue and collective bargaining. We actively incorporate this feedback into our decision-making processes and the development of our employee relations strategies.

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The interests and views of stakeholders in the Slovenske železnice Group are described in section ESRS 2 [SBM-2].

[S1-SBM-3] Material impacts, risks and opportunities and their interaction with strategy and business model

The value and competitiveness of the Slovenske železnice Group are directly linked to the expertise, capabilities and motivation of its employees. Employees are a key source of value creation in a company and may also be regarded as a key intangible asset. As one of the larger employers in Slovenia, with more than 7,000 employees and employment opportunities in most regions of the country, the Group has a significant impact on the wider economic and social environment.

The employee data (in the table below), along with the indicators and metrics (in the sections that follow), only include employees in the Group's own workforce who have an employment relationship with the Slovenske železnice Group. They do not include individuals who are not employed within the Group's own workforce but who nevertheless contribute to the Group's optimal staffing structure (agency workers, students, contractual collaborators and scholarship holders as potential future employees), except where specifically stated. Employees based outside Slovenia account for less than 1%.

Number of employees in own workforce as at 31 December 2024 in the companies of the Slovenske železnice Group, by gender

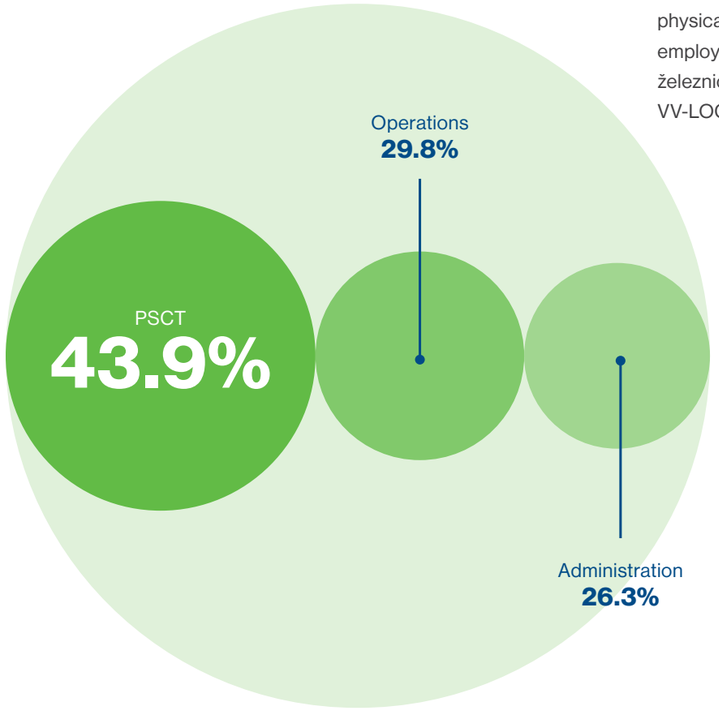
Pillar Company within pillar	Women	%	Men	%	Total
Logistics	**163**	**14.9**	**931**	**85.1**	**1,094**
SŽ EP Logistika	0	-	0	-	0
SŽ-Tovorni promet*	124	12.2	890	87.8	1,014
Fersped*	31	53.4	27	46.6	58
VV-LOG	8	36.4	14	63.6	22
Passenger mobility	**349**	**54.4**	**292**	**45.6**	**641**
SŽ-Potniški promet	349	54.4	292	45.6	641
PRI management	237	11.2	1,877	88.8	2,114
SŽ-Infrastruktura	237	11.2	1,877	88.8	2,114
Construction	**21**	**7.4**	**262**	**92.6**	**283**
SŽ-ŽGP Ljubljana[1]	19	7.5	235	92.5	254
Kamnolom Verd	2	6.9	27	93.1	29
Support activities	**578**	**19.4**	**2,404**	**80.6**	**2,982**
Slovenske železnice	266	62.6	159	37.4	425
SŽ-ŽIP storitve*	218	35.7	392	64.3	610
SŽ-VIT	84	4.4	1,844	95.6	1,928
SŽ-Železniška tiskarna	3	50.0	3	50.0	6
Prometni institut Ljubljana	7	53.8	6	46.2	13
Total Slovenske železnice Group	**1,348**	**18.9**	**5,766**	**81.1**	**7,114**

[1] SI Cargo Logistic, Belgrade is included in the data of the controlling company SŽ-Tovorni promet (4 employees); the Austria branch (1 employee) and the Rijeka branch (35 employees) are also included. The representative offices in Budapest and Sarajevo and the ABC Skopje branch are not included (no employees). Fercargo Sarajevo (70% owned by Fersped) has no employees, nor do the branches SŽ-ŽGP Ljubljana Zagreb, Ogranak Beograd or SŽ-ŽIP Savudrija.prav tako ne podružnici SŽ-ŽGP Ljubljana Zagreb in Ogranak Beograd ter SŽ-ŽIP Savudrija.

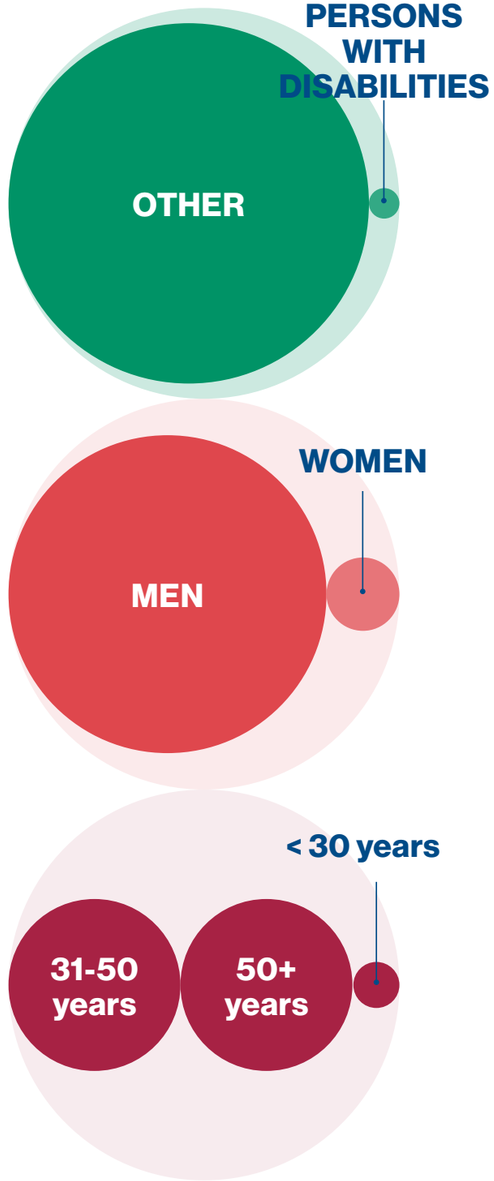
Different groups of employees

Employees are categorised into different groups, which are indicated in specific sections depending on the type of job, primarily in terms of more demanding physical working conditions, and are therefore defined separately::

- **PSCT** – persons performing safety-critical tasks directly in railway operations: 3,126 employees (43.9%), the majority group at SŽ-Potniški promet (59.1%), SŽ-Tovorni promet (55.3%), SŽ-Infrastruktura (54.3%), and SŽ-VIT (52.7%);
- **OPERATIONS** – maintenance, security, sales at information points and other work in logistics, in the field and in workshops: 2,121 employees (29.8%), the majority group at SŽ-ŽIP (80.5%), Kamnolom Verd (82.8%), SŽ-Železniška tiskarna (83.3%) and SŽ-ŽGP (50.0%);
- **ADMINISTRATION** or technical administration – office-based work not subject to demanding physical conditions, also including managers: 1,867 employees (26.3%), the majority group at Slovenske železnice, Prometni institut Ljubljana, Fersped and VV-LOG (more than 99.0%).



A particularly vulnerable group of employees is persons with disabilities (7.8% of all employees), who are employed across various companies in the Slovenske železnice Group, most notably at the sheltered company SŽ-ŽIP, which meets the statutory quota of at least 50% of employees with disabilities. From the point of view of diversity, the gender structure of employees, the proportion of women and the age structure are also important. These are presented in section S1-6. A table showing the number of employees in the Group's own workforce is also included in S1-6, but is presented here to provide a basic overview of impacts on employees and the impact of the Group's diversity (of activities) on employee groups (in connection with the business model).



Priority topics related to employees from the perspective of stakeholders and impacts on the business model, performance and sustainable development

Within the Slovenske železnice Group, no negative impacts have been identified in relation to child labour or forced labour, reflecting consistent compliance with EU and national legislation prohibiting human trafficking, forced and compulsory labour, and child labour.

The topics presented below are grouped according to their impact on the business model and the measures taken to manage impacts, risks and opportunities (as defined in section S1-4).

Topic and assessed impact in the double materiality matrix	Impacts	Risks	Opportunities	Connection with the business model
1. **Health, safety and good working conditions** Health and safety (4.89) Measures against violence and harassment in the workplace (4.16) Work–life balance (3.87) Working hours (3.57)	Health, safety, well-being and working conditions in the workplace are fundamental prerequisites for the long-term success of the Slovenske železnice Group. By investing in prevention, a safety culture and a holistic approach to health and well-being, we are building safer and more resilient systems – for employees, passengers and society at large. The company is committed to creating a (psychologically) safe working environment for all employees. Systematic approaches to preventing harassment are not only a legal obligation but also a strategic priority for long-term staff retention, service quality and sustainable growth. Impact on all employees; more significant impact on the following groups: - PSCT (persons who perform safety-critical tasks) - Operations (security staff, conductors and ticket sellers are particularly exposed to violence and harassment from passengers).	**Risk of injury or accidents due to employee error, inadequate equipment or fatigue** (loss of life, serious physical injury, legal and financial consequences, loss of the company's reputation). **Psychosocial risks** (burnout, stress, physical exposure to a large number of different passengers and service users, prolonged sick leave, overload, low efficiency). **Risks of non-compliance with the legal requirements of European directives and national legislation** (fines and sanctions). **Risks related to reputation and trust in the company** (silent departures from the company, negative media exposure due to accidents and irregularities, lack of trust in management and reporting systems for irregularities, unethical behaviour and breaches of integrity, harassment, bullying or discrimination in the workplace).	Enhancement of good practices in occupational health and safety, integration of various standards and systems, and digitalisation of safety procedures. Better organisation of work shifts, limiting overtime through timely provision of qualified staff and good organisation of work. Flexibility in balancing work and private life and effective working time management (especially where work is organised in shifts); taking annual leave contributes to employee well-being, satisfaction and productivity. Psychological support and employee empowerment in dealing with stressful situations and in cases of inappropriate conduct and mobbing, training for managers and employees on recognising and preventing harassment.	Operational efficiency, rail transport safety, reliability and effectiveness of services. Employee engagement and satisfaction (higher productivity, lower absenteeism and turnover), stakeholder trust and the company's reputation.

Topic and assessed impact in the double materiality matrix	Impacts	Risks	Opportunities	Connection with the business model
2. **Attraction, retention and development of employees, enhancement of competences and promotion of innovation** Gender equality and equal pay for equal work (4.46) Regular advancement and promotion of own employees (4.12) Knowledge transfer (mentoring) of own employees (4.35) Training and development of knowledge and skills (4.06) Part-time study for own employees (3.99) Adequate wages (3.50)	This topic is of great importance for the development of the Group, particularly in view of the ageing workforce, the rising trend of retirements, and the need to increase employee satisfaction and engagement. Opportunities must be taken to mitigate negative impacts related to pay for work performed and non-incentivising remuneration, possibilities and transparency of promotion, and pay structures. Training, enhancement of competences and the transfer of knowledge and experience among employees are essential and have a bearing on the long-term value of the workforce (especially given the nature of the work, where operational reliability and safety are grounded in high levels of expertise, experience and knowledge of complex systems). Generational turnover, technological changes and digitalisation simultaneously create a pressing need for the systematic and structured transfer of knowledge, the upgrading of digital and sustainability competences, employee-tailored education and training, and information systems that support this. This helps neutralise the impact of system inflexibility, resistance to change and maintenance of the status quo, while fostering a culture of innovation. Ensuring equal opportunities for all (regardless of gender, age, nationality, etc.), creating jobs that provide adequate wages, opportunities for promotion and professional development, secure employment and freedom of expression are essential to a sustainable workforce.	**Risks related to a lack of qualified employees** (the loss of key personnel – managers and experts – and of knowledge when employees leave may have a significant negative impact on our operations in the short, medium and long term). There may also be a shortage on the labour market of certain talents or specific skills that need to be developed within the railway sector. **Risks related to reputation and trust in the company** (employee dissatisfaction and departures due to uncompetitive and non-incentivising benefits, compensation and promotion systems; unequal pay for work of equal value (particularly for younger, high-potential and key employees); and stagnation). **Inability to implement innovation and related changes effectively, or insufficient adaptability to changes** (in technology, strategy or the market), has a significant negative impact on long-term competitiveness and service quality.	Equal opportunities and fair practices in recruitment, promotion, performance management and incentivising remuneration (especially for young, high-potential and high-performing employees). In the railway sector, where men have traditionally predominated, the promotion of gender equality (such as encouraging non-traditional career paths by gender and reducing the gender pay gap) can be particularly important for developing a more inclusive and innovative organisational culture. Socially responsible companies also incorporate diversity into employment practices and into leadership and development programmes, giving preference to the under-represented gender where conditions are met and competences are equal. Raising awareness of unconscious bias and discrimination. Preventing the loss or obsolescence of internal knowledge and experience by accelerating and improving the onboarding of new employees, identifying and preparing successors, and maintaining a database of critical knowledge and competences. At the same time, this offers an opportunity to foster intergenerational cohesion and motivation among older employees, and strengthen the safety culture based on the transfer of real-world experience. Exchanging good practices and knowledge (including with training centres abroad) is an important activity for ensuring a high-quality and modern training system within the company. There are also opportunities in systematic career development planning for individuals and in tailoring programmes to the needs of different groups of employees (with particular emphasis on including older employees). Establishing a culture that fosters innovation, teamwork in diverse teams, optimisation, continuous learning and flexibility, intergenerational cooperation.	Alignment with the HR strategy and with an optimal staffing and leadership structure. It ensures long-term competitiveness, corporate reputation and the attractiveness of professions for younger generations. Resilience to staff turnover and retirements.

Topic and assessed impact in the double materiality matrix	Impacts	Risks	Opportunities	Connection with the business model
3. **Diversity, equality, inclusion and social responsibility** Employment and inclusion of persons with disabilities (4.04) Diversity (3.63) Social dialogue (3.75) Collective bargaining, including the share of workers covered by collective agreements (3.71) Freedom of association, existence of works councils and right to information, consultation and participation (3.34) Privacy (3.74) Adequate housing (2.58)	Inclusion of persons with disabilities, diversity, social dialogue and the guaranteed freedom of association, participation and co-determination affect the reputation of the Slovenske železnice Group and stakeholder trust, as well as social responsibility, solidarity and the satisfaction and productivity of employees. The inclusion of persons with disabilities is important for diversity and the social inclusion of particularly vulnerable population groups. Cooperation with social partners is an important channel for building trust, stability and corporate resilience. It also encourages partnerships with stakeholders such as local communities. Negative impact on employee engagement, motivation and work performance resulting from a feeling of unequal treatment among employees.	**Regulatory and operational risks** (inability to meet disability quotas and thereby qualify for financial incentives, perceptions of coercion and discrimination where reallocations are not agreed, dominance of more represented groups and discrimination against others in policy-making and agreements). **Difficulties in employee management** (collective agreements prioritise seniority over performance or employee engagement in promotions, which reduces motivation). **Financial risks and limited operational flexibility** (benefits packages negotiated through collective bargaining may increase labour costs disproportionately to business performance, which affects the company's long-term growth and efficiency). **Reputational risks** (disputes with employees may attract negative media coverage).	The sheltered company creates opportunities for the development of disabled workers (adaptation of job roles) and for the development of activities within the shared sustainable mobility system. Financial incentives improve the working environment, benefiting all employees and optimising the labour costs associated with employing disabled workers. It promotes synergies with other socially responsible programmes in the companies of the Slovenske železnice Group. A diverse and inclusive organisational culture brings different perspectives, encourages innovation and creativity, attracts talent and enhances the company's reputation among customers, partners and other stakeholders. An effective change management strategy with an emphasis on communication, timely transmission of information to key stakeholders and cohesive, highly engaged and efficient teams (with managers playing a key role).	Implementation of change, greater innovativeness as a result of diverse teams, business stability and recognition of the company as a socially responsible employer. An inclusive environment increases employee satisfaction and engagement.

[S1-1] Policies related to own workforce

The Slovenske železnice Group is committed to respecting human rights and fundamental freedoms in all aspects of its operations, including the management of employees and suppliers. Its policies are based on internationally recognised standards and conventions, including:

- Core Convention of the International Labour Organization
- European Social Charter and European Union directives
- United Nations Guiding Principles on Business and Human Rights
- OECD Guidelines for Multinational Enterprises

These standards are integrated into Slovenian law through labour law and other legislation, most importantly the Employment Relationship Act (ZDR-1), which defines the minimum rights and obligations arising from employment.

These standards are incorporated into internal policies, by-laws and strategies, including the following:

- The Collective Agreement for the Rail Transport Sector (KPDŽP) is the key legal instrument governing the rights and obligations of employees within the Slovenske železnice Group. It is concluded between the employer and representative trade unions, and applies to the parties to the agreement, all their employees, and employees in other companies where the employer and a trade union with recognised representative status have agreed to apply it. It also covers learners, apprentices, students on practical placements, agency workers and others not employed in the Group's own workforce. In most cases the KPDŽP provides employees with more favourable rights than those set out in the Employment Relationship Act. By-laws of the employer governing specific employee rights are adopted on the basis of the KPDŽP. Some important rules, instructions and codes are listed and summarised below (or in Sections S1-2, S1-3 and S1-4).
- The Agreement establishing the works council of companies linked by capital, together with the agreement on its competences and the agreement on employee participation in management, sets out the exercise of rights and obligations under the Worker Participation in Management Act, and independently defines other rights and forms of participation in management in the Slovenske železnice Group.

Internal policies do not specifically include policies explicitly prohibiting trafficking in human beings, forced or compulsory labour, or child labour.

In accordance with ZDR-1, a system is in place allowing employees who believe that the employer is failing to meet its obligations arising from the employment relationship or is infringing any of their rights under the employment relationship to submit a written request for the employer to rectify the infringement or fulfil its obligations. All such requests are dealt with by the Legal and Organisational Affairs Department at Slovenske železnice within the prescribed time limit of eight working days. Under the Employment Relationship Act, we have a system in place for ruling on employee requests to rectify infringements.

Strategies adopted for managing material impacts on employees

The Human Resources Management Strategy 2021–2025 was adopted in response to traditional human resources risks affecting the operations of the Slovenske železnice Group. The key activities and projects set out in the strategy also address ESRS impacts, risks and opportunities that affect the broader social and business environment and, in turn, have long-term feedback effects on the Slovenske železnice Group (double materiality).

The risks, opportunities and objectives underlying the Human Resources Management Strategy 2021–2025 were identified through structured workshops involving managers, experts and external consultants. These served as a basis for formulating four-year objectives and identifying the key activities to be carried out in 2024. Representatives of all companies in the Group participated in the process, alongside internal risk management experts.

- The **Human Resources Management Strategy 2021–2025** of the Slovenske železnice Group is founded on long-term stability and the sustainable development of employees. Responsible recruitment and optimal staffing and leadership structures are the foundation of the Group's business success and growth. This is reflected in the achievement of strategic objectives, a diverse and healthy working environment, and an organisational culture that fosters development, productivity, innovation and employee engagement.
- It is complemented by the **Slovenske železnice Group's Sustainability Strategy to 2030**, where the key focuses in the area of managing own employees are: maintaining and strengthening health and appropriate working conditions for employees, development of competences, promotion of innovation and strengthening of diversity.
- The **2025–2027 Business Plan** sets out the key areas and measures essential for achieving the Slovenske železnice Group's strategic and sustainable development objectives:
  - recruitment, development and retention of competent and motivated employees;
  - effective knowledge transfer, employee education/training and upgrading key competences;
  - a stimulating, diverse, healthy, safe and psychologically secure working environment for all generations in all activities;
  - transformation and digitalisation of the human resources function.
- **The core values of the Slovenske železnice Group:**
  - relations among employees in the Slovenske železnice Group are based on respect, dignity and personal integrity;
  - with dedication and thoughtfulness, we seek ways and solutions to increase efficiency and improve services, and we act responsibly, openly and honestly, at all levels;
  - we keep our promises and commitments, and respect the constitution, international treaties, laws, other regulations and good business practices;
  - we strive for the greatest possible solidarity, openness, mutual support and exchange of experience, respect for older colleagues and encouragement of younger ones, and an awareness that good results are most strongly driven by the satisfaction of employees, business partners and decision-making bodies, on which the successful fulfilment of our mission depends.

The implementation of strategies and the achievement of plans and objectives are regularly monitored by the Management Board and supervisory bodies, which direct corrective or other ad hoc measures and approve action plans.

Policies for safety, accident prevention and occupational health

Slovenske železnice holds authorisation from the Ministry of Labour, Family, Social Affairs and Equal Opportunities to perform specialised tasks in the field of safety and health at work. It is responsible for occupational health and safety systems and fire safety. This includes training for all employee groups, managing risks associated with this area, and meeting other requirements of the Occupational Health and Safety Act (ZVZD-1).

International rail safety principles laid down by the European Union Agency for Railways (ERA) and other EU legislation, Slovenia's Rail Safety Act (ZVZelP-1) and Railway Transport Act (ZZelP), and Commission Regulation (EC) No 352/2009 of 24 April 2009 on the adoption of a common safety method for risk evaluation and assessment have been integrated into the companies SŽ-Infrastruktura, SŽ-Tovorni promet and SŽ-Potniški promet through the Safe Management System and Maintenance System for Rolling Stock (SMS). The system applies to the railway infrastructure manager, the entity in charge of maintenance (ECM), other operators, service users, suppliers and contractors, including third parties (with particular emphasis on the PSCT group of employees performing safety-critical tasks):

- Operating Rules of the Safety Management System for the Public Railway Infrastructure Manager (SŽ-Infrastruktura);
- Operating Rules of the Safety Management System for the Railway Undertaking (SŽ-Tovorni promet);
- Operating Rules of the Safety Management System for the Railway Undertaking (SŽ-Potniški promet);
- Contractors who have concluded a Contract on Inclusion in the SMS: SŽ-VIT, SŽ-ŽGP, SŽ-ŽIP and other companies outside the Slovenske železnice Group.

SMS procedures are assessed through internal audits by means of monitoring and measurements at control points at various intervals, and include proposals for possible corrective measures. In addition to ensuring safety, company management fulfils its commitments and legal obligations to improve rail safety, takes note of monitoring results and the outcomes of implemented changes, and assumes responsibility for carrying out revised risk control measures and relevant SMS processes.

Policies for the elimination of discrimination and the promotion of diversity and inclusion

The Slovenske železnice Group is committed to ensuring equal opportunities and creating a fair, ethical and psychologically safe working environment for all employees – regardless of gender, nationality, ethnic origin, sexual orientation or other personal circumstances.

Key concepts, activities, preventive measures and procedures in the event of infringements are defined by the following policies:

- Instruction on the prohibition of bullying, sexual and other forms of harassment and other forms of psychosocial risk in the workplace in the Slovenske železnice Group, with an emphasis on zero tolerance for any form of harassment, violence or discrimination. As an employer, we are committed to treating such acts as unacceptable, since they violate human dignity and personal rights and also constitute a breach of work obligations.

- Code of Conduct of the Slovenske železnice Group, which encourages the enhancement of the reputation of both employees and the company as a whole, promotes integrity and responsibility, and mitigates corruption risks, unlawful acts and unethical behaviour. It is aligned with the Corporate Governance Code for Companies with Capital Assets of the State and the Code of Ethics of Slovenski državni holding (SDH), and commits the Slovenske železnice Group to operate in line with the highest ethical standards.
- Rules on the establishment of an internal reporting channel for breaches of corporate integrity, which sets out procedures for reporting breaches and irregularities through integrity officers, and encourages employees to report suspected misconduct while ensuring their protection (e.g. from retaliation or disclosure of identity).
- Instruction on the training and redeployment of workers with reduced work capacity and disabled workers employed by companies of the Slovenske železnice Group, which defines procedures to maintain employment for the most vulnerable employee groups.
- Diversity policy for management and supervisory bodies in the Slovenske železnice Group, which promotes diversity in terms of knowledge, skills and other competences, gender and age, ways of thinking, personality, and the background from which prospective members of the Management Board and Supervisory Board come.
- Slovenske železnice is a signatory to agreements that promote diversity and gender equality and support greater representation of women in the railway sector (in cooperation with the Community of European Railway and Infrastructure Companies (CER) and the European Transport Workers' Federation (ETF)).

Compliance with these standards is regularly assessed through internal audits and collaboration with internal and external assessors, the Sustainability Committee, the Sustainable Operations Department and the Compliance Department.

[S1-2] Processes for engaging with own workers and workers' representatives about impacts

The Collective Agreement for the Rail Transport Sector (KPDŽP) is concluded between employers and representative trade unions, and the employer ensures conditions for the functioning of trade unions in accordance with its provisions.

The Agreement on the establishment of the works council of companies linked by capital and the agreement on its competences, together with the agreement on workers' participation in management (the participation agreement), led to the establishment of the works council of companies linked by capital. Separate works councils have also been established in individual companies, and their responsibilities are set out in the participation agreement. The works council of companies linked by capital is, among other things, responsible for discussing all matters that concern employees in most or all companies of the Slovenske železnice Group, as well as for appointing certain officials. The works councils of individual companies are responsible for all matters concerning employees of that company that do not fall within the competence of the works council of companies linked by capital. Each employee also exercises their individual right to participate in management through the right to give opinions, initiatives and proposals and receive responses to them; the right to be informed in good time about changes concerning their work area; the right to receive explanations and answers to questions about wages and other employment-related rights; and other rights in line with the applicable legislation and the company's by-laws.

Workers' participation in management, in line with the participation agreement, takes place through notification of the works council, joint consultation and co-determination, which in certain cases includes the right to suspend a decision. Representatives of the works councils and Management Board meet as needed, but at least once a month, for consultations and agreements on the exercise of employees' participation rights.

In accordance with the provisions of the KPDŽP, company managements – as defined in the KPDŽP, in the internal rules of organisation of Slovenske železnice Group companies and in their Articles of Association – are responsible for ensuring that workers' participation is exercised.

In the Slovenske železnice Group, the low number of legal protection requests submitted by employees, the small number of lawsuits filed against the employer for breaches of employee rights, and – on the other hand – the high number of works council meetings and submitted initiatives all indicate that cooperation with employees is highly effective. The Group respects the legislation prohibiting all forms of discrimination among employees.

[S1-3] Processes to remediate negative impacts and channels for own workforce to raise concerns

Employees may express their views, concerns, criticisms and suggestions through trade unions or through their representatives on the works councils of individual companies and the works council of companies linked by capital. These are the most established and long-standing channels. The works council of companies linked by capital is responsible for discussing all issues relating to employees in companies within the Slovenske železnice Group. Agreements between social partners (management boards of Slovenske železnice Group companies, the works council of companies linked by capital and representative trade unions) and other approved initiatives define corrective or other measures in connection with negative impacts identified by employees or their representatives.

Negative impacts relating to suspected unethical conduct, breaches of corporate integrity, or instances of bullying, harassment or other inappropriate behaviour can be reported by employees either verbally or in writing to designated integrity officers or authorised staff. Individuals who submit reports are protected from retaliatory measures and the privacy, dignity and identity of the reporting person are also protected.

Reports of bullying, sexual or other forms of harassment are handled by a qualified and authorised professional designated by the Management Board of Slovenske železnice, together with the Committee for the Prevention and Elimination of the Consequences of Bullying, Sexual and Other Harassment, and Other Forms of Psychosocial Risk in the Workplace. The Group promotes a partnership-based approach with social partners and all employees and advocates the resolution of conflicts

through dialogue. All individuals involved in such cases are provided with appropriate support, and persons found to have engaged in unacceptable behaviour are subject to sanctions.

Employees are regularly informed about how to report undesirable conduct or breaches of corporate integrity through articles published on the company intranet and in the Slovenske železnice Group magazine Nova proga. All guidance and rules are also available on the intranet. The same channel is used for external stakeholders (passengers, suppliers, other service users and stakeholders).

Reports received and actions taken in relation to breaches of corporate integrity (whistleblowing reports):

Pillar	2024	2023	Index
Logistics	3	2	150.0
Passenger mobility	2	6	33.3
PRI management	1	2	50.0
Construction	0	0	-
Support activities	8	5	160.0
Total*	**14**	**15**	**93.3**

*The majority of reports that were not submitted anonymously related to own employees..

All Group companies with 50 or more employees have adopted their own rules on the establishment of internal reporting channels for breaches of corporate integrity. For companies with fewer than 50 employees – Kamnolom Verd, Prometni institut Ljubljana, SŽ EP Logistika, SŽ-Železniška tiskarna Ljubljana and VV-LOG – the Rules on the establishment of internal reporting channels for breaches of corporate integrity of Slovenske železnice apply.

Regarding reports received of corporate integrity breaches, one breach was confirmed in 2024 (from 14 submitted reports), while in one case some of the reported breaches were confirmed.

Reports received and actions taken in relation to bullying and sexual and other harassment in the workplace (reports of unwanted conduct):

Pillar	2024	2023	Index
Logistics	0	2	-
Passenger mobility	0	1	-
PRI management	1	1	100.0
Construction	0	0	-
Support activities	4	2	200.0
Total	**5**	**6**	**83.3**

Suggestions, initiatives, criticisms, errors or commendations concerning the Legal and HR Department may be submitted to the email address kadri.tajnistvo@slo-zeleznice.si with the aim of improving services and creating a pleasant working environment.

The Slovenske železnice Group has been measuring engagement and motivation since 2021. In 2024 we also measured organisational climate and satisfaction. At the end of each questionnaire there is an open question where employees can anonymously submit praise, complaints, criticism, reports of unwanted conduct, etc. On the basis of the measured parameters and received comments, action plans and improvement measures are drawn up in areas where the lowest values or potentially concerning negative impacts on employees have been identified.

Special attention is also paid to new employees, who receive a questionnaire at the end of their probationary period to assess their satisfaction with all aspects of onboarding and how they feel in the working environment. Valuable feedback is also gained through interviews with employees who have decided to terminate their employment in order to pursue their careers at another company.

The HR Department also occasionally carries out other ad hoc surveys to assess the situation in specific areas, gather opinions and suggestions, and formulate appropriate measures to address identified negative impacts.

[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

The most important topics affecting the social and business environment and the operations of the Slovenske železnice Group are set out in the table below. They apply to the Slovenske železnice Group as a whole, as do the measures taken, except where it is explicitly stated that a particular impact is more relevant or direct for a specific group of employees.

The effectiveness of the measures implemented is monitored using the metrics and indicators presented in detail in sections S1-6 to S1-17 (which may also list additional policies and related content), analyses of employee engagement, satisfaction, working conditions and organisational climate, and feedback from the works council. All of the above are important for systematically identifying relevant factors and developing timely and effective action plans.

References used in the table:

→

® Results of the organisational climate survey – SiOK.

Where reference is made to indicators related to the 2024 organisational climate, engagement and satisfaction survey (SiOK). In subsection S1-4 Results of the organisational climate survey (SiOK), we disclose the overall indices, which include all four measured parameters: climate, engagement, satisfaction and responsiveness. More concrete results reflecting the opinions of employees who participated in the survey on specific questions are provided in the table. The results do not include Kamnolom Verd due to an insufficient response rate to the survey.

Sustainability target to 2030 that was highlighted or achieved in 2024 (an overview of targets by topics is provided in section S1-5).

→

Direction to a diagram (Figure) or subsection.

The Slovenske železnice Group ensures that its own practices do not have negative impacts on its own workforce by implementing clear policies and codes of conduct, monitoring risks, carrying out internal and external audits and assessments, maintaining a whistleblowing system and promoting social dialogue (in the event of disputes under the KPDŽP that cannot be resolved through mutual negotiation, a conciliation board is convened). Satisfaction surveys (questionnaires, interviews, etc.) and feedback from various working groups also play an important role. The new sustainability reporting approach, with the public disclosure of indicators and actions, will also contribute to this.

1. ESRS topic: Health, safety and good working conditions

Emphases	Measures, achievements and policies for managing impacts, risks and opportunities	Achievements and effectiveness of measures in 2024
Systematic health protection and accident prevention remain a key priority for the Slovenske železnice Group – given the potentially hazardous working environment, from railway infrastructure and train operations to maintenance and shift work, this is not only a legal obligation but also an important element of business performance and stakeholder trust.	The working environment, equipment and any incidents or accidents are regularly reviewed and analysed, and training is provided to prevent injuries, accidents, illnesses and human error in the workplace.	• **0 fatal accidents.** • **4 fewer workplace injuries** compared to 2023.
We ensure employee participation in addressing occupational health and safety issues – including cooperation in defining criteria for the allocation of personal protective equipment. A health and safety committee has been established within the works council, which provides opinions on the quality of personal protective equipment, working conditions and the working environment. **A revised survey of organisational climate, engagement and satisfaction has been carried out** – in order to help improve existing policies and because we wish to address employee more effectively and introduce targeted initiatives (by people, for people) aimed at promoting better working conditions and working environment and increasing motivation.	Training programmes are continuously updated in line with the safety declaration with risk assessment and the Safe Management System and Maintenance System for Rolling Stock.	• **100% of employees trained for safe work** (all employee groups), with a focus on (periodic) training and verification of professional competence, as well as maintaining the validity of licences (for employees in PSCT and operational positions). • **6.4% better response to survey** on employee engagement and satisfaction compared to 2023. • **85%** of employees believe they have all the equipment needed to perform their work well. • **54%** of employees reported high job satisfaction, and **48%** believe the organisational climate is good. → ® **Results of the organisational climate survey – SiOK**
By ensuring appropriate working conditions and implementing preventive healthcare programmes, we neutralise negative impacts – such as shift work, irregular working hours, stress, demanding locations and work equipment (particularly relevant for positions exposed to railway operations, working at height, night shifts, interactions with passengers and other service users). We support the mental health of employees and their family members by providing initial psychosocial support to colleagues involved in accidents resulting in loss of life, as well as professional therapeutic assistance in other cases of psychological distress experienced by employees or their family members.	Participation in preventive healthcare and stress management programmes (practical workshops, breaks at thermal spas, active breaks for sedentary workplaces). **Sustainability goals 2 and 3 (S1-5):** Encouraging participation in preventive healthcare programmes; 100% fulfilment of quotas by 2030.	• **31% more funds** allocated to health prevention programmes compared to 2023, with **128** more participants compared to 2023. → **Subsection S1-4: Disclosure of funds allocated for managing material impacts.** • **41** trained volunteers (including retired employees) provide psychosocial support for all critical occupations in the event of an incident. The group operates under the guidance of a qualified therapist who provides regular training, supervision and support to the volunteer group, and offers therapeutic sessions to all other employees who request assistance.

Emphases	Measures, achievements and policies for managing impacts, risks and opportunities	Achievements and effectiveness of measures in 2024
Cooperation with social partners, collective bargaining and employee participation in management so that working conditions and the working environment improve, employee benefits are enhanced, inequality is reduced, and job security and social protection are increased (fewer precarious forms of employment).	Regular escalations of base pay in line with the average increase in the cost of living, which also increase special pay allowances.	• Amended Rules on Promotion allowing faster regular promotion of younger employees.
Work–life balance – achieved through the implementation of measures under the Family-Friendly Enterprise certificate obtained in 2024, enabling hybrid working, the right to disconnect, and the option to use accrued hours.	The number of days of annual leave also promotes work–life balance – additional days are available for difficult working conditions, disability, blood donation, and other special personal events or emergency situations (birth, death, natural disasters, relocation, etc.), participation in preventive healthcare programmes, the performance of certain non-professional roles and duties, voluntary blood donation and other reasons. Systematic monitoring and encouragement of the use of unused annual leave. **Sustainability goal 1 (S1-5):** Reduction of the share of unused annual leave by 2030.	• Rules on the right to disconnect adopted. • **1 additional day** of annual leave when a child is starting nursery school and **1 day** to accompany a child in year 9 of combined primary/lower secondary school (the final year) on an open day.
Zero tolerance for bullying and sexual and other forms of harassment in the workplace, and for breaches of corporate integrity and unlawful or unethical practices – we implement policies of equal treatment for all employees and promote a respectful and psychologically safe working environment.	Code of Conduct of the Slovenske železnice Group (updated and revised in 2024). Instruction on the prohibition of bullying, sexual and other forms of harassment and other forms of psychosocial risk in the workplace in the Slovenske železnice Group.	• No cases of bullying, sexual or other forms of harassment in the workplace were identified in 2024.

2. ESRS topic: Attraction, retention and development of employees, enhancement of competences and promotion of innovation

Emphases	Measures, achievements and policies for managing impacts, risks and opportunities	Effectiveness of measures in 2024
We are creating the workforce of the future, equipped with the right knowledge in the right jobs and generating added value – a competitive advantage in company performance and the achievement of strategic goals will attract talented individuals with potential for development and train them, develop them and retain them.	We have optimised the organisational structure and created new positions that are more attractive to managers, and we are continuing the project to overhaul the job classification and pay system. Every year we run scholarship programmes and co-finance part-time study, and engage with schools and university faculties through professional placements. **Sustainability goals 4 and 6 (S1-5):** Increasing the share of fulfilled quotas for scholarships and part-time study. We strengthen our brand through participation in career fairs and relevant online platforms, where we communicate the values of the Slovenske železnice Group – including its impact on sustainable mobility and logistics and on preserving the environment for future generations. We have encouraged the assessment and evaluation of potential talents, competences and cultural fit (introduction of psychological testing for employees performing safety-critical tasks in 2024, as well as for managers and key experts). Implementation of leadership and talent development programmes: Business Academy for Leaders/Talents within the Centre of Business Excellence at the School of Economics and Business (CPOEF), upgraded Leadership Without Borders programme. The establishment of digital systems for succession planning for key positions, performance appraisal, and the promotion of mentoring and knowledge transfer.	• **Value added per employee was 3.6% higher** compared to 2023. • We **increased** the funds allocated for scholarships by **4.1%** compared to 2023. → **Subsection S1-4: Disclosure of funds allocated for managing material impacts.** **Sustainability goal 5 (S1-5): We achieved the target** of over 90% success in scholarships relative to the fulfilment of employment contracts with scholarship recipients **(96.4%)**. • **25** participants included in the Talent Academy, among whom successors for leadership or more demanding positions have also been identified.
We are building a culture of continuous learning and development – advantages include ongoing training programmes and knowledge transfer for safety-critical positions and accessible, customised training for all employees. We ensure the timely updating of educational content and teaching methods to the rapid technological and other changes in the environment. We will introduce virtual technology (VR and XR) for the simulation of technological processes.	The Training Centre of the Slovenske železnice Group is a competence centre for railway occupations – where effective and high-quality transfer of internal knowledge through mentors and instructors, the use of modern training formats, and the exchange of good practices and knowledge with centres abroad play a key role.	• **72% of employees** are of the opinion that employees learn from one another. → **® Results of the organisational climate survey – SiOK** • Introduction of an internal habilitation programme for new lecturers and their mentors.
We are strengthening training on sustainability, health and well-being, and the inclusion of older employees. We pay special attention to training tailored to employees, which employees or managers assess as useful for personal and professional development.	The priority remains meeting the conditions for maintaining the status of the Centre for Driver Training and the Centre for the Assessment of Train Drivers and Other Personnel Performing Safety-Critical Tasks in the Safety Management Systems of Railway Undertakings and the Infrastructure Manager. We demonstrate the maintenance of these conditions through inspections by the Safety Authority at the Public Agency for Railway Transport of the Republic of Slovenia.	• We transfer internal knowledge through mentors and instructors and through modern forms of training. We have established an e-library containing a range of e-materials, e-courses and e-tests, which is available to our training participants. • We develop our own online courses for all technological work processes and multimedia content that serves as a learning aid in training.
Digitalisation and transformation of the HR function – we have recognised the importance of investing in training, education and information systems for employee management in order to effectively plan, recruit, train, monitor and develop capable employees who will support business and sustainability goals.	In 2024, we actively planned the implementation of the modern SAP SuccessFactors (SAP SF) human resources information system, which will serve as a flexible strategic tool for employee management and development. It will enhance the management of training, competences, goals, succession and knowledge transfer, recruitment, selection, communication, collaboration, feedback and the implementation of various employee-related assessments.	→ **Areas of digitalisation of the HR function by 2030 (page 251)**
Ongoing comparison and analysis of the competitiveness of the remuneration system and other benefits – such as jubilee bonuses, affordable rental of holiday facilities at the seaside or in the mountains, voluntary supplementary pension insurance, favourable supplements for working conditions (shift work, night work, public holiday work), and holiday allowance.	Financial incentives based on the classification of the job in a specific group (PSCT, operational, administrative) have been incorporated into the basic salary.	• Introduction of individual contracts for professional non-managerial staff with the aim of retaining key experts in critical positions.
Encouraging innovation for sustainable operations – by introducing innovations, we reduce resource consumption, optimise technological processes and lower operating costs, which is directly reflected in our environmental footprint and economic efficiency. Through a systematic approach to innovation, we are building a culture of sustainable thinking and action at all levels of operations of Slovenske železnice.	Rules on Innovations and Minor Improvements, in force since May 2021, and the Innovation Committee. The structure of the Rules defines the procedures for submitting, evaluating and rewarding innovative solutions, which enables our employees to actively participate in identifying sustainable improvements. Following the assessment of an innovation's potential, the committee issues a decision, which is forwarded for implementation to the relevant company within our Group.	• The Innovation Committee discussed **6** promising technical improvements.

3. Diversity, equality, inclusion and social responsibility

Emphases	Measures, achievements and policies for managing impacts, risks and opportunities	Effectiveness of measures in 2024
We are building an inclusive working environment – which promotes equal opportunities for the under-represented female gender and vulnerable groups of employees (persons with disabilities, older workers, employees with temporary residence in Slovenia or foreign nationals).	The Group ensures the long-term employment of vulnerable groups (persons with disabilities, older workers), their vocational rehabilitation and career development, and in the event of a loss of work capacity, guarantees the difference in pay up to the level of the position held at the onset of the disability.	**Sustainability goal 10 (S1-5):** **We achieved the target of 100%** of persons with disabilities retaining employment after a loss of work capacity due to health reasons (target to be maintained up to 2030).
	Diversity policy for management and supervisory bodies adopted in the Slovenske železnice Group. **Sustainability goal 10 (S1-5):** **40%** of supervisory body members to be women (and at least 1 woman in each collective management body) by 2030. We are aware of the role of joint events of companies in the Slovenske železnice Group in connecting different employee groups across the various activities and companies in the Group. We carry out regular activities to promote diversity (exhibitions, articles, internal communication, meetings and social gatherings, including with the retirees of Group companies).. For workers with temporary residence in Slovenia, we provide favourable housing rental in accommodation facilities managed not only by SŽ, d.o.o., but also by SŽ-ŽIP and SŽ-Železniško gradbeno podjetje	• **31.0%** of managerial and executive positions are held by women and **23.3%** of members of supervisory bodies are women. • In 2024 we again organised a New Year's gathering for retired colleagues and a ceremony awarding recognitions for thirty years of service at Slovenske železnice. • **74%** of employees rated their satisfaction with colleagues highly. → **® Results of the organisational climate survey – SiOK**
We maintain and promote social dialogue, collective bargaining and employee participation in management, since this strengthens the role of a socially responsible company and promotes solidarity, respect for workers' rights, secure employment and decent working conditions.	Cooperation with trade unions, works councils and other employee representatives has a long tradition in the railway sector and is an important factor in managing working conditions, employee satisfaction and engagement, and also changes and modernisation.	• Regular negotiations and meetings to reach agreements on adjustments and ongoing negotiations to update the collective agreement (in force since 2017). • **85%** of employees are satisfied with the stability of their employment. → **® Results of the organisational climate survey – SiOK**

We are giving greater priority to health, safety and support for employees:

128 more

employees were included in preventive healthcare, while 41 volunteers have already been trained to provide psychosocial support under the professional guidance of a therapist.

Areas of digitalisation of the HR function by 2030

HR administration (SF Employee Central)

- employee **self-service** profiles for managing personal data, training, evaluation, goal-setting, encouraging feedback and more,
- introduction of profiles **for managers and (targeted) leadership**, team management, monitoring of employee development, evaluation and giving and receiving feedback, succession management,
- upgrade of communication channels and connection with different groups of employees or non-employees in the own workforce.

2024	Planning and testing, including integration with existing SAP Payroll and the digital document system (Business Connect)
2025	Implementation and integration with other modules
2026-2030	Upgrades and additional module integrations

Training management (SF Learning Management System)

Systematic planning, implementation and monitoring of training, education, knowledge transfer and the acquisition of qualifications and licences

2024-2025	Planning and implementation of the employee training management system
2025-2027	Integration with other modules (Succession & Development, Performance & Goals, Onboarding) and e-learning platforms (SmartArena)
	Vzpostavitev kataloga (vedenjskih) kompetenc in vrzeli med dejanskimi in zahtevanimi kompetencami
2028-2030	Establishment of a catalogue of (behavioural) competences and gaps between actual and required competences

Succession & Development (SF Succession & Development)

- **systematic succession planning** for key positions and managers
- a **systematic approach** to employee development, enhancement of qualifications and competences linked to (development) goals
- creation of talent pools, **internal mobility procedures** and mentoring programmes

2024-2025	Planning and design of the succession planning process, leadership and successor development, talent pools
	Implementation and pilot roll-out
2026-2030	Linking of (behavioural) competence catalogues with job profiles, linking with the Learning Management module, Talent Hub/other functionalities
	Evaluation and upgrade of the succession planning and development activity process

Recruiting and Onboarding (SF Recruiting & Onboarding)

- restructuring of workforce planning and recruitment processes, application procedures for different groups of potential candidates and selection
- supported and redesigned process for monitoring and onboarding of new employees and mentoring

2024	-
2025	Planning of IT support, analysis and optimisation of workforce planning, recruitment and onboarding processes
2026-2030	2026–2030 Module implementation, upgrades and module integration – Job Profile Builder

Electronic recording and planning of working time (Špica, IVU, Trak8, others) (Špica, IVU, Trak8, others)

2024	Introduced in most companies, in use in some since 2023 or earlier
2025	Continued implementation in companies where working time is organised in shifts, etc.
2026-2030	Upgrades and integration with other modules

Compensation & Benefits (SF Compensation & Benefits)

In the event of simplification and amendment of the pay system 2026–2030

Performance & Goals (SF Performance & Goals)

- the process of **annual development/evaluation** interviews between managers and employees will be digitally supported
- **setting goals**, evaluation and self-evaluation
- achievement of **goals relating** to qualifications and behavioural and general competences

2024	Planning, including integration with other modules
2025-2026	Implementation and pilot roll-out of the annual development interview cycle, including goal setting, development activities, evaluation of competences and work performance
	Implementation with the majority of employees, tailored to target groups
	Introduction of 360-degree evaluation
2027-2030	Evaluation, upgrades and, where necessary, integration of additional Talent Hub functionalities

Employee (user) experience measurement and analytics (XM-Qualtrics)

- platform for conducting surveys in various areas (satisfaction of (new) employees and on exit, engagement, working conditions, organisational climate and satisfaction)
- other ad hoc surveys for specific target groups/topics, including (comparative) analytics, action plans and their monitoring

Measurement of organisational climate, engagement and satisfaction (SiOK) for the analysis of the effectiveness of employee-related measures and policies

The Slovenske železnice Group conducts annual measurements of organisational climate, employee engagement and satisfaction with the aim of creating good working conditions.

In 2024, in cooperation with an external consultant, we adopted the SiOK (Slovene Organisational Climate) survey, which provides a more comprehensive measurement of the parameters of climate, satisfaction and engagement. Owing to the change in methodology, the results are not directly comparable with previous years.

With the planned IT overhaul in 2025, we expect an increase in the proportion of employees included in the survey.

The survey results (together with analyses of surveys of new employees, unwanted departures and others) serve as the basis for planning the strategy for managing impacts, risks and opportunities related to employees and for measures to improve satisfaction, motivation and working conditions, with the aim of developing the desired organisational culture that fosters engagement, productivity, innovation, and employee health and well-being.

Pillar/company	Organisational climate	Commitment	Satisfaction	Responsiveness	Overall SiOK[1] index
SŽ EP Logistika	-	-	-	-	-
SŽ-Tovorni promet	3.10	3.33	3.50	17.5%	2.70
Fersped	2.92	3.27	3.41	52.5%	3.06
VV-LOG	3.21	3.78	4.02	22.7%	3.04
SŽ-Potniški promet	3.07	3.23	3.39	27.1%	2.76
SŽ-Infrastruktura	3.01	3.30	3.42	20.6%	2.69
SŽ-ŽGP	3.43	3.45	3.73	6.8%	2.74
Kamnolom Verd[2]	-	-	-	-	-
Slovenske železnice	3.00	3.42	3.58	62.0%	3.27
SŽ-ŽIP storitve	3.20	3.40	3.49	20.6%	2.78
SŽ-VIT	2.92	3.22	3.30	22.7%	2.64
SŽ-Železniška tiskarna	3.25	3.57	3.44	83.3%	3.61
Prometni institut Ljubljana	3.69	3.82	4.05	38.5%	3.37
Total Slovenske železnice Group	**3.02**	**3.31**	**3.43**	**23.7%**	**2.74**

[1] The overall company index includes all four measurement parameters, i.e. climate, engagement, satisfaction and responsiveness; employee responsiveness to the survey is expressed as a percentage, while climate, engagement and satisfaction are expressed as figures on a scale from 1 to 5
[2] Kamnolom Verd has no data, as only one questionnaire was completed

[S1-4] Disclosure of funds allocated for managing material impacts

Financial resources for managing material impacts

(EUR)	2024	2023	Index
Training and education	465,325.24	510,076.37	91.2
Payments to mentors and instructors	516,484.40	422,648.07	122.2
Health prevention (thermal spas and health prevention at the Vitalis Centre)	116,086.57	88,629.14	131.0
Scholarships	391,250.00	375,800.00	104.1
Payments of allowances for shift work (night, irregular, holiday, etc.)	23,013,845.73	20,013,647.98	115.0
Other payments of additional allowances on account of less favourable working conditions	4,397,026.15	4,228,944.38	104.0
Total	**28,900,018.09**	**25,639,745.94**	**112.7**

[S1-5] Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

The targets were developed through structured workshops involving management staff, specialists in specific human resources areas and external consultants. The process included representatives of all companies in the group and sustainability experts.

TARGETS TO 2030	INTERIM ANNUAL TARGET 2024	TARGET ACHIEVEMENT	
for creating the sustainable workforce of the future		Performance indicator	
ESRS S1 TARGETS included under Topic 1: Health, safety and good working conditions			
S1 TARGET 1			
Reduction of the share of unused annual leave by 2030 0.99–0.95	Not disclosed in 2024 due to a redefinition of the indicator's interpretation, which will ensure a comparable and unambiguous value		
S1 TARGET 2			
2028–2030: 100% capacity utilisation of the **'HEALTHY LIFESTYLE'** programme (500 employees per year) 2025: 75%, 2026: 80%, 2027: 90%	In 2024 the required healthy lifestyle programme is not yet in place; it will be established in 2025		
S1 TARGET 3			
2028–2030: 300 employees OVER the age of 50 participated in the **'HEALTHY LIFESTYLE'** programme 2025: 225, 2026: 240	In 2024 the required healthy lifestyle programme is not yet in place; it will be established in 2025		
ESRS S1 TARGETS included under Topic 2: Attraction, retention and development of employees, enhancement of competences and promotion of innovation			
S1 TARGET 4			
Increasing the share of fulfilled scholarship quotas: **1.05 (2025) – 1.15 (2030)**	Percentage ratio of fulfilled scholarship contract quota in **2024** compared to the percentage of fulfilled quota in 2023 **1.0**	**0.95**	⊖
S1 TARGET 5			
2029–2030: 100% success rate of the scholarship scheme in terms of the expected fulfilment of employment contracts concluded with scholarship holders (over the past three years) 2027–2028: 98%, 2025–2026: 95%		**90%**	**2024: 96.4%** ✓
S1 TARGET 6			
Increase in the share of fulfilled quotas for **co-financing part-time study 1.05 (2025) – 1.15 (2030)**	Percentage ratio of fulfilled part-time study contract quota in **2024** compared to the percentage of fulfilled quota in 2023 **1.0**	**0.95**	**2024: 0.95** ⊖

TARGETS TO 2030	INTERIM ANNUAL TARGET 2024	TARGET ACHIEVEMENT	
for creating the sustainable workforce of the future		Performance indicator	
S1 TARGET 7			
2030: Include 60% OF ALL employees in training and education 2025: 35%, 2026: 40%, 2027-2029: 5% increase in the share each year	2024: Not monitored in 2024 due to inadequate IT support		
S1 TARGET 8			
2030: 60% of employees OVER the age of 50 included in training 2025: 35%, 2026: 40%, 2027-2029: 5% increase in the share each year	2024: Not monitored in 2024 due to inadequate IT support		
S1 TARGET 9			
Establishment of a system for encouraging and monitoring employees' innovative improvement proposals	Targets in the area of innovation promotion will be set in the new sustainability strategy in 2025.	**6** innovation proposals considered.	
ESRS S1 TARGETS included under Topic 3: Diversity, equality, inclusion and social responsibility			
S1 TARGET 10			
2024–2030: Maintaining a 100% share of persons with disabilities who retained employment after the onset of disability.	**100%** of persons with disabilities retained employment	**100%**	✓
S1 TARGET 11			
2028-2030: 40% of supervisory body (SB) members to be women and at least 1 woman in each collective management body **(CMB)** 2025–2027: 25% women (SB)	**25% women** in supervisory bodies	**23.3%**	⊖

Performance indicators showing progress in achieving the targets or fulfilment of the target:

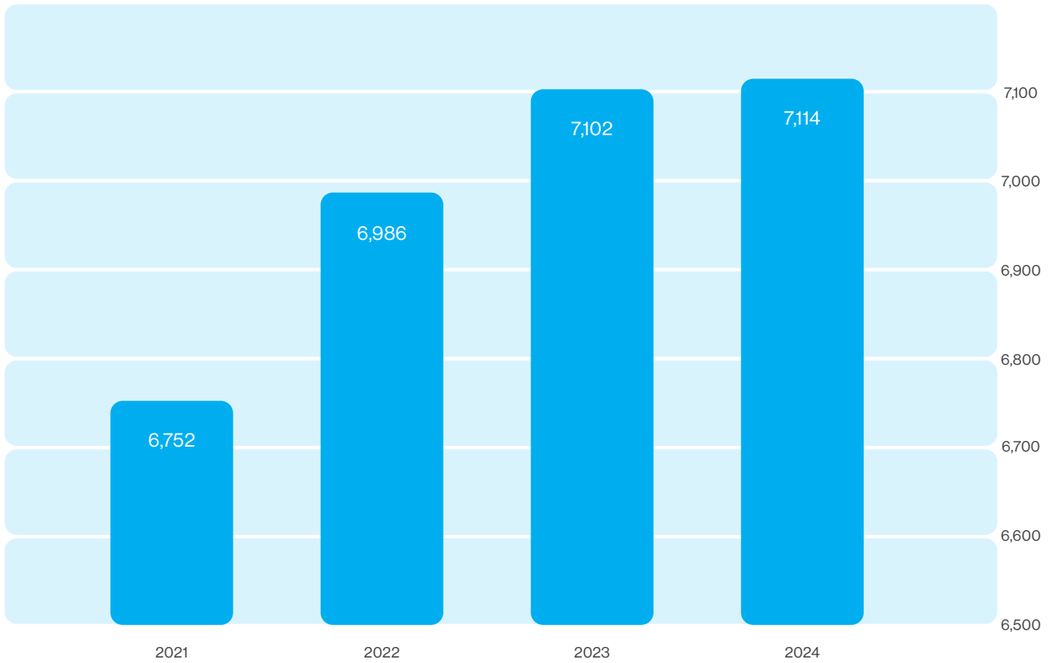
- ✓ Target achieved, activity maintained
- ⊖ Target not yet achieved in the current year
- ✗ No progress or deterioration compared to the previous year (redefinition of the target if necessary)

[S1-6] Characteristics of the undertaking's employees

Data on employees in the undertaking are obtained from queries in the SAP information system or other internal records. The number of employees covers those employed at the end of the period from 1 January 2024 to 31 December 2024, who are reported as the headcount as at 31 December 2024. Where the average number of employees in this period is stated, this is indicated separately.

Job creation and employment

Total number of employees in the Slovenske železnice Group, 31 December 2021–2024



Number of new recruits 2024

Pillar	Women	%	Men	%	Total
Logistics	6	6.8	82	93.2	88
Passenger mobility	31	70.5	13	29.5	44
PRI management	15	10.3	130	89.7	145
Construction	2	8.3	22	91.7	24
Support activities	33	24.3	103	75.7	136
Total	**87**	**19.9**	**350**	**80.1**	**437**

Average number of employees

Pillar	2024	2023	Index
Logistics	1,103	1,094	100.8
Passenger mobility	642	604	106.3
PRI management	2,100	2,065	101.7
Construction	285	270	105.6
Support activities	2,986	2,937	101.7
Total	**7,116**	**6,970**	**102.1**

Type of employment in 2024 by gender and share of employees by type of employment (of total employees)

Pillar	Employees on fixed-term contracts[1]	%	Employees on permanent contracts	%
Logistics-Total	127	11.6	967	88.4
Women	11		152	
Men	116		815	
Passenger mobility-Total	43	6.7	598	93.3
Women	22		327	
Men	21		271	
PRI management-Total	173	8.2	1,941	91.8
Women	20		217	
Men	153		1,724	
Construction-Total	28	9.9	255	90.1
Women	1		20	
Men	27		235	
Support activities-Total	151	5.1	2,831	94.9
Women	15		563	
Men	136		2,268	
Total	522	7.3	6,592	92.7
Women	69		1,279	
Men	453		5,313	

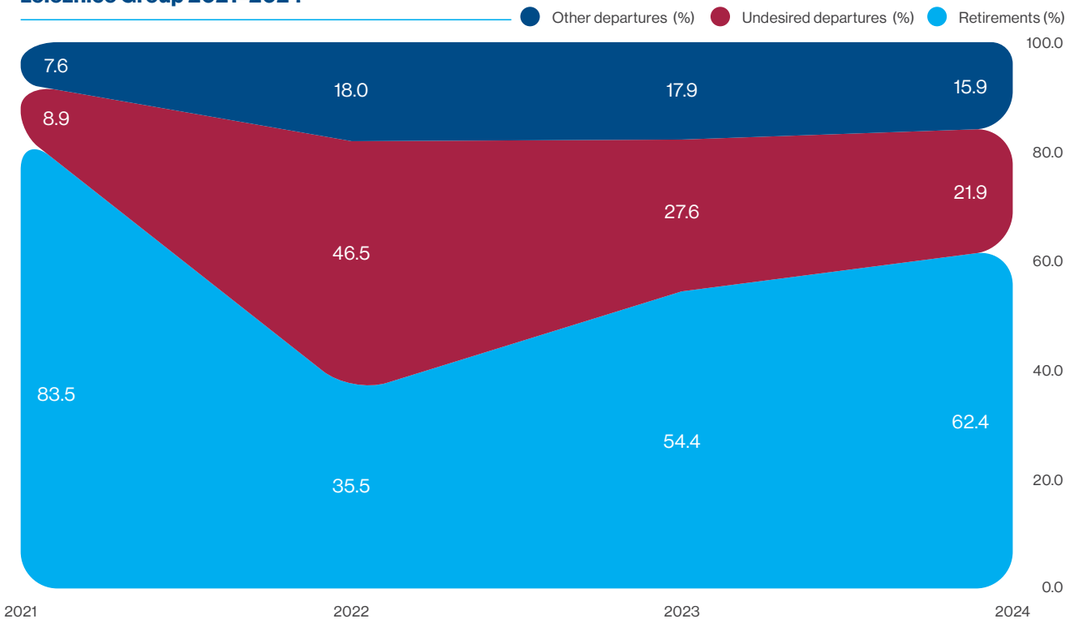
[1] Employees are hired on fixed-term contracts for the duration of training for a specific position; upon successful completion of the training, they are offered permanent employment.

Departures from the company and turnover in 2024

Pillar	Total number of employment contract terminations	Number of retirements	Number of undesired departures[1]	% turnover
Logistics	96	57	19	8.7
Passenger mobility	31	17	6	4.8
PRI management	123	71	32	5.9
Construction	18	3	11	6.3
Support activities	157	117	25	5.3
Total	**425**	**265**	**93**	**6.0**

[1] Departures initiated by the employee are counted as undesired departures from the company.

Structure of departures from the Slovenske železnice Group 2021–2024



Employees by working time and type of employment contract

Pillar	Full-time employees	Part-time employees	Employees covered by collective agreement
Logistics	99.2	0.8	92.1
Passenger mobility	97.0	3.0	98.6
PRI management	99.2	0.8	99.0
Construction	99.3	0.7	94.7
Support activities	96.8	3.2	97.0
Total	**98.0**	**2.0**	**96.9**

[S1-7] Characteristics of non-employee workers in the undertaking's own workforce

To meet staffing needs within the Slovenske železnice Group, we use supplementary forms of employment (agency and other contract workers, retirees, student work). The average share of non-employees in our own workforce amounted to 6.2% in 2024 (excluding student work via student referrals).

We mainly use student work to cover absences in positions that do not require lengthy induction or carry a lower level of responsibility, or we offer it to scholarship recipients to help them better familiarise themselves with their future working environment.

Data on non-employees in our own workforce are obtained from queries in the SAP information system and other internal records. The figure includes employees at the end of the period from 1 January 2024 to 31 December 2024, who are reported as the headcount as at 31 December 2024.

Number of non-employees in the own workforce in 2024 as at 31 December

Pillar	Agency workers	Pensioners	Work contracts and other contracts	Total
Logistics	4	0	16	20
Passenger mobility	0	0	6	6
PRI management	0	6	30	36
Construction	1	0	1	2
Support activities	132	91	202	425
Total	**137**	**97**	**255**	**489**

Number of scholarship recipients

Pillar	2024	2023	Index
Logistics	13	12	108.3
Passenger mobility	6	5	120.0
PRI management	46	40	115.0
Construction	0	1	-
Support activities	50	41	122.0
Total	**115**	**99**	**116.2**

Students with whom we have concluded scholarship contracts are offered the opportunity to carry out study placements; if there is a need for student work, we also offer student jobs.

Number of students in practical training

Pillar	2024	2023	Index
Logistics	6	12	50.0
Passenger mobility	0	3	-
PRI management	39	49	79.6
Construction	2	4	50.0
Support activities	62	66	93.9
Total	**109**	**134**	**81.3**

[S1-8] Collective bargaining coverage and social dialogue

In accordance with the provisions of the Collective Agreements Act and the Collective Agreement for the Railway Transport Sector, the collective agreement applies to all employees in the Slovenske železnice Group in Slovenia, except for employees of VV-LOG.

The collective agreement does not apply to management staff or to employees of SŽ-Tovorni promet branches in Austria, Croatia and Serbia.

Coverage by collective agreement and works council representatives in the Slovenske železnice Group

Proportion of all employees covered by collective bargaining agreements

98.8%

Share of employees in Slovenia represented by employee representatives

98.6%

[S1-9] Diversity metrics

Basic details on the diversity of the employed workforce in the Slovenske železnice Group

	2024	2023	Index
Average age	45.7	45.9	99.6
Women	46.8	47.0	99.6
Men	45.5	45.6	99.8
Average level of qualifications	4.7	4.6	102.2
Women	5.3	5.3	100.0
Men	4.5	4.5	100.0

Management staff – Management Board or directors (director-general, director, workers' director, member of Management Board/director)

	2024			
Pillar	**Women**	**Men**	**Total**	**% of women**
Logistics	1	4	5	20.0
Passenger mobility	1	1	2	50.0
PRI management	0	2	2	0.0
Construction	0	3	3	0.0
Support activities	4	5	9	44.4
Total	**6**	**15**	**21**	**28.6**

Senior and management staff combined (Senior – represents the first level of management below the Management Board)

	2024				2023	Index % of women
Pillar	**Women**	**Men**	**Total**	**% of women**	**% of women**	
Logistics	2	11	**13**	15.4	21.4	72.0
Passenger mobility	4	3	**7**	57.1	57.1	100.0
PRI management	1	6	**7**	14.3	22.2	64.4
Construction	1	7	**8**	12.5	12.5	100.0
Support activities	18	31	**49**	36.7	34.7	105.8
Total	**26**	**58**	**84**	**31.0**	**31.0**	**100.0**

Employee age by gender

	Up to 30 years		31 to 50 years		over 50 years		Total
Pillar	**Women**	**Men**	**Women**	**Men**	**Women**	**Men**	
Logistics	14	141	39	481	110	309	1,094
Passenger mobility	53	39	188	110	108	143	641
PRI management	30	250	107	770	100	857	2,114
Construction	2	34	11	146	8	82	283
Support activities	36	285	236	1,095	306	1,024	2,982
Total	**135**	**749**	**581**	**2,602**	**632**	**2,415**	**7,114**

[S1-10] Adequate wages

All employees of the Slovenske železnice Group in Slovenia receive pay that is higher than the minimum wage as defined by the Minimum Wage Act. Pay is determined on the basis of the provisions of the Collective Agreement for the Rail Transport Sector. Basic gross pay is specified in the employment contract by means of a pay grade and base gross amount, depending on the complexity of the position to which the employee is assigned and on additional pay grades for direct management responsibilities.

A worker's pay consists of basic pay, allowances and compensation. Workers' pay is public but actual individual payments are confidential. The classification of all positions within the company into tariff classes, together with the corresponding pay grades, is published once a year in the company's internal newsletter or by other customary means.

Agency workers are guaranteed equal pay to own employees. Students and other categories of non-employed workers within the company's own workforce receive at least the prescribed minimum hourly rate or more (depending on the complexity of the work or prevailing market rates for the type of work in question).

All workers not employed under employment contracts receive appropriate pay in accordance with regulations governing the specific area or field.

[S1-11] Social protection

Social security in Slovenia is governed by laws and secondary legislation and is based on rights enshrined in the Constitution of the Republic of Slovenia. The Constitution defines Slovenia as a social state that guarantees its citizens a system of social security founded on reciprocity and intergenerational solidarity. Citizens exercise their right to social security through legislation governing the social insurance system. Citizens contribute to the exercise of social security rights by paying contributions.

In the event of **temporary absence from work due to illness**, employees are entitled to wage compensation from compulsory health insurance funds, as defined by the Employment Relationships Act (ZDR-1), the Healthcare and Health Insurance Act (ZZVZZ), the Rules on Compulsory Health Insurance and the Social Security Contributions Act (ZPSV).

In the event of unemployment, employees are entitled to unemployment benefit if they have been insured against unemployment for at least 10 months in the 24 months preceding unemployment. For persons under the age of 30, the qualifying period is at least six months. Unemployment benefits are not granted in certain cases, including:

- if the reason for termination of the employment contract lies with the employee,
- if the employee and employer conclude an agreement to terminate the employment contract,
- if the employer serves notice of ordinary termination of employment on grounds of culpability,
- if the employer serves notice of ordinary termination of employment for business reasons or reasons of incompetence with the offer of a new employment contract which the employee has declined,
- if the employer serves notice of extraordinary termination,
- if an employee nearing retirement, who is not entitled to unemployment benefits until meeting the minimum retirement conditions, has given written consent to termination for business reasons.

Legal basis: Employment and Insurance Against Unemployment Act (ZZZPB), Employment Relationships Act (ZDR-1), Labour Market Regulation Act (ZUTD).

Occupational injuries (and any resulting subsequent disabilities) that occur to employees while performing their work, while on a business trip, or while commuting to and from work (if transport is provided by the employer), must be reported by the employer. An injury must be reported if it causes the employee to be absent from work for at least one day. Reporting the injury and its confirmation by a doctor entitles the employee to 100% wage compensation for the duration of their sick leave. In cases of acquired disability, the disability board assigns the worker to one of three categories, depending on their remaining work capacity. The category determines the employee's statutory entitlements (under the Health and Safety at Work Act, Pension and Disability Insurance Act, Employment Relationship Act, Rules on Compulsory Health Insurance and the Healthcare and Health Insurance Act).

In the event of the birth of a child, employees are entitled to **parental rights**. By submitting an application to exercise rights related to the birth of a child, the mother claims the right to maternity leave and maternity benefit, as well as the right to parental leave and parental benefit. Fathers are also entitled to paternity leave with benefit and parental leave with benefit, under the conditions laid down in the Parental Protection and Family Benefits Act (ZSDP-1) and the Adjustments of Transfers to Individuals and Households in the Republic of Slovenia Act (ZUTPG).

Employees become **entitled to retirement** upon meeting certain conditions. A pension is a regular monthly payment that ensures the recipient's material and social security. Types of pensions include old-age pension, disability pension, widow(er)'s pension, family pension, etc. All employees are covered by compulsory pension and disability insurance.

Employees are also offered the option of **voluntary supplementary pension insurance** to ensure their right to an additional pension. In this case, the employer's and employee's premiums (at least 1% of gross pay) are paid monthly into the accounts of the selected insurance companies. The accumulated funds are paid out to the beneficiary upon retirement or once the conditions for payout are met.I Slovenske železnice also makes occupational insurance contributions for employees in

Proportion of employees enrolled in voluntary supplementary pension insurance

Pillar	2024	2023	Index
Logistics	77.4	77.6	99.7
Passenger mobility	75.8	69.5	109.1
PRI management	82.1	80.0	102.6
Construction	94.0	96.3	97.6
Support activities	82.9	80.0	103.6
Total	**81.6**	**79.4**	**102.8**

Slovenske železnice also makes **occupational insurance** contributions for employees in certain positions, which involves compulsory enrolment and employer-paid contributions collected in the accounts of insured employees. Those entitled to these contributions are workers performing particularly demanding work and work that is harmful to health, or those engaged in work that cannot be carried out successfully beyond a certain age. On the basis of the accumulated funds, insured persons acquire, once the conditions have been met, the right to an occupational pension and other rights under the Pension and Disability Insurance Act (ZPIZ-2).

Within the Slovenske železnice Group, positions entitled to such employer contributions include: train drivers, train driver instructors, signallers, shunters, rolling stock inspectors, supervisors of rolling stock inspectors, and – subject to specific conditions – certain other roles.

[S1-12] Persons with disabilities

We try to find alternative suitable employment within the Slovenske železnice Group or at the sheltered company SŽ-ŽIP for vulnerable employee groups who are no longer able to perform their work owing to illness, injury or physical impairment.

In accordance with the medical limitations recognised by the Pension and Disability Insurance Institute of Slovenia (ZPIZ), we enable adjustments to the job role and provide occupational rehabilitation, in this way maintaining or ensuring long-term employment.

In the event of disability, the employee becomes entitled to a disability allowance from ZPIZ (calculated on the basis of their pensionable earnings). Companies within the Slovenske železnice Group also calculate any potential difference in pay for the job held before and after the onset of disability, taking into account the ZPIZ allowance). The collective agreement stipulates that the employee is also entitled to a disability allowance from the employer if, after the ZPIZ allowance is taken into account, a shortfall in pay to the employee's detriment remains.

	2024	2023	Index
Proportion of employees with category II and III disabilities	7.8	8.0	97.5
Women	17.8	18.4	96.7
Men	82.2	81.6	100.7
Number of newly recognised disabled employees	40	47	85.1
Women	10	10	100.0
Men	30	37	81.1
Number of transfers to SŽ-ŽIP with the aim of retaining employment for disabled employees[1]	14	11	127.3

[1] Transfers of activity are not included

[S1-13] Training and skills development metrics

2024	Logistics	Passenger mobility	Mgmt. of PRI	Constr.	Supp. act.	Total
Total number of training sessions conducted	2,764	2,732	5,246	487	9,404	**20,633**
Number of training sessions for persons performing safety-critical tasks (PSCT)	1,698	1,996	4,417	168	6,577	**14,856**
Number of functional training and education sessions	1,066	736	829	319	2,827	**5,777**
Average number of training hours per employee	61.3	80.0	53.0	13.5	62.8	**59.2**
Number of participants in the Talent Academy	4	3	3	1	14	**25**
Women	0	2	0	0	12	**4**
Men	4	1	3	1	2	**21**
Number receiving co-financing for part-time study	4	4	14	0	17	**39**
Women	0	1	1	0	4	**6**
Men	4	3	13	0	13	**33**
Number of mentors assigned to employees for onboarding purposes	284	251	543	12	966	**2,056**

The exchange of best practices and know-how with training centres abroad is an important activity to ensure a high-quality, modern training centre:

- we participate in projects of the International Union of Railways (UIC);
- as partners in the REPAIR project, we have developed digital sustainability badges, while the Mind4Change project focuses on developing ways to improve training effectiveness in connection with upcoming changes brought about by the digitalisation and automation of work processes;
- we are also involved in the Drone4Rail project, which explores the use of unmanned aerial vehicles in the railway sector, and in the CYRUS project, which is developing training programmes tailored to the needs of the railway sector in protecting against cyber attacks.

Performance review, career development and planning of development activities

No annual development interviews between managers and employees were held in 2024, because we were preparing to introduce the SAP SF Performance & Goals and Succession & Development modules.

We do not currently have performance appraisal systems or a structured approach to career development in place, but both are planned as part of the digitalisation of HR functions.

In 2025 and 2026, we plan to gradually include a wider range of employees in development interviews, during which they will work with their managers to define (development) goals, assess work performance based on the achievement of objectives and desired competences, and identify specific development needs, tailored training requirements and interests relating to professional and career development.

[S1-14] Health and safety metrics

2024	Logistics	Passenger mobility	PRI management	Construction	Support activities	Total
Proportion of employees covered by the occupational health and safety management system	100.0	100.0	100.0	100.0	100.0	**100.0**
Number of working days lost (WDL) due to injury at work per injury	31.3	21.3	16.9	12.0	20.6	**21.4**
Workplace injury frequency per 1,000 employees	20.4	4.7	18.1	7.0	20.4	**17.6**
Number of fatalities due to workplace injuries	0	0	0	0	0	**0**
Number of workplace accidents	22	3	38	2	60	**125**
Number of work-related cases of ill health among employees	0	0	0	0	0	**0**
Sick leave rate	6.9	7.6	5.8	7.9	6.6	**6.6**

We also support employees in taking personal responsibility for maintaining their own health, both in the workplace (primarily through preventive health programmes) and during their free time.

Number of employees who took part in a preventive health programme (at the Vitalis Centre, which operates under the sheltered company SŽ-ŽIP, and at the Terme Olimia thermal spa)

2024	Logistics	Passenger mobility	PRI management	Construction	Support activities	Total
Participation in programmes of the Vitalis Centre	9	8	32	0	77	**126**
Participation in the Terme Olimia programme	84	36	133	3	215	**471**

Through online education and health promotion, we encourage a focus on health and safety at the workplace, provide 'active break' options for those who mainly work sitting down (guided ten-minute exercise sessions twice a day via MS Teams) and raise awareness of the four pillars of good health: exercise, nutrition, mental health and sleep. We also co-finance participation in sports events.

[S1-15] Work–life balance metrics

The Right to Disconnect Policy in the Slovenske železnice Group ensures that employees' free time is respected, with a focus on rest, relaxation and maintaining work–life balance. It sets out rules to limit work obligations outside working hours and promotes a healthy working environment through training and management support. It protects employees' rights, prohibits negative consequences for not responding in their free time and enables coordinated communication and work.

All employees are entitled to leave for family obligations under social policy measures and the Collective Agreement for the Rail Transport Sector. Employees are also entitled to time off for special personal events or emergency situations (birth, death, natural disaster, relocation, etc.), participation in preventive health programmes, performing certain non-professional roles and duties, voluntary blood donation, and so on.

In **2024** a total of 355 employees **took maternity or paternity leave** (71 women and 284 men). We do not have data on the proportion of employees entitled to parental protection rights under the Parental Protection and Family Benefits Act (ZSDP-1). However, all employees who acquire such rights and wish to exercise them are granted access. Employees who inform us of the birth of a child are also eligible for additional benefits that we provide as an employer on the birth of a child (such as additional annual leave days).

In 2024, 42 employees (32 women and 10 men) took advantage of the **right to shorter working hours on account of parenthood.**

Of those who took parental leave or shorter working hours, 25.9% were women and 74.1% were men.

Additional benefits for employees contributing to work–life balance include the chance to rent holiday accommodation in the mountains or by the sea, festive gifts for children on board a train and the chance to join various railway societies and clubs (hiking, chess, caving, Slovenske železnice brass band, KUD Tine Rožanc cultural association, Slovenske železnice retirees' club, sports society, etc.).

[S1-16] Remuneration metrics (pay gap and total remuneration)

Below is the calculation of the unadjusted gender pay gap, defined – according to the methodology of the Statistical Office of the Republic of Slovenia (SURS) – as the difference between the average gross hourly pay of men and the average gross hourly pay of women, expressed as a percentage of the average gross hourly pay of men.

Calculation of the pay gap based on October 2024 data at the level of the Slovenske železnice Group

Gender	Average gross pay October 2024	Average hourly pay October 2024	Pay gap (October 2024) based on average hourly rate	Number of employees included in the calculation October 2024	Pay gap (October 2024) based on the SURS formula
Male	2,690.00	14.62	10.53%	5712	10.53
Female	2,406.86	13.08		1319	

Gender pay gap calculation for October 2024 by pillar within the Slovenske železnice Group

	Male			Female	
Pillar	Average gross pay October 2024	Number of employees included in the calculation October 2024	Pay gap based on the SURS formula	Average gross pay October 2024	Number of employees included in the calculation October 2024
Logistics	2,487.95	888	-4.95	2,611.02	161
Passenger mobility	2,361.79	295	11.38	2,093.06	341
PRI management	2,612.75	1878	-1.72	2,657.78	228
Construction	3,233.26	255	0.66	3,212.00	19
Support activities	2,808.03	2396	14.19	2,409.70	570

The ratio between total annual remuneration, calculated using the formula 'annual salary of the highest-paid individual / median annual salary of all employees excluding the highest-paid individual', stood at 5.34 or 534% for 2024. The calculation includes all employees who received gross pay during 2024. This means that all possible cases of termination, transfer, retirement, sick leave, death, etc. are included.

- The pay model of the Slovenske železnice Group is defined in the Collective Agreement for the Rail Transport Sector (KPDŽP, UL RS, No. 95/2007), point C. Tariff section;
- subsequently concluded agreements between trade unions and the employer;
- the Rules on Promotion;
- the Rules on Special Allowances for Specific Job Requirements.

The basis for determining base pay is derived from the required level of professional qualifications for each position as specified in the job classification (Article 19 KPDŽP) and from the job evaluation system. The evaluation method takes into account the following elements (Article 167 KPDŽP):

- required work experience;
- required functional knowledge;
- responsibilities;
- effort;
- exposure to adverse working conditions.

Each pay grade is defined by a coefficient.

Employees who meet the conditions are normally eligible for their first promotion after three years of service, with a 5% increase in their base gross pay. Thereafter, pay increases by 1% annually, up to a maximum total increase of 28%.

Employees are entitled to promotion in the month of the calendar year in which they complete a full year of service with the Slovenske železnice Group.

Employees who, during the reference period, received pay only from another payer and not the employer (e.g. long-term sick leave paid by the institute, maternity leave) are excluded from the calculation of the average gross pay and, consequently, from the gender pay gap estimate under the SURS methodology. The calculation includes pay under the KPDŽP, pay under individual contracts, pay for union representatives performing their function professionally (partially or fully), and pay that is not disbursed under the KPDŽP (e.g. at VV-LOG).

The base pay for each job and the supplementary/ variable components linked to it are the same regardless of gender. The amount of allowances for difficult working conditions and working time schedules depends on the employee's assignment, place of work and the nature of the position or work.

The adjusted gender pay gap estimate, which excludes employment and demographic differences between men and women (or controls for other variables influencing the gap that are not employer-related, such as sick leave to care for another person or reduced working hours requested by the employee), is referred to as the adjusted pay gap.

[S1-17] Incidents, complaints and severe human rights impacts

	2024
Number of complaints submitted through channels available to employees to raise concerns (including grievance mechanisms)[1]	19
Total number of confirmed cases of discrimination, including harassment	0
Total amount of fines, penalties and compensation for damages arising from the above disclosed incidents and complaints, and reconciliation of disclosed monetary amounts with the most appropriate amount presented in the financial statements	0
Number of serious human rights issues and incidents related to own workforce	0

[1] Reports of inappropriate conduct related to discrimination and the number of reports and confirmed breaches of corporate integrity are provided in section S1-3 (disclosed by pillar within the Slovenske železnice Group).

In 2023 and 2024 there were no serious incidents or complaints in the Slovenske železnice Group relating to human rights (such as forced labour, human trafficking, child labour) or other infringements of the United Nations Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, or the OECD Guidelines for Multinational Enterprises. There were also no cases of serious human rights violations in which the company played a role in providing legal remedies to affected individuals.

ESRS S3 Affected communities

In the Slovenske železnice Group, we are aware that our operations have a significant impact on various stakeholders and the environment. Our activities influence the safety of rail transport and the safety of affected communities or individuals crossing the railway line.

Level crossings – where road and rail traffic intersect at the same level – represent critical interfaces between Slovenske železnice's railway infrastructure and local communities. These points pose safety risks due to multiple factors, including human error, technical malfunctions and vandalism.

The Slovenske železnice Group, affected communities and individuals all play an important role in rail safety. Failure to comply with safety measures or acts of vandalism can lead to serious safety risks and accidents.

Safety improvement measures promote investment by the PRI owner in advanced safety systems, such as automatic barriers, improved signalling and monitoring systems, construction of overpasses and underpasses at critical intersections between road and rail traffic, deployment of advanced technologies such as obstacle detection and automatic traffic management systems, and awareness-raising among residents regarding safety protocols.

Our aim is to improve rail safety and the safety of communities in contact with the railway through constructive engagement with local communities. We welcome all suggestions and opportunities for continuous improvement.

The disclosures in this section relate to the safety impacts on affected communities identified as a material social sustainability matter exceeding the threshold for individual disclosure for SŽ-Infrastruktura. Disclosures in this section therefore primarily refer to that company.

[S3-SBM-2] Interests and views of stakeholders

The Slovenske železnice Group strives to maintain an open and constructive relationship with the communities in which it operates. As part of the double materiality assessment, we identified the key interests of local communities, which primarily concern the impacts associated with the safety of level crossings, noise emissions from rail traffic and the accessibility of rail services. Consultations with local communities have shown that residents living near railway lines appreciate our willingness to engage in resolving environmental issues, while also highlighting the need for better access to information about planned works on the railway infrastructure. We are committed to taking into account the views of local stakeholders when making decisions that affect quality of life in communities, as reflected in our initiatives to support local projects and our efforts to reduce the negative impacts of our activities. Stakeholder interests and views across the Slovenske železnice Group are described in section General information [SBM-2].

[S3-SBM-3] Material impacts, risks and opportunities and their interaction with strategy and business model(s)

In the assessment of impacts, risks and opportunities, those relating to the safety of affected communities were identified as material above all for SŽ-Infrastruktura, so the disclosures in this section mainly concern that company.

A positive potential impact was identified in relation to improving traffic safety at level crossings. Through its activities, SŽ–Infrastruktura can contribute to improved safety by encouraging the owner of public railway infrastructure to eliminate level crossings by constructing bypasses, overpasses or underpasses.

The Slovenske železnice Group takes a comprehensive approach to managing the impacts of its activities on stakeholders and the environment. Stakeholder interests and views, set out in more detail in section ESRS 2 [SBM-2], play a key role in shaping our strategy and business model. Across the entire value chain, we have a significant impact on communities along railway lines, local communities and individuals who come into contact with the railway.

As the manager of public railway infrastructure, Slovenske železnice engages with local communities and takes note of their expectations and requests. From time to time, local communities submit proposals concerning the arrangement and protection of level crossings. We forward these proposals to the owner of PRI, who makes decisions on the measures to be implemented and their financing.

Ensuring the safety of passengers and freight is at the heart of our operations, and is essential for maintaining the trust of the public and business partners.

We pay particular attention to the safe transport of dangerous goods, using specialised wagons and strict safety regulations to reduce the risk of accidents and spills that could adversely affect the wider community and environment.

Rail transport delivers numerous positive effects for society and the environment:

- thanks to stricter standards and oversight, rail ensures a higher level of safety – statistically, it is the safest form of land passenger transport in the EU,
- significantly lower CO_2 emissions compared to road and air transport, particularly with electric trains,
- higher energy efficiency in the transport of freight and passengers per tonne-kilometre,
- reduced road traffic volumes, resulting in less infrastructure wear and fewer traffic jams,
- smaller spatial footprint compared to motorways.

These positive impacts make rail transport a sustainable and safe alternative to other forms of transport, significantly contributing to improved quality of life and environmental protection. For Slovenske železnice, it is vital to identify and manage material risks and opportunities stemming from relationships with affected communities, since these have a direct influence on our operations, reputation and long-term performance.

Constructive cooperation with local communities brings us a range of opportunities.

Positive relationships enhance our reputation and help attract new customers, investors and business partners. They mean successful performance, which is essential for the delivery of reliable transport services and sustainable development. Dialogue with communities generates fresh ideas and opens new opportunities for innovation that can lead to the development of improved services.

We plan our activities on the basis of dialogue with communities. These activities include educational content with the potential to improve community safety and health, as well as infrastructure-related improvements. We are aware that the construction and operation of railway infrastructure can affect the environment and the quality of life of local residents, which is why we pay particular attention to managing noise, vibration and accessibility, especially in rural areas.

[S3-1] Policies related to affected communities

We have policies and procedures in place to effectively manage the impacts, risks and opportunities associated with affected communities.

Our strategy is built on several key pillars:

The **Sustainable Development Policy** applies to all affected communities and is publicly available online. It is focused on reducing negative environmental impacts and improving the quality of life in local communities. This includes specific measures aimed at reducing emissions, noise and vibrations, and improving energy efficiency.

In the case of major projects, we work closely with ministries to carry out environmental and community impact assessments. On the basis of our findings, we adopt measures to mitigate negative impacts and protect the environment.

The **Social Responsibility Policy** applies to all affected communities and is published on the Slovenske železnice Group's website. It includes support for local communities through investment in infrastructure and education. Particular attention is given to training employees to raise awareness of impacts on communities and the environment.

We have also adopted a **Safe Management System Policy**, which is targeted specifically at railway operators who are our contractual partners. It focuses on ensuring safety in rail transport, including safety at level crossings, through the establishment and maintenance of effective safety measures and procedures. It is intended to promote the safety policy within the Slovenske železnice Group, where all employees are committed to safe operations and adherence to safety protocols. We systematically identify and assess safety risks and implement actions to reduce them.

We are committed to respecting human rights in all our activities. This includes:

- consultation with communities on projects;
- regular reporting on action taken and results achieved.

To engage with affected communities, we use a general procedure for identifying communities, which is based on an analysis of the geographical, demographic and socio-economic characteristics of the areas in which we operate.

As the owner of PRI, the state invests in improving public railway infrastructure through the construction of new lines, upgrades to existing lines and enhanced safety.

We are committed to respecting internationally recognised standards:

- UN Guiding Principles on Business and Human Rights,
- Sustainable Development Goals of the United Nations Agenda 2030,
- Universal Declaration of Human Rights,
- ILO Declaration on Fundamental Principles and Rights at Work,
- OECD Guidelines for Multinational Enterprises.

On the basis of regular monitoring in relation to the above international standards, no infringements were identified during the reporting period and no corrective actions were required.

[S3-2] Processes for engaging with affected communities about impacts

Within the Slovenske železnice Group, engagement with affected communities is primarily conducted through the relevant ministries of the Republic of Slovenia. Depending on needs, we engage at several levels:

- with legitimate representatives of the communities (local authorities, municipal councils and other official bodies),
- with non-governmental organisations and other credible intermediaries experienced in working with affected communities.

Engagement with local communities takes place at various stages and on different occasions, depending on the nature of the project, its impact and the needs of the community. Impacts on local communities and the associated mitigation measures are documented in reports that are made available to the relevant public as needed. Stakeholder engagement in impact assessments includes the developer, representatives of local communities and authorised project coordinators from the Slovenske železnice Group.

The Group's management has operational responsibility for:

- ensuring effective engagement with local communities,
- communicating outcomes and the approach of the companies involved.

Although we have systems in place for the regular monitoring of project progress and impacts on affected communities, we currently:

- do not have defined steps for obtaining insight into the perspectives of affected and marginalised communities,
- do not have a general procedure in place for engagement with affected communities.

Despite these limitations, we remain committed to maintaining open dialogue and engaging with all affected communities on an individual basis.

[S3-3] Processes to remediate negative impacts and channels for affected communities to raise concerns

We recognise that careful management of community impacts is of key importance for our sustainable operation. To effectively identify and address material negative impacts, we use an approach based on continuous monitoring, analysis and open communication with affected communities. By gathering and analysing data and conducting thorough impact assessments, we can identify the areas where our operations have the greatest impact on the life of local communities.

We pay particular attention to open communication – affected communities are regularly informed of our findings and planned measures. On the basis of the identified challenges, we establish appropriate measures and carefully monitor their effectiveness. Our approach is based on a system of continuous improvement in line with ISO 9001 and ISO 14001.

Our commitment to continuous improvement drives us to constantly adapt and enhance our procedures on the basis of feedback received.

To enable easier and more effective communication, we have established several grievance channels. Affected communities can express their concerns and suggestions via:

- telephone: +386 1 291 21 00, +386 1 291 40 21,
- email: info@slo-zeleznice.si or vposta.infra@slo-zeleznice.si,
- the Slovenske železnice website: http://www.sz.si,
- social media: Facebook, X, Instagram, LinkedIn
- postal address: Slovenske železnice, d.o.o., Kolodvorska ulica 11, 1506 Ljubljana, Slovenia.

Complaints can also be submitted to an independent institution – the Agency for Communication Networks and Services of the Republic of Slovenia (AKOS), Stegne 7, 1000 Ljubljana.

Every question or complaint we receive is recorded in our system, allowing us to track it from receipt through to resolution. By examining complaints and enquiries, we identify patterns that may indicate a lack of information or trust in our processes. Once a complaint is resolved, we gather feedback to assess community satisfaction and improve our activities.

To ensure a safe environment for raising concerns and needs, we have adopted rules on the protection of whistleblowers. These rules ensure full confidentiality of the whistleblower's identity, which is not disclosed without their explicit consent. Any retaliatory measures against individuals who report infringements or express concerns in good faith are strictly prohibited. In this way, we aim to create a climate of trust and open dialogue, which is vital for the effective identification and resolution of challenges in our community relations.

[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 the effectiveness of those actions

The Slovenske železnice Group manages the impacts of its operations on affected communities through carefully planned preventive, mitigating and remedial measures. These are continuously improved and adapted in line with stakeholder needs and feedback in order to ensure sustainable and responsible operations that take account of the interests of all involved.

Key preventive and mitigating measures include:

- Regular maintenance of public railway infrastructure, ensuring safety and reliability while reducing impacts on the environment and communities.
- Encouraging the owner of PRI to reduce the number of level crossings and to use environmentally friendly materials and technologies.

- Participating in environmental assessments prior to the launch of new projects, enabling timely identification and control of potential impacts.
- Delivering educational programmes for employees and the general public, with a focus raising awareness of PRI safety and sustainable practices.

We monitor our activities through systematic data collection and analysis. The findings are shared with interested members of the public, and we respond proactively to comments from local communities. No serious incidents related to affected communities were recorded in 2024, so no remedial measures were required. Nonetheless, we recognise that there is scope for improvement in delivering additional positive outcomes for communities, and we plan to actively address these opportunities going forward.

SŽ-Infrastruktura has implemented a range of measures to enhance safety within the Slovenske železnice Group, including:

- regular awareness-raising and training of employees,
- overseeing the implementation of work processes,
- simulation exercises for managing emergency situations,
- implementation of recommendations issued following investigations of railway accidents,
- implementation of recommendations from incident investigation reports.

Various stakeholders are involved in planning safety measures, in particular non-governmental organisations (civil protection, fire brigades) and state authorities (police, army), with whom we also cooperate during rescue exercises.

On 6 October 2024 a practical civil protection and rescue exercise was held in the Pekel tunnel, located between the Maribor and Pesnica railway stations. The exercise involved municipal emergency protection, rescue and relief services. The aim was to improve procedures, organisation and preparedness for rescue operations in railway tunnels.

We have a range of resources and competences in place to manage impacts effectively:

- dedicated financial resources for remediation measures,
- professionally trained staff of various professional profiles,
- modern technological solutions,
- cooperation with external experts.

The key objectives of the safety plan include reducing the number of accidents at level crossings, providing regular employee training to prevent accidents and incidents, improving safety infrastructure and strengthening trust between the Slovenske železnice Group and its stakeholders.

In cooperation with the owner of PRI, we propose and implement a range of measures to improve safety at level crossings. These include the installation of automatic safety devices with signalling, the construction of overpasses and underpasses, and awareness-raising campaigns on safe railway crossing. We also carry out regular monitoring and risk assessment at level crossings, including inspections of safety equipment and checks for legal compliance.

As the owner of the infrastructure, the state invests annually in new construction, expansion and maintenance of infrastructure facilities. The purchase of state-of-the-art train control systems further enhances operational safety.

The effectiveness of measures is increased by focusing on high-impact areas and by extending the safety policy to all stakeholders. The connection between identified impacts, adopted policies and stakeholder engagement ensures that the measures make an effective contribution to sustainable development.

SŽ-Infrastruktura is investing in new machinery for the regular maintenance of public railway infrastructure, as shown in the table below.

in EUR thousand	2024	Short-term (up to one year)	Medium-term (one to five years)	Long-term (over five years)
Financial resources allocated for new machinery for PRI maintenance	1,835	/	14,763	

[S3-5] Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

The Slovenske železnice Group is committed to a zero-tolerance policy regarding injuries and fatalities in accidents at level crossings. As part of our sustainability strategy, we have set a target to reduce the number of accidents and incidents at level crossings. We intend to achieve this by encouraging the owner of public railway infrastructure (PRI) to replace level crossings with underpasses or overpasses. This approach is intended to improve safety, reduce the risk of accidents and contribute to the sustainable development of railway infrastructure.

To achieve this goal, we are pursuing a strategy that includes regular cooperation with the relevant ministries and other authorities in investigating accidents and preparing safety recommendations. These generally involve technical upgrades to safety equipment and signalling, proposals for grade-separated crossings and preventive public awareness campaigns.

These campaigns are carried out as part of global initiatives led by the International Union of Railways (UIC), with the aim of raising public awareness of the dangers associated with crossing railway tracks. They also promote cross-sector cooperation to reduce the number of accidents and enhance safety.

In 2024, the campaign focused on vulnerable road users under the slogan: 'Caution: Train! One false step can turn your life upside down', warning of the irreversible consequences of crossing a railway line without due care.

In cooperation with the state as the owner of the infrastructure, we are working towards a gradual reduction in the number of level crossings. Upgrading infrastructure, combined with the promotion of sustainable mobility and improvements to safety at railway crossings, is a key part of our commitment to the sustainable development of rail transport in Slovenia.

We also carry out regular safety inspections of level crossings to enable early identification and elimination of potential hazards. Affected communities do not independently propose improvements, but we remain open to dialogue and initiatives that could help enhance safety at level crossings.

The indicators listed include the total number of level crossings and the number of crossings protected by various safety devices and signals. The purpose of the table is to provide an overview of safety measures at level crossings and to monitor their development over time.

	unit	2020	2021	2022	2023	2024
Level crossings (LCr) on PRI	number	714	690	690	677	674
LCr marked by a St Andrew's cross	number	375	349	349	339	335
	%	52.5	50.6	50.5	50.0	49.7
LCr protected by a barrier, half-barrier or light signals	number	339	341	341	338	339
		47.5	49.4	49.4	50.0	50.3
Number of accidents at LCr	number	5	8	6	6	1
Accidents at LCr marked by a St Andrew's cross	number	4	5	1	2	0
Accidents at LCr protected by a barrier, half-barrier or light signals (mechanically)	number	1	3	5	4	1
Number of fatalities at LCr	number	2	2	3	3	0
Number of persons seriously injured at LCr	number	3	5	4	5	1

Since 2020, the number of level crossings on public railway infrastructure has been reduced by 40, representing a 5.6% improvement in safety at level crossings.

Level crossings marked by St Andrew's crosses account for 49.7% of all crossings.

Existing level crossings are regulated on the basis of the findings of the Level Crossing Commission, which serve as the basis for a decision issued by the competent ministry.

The Level Crossing Commission is composed of representatives of the infrastructure manager, the ministry responsible for transport, the ministry responsible for internal affairs, the safety authority, the road authority and the local community in which the level crossing is located. The members of the commission are appointed by the competent minister.

Level crossings eliminated in 2024

Line	Block section	Name	Km position	Type of protection	Adopted solution
30 Zidani Most–Šentilj–national border	Rimske Toplice station	Rimske Toplice station	509+910,00	Automatic protection device	construction of grade-separated crossing
30 Zidani Most–Šentilj–national border	Slovenska Bistrica–Pragersko	Pragersko	574+507,00	Automatic protection device	construction of alternative route
31 Celje–Velenje	Celje–Žalec	Levec 1	4+152,00	St Andrew's cross	construction of alternative route
31 Celje–Velenje	Celje–Žalec	Levec 2	4+461,00	St Andrew's cross	construction of alternative route
31 Celje–Velenje	Celje–Žalec	Levec 3	4+634,00	St Andrew's cross	construction of alternative route

These crossings were built in locations where it was a priority to improve safety, accessibility and connectivity.

ESRS S4 Consumers and end-users

Our aim is to create a sustainable, efficient and accessible passenger transport system that connects people and communities while contributing to a better quality of life. We want to provide a safe, comfortable and reliable transport service that encourages the use of public transport and reduces environmental impact. Our ambition is to be the backbone of public passenger transport in Slovenia, enhancing the passenger experience through innovation and advanced technologies and supporting sustainable development.

Freedom of expression and access to high-quality information are fundamental rights that play a key role in a democratic society. In the field of rail passenger transport, safeguarding these rights is essential for transparent and effective functioning of the system. Freedom of expression enables individuals to share opinions, experiences and suggestions, which contributes to improved services and greater passenger satisfaction. Access to high-quality information ensures that passengers are well informed about all aspects of passenger transport, from timetables to safety measures, which builds trust and fosters a sense of security.

It is important to maintain open and transparent communication channels between us as the service provider and our passengers. This includes regularly updating information, responding to passenger feedback and encouraging public discussion on improvements and innovations in passenger transport. Only through such engagement can we ensure that passenger transport genuinely serves the needs and expectations of all users.

[S4-SBM-2] Interests and views of stakeholders

The views of our passengers and freight service users represent an important aspect in shaping our services and improving the user experience. In the course of the double materiality assessment, we found that end-users place particular value on access to high-quality information about timetables, delays and service changes. In passenger transport, key factors for satisfaction identified by users include punctuality, travel comfort and accessibility for persons with reduced mobility, while freight users focus primarily on service reliability and intermodal connectivity options. Stakeholder views were gathered through a variety of channels, including regular satisfaction surveys, systematic monitoring of complaints and suggestions, and direct meetings with representatives of key user groups. This feedback is directly integrated into our service improvement processes and the enhancement of digital platforms for communication with users.

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Stakeholder interests and views across the Slovenske železnice Group are described in section General information [SBM-2].

[S4-SBM-3] Material impacts, risks and opportunities and their interaction with strategy and business model(s)

As part of the impact assessment, we identified that impacts related to customers and end-users are particularly significant for SŽ-Potniški promet, so the disclosures are primarily focused on that company. The key identified impacts include:

Privacy of consumers and end-users

Risk: Possible privacy infringements in the processing of personal data, particularly in the context of collecting data for issuing discounted tickets for students and pensioners (compliance with GDPR).

Access to high-quality information

Risk: Inadequate passenger information can lead to complaints and dissatisfaction. Problems arise from the lack of technical support at certain stations for effective communication, from additional costs related to information provision during infrastructure projects (e.g. construction of Emonika), and from railway infrastructure delays.

Opportunity: Development and use of multichannel communication (digital displays, mobile apps, websites) to improve passenger information.

Freedom of expression

Opportunity: We provide users with the opportunity to express opinions, complaints and suggestions through various channels. We also guarantee the right to a response to complaints, which strengthens trust and improves the user experience.

Access to products and services

Risk: Not all trains are yet adapted for persons with reduced mobility and cyclists. There are also challenges with replacement bus services and inadequately equipped platforms.

Opportunity: Introduction of newer, more accessible vehicles and infrastructure improvements to ensure equal access for all users.

Slovenske železnice has a significant wider positive impact on consumers and end-users, who in our case are passengers. In passenger transport, we ensure accessibility for all users, including persons with reduced mobility. Train services provide interregional connectivity and the possibility of sustainable transport. We enable passengers to act in an environmentally responsible manner, since by choosing to travel by train, in cases where the train is electric, they can completely avoid CO_2 emissions from transport. Even on non-electrified lines, these emissions are significantly lower compared to other means of transport, especially private cars.

In passenger transport, our users are primarily passengers who use rail transport for their daily needs, such as commuting to work, day trips and other purposes. We pay particular attention to protecting passengers' rights to privacy, personal data protection and non-discrimination.

Through our operations, we directly influence our environment and the end-users of our services, by identifying both opportunities and risks. The greatest risk is posed by delays of passenger trains and the effect of these on end-user satisfaction. Delays in rail passenger transport are primarily the result of large-scale capital and maintenance works on public railway infrastructure, which affect the punctuality and reliability of services.

Numerous capital works projects were carried out on Slovenia's railway network in 2024, which in the long term bring opportunities for better public rail transport, more train connections, and modernised stations and stops. Major projects include the construction of a new passenger centre in Ljubljana. During construction works, traffic disruptions occur, requiring the organisation of replacement transport, the introduction of slow zones near worksites, etc., which in turn leads to timetable deviations or delays.

Passengers are informed about delays via various channels, such as the Slovenske železnice website and the 'Grem z vlakom' app. Trains are announced at railway stations via audio messages and information displays. Audio messages typically include information on train arrivals and departures, possible delays, platform changes, replacement transport, and other important information for passengers. Information displays at stations present similar information visually, which is particularly useful for persons with hearing impairments. We are also testing an app-based solution that will enable us to notify users immediately and directly about works on lines and delays.

The development of multimodal mobility includes cooperation between public passenger transport and alternative forms of transport. The Slovenske železnice Group engages users with messages such as 'By bike on the train', 'By scooter on the train' and 'Simple, fast and safe with the car train'. These messages and the highlighted tabs on the website are part of the strategy to promote multimodal mobility and sustainable forms of transport. These measures improve transport efficiency and comfort and promote sustainable practices. The integration of different, complementary forms of transport reduces the need for private car use.

Another important part of the operations of the Slovenske železnice Group is the integration of Nomago[1], which cooperates with various public transport providers. This merger will improve efficiency and coordination between different forms of transport, enabling better connectivity and easier journey planning for users. By combining resources and infrastructure, there are greater possibilities for introducing new services and improving existing ones, resulting in more reliable and comfortable transport. With easier transfers between train and bus services, we will also improve the offer for larger and organised groups.

The integration also enables better management of vehicles, which reduces operating costs and increases the financial stability of the Group. This in turn increases the ability to invest in sustainable technologies and innovations, which contributes to reducing the environmental impact of transport and improving quality of life.

Through such efforts, we promote more sustainable mobility that is user- and environmentally friendly.

The company is continuously developing and making efforts to improve both the transport offering and the user experience itself. Above all, we are working on the introduction of new features such as digital tickets and real-time information, as well as on the development of sustainable solutions. In managing and improving infrastructure, we focus on improving services on the basis of feedback from users, particularly vulnerable groups. Major stations are equipped with lifts, ramps and accessible toilets that make access easier for persons with reduced mobility. Newly equipped stations have clearly marked paths for persons with reduced mobility, allowing for easy navigation. On trains, we have toilets and carriages adapted for persons with reduced mobility, with sufficient space for wheelchairs and adapted seating.

[S4-1] Policies related to consumers and end-users

Through its Accessibility Policy, the Slovenske železnice Group provides accessible, safe and high-quality services for all users of passenger rail transport.

Our operations are based on the principles of equality, transparency and respect for human rights, in line with legislation and international standards.

Passenger rights are regulated in accordance with EU Regulation No 2021/782 and the Passenger Tariff ST 700.01, which sets out the general conditions of carriage. These relate to specific rights that passengers have when using public transport services. This includes the right to safety, punctuality, comfort, compensation in the event of delays or cancellations, and the right to lodge complaints. All information on passenger rights is available online at potniski.sz.si/dobro-je-vedeti/pravice-potnikov/. Summaries of passenger rights are also displayed at railway stations and stops and at passenger ticket counters.

The Consumer Protection Policy ensures, in addition to passenger rights, that passengers are properly informed of all timetable changes and other important information.

We are committed to respecting the UN Guiding Principles on Business and Human Rights and the Universal Declaration of Human Rights.

Through the **Service Quality Policy**, Slovenske železnice undertakes to provide high-quality services for passengers. This includes regular inspection and maintenance of public railway infrastructure and rolling stock, ensuring the punctuality of train arrivals and departures, and ensuring safety and comfort during travel. We ensure the professional training of staff in accordance with legal requirements. By using electric trains, we promote sustainable transport solutions and the reduction of emissions.

The **Personal Data Processing Policy** is implemented in accordance with the General Data Protection Regulation. The Privacy Policy is publicly available on the Slovenske železnice website. Data protection is overseen by a designated data protection officer (DPO), and competent authorities are involved if necessary in the event of infringements.

All the above policies address the impacts, risks and opportunities referred to in section [S4-SBM-3]. They apply to all companies in the Slovenske železnice Group. Responsibility for implementing these policies lies with the Management Board, the Supervisory Board, the data protection officer (DPO), and the heads of individual companies within the Slovenske železnice Group.

[S4-2] Processes for engaging with consumers and end-users about impacts

In rail passenger transport, we collect feedback from our users via a dedicated phone number, email and surveys, where we look at various aspects of passenger satisfaction. Users may submit their opinions, suggestions, complaints or compliments, claims and compensation requests at any time via the contact centre or online, or through the satisfaction survey, using the following channels:

- by writing in the complaints/compliments book at passenger ticket offices,
- by email to pritozbe.pohvale@slo-zeleznice.si,
- by calling the freephone number: 080 19 10,
- via the contact form on the Slovenske železnice website: https://potniski.sz.si/dobro-je-vedeti/pravice-potnikov/,
- via social media: Facebook, X, Instagram, LinkedIn,
- by post to: SŽ-Potniški promet, d.o.o. Kolodvorska ulica 11, 1506 Ljubljana Slovenia.

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The user satisfaction survey is published on the SŽ-Potniški promet website: https://potniski.sz.si/en/merjenje-zadovoljstva-uporabnikov-vlakov/#gf_9a

We also separately monitor user satisfaction with the services of the contact centre using a short survey following each interaction with staff.

In passenger transport, responsible staff are authorised to handle complaints and compliments and communicate with users together with other designated responsible employees. The effectiveness of engagement is measured using surveys, feedback and performance indicators. After interacting with a call centre adviser, service users receive an invitation to rate their satisfaction. Poor ratings are analysed in detail and improvement measures are taken where necessary.

In 2024 we recorded no breaches of the UN Guiding Principles on Business and Human Rights in relation to passenger transport. Within the Slovenske železnice Group, there was no need to introduce additional measures to mitigate human rights impacts.

We plan to implement several improvements by the end of 2025. In passenger transport, we are preparing more detailed instructions on how to use services, with a focus on the needs of passengers with special needs and the option for digital requests for assistance for persons with reduced mobility. The needs of persons with reduced mobility are identified through communication with various organisations, including the National Council of Disability Organisations of Slovenia. We also respond to other initiatives from disability organisations.

[S4-3] Processes to remediate negative impacts and channels for consumers and end-users to raise concerns[7]

The Slovenske železnice Group has established procedures for addressing negative impacts and various communication channels for expressing concerns regarding service quality. Every complaint and piece of feedback is handled carefully, systematically and in a timely manner.

Delays are caused by various factors, such as capital and maintenance works on railway infrastructure, adverse weather conditions such as heavy rainfall, snowstorms or extreme temperatures, technical faults with trains or infrastructure, including signalling safety systems, points, tracks or power supply systems. Delays may also be caused by external factors such as accidents at level crossings, obstructions on the tracks, delays of international trains, and consequently also knock-on delays, which may also be due to infrastructure overload.

We are aware that delays cause inconvenience and dissatisfaction among users, which is why our primary concern is to optimise traffic operations and reduce delays. Owing to the number of construction sites on the rail network, we are currently unable to reduce delays, given that many operators are involved in the carriage of passengers and freight by rail. Nevertheless, we are constantly striving to meet users' expectations as closely as possible. Major improvements in delays on the railway network can be expected after the completion of current capital projects, after 2026.

We systematically record, analyse and address complaints and opinions from our end-users that arise as a result, without processing any personal data. With the help of our own DPO, we carry out regular checks on data processing procedures. Through surveys and analysis of feedback, we assess how well users understand the processes for submitting comments and complaints, and their trust in the effectiveness of these channels. All feedback is also systematically categorised by responsible company within the Slovenske železnice Group.

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Information on whistleblower protection is provided in section ESRS [S3-3].

On the basis of the data collected and the analyses carried out, we adapt and improve our communication channels and processes to ensure an optimal user experience and maintain user trust.

[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 the effectiveness of those actions

We have introduced a systematic approach to monitoring and improving service quality for end-users. Responsible persons regularly review and address comments, complaints, opinions and claims. On the basis of the data collected and the analyses carried out, we implement appropriate corrective measures to improve processes and address any shortcomings. We also regularly conduct training for employees to ensure a high level of professionalism and efficiency in the delivery of services. After a complaint, suggestion or claim has been addressed, users are provided with feedback on the outcome of the procedure and any action taken. The effectiveness of action taken is measured using the KPI

of the number of complaints per individual element, as presented in section [S4-5] Disclosure of a measurable, outcome-oriented and time-bound target.

We regularly assess user satisfaction using various research methods, such as surveys and the mystery shopper method. Respondents can make suggestions and express their wishes and expectations. We monitor the effectiveness of implemented measures and innovations by calculating average ratings and comparing them with previous periods. The effectiveness of measures is also assessed through the number of complaints and compliments received, and the achievement of planned business results.

As part of risk management, we regularly review and assess the effectiveness of measures aimed at eliminating or ensuring the acceptability of identified risks. To prevent potential negative impacts, we monitor the quality of transport services and maintain active interaction with users via the contact centre and social media.

We also continuously improve our services by participating in national and international workshops and seminars. We are actively involved in international projects (UIC, CER, EU), where we explore new opportunities for service improvement.

We operate in compliance with legislation and guidelines for guaranteeing human rights, and no infringements have been identified. All important information related to human rights and incidents involving users is regularly published on our website. Passenger rights are based on **EU Regulation No 2021/782** on the rights and obligations of passengers in rail transport, the **Uniform Rules concerning the Contract of International Carriage of Passengers by Rail** (CIV), the General Conditions of Carriage and the specific conditions of carriage of the undertaking, the undertaking's **Passenger Tariff** (PT), and the Road Transport Act (ZPCP-2).

The Slovenske železnice Group's plan for improving service quality includes a strategy to enhance the user experience. The key objectives are to increase user satisfaction through regular monitoring of their needs and expectations, and to improve service quality through the introduction of new technologies and the optimisation of existing processes.

To improve the user experience, we are implementing the following measures in the companies of the Slovenske železnice Group:

At SŽ-Potniški promet:

- optimising timetables and advanced traffic monitoring systems,
- improving accessibility for persons with reduced mobility,
- regular training of staff for emergency situations,
- regular training on friendly and effective communication with users,
- use of energy-efficient and environmentally friendly rolling stock,
- modernising and maintaining rolling stock,
- digital solutions for journey planning and ticket purchasing,
- increasing capacities during peak periods,
- promoting kindness and professionalism among employees.

At SŽ-Infrastruktura:

- regular maintenance and upgrading of railway lines,
- modernisation of stations and stops,
- construction of new lines and increasing capacities in the field of PRI,
- introduction of advanced traffic management systems,
- digital technology for real-time traffic monitoring,
- additional safety measures at crossings and stations,
- training of staff for emergency situations,
- use of energy-efficient technologies in maintenance,
- improving communication via digital platforms,
- encouraging professionalism among employees.

At SŽ-ŽIP:

- regular cleaning of the interior and exterior of trains, including removal of litter and cleaning of floors, seats and windows,
- exterior washing of trains, including removal of dust, dirt and other grime accumulated during operation,
- disinfection of toilets on trains and at stations to ensure high hygiene standards,
- cleaning of the interior and exterior of stations,
- cleaning and maintenance of station surroundings, including green areas and car parks,
- regular grass cutting in areas around railway stations, platforms, and other key locations to ensure a neat and pleasant environment for passengers,
- pruning of trees and shrubs to ensure safety and prevent potential hazards posed by overgrown vegetation.

Progress in implementing the measures was demonstrated in 2024 by the introduction of the Nexius system for handling complaints and compliments and supporting call centre operations, the construction of infrastructure involving the renovation of several railway stations and stops, and the installation of retractable steps to facilitate access for persons with reduced mobility on passenger coaches that were not yet equipped with them. Appropriate financial resources were provided for all of these measures.

Ljubljana railway station:

As part of the construction of the new Ljubljana Passenger Centre, the upgrade of the main railway station began. The project includes the optimisation of track layout, overhead line equipment and SS and TC systems. Six new platforms with canopies will be built, with adaptations for persons with reduced mobility. A new overpass with a station hall will also be constructed and equipped with lifts, escalators and moving walkways. A new underpass will also be built, with access to the platforms (including for persons with reduced mobility).

Nova Gorica railway station

The renovation of the station included the construction of an island platform and a side platform with canopies providing shelter from the weather. The platforms and access routes are equipped with platform furniture and information signage, including Braille information plates. A modern underpass was constructed, equipped with lifts and staircases, providing safe and easy access to the platforms.

Borovnica railway station:

The renovation of the station included an upgrade of track equipment, overhead line equipment and SS and TC systems. Noise barriers were installed. An island platform and a side platform were built, with canopies providing shelter from the weather. The platforms and access routes are equipped with platform furniture and information signage, including Braille information plates. A modern underpass was constructed, equipped with lifts and staircases, providing safe and easy access to the platforms.

Laze railway station:

The ‘Underpass at Laze railway station’ project included the construction of an island platform with a canopy, providing shelter from the weather for passengers. The platform and access routes are equipped with platform furniture and information signage, including Braille information plates. A modern underpass was constructed, equipped with lifts and staircases, providing safe and easy grade-separated access to the platforms. The station is equipped with a new Passenger Information System (PA system, SOS column, train arrival display screens). A car park was also provided, including designated parking spaces for disabled passengers.

The new Slovenske železnice trains offer a range of services that enhance passenger comfort and experience.

Free internet access is available, along with power sockets for charging electronic devices. The trains are equipped with air conditioning for comfortable travel in all seasons. There are luggage storage areas and clean, well-maintained toilet facilities. Bicycle transport is available on certain trains. Special attention is paid to accessibility for persons with reduced mobility.

On InterCity Slovenija (ICS) trains, coffee, tea or water is included in the ticket price. Passengers can enjoy these drinks at no additional cost, contributing to a more comfortable and pleasant travel experience. Sandwiches and snacks are also available for purchase. Some international trains include a restaurant car where passengers can enjoy freshly prepared meals.

Financial resources related to the investment in the new passenger centre in Ljubljana and the purchase of four electric locomotives and 20 passenger coaches are presented in section [G1] Specific disclosures, New aspects of mobility.

[S4-5] Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities – freedom of expression and access to quality information

The Slovenske železnice Group involves end-users of services directly in the setting of its objectives through various participatory methods. Target values are defined internally, taking into account survey analyses and collected feedback, which are incorporated into our strategic decisions. Customer satisfaction is monitored via surveys, complaints, compliments, compensation claims and immediately after calls to the call centre. By analysing negative impacts, identifying root causes and designing measures to improve the user experience, we track the achievement of set objectives and the attainment of improved results.

Consumers or end-users are not involved in the monitoring of results. They can, however, access the survey results published in the annual report, which is available on the company’s website.

Our decisions are based on data obtained from end-user feedback, which enables us to continuously improve service quality. In addition, we regularly monitor trends and changes in user needs in order to adapt our services quickly and effectively.

Disclosure of a measurable, outcome-oriented and time-bound objective

The Slovenske železnice Group has set clear and measurable objectives aimed at improving the user experience and raising service quality:

- We are aiming for 85% of respondents in the annual online survey to rate our services with a score of 3 or higher on a five-point scale (1–5).
- In the context of the mystery shopper project, we are aiming to achieve an average annual score of 83% or greater.

Indicator	unit	Objective	2024
Quality of passenger transport services based on surveys	%	annually 85% ≥ 3	72.14
Mystery shopper project in passenger transport	%	annually ≥ 83%	81.94

The Slovenske železnice Group records varying levels of user satisfaction across individual activities. The user satisfaction target in passenger transport was not met, primarily as a result of lower ratings for train punctuality and speed, which are affected by large-scale capital and maintenance works on public railway infrastructure.

Because complaints and compliments from various sources are not captured automatically, it is possible that not all actual complaints or compliments from end-users of our services are recorded. There may therefore be a certain degree of uncertainty with regard to the disclosed metrics for complaints and compliments. An assessment of the reliability of the information is provided in the General Information section [GOV-5] Risk management and internal controls over sustainability reporting, Quality assurance process.

Indicators that influence user satisfaction ratings.

Passenger complaints about the services of the Slovenske železnice Group	unit	2024
train delays	number	77
capacity	number	21
train staff	number	73
station staff	number	35
station	number	31
conditions of carriage and online/mobile purchasing	number	26
Total	**number**	**288**

Passenger compliments about the services of the Slovenske železnice Group	unit	2024
train/appearance and cleanliness	number	11
train staff	number	90
station staff	number	48
Total	**number**	**149**

Quality of service provision in passenger transport	2024
Proportion of refunded tickets relative to the number of passengers carried	0.0024

Business conduct

[G1-GOV-1] Role of the administrative, management and supervisory bodies

The Compliance Department, which is responsible for the entire Slovenske železnice Group, reports directly to the Management Board of the controlling company.

The department assesses the potential impacts of changes in the legal environment on the company's operations in terms of regulatory compliance; provides advice on aligning the company's operations with the obligations set out in regulations and other commitments; informs, advises and trains staff regarding compliance with regulations and other commitments; performs the compliance function for the prevention of corruption; carries out tasks related to the protection of human rights; and performs tasks in the field of personal data protection.

A general disclosure of the role of administrative, management and supervisory bodies is provided in the General Information section [GOV-1].

[G1-IRO-1] Description of processes to identify and assess material impacts, risks and opportunities

The Slovenske železnice Group applies a structured approach to identifying and assessing significant impacts, risks and opportunities in the area of business conduct, based on the double materiality methodology. The process involves systematic mapping of the value chain and stakeholders, as well as expert assessment of impacts by designated staff members from all companies within the Group. For the areas of corporate culture, whistleblower protection, supplier relations, cybersecurity and connectivity, we have developed specific assessment scales that take into account both the magnitude and extent of impacts and their financial consequences. External stakeholders also participate actively in the assessment process, and their feedback is taken into consideration in the final consolidation of results. The significance of individual aspects of business conduct is assessed over three time horizons – short-term, medium-term and long-term – enabling strategic planning of measures to strengthen positive impacts and reduce negative impacts. The results of the double materiality analysis are integrated into our risk management processes and form the basis for the development of policies in the area of business conduct.

[G1-1] Corporate culture and business conduct policies

The operations of the Slovenske železnice Group are based on compliance with legislation, other regulations and by-laws. Through measures in the field of compliance and integrity, we aim to reduce risks for the companies in the Group, their management and supervisory bodies and their employees.

We have adopted a corporate integrity plan, which is updated annually. The head of the Compliance Department reports quarterly on its implementation to the Audit Committee and Supervisory Board of the controlling company.

High ethical standards and zero tolerance for any form of misconduct are at the top of our value hierarchy. These values are also reflected in the Code of Conduct of the Slovenske železnice Group. All employees are made aware of the content of the Code of Conduct upon recruitment. In 2024 we also held workshops for employees.

In accordance with the Whistleblower Protection Act, companies in the Group with 50 or more employees have an internal reporting line for potential breaches of corporate integrity. The Group's intranet and the websites of Slovenske železnice Group companies provide accessible information on the options for reporting breaches of corporate integrity, the rights of whistleblowers, the means of protection available, a reporting form and contact details for integrity officers. Each company has a designated integrity officer responsible for receiving reports of irregularities in the area of corporate integrity. The integrity officers of Group companies report quarterly on reports received to the integrity officer of the controlling company, who in turn reports to the audit committees and supervisory boards of Group companies. The integrity officer of the controlling company coordinates the work of the integrity officers across the Group and is responsible for their training. In 2024 training was organised for the management boards of Group companies on the Whistleblower Protection Act, the new obligations of Group companies, the rights of whistleblowers and the tasks of integrity officers. In order to improve the quality of disclosures and their handling, the Group will continue to provide training for integrity officers and step up efforts to raise awareness among employees of the available reporting channels and protections for whistleblowers.

The Group respects and supports human rights as set out in the United Nations Universal Declaration of Human Rights. In 2019 we signed the Commitment to Respect Human Rights in Business, and in 2024 we appointed a human rights officer at the level of the Slovenske železnice Group.

The Slovenske železnice Group has a multi-layered system in place for preventing corruption, which includes an explicit zero-tolerance policy towards corrupt conduct.

Establishing corporate culture

The foundations of corporate culture in the Slovenske železnice Group are established through a formal regulatory framework, which comprises documents such as the Code of Conduct of the Slovenske železnice Group and the rules on the establishment of internal reporting channels for breaches of corporate integrity. These documents represent the formal basis on which the organisation's identity is built.

- The organisation has defined core values that serve as a guiding compass for its activities: honesty and legality; trust, respect and cooperation; good, open communication; leadership integrity; independence, impartiality and transparency; safety; quality; and development.

These values are not merely declaratory but are implemented across all areas of operations and decision-making.

- The Compliance Department plays a special role in institutionalising corporate culture. It is placed directly under the Management Board, thereby ensuring its autonomy and independence. Confidence in its procedures is further supported by the fact that it reports directly to the Audit Committee and the Supervisory Board.

Developing corporate culture

The Management Board takes a proactive approach to fostering an ethical and lawful business culture, reflected in a clearly stated commitment to high ethical standards and a principle of zero tolerance for corrupt conduct. This commitment is not merely declaratory but is supported by concrete mechanisms for its implementation.

The Slovenske železnice Group systematically develops complementary mechanisms for the comprehensive management of corporate integrity, encompassing preventive action (preventing breaches), detection mechanisms (identifying breaches) and corrective procedures (taking action in the event of breaches). This three-phase approach ensures the robustness of the corporate integrity system.

Particular attention is devoted to the continuous strengthening of employee competences and awareness through regular training and education in the fields of compliance, risk management and integrity, with a special focus on management personnel, who play a multiplying role in spreading the desired corporate culture.

Promoting corporate culture

The key elements in promoting corporate culture within the Slovenske železnice Group are:

- **Leading by example:** Through their conduct and leadership style, management and line managers serve as role models in the business and working environment, thereby reinforcing a top-down culture of integrity.
- **Promoting open communication:** The organisation actively encourages employees to report errors and potential breaches through established internal channels, reinforcing a culture of transparency and accountability.
- **Protecting whistleblowers:** A carefully developed whistleblower protection system includes designated integrity officers who safeguard the identity of whistleblowers and ensure confidentiality in procedures, thereby reinforcing trust in the system.
- **Strengthening mutual respect:** The organisation emphasises the importance of mutual respect, dignity and personal integrity among employees, which contributes to a positive organisational climate.
- **Continuous learning:** Workshops and training sessions on the importance of ethical conduct ensure the constant presence of integrity-related topics in the organisation's day-to-day discourse.

The effectiveness of corporate culture in the Slovenske železnice Group is assessed through several structured processes:

- **Systematic risk assessment:** Regular, methodologically supported assessments of risks related to compliance and corporate integrity are carried out, enabling the identification of vulnerabilities and opportunities for improvement.
- **Documentation of breaches and actions taken:** The maintenance of a register of reported suspected breaches of corporate integrity ensures traceability and provides an analytical basis for further action.
- **Reporting and oversight:** Integrity officers prepare periodic reports for the Management Board on the state of corporate integrity, the results achieved and the impact of improvements, thus enabling informed decision-making and guidance of the development of corporate culture.
- **Annual evaluation:** The annual preparation of a comprehensive report on reported breaches of corporate integrity and the measures taken serves as a systematic tool for tracking trends over time and assessing the effectiveness of the mechanisms in place.

Corporate culture in the Slovenske železnice Group thus represents a carefully developed and multi-layered system of values, norms and practices, systematically promoted by management, internalised by employees and jointly implemented in the organisation's day-to-day operations. Formal structures, such as the Compliance Department and the system of integrity officers, provide the institutional framework that enables the dynamic development and objective assessment of corporate culture and the effective addressing of any deviations from established standards.

Whistleblower protection in the Slovenske železnice Group

The Slovenske železnice Group has established a comprehensive whistleblower protection system, based on the Whistleblower Protection Act (ZZPri) and defined in detail in the organisation's by-laws.

A multi-layered approach to whistleblower protection – combining a clear commitment by management, established procedural safeguards and concrete protection mechanisms – constitutes an important element of the corporate culture of integrity and responsibility in the Slovenske železnice Group.

System for identifying unethical and unlawful conduct

The basis for identifying potential breaches is the risk management system, which is based on the systematic 'prevent–detect–respond' approach. The Slovenske železnice Group has developed a methodology for identifying and assessing risks, which includes the regular updating of the risk register.

Mechanisms for reporting breaches

In accordance with legislation and best practices, the Slovenske železnice Group has established a robust internal channel for reporting breaches. The key features of this system are the assurance of the completeness, integrity and confidentiality of information and the prevention of unauthorised access to the content of reports and the identity of whistleblowers.

Whistleblowers can raise their concerns through various channels:

- By email, via a dedicated address published on the website By telephone, via a number published on the website
- In writing, by post, clearly marked as confidential
- In person, in the office of the integrity officer

Each report may be submitted in writing or verbally, with verbal reports documented in the form of minutes or audio recordings (with the whistleblower's consent). The system also allows for anonymous reporting, further encouraging the disclosure of potential breaches without fear of repercussions.

Particular attention is devoted to the protection of whistleblowers. The Management Board explicitly undertakes not to attempt to identify whistleblowers and not to take any retaliatory measures. The integrity officer, who is the central figure in the reporting process, strictly protects the identity of the whistleblower and may disclose it only under conditions defined by law.

The group of persons entitled to submit a report is broadly defined and includes not only employees in formal employment relationships but also individuals in similar arrangements (contract work, student work), members of supervisory bodies, self-employed persons under contract, and individuals working under the supervision of external contractors, subcontractors or suppliers.

Commitment to independent and effective investigation of incidents

The Slovenske železnice Group is committed to the independent, objective and effective investigation of all reported irregularities in business conduct.

To ensure a prompt response, we have implemented a system that enables the prioritisation of cases with a high level of risk. In cases involving potential financial loss, risk to human health or life, or possible reputational damage to the company, such reports are treated as a priority and handled with the appropriate degree of urgency.

The entire investigation process is led by the integrity officer, who is bound to handle reports with care and confidentiality and is not subject to instructions in individual cases. Investigations are conducted systematically, with clearly defined responsibilities, deadlines and feedback, ensuring thoroughness and objectivity throughout the reporting and investigation process.

Investigation procedures and handling of reports

The central role in the process is held by the integrity officer, who is appointed by the company's Management Board. To ensure continuous availability, a deputy is also appointed, but only one integrity officer is responsible for receiving reports at any given time, ensuring clear responsibility and consistency in dealing with them.

The procedure begins with a preliminary assessment of the report, in which the integrity officer verifies whether the report meets the prescribed criteria for investigation. The whistleblower is notified within seven days if the report has been accepted for investigation.

In the case of reports concerning members of the Management Board or the Supervisory Board, special procedures are envisaged to ensure impartial handling regardless of the hierarchical position of the person to whom the report relates.

The report to the Management Board, which is prepared upon completion of the investigation or no later than three months from the receipt of the report, describes

the reported breach and the proposed and implemented measures, while strictly protecting the confidentiality of information relating to the whistleblower.

The mechanisms described form a comprehensive and integrated system that enables the effective identification, reporting and investigation of unlawful conduct or behaviour contrary to the Code of Conduct of the Slovenske železnice Group. The system is characterised by a clear structure of responsibilities, robust protection mechanisms for whistleblowers, and a systematic approach to the handling of reports, which together ensure a high level of corporate integrity within the organisation.

Training for responsible business conduct

The Slovenske železnice Group runs a structured training programme on ethical business conduct, which makes an important contribution to our corporate culture of integrity. Each year, a comprehensive training plan is drawn up covering compliance, risk management and corporate integrity, with particular focus on management staff.

Special attention is devoted to the induction of new employees, who are familiarised with the Code of Conduct and compliance policies from the outset of their employment. Regular advisory workshops across all Group companies highlight the importance of integrity in day-to-day operations and equip employees to recognise and appropriately respond to ethical dilemmas.

This comprehensive approach to training ensures that the values and principles of responsible business conduct are properly understood and observed at all levels of the organisation, forming the foundation of our sustainability-oriented business culture.

Functions at risk in the areas of corruption and bribery

In the context of managing corruption risks, we have identified key business areas and functions that require special attention. The procurement and recruitment processes are particularly exposed to such risks. We pay special attention to managerial functions involving a high degree of discretion, including members of the Management Board and project managers, as well as to roles involved in public procurement processes, where there is potential for non-transparent influence and conflicts of interest. To manage these risks effectively, we have established mechanisms for ongoing monitoring and the implementation of internal controls, aimed at ensuring a high level of integrity and transparency in our operations.

Actions and resources related to business conduct

In April 2025 we adopted a new Code of Conduct, developed through interaction between the managements of Group companies and employees. We expect employees to identify more closely with the new Code, since it has been prepared as a practical reference in which they can find appropriate guidance and answers when dilemmas arise. The principles, values and rules of conduct set out in the Code will consequently strengthen the culture of integrity within the Group.

Back in 2024 we began preparations for the introduction of an anti-bribery management system in line with ISO 37001, with certification expected in 2025. As part of the implementation of ISO 37001, a corruption prevention policy is also being developed, along with a dedicated code for suppliers and training for individuals in positions assessed as most at risk of corruption.

[G1-1] Disclosures specific to the Slovenske železnice Group

The disclosures in this section relate to topics that have been identified as material sustainability-related management matters specific to the Slovenske železnice Group. A more detailed overview of the material sustainability matters identified is provided in the General Information [SBM-3] disclosures.

Cybersecurity

[S3-SBM-3] Material impacts, risks and opportunities and their interaction with strategy and business model(s)

In the area of cybersecurity, the Slovenske železnice Group has identified significant positive financial impacts as well as significant risks in the form of negative financial impacts. Cybersecurity represents a key area for the Slovenske železnice Group in terms of protecting business and operational systems, which is also important for the stable functioning of critical infrastructure. As a result of the digitalisation programme, the intensity of potential cyber incidents is expected to increase in the coming period. A failure of IT systems would cause substantial business disruption, while investment in cyber and information resilience represents a cost.

[MDR-P] Information security policy in the Slovenske železnice Group

To manage information risks effectively, ensure the secure handling of information, reduce the impact of security incidents, guarantee business continuity and ensure compliance with legal requirements, the Slovenske železnice Group has implemented an Information Security Management System (ISMS) and adopted the Information Security Policy. This policy is binding on all companies in the Group, their employees, external contractors and contractual partners.

The ISMS comprehensively covers fourteen key aspects of information security. Information security policies provide guidance and management support for the protection of information in line with business and legal requirements. The organisation of information security ensures appropriate allocation of resources and means for implementation and monitoring of the system. In personnel-related security, the focus is on familiarising employees and contractors with their responsibilities and protecting the organisation's interests in the event of changes in the relationship.

Asset management defines responsibilities and levels of protection, while access control restricts and regulates authorised access to data and system resources. Cryptography serves to protect the confidentiality, integrity and authenticity of data. Physical protection and safeguards against environmental threats prevent unauthorised access and disruption. The secure operation of IT systems is ensured through protection against malicious software and data loss.

Communication security protects information in both internal and external communications. In the procurement, development and maintenance of information systems, information protection is integrated throughout the entire lifecycle. Supplier relations include data protection and the maintenance of agreed security levels. Incident management enables a systematic approach to handling security events. Information security aspects are integrated into business continuity management, while compliance with legal and contractual requirements ensures comprehensive control of information security.

The management boards of the companies in the Slovenske železnice Group support the information security aspects set out above, while authorised information security officers carry out activities to ensure compliance with the provisions of the relevant security policies.

[MDR-A] Actions and resources related to cybersecurity

As entities subject to the Information Security Act, we carry out extensive activities to ensure compliance with legal provisions and implement measures to mitigate identified risks. Our approach to detecting and managing cybersecurity risks is based on several key activities.

We conduct regular weekly vulnerability tests of our information network and systems, supplemented by periodic independent testing by specialised external providers. We have established a Cybersecurity Operations Centre (SOC), which continuously monitors and analyses security events using a SIEM system and other monitoring tools. To assess employee awareness of cyber and information threats, we regularly carry out phishing tests.

We pay special attention to cybersecurity risk assessments of services and systems, which are conducted regularly and in the event of technological or process changes or the introduction of new information solutions. We also periodically analyse business continuity risks and the resilience of critical IT systems, and we monitor information security in the supply chain and among suppliers.

For all identified risks exceeding the acceptable level, we prepare and implement mitigation measures. The state of cybersecurity is monitored using several indicators: the scope of employee training on information security, employee performance in phishing tests, the number of detected and addressed level-one and level-two incidents per quarter, the number of high-criticality vulnerabilities identified, and the availability of information services and solutions.

Digitalisation

[S3-SBM-3] Material impacts, risks and opportunities and their interaction with strategy and business model(s)

In the area of digitalisation, significant positive financial impacts have been identified. Digitalisation represents a strategic opportunity for the Slovenske železnice Group to increase revenue generation and, through greater work efficiency, also to reduce costs. Particularly important is the renewal of the traffic management information system (SŽ-Infrastruktura), which contributes to improved management of business processes, optimisation of work operations and better resource management.

[MDR-P] Policies related to digitalisation

In line with the adopted digitalisation development strategy, the Slovenske železnice Group is actively upgrading and implementing advanced information solutions. In recent years, we have successfully completed major projects in the fields of ERP systems, asset management and implementation of back-end information systems. Our digital transformation is focused on optimising the use of infrastructure and resources and improving the user experience.

Digitalisation is based on four key segments. The first segment concerns digital competences, where we focus on improving employees' digital skills through various forms of training, including training to use the SAP and ŠPICA systems, digitalisation conferences, safe use of social media, artificial intelligence and MS Office tools, as well as hiring ICT specialists.

The second segment is the corporate digital transformation programme, which promotes the use of advanced digital technologies to increase productivity and improve the user experience. This includes several key programmes: Digitalisation of mobility in the Group, which enables comprehensive mobility service management via digital channels; Digitalisation of railway infrastructure operation activities for automated support of business processes, including the successful implementation of the renewed system for PRI service accounting; Transport and logistics information system, which provides integrated support for transport and logistics services on the SAP TM and Microsoft PowerApps platforms.

The third segment involves asset management, where we are nearing completion of the development of all functionalities for PRI maintenance, including a module for maintenance accounting. In the area of rolling stock maintenance, we have implemented an updated fault-reporting application and an electronic locomotive logbook. We are also developing internal competence centres that will play a key role in future digital planning and process optimisation. Particular emphasis is placed on strengthening cybersecurity and data protection through regular security audits and staff training.

The fourth segment comprises investment in the project ‘Establishing data connectivity of systems on passenger trains with SŽ back-end application solutions’. This project follows the strategic guidelines of Digital Slovenia 2020 and the EU’s goals for the development of a smart, sustainable and connected economy.

The project was implemented in two phases and includes the establishment of a data communication and computing system on 32 existing EMUs (Phase 1) and on 52 new electric and diesel-electric FLIRT and KISS multiple unit trainsets from Stadler Rail and 31 existing DMUs (Phase 2.1).

The infrastructure put in place enables real-time updates on train travel data, passenger notifications regarding delays and other important information, and serves as a technical basis for the future automated ticket verification system. All installed equipment complies with international interoperability standards (TSI) and industry standards for railway passenger unit installations.

In the next phases, the onboard Wi-Fi system will support automated ticket validation, access to infotainment content, the creation of a unified online multimedia portal, optimisation of staff workflows, data collection on train performance and the introduction of new digital services

for various users within the Slovenske železnice Group and their business partners.

New aspects of mobility

[S3-SBM-3] Material impacts, risks and opportunities and their interaction with strategy and business model(s)

The area of new forms of mobility has been identified as a strategically important area with a significant positive financial impact for the controlling company Slovenske železnice. New forms of mobility are important for SŽ-Potniški promet in attracting passengers from more remote areas and in helping to relieve road traffic in the long term. This area increases the competitiveness of the entire Group on the transport market.

[MDR-P] Policies related to new forms of mobility

In its sustainability strategy, the Slovenske železnice Group has recognised new forms of mobility as a key element in developing comprehensive sustainable transport and in efforts to decarbonise transport in Slovenia by 2050. Emphasis is placed on a significantly increased role for public passenger transport, as well as for cyclists and pedestrians.

As one of the key providers of low-carbon transport, Slovenske železnice is developing the concept of mobility as a service. Successful integration of different forms of transport and solutions for the 'last mile' challenge require cooperation among all stakeholders to adapt infrastructure and provide sufficient parking spaces for electric vehicles, bicycles and scooters.

[MDR-A] Actions and resources related to new forms of mobility

To achieve objectives regarding the development of comprehensive sustainable transport, digital solutions and intelligent systems are being introduced to improve interoperability and multimodal mobility. These include bicycle-sharing systems and the provision of bicycle parking facilities at railway stations.

In Ljubljana, a renewal of the public urban passenger transport system is planned, with improved integration of rail transport. A regular-interval rail timetable is being introduced in the Ljubljana Urban Region and in the Maribor area. Charging infrastructure for electric vehicles is being installed at railway stations as part of the arrangement of parking areas.

The central project is the new Ljubljana Passenger Centre (LPC), which, with its North and South terminals and new railway station, will become Slovenia's main multimodal transport hub. The LPC will enable efficient integration of different forms of public transport and contribute to the goals of the European Green Deal.

In order to strengthen international passenger transport and shift passengers from road and air to rail, Slovenske železnice is conducting procurement procedures for the purchase of four new electric locomotives and 20 new passenger coaches (delivery planned for 2025–2027). The new rolling stock will improve the availability of the fleet, reduce noise and the carbon footprint, and enable more comfortable travel with shorter journey times. The air-conditioned coaches will have modern fittings, Wi-Fi connectivity, and facilities for persons with reduced mobility, as well as space for larger luggage and bicycles.

The train is becoming an increasingly popular mode of transport, especially in combination with cycling. The current fleet offers 1,110 spaces for bicycles, and this number will increase with the new passenger trains.

Planned investments related to new aspects of mobility

in EUR thousand	2024	Short-term	Medium-term	Long-term
Ljubljana Passenger Centre	3,263	22,875	72,338	

The cycle tourism trains on the Bohinj and Koroška lines are particularly popular, with demand increasing steadily during the season.

SŽ-Potniški promet also plans to purchase new electric locomotives and passenger coaches, with delivery expected in 2028.

The development of and measures for integrating rail passenger transport into multimodal forms of mobility are closely linked to the implementation of planned investments in railway and other public transport infrastructure and to measures aimed at improving system interoperability.

[MDR-T] Targets and metrics related to new forms of mobility

The company's strategic challenge is to ensure integrated mobility from the beginning to the end of the journey, with an emphasis on safe, reliable and comfortable rail transport in Slovenia and Europe, integrated with other forms of mobility.

In our sustainability strategy, we have set ourselves the goal of increasing passenger-kilometres travelled by rail. Quantitative annual targets in this area will be defined in the strategic plan for the next five-year period (2026–2030).

Slovenske železnice actively promotes sustainable travel by train and raises public awareness of the benefits of public rail transport, which is 40 times safer than road car transport. We work with local communities and use various communication channels to reach potential passengers.

In connection with this, we monitor the number of passenger-kilometres travelled by train. In 2024, a significant increase was recorded in domestic traffic compared to the previous year, while a decrease was observed in cross-border regional rail transport.

	2023	2024
Passenger kilometres	990,268	1,091,227

Passenger rail transport ensures greater travel safety:

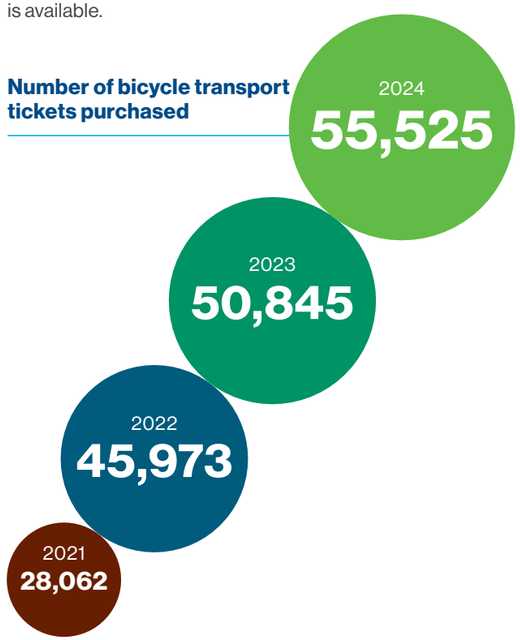
40 times

safer than road traffic and showing growth as an increasingly common mode of travel.

To support the development of multimodality at major railway stations, in cooperation with local communities, SŽ-Infrastruktura and the Slovenian Infrastructure Agency (DRSI), we are providing bike rental services, bicycle storage facilities and bicycle parking. Projects currently under development include electric bike and car sharing schemes, charging stations for electric vehicles and park-and-ride (P&R) facilities at railway stations – all integrated with rail transport.

We are monitoring the number of accompanied bicycles carried by train, which continues to grow steadily. The number of tickets purchased for bicycle transport rose from 28,000 in 2021 to over 55,000 in 2024. This increase was significantly supported by the availability of designated spaces for bicycles on our new passenger trains. Timetables also indicate where bicycle transport is available.

Number of bicycle transport tickets purchased



Connectivity (local, regional and international) – with ports, airports and intermodality

[S3-SBM-3] Material impacts, risks and opportunities and their interaction with strategy and business model(s)

Connectivity with ports and airports has, like intermodality, been identified as a strategically important area with a significant positive financial impact for the controlling company of the Slovenske železnice Group. Both areas represent a strategic opportunity for the Slovenske železnice Group, in particular for SŽ-Tovorni promet (connection with the Port of Koper) and SŽ-VIT (obtaining foreign service certificates, greater freight throughput as a result of the second track), where improved connectivity translates into increased demand for services. This enables long-term growth and the development of intermodal transport solutions, which offers a major opportunity to attract additional freight and expand business volumes.

Connectivity with the road network, ports and airports

[MDR-P] Policies related to connectivity with the road network, ports and airports

There is no separate policy in place for connectivity with the road network, ports and airports, but the area is addressed in the Slovenske železnice Group's Sustainability Strategy to 2030. By increasing the capacity of the rail network and establishing more efficient logistics links with ports and road networks, Slovenske železnice can become a key player in sustainable freight transport. Such development requires greater throughput and increased freight volumes, which in turn depends on the further appropriate development of railway infrastructure.

Public railway infrastructure, owned by the Republic of Slovenia, is being developed in line with the Railway Transport Act, the Transport Development Strategy of the Republic of Slovenia to 2030 and the Vision for the Development of Public Railway Infrastructure (Vision 2050+)

The main strategic objectives of Vision 2050+ are:[2]

- **by 2030** ensure line capacity and TEN-T compliance on the core network and provide regular-interval services on regional and main lines
- **by 2040** achieve competitive travel times between key points on the core corridor
- **by 2050** achieve carbon neutrality in rail transport

The infrastructure development objectives support economic opportunities by improving the competitiveness of rail freight and container transport and enabling connections between different transport systems. The Slovenske železnice Group, in particular SŽ-Tovorni promet, is implementing policies to improve connectivity with the infrastructure manager, foreign railway undertakings, customers and the Port of Koper. These include modernising the rolling stock, optimising logistics processes, promoting intermodal transport and digitalising business processes, with a focus on reducing environmental impact and improving energy efficiency.

[2] Summarised from the document Vision for the Development and Upgrading of the Railway Network

[MDR-A] Actions and resources related to connectivity with the road network, ports and airports

A number of measures are being implemented on the public railway infrastructure owned by the Republic of Slovenia to improve the connectivity of the railway with other key infrastructure. One of the key projects is the construction of the second track between Divača and Koper, which forms part of the core TEN-T railway network. Once the first new track is completed at the end of 2025, line capacity will increase from 94 to 212 trains per day, or 36.9 million net tonnes per year, and will rise further to 290 trains per day following the completion of the second parallel track. Journey times will be reduced from the current 100–110 minutes to approximately 30 minutes, the maximum train length will increase from 525 m to 740 m, and the maximum speed from 65–75 km/h to 160 km/h.

Numerous line upgrades are under way on the core network, including track improvements, modernisation of railway stations, platforms, overhead lines, tunnels, stops and level crossings. Of the total 1,207.7 km of railway lines, 605.5 km (or 50.1%) are electrified. The European Train Control System (ETCS) is also being introduced to ensure interoperable signalling and communication across the European railway network. Remote traffic control is gradually being rolled out on defined sections of the network.

SŽ-Tovorni promet is implementing measures to improve connectivity with the public railway infrastructure manager, foreign railway undertakings, customers and the Port of Koper. These include modernising rolling stock through the purchase of new electric locomotives and the upgrading of existing ones, optimising logistics processes using advanced information systems, promoting intermodal transport, and actively engaging with other stakeholders.

We are setting a modern example for mobility:

55,000

bicycle transport tickets sold, 9.2% more than the previous year; at the same time we are expanding the bicycle and e-bike sharing network, facilities for safe bicycle storage and the electric vehicle charging network.

The company also conducts regular employee training, implements best practices in green logistics and is expanding its business by opening branches in new geographic markets.

The following investments are planned in connection with Slovenske železnice Group's planned measures

in EUR thousand	2024	Short-term	Medium-term	Long-term
Modernisation of the electric locomotive fleet of SŽ-Tovorni promet – new locomotives	257		47,000	
Conversion of locomotives – SŽ-Tovorni promet		5,400	23,577	

[MDR-T] Targets and metrics related to connectivity with the road network, ports and airports

In line with strategic business focuses, the Slovenske železnice Group plans to expand its operations at regional level and along the value chain. This will be achieved by offering integrated logistics solutions and managing terminals throughout the region, which will improve connectivity between the railway network and road transport, ports and airports.

The success of port connectivity is measured by monitoring the number of trains transported to and from the ports of the North Adriatic (NAPA) each year.

Transport to and from North Adriatic ports (NAPA) in 2024

	Total quantity (to and from station)		
Station	**No. consignments**	**No. wagons**	**Tonnes**
Ravenna (83/05811)	213	5,090	226.73 K
Venice (83/02515)	258	6,683	276.04 K
Trieste (83/03471)	79	1,692	37.17 K
Port of Koper (79/44351)	41,431	210,570	8.41M
Rijeka (78/75560), (78/75562)	46	832	22.02 K
TOTAL	**42,027**	**224,867**	**8.97M**

Intermodality

[MDR-P] Policies related to intermodality

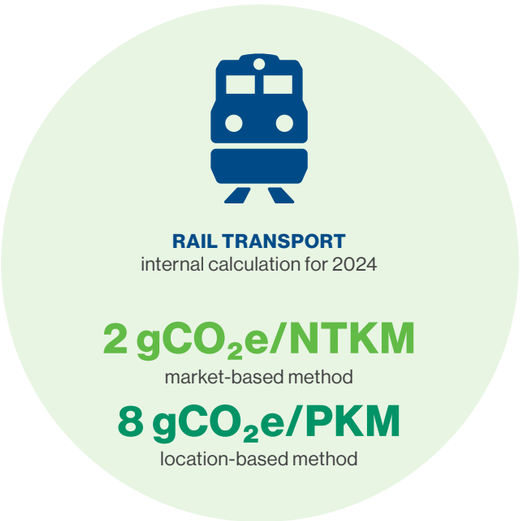
The Slovenske železnice Group does not have a dedicated policy on intermodal transport, but the area is included in the Group's Sustainability Strategy to 2030.

In the Sustainability Strategy, the Slovenske železnice Group identified the increase of intermodal transport as one of the key steps towards enhancing sustainable freight transport. Through intermodal transport, the use of smart technologies and better coordination with other operators, Slovenske železnice can contribute to making rail transport more attractive to companies seeking environmentally friendly alternatives to road transport.

Intermodal transport enables the carriage of freight in a single loading unit (e.g. a shipping container) using successive modes of transport (ship – rail – road), with the majority of the inland transport performed by rail.

The main advantage of this transport method is the transhipment of the entire loading unit rather than the cargo itself, which improves both process and cost efficiency. Rail transport within the intermodal system is a safe and environmentally efficient mode that reduces CO_2e emissions and eases the burden on the road network. With significant energy savings, it ranks among the most environmentally friendly land transport methods.

Comparison of carbon footprint per net tonne-kilometre (NTKM)



[MDR-A] Actions and resources related to intermodality

V The Slovenske železnice Group is planning two key measures to increase intermodal transport:

1. Establishment of an integrated information system at SŽ-Tovorni promet (October 2024–June 2026), which will enable:

- B2B data exchange between different carriers and shipping companies
- Connection of container terminals to a central information system
- Paperless operations and central process monitoring
- More efficient controls, analytics and carbon footprint calculation
- Optimisation of spatial loading and machinery movements
- Increased safety and reduced fuel consumption

2. Modernisation of machinery at the Ljubljana container terminal, including investment in the refurbishment of a container handler, which will result in:

- Improved equipment availability
- Lower maintenance and fuel costs
- Better working conditions for operators
- Upgrades to the terminals in Celje and Maribor

The increase in intermodal transport depends heavily on the construction of new tracks and the implementation of other measures to increase the capacity of public railway infrastructure.

Compared to investments in rolling stock, the implementation of this action plan represents lower capital and operating expenditure for the Slovenske železnice Group.

[MDR-T] Targets and metrics in the area of intermodality

The Slovenske železnice Group is focusing on the fast and reliable transport of intermodal units, including ISO shipping containers, swap bodies and semi-trailers. In line with its strategic sustainability objectives to 2030, the Group plans to increase combined or intermodal transport, particularly the number of train-kilometres operated by container trains, which will contribute to the development of a comprehensive sustainable transport system without direct emissions.

Progress in intermodality is monitored using indicators of total traffic volume at the container terminals in Ljubljana, Celje and Maribor.

Transport of intermodal transport units (containers)

	2023	2024
No. of wagons	127,766	109,039
tonnes	3.48M	3.04M

In 2024 less freight was transported as a result of extensive maintenance and upgrade works on the national railway network and the construction of the second track between Divača and Koper, which caused disruptions and reduced freight traffic capacity. A shortage of train crew further affected the ability to complete all ordered transports. Competition on the rail market is also increasing

Annexes

Energy consumption and mix for the Slovenske železnice Group

	SŽ	SŽ-PP	SŽ-TP	SŽ-INF	SŽ-VIT	SŽ-ŽIP	SŽ-ŽGP	Fersped	TOTAL
(1) Fuel consumption from coal and coal products (MWh)	0	0	0	0	0	0	0	0	0
(2) Fuel consumption from crude oil and petroleum products (MWh)	524	54,288	22,587	8,561	4,178	2,495	11,723	68	104,424
(3) Fuel consumption from natural gas (MWh)	0	0	0	2,149	266	1,390	24	0	3,829
(4) Fuel consumption from other fossil sources (MWh)	0	0	0	0	0	0	0	0	0
(5) Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources	2,032	0	6,017	27,153	6,622	1,512	1,484	231	45,052
(6) Total fossil energy consumption (MWh) (sum of 1 to 5)	2,556	54,288	28,605	37,863	11,066	5,397	13,231	298	153,305
Share of fossil sources in total energy consumption (%)	**100**	**55**	**19**	**100**	**96**	**100**	**100**	**100**	**48**
(7) Consumption from nuclear sources (MWh)	0	0	0	0	0	0	0	0	0
Share from nuclear sources in total energy consumption (%)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
(8) Fuel consumption for renewables, including biomass (including industrial and municipal) (MWh)	0	0	0	0	424	0	0	0	424
(9) Consumption of purchased or acquired electricity, heat, steam and cooling from renewable sources (MWh)	0	0	0	0	0	0	0	0	0
(10) Consumption of self-generated energy from non-fuel renewable sources (MWh)	0	43,703	119,143	0	0	0	0	0	162,846
(11) Total renewable energy consumption (MWh) (sum of 8 to 10)	0	43,703	119,143	0	424	0	0	0	163,270
Renewable sources as a proportion of total energy consumption (%)	**0**	**45**	**81**	**0**	**4**	**0**	**0**	**0**	**52**
Share of fossil sources in total energy consumption (%)	**100**	**55**	**19**	**100**	**96**	**100**	**100**	**100**	**48**
Total energy consumption (MWh) (sum of lines 6 and 11)	**2,556**	**97,990**	**147,748**	**37,863**	**11,490**	**5,397**	**13,231**	**298**	**316,575**

Disclosure: Total energy consumption figures do not include smaller non-material companies, branches and representative offices.

GHG emission for the Slovenske železnice Group

GHG EMISSIONS (t CO_2e)	SŽ	SŽ-PP	SŽ-TP	SŽ-INF	SŽ-VIT	SŽ-ŽIP	SŽ-ŽGP	Fersped	SŽ GROUP	Emissions excluding train traction	Emissions from train traction
Scope 1	546.0	15,152.0	6,198.0	2,756.0	1,175.0	951.0	3,171.0	18.0	30,035.0	8,617.0	21,350.0
Scope 2 location-based method	510.0	10,235.0	29,313.0	6,437.0	1,626.0	320.0	348.0	55.0	48,638.0	9,296.0	39,548.0
Scope 2 market-based method	615.0	0.0	1,216.0	5,717.0	1,661.0	268.0	300.0	60.0	9,643.0	8,621.0	1,216.0
Scope 3 total	**17,906.8**	**47,662.5**	**60,010.0**	**26,777.5**	**17,177.9**	**8,530.5**	**16,811.7**	**8,492.6**	**124,289.7**	**108,827.0**	
S3 - 1 Purchased goods and services	1,288.0	37,453.8	42,475.6	19,012.6	12,616.0	7,221.6	15,167.0	8,360.5	**67,658.5**	**67,658.5**	
S3 - 2 Capital goods	527.9	1,937.0	3,317.0	1,779.3	1,074.7	294.1	645.5	5.4	**6,502.9**	**6,502.9**	
S3 - 3 Fuel and energy consumption	189.2	7,268.7	12,578.1	2,977.2	831.7	325.6	849.0	24.7	**24,986.0**	**24,885.3**	
S3 - 5 Waste management	0.3	193.5	61.4	21.1	68.4	1.4	15.8	0.0	**354.7**	**354.7**	
S3 - 7 Employee commuting	539.4	809.5	1,577.9	2,987.3	2,587.1	687.8	134.4	102.0	**9,425.6**	**9,425.6**	
S3 - 15 Investments	15,362.0								**15,362.0**		
Scope 1, 2, and 3 total (location-based method)	18,423.4	73,049.5	95,521.0	35,970.5	19,978.9	9,801.5	20,330.7	8,565.6	**202,986.1**	126,740.0	60,898.0
Scope 1, 2, and 3 total (market-based method)	18,528.4	62,814.5	67,424.0	35,250.5	20,013.9	9,749.5	20,282.7	8,570.6	**163,967.7**	126,065.0	22,566.0

Disclosure: consolidated Scope 1 and 2 data for the SŽ Group are not equal to the sum of SŽ Group subsidiaries, due to rounding of results.

Disclosure: consolidated Scope 3 data for the SŽ Group are not equal to the sum, due to interrelationships among subsidiaries within the SŽ Group.

Disclosure: Total emissions do not include smaller non-material companies, branches and representative offices.

Carbon footprint – comparison for the Slovenske železnice Group

GHG EMISSIONS (t CO_2e)	SŽ	SŽ-PP	SŽ-TP	SŽ-INF	SŽ-VIT	SŽ-ŽIP	SŽ-ŽGP	Fersped	SŽ GROUP	Emissions from train traction
Scope 1 2022	147	14,407	7,961	3,140	1,686	1,075	2,857	23	31,296	22,368
Scope 1 2023	161	15,136	7,473	3,333	1,127	1,146	3,336	21	31,733	22,609
Scope 1 2024	546	15,152	6,198	2,756	1,175	951	3,171	18	30,035	8,617
Scope 2 location-based method 2022	739	15,732	42,945	8,521	2,638	551	674	124	71,924	58,677
Scope 2 location-based method 2023	646	15,509	39,151	8,299	2,223	408	588	114	66,938	54,660
Scope 2 location-based method 2024	510	10,235	29,313	6,437	1,626	320	348	55	48,629	39,548
Scope 2 market-based method 2022	711	6,524	17,888	3,629	2,008	321	271	131	31,483	24,412
Scope 2 market-based method 2023	561	15,091	37,450	4,598	1,697	187	288	63	59,935	54,541
Scope 2 market-based method 2024	615	0	1,216	5,717	1,661	268	300	61	9,643	1,216

Disclosure: consolidated Scope 1 and 2 data for the SŽ Group are not equal to the sum of SŽ Group subsidiaries, due to rounding of results.

Carbon footprint chart of companies within the Slovenske železnice Group

Waste generated by activities in companies of the Slovenske železnice Group in 2024

	SŽ	SŽ-PP	SŽ-TP	SŽ-INF	SŽ-VIT	SŽ-ŽIP	SŽ-ŽGP	SŽ-ŽT	Total SŽ Group
Total waste generated [kg]	**14,514**	**1,212,433**	**6,350,710**	**9,572,413**	**5,362,546**	**145,249**	**15,695,183**	**4,755**	**38,357,803**
Hazardous waste treated/recovered in accordance with the applicable legal framework [kg]	436	0	85,600	1,914,996	334,869	9,913	17,779	0	2,363,593
Share of hazardous waste in total waste generated [%]	3.00	0.00	1.35	20.00	6.24	6.82	0.11	0.00	6.16
Hazardous waste treated/recovered in accordance with the applicable legal framework [kg]	14,078	1,212,433	6,265,110	7,657,417	5,027,677	135,336	15,677,404	4,755	35,994,210
Share of non-hazardous waste in total waste generated [%]	97	100	98.65	80	93.76	93.18	99.89	100	93.84
Total quantity of non-recycled waste [kg]	0	0	23,580	1,892,314	80,070	5,460	12,780	0	2,014,204
Share of non-recycled waste in total waste generated [%]	0	0	0.37	19.76	1.49	3.75	0.08	0	5.25
Total quantity of waste reused in the treatment process [kg]	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Share of total waste reused in the treatment process out of total waste generated [%]	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
Hazardous waste reused in the treatment process [kg]	0	0	0	0	0	0	0	0	0
Non-hazardous waste reused in the treatment process [kg]	0	0	0	0	0	0	0	0	0
Total quantity of waste recycled in the treatment process [kg]	**14,514**	**1,212,433**	**6,241,530**	**3,186,221**	**5,005,144**	**57,872**	**350,894**	**4,755**	**16,073,363**
Share of waste recycled in the treatment process out of total waste generated [%]	**100.00**	**100.00**	**98.28**	**33.29**	**93.34**	**39.84**	**2.24**	**100.00**	**41.90**
Hazardous waste recycled in the treatment process [kg]	436	0	0	1,516	49,243	2,366	0	0	53,561
Non-hazardous waste recycled in the treatment process [kg]	14,078	1,212,433	6,241,530	3,184,705	4,955,901	55,506	350,894	4,755	16,019,802
Total quantity of waste subjected to energy recovery in the treatment process [kg]	**0**	**0**	**0**	**1,888,904**	**0**	**0**	**0**	**0**	**1,888,904**
Share of waste recovered for energy in the treatment process out of total waste generated [%]	**0.00**	**0.00**	**0.00**	**19.73**	**0.00**	**0.00**	**0.00**	**0.00**	**4.92**
Hazardous waste recovered for energy in the treatment process [kg]	0	0	0	1,888,904	0	0	0	0	1,888,904
Non-hazardous waste recovered for energy in the treatment process [kg]	0	0	0	0	0	0	0	0	0
Total quantity of waste disposed of in landfill [kg]	**0**	**0**	**23,580**	**3,410**	**80,070**	**5,460**	**12,780**	**0**	**125,300**
Share of waste disposed of in landfill out of total waste generated [%]	**0.00**	**0.00**	**0.37**	**0.04**	**1.49**	**3.76**	**0.08**	**0.00**	**0.33**
Hazardous waste disposed of in landfill [kg]	0	0	0	3,410	32,390	0	12,780	0	48,580
Non-hazardous waste disposed of in landfill [kg]	0	0	23,580	0	47,680	5,460	0	0	76,720
Total quantity of waste treated through other recovery methods [kg]	**0**	**0**	**85,600**	**4,493,878**	**277,332**	**81,917**	**15,331,509**	**0**	**20,270,236**
Share of waste treated through other recovery methods out of total waste generated [%]	**0.00**	**0.00**	**1.35**	**46.95**	**5.17**	**56.40**	**97.68**	**0.00**	**52.85**
Hazardous waste treated through other recovery methods [kg]	0	0	85,600	21,166	253,236	7,547	4,999	0	372,548
Non-hazardous waste treated through other recovery methods [kg]	0	0	0	4,472,712	24,096	74,370	15,326,510	0	19,897,688

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1. Consolidated financial statements of the Slovenske železnice Group

1.1. Consolidated statement of financial position

in EUR	Note	Balance as at 31 December 2024	31 December 2023
ASSETS		**1,289,753,966**	**1,271,549,048**
A. Non-current assets		**772,451,615**	**914,880,251**
Intangible assets	2.3.1.1	30,877,869	29,566,553
Right-of-use assets	2.3.1.2	34,055,225	25,079,002
Property, plant and equipment	2.3.1.3	576,608,648	592,575,098
Investment property	2.3.1.4	41,179,465	41,782,949
Investments in associates	2.3.1.5	31,094,909	32,566,741
Other financial assets	2.3.1.5	2,144,340	2,144,340
Financial receivables	2.3.1.6	2,892,315	42,532,458
Operating receivables	2.3.1.12	45,713,692	141,077,137
Deferred tax assets	2.3.1.7	4,119,256	3,899,218
Other non-current assets	2.3.1.8	3,765,896	3,656,755
B. Current assets		**517,302,351**	**356,668,797**
Assets held for sale	2.3.1.9	122,331	15,323
Inventories	2.3.1.10	52,961,412	42,112,191
Financial receivables	2.3.1.6	144,290,953	98,202,136
Trade receivables	2.3.1.11	74,272,678	65,496,319
Other operating receivables	2.3.1.12	129,095,445	22,054,545
Other current assets	2.3.1.13	57,329,042	48,830,698
Cash and cash equivalents	2.3.1.14	59,230,490	79,957,585

in EUR	Note	Balance as at 31 December 2024	31 December 2023
EQUITY AND LIABILITIES		**1,289,753,966**	**1,271,549,048**
A. Equity	2.3.1.15	**901,074,217**	**864,346,585**
a) Equity of the owners of the controlling company		**792,827,297**	**759,433,459**
Share capital		509,529,921	509,529,921
Share premium account		45,002,140	45,002,140
Statutory reserves		5,144,337	4,637,603
Other profit reserves		60,243,483	50,314,305
Fair value reserves		2,764,802	3,194,184
Retained earnings		170,142,603	146,755,052
1. Retained earnings		137,232,671	117,711,772
2. Undistributed net profit for the financial year		32,909,932	29,043,280
Translation differences		11	254
b) Non-controlling interest		**108,246,920**	**104,913,126**
B. Non-current liabilities		**213,632,733**	**222,390,275**
Provisions for loyalty bonuses and severance pay	2.3.1.16	28,400,569	26,752,935
Other provisions	2.3.1.16	1,808,956	1,582,189
Non-current deferred income	2.3.1.17	18,950,155	13,114,533
Financial liabilities	2.3.1.18	77,667,852	88,010,668
Lease liabilities	2.3.1.19	17,375,396	12,108,322
Trade payables	2.3.1.20	69,429,805	80,821,628
C. Current liabilities		**175,047,016**	**184,812,188**
Financial liabilities	2.3.1.18	11,254,458	33,473,557
Lease liabilities	2.3.1.19	13,913,764	10,035,934
Trade payables	2.3.1.22	52,143,451	42,812,779
Other operating liabilities	2.3.1.20	77,302,046	78,505,485
Other current liabilities	2.3.1.21	19,868,873	18,672,769
Income tax liabilities	2.3.2.10	564,424	1,311,664

The accounting policies and notes are a constituent part of the financial statements and must be read in conjunction with them.

1.2. Consolidated income statement

in EUR	Note	2024	2023
1. Revenue from contracts with customers	2.3.2.1	528,369,305	528,207,833
2. Change in the value of inventories of finished goods and work in progress		-766,938	2,007,576
3. Capitalised own products and services	2.3.2.2	26,743,971	20,695,970
4. Other operating revenue	2.3.2.3	161,046,843	144,019,213
5. Costs of goods, materials and services	2.3.2.4	278,093,451	284,315,088
6. Labour costs	2.3.2.5	314,596,490	291,981,986
7. Write-downs	2.3.2.6	68,995,910	68,971,953
8. Other operating expenses	2.3.2.7	4,562,880	3,143,977
9. Operating profit (1 ± 2 + 3 + 4 - 5 - 6 - 7 - 8)		**49,144,450**	**46,517,588**
10. a) Finance income from dividends and shares in the profit of others	2.3.2.8	4,117,076	4,005,257
b) Finance income from interest	2.3.2.8	4,024,208	3,754,886
11. Finance costs	2.3.2.9	5,629,910	5,416,174
12. Net finance income/costs (10 - 11)		**2,511,374**	**2,343,969**
13. Earnings before tax (9 + 12)		**51,655,824**	**48,861,557**
14. Current tax		6,170,638	5,590,630
15. Deferred taxes	2.3.1.7	-220,037	-978,070
16. Corporate income tax	2.3.2.10	**5,950,601**	**4,612,560**
17. Net profit or loss for the accounting period		**45,705,223**	**44,248,997**
Net profit or loss for the accounting period attributable to:			
a) owners of the controlling company		37,818,479	35,043,950
b) non-controlling interest		7,886,744	9,205,047

The accounting policies and notes are a constituent part of the financial statements and must be read in conjunction with them.

1.3. Consolidated statement of other comprehensive income

in EUR	Note	2024	2023
Net profit or loss for the accounting period	1.2	**45,705,223**	**44,248,997**
Items that will not be reclassified subsequently to profit or loss		**-176,623**	**-1,525,732**
Actuarial gains/losses	2.3.1.16	-176,623	-1,525,732
Items that may be reclassified subsequently to profit or loss		**-1,187**	**7,691**
Exchange rate differences		987	1,344
Changes in equity of associates		-2,174	6,347
Other comprehensive income for the financial year		**-177,810**	**-1,518,041**
Total comprehensive income for the accounting period		**45,527,413**	**42,730,956**
Total comprehensive income for the accounting period attributable to:			
a) owners of the controlling company		37,645,952	33,657,557
b) non-controlling interest		7,881,461	9,073,399

The accounting policies and notes are a constituent part of the financial statements and must be read in conjunction with them.

1.4. Consolidated statement of cash flows

in EUR	Note	2024	2023
A. CASH FLOWS FROM OPERATING ACTIVITIES			
a) Net profit or loss		**45,705,223**	**44,248,998**
Pre-tax profit	1.2	51,655,824	48,861,557
Corporate income tax and other taxes not included in operating expenses	2.3.2.10	5,950,601	4,612,559
b) Adjustments for		**63,233,944**	**59,222,968**
Amortisation/depreciation (+)	2.3.2.6	67,750,278	67,961,385
Revaluation operating revenue (-)		-3,585,359	-9,261,735
Revaluation operating expenses (+)	2.3.2.6	1,245,632	1,010,568
Finance income, excluding finance income from operating receivables (-)	2.3.2.8	-7,988,505	-7,664,564
Finance costs, excluding finance costs from operating liabilities (+)	2.3.2.9	5,552,450	5,310,605
Actuarial calculation of provisions for employee benefits	2.3.1.16	3,154,951	3,874,676
Calculation of other provisions		130,268	221,495
Tax expenses		-902,234	-701,146
Reversal of accrued revenue and expenses		-697,394	-749,664
Revenue from materials acquired		-542,547	-529,239
Contributions waived for persons with disabilities		-331,903	0
Disposals based on exchange contracts		-514,815	0
Other adjustments to revenue and expenses	2.3.3	-36,878	-249,413
c) Change in net working capital (and provisions and deferred tax assets and liabilities) from balance sheet operating items		**-32,808,942**	**-13,948,021**
Opening less closing operating receivables		-19,201,750	-19,063,467
Opening less closing inventories		-10,551,417	1,342,194
Closing less opening operating liabilities		-390,908	-857,861
Closing less opening provisions		-2,664,867	4,631,113
d) Net cash flows from operating activities (a + b + c)		**76,130,225**	**89,523,945**

in EUR	Note	2024	2023
B. CASH FLOWS FROM INVESTING ACTIVITIES			
a) Proceeds from investing activities		**359,918,434**	**674,136,169**
Receipts from shares of profit in associates and other companies		4,841,622	6,672,990
Inflows from interest received		1,904,587	2,702,913
Inflows from the disposal of intangible assets		0	1,676,750
Inflows from disposal of property, plant and equipment	2.3.1.3	3,460,106	5,951,955
Inflows from disposal of investment property	2.3.1.4	0	1,620,257
Inflows from the disposal of financial receivables		349,712,119	655,511,304
b) Disbursements from investing activities		**-407,071,618**	**-794,192,682**
Outflows for acquisition of intangible assets	2.3.1.1	-3,417,611	-6,279,295
Outflows for acquisition of property, plant and equipment	2.3.1.3	-43,105,326	-160,961,470
Outflows for the acquisition of investment property	2.3.1.4	-102,270	-162,714
Outflows for the acquisition of a stake in the associate NOMAGO, d.o.o.		-6,133,476	-3,777,455
Outflows for the acquisition of financial receivables		-354,312,935	-623,011,748
c) Net cash flows from investing activities (a + b)		**-47,153,184**	**-120,056,513**
C. CASH FLOWS FROM FINANCING ACTIVITIES			
a) Receipts from financing activities		**77,300,000**	**50,500,000**
Inflows from the increase in financial liabilities	2.3.1.18	77,300,000	50,500,000
b) Disbursements from financing activities		**-127,004,149**	**-58,302,168**
Outflows for interest paid on leases		-1,640,973	-767,945
Outflows for other interest paid		-2,050,556	-1,846,123
Repayments of capital		-45,683	0
Outflows for the repayment of financial liabilities	2.3.1.18	-102,988,938	-43,735,360
Outflows for the repayment of lease liabilities	2.3.1.19	-11,427,121	-11,548,750
Outflows for payment of dividends and other shares in profit	2.3.1.15	-8,850,878	-403,990
c) Net cash flows from financing activities (a + b)		**-49,704,149**	**-7,802,168**
D. CLOSING BALANCE OF CASH	2.3.1.14	**59,230,490**	**79,957,585**
x) Net cash flow for the period (sum of Ad, Bc and Cc)		**-20,727,108**	**-38,334,736**
+/– Calculated exchange rate differences from foreign currency assets		13	-795
y) Opening balance of cash and cash equivalents	2.3.1.14	**79,957,585**	**118,293,116**

The accounting policies and notes are a constituent part of the financial statements and must be read in conjunction with them.

1.5. Consolidated statement of changes in equity

In the period 1 January to 31 December 2024

in EUR	Share capital	Share premium account	Legal reserves	Other profit reserves	Fair value reserves	Retained earnings		Translation differences	Equity of the owners of the controlling company	Non-controlling interest	Total
						Retained earnings	Undistributed net profit for the financial year				
Opening balance for the reporting period	**509,529,921**	**45,002,140**	**4,637,603**	**50,314,305**	**3,194,184**	**117,711,772**	**29,043,280**	**254**	**759,433,459**	**104,913,126**	**864,346,585**
Changes in equity – transactions with owners	0	0	0	0	0	-4,329,365	0	0	-4,329,365	-4,567,197	-8,896,562
Purchase of treasury shares						-29,365			-29,365	-16,319	-45,684
Payment of shares in profit and dividends						-4,300,000			-4,300,000	-4,550,878	-8,850,878
Changes in total comprehensive income for the reporting period	**0**	**0**	**0**	**0**	**-429,382**	**257,098**	**37,818,479**	**-243**	**37,645,952**	**7,881,461**	**45,527,413**
Entry of net profit for the reporting period							37,818,479		37,818,479	7,886,744	45,705,223
Items that will not be reclassified subsequently to profit or loss					-429,382	258,158			-171,224	-5,399	-176,623
Items that can be recognised in future profit or loss						-1,060		-243	-1,303	116	-1,187
Changes in equity	**0**	**0**	**506,734**	**9,929,178**	**0**	**23,593,166**	**-33,951,827**	**0**	**77,251**	**19,530**	**96,781**
Allocation of remaining portion of net profit for comparable reporting period to other components of equity				5,429,178		23,614,102	-29,043,280		0		0
Allocation of a portion of net profit from the reporting period to other components of equity			506,734	4,500,000			-5,006,734				0
Coverage of loss as equity deduction item						-98,187	98,187		0		0
Other changes in equity						77,251			77,251	19,530	96,781
Closing balance for the reporting period	**509,529,921**	**45,002,140**	**5,144,337**	**60,243,483**	**2,764,802**	**137,232,671**	**32,909,932**	**11**	**792,827,297**	**108,246,920**	**901,074,217**

The accounting policies and notes are a constituent part of the financial statements and must be read in conjunction with them.

From 1 January to 31 December 2023

in EUR	Share capital	Share premium account	Legal reserves	Other profit reserves	Fair value reserves	Retained earnings	Undistributed net profit for the financial year	Translation differences	Equity of the owners of the controlling company	Non-controlling interest	Total
						Retained earnings					
Balance at end of previous reporting period	**509,529,921**	**45,002,140**	**4,066,111**	**49,185,127**	**4,860,750**	**100,219,953**	**25,001,023**	**341**	**737,865,366**	**96,243,717**	**834,109,083**
Retroactive recalculations							-2,263,476		-2,263,476		-2,263,476
Opening balance for the reporting period	**509,529,921**	**45,002,140**	**4,066,111**	**49,185,127**	**4,860,750**	**100,219,953**	**22,737,547**	**341**	**735,601,890**	**96,243,717**	**831,845,607**
Changes in equity (transactions with owners)	**0**	**0**	**0**	**0**	**0**	**-9,825,988**	**0**	**0**	**-9,825,988**	**-403,990**	**-10,229,978**
Payment of shares in profit and dividends						-9,825,988			-9,825,988	-403,990	-10,229,978
Changes in total comprehensive income for the reporting period	**0**	**0**	**0**	**0**	**-1,666,566**	**280,260**	**35,043,950**	**-87**	**33,657,557**	**9,073,399**	**42,730,956**
Entry of net profit for the reporting period							35,043,950		35,043,950	9,205,047	44,248,997
Items that will not be reclassified subsequently to profit or loss					-1,666,566	252,018			-1,414,548	-111,184	-1,525,732
Items that can be recognised in future profit or loss						28,242		-87	28,155	-20,464	7,691
Changes in equity	**0**	**0**	**571,492**	**1,129,178**	**0**	**27,037,547**	**-28,738,217**	**0**	**0**	**0**	**0**
Allocation of remaining portion of net profit for the comparable reporting period to other components of equity						22,737,547	-22,737,547		0		0
Allocation of a portion of net profit from the reporting period to other components of equity			571,492	5,429,178			-6,000,670		0		0
Allocation of reserves to other components of equity				-4,300,000		4,300,000			0		0
Closing balance for the reporting period	**509,529,921**	**45,002,140**	**4,637,603**	**50,314,305**	**3,194,184**	**117,711,772**	**29,043,280**	**254**	**759,433,459**	**104,913,126**	**864,346,585**

The accounting policies and notes are a constituent part of the financial statements and must be read in conjunction with them.

2. Notes to the financial statements

Slovenske železnice, d.o.o. is the controlling company of the Slovenske železnice Group. Its registered office is located at Kolodvorska 11 in Ljubljana. The consolidated financial statements for the period ending 31 December 2024 relate to the Slovenske železnice Group, which comprises the controlling company and its subsidiaries. The consolidated financial statements of the Slovenske železnice Group for the year ending 31 December 2024 are presented below. The consolidated financial statements include Slovenske železnice, d.o.o. and its subsidiaries, and the Slovenske železnice Group's participating interests in associates (hereinafter: the Group). A more detailed overview of the composition of the Slovenske železnice Group can be found in the organisational chart in the business section of this report.

2.1. Bases for compiling the financial statements

Statement of compliance

The financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS), as adopted by the European Union, and the interpretations of the International Financial Reporting Interpretations Committee (IFRIC), likewise adopted by the European Union. They also include additional clarifications in accordance with the Companies Act (ZGD-1).

In terms of consolidating EU standards, there were no differences in the accounting policies of the Slovenske železnice Group/Slovenske železnice, d.o.o. (hereinafter: the Group/the company) on the statement of financial position date between the IFRS as applied and the IFRS as adopted by the European Union.

The Management Board of Slovenske železnice, d.o.o. approved the financial statements of Slovenske železnice, d.o.o. and the consolidated financial statements of the Slovenske železnice Group for 2024 on 12 June 2025.

Basis of measurement

The financial statements have been compiled on an historical cost basis.

Functional and reporting currency

The financial statements in this report are presented in euros (EUR) without cents, the euro being the company's functional and reporting currency. Minor differences may arise in the sums of figures in tables due to the rounding of values.

Use of estimates and judgments

The financial statements are also compiled on the basis of certain estimates and assumptions made by the company's Management Board that affect the carrying amount of assets and liabilities, as well as the revenue and expenses disclosed during the accounting period. Those estimates include, *inter alia*, the determination of the useful lives and residual value of property, plant and equipment, intangible assets, assets under lease, value adjustments to inventories and receivables, assumptions required for the actuarial calculation in connection with defined employee benefits, assumptions included in the calculation of potential provisions for lawsuits, assumptions regarding future taxable profit for the calculation of deferred taxes, assumptions regarding the future operations of subsidiaries and associates, and assumptions used to determine the potential impairment of other financial assets. Despite the fact that the company's Management Board carefully considers all factors that affect the drafting of assumptions during that process itself, the actual consequences of events may vary from the estimates. Judgment must therefore be used in accounting estimates, and potential changes in the business environment, new business events, additional information and past experiences taken into account.

Information regarding significant assessments of uncertainty and critical judgements drawn up by the company's Management Board according to valid accounting policies that have the greatest impact on the amounts in the financial statements are described in the notes that follow. Other disclosures and details are presented in the accounting policies.

- Testing of assets for impairment

Information regarding significant assessments of uncertainty and critical judgements drawn up by the Group/company in the application of accounting policies that have the greatest impact on the amounts in the financial statements were used in the assessment of the values of:

- investment property (Note 2.3.1.4, 6.6.1.4);
- goodwill (Note 2.3.1.1);
- investments in subsidiaries (Note 6.6.1.5);
- investments in associates (Notes 2.3.1.5, 6.6.1.5);
- non-current financial assets (Note 2.3.1.5); and
- non-current trade receivables (Notes 2.3.1.11 and 2.3.1.12, 6.6.1.10 and 6.6.1.11)

- Post-employment benefits

The present value of employee jubilee benefits and retirement benefits is recorded under commitments for post-employment benefits. They are recognised on the basis of an actuarial calculation approved by the Management Board of each company in the Slovenske železnice Group. and based on assumptions and estimates valid at the time of the calculation. The assumptions and estimates may vary from actual assumptions in the future as a result of changes, primarily to the definition of the discount rate, estimates of employee turnover and mortality rates, and estimates of wage growth. Commitments for post-employment benefits are sensitive to changes in those estimates because of the complexity of the actuarial calculation and the long-term nature of this item (notes 2.3.1.16 and 6.6.1.16).

- Provisions for lawsuits and contingent liabilities

Provisions are recognised if, as a result of a past event, the company has a present legal or constructive commitment

that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the commitment. Contingent liabilities are not disclosed in the financial statements, as their actual existence will be confirmed by the occurrence or non-occurrence of events in the unforeseeable future, over which the company has no influence. The Management Board of each company in the Slovenske železnice Group regularly assesses whether an outflow of resources embodying economic benefits is probable for the settlement of a potential obligation. If this becomes probable, the contingent liability is reclassified such that the associated provisions are created in the financial statements at the moment the level of probability changes (notes 2.3.1.16 and 6.6.1.16).

- Deferred tax assets

Deferred tax assets are recognised in connection with the creation of provisions for jubilee benefits and retirement benefits, provisions for guarantees issued, tax losses, value adjustments to receivables and unused tax allowances for investments. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the deferred tax assets can be utilised (notes 2.3.1.7 and 6.6.1.7).

2.2. Material information on the accounting policies

Material information on the accounting policies

The Slovenske železnice Group applied the same accounting policies in all the periods presented in the enclosed consolidated financial statements. Companies in the Slovenske železnice Group apply standard accounting policies.

The Slovenske železnice Group comprises the following companies:

- Slovenske železnice, d.o.o. (controlling company),
- SŽ-Potniški promet, d.o.o. (100% owned by the controlling company);
- SŽ-Infrastruktura, d.o.o. (100% owned by the controlling company);
- SŽ-Vleka in tehnika, d.o.o. (100% owned by the controlling company);
- Prometni institut Ljubljana, d.o.o. (100% owned by the controlling company);
- SŽ-ŽIP, storitve, d.o.o. (100% owned by the controlling company);
- SŽ EP Logistika d.o.o. (51% owned by the controlling company);
- SŽ-Železniško gradbeno podjetje Ljubljana, d.d. (79.82% owned by the controlling company);
- SŽ-Železniška tiskarna Ljubljana, d.d. (64.28% owned by the controlling company);
- SŽ-Tovorni promet, d.o.o. (100% owned by SŽ EP Logistika, d.o.o.),
- Fersped d.o.o. (100% owned by SŽ EP Logistika, d.o.o.);
- VV-LOG, d.o.o. (2/3 owned by Fersped, d.o.o. and 1/3 owned by the company itself);
- Kamnolom Verd, d.o.o. (100% owned by SŽ-Železniško gradbeno podjetje Ljubljana, d.d.);
- SŽ-ŽIP, d.o.o., Savudrija, Croatia (100% owned by SŽ-ŽIP, storitve, d.o.o.); and
- SI-Cargo Logistics, d.o.o., Belgrade, Serbia (100% owned by SŽ-Tovorni promet, d.o.o.).

The voting rights connected with all of the companies listed above are equal to the participating interests in their capital.

Fercargo, d.o.o., Sarajevo (Bosnia and Herzegovina), which is 70% owned by Fersped, d.o.o., is excluded from consolidation due to a lack of control.

The accounting policies relate to both the Slovenske železnice Group and Slovenske železnice, d.o.o., and are only presented in the first part of the financial report.

New IFRS standards and amendments to existing IFRS standards issued by the IASB (International Accounting Standards Board) but not yet adopted by the EU

Standard/Note	Effective from
Amendments to IFRS 9 and IFRS 7 Changes in Classification and Measurement of Financial Instruments	1 January 2026
Amendments to IFRS 9 and IFRS 7 Contracts Referencing Nature-Dependent Electricity	1 January 2026
Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7 Annual Improvements to IFRS Accounting Standards – Volume 11	1 January 2026
IFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19 Subsidiaries Without Public Accountability: Disclosures	1 January 2027
IFRS 14 Regulatory Deferral Accounts	The European Commission has decided that it will not commence the procedure to adopt this transitional standard and will instead wait for the final standard.
Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture (and Further Amendments)	The approval process has been deferred indefinitely until a research project on the equity method has been completed.

Amendments to IFRS 9 and IFRS 7 – Changes to the Classification and Measurement of Financial Instruments

The amendments clarify the classification of financial assets with features linked to environmental, social and governance (ESG) aspects. They also clarify the date of derecognition of a financial asset or financial liability and introduce additional disclosure requirements for investments in equity instruments designated as measured at fair value through other comprehensive income, as well as disclosures related to financial instruments with contingent features.

Amendments to IFRS 9 and IFRS 7 – Contracts Referencing Nature-Dependent Electricity

The own-use requirements in IFRS 9 are amended to include factors that an entity must consider when applying IFRS 9:2.4 to power purchase agreements for electricity from renewable sources whose production depends on nature. The hedge accounting requirements in IFRS 9 are amended to allow an entity using such a nature-dependent renewable electricity contract as a hedging instrument to designate a variable volume of forecast electricity transactions as the hedged item, provided certain criteria are met, and to measure the hedged item using the same volume assumptions as those applied to the hedging instrument. The amendments to IFRS 7 and IFRS 9

introduce disclosure requirements for nature-dependent electricity contracts, which have specific features.

Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7 – Annual Improvements to IFRS Accounting Standards – Volume 11
The amendments to the standards include clarifications, simplifications, corrections and changes in the following areas: (a) hedge accounting for first-time adopters of IFRS (IFRS 1); (b) gain or loss on derecognition (IFRS 7); (c) disclosure of the deferred difference between fair value and transaction price (IFRS 7); (d) initial disclosures and disclosures relating to credit risk (IFRS 7); (e) lessee derecognition of lease liability (IFRS 9); (f) transaction price (IFRS 9); (g) determination of a 'de facto' agent (IFRS 10); (h) cost method (IAS 7).

IFRS 18 – Presentation and Disclosure in Financial Statements
This standard introduces three sets of new requirements to improve companies' reporting of financial performance and provide investors with a better basis for analysing and comparing companies. The main changes in the new standard compared to IAS 1 include: (a) introduction of categories (operating, investing, financing, income tax and discontinued operations) and inclusion of subtotals in the statement of profit or loss; (b) introduction of requirements to improve aggregation and disaggregation; (c) introduction of disclosures of performance measures defined by management in the notes to the financial statements.

MSRP 19 – Subsidiaries without Public Accountability: Disclosures
This standard reduces disclosure requirements for subsidiaries applying IFRS in their financial statements. IFRS 19 is optional for subsidiaries that meet certain conditions and sets out disclosure requirements for subsidiaries that choose to apply it.

IFRS 14 Regulatory Deferral Accounts
The objective of the standard is to permit companies applying the IFRS for the first time who disclose regulatory deferral account balances in accordance with the previous GAAP to continue such disclosure during their transition to the IFRS.

Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (and further amendments)
The amendments relate to discrepancies between the requirements of IAS 28 and IFRS 10, and clarify that the extent of recognition of gains and losses in a transaction with an associate or joint venture depends on whether the sold or contributed assets represent a business entity.

The Group/company does not expect the adoption of the above standards in future periods to have a material impact on the financial statements of the Group/company.

Entry into force of the latest amendments to existing standards that apply during the current accounting period

Standard/Note	Effective from	Impact on financial statements
Amendments to IAS 1 Classification of Liabilities with Covenants as Current or Non-current	1 January 2024	No material effect
Amendments to IAS 7 and IFRS 7 Supplier Finance Arrangements	1 January 2024	No material effect
Amendments to IFRS 16 Lease Liabilities in a Sale and Leaseback	1 January 2024	No material effect

Amendments to IAS 1 Classification of Liabilities with Covenants as Current or Non-current
Amendments to IAS 1 affect the classification of debt and other liabilities with an uncertain settlement date based on contractual arrangements in the statement of financial position, but do not affect the measurement and recognition of debts. The amendments also clarify how conditions that an entity must meet within twelve months after the reporting period influence the classification of liabilities.

Amendments to IAS 7 and IFRS 7 Supplier Finance Arrangements
The amendments add requirements regarding disclosures and policies within existing disclosure requirements so as to provide qualitative and quantitative information on supplier finance arrangements.

Amendments to IFRS 16 Lease Liability in a Sale and Leaseback
The amendments relate to subsequent measurement requirements for lease liabilities unrelated to a sale and leaseback transaction to lease liabilities arising from a leaseback in a way that the seller-lessee recognises no amount of the gain or loss related to the right of use that it retains. The new requirements do not prevent a seller-lessee from recognising in profit or loss any gain or loss relating to the partial or full termination of a lease.

New and amended accounting standards issued by the IASB and adopted by the EU but not yet in force

Standard/Note	Effective from	Impact on financial statements
Amendments to IAS 21 Lack of Exchangeability	1 January 2025	No material effect

The amendments give guidance on specifying when a currency is exchangeable and how to determine the exchange rate when it is not.

Information on the accounting policies

The Group/company consistently apply the same accounting policies from period to period. Those policies are presented in the enclosed financial statements. The Group/company only amends accounting policies if:

- the change is mandatory under a standard or interpretation, or
- as the result of a change, the financial statements present more reliable and relevant information regarding the effects of transactions, other business events on the financial position, results expressed in monetary terms and the financial flows of the company.

a) Basis for consolidation

The consolidated financial statements of the SŽ Group include the financial statements of the controlling company Slovenske železnice, d.o.o. and its subsidiaries. The financial statements of Slovenske železnice Group companies are compiled for the same reporting period as the controlling company and applying the same accounting policies.

Business combinations

Business combinations are accounted for using the acquisition method on the day of the acquisition or when the acquiring company acquires control. Identifiable assets acquired and liabilities assumed are measured at fair value on the day of acquisition. Assets assumed upon combination constitute a cash-generating unit for the Slovenske železnice Group.

The Slovenske železnice Group recognises goodwill as an asset that represents future economic benefits deriving from assets acquired in a business combination and that are not defined individually and recognised separately. Goodwill is recognised within one year of a business combination.

Following initial recognition, the Group verifies once a year whether factors exist that could have a negative impact on the future cash flows of a cash-generating unit obtained in a business combination. A reduction in the value of a cash-generating unit is recognised in the financial statements as the impairment of goodwill or of the assets of a cash-generating unit, and is charged to current operating results.

Subsidiaries

A subsidiary is a legally independent company that is directly or indirectly controlled by Slovenske železnice, d.o.o.

A company exercises control over another company when:

- it holds the majority of voting rights in the other company;
- it has the right to appoint or dismiss the majority of members of the Management Board or Supervisory Board of the other company and is, at the same time, a partner of that company;
- it has the right to a controlling influence over the other company based on an enterprise agreement or on other legal basis;
- it is a partner of the other company and controls the majority of voting rights based on an agreement with the other partners of that company; and
- it has a controlling influence over the other company, i.e. it actually manages that company or the management of that company is subordinate to it.

The financial statements of subsidiaries are included in the consolidated financial statements of the Slovenske železnice Group from the day that control is assumed until the day that it ceases. The accounting policies of subsidiaries have been harmonised with those of the Slovenske železnice Group.

When the Slovenske železnice Group loses control of a subsidiary:

- the assets and liabilities of the former subsidiary, non-controlling interests and other components of equity relating to that subsidiary are derecognised;
- any gain or loss in connection with the loss of control that can be attributed to the former controlling interest is recognised; and
- any interest retained by the Slovenske železnice Group in a former subsidiary is reported among other financial assets.

Slovenske železnice, d.o.o. accounts for investments in subsidiaries at historical cost in its financial statements. Slovenske železnice, d.o.o. recognises revenue from financial assets in the amount it receives from the distribution of a subsidiary's profits that accumulated following the day a particular financial asset was acquired.

The controlling company takes into account the following signs when assessing whether there is any indication that an asset (i.e. investment in a subsidiary) is impaired:

- from external sources:
  - significant changes in the technological, market, economic or legal environment,
  - in a period of rising interest rates, the impact of that rise on the discount rate,
  - the carrying amount of assets is higher than their market capitalisation;
- from internal sources:
  - the carrying amount of an investment in the separate financial statements exceeds the value of the net assets of the company in which that investment was made in the consolidated financial statements, including the associated goodwill,
  - actual net cash flows or operating results that flow from an investment are significantly lower than planned.

The value of an investment in a subsidiary is assessed using the income-based approach, which requires the identification of returns that are discounted to their present value.

Slovenske železnice, d.o.o. has concluded control agreements with the following subsidiaries, pursuant to the provisions of Article 533 of the Companies Act: SŽ-Potniški promet, d.o.o., SŽ-Infrastruktura, d.o.o., Prometni institut Ljubljana, d.o.o., SŽ-Vleka in tehnika, d.o.o. and SŽ-ŽIP, storitve, d.o.o. Within the Slovenske železnice Group, control agreements have also been concluded by the controlling company SŽ EP-Logistika d.o.o. with the subsidiaries SŽ-Tovorni promet d.o.o. and Fersped d.o.o., and by the controlling company Fersped d.o.o. with the subsidiary VV-LOG d.o.o.

Pursuant to Article 542 of the Companies Act, the controlling company must settle the annual losses of a subsidiary for the duration of a control agreement, if such losses are not covered by other revenue reserves to which profit was allocated for the duration of an agreement.

Investments in associates

Associates are companies over which the Slovenske železnice Group exercises significant influence, but

does not control their financial and business policies. Investments in associates are initially recognised at historical cost in the individual financial statements. In the consolidated financial statements, those investments are accounted for according to the equity method. The consolidated financial statements of the Slovenske železnice Group include the latter's share of the profits and losses and other changes to the equity of associates calculated according to the equity method. If the Slovenske železnice Group's share in the loss of an associate exceeds its investment in the capital of that company, the carrying amount of the Group's interest is reduced to zero, while its share in future losses is no longer recognised.

If the historical cost of an investment in an associate exceeds the fair value of the assets and liabilities recognised on the acquisition date, that amount is recognised as goodwill, such that historical cost and goodwill comprise the total value of the investment in the associate. If the fair value of recognised assets and liabilities is less than the value of the investment, that difference is recognised in profit or loss on the acquisition date.

At each reporting date, the Group assesses whether there is objective evidence that an investment in an associate is impaired. Whenever it is determined that the investment may be impaired, its recoverable amount is compared with its carrying amount and the loss is reported in the income statement under the item share of profit of an associate.

Transactions excluded from the consolidated financial statements

Internal assets and liabilities, equity, revenue, expenses and cash flows in connection with transactions between companies in the Group are excluded in full when the consolidated financial statements are compiled. Gains and losses from internal transactions within the Slovenske železnice Group are excluded in full and recognised in assets (such as inventories and fixed assets). Unrealised gains from transactions with associates (accounted for according to the equity method) are only eliminated to the extent of the Slovenske železnice Group's interest in an associate. Unrealised losses are excluded in the same manner as gains.

b) Translation of foreign currencies

Transactions in foreign currencies

Transactions denominated in a foreign currency are translated into the functional currency of the Slovenske železnice Group (euros) at the applicable exchange rate on the transaction date. Monetary assets and liabilities denominated in a foreign currency at the end of the reporting period are translated into the functional currency at the exchange rate applicable at that time. Positive and negative exchange differences comprise differences between amortised cost denominated in the functional currency at the beginning of the period, adjusted for effective interest and payments made during the period, and amortised cost in a foreign currency translated at the exchange rate applicable at the end of the period. Non-monetary assets and liabilities denominated in a foreign currency and measured at fair value are translated into the functional currency at the exchange rate applicable on the day on which the fair value of the assets or liabilities was determined. Non-monetary items denominated in a foreign currency and measured at historical cost are translated into the functional currency at the exchange rate applicable on the transaction date. Exchange rate differences are recognised in the income statement.

Financial statements of companies in the Slovenske železnice Group

The consolidated financial statements of the Slovenske železnice Group are presented in EUR. The items from the financial statements of each Slovenske železnice Group company included in the financial statements are translated to the functional currency for the needs of the consolidated financial statements in the following manner:

- assets and liabilities in each presented statement of financial position (including goodwill) are translated at the ECB's exchange rate on the reporting date; and
- revenue and expenses of companies abroad are translated into euros at the exchange rate applicable on the transaction date.

Exchange rate differences are recognised in other comprehensive income and disclosed under the 'Exchange rate differences' item within equity. A proportionate amount of exchange rate differences is allocated to the non-controlling interest for subsidiaries that are not under full ownership. If a subsidiary abroad is disposed of in such a way that control no longer exists, the relevant amount accumulated in the translation reserve is reallocated to profit or loss as a gain or loss from disposal.

Intangible assets

Intangible assets comprise non-current deferred development costs, investments in industrial property rights (concessions, patents, licences, trademarks, etc.), and other rights and investments in the goodwill of acquired companies.

Intangible assets that meet the conditions for recognition are measured at cost. The carrying amount of an intangible asset is reduced by amortisation over the useful life of the asset.

The Group/company uses the straight-line method of amortisation/depreciation.

Intangible assets must be revalued for reasons of impairment if their carrying amount exceeds their recoverable amount. The recoverable amount is the fair value less selling costs or the value in use, whichever is higher.

If the recoverable amount of an intangible asset is lower than its carrying amount, the asset's carrying amount is reduced to its recoverable amount. A reduction of this kind is deemed to be an impairment loss.

The group/company takes into account external and internal sources of information when assessing whether there are any indications that an asset is impaired. Significant indications that an asset could be impaired include losses disclosed by the company over the last three years and business plans that do not indicate a significant improvement in operations in future years. Normalised earnings are used as a criterion. Intangible assets under development are assessed annually for indicators of impairment.

During the goodwill test on 31 December 2024, the recoverable amount of the equity investment was determined based on the calculated present value of expected free cash flows according to financial plans. All assumptions applied in the calculation of net cash flows are based on the company's past operations and reasonable expectations regarding operations in the future. Within the Slovenske železnice Group, goodwill is only disclosed by Fersped, d.o.o. and VV-Log, d.o.o. Goodwill was tested with the assistance of a certified business valuer.

Property, plant and equipment

The group/company's property, plant and equipment comprises land and buildings, equipment, and other items of property, plant and equipment and small inventory with a useful life exceeding one year. Property, plant and equipment includes small inventory with a useful life exceeding one year, whereby a specific historical cost according to a supplier calculation does not exceed EUR 500; otherwise, items of small inventory are classed as material. New purchases of property, plant and equipment are classed as small inventory and equipment in accordance with the initial classification of the same types of assets (notwithstanding the EUR 500 value). Replacement parts used for investments in items of property, plant and equipment are accounted for as inventories of material.

Items of property, plant and equipment that meet conditions for recognition are initially recognised according to the historical cost model.

Historical cost also includes interest expenses and other costs arising from loans for assets that are acquired over a period of six months or more and for which the expected historical cost accounts for more than 1% of the carrying amount of all items of property, plant and equipment, but only until the item of property, plant and equipment is made fit for use. Historical cost is increased by the costs of the associated purpose-specific loan; in other cases, borrowing costs are capitalised applying the average interest rate for bank loans.

The estimated costs of decommissioning, disposal and the returning of a site to its original state do not generally increase the historical cost of items of property, plant and equipment at the time of acquisition, provided that such costs are immaterial (i.e. they do not exceed 10% of the item's historical cost) or if in the majority of cases those costs are covered by the sale of waste material at the time of an item's disposal. The historical cost of an item of property, plant and equipment constructed or manufactured by a company comprises the costs that arose during the construction or manufacture of that asset, and the indirect costs of construction or manufacture that can be attributed to the asset.

When new items of property, plant and equipment (rolling stock and buildings) are purchased, their historical cost is broken down into parts, provided those parts have different useful lives and/or patterns of usage that are material with respect to the total historical cost of the item of property, plant and equipment in question. Each part of an item of property, plant and equipment is then treated separately. Planned periodic costs associated with regular inspections and repairs of rolling stock are treated as parts of the associated items of property, plant and equipment.

Depreciation and revaluation

The straight-line depreciation method is used. Depreciation is calculated separately, and is only calculated collectively for small inventory of the same type or similar purpose.

Annual depreciation rates applied in 2024:

	Lowest	Highest
1. Buildings	2%	34%
2. Production equipment	2%	50%
3. Computer equipment	14%	50%
4. Motor vehicles	10%	50%
5. Other equipment	7%	25%
6. Non-current intangible assets	5%	50%

The depreciation rates applied in 2024 were unchanged from the previous year. The revaluation of an item of property, plant and equipment entails a change in its carrying amount as a result of impairment.

Items of property, plant and equipment must be revalued for reasons of impairment if their carrying amount exceeds their recoverable amount. The recoverable amount is the fair value less selling costs or the value in use, whichever is higher.

If the recoverable amount of an item of property, plant and equipment is lower than its carrying amount, the asset's carrying amount is reduced to its recoverable amount. A reduction of this kind is deemed to be an impairment loss.

The company takes into account external and internal sources of information when assessing whether there are any indications that an asset is impaired. Significant indications that an asset could be impaired include losses disclosed by the company over the last three years and business plans that do not indicate a significant improvement in operations in future years. Normalised earnings are used as a criterion.

Leases (the Group/company as lessee)

The Group/company leases various commercial properties (land, office premises and buildings) and equipment. Lease terms are the subject of individual negotiations and vary according to the term and type of lease. When entering into a contract, the Group/company assesses whether it is a lease agreement or whether it contains a lease. A contract contains a lease if it conveys the right to control an identified asset for a period of time (typically longer than one year) in exchange for consideration. The lease term is determined by the Group/company on the basis of the period during which the lease cannot be cancelled, taking into account the period covered by an extension option. For the period covered by a termination option, the Group/company assesses the probability of exercising the respective options.

Lease terms vary, as follows:

- for land: up to 45 years;
- for business premises and buildings: up to 27 years;
- for rolling stock: up to 20 years;
- for other equipment: up to 30 years; and
- for vehicles: up to 10 years.

The Group/company uses a standard approach for recognising and measuring all leases, except short-term leases (lease period of up to 12 months) and low-value leases (the value of the new asset does not exceed EUR 5,000), which are reported as a cost in the period to which the lease relates.

The Group/company recognise a right-of-use asset at the commencement of a lease. Right-of-use assets in connection with leases are measured at historical cost less value adjustments and impairment losses. The historical cost of right-of-use lease assets comprises the amount of the initially measured lease liability, initial direct costs, and lease payments that were made at or prior to the commencement of a lease, less lease incentives.

The depreciation rates of right-of-use lease assets are as follows in relation to the period of lease:

	Lowest	Highest
1. Land	2%	100%
2. Buildings	4%	100%
3. Rolling stock	5%	100%
4. Other equipment	3%	20%
5. Vehicles	10%	100%

If at the conclusion of a lease ownership of the leased asset is transferred to a Slovenske železnice Group company or a Slovenske železnice Group company exercises the purchase option, depreciation is calculated on the basis of the estimated useful life of the asset.

Liabilities for leased assets are recognised at the present value of remaining lease payments over the entire lease, which is calculated as the discounted value of lease payments that the Group/company will pay over the lease term in accordance with the lease agreement. Lease payments comprise fixed lease payments less all receivables for lease incentives, and variable lease payments. Lease payments also include the exercise price for the purchase option if it is probable that the Group will

exercise that option, as well as the payment of a penalty for the termination of a lease if it is probable that the Group/company will exercise the termination option.

In calculating the present value of lease payments, the Group/company applies the incremental borrowing rate on the day a lease commences, as the interest rate cannot be determined in a lease agreement. After the commencement of a lease, the amount of lease liabilities is increased by accrued interest and reduced by all executed lease payments. The carrying amounts of lease liabilities and right-of-use assets are remeasured in the event of an adjustment or change to the lease term, a change in lease payments as the result of a change in the index or rate used to determine those payments, a change in the assessment of the purchase option for the leased asset, or a change in the area of leased premises and land.

Upon commencement of a lease, lease liabilities are equal to the value of the associated right-of-use asset and are reduced by payments, while the value of the right-of-use asset is reduced by the depreciation charged over the lease term.

Depreciation rates are set by taking into account the lease term. Interest incurred is charged to finance costs in the period in question.

Investment property

Investment property is property owned to generate rental income and/or increase the value of a non-current investment. Investment property is initially recognised at historical cost, comprising the purchase price and the costs arising from purchase.

If property is used in part for leasing and in part for production or office purposes, those two parts are only treated separately if they can also be sold separately. Property is classed either as investment property or as property, plant and equipment, taking into account the proportionate use of the property for a specific purpose (calculated based on surface area). If more than 90% of a property is used for letting purposes, the entire property is reported as investment property. If less than 10% of a property is used for letting purposes, the entire property is reported as property, plant and equipment. In other cases, property is classed in part as investment property and in part as property, plant and equipment, in proportion to the respective types of use.

If the company, as owner of the property, also provides the lessee with ancillary services and those services represent an immaterial element of the entire associated agreement (less than 20% of total revenue under the entire agreement), that property is deemed to be investment property. When ancillary services account for more than 20% of total revenue from the associated agreement, the property in question classed as an item of property, plant and equipment.

Investment property is measured using the historical cost model. Investment property must be revalued for impairment reasons if its carrying amount exceeds its replacement value. The recoverable amount is the fair value less selling costs or the value in use, whichever is higher. Impairments are recognised in profit or loss.

The Group/company determines fair value for material items of investment property in a cycle ranging from three to five years for the purpose of disclosing its fair value with the help of certified property valuers. Investment property within the Group/company is deemed material when the value of that investment property exceeds EUR 100 thousand.

The straight-line method of depreciation is used for investment property, items of which are depreciated individually. The same depreciation rates used for property, plant and equipment are used for investment property.

Inventories

Inventories comprise stocks of raw materials, materials, replacement parts, small inventory with a useful life of less than one year, work in progress, and inventories of finished goods and merchandise.

Replacement parts used for the maintenance of property, plant and equipment and replacement parts used for additional investments in property, plant and equipment are accounted for as inventories of material.

Inventories of materials and merchandise of all types are valued at historical cost, which comprises the purchase price, import duties and other non-refundable purchase taxes, and the direct costs of procurement.

The moving average price method is used to disclose the use of inventories of materials, replacement parts and small inventory.

The work-in-progress and finished products inventory is valued using the production cost method. Production costs include: direct material costs, direct costs of outsourced services, direct labour costs and general production costs.

The revaluation of inventories entails a change in their carrying amount, and is performed at the end of the financial year. Inventories are valued at historical cost or net realisable value, whichever is lower. Inventories are only revalued for reasons of impairment.

Inventories are impaired on the basis of age, with due regard to the date of last purchase and by specific type of inventory:

- inventories of material are impaired according to age by between 20% and 90%;
- inventories of replacement parts are impaired according to age by between 4% and 92%;
- small inventory and packaging are impaired according to age by between 60% and 100%.

Regardless of the above, individual cases of impairment of inventories may be treated individually.

Financial assets

In accordance with IFRS 9, the Group/company classifies financial assets as financial assets measured at amortised cost and financial assets measured at fair value through profit or loss. The Group/company holds these assets with the objective of collecting contractual cash flows consisting solely of payments of principal and interest.

In terms of maturity, they are classified as current financial assets (maturity of up to 12 months following the statement of financial position date) or non-current financial assets (maturity exceeding 12 months following the statement of financial position date). Within financial assets, the Group/company reports loans granted, deposits, trade and other receivables, and cash and cash equivalents.

In accordance with IFRS 9, the Group/company uses the expected credit loss model to calculate impairment for financial assets measured at amortised cost.

- Financial receivables

Financial receivables are financial assets measured at amortised cost are financial instruments that the Group/company holds as part of the business model, the objective of which is achieved through the receipt of contractual cash flows that are exclusively repayments of principal and interest. Financial receivables primarily include loans granted and deposits.

For the purpose of impairment, the Group/company assesses financial receivables individually and applies the expected credit loss model for expected future losses due to default risk.

- Trade receivables and other receivables

Trade receivables arise from the sale of goods and services in the ordinary course of business. Receivables for which some payments are deferred to the future depending on the fulfilment of certain conditions (e.g. withheld payments) are disclosed separately.

Among non-current receivables, the Group/company also

records advances related to the purchase of property, plant and equipment. The cost of property, plant and equipment is the cash price equivalent at the date of recognition. If payment is deferred beyond the normal credit period, the difference between the cash price equivalent and the total payment is recognised as interest over the credit period.

To measure expected credit losses in accordance with IFRS 9, the Group/company uses the simplified approach, which requires that the loss allowance always be measured at the amount of lifetime expected losses. The estimated impairment loss percentages are as follows:

- ordinary receivables and receivables subject to judicial proceedings according to the criterion of the age of an individual group or category of receivables:

	2024	2023
Non-past-due receivables	0.2%	0.2%
Receivables up to 30 days past due	1%	1%
Receivables between 31 and 90 days past due	8%	8%
Receivables between 91 and 120 days past due	10%	10%
Receivables between 121 and 150 days past due	20%	20%
Receivables between 151 and 180 days past due	30%	30%
Receivables between 181 and 364 days past due	50%	50%
Receivables more than 365 days past due	100%	100%

- trade receivables for which compulsory composition has been confirmed:

	2024	2023
Receivables up to 365 days past due	50%	50%
Receivables more than 365 days past due	100%	100%

- trade receivables from customers in bankruptcy are impaired by 100% upon the announcement of bankruptcy.

Material receivables may be impaired on an individual basis. The impairment of receivables from specific customers may exceptionally be waived for duly substantiated reasons. Decisions relating to this are made by the Management Board of the individual company.

According to the analysis performed of the impairments necessary for receivables with a maturity of up to one year in the 2019–2024 period, we estimate that the percentages chosen are appropriate.

The Group/company applies the expected loss model in accordance with IFRS 9 and, in addition to incurred losses, recognises losses that are expected to arise in the future. At each reporting date, the Group/company must recognise expected credit losses over the entire life of all financial assets for which credit risk has increased since initial recognition.

- Contract assets and contract liabilities

The Group/company reports as contract assets those receivables which have not yet been invoiced but relate to goods already delivered or services already provided, for which the customer has not yet made payment, while the company justifiably reports revenue in the period in which these goods or services were transferred. Contract liabilities are obligations to deliver goods or services to a customer for which the customer has already made payment. Contract assets and contract liabilities may be classified as current or non-current depending on timing. Contract assets and contract liabilities are recognised in the financial statements of the Group/company if there is a present right controlled by the Group/company which enables it to derive economic benefits, if there is a present obligation arising from past events, and if these amounts can be reliably measured.

Other non-current and current assets represent deferred costs which, when incurred, do not yet affect the company's profit or loss (e.g. prepaid licences, short-term accrued costs of annual leave allowance, etc.). Other current liabilities primarily include accrued costs for goods and services already supplied but not yet invoiced, and accrued costs of unused annual leave entitlements.

- Cash and cash equivalents

In addition to cash on business accounts at banks and cash on hand, cash and cash equivalents also include short-term deposits at banks with a maturity of up to three months.

- Financial and operating liabilities

Current and non-current liabilities are initially valued in the amounts deriving from the relevant documents evidencing their occurrence.

Non-current liabilities are reported as non-current financial liabilities and non-current operating liabilities.

Non-current financial liabilities comprise long-term borrowings from banks, other companies and individuals, and non-current lease liabilities, while non-current operating liabilities comprise long-term supplier credits for goods and services purchased, long-term advances and security deposits received, and deferred tax liabilities. They are increased by the amount of accrued interest or reduced by repaid amounts and any other types of settlement where an associated agreement with the creditor exists.

The portion of non-current liabilities that has already fallen due for payment and the portion of non-current liabilities that falls due for payment within one year are reclassified as current liabilities in the statement of financial position. Current liabilities are reported separately as current financial liabilities and current operating liabilities. Current financial liabilities comprise borrowings and current lease liabilities. Current operating liabilities comprise advances and security deposits from customers, trade payables, liabilities for uncharged goods and services, liabilities to employees, liabilities to government institutions and other liabilities.

Non-current and current liabilities expressed in foreign currencies are translated into the domestic currency on the statement of financial position date. An increase in liabilities increases finance costs, while a decrease in liabilities reduces finance income.

Financial instruments

The Group/company classifies interest rate swap derivatives within the financial instruments group. This involves interest rate hedging of the variable Euribor rate on borrowed loans. The effects of the interest rate swap adjustment are recognised in the income statement.

Investments in subsidiaries and associates (in the company)

Investments in subsidiaries and associates are investments in the equity of other companies. The Slovenske železnice d.o.o. classifies investments in the equity of other companies into two categories:

- subsidiaries,
- associates.

Investments in subsidiaries and associates comprise financial assets for which prices are not quoted on an active market, whose fair value cannot be estimated reliably and which the company does not hold for trading purposes but instead to manage. They are typically held for a period exceeding one year. Such investments are measured at historical cost, meaning that they are disclosed in the individual financial statements at historical cost, increased by transaction costs and subsequently reduced by any impairment.

Provisions and non-current deferred income
Provisions are created for the company's current commitments arising from past events, when the expectation is that they will arise in a period exceeding one year and their amount can be estimated reliably. They primarily comprise provisions for jubilee benefits and ordinary retirement benefits on the basis of actuarial calculations, provisions to cover the costs and/or expenses of restoring a site to its original state and similar provisions, as well as provisions for performance bonds, warranty periods and material amounts of lawsuits.

Provisions are earmarked and used directly for the costs that they were created to cover. Provisions in the books of account and statement of financial position are reversed whenever the reasons for which they were created have been exhausted or when the provisions are no longer needed.

Deferred income that is to cover projected expenses over a period of more than one year is reported under non-current deferred income. It also includes government grants and donations received for the acquisition of property, plant and equipment or to cover specific costs. Deferred income is used to cover costs (depreciation or other specific costs), at which time it is reclassified to operating revenue.

Provisions for termination benefits and jubilee benefits
In accordance with the relevant regulations and collective agreement, the company is obliged to pay its employees retirement benefits and jubilee benefits.

Non-current provisions are created for that purpose in the amount of estimated future payments, discounted on the statement of financial position date. A calculation is made for each employee, taking into account the cost of retirement benefits and the cost of expected jubilee benefits until retirement.

Revenue from contracts with customers
In accordance with IFRS 15, the Group/company recognises revenue when control over services or goods is transferred to the customer.

Depending on the criteria met, revenue is recognised:

- at a point in time; or
- over time (if the performance obligation is satisfied gradually over an extended period).

The Group/company recognises revenue from contracts with customers when control over goods and services is transferred to customers in an amount that reflects the compensation to which the Group/company expects to be entitled.

Discounts approved when a contract is signed are allocated to all performance obligations over the term of a contract. All subsequently approved discounts are recognised in the period in which they are approved, and revenue reduced accordingly.

Significant types of revenue from contracts with customers within the Slovenske železnice Group are presented below:

- Freight transport

Revenue from contracts with customers is recognised on the basis of domestic and international rail freight transport services provided. Revenue is recognised when performance obligations have been satisfied.

- Passenger transport

Revenue from contracts with customers arises from the provision of rail passenger services and is recognised when performance obligations have been satisfied.

Other operating revenue consists of revenue from services relating to the public service obligation of passenger rail transport. Revenue is recognised on the basis of the Agreement on the discharge of the public service obligation (PSO) of the inland and cross-border regional transport of passengers by rail 2017–2031 and related addenda, and is recognised for the periods to which it relates.

- Public railway infrastructure maintenance

Revenue from contracts with customers arises from the provision of services relating to maintenance, operation and renewal of public railway infrastructure and other services provided by the public railway infrastructure manager in accordance with the Railway Transport Act.

For maintenance, operation and renewal services of public railway infrastructure and other services provided by the PRI manager, the performance obligations are fulfilled gradually; consequently, revenue is recognised monthly, in amounts corresponding to the value of the contractual obligations fulfilled in an individual month.

- Construction

In construction contracts, revenue is recognised on the percentage of completion method or the method of measuring progress toward satisfaction of a performance obligation, according to which revenue and costs are recognised in proportion to the stage of completion of the contract. The output method is used, where the amount of revenue is determined in percentage terms as the ratio between the work actually performed and all contract work.

If the outcome of a construction contract cannot be reliably measured, the following becomes necessary:

- revenue is only recognised up to the amount of contract costs that are likely to be compensated;
- contract costs are recognised as expenses in the period in which they arise.

- Compensation received from the state

Compensation received consists primarily of reimbursement to the railway undertaking for costs incurred as a result of maintenance and capital works on public railway infrastructure. This revenue is recognised in the income statement in the period to which it substantively relates and is recognised under other operating revenue.

Finance income and finance costs
Finance income and costs are recognised in the period in which they arise. Finance income from dividends received is recognised in the period in which the Group/company becomes entitled to the dividend. Finance income and finance costs from interest on financial and operating receivables and liabilities are recognised on the basis of effective interest rates.

Operating expenses
Expenses are recognised if a decrease in economic benefits during the accounting period is associated with a decrease in assets or an increase in liabilities, and that decrease can be measured reliably. Costs are recorded by type based on an analytical chart of accounts, and adjusted to the needs of reporting and of the compiling of the consolidated financial statements.

Taxation
Taxes include current tax liabilities and deferred tax. Taxes are reported in the income statement.

Current tax liabilities are calculated on the basis of the taxable income for the financial year.

The tax liability of the Group/company for the calculated tax is determined using the tax rate applicable in Slovenia and the tax rates applicable in the countries where subsidiaries and branches are established, as at the reporting date.

Deferred tax is intended to cover temporary differences that arise between the value of assets and liabilities for tax purposes and their carrying amount, and is created using the liability method and currently valid tax rates. Deferred tax assets are recognised to the extent that it is probable

that future taxable income will be available against which the deferred tax assets can be utilised. If the company has incurred or incurs consecutive or major losses, this is deemed convincing evidence that future taxable income will not be available.

Global minimum tax

The Minimum Tax Act (ZMD), which entered into force on 23 December 2023, introduced the minimum tax into Slovenia's tax and legal system. The purpose of the minimum tax is to ensure global minimum taxation of the profits of large international and domestic groups at an effective tax rate of 15% (the minimum tax rate). The Act was adopted on the basis of EU Directive 2022/2523 on ensuring a global minimum level of taxation for multinational enterprise groups and large-scale domestic groups in the European Union.

In accordance with the ZMD, a procedure was carried out to identify the companies of the Slovenske železnice Group, and it was established that the Slovenske železnice Group does not constitute a multinational enterprise group that exceeds the threshold in terms of group revenue. Slovenske železnice, d.o.o., as the ultimate parent entity, together with the companies in the Slovenske železnice Group, is not subject to the provisions of the ZMD in 2024.

Equity

The Group/company's total equity represents a liability to its owner, and falls due for payment should the company be wound up. Share capital and the share premium account comprise cash and non-cash contributions by the owner.

Other reserves comprise retained earnings from previous years, and are created on the basis of a resolution adopted by the relevant supervisory body and/or owner.

Determination of fair value

Given the accounting policies of the Group/company, the determination of fair value is required for certain non-financial and financial assets and liabilities, either on account of the measurement of individual assets or of additional disclosures of fair value.

The Group and Company take into account the following hierarchy when determining the fair value of non-financial and financial assets and liabilities:

- Level 1 comprises quoted prices on active markets for identical assets or liabilities.
- Level 2 comprises values that are not equal to the quoted prices included in Level 1 but that nevertheless may be obtained directly from the market (prices for identical or similar assets or liabilities on less active or inactive markets) or indirectly via recalculations (i.e. values derived from quoted prices on an active market, based on interest rates and yield curves, etc.).
- Level 3 comprises input data for assets and liabilities that are not based on observable market data, where unobservable data must reflect the assumptions that market participants would use to set the price of an asset or liability, including assumptions regarding risks.

The Group/company uses quoted prices as the basis for determining the fair value of financial instruments. If a financial instrument is not quoted on a regulated market or the market in question is deemed inactive, the Group/company uses input data from levels 2 and 3 to assess the fair value of that financial instrument.

The fair value of intangible assets is determined on the basis of the model of the discounted cash flows that are expected to be generated from the use or potential sale of an asset.

The fair value of items of property, plant and equipment and investment property is equal to their market value. The market value of property is equal to the appraised value for which the property could be sold on the valuation date and after appropriate advertising. The market value of equipment is based on the market price offered for similar assets.

The fair value of financial assets measured at fair value through profit or loss is determined according to a predefined hierarchy used to determine the fair value of financial instruments. If the fair value cannot be measured reliably because the range of reasonable fair value estimates is significant, the Group/company considers cost to be the best approximation of fair value.

The fair value of receivables and loans is calculated as the present value of future cash flows discounted according to the market interest rate at the end of the reporting period, taking into account the credit risk associated with such financial assets.

The fair value of non-derivative financial liabilities is calculated for reporting purposes on the basis of the present value of future principal and interest payments, discounted using the market interest rate at the end of the reporting period.

2.3. Notes to the consolidated financial statements

2.3.1. Notes to the statement of financial position

2.3.1.1. Intangible assets

in EUR	31 December 2024	31 December 2023
Long-term property rights	13,402,202	14,467,134
Other intangible assets in acquisition	13,799,113	11,404,812
Goodwill	3,568,239	3,568,239
Non-current deferred development costs	108,315	126,368
Total	**30,877,869**	**29,566,553**

Computer software and licences account for the bulk of long-term property rights.

Changes to intangible assets

in EUR	Long-term property rights	Other intangible assets in acquisition	Goodwill	Non-current deferred development costs	Total
Historical cost					
Balance as at 1 January 2023	**27,404,337**	**6,448,576**	**3,568,239**	**369,864**	**37,791,016**
Increases	1,389,893	4,956,236	0	0	6,346,129
Write-downs	-1,620,919	0	0	0	-1,620,919
Balance as at 31 December 2023	**27,173,311**	**11,404,812**	**3,568,239**	**369,864**	**42,516,226**
Balance as at 1 January 2024	**27,173,311**	**11,404,812**	**3,568,239**	**369,864**	**42,516,226**
Increases	1,159,686	2,622,773	0	0	3,782,459
Decreases	-60,131	0	0	0	-60,131
Transfers	-12,264	-140,332	0	0	-152,596
Write-downs	0	-88,140	0	0	-88,140
Balance as at 31 December 2024	**28,260,602**	**13,799,113**	**3,568,239**	**369,864**	**45,997,818**
Value adjustment					
Balance as at 1 January 2023	**10,831,646**	**0**	**0**	**225,444**	**11,057,090**
Decreases	-306,497	0	0	0	-306,497
Amortisation	2,181,028	0	0	18,052	2,199,080
Balance as at 31 December 2023	**12,706,177**	**0**	**0**	**243,496**	**12,949,673**
Balance as at 1 January 2024	**12,706,177**	**0**	**0**	**243,496**	**12,949,673**
Transfers	7,439	0	0	0	7,439
Decreases	-60,131	0	0	0	-60,131
Depreciation/amortisation	2,204,915	0	0	18,053	2,222,968
Balance as at 31 December 2024	**14,858,400**	**0**	**0**	**261,549**	**15,119,949**
Carrying amount					
Balance as at 1 January 2023	**16,572,691**	**6,448,576**	**3,568,239**	**144,420**	**26,733,926**
Balance as at 31 December 2023	**14,467,134**	**11,404,812**	**3,568,239**	**126,368**	**29,566,553**
Balance as at 1 January 2024	**14,467,134**	**11,404,812**	**3,568,239**	**126,368**	**29,566,553**
Balance as at 31 December 2024	**13,402,202**	**13,799,113**	**3,568,239**	**108,315**	**30,877,869**

As at 31 December 2024, the Slovenske železnice Group had commitments for the purchase of intangible assets in the amount of EUR 881,509 (EUR 425,236 as at 31 December 2023). The Slovenske železnice Group has not pledged any intangible assets.

A total of 29.6% of all intangible assets in use as at 31 December 2024 have been amortised in full (that proportion stood at 24.6% as at 31 December 2023). That proportion is calculated by taking into account the historical cost of intangible assets.

2.3.1.2. Right-of-use lease assets

in EUR	31 December 2024	31 December 2023
Right-of-use assets – land	1,002,257	1,051,213
Right-of-use assets – buildings	1,779,182	1,914,880
Right-of-use assets – equipment	31,273,786	22,112,909
Total	**34,055,225**	**25,079,002**

Changes in right-of-use assets

in EUR	Right-of-use assets (land)	Right-of-use assets (buildings)	Right-of-use assets (equipment)	Total
Cost				
Balance as at 1 January 2023	**1,732,951**	**3,882,194**	**35,346,410**	**40,961,555**
Increases	256,610	259,165	23,869,700	24,385,475
Decreases	-164,331	-539,683	-22,794,069	-23,498,083
Transfers	0	0	-684,176	-684,176
Balance as at 31 December 2023	**1,825,230**	**3,601,676**	**35,737,865**	**41,164,771**
Balance as at 1 January 2024	**1,825,230**	**3,601,676**	**35,737,865**	**41,164,771**
Increases	197,150	327,856	22,288,522	22,813,528
Decreases	-2,281	-82,793	-2,464,344	-2,549,418
Transfers	0	0	-307,370	-307,370
Balance as at 31 December 2024	**2,020,099**	**3,846,739**	**55,254,673**	**61,121,511**
Value adjustment				
Balance as at 1 January 2023	**612,397**	**1,564,579**	**19,002,397**	**21,179,373**
Decreases	-39,189	-276,283	-15,627,205	-15,942,677
Depreciation/amortisation	200,809	398,500	10,790,071	11,389,380
Transfers	0	0	-540,307	-540,307
Balance as at 31 December 2023	**774,017**	**1,686,796**	**13,624,956**	**16,085,769**
Balance as at 1 January 2024	**774,017**	**1,686,796**	**13,624,956**	**16,085,769**
Decreases	0	-34,363	-467,422	-501,785
Depreciation/amortisation	243,825	415,124	11,039,244	11,698,193
Transfers	0	0	-215,891	-215,891
Balance as at 31 December 2024	**1,017,842**	**2,067,557**	**23,980,887**	**27,066,286**
Carrying amount				
Balance as at 1 January 2023	**1,120,554**	**2,317,615**	**16,344,013**	**19,782,182**
Balance as at 31 December 2023	**1,051,213**	**1,914,880**	**22,112,909**	**25,079,002**
Balance as at 1 January 2024	**1,051,213**	**1,914,880**	**22,112,909**	**25,079,002**
Balance as at 31 December 2024	**1,002,257**	**1,779,182**	**31,273,786**	**34,055,225**

The Group had liabilities from right-of-use lease assets in the amount of EUR 31,289,160 as at 31 December 2024 (EUR 22,144,257 as at 31 December 2023). Rental costs are explained under operating expenses (Note 2.3.2.4) and cash flow in relation to rents under lease liabilities (Note 2.3.1.19).

2.3.1.3. Property, plant and equipment

in EUR	31 December 2024	31 December 2023
Land	12,517,530	11,417,670
Buildings	52,147,115	53,906,722
Equipment	491,792,198	515,641,952
- rolling stock	459,156,017	485,484,845
- other equipment	32,636,181	30,157,107
Property, plant and equipment in acquisition	20,151,805	11,608,754
Total	**576,608,648**	**592,575,098**

Changes in property, plant and equipment

in EUR	Land	Buildings	Equipment	Property, plant and equipment under acquisition	Total property, plant and equipment
Historical cost					
Balance as at 1 January 2023	**10,553,259**	**135,870,654**	**1,171,374,446**	**8,375,313**	**1,326,173,672**
Increases	0	1,901,500	24,736,700	3,233,441	29,871,641
Decreases	-204,357	-1,142,008	-17,845,538	0	-19,191,903
Transfers from finance leasing	0	0	684,176	0	684,176
Transfers from/to investment property	1,068,768	270,848	0	0	1,339,616
Transfers of investments in foreign fixed assets	0	-33,656	33,656	0	0
Balance as at 31 December 2023	**11,417,670**	**136,867,338**	**1,178,983,440**	**11,608,754**	**1,338,877,202**
Balance as at 1 January 2024	**11,417,670**	**136,867,338**	**1,178,983,440**	**11,608,754**	**1,338,877,202**
Increases	1,173,744	1,899,082	26,713,232	8,451,940	38,237,998
Decreases	-73,884	-718,739	-60,525,426	-68,924	-61,386,973
Transfers from finance leasing	0	0	307,370	0	307,370
Transfers from/to assets held for sale	0	-154,320	0	0	-154,320
Transfers from/to investment property, intangible assets	0	-393,382	-7,439	160,035	-240,786
Balance as at 31 December 2024	**12,517,530**	**137,499,979**	**1,145,471,177**	**20,151,805**	**1,315,640,491**
Value adjustment					
Balance as at 1 January 2023	**0**	**81,362,864**	**628,442,883**	**0**	**709,805,747**
Increases	0	0	762,218	0	762,218
Decreases	0	-863,161	-17,766,337	0	-18,629,498
Depreciation/amortisation	0	2,483,240	51,339,278	0	53,822,518
Transfers from finance leasing	0	0	540,307	0	540,307
Transfers from/to investment property	0	812	0	0	812
Transfers of investments in foreign fixed assets	0	-23,139	23,139	0	0
Balance as at 31 December 2023	**0**	**82,960,616**	**663,341,488**	**0**	**746,302,104**
Balance as at 1 January 2024	**0**	**82,960,616**	**663,341,488**	**0**	**746,302,104**
Decreases	0	-665,143	-60,192,762	0	-60,857,905
Depreciation/amortisation	0	3,346,217	50,321,801	0	53,668,018
Transfers from finance leasing	0	0	215,891	0	215,891
Transfers from/to assets held for sale	0	-72,178	0	0	-72,178
Transfers from/to investment property, intangible assets	0	-216,648	-7,439	0	-224,087
Balance as at 31 December 2024	**0**	**85,352,864**	**653,678,979**	**0**	**739,031,843**
Carrying amount					
Balance as at 1 January 2023	**10,553,259**	**54,507,790**	**542,931,563**	**8,375,313**	**616,367,925**
Balance as at 31 December 2023	**11,417,670**	**53,906,722**	**515,641,952**	**11,608,754**	**592,575,098**
Balance as at 1 January 2024	**11,417,670**	**53,906,722**	**515,641,952**	**11,608,754**	**592,575,098**
Balance as at 31 December 2024	**12,517,530**	**52,147,115**	**491,792,198**	**20,151,805**	**576,608,648**

Moveable property (wagons and locomotives) valued at EUR 23,229,568 were pledged as guarantees for long-term loans as at 31 December 2024 (EUR 39,308,637 as at 31 December 2023).

The Group had commitments for the purchase of property, plant and equipment in the amount of EUR 72,851,230 as at 31 December 2024 (EUR 86,109,291 as at 31 December 2023).

A total of 28.4% of all items of property, plant and equipment in use as at 31 December 2024 have been depreciated in full (that proportion was 30.7% as at 31 December 2023). That proportion is calculated with due regard to the historical cost of property, plant and equipment.

2.3.1.4. Investment property

in EUR	31 December 2024	31 December 2023
Land	40,661,483	41,353,829
Buildings	517,982	429,120
Total	**41,179,465**	**41,782,949**

Investment property comprises warehouses, holiday apartments, commercial buildings and land that the Group leases to others.

Changes in investment property

in EUR	Land	Buildings	Total
Cost			
Balance as at 1 January 2023	**36,090,429**	**3,113,542**	**39,203,971**
Increases	0	166,027	166,027
Decreases	-7,439	-344,641	-352,080
Transfers from/to property, plant and equipment	5,270,839	2,206,619	7,477,458
Balance as at 31 December 2023	**41,353,829**	**5,141,547**	**46,495,376**
Balance as at 1 January 2024	**41,353,829**	**5,141,547**	**46,495,376**
Increases	0	102,270	102,270
Decreases	-690,847	-113,590	-804,437
Transfers from/to property, plant and equipment	0	393,382	393,382
Impairments	-1,499	0	-1,499
Balance as at 31 December 2024	**40,661,483**	**5,523,609**	**46,185,092**
Value adjustment			
Balance as at 1 January 2023	**0**	**2,545,124**	**2,545,124**
Depreciation/amortisation	0	550,407	550,407
Decreases	0	-306,350	-306,350
Transfers from/to property, plant and equipment	0	1,923,246	1,923,246
Balance as at 31 December 2023	**0**	**4,712,427**	**4,712,427**
Balance as at 1 January 2024	**0**	**4,712,427**	**4,712,427**
Depreciation/amortisation	0	161,101	161,101
Decreases	0	-84,549	-84,549
Transfers from/to property, plant and equipment	0	216,648	216,648
Balance as at 31 December 2024	**0**	**5,005,627**	**5,005,627**
Carrying amount			
Balance as at 1 January 2023	**36,090,429**	**568,418**	**36,658,847**
Balance as at 31 December 2023	**41,353,829**	**429,120**	**41,782,949**
Balance as at 1 January 2024	**41,353,829**	**429,120**	**41,782,949**
Balance as at 31 December 2024	**40,661,483**	**517,982**	**41,179,465**

The Group has not pledged investment property as collateral.

The Group generated rental income of EUR 1,599,324 in 2024 (EUR 1,736,524 in 2023).

The fair value of investment property was determined with the help of certified property valuers and amounted to EUR 54,229,789 as at 31 December 2024 (EUR 67,154,759 as at 31 December 2023).

2.3.1.5. Non-current financial assets

in EUR	31 December 2024	31 December 2023
Investments in associates	31,094,909	32,566,741
Other financial assets	2,144,340	2,144,340
Total	**33,239,249**	**34,711,081**

Information on associates as at 31 December 2024

Business name of associate	Business address of associate	Activity	Ownership as at 31 December 2024	Ownership as at 31 December 2023
Adria Kombi, d.o.o., Ljubljana	Tivolska cesta 50, Ljubljana	Freight rail transport	33.72%	33.72%
CKTZ, d.d., Zagreb	Trg senjskih uskoka 7–8, Zagreb	Combined transport services	31.41%	31.41%
NOMAGO, d.o.o., Ljubljana	Vošnjakova ulica 3, Ljubljana	Road passenger transport and travel organisation	50.00%	50.00%

	Total equity		Profit or loss for the year	
in EUR	31 December 2024	31 December 2023	2024	2023
Adria Kombi, d.o.o., Ljubljana	13,506,539	13,445,992	2,164,760	2,513,574
CKTZ, d.d., Zagreb	2,513,939	2,186,917	495,171	310,613
NOMAGO, d.o.o. (group)	19,255,207	17,998,653	9,461,996	9,258,659
Total	**35,275,685**	**33,631,562**	**12,121,927**	**12,082,846**

Balance of investments in associates

in EUR	31 December 2024	31 December 2023
Adria Kombi, d.o.o., Ljubljana	4,554,405	4,533,988
CKTZ, d.d., Zagreb	789,674	686,950
NOMAGO, d.o.o., Ljubljana (group)	25,750,830	27,345,803
Total investment in associates	**31,094,909**	**32,566,741**

Changes in investments in associates

	SŽ Group	
in EUR	**31 December 2024**	**31 December 2023**
Balance as at 1 January	**32,566,741**	**35,228,127**
Attributable profit/loss	4,035,639	3,993,617
Dividends received	-4,760,185	-6,661,350
Reduction of the investment in NOMAGO, d.o.o. – variable part of the purchase price	-745,112	0
Attributable changes in equity of associates	-2,174	6,347
Balance as at 31 December	**31,094,909**	**32,566,741**

		Value of investment in EUR	
Other financial assets	**Participating interest in %**	**31 December 2024**	**31 December 2023**
EUROFIMA	0.42%	2,084,000	2,084,000
HIT RAIL	4.30%	54,439	54,439
Fercargo d.o.o., Sarajevo	70.00%	924	924
Other shares and participating interests		4,977	4,977
Total		**2,144,340**	**2,144,340**

On 7 April 2022 Slovenske železnice, d.o.o. (the buyer) and Adventura Investments, upravljanje družb, d.o.o. (the seller) concluded a sale and purchase agreement for a 50% participating interest in Nomago, storitve mobilnosti in potovanj, d.o.o. (hereinafter: NOMAGO, d.o.o.).

In October 2022 the two companies agreed on the calculation of the fixed part and the first instalment of the variable part of the purchase price in the amount of EUR 20,843,957. This was paid on 25 October 2022. The second instalment of the variable part of the purchase price (EUR 3,777,455) was paid on 28 June 2023. The difference up to the full purchase price for the 50% interest under the agreement (EUR 31,500,000) was, in the statement of financial position of Slovenske železnice, d.o.o. as at 31 December 2023, reported as a non-current financial investment and other current financial liabilities in the amount of EUR 6,878,588. The third instalment of the variable purchase price for the acquisition of the 50% interest was settled on 27 May 2024 in the amount of EUR 6,133,476. The difference of EUR 745,112 was subsequently used to reduce the non-current financial investment and eliminate other current financial liabilities.

The goodwill resulting from the investment amounts to EUR 2,513,671.

The shareholders' agreement between Adventura Investments, upravljanje družb, d.o.o. and Slovenske železnice, d.o.o. in relation to the management of NOMAGO, d.o.o. following the purchase of a 50% stake set out the following options regarding the purchase or sale of the remaining 50% stake in NOMAGO, d.o.o.:

- a call option for Slovenske železnice, d.o.o. as the right (but not the obligation) to purchase the entire participating interest in NOMAGO, d.o.o. from Adventure Investments, which Slovenske železnice, d.o.o. may exercise at any time between 1 January and 31 December 2024;
- a put option for Slovenske železnice, d.o.o. as the right (but not the obligation) to sell its entire participating interest in NOMAGO, d.o.o. to Adventure Investments d.o.o. at any time after conclusion of the sale and purchase agreement if changes arise in the control of ownership of Adventura Investments, d.o.o. to the benefit of a competitor of Slovenske železnice, d.o.o. or to the benefit of a competitor of NOMAGO, d.o.o.;
- if the call or put options are not exercised by 1 January 2025, either partner shall be entitled to commence a procedure for the joint sale of their participating interests in NOMAGO, d.o.o., with the other Nomago partner being obliged to participate.

On 26 March 2024, the parties concluded an 'Agreement on the method of providing access to data for calculation of the value of the 100% participating interest for the purpose of exercising option rights', in which they also agreed, among other things, to suspend the option rights until 14 May 2024. Further discussions between the parties on the possibility of carrying out the purchase or sale of the remaining 50% participating interest in NOMAGO, d.o.o. took place later in 2024, in two stages.

On 30 December 2024 the parties signed the 'Framework conditions for the sale/purchase of the remaining 50% participating interest in bus operator NOMAGO, d.o.o.', under which it was agreed that:

- the validity period of the options would be extended until 31 March 2025 inclusive (subject to the signing of addenda to the option agreements, which were signed on 30 December 2024);
- the sale/purchase of the remaining 50% participating interest in NOMAGO, d.o.o. would be carried out under a single agreement in two stages, first with the sale/purchase of a 25% participating interest (expected in 2025, subject to approval by the Slovenian Competition Protection Agency), and subsequently with the sale/purchase of the remaining 25% participating interest (expected by the end of 2027), whereby Slovenske železnice, d.o.o. would become the holder of a 100% participating interest in Nomago, d.o.o.;
- following the signing of these framework conditions, NOMAGO, d.o.o. would allow Slovenske železnice, d.o.o. to carry out legal and financial due diligence in order to decide whether to proceed with the transaction under the conditions set out in these framework conditions.

All investments in shares and participating interests are classified as financial assets measured at fair value through profit or loss. None of the shares and participating interests held by the Slovenske železnice Group at the end of 2024 are quoted on a regulated securities market. Other financial assets are not used as collateral and are free from encumbrances.

2.3.1.6. Financial receivables

in EUR	31 December 2024	31 December 2023
Long-term loans to Group companies in the rest of the world	0	39,529,954
Receivables for funds paid to an institution (SŽ-Železniški zdravstveni dom)	2,401,003	2,401,003
Deposits at banks	481,220	591,409
Other financial receivables	10,092	10,092
Total non-current financial receivables	**2,892,315**	**42,532,458**
Short-term deposits at domestic banks	38,836,087	98,000,000
Short-term deposits at banks in the rest of the world	64,100,000	199,605
Long-term loans to Group companies in the rest of the world	41,351,914	0
Receivables from short-term loans to employees	2,952	2,531
Total current financial receivables	**144,290,953**	**98,202,136**
Total	**147,183,268**	**140,734,594**

The largest share of financial receivables comprises:

- short-term deposits of the parent company Slovenske železnice, d.o.o. at banks in other countries in the amount of EUR 64,100,000,
- a short-term loan granted by SŽ EP Logistika, d.o.o. to EP Logistics International in the amount of EUR 38,430,000 and interest accrued on the loan in the amount of EUR 2,921,914; the loan is secured by a guarantee from the borrower's controlling company,
- short-term deposits of subsidiaries in the Slovenske železnice Group at banks in Slovenia in the amount of EUR 38,836,087.

Changes in financial receivables

in EUR	2024	2023
Non-current financial receivables		
Balance as at 1 January	42,532,458	39,031,501
transfer of receivables from SŽ-Železniški zdravstveni dom from assets held for sale	0	2,401,003
accrued interest	1,847,858	1,099,954
transfer to current financial receivables	-41,488,001	0
Balance as at 31 December	**2,892,315**	**42,532,458**
Current financial receivables		
Balance as at 1 January	**98,202,136**	**130,702,160**
transfer from non-current financial receivables	41,488,001	0
loans granted	354,312,935	623,011,748
repayment of loans	-349,712,119	-655,511,304
exchange rate differences	0	-468
Balance as at 31 December	**144,290,953**	**98,202,136**
Total	**147,183,268**	**140,734,594**

Non-current financial receivables are not secured or pledged as collateral.

2.3.1.7. Deferred tax assets

in EUR	31 December 2024	31 December 2023
Deferred tax assets	4,119,256	3,899,218
Total	**4,119,256**	**3,899,218**

	Consolidated 31 December 2024	Consolidated 31 December 2023
Slovenske železnice, d.o.o.	1,584,652	1,251,801
SŽ-Infrastruktura, d.o.o.	523,741	574,112
SŽ-VIT, d.o.o.	820,245	757,933
SŽ-Potniški promet, d.o.o.	128,539	150,072
SŽ EP Group	*957,125*	*1,008,340*
SŽ-Tovorni promet, d.o.o.	*275,639*	*322,095*
Fersped, d.o.o.	*679,738*	*684,412*
VV-LOG, d.o.o.	1,748	1,833
SŽ-ŽGP Group	98,659	121,242
SŽ-ŽGP, d.d.	*97,232*	*118,633*
Kamnolom Verd, d.o.o.	*1,427*	*2,609*
Prometni institut Ljubljana, d.o.o.	6,295	7,836
Consolidation adjustment	0	27,882
Total	**4,119,256**	**3,899,218**

The Slovenske železnice Group recognises deferred tax assets for non-deductible expenses arising from provisions, tax losses, tax allowances for investments and adjustments to the value of receivables, but only to the extent of revenue from positive tax bases for the next five years. A 22% tax rate is applied to the calculation.

The tax loss amounts to EUR 17,641,464 (EUR 16,826,318 in 2023) and, together with tax allowances for investments, represents the unrecognised basis for deferred tax assets in the amount of EUR 27,916,964 (EUR 29,636,413 in 2023).

Changes in deferred tax assets within the Slovenske železnice Group

in EUR	Tax loss	Provisions	Tax allowances for investments	Value adjustments to receivables	Consolidation adjustment	Total
Balance as at 1 January 2023	**602,432**	**1,693,227**	**594,905**	**30,584**	**0**	**2,921,148**
Drawn	0	0	0	-10,302	0	-10,302
Created	55,775	136,477	768,238	0	27,882	988,372
Balance as at 31 December 2023	**658,207**	**1,829,704**	**1,363,143**	**20,282**	**27,882**	**3,899,218**
Drawn	0	-251,597	0	-8,351	-27,882	-287,830
Created	0	0	507,868	0	0	507,868
Balance as at 31 December 2024	**658,207**	**1,578,107**	**1,871,011**	**11,931**	**0**	**4,119,256**

2.3.1.8. Other non-current assets

in EUR	31 December 2024	31 December 2023
Deferred discount costs on the sale of receivables	2,254,815	3,135,540
Deferred costs for the reserve fund for leased housing	450,796	438,727
Non-current deferred costs	1,060,285	82,488
Total	**3,765,896**	**3,656,755**

Deferred costs relating to the discount on the sale of claims refer to the discount calculated under the Agreement on the assignment of claims for consideration between Slovenske železnice, d.o.o. and SŽ-Potniški promet, d.o.o.

Since January 2023 the costs of the discount following completion of the delivery of the last multiple units purchased under NAB agreement no 40/2018/08/INV have been charged to profit or loss in the current period.

Non-current deferred costs relate primarily to licence maintenance, the majority of which refers to IBM Maximo in the amount of EUR 955,190.

2.3.1.9. Assets held for sale

in EUR	31 December 2024	31 December 2023
Fixed assets held for sale	122,331	15,323
Assets held for sale	**122,331**	**15,323**

2.3.1.10 Inventories

in EUR	31 December 2024	31 December 2023
Materials	23,266,013	14,253,658
Replacement parts	22,624,853	20,161,525
Small inventory and packaging	1,445,868	1,214,366
Work in progress	3,994,176	5,434,987
Products and merchandise	1,630,502	1,047,655
Total	**52,961,412**	**42,112,191**

Write-offs of obsolete inventories and impairments of inventories amounted to EUR 37,208 and EUR 207,536 respectively in 2024 (write-offs of inventories amounted to EUR 94,728, while impairments of inventories totalled EUR 315,780 in 2023). Reversal of inventory impairment amounted to EUR 78,490 in 2024 (EUR 0 in 2023). The balance of inventory value adjustments as at 31 December 2024 amounted to EUR 2,412,631 (EUR 2,283,585 as at 31 December 2023). There are no liens on inventories. The carrying amount of inventories did not exceed their realisable value.

2.3.1.11. Trade receivables

in EUR	31 December 2024	31 December 2023
Current trade receivables from domestic customers	55,490,347	49,629,579
Current trade receivables from customers in the rest of the world	18,782,331	15,866,740
Total	**74,272,678**	**65,496,319**

Domestic trade receivables as at 31 December 2024 were higher by EUR 8,776,359 compared to the end of 2023, primarily as a result of a claim for the financing of incentives in rail freight transport (EUR 7,474,282), see Note 2.3.2.3.

	2024			2023		
in EUR	Gross amount	Value adjustments	Net amount	Gross value	Value adjustments	Net value
Current trade receivables from domestic customers	59,304,802	3,814,455	55,490,347	53,405,108	3,775,529	49,629,579
Current trade receivables from customers in the rest of the world	19,927,738	1,145,407	18,782,331	17,068,991	1,202,251	15,866,740
Total	**79,232,540**	**4,959,862**	**74,272,678**	**70,474,099**	**4,977,780**	**65,496,319**

Receivables were not pledged as collateral as at 31 December 2024, while secured receivables amounted to EUR 4,119,818 (EUR 3,992,250 in 2023).

Net value adjustments to current trade receivables were created as follows:

in EUR	2024	2023
Balance as at 1 January	**4,977,780**	**5,238,107**
Reduction for written-off receivables	-289,458	-328,526
Reversal of allowances	-219,345	-284,807
Creation of allowances	490,885	353,006
Balance as at 31 December	**4,959,862**	**4,977,780**

Maturity breakdown of trade receivables

in EUR	31 December 2024	31 December 2023
Non-past-due receivables	**67,822,175**	**61,663,633**
Past-due receivables	**11,410,365**	**8,810,466**
– up to 30 days	4,056,462	2,147,569
– 31 to 90 days	2,204,237	1,101,060
– 91 to 365 days	1,213,765	976,318
– more than 365 days	3,935,901	4,585,519
Total	**79,232,540**	**70,474,099**

2.3.1.12. Other operating receivables

in EUR	31 December 2024	31 December 2023
Non-current advances for the purchase of fixed assets	42,339,131	135,852,237
Trade receivables	107	597
Loans for the purchase of property	2,801,718	2,969,585
Other operating receivables	572,736	2,254,718
Total non-current operating receivables	**45,713,692**	**141,077,137**
Receivables from government and other institutions	13,996,331	11,353,831
Receivables from employees	133,541	145,255
Receivables from others associated with finance income	66,789	88,795
Current operating receivables based on advances	101,872,942	1,681,054
Current security deposits	638,182	200,115
Other current operating receivables from others	12,387,660	8,585,495
Total current operating receivables	**129,095,445**	**22,054,545**
Total	**174,809,137**	**163,131,682**

Receivables for loans for the purchase of property are secured in full by mortgages. These receivables are not pledged as collateral.

The largest part of the transfer from non-current to current operating receivables based on advances is reported at SŽ-Potniški promet, d.o.o. and relates to an advance for the purchase of new multiple units in the amount of EUR 98,240,593.

Other current operating receivables from others in the amount of EUR 12,387,660 (EUR 8,585,495 as at 31 December 2023) consist almost entirely (EUR 8,510,313) of receivables from the government on behalf of railway undertakings arising from compensation for the reimbursement of costs incurred as a result of capital works on PRI in 2024.

Write-offs and impairments of trade receivables and other current operating receivables that are disclosed in operating expenses amounted to EUR 513,962 in 2024 (EUR 396,353 in 2023).

Other operating receivables are disclosed including the value adjustment of receivables.

2.3.1.13. Other current assets

in EUR	31 December 2024	31 December 2023
Contract assets	22,570,356	19,334,216
Other current assets	34,758,686	29,496,482
Total	**57,329,042**	**48,830,698**

Contract assets are mainly comprised of:

- assets from the costs incurred by the PRI manager for the remediation of incidents on PRI amounting to EUR 2,668,248 (EUR 833,925 in 2023);
- assets for services under contracts between the PRI manager and the government amounting to EUR 18,417,753 (EUR 14,363,114 as at 31 December 2023) and
- assets for covering the costs of the purchase of new machinery for December 2024 amounting to EUR 508,333 (EUR 508,333 in 2023).

Other current assets are mainly comprised of:

in EUR	31 December 2024	31 December 2023
Accrued proportion of contractual penalty	2,340,330	2,340,330
Accrued compensation to railway undertaking for the reimbursement of costs arising due to works on the second track and the implementation of priority transport of energy products in 2023	4,479,000	4,479,000
Accrued revenue from the development fee for the renewal and modernisation of the rolling stock	12,481,348	14,183,614
Accrued revenue from compensation for the costs incurred by railway undertakings as a result of the complexity of the upgrade of the Ljubljana railway junction, which led to reduced rail traffic capacity and more complex traffic closures in 2024.	10,394,944	0
Accrued revenue from the remediation of the effects of the floods of 2023	0	2,022,646
Accrued revenue for loss events involving rolling stock	1,317,283	1,386,031
Other accrued revenue	3,745,781	5,084,861
Total	**34,758,686**	**29,496,482**

2.3.1.14. Cash and cash equivalents

in EUR	31 December 2024	31 December 2023
Cash on hand	305,146	489,891
Cash on bank accounts	58,925,344	79,467,694
Total	**59,230,490**	**79,957,585**

2.3.1.15. Equity

in EUR	31 December 2024	31 December 2023
Share capital	509,529,921	509,529,921
Share premium account	45,002,140	45,002,140
Statutory reserves	5,144,337	4,637,603
Other profit reserves	60,243,483	50,314,305
Fair value reserves	2,764,802	3,194,184
Retained earnings	137,232,671	117,711,772
Undistributed net profit for the financial year	32,909,932	29,043,280
Translation differences	11	254
Non-controlling interest	108,246,920	104,913,126
Total	**901,074,217**	**864,346,585**

Changes in equity

in EUR	
Balance as at 1 January 2023	**831,845,607**
Net profit for the financial year	44,248,997
Payment of shares in profit	-403,990
Payment of shares in profit (material dividend)	-9,825,988
Actuarial gains and losses	-1,525,732
Exchange rate differences from the conversion of financial statements of firms in the rest of the world	1,344
Other changes	6,347
Balance as at 31 December 2023	**864,346,585**
Balance as at 1 January 2024	**864,346,585**
Net profit for the financial year	45,705,223
Payment of shares in profit	-8,850,878
Actuarial gains and losses	-176,623
Exchange rate differences from the conversion of financial statements of firms in the rest of the world	987
Other changes	48,923
Balance as at 31 December 2024	**901,074,217**

2.3.1.16. Provisions

Provisions for jubilee benefits and termination benefits:

in EUR	31 December 2024	31 December 2023
Provisions for termination benefits	23,968,462	22,743,976
Provisions for employee anniversary bonuses	4,432,107	4,008,959
Total	**28,400,569**	**26,752,935**

Changes in provisions for jubilee benefits and termination benefits

in EUR	Termination benefits	Jubilee benefits	Total
Balance as at 1 January 2023	**18,820,669**	**3,336,677**	**22,157,346**
Use	-1,020,583	-467,324	-1,487,907
Current employment costs	2,839,947	1,056,900	3,896,847
Interest (expenses)	584,101	98,986	683,087
Reversal of provisions (closure, rights) (revenue)	-5,891	-16,280	-22,171
Actuarial gains/losses	1,525,733	0	1,525,733
Balance as at 31 December 2023	**22,743,976**	**4,008,959**	**26,752,935**
Balance as at 1 January 2024	**22,743,976**	**4,008,959**	**26,752,935**
Use	-1,911,210	-598,861	-2,510,071
Current employment costs	2,274,345	903,510	3,177,855
Interest (expenses)	705,943	120,189	826,132
Reversal of provisions (closure, rights) (revenue)	-21,215	-1,690	-22,905
Actuarial gains/losses	176,623	0	176,623
Balance as at 31 December 2024	**23,968,462**	**4,432,107**	**28,400,569**

The following material assumptions were taken into account when calculating provisions for retirement benefits and jubilee benefits:

	2024	2023
Average monthly gross wage in Slovenia	EUR 2,380	EUR 2,250
Discount rate	3.238%	3.185%
Overall wage growth	1.0%	1.0%
Retirement conditions (age)		
- male	65	65
- female	65	65

The annual discount rate is determined on the basis of the yield for 15-year EU COMPOSITE AAA corporate bonds as at 31 December 2024.

Other provisions:

in EUR	31 December 2024	31 December 2023
Provisions for litigation	1,056,412	672,790
Provisions for guarantees issued	664,648	828,965
Provisions for quarry restoration	87,896	80,434
Total	**1,808,956**	**1,582,189**

Changes in other provisions

in EUR	Provisions for litigation	Provisions for guarantees issued	Provisions for quarry restoration	Total
Balance as at 1 January 2023	**548,131**	**638,478**	**70,551**	**1,257,160**
Creation	195,012	194,875	9,883	399,770
Reversed	-42,792	0	0	-42,792
Use	-27,561	-4,388	0	-31,949
Balance as at 31 December 2023	**672,790**	**828,965**	**80,434**	**1,582,189**
Balance as at 1 January 2024	**672,790**	**828,965**	**80,434**	**1,582,189**
Creation	637,145	50,628	7,462	695,235
Reversed	-34,889	-148,264	0	-183,153
Use	-218,634	-66,681	0	-285,315
Balance as at 31 December 2024	**1,056,412**	**664,648**	**87,896**	**1,808,956**

Eighty-six legal proceedings with claims totalling EUR 48,015,482, primarily in relation to compensation, labour and commercial disputes, were in progress against seven companies in the Slovenske železnice Group in 2024. Thirty-four cases were concluded in 2024.

According to estimates of the possible outcomes of individual disputes, made on the basis of reports prepared by law firms, provisions totalling EUR 1,056,412 had been created for fifteen cases as at 31 December 2024. In thirty-seven cases, the assessment is either that the claims will be rejected, that it is not yet possible to estimate the outcome of the proceedings, or that the defendant company is highly likely to be successful.

Claims for which provisions have not been created are shown as potential liabilities.

2.3.1.17. Non-current deferred income

in EUR	Waived contributions	Government grants	Non-current contract liabilities in connection with construction services	Total
Balance as at 1 January 2023	**830,864**	**6,129,807**	**175,954**	**7,136,625**
Created	5,819,160	6,100,000	86,765	12,005,925
Used and/or transferred to current portion	-5,953,510	-40,040	-34,467	-6,028,017
Balance as at 31 December 2023	**696,514**	**12,189,767**	**228,252**	**13,114,533**
Balance as at 1 January 2024	**696,514**	**12,189,767**	**228,252**	**13,114,533**
Created	6,147,568	6,178,308	32,679	12,358,555
Used and/or transferred to current portion	-6,265,851	-94,885	-162,197	-6,522,933
Balance as at 31 December 2024	**578,231**	**18,273,190**	**98,734**	**18,950,155**

Under the Agreement on the provision of public railway infrastructure management services for the period from 1 January 2021 to 31 December 2030 and Addendum No. 10 to that agreement, SŽ-Infrastruktura, d.o.o. received EUR 6,100,000 in 2024 for the purchase of new machinery for the performance of the PSO of PRI maintenance.

Waived contributions comprise incentives for employing persons with disabilities (exemption from the payment of contributions, and bonuses for exceeding the quota of persons with disabilities employed).

2.3.1.18. Financial liabilities

in EUR	31 December 2024	31 December 2023
Non-current financial liabilities to domestic banks	77,667,852	88,010,668
Total non-current financial liabilities	**77,667,852**	**88,010,668**
Current financial liabilities to domestic banks	10,342,816	25,355,604
Current financial liabilities to banks in the rest of the world	0	333,333
Other current financial liabilities	911,642	7,784,620
Total current financial liabilities	**11,254,458**	**33,473,557**
Total	**88,922,310**	**121,484,225**

Changes in financial liabilities

	2024	2023
Non-current financial liabilities		
Balance as at 1 January	**88,010,668**	**81,699,606**
– transfer to current portion	-10,342,816	-15,688,938
– loan received	0	22,000,000
Balance as at 31 December	**77,667,852**	**88,010,668**
Current financial liabilities		
Balance as at 1 January	**33,473,557**	**35,956,262**
– transfer to current portion	10,342,816	15,688,938
– payment of interest	-2,895,483	-2,463,250
– repayment of loan	-102,988,938	-43,735,360
– calculation of interest	2,887,222	2,468,811
– loan received	77,300,000	28,500,000
– purchase price under the contract for NOMAGO, d.o.o.	-6,133,476	-3,777,455
– fair value	13,872	835,611
– reversal of the variable part of the purchase price for the acquisition of an interest in an associate	-745,112	0
Balance as at 31 December	**11,254,458**	**33,473,557**
Total	**88,922,310**	**121,484,225**

Non-current financial liabilities

in EUR	Date of agreement or addendum	Payment due date	Status 31 December 2024	Collateral
Financing of locomotive purchases	15 September 2020	15 September 2030	14,378,378	Rolling stock pledged as collateral, bills of exchange
Financing of locomotive purchases	5 September 2019	5 September 2029	46,500,000	Bills of exchange
Financing of the purchase of a stake in NOMAGO, d.o.o.	13 February 2023	13 February 2033	16,789,474	Bills of exchange
Total			**77,667,852**	

Current financial liabilities

in EUR	Date of agreement or addendum	Payment due date	Status 31 December 2024	Collateral
Financing of locomotive purchases	15 September 2020	31 December 2025	3,027,027	Rolling stock pledged as collateral, bills of exchange
Financing of locomotive purchases	5 September 2019	31 December 2025	5,000,000	Bills of exchange
Financing of the purchase of a stake in NOMAGO, d.o.o.	13 February 2023	31 December 2025	2,315,789	Bills of exchange
Other current liabilities (interest)			62,160	
Liabilities from the fair value of interest rate swaps (IRS)			849,482	
Total			**11,254,458**	

2.3.1.19. Lease liabilities

in EUR	31 December 2024	31 December 2023
Non-current lease liabilities	17,375,396	12,108,322
Current lease liabilities	13,913,764	10,035,934
Total	**31,289,160**	**22,144,256**

Changes in lease liabilities

in EUR	2024	2023
Balance as at 1 January	**22,144,256**	**17,265,972**
increase	22,671,471	22,224,999
decrease	-2,099,446	-5,797,965
payments	-12,874,319	-12,121,363
interest	1,447,198	572,613
Balance as at 31 December	**31,289,160**	**22,144,256**

Changes in financial liabilities and lease liabilities (cash flow)

in EUR	2024	2023
Balance as at 1 January	**143,628,481**	**134,921,840**
Inflows from loans raised	77,300,000	50,500,000
Outflows from loans raised	-102,988,938	-43,735,360
Liabilities for the purchase price under contract (NOMAGO, d.o.o.)	-6,133,476	-3,777,455
Fair value	13,872	835,611
Reversal of the variable part of the purchase price for the acquisition of an interest in an associate	-745,112	0
Outflows for the repayment of lease liabilities	-11,427,121	-11,548,750
Changes in lease liabilities	20,572,025	16,427,034
Changes in liabilities for interest	-8,261	5,561
Balance as at 31 December	**120,211,470**	**143,628,481**

The Group reports non-current financial liabilities and non-current lease liabilities with a maturity of more than five years in the amount of EUR 9,796,586 as at 31 December 2024 (EUR 46,673,000 as at 31 December 2023).

2.3.1.20. Other operating liabilities

in EUR	31 December 2024	31 December 2023
Other non-current operating liabilities	891	2,314
Non-current operating liabilities – sales of receivables	67,808,650	80,594,650
Non-current operating liabilities based on advances	1,415,136	0
Non-current liabilities in connection with superficies	205,128	224,664
Total non-current operating liabilities	**69,429,805**	**80,821,628**
Liabilities based on advances	1,911,168	2,086,241
Liabilities to employees	21,132,602	19,848,630
Liabilities to the government and government institutions	12,228,409	9,891,559
Liabilities to others	29,243,867	33,893,055
Current operating liabilities – sales of receivables	12,786,000	12,786,000
Total current operating liabilities	**77,302,046**	**78,505,485**
Total	**146,731,851**	**159,327,113**

Non-current operating liabilities amounting to EUR 67,808,650 (EUR 80,594,650 in 2023) relate to receivables of SŽ-Potniški promet, d.o.o. from the contracting authority relating to the development portion of the remuneration for performing the PSO, which will be paid in annual instalments by 2031 in accordance with paragraph 16 of Article 7 of the Amendments to the Agreement on the discharge of the public service obligation (PSO) of the inland and cross-border regional transport of passengers by rail 2017–2031. Along with the receivables from the contracting authority, a liability to the contracting authority was disclosed in 2018 on account of PSO services that were not performed.

Under the Agreement on the Assignment of Claims for Consideration Between Slovenske železnice, d.o.o. and SŽ-Potniški promet, d.o.o., dated 12 June 2018, the above receivables were sold to two banks, while liabilities to the contracting authority are reduced in accordance with the repayment schedule set out in paragraph 16 of Article 7 of the Amendments to the Agreement on the discharge of the public service obligation (PSO) of the inland and cross-border regional transport of passengers by rail 2017–2031. The current portion of these liabilities, which falls due for payment in 2025, was disclosed under current operating liabilities in the amount of EUR 12,786,000 as at 31 December 2024 (EUR 12,786,000 in 2023).

Liabilities to others are mainly disclosed by SŽ-Infrastruktura, d.o.o. and represent a liability to the government from the access charge, specifically in relation to the charge, not yet billed or used, for access to PRI (tracks) that the company charges undertakings, on behalf and for the account of the government and on a monthly basis. As at 31 December 2023, this charge amounted to a total of EUR 23,084,650 (31 December 2023: EUR 28,125,223).

Non-current liabilities from advances represent EU funds received by the parent company for the co-financing of the traffic management information system (EUR 729,678) and for the co-financing of documentation for the construction of Ljubljana Bus Station (EUR 685,458).

2.3.1.21. Other current liabilities

in EUR	31 December 2024	31 December 2023
Contract liabilities	4,257,817	3,478,903
Other current liabilities	15,611,056	15,193,866
Total	**19,868,873**	**18,672,769**

Other current liabilities mainly comprise:

in EUR	31 December 2024	31 December 2023
Unused annual leave	10,307,171	10,611,706
Accrued costs of subcontractor services on construction projects	2,394,968	233,768
Use of freight wagons	753,293	526,652
Accrued services of foreign railway operators	53,903	19,574
Accrued concession fees	277,212	156,754
Accrued costs of hours worked	124,073	143,550
Accrued compensation in international freight transport	50,000	10,000
Accrued costs of locomotive leasing	576,720	0
Accrued positioning costs for individual work orders	55,726	130,988
Accrued damages according to waybills	20,000	20,000
Accrued costs of the auditing of financial statements	269,637	188,637
Other	728,353	3,152,237
Total	**15,611,056**	**15,193,866**

2.3.1.22. Trade payables

in EUR	31 December 2024	31 December 2023
Domestic trade payables	43,312,293	32,967,268
Foreign trade payables	8,831,158	9,845,511
Total	**52,143,451**	**42,812,779**

in EUR	31 December 2024	31 December 2023
Non-past-due liabilities	**50,362,510**	**41,521,863**
Past-due liabilities	**1,780,941**	**1,290,916**
– up to 30 days	1,304,590	907,260
– 31 to 90 days	235,717	268,361
– 91 to 365 days	110,269	62,172
– more than 365 days	130,365	53,123
Total	**52,143,451**	**42,812,779**

Contingent receivables and contingent liabilities

in EUR	31 December 2024	31 December 2023
Mortgages and liens received	4,267,222	4,526,461
Bank guarantees received, of which:	178,335,716	177,098,886
- for the purchase of multiple units	36,610,620	38,423,022
- for performance bonds and warranties	7,984,338	5,060,920
- other (tender guarantees)	133,740,758	133,614,944
Bills of exchange and enforcements received as collateral for advances, performance bonds and warranties	46,621	133,114
Withheld dividend payments	14,768	14,768
Total contingent receivables	**182,664,327**	**181,773,229**

in EUR	31 December 2024	31 December 2023
Bank guarantees issued, of which:	37,399,459	36,010,917
- collateral for contractual liabilities, warranties and performance bonds	23,134,459	22,485,788
- transit insurance and customs guarantees	13,050,000	13,050,000
- other	1,115,000	375,129
- excise guarantees	100,000	100,000
Bills of exchange and enforcements issued as performance bonds and warranties	37,438	55,209
Contingent liabilities for lawsuits	45,622,886	45,321,871
Total contingent liabilities	**83,059,783**	**81,387,997**

In the case of the commercial dispute relating to the contracting authority's request for the rectification of defects in construction works (defects in the installed concrete sleepers), carried out by SŽ-ŽGP Ljubljana, d.d. on the basis of various construction contracts between 2009 and 2013, and whose value the claimant has estimated at EUR 40,000,000, no provisions were recognised as at 31 December 2024.

Upon inspection of the completed works, cracks were identified in the concrete sleepers on the railway lines, and the contracting authority is therefore requesting that SŽ-ŽGP Ljubljana, d.d. rectify the defects within 12 months and replace all the concrete sleepers on the sections or line of the Pragersko–Hodoš railway line, main lines G 40 and G 41. It is considered that the outcome of the proceedings will depend on the evidentiary procedure, where the findings of the expert to be appointed by the court will also be important. The supplier and the manufacturer have joined the action, one hearing has taken place and the proceedings will continue in 2025. The company's Management Board estimates, on the basis of the facts known to date, that there is a less than a 50% chance that the plaintiff will succeed with its claim, in other words that there is more than a 50% probability that the claim will be dismissed in its entirety.

SŽ-ŽGP Ljubljana, d.d. has already filed a lawsuit against the supplier, under which, if the original dispute were to be resolved unfavourably for the company, any potential liabilities arising from the original dispute would be transferred to the supplier. The proceedings against the supplier were suspended due to mediation, which was unsuccessful, and the proceedings are therefore continuing. No hearing has yet been scheduled in this dispute. The outcome of the proceedings depends on the evidentiary procedure and the result of the original proceedings. On the basis of the facts known to date, the Management Board of SŽ-ŽGP Ljubljana, d.d. considers that it will succeed with the claim in the event that the original dispute is resolved unfavourably for the company.

Other disclosures relating to contingent liabilities for lawsuits that do not meet the conditions for the creation of provisions are explained in Note 2.3.1.16.

2.3.2. Notes to the income statement

2.3.2.1. Revenue from contracts with customers

in EUR	2024	2023
Revenue on the domestic market	**323,845,518**	**331,238,974**
- maintenance, operation and renewal of PRI and other services provided by the PRI manager	179,267,850	169,173,899
- construction	48,510,011	63,482,186
- transport revenue	40,203,168	35,955,433
- rental income	6,742,522	7,182,555
- total other revenue from contracts with customers	49,121,967	55,444,901
Revenue on the foreign market	**204,523,787**	**196,968,859**
- transport revenue	169,216,387	162,661,099
- maintenance of rolling stock	15,064,542	15,043,185
- rental income	5,318,776	4,868,583
- total other revenue from contracts with customers	14,924,082	14,395,992
Total	**528,369,305**	**528,207,833**

Revenue from contracts with customers comprises:

in EUR	Consolidated 2024	Consolidated 2023
Slovenske železnice, d.o.o.	3,378,224	3,310,829
SŽ-EP Group	200,077,827	192,711,777
SŽ-Potniški promet, d.o.o.	48,581,465	44,541,677
SŽ-Infrastruktura, d.o.o.	197,940,985	191,900,027
SŽ-VIT, d.o.o.	17,804,650	17,963,606
SŽ-ŽIP, storitve, d.o.o.	6,003,820	5,815,646
Prometni institut Ljubljana, d.o.o.	265,435	96,015
SŽ-Železniška tiskarna Ljubljana, d.d.	63,731	85,253
SŽ-ŽGP Group	54,253,168	71,783,003
Total	**528,369,305**	**528,207,833**

The majority of the Slovenske železnice Group's overall revenue from contracts with customers is generated by the SŽ-EP Group, SŽ-Potniški promet, d.o.o., SŽ-Infrastruktura, d.o.o. and the SŽ-ŽGP Group.

Transport revenue in the amount of EUR 209,419,555 (EUR 198,616,532 in 2023) were mostly generated on domestic and foreign markets by SŽ-Tovorni promet (EUR 163,248,578, up from EUR 156,375,403 in 2023) and SŽ-Potniški promet, d.o.o. (EUR 45,742,508, up from EUR 42,130,140 in 2023).

SŽ-Infrastruktura, d.o.o. generated the majority of its revenue on the basis of agreements with the Slovenian government:

in EUR	2024	2023
Public service obligation of the maintenance of the PRI	126,917,492	122,410,731
Public service obligation of PRI operation	48,621,723	43,300,000
Performance of tasks as the PRI manager	2,832,501	2,732,400
Operation, management and maintenance of housing and buildings that are not part of PRI	896,134	730,768
Total	**179,267,850**	**169,173,899**

The majority of total net revenue of the SŽ-ŽGP Group is generated through construction activities (reconstruction of railway lines).

2.3.2.2. Capitalised own products and services

in EUR	2024	2023
Capitalised own products and services	26,743,971	20,695,970
Total	**26,743,971**	**20,695,970**

The capitalised own products and services of the Slovenske železnice Group comprise capitalised costs of labour and materials associated with the sale of assets and services between Group companies. The majority of capitalised own products and services relate to major repairs of rolling stock, and replacement parts for locomotives, multiple units, freight wagons and passenger coaches.

2.3.2.3. Other operating revenue

in EUR	2024	2023
Revenue from the discharge of the public service obligation of passenger transport by rail	110,919,748	102,167,000
Compensation and fines	27,222,348	18,039,405
of this, revenue from compensation for the reimbursement of costs incurred as a result of capital works on PRI	*22,122,239*	*14,705,938*
Revenue from assigned contributions for the employment of persons with disabilities	5,817,714	5,479,125
Revenue from other subsidies	6,943,174	8,618,286
Revenue from reversal of provisions	1,168,386	985,992
Revenue from the sale of property, plant and equipment, and the revaluation of receivables and liabilities	4,156,116	6,163,715
Revenue from interest for advance paid for new trains	4,749,308	2,124,398
Other income	70,049	441,292
Total	**161,046,843**	**144,019,213**

Revenue from subsidies mainly relates to a grant to promote freight rail transport amounting to EUR 6,126,461 (EUR 3,792,089 in 2023) at SŽ-Tovorni promet, d.o.o. The company is entitled to these funds on the basis of an agreement and an addendum thereto, signed with the Ministry of the Environment and Spatial Planning and the Ministry of Infrastructure, which undertook to allocate the funds under the Ordinance on the Climate Change Fund Spending Programme for 2023 and 2024.

2.3.2.4. Costs of goods, materials and services

in EUR	2024	2023
Historical cost of goods sold and costs of materials used	3,452,471	2,989,848
Costs of materials	48,164,981	51,082,933
Energy costs	55,104,234	52,805,576
Costs of replacement parts	5,335,816	5,882,297
Write-off of small inventory	3,696,647	3,215,124
Costs of office materials	540,311	493,226
Other material costs	674,008	579,756
Total historical cost of goods and materials sold and cost of materials used	**116,968,468**	**117,048,760**
Costs from the manufacture of products and provision of services	45,766,744	54,353,169
Transport services	12,935,717	12,183,920
Maintenance services	30,848,567	32,598,096
Reimbursement of employee expenses	4,011,045	3,565,974
Payment transaction and banking services	464,687	460,837
Intellectual and personal services	3,608,730	3,546,898
Insurance premiums	9,918,433	8,684,317
Advertising, promotion and representation	2,179,028	2,203,255
Costs under the RIV Rules	4,634,634	4,672,126
Costs under the RIC Rules	973,502	1,245,313
Costs of other services:	45,783,896	43,752,423
– current rental costs	22,026,148	20,811,847
of which:		
- fee for access to public railway infrastructure	*17,602,108*	*17,344,041*
- low-value leases	*79,109*	*78,633*
- short-term leases	*4,344,931*	*3,389,173*
– costs of utility services	2,189,126	2,140,215
– costs of Port of Koper services	3,884,124	3,963,942
– costs of student services, hiring of labour	5,943,576	6,620,072
– costs of transport services (traction) provided by foreign operators	280,818	480,742
– unclaimed VAT in the part where SŽ-Infrastruktura performs its PSO	2,256,743	1,740,486

in EUR	2024	2023
– cleaning costs for premises, external areas and clothing, and property surveillance	1,593,294	1,474,742
– costs of services associated with contracted work	2,237,885	2,412,591
– membership fees and contributions paid to international organisations and other associations	623,249	527,934
– administrative fees, administrative announcements and court fees	416,412	355,737
– engineering services (ancillary activities in the maintenance of PRI)	57,067	59,758
– border services provided by foreign railway administrations	75,827	108,962
– other costs	4,199,627	3,055,395
Total costs of services	**161,124,983**	**167,266,328**
Total	**278,093,451**	**284,315,088**

The costs of goods, materials and services comprise:

in EUR	Consolidated 2024	Consolidated 2023
Slovenske železnice, d.o.o.	10,061,422	9,183,024
SŽ-EP Group	60,693,876	56,945,114
SŽ-Potniški promet, d.o.o.	27,809,895	27,189,389
SŽ-Infrastruktura, d.o.o.	89,321,320	86,752,936
SŽ-VIT, d.o.o.	36,814,133	33,436,849
SŽ-ŽIP, storitve, d.o.o.	16,846,540	18,586,394
Prometni institut Ljubljana, d.o.o.	137,295	137,694
SŽ-Železniška tiskarna Ljubljana, d.d.	232,119	194,611
SŽ-ŽGP Group	36,176,851	51,889,077
Total	**278,093,451**	**284,315,088**

The most significant energy costs comprise the electricity and other fuels used to drive rolling stock. In 2023 they amounted to EUR 44,631,479 (EUR 42,572,974 in 2023).

The costs of services associated with the manufacture of products and provision of services, which include the costs of others (external contractors) in the performance of Group companies' activities, account for the largest single costs of services item. Almost all these costs were generated as follows:

in EUR	Consolidated 2024	Consolidated 2023
SŽ-VIT, d.o.o.	5,154,738	4,042,772
SŽ-ŽIP Group	10,384,388	12,556,481
SŽ-ŽGP Group	16,808,862	25,475,375
SŽ-EP Group	13,127,901	12,191,155
Total	**45,475,889**	**54,265,783**

Costs of auditor

in EUR	2024	2023
Auditing of financial statements	200,089	180,362
- separate financial statements of Slovenske železnice Group companies	178,917	171,741
- consolidated financial statements of Slovenske železnice Group companies	21,172	8,621
Audit of the sustainability report	68,000	0
Other assurance services	47,628	46,730
Total	**315,717**	**227,092**

The costs of auditing the financial statements include the contractual amounts of costs for 2024 on the basis of the contracts signed for the auditing of financial statements for the 2022–2024 period, and the costs of reviewing valuations and reports by NOMAGO, d.o.o.

Other assurance services comprise, in addition to the contractual amounts for the audit of criteria, the audit of the use of assets, and the audit of the report on relations with affiliated companies under Article 545 ZGD-1 for 2024 and 2023, primarily the amount of EUR 26,780 for the costs of the audit of the reporting package of the SŽ EP Logistika Group for the period January–November 2023. There were no other auditor-related costs.

2.3.2.5. Labour costs

in EUR	2024	2023
Costs of wages and salaries	222,808,524	205,882,466
Pension insurance costs	28,993,660	26,605,788
Other social security insurance costs	16,581,206	15,151,640
Other labour costs	46,213,100	44,342,092
reimbursements	*23,577,865*	*22,407,613*
annual leave allowance	*16,683,401*	*15,461,876*
termination benefits	*1,566,558*	*627,838*
compensation	*934,824*	*1,421,097*
provisions for jubilee benefits and termination benefits (actuarial calculation)	*3,177,856*	*3,896,847*
other costs	*272,596*	*526,821*
Total	**314,596,490**	**291,981,986**

Higher labour costs in 2024 are primarily the result of the adjustment of base pay to reflect the increase in the cost of living in July 2023 and July 2024, the change in the method of determining base pay in July 2023, changes to the job classification for certain operational posts, and the change to the shift work allowance in October 2024.

2.3.2.6. Write-downs

in EUR	2024	2023
Amortisation/depreciation of intangible assets, property, plant and equipment, and investment property	56,052,086	56,572,006
Depreciation of right-of-use lease assets	11,698,193	11,389,380
Operating expenses for intangible assets and property, plant and equipment	486,159	192,200
Operating expenses for working capital	759,472	818,367
revaluation of inventories	*244,743*	*422,014*
revaluation of receivables	*497,895*	*379,648*
write-downs of other assets	*16,834*	*16,705*
Total	**68,995,910**	**68,971,953**

2.3.2.7. Other operating expenses

in EUR	2024	2023
Fees for the use of building land, and other taxes and levies	1,373,405	1,258,777
Fines and compensation for damage incurred by legal and natural persons	1,394,833	552,050
Scholarships and awards for pupils and students on compulsory job training	423,656	419,546
Donations (for sporting, cultural and humanitarian activities)	281,852	420,267
Refunds to ZPIZ for securing the rights of Slovenske železnice, d.o.o. workers who performed work in organisational units in Croatia	75,810	76,064
Provisions for onerous contracts, guarantees issued and remediation of the quarry	58,090	204,758
Reversal of accrued revenue from state aid (2023 floods)	606,803	0
Other expenses	348,431	212,515
Total	**4,562,880**	**3,143,977**

2.3.2.8. Finance income

in EUR	2024	2023
Finance income from participating interests in associates	4,035,639	3,993,617
Finance income from participating interests in other companies	81,437	11,640
Total finance income from participating interests	**4,117,076**	**4,005,257**
Finance income from derivatives	100,628	59,504
Total finance income from derivatives	**100,628**	**59,504**
Finance income from loans to others	3,770,801	3,599,802
Total finance income from loans granted	**3,770,801**	**3,599,802**
Finance income from operating receivables from others	152,779	95,580
Total finance income from operating receivables	**152,779**	**95,580**
Total	**8,141,284**	**7,760,143**

Finance income from loans granted to others (see Note 2.3.1.6) mostly consists of:

- interest on deposits with domestic and foreign banks in the amount of EUR 1,759,694 (EUR 2,460,872 in 2023), and
- interest on the loan granted to a foreign company in the amount of EUR 1,821,960 (EUR 957,737 in 2023).

2.3.2.9. Finance costs

in EUR	2024	2023
Finance costs from bank loans	2,042,294	1,852,151
Finance costs from leases	1,640,974	767,945
Finance costs from other financial liabilities	1,869,182	2,690,509
Total finance costs from financial liabilities	**5,552,450**	**5,310,605**
Finance costs from trade payables	51,588	55,905
Finance costs from other operating liabilities	25,872	49,664
Total finance costs from operating liabilities	**77,460**	**105,569**
Total	**5,629,910**	**5,416,174**

Finance costs from other financial liabilities comprise:

- expenses from a discount pursuant to the Agreement on the Assignment of Claims for Consideration between Slovenske železnice, d.o.o. and SŽ-Potniški promet, d.o.o. and two banks (12 June 2018) in the amount of EUR 1,029,179 (EUR 1,171,810 in 2023). Since January 2023, the discount has been charged to the profit or loss of SŽ-Potniški promet, d.o.o.;
- interest resulting from actuarial calculations in the amount of EUR 826,132 (EUR 683.087 in 2023);
- expenses in connection with derivatives in the amount of EUR 13,871.

2.3.2.10. Corporate income tax

in EUR	2024	2023
Current tax	6,170,638	5,590,630
Deferred taxes	-220,037	-978,070
Total corporate income tax	**5,950,601**	**4,612,560**
Pre-tax profit	51,655,824	48,861,557
Tax calculated at effective tax rate	15,330,056	12,433,846
Tax from decrease in revenue	-5,065,154	-2,534,799
Tax from decrease in expenses	1,525,314	1,226,377
Tax from increase in expenses	-295,814	-362,884
Tax from change in tax base	281,343	142,374
Tax from tax allowances	-5,851,272	-5,339,091
Tax credits	246,166	24,807
Total corporate income tax	**5,950,601**	**4,612,560**
Effective tax rate	**11.52%**	**9.44%**

The applicable corporate income tax rate in Slovenia for 2024 was 22% (19% in 2023). For the Slovenske železnice Group the annual tax rate fluctuated between 10% and 22%.

2.3.3. Notes to the cash flow statement

The cash flow statement is compiled using the indirect method on the basis of items in the statement of financial position as at 31 December 2024 and 31 December 2023, the income statement for 2024, and additional data necessary to adjust receipts and expenditures.

Other adjustments of revenue and expenses in 2024 relate to lease adjustments under IFRS 16 and exchange rate differences.

2.3.4. Related party transactions

The related parties in relation to whom we are disclosing transactions in this report are:

- the controlling company and other Slovenske železnice Group companies, including associates;
- the key management personnel and their immediate family members;
- companies in which the government exerts considerable influence (participating interest of more than 20%);
- the government (direct transactions: PSO, construction activities).

Gross remuneration of groups of persons

in EUR	2024	2023
Management Board of the controlling company	536,643	420,285
Supervisory Board of the controlling company	204,349	186,777
External members of the committees of the controlling company's Supervisory Board	11,189	10,396
Members of management bodies of subsidiaries	2,295,472	2,048,132
Supervisory boards of subsidiaries	385,244	379,784
External members of the committees of subsidiaries' supervisory boards	47,314	38,383
Group employees under individual contracts	11,684,924	9,633,569
Total	**15,165,135**	**12,717,326**

The remuneration of members of the controlling company's Management Board and the directors of subsidiaries includes wages and salaries, bonuses and any other earnings.

The remuneration of supervisory bodies comprises gross earnings from payments for the performance of functions on supervisory boards and Supervisory Board committees, attendance fees, fringe benefits and the reimbursement of expenses.

Companies within the Slovenske železnice Group did not approve advances and loans to the members of their Management Board, supervisory bodies, other workers and employees on individual contract, to whom the tariff part of the collective agreement does not apply, nor did they issue guarantees for the liabilities of those persons.

Remuneration of the Management Board in the 2024 financial year – Slovenske železnice Group

Name / company	Function	Fixed remuneration – gross	Variable remuneration – gross: Based on quantitative criteria	Variable remuneration – gross: Based on qualitative criteria	Variable remuneration – gross: Total	Deferred remuneration	Termination benefits	Fringe benefits	Repayment of previously paid bonuses (clawback)	Total (gross)	Total (net)
		1			2	3	4	5	6	(1 to 6)	
Controlling company Slovenske železnice, d.o.o.											
Dušan Mes	director-general	155,973	0	0	0	0	0	4,943	0	160,916	81,621
Tomaž Kraškovic	member of the Management Board (director) (1 January to 23 April 2024)	122,349	0	0	0	0	0	1,478	0	123,827	62,207
Gorazd Podbevšek	member of the Management Board (director) (3 April to 31 December 2024)	105,379	0	0	0	0	0	561	0	105,940	54,322
Nina Avbelj Lekič	workers' director	144,299	0	0	0	0	0	1,661	0	145,960	73,790
Total		**528,000**	**0**	**0**	**0**	**0**	**0**	**8,643**		**536,643**	**271,940**
SŽ EP Logistika, d.o.o.											
Zbigniew Klepacki	chair of the Management Board	18,000	0	0	0	0	0	140	0	18,140	11,348
Melita Rozman Dacar	member of the Management Board (1 January to 25 October 2024)	15,000	0	0	0	0	0	115	0	15,115	10,543
Roman Šilha	member of the Management Board (1 January to 25 October 2024)	15,000	0	0	0	0	0	115	0	15,115	9,459
Tomáš Novotný	deputy chair of the Management Board (1 January to 25 October 2024)	15,000	0	0	0	0	0	115	0	15,115	9,459
Dušan Žičkar	member of the Management Board	18,000	0	0	0	0	0	140	0	18,140	12,658
Gorazd Podbevšek	member of the Management Board (25 October to 31 December 2024)	0	0	0	0	0	0	0	0	0	0
Remigiusz Jan Paszkiewicz	member of the Management Board (25 October to 31 December 2024)	3,339	0	0	0	0	0	24	0	3,363	2,121
Milan Vondráček	deputy chair of the Management Board (25 October to 31 December 2024)	3,339	0	0	0	0	0	24	0	3,363	2,103
Total		**87,678**	**0**	**0**	**0**	**0**	**0**	**673**	**0**	**88,351**	**57,691**
SŽ-Tovorni promet, d.o.o.											
Melita Rozman Dacar	chair of the Management Board (1 January to 1 November 2024)	141,003	0	0	0	0	68,056	4,319	0	213,378	93,957
Remigiusz Jan Paszkiewicz	director	126,717	0	0	0	0	0	7,439	0	134,156	66,282
Ernest Gortan	chair of the Management Board (1 November to 31 December 2024)	24,162	0	0	0	0	0	24	0	24,186	13,063
Tamara Luskovec	workers' director	102,243	0	0	0	0	0	140	0	102,383	57,304
Total		**394,125**	**0**	**0**	**0**	**0**	**68,056**	**11,922**	**0**	**474,103**	**230,606**
SI Cargo Logistic, d.o.o., Belgrade											
Dragan Grujić	director	62,101	0	0	0	0	0	0	0	62,101	44,572
SŽ-Potniški promet, d.o.o.											
Darja Kocjan	director	133,228	0	0	0	0	0	3,309	0	136,537	68,289
Igor Birčaković	workers' director	94,835	0	0	0	0	0	140	0	94,975	55,401
Total		**228,063**	**0**	**0**	**0**	**0**	**0**	**3,449**	**0**	**231,512**	**123,690**
SŽ-Infrastruktura, d.o.o.											
Matjaž Kranjc	director	142,960	0	0	0	0	0	5,973	0	148,933	69,849
Matjaž Skutnik	workers' director (1 January to 1 February 2024)	7,822	0	0	0	0	0	281	0	8,103	4,091
Milorad Šljivić	workers' director (1 February to 31 December 2024)	92,117	0	0	0	0	0	1,359	0	93,476	51,869
Total		**242,899**	**0**	**0**	**0**	**0**	**0**	**7,613**	**0**	**250,512**	**125,809**
SŽ-Vleka in tehnika, d.o.o.											
Dušan Žičkar	director	141,276	0	0	0	0	0	7,892	0	149,168	68,572
Zdravko Skrbiš	workers' director	100,264	0	0	0	0	0	1,893	0	102,157	55,699
Total		**241,540**	**0**	**0**	**0**	**0**	**0**	**9,785**	**0**	**251,325**	**124,271**

in EUR

Name / company	Function	Fixed remuneration – gross	Variable remuneration – gross: Based on quantitative criteria	Variable remuneration – gross: Based on qualitative criteria	Variable remuneration – gross: Total	Deferred remuneration	Termination benefits	Fringe benefits	Repayment of previously paid bonuses (clawback)	Total (gross)	in EUR: Total (net)
		1			2	3	4	5	6	(1 to 6)	
SŽ-ŽIP, storitve, d.o.o.											
Vojka Martinčič	director	127,416	0	0	0	0	0	5,608	0	133,024	66,627
Vesna Ritlop	workers' director	93,813	0	0	0	0	0	4,719	0	98,532	51,133
Total		**221,229**	**0**	**0**	**0**	**0**	**0**	**10,327**	**0**	**231,556**	**117,760**
Fersped, d.o.o.											
Dean Peršić	chair of the Management Board (director)	112,179	0	0	0	0	0	7,920	0	120,099	57,574
Martin Lunak	member of the Management Board (director)	32,300	0	0	0	0	0	7,837	0	40,137	18,431
Total		**144,479**	**0**	**0**	**0**	**0**	**0**	**15,757**	**0**	**160,236**	**76,005**
VV-LOG, d.o.o.											
Dean Peršić	director	0	0	0	0	0	0	0	0	0	0
Martin Lunak	director	0	0	0	0	0	0	0	0	0	0
Total		**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Prometni institut Ljubljana, d.o.o.											
Peter Verlič	director	96,137	0	0	0	0	0	6,143	0	102,280	51,556
SŽ-Železniška tiskarna, d.d.											
Majda Železnik	director	66,411	0	0	0	0	0	190	0	66,601	40,427
SŽ-ŽGP, d.d.											
Anton Žagar	chair of the Management Board	140,218	0	0	0	0	0	6,360	0	146,578	69,468
Pavel Piškur	member of the Management Board – workers' director	113,064	0	0	0	0	0	4,222	0	117,286	59,654
Total		**253,282**	**0**	**0**	**0**	**0**	**0**	**10,582**	**0**	**263,864**	**129,122**

Name / company	Function	Fixed remuneration – gross	Variable remuneration – gross: Based on quantitative criteria	Variable remuneration – gross: Based on qualitative criteria	Variable remuneration – gross: Total	Deferred remuneration	Termination benefits	Fringe benefits	Repayment of previously paid bonuses (clawback)	Total (gross)	in EUR: Total (net)
		1			2	3	4	5	6	(1 to 6)	
Kamnolom Verd, d.o.o.											
Uroš Močnik	director	95,552	0	0	0	0	0	7,879	0	103,431	49,906
Sergij Grmek	authorised signatory	9,600	0	0	0	0	0	0	0	9,600	7,028
Total		**105,152**	**0**	**0**	**0**	**0**	**0**	**7,879**	**0**	**113,031**	**56,934**
Grand total:		**2,671,096**	**0**	**0**	**0**	**0**	**68,056**	**92,963**	**0**	**2,832,115**	**1,450,383**
Other employees on individual contracts		**11,494,673**	**0**	**0**	**0**	**0**	**101,805**	**88,446**	**0**	**11,684,924**	**6,756,426**

Both directors of VV–LOG, d.o.o. are also members of the Management Board of Fersped, d.o.o., and do not receive any remuneration specifically for managing VV–LOG, d.o.o.

Remuneration of the Management Board in the 2023 financial year – Slovenske železnice Group

Name / company	Function	Fixed remuneration – gross	Variable remuneration – gross: Based on quantitative criteria	Variable remuneration – gross: Based on qualitative criteria	Variable remuneration – gross: Total	Deferred remuneration	Termination benefits	Fringe benefits	Repayment of previously paid bonuses (clawback)	Total (gross)	Total (net)
		1			2	3	4	5	6	(1 to 6)	
Controlling company Slovenske železnice, d.o.o.											
Dušan Mes	director-general	139,588	0	0	0	0	0	6,178	0	145,766	74,533
Tomaž Kraškovic	member of the Management Board (director)	136,277	0	0	0	0	0	2,070	0	138,346	70,553
Nina Avbelj Lekič	workers' director	134,023	0	0	0	0	0	2,149	0	136,173	70,334
Total		**409,888**	**0**	**0**	**0**	**0**	**0**	**10,397**		**420,285**	**215,420**
SŽ EP Logistika, d.o.o.											
Zbigniew Klepacki	chair of the Management Board	18,000	0	0	0	0	0	123	0	18,123	12,807
Melita Rozman Dacar	member of the Management Board	18,000	0	0	0	0	0	123	0	18,123	12,605
Roman Šilha	member of the Management Board	18,000	0	0	0	0	0	123	0	18,123	12,807
Tomáš Novotný	deputy chair of the Management Board	18,000	0	0	0	0	0	123	0	18,123	12,807
Dušan Žičkar	member of the Management Board	18,000	0	0	0	0	0	123	0	18,123	12,605
Total		**90,000**	**0**	**0**	**0**	**0**	**0**	**615**	**0**	**90,615**	**63,631**
SŽ-Tovorni promet, d.o.o.											
Melita Rozman Dacar	chair of the Management Board (director)	131,166	0	0	0	0	0	5,453	0	136,619	66,756
Zbigniew Klepacki	chair of the Management Board (director) (1 January to 1 March 2023)	5,000	0	0	0	0	0	1,988	0	6,988	3,253
Remigiusz Jan Paszkiewicz	chair of the Management Board (director) (2 March to 31 December 2023)	99,353	0	0	0	0	0	5,510	0	104,863	51,390
Tamara Luskovec	workers' director	93,793	0	0	0	0	0	123	0	93,916	54,164
Total		**329,312**	**0**	**0**	**0**	**0**	**0**	**13,074**	**0**	**342,386**	**175,563**
SI Cargo Logistic, d.o.o., Belgrade											
Dragan Grujić	director	61,013	0	0	0	0	0	0	0	61,013	44,935
SŽ-Potniški promet, d.o.o.											
Darja Kocjan	director	122,520	0	0	0	0	0	4,135	0	126,655	62,496
Igor Birčaković	workers' director	91,258	0	0	0	0	0	123	0	91,381	52,824
Total		**213,778**	**0**	**0**	**0**	**0**	**0**	**4,258**	**0**	**218,036**	**115,320**
SŽ-Infrastruktura, d.o.o.											
Matjaž Kranjc	director	126,686	0	0	0	0	0	7,196	0	133,882	63,171
Matjaž Skutnik	workers' director	92,940	0	0	0	0	0	4,057	0	96,997	51,202
Total		**219,626**	**0**	**0**	**0**	**0**	**0**	**11,253**	**0**	**230,879**	**114,374**
SŽ-Vleka in tehnika, d.o.o.											
Dušan Žičkar	director	126,438	0	0	0	0	0	8,697	0	135,135	62,303
Zdravko Skrbiš	workers' director	93,619	0	0	0	0	0	2,611	0	96,230	52,476
Total		**220,057**	**0**	**0**	**0**	**0**	**0**	**11,308**	**0**	**231,365**	**114,779**
SŽ-ŽIP storitve, d.o.o.											
Vojka Martinčič	director	129,589	0	0	0	0	0	5,415	0	135,004	72,442
Vesna Ritlop	workers' director	88,307	0	0	0	0	0	5,759	0	94,066	48,291
Total		**217,896**	**0**	**0**	**0**	**0**	**0**	**11,174**	**0**	**229,070**	**120,733**
Fersped, d.o.o.											
Dean Peršić	chair of the Management Board (director)	112,011	0	0	0	0	0	4,399	0	116,410	59,726
Martin Lunak	member of the Management Board (director)	32,192	0	0	0	0	0	21,919	0	54,111	17,333
Total		**144,202**	**0**	**0**	**0**	**0**	**0**	**26,318**	**0**	**170,521**	**77,059**
VV-Log, d.o.o.											
Dean Peršić	director	0	0	0	0	0	0	0	0	0	0
Prometni institut Ljubljana, d.o.o.											
Peter Verlič	director	85,645	0	0	0	0	0	5,045	0	90,699	47,485

in EUR

Name / company	Function	Fixed remuneration – gross	Variable remuneration – gross: Based on quantitative criteria	Variable remuneration – gross: Based on qualitative criteria	Variable remuneration – gross: Total	Deferred remuneration	Termination benefits	Fringe benefits	Repayment of previously paid bonuses (clawback)	Total (gross)	Total (net)
		1			2	3	4	5	6	(1 to 6)	
SŽ-Železniška tiskarna, d.d.											
Majda Železnik	director	59,398	0	0	0	0	0	173	0	59,571	37,074
SŽ-ŽGP, d.d.											
Anton Žagar	director	126,307	0	0	0	0	0	7,958	0	134,265	62,916
Pavel Piškur	workers' director	93,388	0	0	0	0	0	5,218	0	98,606	51,057
Total		**219,695**	**0**	**0**	**0**	**0**	**0**	**13,176**	**0**	**232,871**	**113,973**
Kamnolom Verd, d.o.o.											
Uroš Močnik	director (1 March to 31 December 2023)	72,904	0	0	0	0	0	6,105	0	79,009	39,829
Sergij Grmek	authorised signatory (1 March to 31 December 2023)	8,000	0	0	0	0	0	0	0	8,000	5,818
Total		**80,904**	**0**	**0**	**0**	**0**	**0**	**6,105**	**0**	**87,009**	**45,647**
SŽ-ŽGP Podgorica, d.o.o.											
Veljko Flis	director (1 January to 31 July 2023)	4,099	0	0	0	0	0	0	0	4,099	3,542
Grand total:		**2,355,515**	**0**	**0**	**0**	**0**	**0**	**112,902**	**0**	**2,468,417**	**1,289,534**
Other employees on individual contracts		**9,567,991**	**0**	**0**	**0**	**0**	**0**	**65,578**	**0**	**9,633,569**	**5,856,964**

in EUR

The director of VV-LOG, d.o.o. was also the director of Fersped, d.o.o. in 2023 and received no separate payment for managing VV-LOG, d.o.o.

Remuneration of Supervisory Board members in 2024

EUR

Name / company	Function	Gross annual remuneration for performance of function	Gross annual attendance fees for Supervisory Board and committee meetings	Fringe benefits	Total (gross)	Total (net)	Travel expenses
		1	2	3	(1 to 3)		
Slovenske železnice, d.o.o.							
Gabrijel Škof	member and chair SB, member HRC, member SIC	22,473	7,586	140	30,199	21,968	0
Melita Malgaj	member SB, member and chair AC	15,450	6,160	140	21,750	15,782	0
Aleksander Nagode	member SB, member AC, member and chair SIC	16,854	7,480	140	24,474	17,777	0
Marko Babič	member SB, member AC	14,045	5,280	140	19,465	15,053	1,288
Vinko Filipič	member SB, member AC	14,045	6,160	140	20,345	16,796	2,789
Hilda Pipan	member and deputy chair SB, member and chair HRC	16,573	6,292	140	23,005	17,450	1,022
Silvo Berdajs	member SB (employee representative), member AC, member SIC	16,854	7,480	140	24,474	17,777	0
Zlatko Ratej	member SB (employee representative), member HRC	14,045	6,292	140	20,477	14,851	0
Jože Pavšek	member SB (employee representative)	11,236	3,685	140	15,061	10,886	0
Barbara Nose	external member AC	8,989	2,200	0	11,189	8,191	0
Total		**150,564**	**58,615**	**1,260**	**210,439**	**156,531**	**5,099**
SŽ-Infrastruktura, d.o.o.							
Jernej Pavlič	member and chair SB (1 January to 31 December 2024), member and chair IC (20 March to 31 December 2024)	18,471	7,725	140	26,336	19,140	0
Tjaša Ribič Urh	member and deputy chair SB, member and chair AC	15,192	7,725	140	23,057	16,740	0
Milorad Šljivić	member SB (employee representative), member and deputy chair AC (1–31 January 2024)	1,073	495	10	1,578	1,145	0
Dragan Malinović	member SB, member and deputy chair AC and member IC (20 March to 31 December 2024)	13,816	7,370	129	21,315	15,522	65
Barbara Nose	external member AC	8,240	1,496	0	9,736	7,127	0
Iztok Gornik	external member IC (20 March to 31 December 2024)	6,446	1,584	0	8,030	5,878	0
Total		**63,238**	**26,395**	**419**	**90,052**	**65,552**	**65**

EUR

Name / company	Function	Gross annual remuneration for performance of function	Gross annual attendance fees for Supervisory Board and committee meetings	Fringe benefits	Total (gross)	Total (net)	Travel expenses
		1	2	3	(1 to 3)		
SŽ-ŽGP Ljubljana, d.d.							
Gorazd Podbevšek	chair SB, member AC (1 January to 3 April 2024)	18,025	2,805	140	20,970	15,212	0
Dušan Mes	member and deputy chair SB	11,330	2,530	140	14,000	10,109	0
Bernarda Babič	member SB, member and chair AC	14,162	3,905	140	18,207	13,189	0
Simon Kokalj	member SB (employee representative), member AC	12,875	3,905	140	16,920	12,247	0
Miha Černe	member SB (employee representative)	10,300	2,255	140	12,695	9,154	0
Barbara Nose	external member AC	8,240	1,100	0	9,340	6,838	0
Total		**74,932**	**16,500**	**700**	**92,132**	**66,749**	**0**
SŽ-Železniška tiskarna Ljubljana, d.d.							
Boštjan Koren	member and chair SB	0	302	103	405	193	0
Daniel Vasiljević	member and deputy chair SB	0	226	103	329	138	0
Miran Parkelj	member SB (employee representative) (1 January to 9 October 2024)	0	81	103	184	31	0
Gašper Kranjc	member SB (10 October to 31 December 2024)	0	0	0	0	0	0
Total		**0**	**609**	**309**	**918**	**362**	**0**
SŽ EP Logistika, d.o.o.							
Dušan Mes	member and chair SB	27,000	1,815	140	28,955	21,057	0
Tomaž Kraškovic	member SB (1 January to 8 November 2024)	15,400	1,540	127	17,067	12,367	0
Milan Jelenc	member SB, deputy chair SB, member AC, member and chair IDC	27,900	3,927	140	31,967	23,262	0
Michal Antonin	member SB, member and chair AC, member IDC	26,100	3,927	140	30,167	19,719	0
Miodrag Maksimović	member SB	18,000	440	140	18,580	12,091	0
Silvo Berdajs	member SB, member AC, member IDC	23,400	3,927	140	27,467	19,968	0
Petra Finžgar	external member AC	4,500	1,452	0	5,952	4,357	0
Total		**142,300**	**17,028**	**827**	**160,155**	**112,821**	**0**

EUR

Name / company	Function	Gross annual remuneration for performance of function	Gross annual attendance fees for Supervisory Board and committee meetings	Fringe benefits	Total (gross)	Total (net)	Travel expenses
		1	2	3	(1 to 3)		
SŽ-Potniški promet, d.o.o.							
Tomaž Kraškovic	member and chair SB (1–6 December 2024)	4,883	552	127	5,562	3,945	0
Bernarda Babič	member and deputy chair SB, member and chair AC	5,250	1,242	140	6,632	4,715	0
Aleš Mihelič	member and chair SB (6–31 December 2024)	367	138	12	517	366	0
Leon Didič	member SB (employee representative), member AC	5,250	1,242	140	6,632	4,715	0
Simona Korošec Lavrič	external member AC	4,200	552	0	4,752	3,479	0
Total		**19,950**	**3,726**	**419**	**24,095**	**17,220**	**0**
SŽ-Vleka in tehnika, d.o.o.							
Jožef Petrovič	member and chair SB (1 January to 3 April 2024)	0	0	0	0	0	0
Gorazd Podbevšek	member SB (3 April to 31 December 2024), chair SB (17 April to 31 December 2024)	3,908	690	108	4,706	3,337	0
Jana Končar	member and deputy chair SB, member and chair AC	5,250	1,242	140	6,632	4,715	0
Zdenko Lorber	member SB (employee representative), member AC	5,250	1,242	140	6,632	4,715	0
Petra Finžgar	external member AC	4,200	552	0	4,752	3,479	0
Total		**18,608**	**3,726**	**388**	**22,722**	**16,246**	**0**
SŽ-ŽIP, storitve, d.o.o.							
Miha Butara	member and chair SB	5,250	690	140	6,080	4,311	0
Andreja Košir	member and deputy chair SB, member and chair AC	5,250	1,242	140	6,632	4,715	0
Jože Pavšek	member SB (employee representative), member AC	5,250	1,242	140	6,632	4,715	0
Simona Korošec Lavrič	external member AC	4,200	552	0	4,752	3,479	0
Total		**19,950**	**3,726**	**420**	**24,096**	**17,220**	**0**
Kamnolom Verd, d.o.o.							
Anton Žagar	member and chair SB	6,300	870	140	7,310	5,212	0
Gašper Marc	member SB	4,200	870	140	5,210	3,674	0
Pavel Piškur	member (employee representative) and deputy chair SB	4,793	870	140	5,803	4,108	0
Total		**15,293**	**2,610**	**420**	**18,323**	**12,994**	**0**
Grand total		**504,835**	**132,935**	**5,162**	**642,932**	**465,695**	**5,164**

Remuneration of Supervisory Board members in 2023

in EUR

Name / company	Function	Gross annual remuneration for performance of function	Gross annual attendance fees for Supervisory Board and committee meetings	Fringe benefits	Total (gross)	Total (net)	Travel expenses
		1	2	3	(1 to 3)		
Slovenske železnice, d.o.o.							
Aleksander Mervar	member and chair SB (1–13 January 2023)	498	220	10	728	520	0
Franci Matoz	member and deputy chair SB, member and chair HRC (1 January to 14 February 2023)	1,899	891	19	2,809	2,024	0
Aleksander Nagode	member SB, member and chair SIC (21 February to 31 December 2023)	15,450	6,437	123	22,010	15,885	0
Melita Malgaj	member SB, member and chair AC	14,162	6,116	123	20,401	14,715	0
Gabrijel Škof	member and chair SB (21 February to 31 December 2023), member HRC, member SIC	19,864	6,437	123	26,424	19,096	0
Boris Markočič	member SB, member and chair SIC, member AC (1 January to 14 February 2023)	2,092	1,111	19	3,222	2,324	0
Marko Babič	member SB, member SIC (15 February to 31 December 2023)	11,220	5,060	108	16,388	12,748	1,288
Vinko Filipič	member SB, member AC (15 February to 31 December 2023)	11,220	5,500	108	16,828	13,983	2,546
Hilda Pipan	member and deputy chair SB, member and chair HRC (15 February to 31 December 2023)	13,206	4,620	108	17,934	13,678	1,022
Silvo Berdajs	member SB (employee representative), member AC, member SIC	15,450	6,437	123	22,010	15,885	0
Zlatko Ratej	member SB (employee representative), member HRC	12,875	5,511	123	18,509	13,339	0
Jože Pavšek	member SB (employee representative)	10,300	4,235	123	14,658	10,538	0
Barbara Nose	external member AC	8,240	2,156	0	10,396	7,561	0
Total		**136,476**	**54,731**	**1,110**	**192,317**	**142,296**	**4,856**
SŽ-Infrastruktura, d.o.o.							
Urška Grmek	member and chair SB (1 January to 16 November 2023)	13,562	3,960	107	17,629	12,714	0
Matjaž Trontelj	member and deputy chair SB, member and chair AC (1 January to 16 November 2023)	13,335	5,060	107	18,502	13,350	0
Tjaša Ribič Urh	member SB, member and chair AC (17 November to 31 December 2023)	1,803	1,265	15	3,083	2,227	0
Jernej Pavlič	member and chair SB (17 November to 31 December 2023)	1,889	1,045	15	2,949	2,129	0
Milorad Šljivić	member SB (employee representative), member AC	12,875	6,325	123	19,323	13,931	0
Barbara Nose	external member AC	8,240	1,320	0	9,560	6,593	0
Total		**51,704**	**18,975**	**367**	**71,046**	**50,944**	**0**
SŽ-ŽGP Ljubljana, d.d.							
Gorazd Podbevšek	chair SB, member AC	18,025	3,905	123	22,053	15,916	0
Dušan Mes	member and deputy chair SB	11,330	2,860	123	14,313	10,287	0
Bernarda Babič	member SB, member and chair AC	14,162	4,180	123	18,465	13,307	0
Silvo Berdajs	member SB (employee representative), member AC (1 January to 14 November 2023)	11,230	3,465	107	14,802	10,658	0
Stanislav Debeljak	member SB (employee representative), member AC (1 January to 16 November 2023)	11,301	3,465	107	14,873	10,710	0
Simon Kokalj	member SB (employee representative), member AC (16 November to 31 December 2023)	1,523	495	16	2,034	1,464	0
Miha Černe	member SB (employee representative) (16 November to 31 December 2023)	1,287	495	16	1,798	1,292	0
Barbara Nose	external member AC	7,119	1,320	0	8,439	6,137	0
Total		**75,977**	**20,185**	**615**	**96,777**	**69,771**	**0**
SŽ-Železniška tiskarna Ljubljana, d.d.							
Boštjan Koren	chair SB	0	301	123	424	186	0
Daniel Vasiljević	member SB	0	226	123	349	131	0
Miran Parkelj	member SB (employee representative)	0	226	123	349	131	0
Total		**0**	**753**	**369**	**1,122**	**448**	**0**
SŽ EP Logistika, d.o.o.							
Dušan Mes	member and chair SB	27,000	2,035	123	29,158	21,084	0
Tomaž Kraškovic	member SB	18,000	2,035	123	20,158	14,538	0
Milan Jelenc	member and deputy chair SB, member AC, chair IDC	27,900	4,499	123	32,522	23,530	0
Michal Antonin	member SB, chair AC, member IDC	26,100	4,499	123	30,722	22,562	0
Miodrag Maksimović	member SB	18,000	935	123	19,058	13,936	0
Silvo Berdajs	member SB, member AC, member IDC	23,400	4,499	123	28,022	20,258	0
Petra Finžgar	external member AC	4,500	1,628	0	6,128	4,457	0
Total		**144,900**	**20,130**	**738**	**165,768**	**120,365**	**0**

in EUR

Name / company	Function	Gross annual remuneration for performance of function	Gross annual attendance fees for Supervisory Board and committee meetings	Fringe benefits	Total (gross)	Total (net)	Travel expenses
		1	2	3	(1 to 3)		
SŽ-Potniški promet, d.o.o.							
Tomaž Kraškovic	member and chair SB	5,250	552	123	5,925	4,186	0
Bernarda Babič	member and deputy chair SB, member and chair AC	5,250	1,104	123	6,477	4,588	0
Leon Didič	member SB (employee representative), member AC	5,250	1,104	123	6,477	4,588	0
Simona Korošec Lavrič	external member AC	4,200	552	0	4,752	3,456	0
Total		**19,950**	**3,312**	**369**	**23,631**	**16,818**	**0**
SŽ-Vleka in tehnika, d.o.o.							
Jožef Petrovič	member and chair SB (1–31 January 2023)	437	0	10	447	315	0
Jana Končar	member and deputy chair SB, member and chair AC	5,250	1,104	123	6,477	4,588	0
Zdenko Lorber	member SB (employee representative), member AC	5,250	1,104	123	6,477	4,588	0
Petra Finžgar	external member AC	4,200	552	0	4,752	3,456	0
Total		**15,137**	**2,760**	**256**	**18,153**	**12,947**	**0**
SŽ-ŽIP, storitve, d.o.o.							
Miha Butara	member and chair SB	5,250	552	123	5,925	4,186	0
Andreja Košir	member and deputy chair SB, member and chair AC	5,250	1,104	123	6,477	4,588	0
Jože Pavšek	member SB (employee representative), member AC	5,250	1,104	123	6,477	4,588	0
Simona Korošec Lavrič	external member AC	4,200	552	0	4,752	3,456	0
Total		**19,950**	**3,312**	**369**	**23,631**	**16,818**	**0**
Kamnolom Verd, d.o.o.							
Anton Žagar	member and chair SB	6,300	990	123	7,413	5,269	0
Gašper Marc	member SB	4,200	990	123	5,313	3,741	0
Pavel Piškur	member (employee representative) and deputy chair SB (3 August to 31 December 2023)	4,200	990	123	5,313	3,741	0
Total		**14,700**	**2,970**	**369**	**18,039**	**12,751**	**0**
Grand total		**478,794**	**127,128**	**4,562**	**610,484**	**443,158**	**4,856**

Companies of the Slovenske železnice Group

Transactions with subsidiaries are excluded from the financial statements of the Slovenske železnice Group during consolidation. Transactions with associates are presented below:

in EUR	Sales	Purchases
2024		
Adria Kombi, d.o.o., Ljubljana	13,907,042	300,855
NOMAGO, d.o.o.	169,060	390,505
CKTZ, d. d., Zagreb	65,898	298,738
Total	**14,142,000**	**990,098**
2023		
Adria Kombi, d.o.o., Ljubljana	14,205,057	422,065
Terme Olimia, d.d.	0	84,829
NOMAGO, d.o.o.	115,339	473,467
CKTZ, d. d., Zagreb	95,441	4,466
Total	**14,415,837**	**984,827**

Sales transactions with the associates Adria Kombi, d.o.o., Ljubljana and CKTZ, d.d., Zagreb relate to freight rail transport services. Transactions with NOMAGO, d.o.o. relate to bus passenger transport.

in EUR	Customers	Suppliers
Balance as at 31 December 2024		
Adria Kombi d.o.o., Ljubljana	2,542,140	36,575
NOMAGO, d.o.o.	31,022	60,292
CKTZ, d. d., Zagreb	0	84,231
Total	**2,573,162**	**181,098**
Balance as at 31 December 2023		
Adria Kombi d.o.o., Ljubljana	**2,952,156**	**10,446**
NOMAGO, d.o.o.	10,444	35,826
CKTZ, d. d., Zagreb	0	143
Total	**2,962,600**	**46,415**

Transactions with the government

Slovenske železnice, d.o.o. is 100% owned by the Republic of Slovenia. The company did not transact directly with the Slovenian government in 2024 and 2023, except in connection with ordinary transactions that are not disclosed separately. These include the payment of all taxes. The same applies to other Group companies.

Only the following companies of the Slovenske železnice Group transacted directly with the government:

- SŽ-Infrastruktura, d.o.o.;
- SŽ-Potniški promet, d.o.o.; and
- SŽ-Železniško gradbeno podjetje Ljubljana d.d.

An explanation is given below.

Revenue from transactions between the government and the subsidiary SŽ-Infrastruktura, d.o.o.

in EUR	2024	2023
Public service obligation of the maintenance of the PRI	126,917,492	122,410,731
Public service obligation of traffic control	48,621,723	43,300,000
Performance of tasks as the PRI manager	2,832,501	2,732,400
Operation, management and maintenance of housing and buildings that are not part of PRI	896,134	730,768
Total	**179,267,850**	**169,173,899**

Transactions are performed on the basis of the Agreement on the provision of public railway infrastructure management services for 2021–2030 and Addendum 10 to that agreement for services rendered between 1 January and 31 December 2024.

Revenue from transactions between the government and the subsidiary SŽ-Potniški promet, d.o.o.

in EUR	2024	2023
Revenue from the discharge of the PSO of passenger transport provision	110,919,748	102,167,000
Total	**110,919,748**	**102,167,000**

Under the Agreement on the discharge of the public service obligation (PSO) of the inland and cross-border regional transport of passengers by rail 2017–2031, Addendum 11 to that agreement for the period 1 January to 31 December 2024 and the amendments to the agreement concluded with the Slovenian government, the company received net compensation of EUR 99,835,713 for PSO services provided in 2024 in connection with train kilometres travelled to cover a portion of the costs associated with the performance of the PSO in accordance with the applicable timetable and obligations under the tariff, as well as other compensation in the amount of EUR 11,084,035 for performance of the PSO. That compensation entails a subsidy linked to the price of services, which includes value-added tax of 9.5%. Revenue is therefore disclosed as the net amount of compensation.

Revenue from transactions between the government and the subsidiary SŽ-ŽGP Ljubljana, d.o.o.

in EUR	2024	2023
Performance of construction activities for the Ministry of Infrastructure	28,063,221	16,812,937
Total	**28,063,221**	**16,812,937**

Transactions with associates of the owner

in EUR	31 December 2024	31 December 2023
Balance of current trade and other operating receivables	3,402,231	2,460,253
Balance of current trade and other operating liabilities	13,844,227	9,420,853

in EUR	2024	2023
Revenue	20,524,729	16,304,404
Expenses (costs)	65,173,182	54,080,995

The disclosure of transactions with associates of the owner includes companies in the portfolio of SDH, d.d. in which the participating interest of the Slovenian government and SDH, d.d. is greater than 20%.

Transactions with companies in which key management personnel (management and supervisory bodies) in the SŽ Group or their family members have a participating interest of more than 20%

in EUR	31 December 2024	31 December 2023
Balance of current trade and other operating receivables	8,776	2,862
Balance of current trade and other operating liabilities	7,339	28,433

in EUR	2024	2023
Revenue	71,071	24,227
Expenses (costs)	116,106	185,495

2.3.5. Events after the accounting period

At the 31st session of the General Meeting of SŽ-Železniška tiskarna, d.d., held on 19 February 2025, a decision was adopted in accordance with Article 425 of the Companies Act that SŽ-Železniška tiskarna Ljubljana, d.d. be wound up by fast-track procedure. Following the buyback of shares, Slovenske železnice, d.o.o. became the sole shareholder and, upon the company's deletion from the companies register, will assume the remaining assets and any outstanding liabilities. The decision to wind up the company was entered in the companies register on 28 February 2025. On 16 May 2025 the court issued a ruling establishing that the conditions for the company's deletion from the companies register under the fast-track procedure had been met.

On 13 March 2025 the Supervisory Board of SŽ-ŽGP Ljubljana, d.d. gave its consent to the closure of the Ogranak Belgrade branch of SŽ-ŽGP Ljubljana, d.d. in 2025. The closure of the branch will have no material impact on the operations of SŽ-ŽGP Ljubljana, d.d.

On 21 March 2025 SŽ-Tovorni promet, d.o.o. signed a contract with Alstom Transportation Germany for the purchase of 30 state-of-the-art multi-system electric locomotives. This purchase represents one of the biggest strategic investments of the last two decades and a significant factor in the modernisation of freight transport.

On 27 March 2025 the Management Board of SŽ-EP Logistika adopted Decision No. 323 to increase the capital of SŽ-Tovorni promet, d.o.o. by means of a cash contribution in the amount of EUR 4,000,000 for the purpose of financing the above investment. This move increases the company's capital reserves.

On 25 March 2025 representatives of Slovenske železnice, d.o.o. and Adventura Investments, d.o.o. signed an agreement on the sale of a participating interest in NOMAGO, d.o.o. to Slovenske železnice, d.o.o. The signing of the agreement on the sale/purchase of the remaining 50% participating interest in NOMAGO, d.o.o. between the seller, Adventura Investments, d.o.o., and the buyer, Slovenske železnice, d.o.o., marks the beginning of the final step in the 100% acquisition of NOMAGO, d.o.o. Prior to the completion of the transaction, approval must still be obtained from the Slovenian Competition Protection Agency.

In 2024 and 2025 it was established that certain subsidiaries in the Slovenske železnice Group had been the target of a fraudulent scheme by alleged creditors. The matter is still under investigation and the Group is working actively with all competent authorities. A criminal complaint has been filed against those involved in the fraudulent scheme for the sale of non-existent receivables, and interim injunctions have been obtained which are essential for preventing potential harm. On the basis of currently known circumstances and available documentation, it is considered that the disputed transactions forming part of the fraudulent scheme for the sale of non-existent receivables will not have a material impact on the operations of the companies in the Slovenske železnice Group, since all measures to mitigate potential risks and protect the Group's interests were taken in a timely and prudent manner.

There were no other events after the close of the 2024 financial year that would materially affect these financial statements or require additional disclosures.

3. Financial risks in the Slovenske železnice Group

The financial risks to which the Slovenske železnice Group is exposed include interest-rate risk, liquidity risk and credit risk, while exposure to exchange-rate risk is low. Exposure to financial risks is monitored monthly, while measures to manage those risks are adopted as the need arises.

Interest rate risk

The Slovenske železnice Group manages interest-rate risk in accordance with the Policy on the Comprehensive Management of Risks within the Slovenske železnice Group. A large part of the Slovenske železnice Group's loan portfolio comprises loans raised with a fixed interest rate based on an underlying agreement. Its exposure to interest-rate risk is therefore minimal.

Financial instruments

in EUR	Balance as at 31 December 2024	Balance as at 31 December 2023
Long-term loans to Group companies in the rest of the world	0	39,529,954
Receivables for funds paid to an institution (SŽ-Železniški zdravstveni dom)	2,401,003	2,401,003
Short-term deposits	481,220	591,409
Short-term deposits at banks	102,936,087	98,199,605
Long-term loans to Group companies in the rest of the world	41,351,914	0
Other financial receivables	13,044	12,623
Financial receivables	**147,183,268**	**140,734,594**
Operating receivables (advance payment for rolling stock)	140,343,705	135,594,398
Operating receivables	**140,343,705**	**135,594,398**
Non-current financial liabilities to banks	77,667,852	88,010,668
Current financial liabilities to banks	10,342,816	25,688,937
Non-current lease liabilities	17,375,396	12,108,322
Current lease liabilities	13,913,764	10,035,934
Other current financial liabilities	911,642	7,784,620
Financial liabilities	**120,211,470**	**143,628,481**
Net financial instruments	**167,315,503**	**132,700,511**

The following instruments are used to hedge exposure to interest-rate risk:

- primarily loans with a fixed interest rate;
- in part through the forward market, by entering into interest-rate swaps; and
- in part through current operations, by linking the interest rates on the Slovenske železnice Group's operating receivables exclusively to changes in the Euribor rate.

Balance of financial liabilities with a fixed interest rate:

in EUR	Balance as at 31 December 2024	Balance as at 31 December 2023
Total loans (principal)	68,905,405	81,699,606
Other financial liabilities	29,371,579	26,564,932
Total financial liabilities with a fixed interest rate	**98,276,984**	**108,264,538**

Balance of financial liabilities with a variable interest rate:

in EUR	Balance as at 31 December 2024	Balance as at 31 December 2023
Financial liabilities to banks	19,105,263	32,000,000
Liabilities from finance leases	2,829,223	3,363,943
Financial liabilities with a variable interest rate	**21,934,486**	**35,363,943**

The variable interest rate is linked to Euribor. The annual impact on pre-tax profit of a one percentage point change in the reference interest rate would be positive or negative in the amount of EUR 219 thousand.

Currency risk

The Slovenske železnice Group likewise manages currency risk in accordance with the Policy on the Comprehensive Management of Risks within the Slovenske železnice Group. As the majority of its transactions are in euros and the number of transactions in other currencies is relatively small and linked to transactions with subsidiaries in Serbia, the Group is less exposed to currency risk. Transactions abroad are also conducted in US dollars. We estimate that the Slovenske železnice Group is not exposed to major risks in this regard, as the volatility of the Serbian dinar (RSD) is relatively low, as the table below shows. We manage the majority of such risks using hedges. An unfavourable change in any currency pairing of 10% would therefore not have a significant impact on the Group's operating profit (operating profit would have been reduced by no more than EUR 48,072 in 2024 and EUR 19,014 in 2023).

EUR 1	31 December 2024	31 December 2023
RSD	116.96	117.41
USD	1.0389	1.1050

31 December 2024

in EUR	EUR	MKD	RSD	USD	Total
Cash and cash equivalents	58,924,223	567	305,472	228	59,230,490
Current operating receivables (excluding receivables from the government)	74,085,761		168,802	18,115	74,272,678
Non-current operating receivables	45,713,692				45,713,692
Current financial receivables	144,290,953				144,290,953
Non-current financial receivables	2,892,315				2,892,315
Non-current operating liabilities (excluding other liabilities)	69,429,805				69,429,805
Current operating liabilities (excluding liabilities to the government and employees, and liabilities from advances)	52,130,988		12,400	63	52,143,451
Non-current financial liabilities	95,043,248				95,043,248
Current financial liabilities	25,168,222				25,168,222
Exposure in the statement of financial position	84,134,681	567	461,874	18,280	84,615,402

31 December 2023

in EUR	EUR	MKD	RSD	USD	Total
Cash and cash equivalents	79,790,608	1,438	96,104	69,435	79,957,585
Current operating receivables (excluding receivables from the government)	65,343,752		148,224	4,343	65,496,319
Non-current operating receivables	141,077,137				141,077,137
Current financial receivables	98,202,136				98,202,136
Non-current financial receivables	42,532,458				42,532,458
Non-current operating liabilities (excluding other liabilities)	80,821,628				80,821,628
Current operating liabilities (excluding liabilities to the government and employees, and liabilities from advances)	42,683,378		5,396	124,005	42,812,779
Non-current financial liabilities	100,118,990				100,118,990
Current financial liabilities	43,509,491				43,509,491
Exposure in the statement of financial position	159,812,604	1,438	238,932	-50,227	160,002,747

The Slovenske železnice Group's entire credit portfolio is in euros. Its credit obligations are thus not exposed to currency risk.

Liquidity risk

With the aim of managing liquidity risk, the Slovenske železnice Group implemented a policy on the regular management of its liquidity and solvency in 2024. It used that policy for the daily, monthly and annual monitoring of the liquidity position of the Group as a whole and of the companies in the Group.

Liquidity risk management requires the management of such liquidity risk by individual category:

- the management of liquidity risk from operations, which is closely linked to credit risk; and
- the management of liquidity risk from financing, which constitutes a risk linked to the securing of sufficient financial resources for the Group's operations and investments.

Liquidity risk management is centralised at the controlling company for all Group companies. The continuous monitoring of cash flows, the implementation of the Slovenske železnice Group's cash management policy (Group companies have signed a cash-pooling agreement for the purpose of managing and balancing liquidity within the Group), and the availability and securing of the necessary short-term revolving credit lines in the amount of EUR 60 million ensured that the liquidity of the Slovenske železnice Group was controlled and secured in 2024, and that liquidity risk was well-managed. Current credit lines are regularly rolled over.

Contractual maturities of financial assets and liabilities in 2024

in EUR		Contractual cash flows				
	Carrying amount of assets	Contract assets	0–6 months	6–12 months	1–3 years	More than 3 years
Non-current financial assets						
Deposits at banks	491,312	491,312			453,220	38,092
Other financial receivables	2,401,003	2,401,003				2,401,003
Operating receivables from others	45,713,692	45,713,692				45,713,692
Current financial assets						
Deposits at banks	102,936,087	103,251,393	103,251,393			
Financial receivables from others	41,354,866	42,409,220	0	42,409,220		
Operating receivables (excluding receivables from the government)	74,272,678	74,272,678	74,272,678			
Cash and cash equivalents	59,230,490	59,230,490	59,230,490			
Balance as at 31 December 2024	**326,400,128**	**327,769,789**	**236,754,561**	**42,409,220**	**453,220**	**48,152,787**
Long-term borrowings	77,667,852	83,201,655			23,595,311	59,606,344
Non-current lease liabilities	17,375,396	21,386,251			19,310,441	2,075,810
Other non-current operating liabilities	69,429,805	69,429,805			51,181,366	18,248,439
Short-term borrowings	10,342,816	12,249,680	6,209,257	6,040,423		
Other current financial liabilities	911,642	911,642	911,642			
Current lease liabilities	13,913,764	14,070,361	7,578,559	6,491,802		
Current operating liabilities (excluding liabilities to the government and employees, and liabilities from advances)	52,143,451	52,143,451	52,143,451			
Balance as at 31 December 2024	**241,784,726**	**253,392,845**	**66,842,909**	**12,532,225**	**94,087,118**	**79,930,593**
Net as at 31 December 2024	**84,615,402**	**74,376,944**	**169,911,652**	**29,876,995**	**-93,633,898**	**-31,777,806**

Contractual maturities of financial assets and liabilities in 2023

in EUR		Contractual cash flows				
	Carrying amount of assets	Contract assets	0–6 months	6–12 months	1–3 years	More than 3 years
Non-current deposits at banks	601,501	601,501			563,409	38,092
Loans granted	38,430,000	42,409,220			42,409,220	
Other non-current financial receivables	42,532,458	42,532,458			42,532,458	
Non-current operating receivables from others	141,077,137	141,077,137				141,077,137
Current deposits at banks	98,000,000	98,867,819	78,187,418	20,680,402		
Current financial receivables from others	202,136	202,136	202,136			
Current operating receivables (excluding receivables from the government)	65,496,319	65,496,319	65,496,319			
Cash and cash equivalents	79,957,585	79,957,585	79,957,585			
Balance as at 31 December 2023	**466,297,136**	**471,144,176**	**223,843,458**	**20,680,402**	**85,505,087**	**141,115,229**
Long-term borrowings	88,010,668	95,324,804			24,024,921	71,299,883
Non-current lease liabilities	12,108,322	14,115,017			12,450,717	1,664,300
Other non-current operating liabilities	80,821,628	80,821,628			38,418,922	42,402,706
Short-term borrowings	25,688,937	27,719,313	19,907,911	7,811,402		
Other current financial liabilities	7,784,620	7,784,620	7,784,620			
Current lease liabilities	10,035,934	10,147,829	5,619,426	4,528,403		
Current operating liabilities (excluding liabilities to the government and employees, and liabilities from advances)	42,812,779	42,812,779	42,812,779			
Balance as at 31 December 2023	**267,262,888**	**278,725,990**	**76,124,736**	**12,339,805**	**74,894,560**	**115,366,889**
Net as at 31 December 2023	**199,034,248**	**192,418,186**	**147,718,722**	**8,340,597**	**10,610,527**	**25,748,340**

Credit risk

Credit risk is the risk of financial loss arising from a debtor failing to partially or fully settle their obligations to the Slovenske železnice Group. The deteriorating liquidity of partners on the market requires additional attention when monitoring their credit ratings, providing appropriate collateral and ensuring the regular collection of due receivables. Investments in the system for monitoring the credit ratings of the Slovenske železnice Group's partners have reduced credit risk. The adverse economic conditions and the associated increased probability of failure to fulfil contractually defined obligations by partners require the Slovenske železnice Group to pay special attention to the management of credit risks. For this reason, several departments are actively involved in the credit risk management process.

The credit risk management process is supplemented during the formulation of the portfolio through the careful selection of partners, followed by the regular review of the credit quality of those partners.

Checks of customers were carried out in 2024 with the help of an external rating agency and publicly available information. The operations and financial position of specific customers were monitored regularly, as was the company's exposure to those customers. Risk management measures were adopted as required.

The Slovenske železnice Group is exposed to credit risk in relation to the following financial assets:

in EUR	Balance as at 31 December 2024	Balance as at 31 December 2023
Non-current and current financial receivables (2.3.1.6)	147,183,268	140,734,594
of which: - deposits with domestic and foreign banks	103,417,307	98,791,014
- receivables due from foreign companies	41,351,914	39,529,954
- other non-current and current financial receivables	2,414,047	2,413,626
Non-current and current operating receivables	249,081,815	228,628,001
of which: – advances for the purchase of property, plant and equipment (2.3.1.12)	140,606,099	136,077,344
- trade receivables (2.3.1.11)	74,272,678	65,496,319
- other non-current and current operating receivables	34,203,038	27,054,338
Cash and cash equivalents (2.3.1.11)	59,230,490	79,957,585
Total	**455,495,573**	**449,320,180**

In terms of bank transactions, the Slovenske železnice Group is primarily exposed to credit risk through deposits placed with banks and cash holdings. In line with the adopted policy, bank deposits are placed with prime banks established in the EU or EFTA countries. Prime status is assessed on the basis of the most recent available credit rating of the bank. To qualify as a prime institution, a bank must have a minimum credit rating of BBB- from Standard & Poor's or Fitch, or Baa3 from Moody's. If a given bank has not been rated by these agencies, the rating of the banking group to which the bank belongs is used as the reference. As at 31 December 2024, deposits with banks were placed with domestic and foreign banks established in the EU, whose credit ratings under Standard & Poor's methodology range between A+ and BBB+. Cash holdings are placed in accounts with domestic banks whose credit ratings under the same methodology are at least BBB-. In both cases – deposits and cash holdings – the Slovenske železnice Group regularly monitors its maximum exposure to any individual bank.

Receivables from foreign companies comprise a loan granted to EP Logistics International, which is secured by a guarantee from the borrower's parent company.

The Slovenske železnice Group considers that, in connection with bank deposits and the loan granted to the foreign company, it is not exposed to credit risk. In the individual assessment of the above financial receivables, no significant increase in credit risk was identified in the twelve months following initial recognition (Level 1), and no impairment of these financial assets is therefore required. Should a significant increase in credit risk (Level 2) be identified for any of these financial receivables, the necessary impairment would be recorded.

Advances paid for the acquisition of property, plant and equipment (Note 2.3.1.12) relate mostly to an advance paid by SŽ-Potniški promet, d.o.o. for the purchase of new multiple units, in the amount of EUR 140,343,708 (EUR 135,594,397 as at 31 December 2023). The advance is fully secured by a bank guarantee valid for at least 30 days after the successful technical acceptance of the last multiple unit. The Slovenske železnice Group has not identified any increase in credit risk in this case either (Level 1).

Trade receivables constitute a credit risk and, compared to the end of 2023, have increased by EUR 8,776,360.

Maturity of trade receivables (gross amount):

in EUR	Maturity							
		Past-due				Total	Value adjustments to receivables	Net value of receivables
As at	Non-past-due	up to 30 days	31–90 days	91–365 days	more than 365 days			
31 December 2024	67,822,175	4,056,462	2,204,237	1,213,765	3,935,901	79,232,540	4,959,862	74,272,678
31 December 2023	61,663,633	2,147,569	1,101,060	976,318	4,585,519	70,474,099	4,977,780	65,496,319

The share of past-due receivables rose by 1.9 percentage points compared to the position as at 31 December 2023 (see Note 2.3.1.11).

The Slovenske železnice Group reports receivables from various natural and legal persons, with the highest credit exposure to four major customers (with a total gross amount of EUR 34,454,484, or 43.6% of all gross trade receivables as at 31 December 2024). These are primarily receivables of SŽ-Potniški promet, d.o.o., SŽ-Infrastruktura, d.o.o., and SŽ-ŽGP Ljubljana, d.d. from the state (Note 2.3.4), arising under the Agreement on the discharge of the public service obligation of passenger transport, the Agreement on the discharge of the public service obligation of management, maintenance and operation of public railway infrastructure, contracts to provide construction services for the state, and incentives for rail freight transport (Note 2.3.1.11).

Despite the high exposure to these contractual partners, the Slovenske železnice Group does not consider there to be a risk of non-payment. The remainder of the trade receivables is spread across a larger number of customers, so the Slovenske železnice Group is not significantly exposed to any individual customer.

Impairment of trade receivables is disclosed in Note 2.3.1.11.

4. Capital adequacy management

The underlying purpose of capital management is to ensure capital adequacy, the highest possible level of financial stability, long-term solvency and the maximisation of value for the Group's owners.

in EUR	2024	2023
Non-current financial liabilities	95,043,248	100,118,990
Current financial liabilities	25,168,222	43,509,491
Total financial liabilities	120,211,470	143,628,481
Total equity	901,074,217	864,346,585
Debt/equity	**0.13**	**0.17**
Cash and cash equivalents	59,230,490	79,957,585
Net financial liabilities	60,980,980	63,670,896
Net debt/equity	**0.07**	**0.07**

5. Carrying amount and fair value of financial instruments

The table below only includes information regarding classification to the fair value hierarchy for assets and financial liabilities measured at fair value and for which fair value is disclosed.

in EUR	31 December 2024				
	Carrying amount	Fair value	Level 1	Level 2	Level 3
Non-current financial assets					
Investments in shares and participating interests measured at fair value through profit or loss that are not quoted on a regulated market	2,144,340	2,144,340			2,144,340
Long-term deposits at banks	481,220	481,220			481,220
Other non-current financial assets	2,411,095	2,411,095			2,411,095
Current financial assets					
Trade receivables	74,272,678	74,272,678		74,272,678	
Financial receivables	144,290,953	144,290,953		144,290,953	
Cash and cash equivalents	59,230,490	59,230,490	59,230,490		
Non-current financial liabilities					
Loans received	77,667,852	87,056,367		87,056,367	
Lease liabilities	17,375,396	17,375,396			17,375,396
Current financial liabilities					
Loans received	10,342,816	13,557,444		13,557,444	
Other financial liabilities	911,642	911,642		911,642	
Lease liabilities	13,913,764	13,913,764			13,913,764
Trade payables	52,143,451	52,143,451		52,143,451	

in EUR	31 December 2023				
	Carrying amount	Fair value	Level 1	Level 2	Level 3
Non-current financial assets					
Investments in shares and participating interests measured at fair value through profit or loss that are not quoted on a regulated market	2,144,340	2,144,340			2,144,340
Long-term deposits at banks	591,409	591,409			591,409
Other non-current financial assets	41,941,049	41,941,049			41,941,049
Current financial assets					
Trade receivables	65,496,319	65,496,319		65,496,319	
Financial receivables	98,202,136	98,202,136		98,202,136	
Cash and cash equivalents	79,957,585	79,957,585	79,957,585		
Non-current financial liabilities					
Loans received	88,010,668	107,452,678		107,452,678	
Lease liabilities	12,108,322	12,108,322			12,108,322
Current financial liabilities					
Loans received	25,688,937	31,443,685		31,443,685	
Other financial liabilities	7,784,620	7,784,620		7,784,620	
Lease liabilities	10,035,934	10,035,934			10,035,934
Trade payables	42,812,779	42,812,779		42,812,779	

The Slovenske železnice Group did not record any transitions between fair value levels in 2024.

6. Separate financial statements of the company Slovenske železnice, d.o.o.

6.1. Separate statement of financial position

in EUR	Note	Balance as at 31 December 2024	31 December 2023
ASSETS		**831,442,995**	**804,961,742**
A. Non-current assets		**713,891,049**	**710,740,154**
Intangible assets	6.6.1.1	26,062,934	23,977,179
Right-of-use assets	6.6.1.2	116,373	160,788
Property, plant and equipment	6.6.1.3	26,161,368	21,891,538
Investment property	6.6.1.4	48,073,835	49,429,730
Investments in subsidiaries	6.6.1.5	572,342,628	572,454,516
Investments in associates	6.6.1.5	30,770,339	31,515,451
Other financial assets	6.6.1.5	2,140,782	2,140,782
Financial receivables	6.6.1.6	2,401,003	2,401,003
Operating receivables	6.6.1.11	2,789,448	5,034,154
Deferred tax assets	6.6.1.7	1,584,652	1,251,801
Other non-current assets	6.6.1.8	1,447,687	483,212
B. Current assets		**117,551,946**	**94,221,588**
Assets held for sale	6.6.1.9	40,188	15,323
Financial receivables	6.6.1.6	90,636,145	74,273,155
Trade receivables	6.6.1.10	6,449,965	5,008,857
Other operating receivables	6.6.1.11	1,055,199	922,478
Other current assets	6.6.1.12	934,658	362,308
Receivables for corporate income tax	6.6.1.13	60,237	95,339
Cash and cash equivalents	6.6.1.14	18,375,554	13,544,128

in EUR	Note	Balance as at 31 December 2024	31 December 2023
EQUITY AND LIABILITIES		**831,442,995**	**804,961,742**
A. Equity	6.6.1.15	**625,338,194**	**619,481,005**
Share capital		509,529,921	509,529,921
Share premium account		45,002,140	45,002,140
Statutory reserves		5,144,338	4,637,603
Other profit reserves		60,243,483	50,314,305
Fair value reserves		153,266	138,312
Retained earnings		5,265,046	9,858,724
1. Retained earnings		137,084	4,429,546
2. Undistributed net profit for the financial year		5,127,962	5,429,178
B. Non-current liabilities		**58,301,143**	**62,423,962**
Provisions for loyalty bonuses and severance pay	6.6.1.16	1,978,315	1,884,211
Other provisions	6.6.1.16	68,000	195,773
Non-current deferred income	6.6.1.16	752	5,917
Financial liabilities	6.6.1.17	54,752,220	60,206,809
Lease liabilities	6.6.1.18	79,674	121,001
Trade payables	6.6.1.19	1,422,182	10,251
C. Current liabilities		**147,803,658**	**123,056,775**
Financial liabilities	6.6.1.17	139,355,814	111,355,511
Lease liabilities	6.6.1.18	46,227	47,243
Trade payables	6.6.1.21	4,923,885	8,103,354
Other operating liabilities	6.6.1.19	2,750,601	2,671,055
Other current liabilities	6.6.1.20	727,131	879,612

The accounting policies and notes are a constituent part of the financial statements and must be read in conjunction with them.

6.2. Separate income statement

in EUR	Note	2024	2023
1. Revenue from contracts with customers	6.6.2.1	36,960,667	31,872,278
4. Other operating revenue (including revaluation operating revenue)	6.6.2.2	1,472,234	4,534,214
5. Costs of goods, materials and services	6.6.2.3	11,951,917	10,902,151
6. Labour costs	6.6.2.4	21,779,305	18,907,824
7. Write-downs	6.6.2.5	3,888,414	3,200,484
8. Other operating expenses	6.6.2.6	697,620	3,150,792
9. Operating profit or loss (1 + 4 - 5 - 6 - 7 - 8)		**115,645**	**245,241**
10. a) Finance income from dividends and shares in profit	6.6.2.7	12,434,793	14,944,633
b) Finance income from interest	6.6.2.7	1,950,116	2,491,159
11. Finance costs	6.6.2.8	4,698,708	6,837,536
12. Net finance income/costs (10 - 11)		**9,686,201**	**10,598,256**
13. Earnings before tax (9 + 12)		**9,801,846**	**10,843,497**
14. Current tax		0	56,752
15. Deferred taxes	6.6.1.7	-332,851	-643,104
16. Corporate income tax	6.6.2.9	**-332,851**	**-586,352**
17. Net profit or loss for the accounting period		**10,134,697**	**11,429,849**

The accounting policies and notes are a constituent part of the financial statements and must be read in conjunction with them.

6.3. Separate statement of other comprehensive income

in EUR	Note	2024	2023
Net profit or loss for the accounting period	6.2	**10,134,697**	**11,429,849**
Items that will not be reclassified subsequently to profit or loss		**22,492**	**-65,620**
Actuarial gains/losses		22,492	-65,620
Other comprehensive income for the financial year		**22,492**	**-65,620**
Total comprehensive income for the accounting period		**10,157,189**	**11,364,229**

The accounting policies and notes are a constituent part of the financial statements and must be read in conjunction with them.

6.4. Separate cash flow statement

in EUR	Note	2024	2023
A. CASH FLOWS FROM OPERATING ACTIVITIES			
a) Net profit or loss	6.2	**10,134,697**	**11,429,849**
Pre-tax profit		9,801,846	10,843,497
Corporate income tax and other taxes not included in operating expenses		-332,851	-586,352
b) Adjustments for		**-8,006,405**	**-12,312,517**
Amortisation/depreciation (+)	6.6.2.5	3,751,165	3,144,656
Revaluation operating revenue (-)		-1,408,936	-4,243,160
Revaluation operating expenses (+)	6.6.2.5	137,249	55,828
Finance income, excluding finance income from operating receivables (-)	6.6.2.7	-14,377,895	-17,432,210
Finance costs, excluding finance costs from operating liabilities (+)	6.6.2.8	4,694,406	6,795,500
Actuarial calculation of provisions for employee benefits		176,806	139,712
Tax expenses		-297,749	-904,362
Calculation of other provisions		-127,773	137,274
Disposals based on exchange contract with the City of Ljubljana		-514,817	0
Contributions waived for persons with disabilities		-38,861	0
Revenue from the reversal of accrued audit expenses and unused annual leave		0	-1,000
Other adjustments to revenue and expenses	6.6.3	0	-4,755
c) Change in net working capital (and provisions and deferred tax assets and liabilities) from balance sheet operating items		**-2,228,238**	**36,576,198**
Opening less closing operating receivables		-722,811	38,959,970
Closing less opening operating liabilities		-1,386,100	-2,279,180
Closing less opening provisions		-119,327	-104,592
d) Net cash flows from operating activities (a + b + c)		**-99,946**	**35,693,530**
B. CASH FLOWS FROM INVESTING ACTIVITIES			
a) Proceeds from investing activities		**408,556,188**	**488,756,265**
Receipts of profit shares in group companies, associates and other companies	6.6.2.7	12,434,793	8,182,817
Inflows from interest received		1,910,376	2,408,441
Inflows from the disposal of intangible assets	6.6.1.1	0	1,676,750
Inflows from disposal of property, plant and equipment	6.6.1.3	1,484,292	1,695,505
Inflows from disposal of investment property	6.6.1.4	0	1,013,764
Inflows from the disposal of financial receivables	6.6.1.6	392,726,727	473,778,988
b) Disbursements from investing activities		**-424,185,526**	**-455,576,827**
Outflows for acquisition of intangible assets	6.6.1.1	-4,321,739	-4,789,125
Outflows for acquisition of property, plant and equipment	6.6.1.3	-4,558,063	-2,391,528
Outflows for the acquisition of investment property	6.6.1.4	-82,531	-53,086
Outflows for the acquisition of a stake in the associate NOMAGO, d.o.o.		-6,133,476	-3,777,455
Outflows for the acquisition of financial receivables	6.6.1.6	-409,089,717	-444,565,633
c) Net cash flows from investing activities (a + b)		**-15,629,338**	**33,179,438**
C. CASH FLOWS FROM FINANCING ACTIVITIES			
a) Receipts from financing activities		**515,549,000**	**704,245,000**
Inflows from the increase in financial liabilities	6.6.1.17	515,549,000	704,245,000
b) Disbursements from financing activities		**-494,988,290**	**-795,543,385**
Outflows for interest paid on leases		-9,239	-11,631
Outflows for other interest paid		-3,971,335	-5,106,598
Outflows for the repayment of financial liabilities	6.6.1.17	-486,667,526	-790,379,608
Outflows for the repayment of lease liabilities	6.6.1.18	-40,190	-45,548
Outflows for payment of dividends and other shares in profit	6.6.1.15	-4,300,000	0
c) Net cash flow from financing activities (a + b)		**20,560,710**	**-91,298,385**
D. CLOSING BALANCE OF CASH	6.6.1.14	**18,375,554**	**13,544,128**
x) Net cash flow for the period (sum of Ad, Bc and Cc)		**4,831,426**	**-22,425,417**
y) Opening balance of cash and cash equivalents		**13,544,128**	**35,969,545**

The accounting policies and notes are a constituent part of the financial statements and must be read in conjunction with them.

6.5. Separate statement of changes in equity

In the period 1 January to 31 December 2024

in EUR	Share capital	Share premium account	Legal reserves	Other profit reserves	Fair value reserves	Retained earnings	Retained earnings	Total
							Undistributed net profit for the financial year	
Opening balance for the reporting period	**509,529,921**	**45,002,140**	**4,637,603**	**50,314,305**	**138,312**	**4,429,546**	**5,429,178**	**619,481,005**
Changes in equity items (transactions with owners)	**0**	**0**	**0**	**0**	**0**	**-4,300,000**	**0**	**-4,300,000**
Payment of shares in profit						-4,300,000		-4,300,000
Changes in total comprehensive income for the reporting period	**0**	**0**	**0**	**0**	**14,954**	**7,538**	**10,134,697**	**10,157,189**
Entry of net profit or loss for reporting period							10,134,697	10,134,697
Actuarial gains/losses					14,954	7,538		22,492
Changes in equity	**0**	**0**	**506,735**	**9,929,178**	**0**	**0**	**-10,435,913**	**0**
Allocation of remaining portion of net profit for comparable reporting period to other components of equity				5,429,178			-5,429,178	0
Allocation of a portion of net profit from the reporting period to other components of equity pursuant to resolution of management and supervisory bodies			506,735	4,500,000			-5,006,735	0
Closing balance for the reporting period	**509,529,921**	**45,002,140**	**5,144,338**	**60,243,483**	**153,266**	**137,084**	**5,127,962**	**625,338,194**

The accounting policies and notes are a constituent part of the financial statements and must be read in conjunction with them.

From 1 January to 31 December 2023

in EUR	Share capital	Share premium account	Legal reserves	Other profit reserves	Fair value reserves	Retained earnings	Retained earnings	Total
							Undistributed net profit for the financial year	
Opening balance for the reporting period	**509,529,921**	**45,002,140**	**4,066,110**	**49,185,127**	**216,027**	**7,886,359**	**2,057,080**	**617,942,764**
Changes in equity items (transactions with owners)	**0**	**0**	**0**	**0**	**0**	**-9,825,988**	**0**	**-9,825,988**
Payment of shares in profit (material dividend)						-9,825,988		-9,825,988
Changes in total comprehensive income for the reporting period	**0**	**0**	**0**	**0**	**-77,715**	**12,095**	**11,429,849**	**11,364,229**
Entry of net profit for reporting period							11,429,849	11,429,849
Actuarial gains/losses					-77,715	12,095		-65,620
Changes in equity	**0**	**0**	**571,493**	**1,129,178**	**0**	**6,357,080**	**-8,057,751**	**0**
Allocation of remaining portion of net profit for comparable reporting period to other components of equity						2,057,080	-2,057,080	0
Allocation of a portion of net profit from the reporting period to other components of equity pursuant to resolution of management and supervisory bodies			571,493	5,429,178			--6.000.671	0
Allocation of reserves to other components of equity				-4,300,000		4,300,000		0
Closing balance for the reporting period	**509,529,921**	**45,002,140**	**4,637,603**	**50,314,305**	**138,312**	**4,429,546**	**5,429,178**	**619,481,005**

The accounting policies and notes are a constituent part of the financial statements and must be read in conjunction with them.

Distributable profit

in EUR	31 December 2024	31 December 2023
Mandatory use of net profit		
Net loss	10,134,697	11,429,849
Creation of legal reserves	-506,735	-571,493
Net profit following mandatory use	**9,627,962**	**10,858,356**
Creation of other profit reserves	-4,500,000	-5,429,178
Determination of distributable profit		
Net profit from continuing operations	5,127,962	5,429,178
Retained earnings	137,084	129,546
Transfer of other reserves to profit brought forward	0	4,300,000
Distributable profit	**5,265,046**	**9,858,724**

6.6. Notes to the separate financial statements

6.6.1. Notes to the separate statement of financial position

6.6.1.1. Intangible assets

in EUR	31 December 2024	31 December 2023
Long-term property rights	26,062,934	23,977,179
Total	**26,062,934**	**23,977,179**

Intangible assets comprise licences and software.

Changes in intangible assets

in EUR	Long-term property rights	Other intangible assets in acquisition	Non-current deferred development costs	Total
Historical cost				
Balance as at 1 January 2023	**20,992,522**	**5,987,643**	**129,683**	**27,109,848**
Acquisitions	1,294,401	4,835,984	0	6,130,385
Disposals	-1,618,675	0	0	-1,618,675
Balance as at 31 December 2023	**20,668,248**	**10,823,627**	**129,683**	**31,621,558**
Balance as at 1 January 2024	**20,668,248**	**10,823,627**	**129,683**	**31,621,558**
Acquisitions	1,028,363	2,690,297	0	3,718,660
Disposals	-55,225	0	0	-55,225
Write-downs	0	-33,834	0	-33,834
Balance as at 31 December 2024	**21,641,386**	**13,480,090**	**129,683**	**35,251,159**
Value adjustment				
Balance as at 1 January 2023	**6,289,564**	**0**	**129,683**	**6,419,247**
Disposals	-304,253	0	0	-304,253
Amortisation	1,529,385	0	0	1,529,385
Balance as at 31 December 2023	**7,514,696**	**0**	**129,683**	**7,644,379**
Balance as at 1 January 2024	**7,514,696**	**0**	**129,683**	**7,644,379**
Disposals	-55,225	0	0	-55,225
Depreciation/amortisation	1,599,071	0	0	1,599,071
Balance as at 31 December 2024	**9,058,542**	**0**	**129,683**	**9,188,225**
Carrying amount				
Carrying amount as at 1 January 2023	**14,702,958**	**5,987,643**	**0**	**20,690,601**
Carrying amount as at 31 December 2023	**13,153,552**	**10,823,627**	**0**	**23,977,179**
Carrying amount as at 1 January 2024	**13,153,552**	**10,823,627**	**0**	**23,977,179**
Carrying amount as at 31 December 2024	**12,582,844**	**13,480,090**	**0**	**26,062,934**

As at 31 December 2024, Slovenske železnice, d.o.o. had commitments to acquire intangible assets in the amount of EUR 1,590,786 (EUR 2,550,348 as at 31 December 2023). The company has not pledged items of intangible assets as collateral.

A total of 21.2% of all intangible assets in use as at 31 December 2024 have been amortised in full (that proportion stood at 16.7% as at 31 December 2023). That proportion is calculated by taking into account the historical cost of intangible assets.

6.6.1.2. Right-of-use lease assets

in EUR	31 December 2024	31 December 2023
Right-of-use assets – land	183	0
Right-of-use assets – buildings	108,454	146,890
Right-of-use assets – equipment	7,736	13,898
Total	**116,373**	**160,788**

Changes in right-of-use assets

in EUR	Right-of-use assets (land)	Right-of-use assets (buildings)	Right-of-use assets (equipment)	Total
Cost				
Balance as at 1 January 2023	**0**	**380,219**	**59,489**	**439,708**
Increases	0	45,373	22,795	68,168
Decreases	0	-171,283	-63,799	-235,082
Balance as at 31 December 2023	**0**	**254,309**	**18,485**	**272,794**
Balance as at 1 January 2024	**0**	**254,309**	**18,485**	**272,794**
Increases	458	6,194	0	6,652
Decreases	0	-8,804	0	-8,804
Balance as at 31 December 2024	**458**	**251,699**	**18,485**	**270,642**
Value adjustment				
Balance as at 1 January 2023	**0**	**129,375**	**58,701**	**188,076**
Decreases	0	-63,223	-62,214	-125,437
Depreciation/amortisation	0	41,267	8,100	49,367
Balance as at 31 December 2023	**0**	**107,419**	**4,587**	**112,006**
Balance as at 1 January 2024	**0**	**107,419**	**4,587**	**112,006**
Depreciation/amortisation	275	35,826	6,162	42,263
Balance as at 31 December 2024	**275**	**143,245**	**10,749**	**154,269**
Carrying amount				
Balance as at 1 January 2023	**0**	**250,844**	**788**	**251,632**
Balance as at 31 December 2023	**0**	**146,890**	**13,898**	**160,788**
Balance as at 1 January 2024	**0**	**146,890**	**13,898**	**160,788**
Balance as at 31 December 2024	**183**	**108,454**	**7,736**	**116,373**

The company had liabilities from right-of-use lease assets in the amount of EUR 125,902 as at 31 December 2024 (EUR 168,244 as at 31 December 2023).

6.6.1.3. Property, plant and equipment

in EUR	31 December 2024	31 December 2023
Land	8,816,127	7,715,734
Buildings	8,331,118	8,922,854
Equipment	2,780,831	2,826,399
Property, plant and equipment in acquisition	6,233,292	2,426,551
Total	**26,161,368**	**21,891,538**

Changes in property, plant and equipment

in EUR	Land	Buildings	Equipment	Property, plant and equipment in acquisition	Total property, plant and equipment
Historical cost					
Balance as at 1 January 2023	**3,908,886**	**20,670,388**	**8,799,221**	**1,294,577**	**34,673,072**
Acquisitions	0	415,397	879,256	1,131,974	2,426,627
Transfer between companies in the Group	4,011,206	266,644	0	0	4,277,850
Disposals	-204,358	-139,049	-321,395	0	-664,802
Balance as at 31 December 2023	**7,715,734**	**21,213,380**	**9,357,082**	**2,426,551**	**40,712,747**
Balance as at 1 January 2024	**7,715,734**	**21,213,380**	**9,357,082**	**2,426,551**	**40,712,747**
Acquisitions	1,173,744	12,595	790,019	3,806,741	5,783,099
Disposals	-73,351	-178,154	-253,903	0	-505,408
Transfer to investment property	0	-266,644	0	0	-266,644
Balance as at 31 December 2024	**8,816,127**	**20,781,177**	**9,893,198**	**6,233,292**	**45,723,794**
Value adjustment					
Balance as at 1 January 2023	**0**	**12,026,050**	**6,090,550**	**0**	**18,116,600**
Disposals	0	-125,846	-321,178	0	-447,024
Depreciation/amortisation	0	390,322	761,311	0	1,151,633
Balance as at 31 December 2023	**0**	**12,290,526**	**6,530,683**	**0**	**18,821,209**
Balance as at 1 January 2024	**0**	**12,290,526**	**6,530,683**	**0**	**18,821,209**
Disposals	0	-125,097	-250,697	0	-375,794
Depreciation/amortisation	0	501,278	832,381	0	1,333,659
Transfer to investment property	0	-216,648	0	0	-216,648
Balance as at 31 December 2024	**0**	**12,450,059**	**7,112,367**	**0**	**19,562,426**
Carrying amount					
Balance as at 1 January 2023	**3,908,886**	**8,644,338**	**2,708,671**	**1,294,577**	**16,556,472**
Balance as at 31 December 2023	**7,715,734**	**8,922,854**	**2,826,399**	**2,426,551**	**21,891,538**
Balance as at 1 January 2024	**7,715,734**	**8,922,854**	**2,826,399**	**2,426,551**	**21,891,538**
Balance as at 31 December 2024	**8,816,127**	**8,331,118**	**2,780,831**	**6,233,292**	**26,161,368**

None of the company's immovable and movable property was pledged as a guarantee for long-term loans as at 31 December 2024 (or as at 31 December 2023).

The company had commitments for the purchase of property, plant and equipment in the amount of EUR 852,752 as at 31 December 2024 (EUR 502,981 as at 31 December 2023).

A total of 35.0% of all property, plant and equipment in use as at 31 December 2024 has been depreciated in full (34.5% as at 31 December 2023). That proportion is calculated with due regard to the historical cost of property, plant and equipment.

6.6.1.4. Investment property

in EUR	31 December 2024	31 December 2023
Investment property	48,073,835	49,429,730
Total	**48,073,835**	**49,429,730**

Investment property comprises warehouses, commercial buildings and land that the company leases to others.

Changes in investment property

in EUR	Land	Buildings	Total
Cost			
Balance as at 1 January 2023	**35,068,899**	**17,374,797**	**52,443,696**
Acquisitions	0	43,332	43,332
Disposals	-7,439	-116,913	-124,352
Transfer between companies in the Group	6,033,265	2,829,375	8,862,640
Balance as at 31 December 2023	**41,094,725**	**20,130,591**	**61,225,316**
Balance as at 1 January 2024	**41,094,725**	**20,130,591**	**61,225,316**
Acquisitions	0	82,531	82,531
Disposals	-683,209	-107,966	-791,175
Transfers from property, plant and equipment	0	266,644	266,644
Balance as at 31 December 2024	**40,411,516**	**20,371,800**	**60,783,316**
Value adjustment			
Balance as at 1 January 2023	**0**	**9,291,156**	**9,291,156**
Depreciation/amortisation	0	414,271	414,271
Disposals	0	-112,431	-112,431
Transfer between companies in the Group	0	2,202,590	2,202,590
Balance as at 31 December 2023	**0**	**11,795,586**	**11,795,586**
Balance as at 1 January 2024	**0**	**11,795,586**	**11,795,586**
Depreciation/amortisation	0	776,172	776,172
Disposals	0	-78,925	-78,925
Transfers from property, plant and equipment	0	216,648	216,648
Balance as at 31 December 2024	**0**	**12,709,481**	**12,709,481**
Carrying amount			
Balance as at 1 January 2023	**35,068,899**	**8,083,642**	**43,152,541**
Balance as at 31 December 2023	**41,094,725**	**8,335,005**	**49,429,730**
Balance as at 1 January 2024	**41,094,725**	**8,335,005**	**49,429,730**
Balance as at 31 December 2024	**40,411,516**	**7,662,319**	**48,073,835**

The company has not pledged investment property as collateral.

Slovenske železnice, d.o.o. generated rental income of EUR 2,484,055 in 2024 (EUR 2,315,502 in 2023).

A total of 34.45% of all investment property in use as at 31 December 2024 has been depreciated in full (29.7% as at 31 December 2023). That proportion is calculated by taking into account the historical cost of investment property.

The fair value of investment property was determined with the help of certified property valuers and amounted to EUR 77,451,333 as at 31 December 2024 (EUR 91,813,635 as at 31 December 2023).

6.6.1.5. Non-current financial assets

in EUR	31 December 2024	31 December 2023
Investments in subsidiaries	572,342,628	572,454,516
Investments in associates	30,770,339	31,515,451
Other financial assets	2,140,782	2,140,782
Total	**605,253,749**	**606,110,749**

The company's non-current financial assets were not pledged as guarantees for long-term loans as at 31 December 2024, nor as at 31 December 2023.

Changes to non-current financial assets

in EUR	Investments in subsidiaries	Investments in associates	Other financial assets
Historical cost			
Balance as at 1 January 2023	**583,392,416**	**31,515,451**	**2,160,260**
Reduction in share capital of SŽ-Potniški promet, d.o.o. following an SDH decision	-10,937,900	0	0
Balance as at 31 December 2023	**572,454,516**	**31,515,451**	**2,160,260**
Balance as at 1 January 2024	**572,454,516**	**31,515,451**	**2,160,260**
Reduction of the variable part of the purchase price for NOMAGO, d.o.o.	0	-745,112	0
Balance as at 31 December 2024	**572,454,516**	**30,770,339**	**2,160,260**
Value adjustment			
Balance as at 1 January 2023	**0**	**0**	**19,478**
Balance as at 31 December 2023	**0**	**0**	**19,478**
Balance as at 1 January 2024	**0**	**0**	**19,478**
Impairment of the investment in Železniška tiskarna, d.d.	111,888	0	0
Balance as at 31 December 2024	**111,888**	**0**	**19,478**
Carrying amount			
Balance as at 1 January 2023	**583,392,416**	**31,515,451**	**2,140,782**
Balance as at 31 December 2023	**572,454,516**	**31,515,451**	**2,140,782**
Balance as at 1 January 2024	**572,454,516**	**31,515,451**	**2,140,782**
Balance as at 31 December 2024	**572,342,628**	**30,770,339**	**2,140,782**

Participating interests in subsidiaries

in EUR	Participating interest 31 December 2024	Share capital 31 December 2024	Total shareholder equity 31 December 2024	Carrying amount of investment		Profit or loss for the year	
				31 December 2024	31 December 2023	2024	2023
SŽ EP Logistika, d.o.o.	51%	10,000,000	138,049,127	77,137,624	77,137,624	8,471,652	660,686
SŽ-Potniški promet, d.o.o.	100%	425,001,761	508,884,700	427,149,758	427,149,758	16,476,441	16,029,920
SŽ-Infrastruktura, d.o.o.	100%	15,828,186	51,787,392	17,411,005	17,411,005	7,993,422	6,623,843
SŽ-Vleka in tehnika, d.o.o.	100%	26,068,145	39,714,929	41,718,205	41,718,205	232,410	105,853
Prometni institut Ljubljana, d.o.o.	100%	162,328	910,551	338,846	338,846	68,294	73,206
SŽ-ŽIP, storitve, d.o.o.	100%	6,072,597	8,147,385	4,782,426	4,782,426	-55,613	1,014,035
SŽ-ŽGP Ljubljana, d.d.	79.82%	3,152,412	36,431,759	3,388,034	3,388,034	7,132,729	7,000,585
SŽ-Železniška tiskarna Ljubljana, d.d.	64.28%	265,160	56,122	416,730	528,618	-308,024	-100,337
Total		**486,550,589**	**783,981,965**	**572,342,628**	**572,454,516**	**40,011,311**	**31,407,791**

Investment in SŽ-Železniška tiskarna Ljubljana, d.d. was impaired in 2024 in the amount of EUR 111,888.

Information regarding associates as at 31 December 2024

Business name of associate	Business address of associate	Activity	Ownership as at 31 December 2024	Ownership as at 31 December 2023
Adria Kombi, d.o.o., Ljubljana	Tivolska cesta 50, Ljubljana	Freight rail transport	33.72%	33.72%
NOMAGO, d.o.o.	Vošnjakova ulica 3, Ljubljana	Road passenger transport and travel organisation	50.00%	50.00%

in EUR	Total equity		Profit or loss for the year	
	31 December 2024	31 December 2023	2024	2023
Adria Kombi, d.o.o., Ljubljana	13,506,539	13,445,992	2,164,760	2,513,574
NOMAGO, d.o.o., Ljubljana	26,756,244	22,338,161	12,621,215	12,800,190
Total investment in associates	**40,262,783**	**35,784,153**	**14,785,975**	**15,313,764**

Balance of investments in associates

in EUR	31 December 2024	31 December 2023
Adria Kombi, d.o.o., Ljubljana	15,451	15,451
NOMAGO, d.o.o. (Note 2.3.1.5)	30,754,888	31,500,000
Total investment in associates	**30,770,339**	**31,515,451**

Other financial assets

	Participating interest	Value of investment	
in EUR	31 December 2024	31 December 2024	31 December 2023
EUROFIMA	0.42%	2,084,000	2,084,000
HIT RAIL		54,439	54,439
Other shares and participating interests		2,343	2,343
Total		**2,140,782**	**2,140,782**

All other investments in shares and participating interests are classed as financial assets measured at fair value through profit or loss. None of the shares and participating interests held by Slovenske železnice, d.o.o. at the end of 2024 are quoted on a regulated securities market. Other financial assets are not used as collateral and are free from encumbrances.

6.6.1.6. Financial receivables

in EUR	31 December 2024	31 December 2023
Other financial receivables	2,401,003	2,401,003
Total non-current financial receivables	**2,401,003**	**2,401,003**
Financial receivables from Group companies	26,536,000	25,273,000
Financial receivables from others	64,100,145	49,000,155
Total current financial receivables	**90,636,145**	**74,273,155**
Total	**93,037,148**	**76,674,158**

A receivable from SŽ-Železniški zdravstveni dom is presented under non-current financial receivables.

Changes in current financial receivables

in EUR	2024	2023
Balance as at 1 January	**74,273,155**	**103,486,510**
Loans granted	409,089,717	444,565,633
Loan repayments received	-392,726,727	-473,778,988
Balance as at 31 December	**90,636,145**	**74,273,155**

Current financial receivables from subsidiaries in the Group comprise receivables that arose on the basis of cash-pooling agreements and from current credit lines granted to Slovenske železnice Group companies in the amount of EUR 26,536,000 (EUR 25,273,000 as at 31 December 2023).

Current financial receivables from others comprise current assets held at banks in the amount of EUR 64,100,000 (2023: 49,000,000).

Interest is charged between companies in the Slovenske železnice Group at the tax-deductible interest rate applicable for related parties.

6.6.1.7. Deferred tax assets

in EUR	31 December 2024	31 December 2023
Deferred tax assets	1,584,652	1,251,801
Total	**1,584,652**	**1,251,801**

in EUR	Unclaimed tax allowances for investments	Provisions	Value adjustments to receivables	Total
Balance as at 1 January 2023	**449,027**	**144,614**	**15,055**	**608,696**
Debited/credited to profit or loss	643,491	733	-1,119	643,105
Balance as at 31 December 2023	**1,092,518**	**145,347**	**13,936**	**1,251,801**
Balance as at 1 January 2024	**1,092,518**	**145,347**	**13,936**	**1,251,801**
Credited/debited to profit or loss	364,451	-29,595	-2,005	332,851
Balance as at 31 December 2024	**1,456,969**	**115,752**	**11,931**	**1,584,652**

Given the projected results of operations over the next five years, we have not recognised deferred tax assets for tax losses in 2024. In the calculation of taxes, the company regularly applies a tax deduction for provisions created for jubilee benefits and termination benefits, tax allowances for investments and value adjustments to receivables, and therefore recognised deferred tax assets for that purpose, which are accounted for at a rate of 22%.

The tax loss amounts to EUR 17,753,352 (EUR 16,826,318 in 2023) and represents the unrecognised basis for deferred tax assets.

Total sources for the creation of deferred tax assets are as follows:

in EUR	Unclaimed tax allowances for investments	Provisions	Value adjustments to receivables	Total
Balance as at 31 December 2023	4,965,990	660,667	63,347	5,690,004
Balance as at 31 December 2024	6,622,586	526,148	54,231	7,202,965

6.6.1.8. Other non-current assets

in EUR	31 December 2024	31 December 2023
Other non-current assets	1,447,687	483,212
Total	**1,447,687**	**483,212**

Non-current deferred costs relate primarily to licence maintenance, the majority of which refers to IBM Maximo in the amount of EUR 955,190.

6.6.1.9. Assets held for sale

in EUR	31 December 2024	31 December 2023
Fixed assets held for sale	40,188	15,323
Total	**40,188**	**15,323**

6.6.1.10. Trade receivables

in EUR	31 December 2024	31 December 2023
Current receivables from Group companies	4,198,997	4,522,411
Current trade receivables from domestic customers	2,245,886	482,235
Current trade receivables from customers in the rest of the world	5,082	4,211
Total	**6,449,965**	**5,008,857**

The increase in domestic trade receivables as at 31 December 2024 compared to the end of 2023 is primarily the result of receivables charged for superficies, which were settled in 2025.

in EUR	Gross value as at 31 December 2024	Value adjustment as at 31 December 2024	Net value as at 31 December 2024	Net value as at 31 December 2023
Current receivables from Group companies	4,198,997	0	4,198,997	4,522,411
Current trade receivables from domestic customers	2,318,761	72,875	2,245,886	482,235
Current trade receivables from customers in the rest of the world	5,082	0	5,082	4,211
Total	**6,522,840**	**72,875**	**6,449,965**	**5,008,857**

Net value adjustments to current trade receivables were created as follows:

in EUR	2024	2023
Balance as at 1 January	**59,523**	**67,020**
Reduction for written-off receivables	-4,547	-15,889
Reversal of allowances	-171	0
Creation of allowances	18,070	8,392
Balance as at 31 December	**72,875**	**59,523**

Maturity breakdown of receivables:

in EUR	31 December 2024	31 December 2023
Non-past-due receivables	**6,054,680**	**4,771,392**
Past-due receivables	**468,160**	**296,988**
– up to 30 days	365,760	197,950
– 31 to 90 days	41,968	46,503
– 91 to 365 days	21,126	26,008
– more than 365 days	39,306	26,527
Total	**6,522,840**	**5,068,380**

6.6.1.11. Other operating receivables

in EUR	31 December 2024	31 December 2023
Non-current operating receivables from undertakings in Group	157,345	197,549
Loans for the purchase of property	2,632,103	4,836,605
Total non-current operating receivables	**2,789,448**	**5,034,154**
Receivables from government and other institutions	454,454	733,061
Receivables from employees	94,679	103,476
Receivables from others associated with finance income	61,160	82,723
Current operating receivables based on advances	422,419	330
Other current operating receivables from others	22,487	2,888
Total current operating receivables	**1,055,199**	**922,478**
Total	**3,844,647**	**5,956,632**

In relation to non-current operating receivables, the company's view is that non-current loans for the purchase of property secured by a mortgage are not exposed to risks.

The company does not report any receivables from members of management and supervisory bodies.

Write-downs and impairments of current operating receivables in 2024 are disclosed under operating expenses in the amount of EUR 21,909 (EUR 12,596 in 2023).

6.6.1.12. Other non-current assets

in EUR	31 December 2024	31 December 2023
Other current assets	934,658	362,308
Total	**934,658**	**362,308**

6.6.1.13. Receivables for corporate income tax

in EUR	31 December 2024	31 December 2023
Receivables for corporate income tax	60,237	95,339
Total	**60,237**	**95,339**

6.6.1.14. Cash and cash equivalents

in EUR	31 December 2024	31 December 2023
Cash on hand	155	1,559
Cash on bank accounts	18,375,399	13,542,569
Total	**18,375,554**	**13,544,128**

6.6.1.15. Equity

in EUR	31 December 2024	31 December 2023
Share capital	509,529,921	509,529,921
Share premium account	45,002,140	45,002,140
Statutory reserves	5,144,338	4,637,603
Other profit reserves	60,243,483	50,314,305
Fair value reserves	153,266	138,312
Retained earnings	137,084	4,429,546
Undistributed net profit for the financial year	5,127,962	5,429,178
Total	**625,338,194**	**619,481,005**

Changes in equity

in EUR	
Balance as at 1 January 2023	**617,942,764**
Payment of shares in profit (material dividend)	-9,825,988
Net profit for the financial year	11,429,849
Actuarial gains and losses	-65,620
Balance as at 31 December 2023	**619,481,005**
Balance as at 1 January 2024	**619,481,005**
Payment of shares in profit	-4,300,000
Net profit for the financial year	10,134,697
Actuarial gains and losses	22,492
Balance as at 31 December 2024	**625,338,194**

By resolution of the Management Board of Slovenske železnice, d.o.o. dated 1 April 2025, a portion of the company's net profit for 2024 in the amount of EUR 506,734.87 was allocated to legal reserves, while a portion in the amount of EUR 4,500,000 was allocated to other revenue reserves. Distributable profit as at 31 December 2024 after appropriation for statutory and other reserves amounts to EUR 5,265,046.22. The Management Board of Slovenske železnice, d.o.o. proposes that EUR 4,900,000 of the distributable profit be used to pay the sole shareholder, with the remaining distributable profit of EUR 365,046.22 left undistributed.

6.6.1.16. Provisions and non-current deferred income

in EUR	31 December 2024	31 December 2023
Provisions for loyalty bonuses and severance pay	1,978,315	1,884,211
Other provisions	68,000	195,773
Non-current deferred income	752	5,917
Total	**2,047,067**	**2,085,901**

A total of 21 legal proceedings with a total value of EUR 892,315 (labour and economic disputes) were in progress against Slovenske železnice, d.o.o. in 2024. Twelve disputes were concluded in 2024, and provisions were recognised at SŽ-Potniški promet, d.o.o. for two proceedings in accordance with the demerger plan from 2011 and at SŽInfrastruktura, d.o.o. for one dispute. Provisions totalling EUR 68,000 had been created for five disputes at Slovenske železnice, d.o.o. as at 31 December 2024.

In nine of these disputes, provisions were not recognised (since, in the opinion of the lawyers, there is a greater than 50% probability that the claims will be rejected, or the outcomes cannot yet be assessed).

Changes in provisions for litigation

in EUR	Provisions for litigation
Balance as at 1 January 2023	**58,500**
Creation	137,273
Balance as at 31 December 2023	**195,773**
Balance as at 1 Jan 2024	**195,773**
Creation	3,000
Use	-130,773
Balance as at 31 Dec 2024	**68,000**

Claims for which provisions have not been created are shown as potential liabilities.

Changes in provisions for jubilee benefits and termination benefits

in EUR	Termination benefits	Jubilee benefits	Total
Balance as at 1 January 2023	**1,551,514**	**181,726**	**1,733,240**
Use	-84,582	-23,349	-107,931
Current employment costs	85,423	58,493	143,916
Interest (expenses)	48,144	5,425	53,569
Reversal of provisions (closure, rights) (revenue)	-4,203	0	-4,203
Actuarial gains/losses	65,620	0	65,620
Balance as at 31 December 2023	**1,661,916**	**222,295**	**1,884,211**
Balance as at 1 January 2024	**1,661,916**	**222,295**	**1,884,211**
Use	-87,341	-31,984	-119,325
Current employment costs	150,022	35,478	185,500
Interest (expenses)	52,431	6,684	59,115
Reversal of provisions (closure, rights) (revenue)	-8,695	0	-8,695
Actuarial gains/losses	-22,491	0	-22,491
Balance as at 31 December 2024	**1,745,842**	**232,473**	**1,978,315**

The following material assumptions were taken into account when calculating provisions for retirement benefits and jubilee benefits:

	2024	2023
Average monthly gross wage in Slovenia	EUR 2,380	EUR 2,250
Discount rate	3.238%	3.185%
Overall wage growth	1.0%	1.0%
Retirement conditions (age)		
male	65	65
female	65	65

The annual discount rate is determined on the basis of the yield for 15-year EU COMPOSITE AAA corporate bonds as at 31 December 2024.

6.6.1.17. Financial liabilities

in EUR	31 December 2024	31 December 2023
Financial liabilities to Group companies	37,962,746	41,101,546
Financial liabilities to banks	16,789,474	19,105,263
Total non-current financial liabilities	**54,752,220**	**60,206,809**
Financial liabilities to Group companies	136,172,457	89,477,616
Financial liabilities to banks	2,315,789	14,144,737
Other financial liabilities to domestic entities	867,568	7,733,158
Total current financial liabilities	**139,355,814**	**111,355,511**
Total	**194,108,034**	**171,562,320**

Changes in financial liabilities

in EUR	2024	2023
Non-current financial liabilities to undertakings in Group		
Balance as at 1 January	**41,101,546**	**40,542,510**
– repayment of loan	-3,689,396	0
– accrued interest	550,596	559,036
Balance as at 31 December	**37,962,746**	**41,101,546**
Non-current financial liabilities to banks and others		
Balance as at 1 January	**19,105,263**	**1,250,000**
– transfer to current portion	-2,315,789	-4,144,737
– loan received	0	22,000,000
Balance as at 31 December	**16,789,474**	**19,105,263**
Total non-current financial liabilities	**54,752,220**	**60,206,809**
Current financial liabilities to Group companies		
Balance as at 1 January	**89,477,616**	**192,396,059**
– payment of interest	-2,996,777	-4,327,820
– repayment of loan	-391,533,392	-756,879,608
– loan received	438,249,000	653,745,000
– calculation of interest	2,976,010	4,543,985
Balance as at 31 December	**136,172,457**	**89,477,616**
Current financial liabilities to banks and others		
Balance as at 1 January	**21,877,895**	**25,662,111**
– transfer to current portion	2,315,789	4,144,737
– fair value of derivatives	13,870	835,613
– reversal of the variable part of the purchase price for the acquisition of an interest in an associate	-745,112	0
– payment of interest	-1,560,475	-1,194,791
– repayment of loan	-91,444,736	-33,500,000
– calculation of interest	1,559,602	1,207,680
– loan received	77,300,000	28,500,000
– purchase price for NOMAGO, d.o.o.	-6,133,476	-3,777,455
Balance as at 31 December	**3,183,357**	**21,877,895**
Total current financial liabilities	**139,355,814**	**111,355,511**
Total	**194,108,034**	**171,562,320**

Current financial liabilities to Group companies comprise liabilities to Group companies under intercompany financing agreements in the amount of EUR 135,912,000 as at 31 December 2024 (EUR 89,196,392 as at 31 December 2023).

Current financial liabilities to banks of EUR 2,315,789 (EUR 14,144,737 as at 31 December 2022) comprise a revolving loan of EUR 10,000,000 (2023: EUR 0), portions of long-term loans for the financing of business process optimisation measures of EUR 2,315,789 (2022: EUR 2,894,737) and a portion of a non-current loan for the financing of a participating interest in NOMAGO, d.o.o. of EUR 1,250,000.

Current financial liabilities to others represent liabilities arising from derivative financial instruments (interest rate swap) in the amount of EUR 849,482 (EUR 835,611 as at 31 December 2023).

The company reports non-current financial liabilities with a maturity of more than five years in the amount of EUR 7,526,316 as at 31 December 2024 (EUR 50,943,651 as at 31 December 2023).

6.6.1.18. Lease liabilities

in EUR	31 December 2024	31 December 2023
Non-current lease liabilities	**79,674**	**121,001**
Of which within the Group	*0*	*6,498*
Current lease liabilities	46,227	47,243
Of which within the Group	*8,578*	*7,915*
Total	**125,901**	**168,244**

Changes in lease liabilities

in EUR	2024	2023
Balance as at 1 January	**168,244**	**260,024**
increase	6,652	68,168
decrease	-8,805	-114,400
Payments	-49,429	-57,179
interest	9,239	11,631
Balance as at 31 December	**125,901**	**168,244**

In accordance with the relevant agreements, the company reports liabilities for assets under lease, calculated in accordance with IFRS 16, among these liabilities. It is primarily commercial premises (lease term up to ten years) and equipment (lease term of three years) that are under lease.

Changes in financial liabilities and lease liabilities (cash flow)

in EUR	2024	2023
Balance as at 1 January	**171,730,564**	**260,110,704**
Inflows from loans raised	515,549,000	704,245,000
Outflows from loans raised	-486,667,526	-790,379,608
Outflows for the repayment of lease liabilities	-40,190	-45,548
Reversal of the variable part of the purchase price for the acquisition of an interest in an associate	-745,112	0
Outflows for the purchase price under the contract for NOMAGO, d.o.o.	-6,133,476	-3,777,455
Fair value of derivatives	13,870	835,613
Accrued interest for a long-term loan	550,596	559,036
Changes in lease liabilities	-2,153	-46,232
Changes in liabilities for interest	-21,638	229,054
Balance as at 31 December	**194,233,935**	**171,730,564**

6.6.1.19. Other operating liabilities

in EUR	31 December 2024	31 December 2023
Liabilities to Group companies	7,046	10,251
Liabilities based on advances	1,415,136	0
Total non-current liabilities	**1,422,182**	**10,251**
Liabilities for advances received	355,243	287,448
Liabilities to employees	1,531,125	1,380,423
Liabilities to the government and government institutions	705,333	771,675
Liabilities to others	158,900	231,509
Current liabilities	**2,750,601**	**2,671,055**
Total	**4,172,783**	**2,681,306**

Non-current liabilities from advances represent EU funds received for the co-financing of the traffic management information system (EUR 729,678) and for the co-financing of documentation for the construction of Ljubljana Bus Station (EUR 685,458).

6.6.1.20. Other current liabilities

in EUR	31 December 2024	31 December 2023
Contract liabilities	46,548	119,670
Other current liabilities	680,583	759,942
Total	**727,131**	**879,612**

Other current liabilities mainly comprise the costs of unused annual leave in the amount of EUR 575,763 (EUR 561,102 as at 31 December 2023).

6.6.1.21. Trade payables

in EUR	31 December 2024	31 December 2023
Liabilities to Group companies	1,638,457	5,194,676
Domestic trade payables	3,210,226	2,354,448
Foreign trade payables	75,202	554,230
Total	**4,923,885**	**8,103,354**

in EUR	31 December 2024	31 December 2023
Non-past-due liabilities	**4,393,890**	**8,036,771**
Past-due liabilities	**529,995**	**66,583**
– up to 30 days	527,443	9,296
– 31 to 90 days	2,336	50,183
– 91 to 365 days	216	7,104
Total	**4,923,885**	**8,103,354**

Contingent receivables and contingent liabilities

in EUR	31 December 2024	31 December 2023
Mortgages and liens received	4,267,222	4,526,461
Bank guarantees received	2,091,963	1,373,395
Merchandise on consignment	1,777	1,747
Total contingent receivables	**6,360,962**	**5,901,603**
Liabilities for merchandise on consignment	1,777	1,747
Contingent liabilities for lawsuits	269,720	35,520
Bank guarantees issued	619,418	619,418
Total contingent liabilities	**890,915**	**656,685**

The disclosures relating to contingent liabilities for lawsuits that do not meet the conditions for the creation of provisions are explained in Note 6.6.1.16.

6.6.2. Notes to the separate income statement

6.6.2.1. Revenue from contracts with customers

in EUR	2024	2023
Revenue on the domestic market	**36,870,337**	**31,781,948**
Services and products	**36,870,337**	**31,781,948**
– services and products in connection with Group companies	33,492,113	28,471,119
– services and products in connection with others	3,378,224	3,310,829
Revenue on the foreign market	**90,330**	**90,330**
Services and products	**90,330**	**90,330**
– services and products in connection with Group companies	90,330	90,330
Total	**36,960,667**	**31,872,278**

Revenue from contracts with customers chiefly comprises revenue from transactions with Group companies. Support services (professional, technical and organisational) that the controlling company, Slovenske železnice, d.o.o. provided on the basis of agreements with Group companies accounted for 87.9% of those revenue (EUR 29,555,933 compared to EUR 24,782,721 in 2023).

6.6.2.2. Other operating revenue

in EUR	2024	2023
Gains on the sale of property, plant and equipment	1,405,406	4,241,308
Reimbursement of the costs of termination benefits for rehired employees under agreements on the reassignment of workers within the SŽ Group	0	93,247
Revenue from assigned contributions for the employment of persons with disabilities	38,860	56,873
Compensation	13,720	80,126
Revenue from the reversal of provisions and accrued costs	8,695	5,203
Other income	5,553	57,457
Total	**1,472,234**	**4,534,214**

6.6.2.3. Costs of goods, materials and services

in EUR	2024	2023
Costs of materials	37	87
Energy costs	250,592	235,415
Costs of replacement parts	6,687	4,730
Write-off of small inventory	18,222	12,337
Costs of office materials	109,044	81,317
Other material costs	53,731	31,991
Total historical cost of goods and materials sold and cost of materials used	**438,313**	**365,877**
Transport services	164,852	168,477
Maintenance services	4,143,028	3,570,313
Reimbursement of employee expenses	310,981	442,554
Payment transaction and banking services	117,187	121,691
Intellectual and personal services	1,329,382	1,198,093
Insurance premiums	384,783	298,924
Advertising, promotion and representation	1,670,526	1,642,698
Costs of other services	3,392,865	3,093,524
membership fees for international organisations and other associations	*362,139*	*328,704*
utility services	*357,153*	*265,069*
services associated with contracted work	*393,989*	*460,728*
property surveillance services	*308,306*	*266,800*
cleaning of premises and outside areas	*261,306*	*252,224*
costs of providing ancillary administrative and technical services (SŽ-ŽIP, storitve, d.o.o.)	*129,344*	*146,614*
rental costs	*88,684*	*181,693*
of which: low-value leases	*18,090*	*16,553*
short-term leases	*70,594*	*165,140*
costs of labour of officials on the works councils of companies linked through capital investments	*119,390*	*105,368*
other	*1,372,554*	*1,086,324*
Total costs of services	**11,513,604**	**10,536,274**
Total	**11,951,917**	**10,902,151**

Costs of auditor

in EUR	2024	2023
Auditing of financial statements	22,050	21,000
- for the company	17,640	16,800
- for consolidation	4,410	4,200
Audit of the Slovenske železnice Group's sustainability report	68,000	0
Review of reports for NOMAGO, d.o.o.	13,950	0
Other assurance services	2,000	1,500
Total	**106,000**	**22,500**

The costs of auditing the financial statements include the contractual amounts of costs for 2024 on the basis of the contract signed for the auditing of financial statements for the 2022–2024 period. There were no other auditor-related costs.

6.6.2.4. Labour costs

in EUR	2024	2023
Costs of wages and salaries	16,123,770	14,100,779
Pension insurance costs	1,590,205	1,402,731
Other social security insurance costs	1,190,072	1,034,043
Other labour costs:	2,875,258	2,370,271
reimbursements	*1,195,582*	*1,067,678*
annual leave allowance	*1,006,633*	*911,992*
termination benefits	*438,497*	*172,040*
provisions for jubilee benefits and termination benefits (actuarial calculation)	*185,501*	*143,915*
other labour costs	*49,045*	*74,646*
Total	**21,779,305**	**18,907,824**

Higher labour costs in 2024 are primarily the result of the adjustment of base pay to reflect the increase in the cost of living in July 2023 and July 2024, and the change in the method of determining base pay in July 2023.

6.6.2.5. Write-downs

in EUR	2024	2023
Amortisation of intangible assets and depreciation of property, plant and equipment and investment property	3,708,902	3,095,289
Depreciation of right-of-use lease assets	42,263	49,367
Operating expenses for intangible assets and property, plant and equipment	115,339	43,232
Operating expenses for working capital	21,910	12,596
Total	**3,888,414**	**3,200,484**

6.6.2.6. Other operating expenses

in EUR	2024	2023
Reimbursement of costs on account of business performance payments to a Group company	0	2,263,065
Donations (for sporting, cultural and humanitarian activities)	200,263	315,481
Fees for the use of building land, and other taxes and levies	267,529	172,746
Scholarships and awards for pupils and students on compulsory job training	43,108	48,852
Fines and compensation for damage incurred by legal and natural persons	13,119	125,302
Refunds to ZPIZ for securing the rights of Slovenske železnice, d.o.o. workers who performed work in organisational units in the territory of Croatia	75,810	76,064
Other expenses	97,791	149,282
Total	**697,620**	**3,150,792**

6.6.2.7. Finance income

in EUR	2024	2023
Finance income from participating interests in Group companies	7,669,163	1,597,937
Finance income from participating interests in associates	4,708,120	13,335,056
Finance income from participating interests in other companies	57,510	11,640
Total finance income from participating interests	**12,434,793**	**14,944,633**
Finance income from derivatives	100,628	59,504
Total finance income from derivatives	**100,628**	**59,504**
Finance income from loans to Group companies	1,095,466	918,846
Finance income from loans to others	747,008	1,509,227
Total finance income from loans granted	**1,842,474**	**2,428,073**
Finance income from operating receivables from others	7,014	3,582
Total finance income from operating receivables	**7,014**	**3,582**
Total	**14,384,909**	**17,435,792**

6.6.2.8. Finance costs

in EUR	2024	2023
Finance costs from impairments and write-downs of investments in the Group	111,888	0
Finance costs arising from impairments and write-downs of investments	111,888	0
Finance costs from loans from Group companies	3,395,730	5,106,474
Finance costs from bank loans	1,105,122	791,668
Finance costs from leases	8,680	8,178
Finance costs from other financial liabilities	72,986	889,180
Total finance costs from financial liabilities	**4,582,518**	**6,795,500**
Finance costs from operating liabilities to Group companies	0	21,779
Finance costs from trade payables	1,765	13,045
Finance costs from other operating liabilities	2,537	7,212
Total finance costs from operating liabilities	**4,302**	**42,036**
Total	**4,698,708**	**6,837,536**

Finance costs from financial liabilities comprise:

- expenses from relations within the Group, including interest expenses from loans and the pooling of assets based on cash-pooling agreements in the amount of EUR 3,395,171 (EUR 5,103,021 in 2023);
- expenses vis-à-vis banks and others, comprising:
  - interest on loans from banks in the amount of EUR 1,105,122 (EUR 791,668 in 2023);
  - interest as the result of an actuarial calculation in the amount of EUR 59,115 (EUR 53,569 in 2023);
  - interest on leases in the amount of EUR 8,680 (EUR 8,178 in 2023);
  - expenses in connection with derivatives in the amount of EUR 13.871 (EUR 835,611 in 2023).

6.6.2.9. Corporate income tax

in EUR	2024	2023
Current tax	0	56,752
Deferred taxes	-332,851	-643,104
Total taxes	-332,851	-586,352
Pre-tax profit	9,801,846	10,843,497
Tax calculated at effective tax rate	2,156,406	2,060,264
Tax from decrease in revenue	-2,726,390	-2,196,551
Tax from decrease in expenses	271,427	201,221
Tax from increase in expenses	-22,733	-26,425
Tax from change in tax base	141,958	110,048
Tax from tax allowances	0	-96,632
Tax credits	179,332	4,826
Total taxes	-332,851	-586,352
Effective tax rate	-3.40%	-5.41%

Under the Act on Reconstruction, Development and the Provision of Financial Resources (ZORZFS), the applicable income tax rate in Slovenia for the period 2024–2028 is 22%. For 2023, the applicable income tax rate was 19%.

6.6.3. Notes to the cash flow statement

The cash flow statement is compiled using the indirect method on the basis of items in the statement of financial position as at 31 December 2024 and 31 December 2023, the income statement for 2024, and additional data necessary to adjust receipts and expenditures.

There were no other adjustments of income and expenses in the cash flow statement in 2024 that would require further explanation.

6.6.4. Related party transactions

The related parties in relation to whom we are disclosing transactions in this report are:

- the controlling company and other Slovenske železnice Group companies, including associates;
- the key management personnel and their immediate family members;
- companies in which the government exerts considerable influence (participating interest of more than 20%).

The table below presents transactions with Group companies and associates:

2024 in EUR	Sales	Purchases	Loans received	Loans granted
SŽ EP Logistika, d.o.o.	157,959	0	0	3,689,396
SŽ-Tovorni promet, d.o.o.	5,763,885	244,635	554,813	3,763
SŽ-Potniški promet, d.o.o.	6,769,101	148,755	180,850,718	588
SŽ-Infrastruktura, d.o.o.	16,733,416	914,062	236,852,635	48,615,320
SŽ-VIT Ljubljana, d.o.o.	7,704,598	257,363	0	95,100,184
SŽ-ŽIP, storitve, d.o.o.	3,014,612	1,594,300	5,791,568	14,845,874
SŽ-ŽGP Ljubljana, d.d.	2,035,319	0	17,158,064	8,408,067
Prometni institut Ljubljana, d.o.o.	414,611	240,117	382,100	0
SŽ-Železniška tiskarna Ljubljana, d.d.	68,892	101,496	60,526	130,909
Fersped, d.o.o.	510,050	2,699	0	0
VV-LOG, d.o.o.	142,351	0	0	0
Kamnolom Verd, d.o.o.	180,966	0	0	0
SŽ-ŽIP, d.o.o., Croatia	90,330	3,163	0	0
Group companies	**43,586,090**	**3,506,590**	**441,650,424**	**170,794,101**
NOMAGO, d.o.o.	0	1,879	0	0
Associates	0	1,879	0	0
Total associates	**43,586,090**	**3,508,469**	**441,650,424**	**170,794,101**

2023 in EUR	Sales	Purchases	Loans received	Loans granted
SŽ EP Logistika, d.o.o.	158,338	0	0	0
SŽ-Tovorni promet, d.o.o.	6,011,341	288,382	585,875	1,777
SŽ-Potniški promet, d.o.o.	5,741,909	527,958	493,856,869	14,154
SŽ-Infrastruktura, d.o.o.	15,290,068	1,139,572	154,174,271	913,098
SŽ-VIT Ljubljana, d.o.o.	6,700,447	3,619,177	18,423	69,553,310
SŽ-ŽIP, storitve, d.o.o.	2,377,410	1,201,741	792,138	19,064,885
SŽ-ŽGP Ljubljana, d.d.	1,403,631	503	9,306,663	4,704,501
Prometni institut Ljubljana, d.o.o.	367,476	256,664	172,521	311
SŽ-Železniška tiskarna Ljubljana, d.d.	42,012	73,760	66,804	28,065
Fersped, d.o.o.	442,882	4,392	2,332	0
VV-LOG, d.o.o.	115,997	0	0	0
Kamnolom Verd, d.o.o.	83,663	0	585	0
SŽ-ŽIP, d.o.o., Croatia	112,913	6,387	0	0
Group companies	**38,848,087**	**7,118,536**	**658,976,481**	**94,280,101**
Terme Olimia, d.d.	0	3,443	0	0
NOMAGO, d.o.o.	0	2,114	0	0
Associates	**0**	**5,557**	**0**	**0**
Total associates	**38,848,087**	**7,124,093**	**658,976,481**	**94,280,101**

Balance as at 31 December 2024 (EUR)	Customers	Suppliers	Financial receivables	Financial liabilities
SŽ EP Logistika, d.o.o.	11,695	0	0	0
SŽ-Tovorni promet, d.o.o.	709,891	129,911	29,891	37,962,746
SŽ-Potniški promet, d.o.o.	792,995	101,395	10,998	73,836,615
SŽ-Infrastruktura, d.o.o.	1,018,359	698,283	44,519	61,783,525
SŽ-VIT Ljubljana, d.o.o.	777,840	114,190	26,292,677	0
SŽ-ŽIP, storitve, d.o.o.	268,568	518,852	304,942	7,596
SŽ-ŽGP Ljubljana, d.d.	347,483	0	16,134	0
Prometni institut Ljubljana, d.o.o.	33,789	29,506	9,730	551,844
SŽ-Železniška tiskarna Ljubljana, d.d.	6,075	46,243	129,478	0
Fersped, d.o.o.	30,864	0	3,232	0
VV-LOG, d.o.o.	35,402	0	0	0
Kamnolom Verd, d.o.o.	17,780	0	0	0
Group companies	**4,050,741**	**1,638,380**	**26,841,601**	**174,142,326**
Associates	**0**	**0**	**0**	**0**
Total associates	**4,050,741**	**1,638,380**	**26,841,601**	**174,142,326**

Balance as at 31 December 2023 (EUR)	Customers	Suppliers	Financial receivables	Financial liabilities
SŽ EP Logistika, d.o.o.	24,656	0	0	0
SŽ-Tovorni promet, d.o.o.	592,368	112,400	30,981	41,107,572
SŽ-Potniški promet, d.o.o.	847,481	298,481	11,198	44,167,183
SŽ-Infrastruktura, d.o.o.	1,689,017	922,150	54,324	44,029,646
SŽ-VIT Ljubljana, d.o.o.	683,603	3,373,890	25,412,548	17,690
SŽ-ŽIP, storitve, d.o.o.	266,536	323,098	16,230	783,184
SŽ-ŽGP Ljubljana, d.d.	129,293	503	9,003	2,907
Prometni institut Ljubljana, d.o.o.	41,887	29,479	10,040	557,063
SŽ-Železniška tiskarna Ljubljana, d.d.	2,997	43,258	28,065	15,000
Fersped, d.o.o.	44,093	0	3,232	0
VV-LOG, d.o.o.	11,385	0	0	0
Kamnolom Verd, d.o.o.	8,748	0	0	585
SŽ-ŽIP, d.o.o., Croatia	75,275	0	0	0
Group companies	**4,417,339**	**5,103,259**	**25,575,621**	**130,680,830**
Associates	**0**	**0**	**0**	**0**
Total associates	**4,417,339**	**5,103,259**	**25,575,621**	**130,680,830**

Group companies transact on the basis of concluded agreements, where the market prices of products and services are applied.

Interest is charged between companies in the Group at the tax-deductible interest rate applicable for related parties.

Transactions with associates of the owner

in EUR	31 December 2024	31 December 2023
Balance of current trade and other operating receivables	20,748	7,928
Balance of current trade and other operating liabilities	134,666	69,757

in EUR	2024	2023
Revenue	76,344	138,755
Expenses (costs)	656,301	502,197

The disclosure of transactions with associates of the owner includes companies in SDH, d.d.'s portfolio in which the participating interest of the Republic of Slovenia and SDH, d.d. is greater than 20%.

Transactions with companies in which key management personnel (management and supervisory bodies) in the Slovenske železnice Group or their family members have a participating interest of more than 20%

in EUR	31 December 2024	31 December 2023
Balance of current trade and other operating receivables	208	1,291
Balance of current trade and other operating liabilities	7,339	28,433

in EUR	2024	2023
Revenue	17,165	8,631
Expenses (costs)	116,106	185,495

Gross remuneration of groups of persons

The earnings of members of the Management Board and supervisory bodies are presented in point 2.3.3 for Slovenske železnice, d.o.o.

Slovenske železnice, d.o.o. did not record advances or loans to members of the Management Board and supervisory bodies, or to other employees under individual contracts to whom the tariff part of the collective agreement does not apply, nor did it issue guarantees for the liabilities of those persons.

6.6.5. Events after the accounting period

On 25 March 2025 representatives of Slovenske železnice, d.o.o. and Adventura Investments, d.o.o. signed an agreement on the sale of a participating interest in NOMAGO, d.o.o. to Slovenske železnice, d.o.o. The signing of the agreement on the sale/purchase of the remaining 50% participating interest in NOMAGO, d.o.o. between the seller, Adventura Investments and the buyer, Slovenske železnice, marks the beginning of the final step in the 100% acquisition of NOMAGO, d.o.o. Prior to the completion of the transaction, approval must still be obtained from the Slovenian Competition Protection Agency.

At the 31st session of the General Meeting of SŽ-Železniška tiskarna, d.d., held on 19 February 2025, a decision was adopted in accordance with Article 425 of the Companies Act that SŽ-Železniška tiskarna Ljubljana, d.d. be wound up by fast-track procedure. Following the buyback of shares, Slovenske železnice, d.o.o. became the sole shareholder and, upon the company's deletion from the companies register, will assume the remaining assets and any outstanding liabilities. The decision to wind up the company was entered in the companies register on 28 February 2025. On 16 May 2025 the court issued a ruling establishing that the conditions for the company's deletion from the companies register under the fast-track procedure had been met.

There were no other events after the close of the 2024 financial year that would materially affect these financial statements or require additional disclosures.

7. Financial risks in Slovenske železnice d.o.o.

The financial risks to which Slovenske železnice, d.o.o. is exposed include interest-rate risk, liquidity risk and credit risk, while exposure to exchange-rate risk is low. Exposure to financial risks is monitored monthly, while measures to manage those risks are adopted as the need arises.

Interest rate risk

Slovenske železnice, d.o.o. manages interest-rate risk in accordance with the Policy on the Comprehensive Management of Risks within the Slovenske železnice Group.

Financial instruments:

in EUR	Balance as at 31 December 2024	Balance as at 31 December 2023
Receivables for funds paid to an institution (SŽ-Železniški zdravstveni dom)	2,401,003	2,401,003
Short-term loans to Group companies	26,536,000	25,273,000
Short-term deposits at banks	64,100,000	49,000,000
Other financial receivables	145	155
Financial receivables	**93,037,148**	**76,674,158**
Non-current financial liabilities to undertakings in group	37,962,746	41,101,546
Non-current financial liabilities to banks	16,789,474	19,105,263
Current financial liabilities to group companies	136,172,457	89,477,616
Current financial liabilities to banks	2,315,789	14,144,737
Non-current lease liabilities	79,674	121,001
Current lease liabilities	46,227	47,243
Other current financial liabilities	867,568	7,733,158
Financial liabilities	**194,233,935**	**171,730,564**
Net financial instruments	**-101,196,787**	**-95,056,406**

The following instruments are used to hedge exposure to interest-rate risk:

- loans with a fixed interest rate;
- in part through the forward market, by entering into interest-rate swaps; and
- in part through current operations, by linking the interest rates on Slovenske železnice, d.o.o.'s operating receivables exclusively to changes in the Euribor rate.

Balance of financial liabilities with a fixed interest rate:

in EUR	Balance as at 31 December 2024	Balance as at 31 December 2023
Total loans vis-à-vis banks (principal)	0	1,250,000
Financial liabilities to Group companies	136,181,034	89,492,029
Other financial liabilities	984,892	7,886,989
Total financial liabilities with a fixed interest rate	**137,165,926**	**98,629,018**

Balance of financial liabilities with a variable interest rate:

in EUR	Balance as at 31 December 2024	Balance as at 31 December 2023
Financial liabilities to Group companies	37,962,746	41,101,546
Financial liabilities to banks (principal)	19,105,263	32,000,000
Financial liabilities with a variable interest rate	**57,068,009**	**73,101,546**

The variable interest rate is linked to Euribor. The annual impact on pre-tax profit of a one percentage point change in the reference interest rate would be positive or negative in the amount of EUR 571 thousand.

Currency risk

Slovenske železnice, d.o.o. likewise manages currency risk in accordance with the Policy on the Comprehensive Management of Risks within the Slovenske železnice Group. As the majority of the company's transactions are in euros and the number of transactions in other currencies is negligible, Slovenske železnice, d.o.o. is less exposed to currency risk. The company therefore has almost no exposure to currency risk in ordinary operations. The entire credit portfolio of Slovenske železnice, d.o.o. is also denominated in euros.

As at in EUR		Trade receivables	Loan liabilities (short-term and long-term – principal)	Trade payables
31 December 2024	EUR	6,522,839	19,105,263	4,923,884
31 December 2023	EUR	5,068,380	33,250,000	8,103,354

Liquidity risk

With the aim of managing liquidity risk, Slovenske železnice d.o.o. implemented a policy on the regular management of its liquidity and solvency in 2024. It used that policy for the daily, monthly and annual monitoring of the liquidity position of the Group as a whole and of the companies in the Group.

Liquidity risk management requires the management of such liquidity risk by individual category:

- the management of liquidity risk from operations, which is closely linked to credit risk; and
- the management of liquidity risk from financing, which constitutes a risk linked to the securing of sufficient financial resources for the company's operations and investments.

Liquidity risk management is centralised at the controlling company for all Group companies. The continuous monitoring of cash flows, the implementation of the Slovenske železnice Group's cash management policy (Group companies have signed a cash-pooling agreement for the purpose of managing and balancing liquidity within the Group), and the availability and securing of the necessary short-term revolving credit lines (regularly renewed) in the amount of EUR 60 million ensured that the liquidity of Slovenske železnice, d.o.o. was controlled and secured in 2024, and that liquidity risk was managed.

Contractual maturities of financial assets and liabilities in 2024

in EUR			Contractual cash flows			
	Carrying amount of assets	Contract assets	0–6 months	6–12 months	1–3 years	More than 3 years
Other non-current financial receivables	2,401,003	2,401,003				2,401,003
Non-current operating receivables from Group companies	157,345	157,345				157,345
Non-current operating receivables from others	2,632,103	2,632,103				2,632,103
Current financial receivables from Group companies	26,536,000	27,466,211	465,105	27,001,105		
Current deposits at banks	64,100,000	64,277,445	64,277,445			
Current financial receivables from others	145	145	145			
Current operating receivables (excluding receivables from the government)	6,449,965	6,449,965	6,449,965			
Cash and cash equivalents	**18,375,554**	**18,375,554**	**18,375,554**			
Balance as at 31 December 2024	**120,652,115**	**121,759,771**	**89,568,214**	**27,001,105**	**0**	**5,190,451**

in EUR			Contractual cash flows			
	Book value of liabilities	Contract liabilities	0–6 months	6–12 months	Between 1 and 3 years	More than 3 years
Long-term borrowings	16,789,474	20,042,536			6,157,761	13,884,775
Non-current financial liabilities within the Group	37,962,746	39,960,882				39,960,882
Non-current operating liabilities within the Group	7,046	7,046				7,046
Non-current operating liabilities to others	1,415,136	1,415,136			1,415,136	
Non-current lease liabilities	79,674	94,532			94,532	
Short-term borrowings	2,315,789	3,258,499	1,640,322	1,618,177		
Current financial liabilities within the Group	136,172,457	138,552,364	73,341,105	65,211,259		
Current lease liabilities	46,227	46,437	24,358	22,079		
Current other financial liabilities	867,568	867,568	867,568			
Current operating liabilities (excluding liabilities to the government and employees, and liabilities from advances)	4,923,885	4,923,885	4,923,885			
Balance as at 31 December 2024	**200,580,002**	**209,168,885**	**80,797,238**	**66,851,515**	**7,667,429**	**53,852,703**
Net as at 31 December 2024	**-79,927,887**	**-87,409,114**	**8,770,976**	**-39,850,410**	**-7,667,429**	**-48,662,252**

Contractual maturities of financial assets and liabilities in 2023

in EUR			Contractual cash flows			
	Carrying amount of assets	Contract assets	0–6 months	6–12 months	1–3 years	More than 3 years
Non-current financial assets						
Other non-current financial receivables	2,401,003	2,401,003				2,401,003
Non-current operating receivables from Group companies	197,549	197,549				197,549
Non-current operating receivables from others	4,836,604	4,836,604				4,836,604
Current financial assets						
Current financial receivables from Group companies	25,273,000	26,437,462	582,231	25,855,231		
Current deposits with banks	49,000,000	49,035,072	49,035,072			
Current financial receivables from others	155	155	155			
Current operating receivables (excluding receivables from the government)	5,008,857	5,008,857	5,008,857			
Cash and cash equivalents	13,544,128	13,544,128	13,544,128			
Balance as at 31 December 2023	**100,261,296**	**101,460,830**	**68,170,443**	**25,855,231**	**0**	**7,435,156**

in EUR			Contractual cash flows			
	Carrying amount of liabilities	Contract liabilities	0–6 months	6–12 months	1–3 years	More than 3 years
Long-term borrowings	19,105,263	23,301,035			6,397,253	16,903,782
Non-current financial liabilities within the Group	41,101,546	43,830,690				43,830,690
Non-current operating liabilities within the Group	10,251	10,251				10,251
Non-current lease liabilities	121,001	145,948			113,330	32,618
Short-term borrowings	14,144,736	15,222,270	13,543,728	1,678,542		
Current financial liabilities within the Group	89,477,617	93,294,917	2,043,648	91,251,269		
Current lease liabilities	47,243	47,243	23,622	23,621		
Current other financial liabilities	7,733,158	7,733,158	7,733,158			
Current operating liabilities (excluding liabilities to the government and employees, and liabilities from advances)	8,103,354	8,103,354	8,103,354			
Balance as at 31 December 2023	**179,844,169**	**191,688,866**	**31,447,510**	**92,953,432**	**6,510,583**	**60,777,341**
Net as at 31 December 2024	**-79,582,873**	**-90,228,036**	**36,722,933**	**-67,098,201**	**-6,510,583**	**-53,342,185**

Credit risk

Credit risk is the risk of financial loss arising from a debtor failing to partially or fully settle their obligations to the company. The deteriorating liquidity of partners on the market requires additional attention when monitoring their credit ratings, providing appropriate collateral and ensuring the regular collection of due receivables. The adverse economic conditions and the associated increased probability of failure to fulfil contractually defined obligations by partners require the company to pay special attention to the management of credit risks. For this reason, several departments are actively involved in the credit risk management process.

The credit risk management process is supplemented during the formulation of the portfolio through the careful selection of partners, followed by the regular review of the credit quality of those partners.

Credit risks were appropriately managed in 2024, and there were no material credit-related events that had a significant impact on operations.

Data regarding the operations of the banks with which the Group cooperates is monitored as part of the credit risk management process. Risk is further managed by diversifying the placement of cash at individual banks and by making short-term cash investments for current operations.

Checks of customers were carried out in 2024 with the help of an external rating agency and publicly available information. The operations and financial position of specific customers were monitored regularly, as was the company's exposure to those customers. Risk management measures were adopted as required.

Slovenske železnice d.o.o. is exposed to credit risk in relation to the following financial assets:

in EUR	Balance as at 31 December 2024	Balance as at 31 December 2023
Non-current and current financial receivables	93,037,148	76,674,158
– of which:		
current financial receivables from Group companies	26,536,000	25,273,000
current financial receivables from banks for deposits placed	64,100,000	49,000,000
Non-current and current operating receivables	10,294,611	10,965,488
- of which trade receivables	6,449,964	5,008,857
Cash and cash equivalents	18,375,553	13,544,128
Total	**121,707,312**	**101,183,774**

Current financial receivables as at 31 December 2024 consist almost entirely of receivables from other companies in the Slovenske železnice Group arising from intercompany financing agreements and a receivable for a short-term deposit with a foreign bank (see Note 6.6.1.6).

In terms of bank transactions, the company is primarily exposed to credit risk through bank deposits and cash holdings. In line with the adopted policy, bank deposits are placed with prime banks established in the EU or EFTA countries. Prime status is assessed on the basis of the most recent available credit rating of the bank. To qualify as a prime institution, a bank must have a minimum credit rating of BBB- from Standard & Poor's or Fitch, or Baa3 from Moody's. If a given bank has not been rated by these agencies, the rating of the banking group to which the bank belongs is used as the reference. Deposits placed with banks as at 31 December 2024 are held with a foreign bank established in the EU. Cash holdings are placed in accounts with domestic banks whose credit ratings under the same methodology are at least BBB-. In both cases – deposits and cash holdings – the company regularly monitors its maximum exposure to any individual bank.

The company considers that it is not exposed to credit risk in relation to current financial receivables from other companies in the Slovenske železnice Group and current financial receivables from banks arising from deposits placed. In the individual assessment of the above financial receivables, no significant increase in credit risk was identified in the twelve months following initial recognition (Level 1), and no impairment of these financial assets is therefore required.

Trade receivables constitute a credit risk. Compared to the end of 2023, trade receivables increased by EUR 1,441,107, while the share of past-due trade receivables rose by 1.3 percentage points.

Since companies in the Slovenske železnice Group regularly settle their liabilities, trade receivables from companies within the Group, which as at 31 December 2024 accounted for 65.1% of all trade receivables (90.0% as at 31 December 2023), have not been impaired.

Receivables from other domestic and foreign customers include receivables from various natural and legal persons. The company considers there to be no significant risk of non-payment of these receivables.

Impairment of trade receivables is disclosed in Note 6.6.1.10.

Maturity of trade receivables (gross amount):

in EUR		Maturity				
		Past-due				
As at	Non-past-due	up to 30 days	31–90 days	91–365 days	more than 365 days	Total
31 December 2024	6,054,680	365,760	41,967	21,126	39,306	6,522,839
31 December 2023	4,771,392	197,950	46,503	26,008	26,527	5,068,380

8. Capital adequacy management

The underlying purpose of capital management is to ensure capital adequacy, the highest possible level of financial stability, long-term solvency and the maximisation of value for the company's owner.

in EUR	2024	2023
Non-current financial liabilities	54,831,894	60,327,810
Current financial liabilities	139,402,041	111,402,754
Total financial liabilities	194,233,935	171,730,564
Total equity	625,338,194	619,481,005
Debt/equity	**0.31**	**0.28**
Cash and cash equivalents	18,375,554	13,544,128
Net financial liabilities	175,858,381	158,186,436
Net debt/equity	**0.28**	**0.26**

9. Carrying amount and fair value of financial instruments

The table below only includes information regarding classification to the fair value hierarchy for assets and financial liabilities measured at fair value and for which fair value is disclosed.

in EUR					31 December 2024
	Carrying amount	Fair value	Level 1	Level 2	Level 3
Non-current financial assets					
Investments in shares and participating interests measured at fair value through profit or loss that are not quoted on a regulated market	2,140,782	2,140,782			2,140,782
Other financial receivables	2,401,003	2,401,003			2,401,003
Operating receivables	2,789,448	2,789,448			2,789,448
Current financial assets					
Financial receivables from Group companies	26,536,000	26,536,000		26,536,000	
Financial receivables from others	64,100,145	64,100,145		64,100,145	
Operating receivables (excluding receivables from the government)	6,449,965	6,449,965		6,449,965	
Cash and cash equivalents	18,375,554	18,375,554	18,375,554		
Non-current financial liabilities					
Liabilities from loans	16,789,474	19,412,484		19,412,484	
Financial liabilities to Group companies	37,962,746	37,962,746		37,962,746	
Lease liabilities	79,674	79,674			79,674
Current financial liabilities					
Financial liabilities to Group companies	136,172,457	136,172,457		136,172,457	
Liabilities from loans	2,315,789	3,029,982		3,029,982	
Lease liabilities	46,227	46,227			46,227
Other financial liabilities	867,568	867,568		867,568	
Trade payables	4,923,885	4,923,885		4,923,885	

in EUR					31 December 2023
	Carrying amount	Fair value	Level 1	Level 2	Level 3
Non-current financial assets					
Investments in shares and participating interests measured at fair value through profit or loss that are not quoted on a regulated market	2,140,782	2,140,782			2,140,782
Other financial receivables	2,401,003	2,401,003			2,401,003
Operating receivables	5,034,154	5,034,154			5,034,154
Current financial assets					
Financial receivables from Group companies	25,273,000	25,273,000		25,273,000	
Financial receivables from others	49,000,155	49,000,155		49,000,155	
Operating receivables (excluding receivables from the government)	5,008,857	5,008,857		5,008,857	
Cash and cash equivalents	13,544,128	13,544,128	13,544,128		
Non-current financial liabilities					
Liabilities from loans	19,105,263	23,843,194		23,843,194	
Financial liabilities to Group companies	41,101,546	41,101,546		41,101,546	
Lease liabilities	121,001	121,001			121,001
Current financial liabilities					
Financial liabilities to Group companies	89,477,617	89,477,617		89,477,617	
Liabilities from loans	14,144,736	15,366,421		15,366,421	
Lease liabilities	47,243	47,243			47,243
Other financial liabilities	7,733,158	7,733,158		7,733,158	
Trade payables	8,103,354	8,103,354		8,103,354	

Slovenske železnice, d.o.o. did not record any transitions between fair value levels in 2024.

10. Audit report of Slovenske železnice, d.o.o. and the Slovenske železnice Group

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INDEPENDENT AUDITOR'S REPORT
to the owners of SLOVENSKE ŽELEZNICE, d.o.o.

Report on the audit of the separate and consolidated financial statements

Opinion

We have audited the enclosed separate financial statements of SLOVENSKE ŽELEZNICE, d.o.o. (hereinafter: the company) and the consolidated financial statements of SLOVENSKE ŽELEZNICE, d.o.o. and its subsidiaries (hereinafter: the Group), which include the separate and consolidated statements of financial position as at 31 December 2024, and the separate and consolidated income statements, the separate and consolidated statements of other comprehensive income, the separate and consolidated statements of changes in equity and the separate and consolidated cash flow statements for the year then ended, as well as the notes to the consolidated financial statements, including a summary of material information on the accounting policies.

In our opinion, the enclosed separate and consolidated financial statements present fairly, in all material aspects, the separate and consolidated financial position of the company and the Group as at 31 December 2024, and their separate and consolidated financial performance and separate and consolidated cash flows for the year then ended, in accordance with the International Financial Reporting Standards, as adopted by the European Union (hereinafter: IFRS).

Basis for our opinion

We performed our audit in accordance with the International Standards on Auditing and Regulation (EU) No 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities (hereinafter: the Regulation). Our responsibilities on the basis of those rules are described in this report in the section Auditor's responsibilities for the auditing of the separate and consolidated financial statements. In accordance with the Code of Ethics for Accounting Professionals (including International Standards of Independence) issued by the International Ethics Board for Accountants (IESBA Code) and the ethical requirements relating to the auditing of separate and consolidated financial statements in Slovenia, we hereby confirm our independence from the company and the Group and our fulfilment of all other ethical obligations in accordance with these requirements and the IESBA Code. We believe that the auditing evidence obtained is a sufficient and appropriate basis for our opinion.

[redacted]

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Key audit matters

Key audit matters are those matters that, in our professional judgement, were of the most significance in the audit of the separate and consolidated financial statements for the financial year that ended on 31 December 2024. Those matters were addressed within the scope of our audit of the separate and consolidated financial statements as a whole, and in the formulation of our opinion regarding those statements. We do not, however, issue a separate opinion regarding those matters.

Recognition of revenues in the separate and consolidated financial statements

Key audit matter	How did we handle the matter in our audit?
The Group recognised revenue from contracts with customers in the amount of EUR 528,369 thousand in the consolidated income statement for the year ending 31 December 2024. The company recognised revenue from contracts with customers in the amount of EUR 36,961 thousand in the separate income statement for the year ending 31 December 2024. Further breakdowns in this regard are provided in the 'Revenue from contracts with customers' section as part of material information on the accounting policies and in Note 2.3.2.1. Revenues from contracts with customers (for the Group) and 6.6.2.1. Revenue from contracts with customers (for the company). As explained in the 'Revenue from contracts with customers' section as part of within the scope of material information on the accounting policies, revenues are recognised when control over goods or services is transferred to the customer. Revenues from services are recognised at the moment the Group or the company fulfil their performance obligation, i.e. when control over a service or good is transferred to the customer. Revenue from contracts with customers is an important indicator of the performance of the company and Group. Given the materiality of this item in the financial statements and the impact of the Management Board's assessment on the amount of revenues recognised, we determined that this area is a key audit matter.	In performing our audit, we assessed whether the accounting policies in connection with the recognition of revenues from contracts with customers were appropriate and whether they complied with IFRS 15, and conducted the following audit procedures: - we verified the basis and implementation of internal controls in connection with the recognition of revenues in terms of whether revenues had been recorded appropriately; - we verified the effectiveness of identified internal controls that we assessed as material in terms of our audit; - based on a selected sample, we verified in detail whether the recognised revenues had been recorded appropriately; - we received confirmation of transactions with associates for the revenues from transactions with associates disclosed in the separate income statement; - for revenues from construction contracts, shown in the consolidated income statement, we verified the appropriateness of the methodology used by the Management Board to recognise revenues over time, as well as the relevance of applied assumptions and the accuracy of input data that served as the basis of the estimate for each individual project. We also reviewed information in the financial statements in order to assess whether the disclosures in connection with revenues from contracts with customers were appropriate.

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Other information

Management is responsible for other information. Other information comprises information presented in the annual report, but does not include the separate and consolidated financial statements and the auditor's report regarding those statements. We obtained the aforementioned other information prior to the date of audit report, except the report of the Supervisory Board, which will be available at a later date.

Our opinion regarding the separate and consolidated financial statements does not relate to the other information, and we do not give any assurance whatsoever in connection with that information.

In connection with our audit of the separate and consolidated financial statements, it is our responsibility to interpret other information and assess whether it fails to conform materially to the separate and consolidated financial statements, legal requirements (with the exception of those relating to the sustainability report, on which a separate limited assurance report is issued) or knowledge we have obtained through our audit, and whether that information is otherwise materially misstated. If on the basis of our work we conclude that there exists a material misstatement of other information, we are obliged to report on such circumstances. In that regard and based on the procedures described above, we hereby report that:

- other information is in line, in all material aspects, with the separate and consolidated financial statements;
- other information, excluding the sustainability report, on which we issued a separate limited assurance report on 16 June 2025, is prepared in accordance with applicable laws and regulations;
- we did not identify any material misstatements based on the knowledge and understanding of the company and Group and their environment that we gained during our audit.

Responsibility of the Management Board and other persons responsible for the separate and consolidated financial statements

The Management Board is responsible for the compilation and fair presentation of the separate and consolidated financial statements in accordance with the IFRS, and for the internal controls that it deems necessary to enable the compiling of separate and consolidated financial statements that are free from material misstatements due to fraud or error.

In compiling the separate and consolidated financial statements of the company and Group, the Management Board is responsible for assessing the ability of the company and Group to continue functioning as going concerns, for the disclosure of matters associated with the company and Group as a going concern and for the application of the assumption of a going concern as the basis for accounting, unless the Management Board intends to liquidate or wind up the company or Group, or if it has no choice between one or the other.

Those charged with governance are responsible for overseeing the financial reporting process of the company and the Group.

Auditor's responsibility for the auditing of separate and consolidated financial statements

Our objectives are to obtain acceptable assurance as to whether the separate and consolidated financial statements as a whole are free from material misstatements due to fraud or error, and to issue an audit report that includes our opinion. Reasonable assurance is a high degree of assurance – but no guarantee – that our audit, conducted in accordance with International Standards on Auditing, will uncover all material misstatements should they exist. Misstatements may be the result of fraud or error, and are deemed material if it is reasonable to expect that they may, individually or collectively, impact the business decisions adopted by users on the basis of the separate and consolidated financial statements.

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We make use of professional assessments and maintain professional scepticism when conducting audits in accordance with the International Standards on Auditing. We also:

- Identify and assess the risks associated with material misstatements in the separate and consolidated financial statements due to fraud or error, formulate and implement audit procedures as a response to assessed risks, and obtain sufficient audit evidence as the basis for our opinion. The risk of not detecting a material misstatement due to fraud is higher than the risk resulting from the error, as fraud can include collusion, forgery, wilful omissions, false representation or the circumventing of official controls.
- Obtain an understanding of internal controls relevant to auditing for the purpose of formulating audit procedures appropriate to the environment, but not for the purpose of expressing an opinion regarding the effectiveness of the internal controls of the Company and Group.
- Assess whether the applied accounting policies were appropriate, and whether the accounting estimates and the associated disclosures compiled by the Management Board were acceptable.
- Adopt a decision on the acceptability of the management's application of the assumption of the company and Group as going concerns on an accounting basis, taking into account audit evidence obtained regarding the existence of significant uncertainties with regard to events or circumstances that raise doubts about the ability of the organisation to continue operating as a going concern. Should we adopt a decision on the existence of significant uncertainties, we are responsible for using the auditor's report as a vehicle to raise concerns regarding the appropriateness of disclosures in the separate and consolidated financial statements, and for amending our opinion if those disclosures are inappropriate. The auditor's decisions are based on audit evidence obtained up to the day the auditor's report is issued. However, ensuing events or circumstances can cause the company or Group to cease operating as a going concern.
- Assess the overall presentation, structure and content of the separate and consolidated financial statements, including disclosures, and assess whether the separate and consolidated financial statements present transactions and events in such a way that a fair presentation is achieved.
- We plan and carry out a Group audit to obtain sufficient and appropriate audit evidence in relation to the financial information of the companies or business units within the Group, as a basis for forming an opinion on the Group's financial statements. We are responsible for directing, supervising and reviewing the audit work performed for the purposes of the Group audit. We are also solely responsible for the auditor's opinion.

We hold discussions with governance bodies on matters that include the planned scope and timetable of the audit and the material audit findings, including any important deficiencies in internal controls established in the course of our audit.

We also submit a statement to governance bodies to the effect that we have fulfilled all ethical requirements in connection with independence, and notify those bodies of all relationships and other matters that can be justifiably deemed to impact our independence and, where appropriate, of the measures taken to eliminate the risk or the safeguards used.

From among all the matters that we discuss with the governance bodies, we identify those that were of greatest significance in respect of the separate and consolidated financial statements for the period under audit and that are therefore deemed to be the key audit matters. We describe these matters in the audit report, unless the law or a regulation prevents their public disclosure or where, in extremely rare circumstances, we decide not to refer to matters in the report because we justifiably expect the harmful consequences of their disclosure to be greater than the public interest in reporting on them.

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Report on other legal and regulatory matters

Report on requirements of Regulation (EU) No 537/2014 of the European Parliament and of the Council

Confirmation to the Audit Committee

We hereby confirm that our audit opinion regarding the separate and consolidated financial statements in this report is in line with the additional report to the Audit Committee in accordance with Article 11 of Regulation (EU) No 537/2014 of the European Parliament and the Council.

Prohibited services

We confirm that we have not provided any of the services referred to in Article 5(1) of Regulation (EU) No 537/2014 of the European Parliament and of the Council to the company or the Group, and that the audit firm has met the requirements for independence in its audit.

Other services of the audit firm

The audit firm provided no other services to the audited company or its subsidiaries beyond auditing the financial statements, apart from those disclosed in the annual report.

Appointment of the audit firm and the responsible certified auditor

Deloitte revizija d.o.o. was appointed as the statutory auditor of the company and the Group at the general meeting of the company of 14 September 2022. The audit contract was signed by the Chair of the Supervisory Board on 11 January 2023. The contract was concluded for three years. We have been conducting mandatory audits of the company's financial statements uninterruptedly since 10 February 2016.

Tina Kolenc Praznik is responsible for the audit on behalf of the audit firm Deloitte revizija, d.o.o.

DELOITTE REVIZIJA d.o.o.
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Tina Kolenc Praznik
Certified Auditor
Ljubljana, 16 June 2025

For signature please refer to the original Slovenian version

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INDEPENDENT LIMITED ASSURANCE REPORT ON THE CONSOLIDATED SUSTAINABILITY REPORT to the owners of Slovenske železnice d.o.o.

We have performed a limited assurance engagement on the consolidated sustainability report of the Slovenske železnice Group ('the Group'), included in the 'Sustainability Report' section of the Group's annual report, as at 31 December 2024 and for the period from 1 January 2024 to 31 December 2024 (hereinafter: 'Consolidated Sustainability Report').

Definition of suitable criteria

The Consolidated Sustainability Report was prepared by the Group's Management Board in order to meet the requirements of Articles 70(c) and 70(č) of the Companies Act (ZGD-1), which implement Article 29a of Directive 2013/34/EU, including:

- compliance with the European Sustainability Reporting Standards, introduced by 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 ('ESRS'), including that the process carried out by the Group to identify the information reported in the Consolidated Sustainability Report ('the Process') complies with the description in the disclosure '(IRO-1) Description of the procedures for identifying and assessing material impacts, risks and opportunities';
- compliance of the disclosures in the 'Report on environmentally sustainable economic activities and investments of the Slovenske železnice Group for 2024' section of the Consolidated Sustainability Report with Article 8 of Regulation (EU) 2020/852 ('the Taxonomy Regulation'); and
- compliance with the requirements for the preparation of the Consolidated Sustainability Report in accordance with Article 58 of the Companies Act (ZGD-1), which requires the Group to prepare the Consolidated Sustainability Report in a single electronic reporting format as defined in Article 3 of Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 supplementing Directive 2004/109/EC of the European Parliament and of the Council with regard to regulatory technical standards on the specification of a single electronic reporting format ('the ESEF Regulation').

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Inherent limitations in the preparation of the Consolidated Sustainability Report

The criteria, the nature of the Consolidated Sustainability Report and the absence of long-established authoritative guidance, standardised practices for application and reporting allow for the use of different but acceptable measurement methodologies, which may result in differences between companies. The measurement methodologies adopted may also affect the comparability of sustainability matters reported by different companies and by the same company over time, as these methodologies continue to evolve.

In reporting forward-looking information in accordance with the ESRS, the Group's Management Board must prepare forward-looking information based on disclosed assumptions about events that may occur in the future and possible future actions of the Group. Actual results are likely to differ, since expected events often do not occur as anticipated.

In determining the disclosures in the Consolidated Sustainability Report, the Group's Management Board interprets undefined legal and other terms. Undefined legal and other terms may be interpreted in different ways, including in terms of legal compliance with such interpretations, and are therefore subject to uncertainty.

We draw attention to the following specific limitations addressed in the Consolidated Sustainability Report:

- Environmental reporting, as applied by all companies, includes information based on climate scenarios that inherently involve uncertainty due to incomplete scientific and economic knowledge regarding the probability, timing or impact of potential future physical and transitional effects related to climate. For the avoidance of doubt, the scope of our engagement and our responsibilities did not include performing procedures necessary to provide any assurance on the reliability, accurate compilation or accuracy of forward-looking information.
- Any supply chain emissions metric stated in the Consolidated Sustainability Report may include information provided by suppliers or third parties. Our procedures did not include obtaining assurance regarding information provided by suppliers or third parties.
- The Consolidated Sustainability Report may include metrics derived from reported incidents relating to employees and subcontractors. Our testing may not reveal misstatements regarding completeness, for example in cases where incidents may have occurred but were not reported.

Responsibility of the Group's Management Board

The Group's Management Board is responsible for designing and establishing the process for identifying the information included in the Consolidated Sustainability Report in accordance with the ESRS ('the Process') and for explaining it in the note '[IRO-1] Description of the procedures for identifying and assessing material impacts, risks and opportunities' of the Consolidated Sustainability Report. This responsibility includes:

- understanding the context in which the Group conducts its activities and business relationships, and obtaining an understanding of the affected stakeholders;
- identifying actual and potential impacts (both negative and positive) related to sustainability matters, as well as risks and opportunities that affect, or can reasonably be expected to affect, the Group's financial position, financial performance, cash flows, access to finance or cost of capital over the short, medium or long term;
- assessing the materiality of the identified impacts, risks and opportunities related to sustainability matters by selecting and applying appropriate thresholds; and
- using assumptions that are reasonable in the given circumstances.

The Group's Management Board is also responsible for preparing the Consolidated Sustainability Report in accordance with Articles 70(c) and 70(č) of the Companies Act (ZGD-1), which implements Article 29a of Directive 2013/34/EU, including:

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- compliance with the ESRS;
- preparing the disclosures in the 'Report on environmentally sustainable economic activities and investments of the Slovenske železnice Group for 2024' section of the Consolidated Sustainability Report in accordance with Article 8 of Regulation (EU) 2020/852 (the 'Taxonomy Regulation');
- designing, implementing and maintaining such internal controls as the Management Board deems necessary to enable the preparation of the Consolidated Sustainability Report in a manner that is free from material misstatement, whether due to fraud or error; and
- selecting and applying appropriate sustainability reporting methodologies and applying assumptions and estimates related to individual sustainability disclosures that are reasonable in the given circumstances.

The Group's Management Board is also responsible for preparing the Consolidated Sustainability Report in accordance with the technical requirements relating to the single electronic reporting format, as laid down in Article 58 of the Companies Act (ZGD-1) and Article 3 of the ESEF Regulation. This responsibility includes designing, implementing and maintaining such internal controls as are necessary to enable the preparation of the Consolidated Sustainability Report that is not materially non-compliant with the requirements of Article 33 of the Companies Act (ZGD-1) and Article 3 of the ESEF Regulation.

Those charged with governance are responsible for overseeing the Group's sustainability reporting process.

Responsibilities of the service provider

We performed our limited assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) Assurance Engagements Other Than Audits or Reviews of Historical Financial Information ('ISAE 3000 (Revised)').

The procedures followed in a limited assurance engagement differ in nature and timing and are less extensive than those undertaken in a reasonable assurance engagement. As a result, the level of assurance obtained in a limited assurance engagement is substantially lower than would have been obtained had a reasonable assurance engagement been performed.

Our objectives are to plan and perform the assurance engagement to obtain limited assurance as to whether the Consolidated Sustainability Report is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion. Misstatements may arise from fraud or error and are considered material if it is reasonable to expect that, individually or collectively, they could influence the decisions of users made on the basis of the Consolidated Sustainability Report as a whole.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised), we exercise professional judgement and maintain professional scepticism throughout the engagement.

Our responsibilities in relation to the Consolidated Sustainability Report with regard to the Process include:

- obtaining an understanding of the Process, but not for the purpose of expressing a conclusion on the effectiveness of the Process, including its outcome;
- planning and performing procedures to evaluate whether the Process is in accordance with the Group's description of the Process, as disclosed in the note '[IRO-1] Description of the procedures for identifying and assessing material impacts, risks and opportunities'.

Our other responsibilities in relation to the Consolidated Sustainability Report include:

- obtaining an understanding of the Group's control environment, processes and information systems relevant to the preparation of the Consolidated Sustainability Report, without assessing the design of individual control activities, obtaining evidence of their implementation, or testing the effectiveness of their operation;
- identifying disclosures where material misstatements are likely to arise, whether due to fraud or error;

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- planning and performing procedures in relation to disclosures in the Consolidated Sustainability Report where material misstatements are likely to arise. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, since fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls;
- assessing whether the Consolidated Sustainability Report is, in all material respects, prepared in the format required by Article 58 of the Companies Act (ZGD-1) and Article 3 of the ESEF Regulation.

Our independence and quality management

We performed our work in accordance with the independence and ethical requirements of the international Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants ('the Code'). The Code is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies International Standard on Quality Management (ISQM) 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements, and maintains a comprehensive system of quality management, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Summary of work performed

The limited assurance engagement involved performing procedures to obtain evidence regarding the Consolidated Sustainability Report.

The nature, timing and extent of the selected procedures are based on professional judgement, including the identification of disclosures in the Consolidated Sustainability Report where material misstatements are likely to arise, whether due to fraud or error.

As part of the limited assurance engagement in relation to the Process, we:

- obtained an understanding of the Process by:
  - o making inquiries in order to understand the sources of information used by the Management Board (e.g. stakeholder engagement, business plans and strategic documents);
  - o reviewing internal Group documentation relating to the Process; and
- evaluated whether the evidence obtained through our procedures regarding the Process carried out by the Group was consistent with the description of the Process as presented in the note '[IRO-1] Description of the procedures for identifying and assessing material impacts, risks and opportunities'.

As part of the limited assurance engagement in relation to the Consolidated Sustainability Report, we:

- obtained an understanding of the Group's reporting processes relevant to the preparation of the Consolidated Sustainability Report by:
  - o making inquiries in order to understand the control environment, processes and information systems of the Group relevant to the preparation of the Consolidated Sustainability Report;
- evaluated whether the material information identified through the Process was actually included in the Consolidated Sustainability Report;
- assessed whether the structure and presentation of the Consolidated Sustainability Report were in accordance with the ESRS;
- performed substantive procedures on selected information in the Consolidated Sustainability Report on a sample basis;

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- obtained evidence on the methods used to develop material estimates and forward-looking information and how these methods were applied;
- obtained an understanding of the Group's procedure for identifying economic activities that are Taxonomy-eligible and Taxonomy-aligned, and the related disclosures in the Consolidated Sustainability Report;
- assessed whether the Consolidated Sustainability Report was prepared in the format required by Article 58 of the Companies Act (ZGD-1) and Article 3 of the ESEF Regulation.

We believe that the evidence obtained is a sufficient and appropriate basis for our conclusion.

Limited assurance conclusion

On the basis of the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the Consolidated Sustainability Report is not, in all material respects, prepared in accordance with Articles 70(c) and 70(č) of the Companies Act (ZGD-1), which implements Article 29a of Directive 2013/34/EU, including:

- compliance with the European Sustainability Reporting Standards (ESRS), including that the process carried out by the Group to identify the information reported in the Consolidated Sustainability Report is in accordance with the description in the note '[IRO-1] Description of the procedures for identifying and assessing material impacts, risks and opportunities';
- compliance of the disclosures in the 'Report on environmentally sustainable economic activities and investments of the Slovenske železnice Group for 2024' section of the Consolidated Sustainability Report with Article 8 of the Taxonomy Regulation; and
- compliance with the requirements regarding the preparation of the Consolidated Sustainability Report in the format required by Article 58 of the Companies Act (ZGD-1) and Article 3 of the ESEF Regulation.

Other matter

Our limited assurance engagement does not relate to information concerning prior periods.

DELOITTE REVIZIJA d.o.o.
Dunajska cesta 165
1000 Ljubljana

Tina Kolenc Praznik
Key Sustainability Partner
Ljubljana, 16 June 2025

For signature please refer to the original Slovenian version

Translation only – Slovenian original prevails

Abbreviations

Abbreviation	Meaning
AC	Audit Committee
AL	Annual leave
ANR	Agency for the Public Oversight of Auditing
ARSO	Slovenian Environment Agency
CCM	Climate change mitigation
BS	Balance sheet
CCA	Climate change adaptation
CCM	Climate change mitigation
CER	Community of European Railway and Infrastructure Companies
CIV	Uniform Rules concerning the Contract of International Carriage of Passengers by Rail
CIT	International Rail Transport Committee
CO_2	Carbon dioxide
CO_2e	Carbon dioxide equivalent
CPC	Commission for the Prevention of Corruption
CSIs	Common safety indicators
CS3D	Corporate Sustainability Due Diligence Directive
CSTs	Common safety targets
CSO	Chief sustainability officer
CSRD	Corporate Sustainability Reporting Directive
d.d.	Public limited company
d.o.o.	Limited liability company
D	Derivatives
DB	Deutsche Bahn
DEFRA	Department for Environment, Food and Rural Affairs (UK)
Deloitte Revizija	Deloitte Revizija d.o.o.
DPO	Data protection officer

Abbreviation	Meaning
E	Earnings (net profit or loss)
EBIT	Earnings before interest and taxes
EBITDA	Earnings before interest, taxes, depreciation and amortisation
EBT	Earnings before tax
ECB	European Central Bank
EE	Electrical equipment
EMS	Energy management systems
EPLI	EP Logistics International
ERA	European Union Agency for Railways
ERP	Enterprise resource planning
EC	European Community
ESG	Environmental, social and corporate governance
ESRS	European Sustainability Reporting Standards
ETCS	European Train Control System
ETF	European Transport Workers' Federation
EU	European Union
EUR	Official code for the currency of the European Union
EU-Rail	Europe's Rail Joint Undertaking
FMEA	Failure mode and effects analysis
GAAP	Generally Accepted Accounting Principles
GHGP	Greenhouse gases
GWh	Gigawatt hour
HR	Human resources
HRC	HR Committee
HVO	Hydrotreated vegetable oil
HŽ	Hrvatske željeznice (Croatian Railways)

Abbreviation	Meaning
IA	Intangible assets
IAS	International Accounting Standards
IASB	International Accounting Standards Board
ICS	InterCity Slovenija
IDC	Investments and Development Committee
IFRIC	International Financial Reporting Interpretations Committee
IFRS	International Financial Reporting Standards
IP	Investment property
IPT	Integrated public transport
ICT	Information and communication technologies
IRS	Interest-rate swap
iISUP	Integrated information system for the management of rail traffic
ISO	International Organization for Standardization
ISRTM	Information system for rail transport monitoring
IT	Information technology
km	Kilometre
KPDŽP	Collective Agreement for the Rail Transport Sector
KPI	Key performance indicators
LCr	Level crossing
LPC	Ljubljana Passenger Centre
M	Million
MÁV	Hungarian State Railways
MWh	Megawatt hour
NAPA	North Adriatic Ports Association
Nomago	NOMAGO, d.o.o.
N-EL	Taxonomy-non-eligible activity for the relevant objective
NTKM	Net tonne-kilometre
ÖBB	Austrian Federal Railways
OCG	Own characteristic of the Slovenske železnice Group
OECD	Organisation for Economic Co-operation and Development
ORV	Own reference values

Abbreviation	Meaning
OSI	Own safety indicators
OST	Own safety targets
PPE	Property, plant and equipment
PPSCT	Persons performing safety-critical tasks directly in railway operations
PSO	Public service obligation
P&R	Park and ride
PDCA	Plan–do–check–act (four-step iterative method for the continuous improvement of processes and products)
PKM	Passenger-kilometre
PPT	Public passenger transport
PRI	Public railway infrastructure
PT	Railway undertaking's passenger tariff
RCP	Representative concentration pathways
RES	Renewable energy sources
RIC	Regolamento Internazionale delle Carrozze (Agreement on the exchange and use of passenger coaches in international traffic)
RIV	Regolamento Internazionale Veicoli (International Wagon Regulations governing the exchange and use of goods wagons between railway undertakings)
ROA	Return on assets
ROE	Return on equity
RS	Republic of Slovenia
RSD	Serbian dinar
SAP	Systems Applications and Products in Data Processing – business IT support
SAP TM	Transport management module in the SAP system
SASB	Sustainability Accounting Standards Board
SB	Supervisory Board
SDA	Slovenian Directors' Association
SDH	Slovenski državni holding (Slovenian Sovereign Holding)
SE	South-east
SF	SuccessFactors (HR information system)
SIC	Strategic Investments Committee
SIEM	Security information and event management

Abbreviation	Meaning
SiOK	Slovenian Organisational Climate
Slovenian Infrastructure Agency (DRSI)	Infrastructure Directorate
Slovenske železnice	Slovenske železnice, d.o.o.
Slovenski državni holding	Slovenski državni holding, d.d.
SOC	Cybersecurity Operations Centre
SS	Sector-specific impact
SUB	Subsidiary
ST	Specialised technical support
SURS	Statistical Office of the Republic of Slovenia
SUST	Sustainable
SS	Signalling safety
SSTC	Signalling safety and telecommunications equipment
SMS	Safety management system
SŽ	Slovenske železnice
SŽ EP Logistika	SŽ EP Logistika, d.o.o.
SŽ-INF	SŽ-Infrastruktura, d.o.o.
SŽ-Infrastruktura	SŽ-Infrastruktura, d.o.o.
SŽ-Potniški promet	SŽ-Potniški promet, d.o.o.
SŽ-PP	SŽ-Potniški promet, d.o.o.
SŽ-Tovorni promet	SŽ-Tovorni promet, d.o.o.
SŽ-TP	SŽ-Tovorni promet, d.o.o.
SŽ-VIT	SŽ-Vleka in tehnika, d.o.o.
SŽ-Železniška tiskarna	SŽ-Železniška tiskarna Ljubljana, d.d.
SŽ-ŽGP	SŽŽelezniško gradbeno podjetje, d.d.
SŽ-ŽIP	SŽ-ŽIP, storitve, d.o.o.
t	Tonne
TEN-T	Trans-European Transport Network
GHG	Greenhouse gases
TC	Telecommunications systems
TSI	Technical specifications for interoperability
UIC	International Union of Railways

Abbreviation	Meaning
UMAR	Institute of Macroeconomic Analysis and Development
UN	United Nations
USD	US dollar
VAT	Value added tax
VR	Virtual reality
VV-LOG	VV-LOG, d.o.o.
Wi-Fi	Wireless network protocol
XR	Augmented reality
ZDR-1	Employment Relationships Act
ZGD	Companies Act
ZN	Non-Contentious Civil Procedure Act
ZPCP-2	Road Transport Act
ZPIZ	Pension and Disability Insurance Institute of Slovenia
ZPIZ-2	Pension and Disability Insurance Act
ZPSV	Social Security Contributions Act
ZR	Accounting Act
ZSDH-1	Slovenian Sovereign Holding Company Act
ZSDP-1	Parental Protection and Family Benefits Act
ZUTD	Labour Market Act
ZUTPG	Adjustments of Transfers to Individuals and Households in the Republic of Slovenia Act
ZVO-2	Environmental Protection Act (second version)
ZVZD-1	Occupational Health and Safety Act
ZVZelP-1	Rail Safety Act
ZZelP	Railway Transport Act
ZZPri	Whistleblower Protection Act
ZZVZZ	Healthcare and Health Insurance Act
ZZZPB	Employment and Insurance Against Unemployment Act

Annual Report
Slovenske železnice, d.o.o. and the Slovenske železnice Group for 2024

Published by
Slovenske železnice, d.o.o.
Kolodvorska 11, 1506 Ljubljana

Text
Slovenske železnice support services

Concept and editorial tasks
Saatchi & Saatchi Ljubljana

Photographs
Miško Kranjec and iStock

Translation
Amidas, d.o.o.

Concept, design and layout
Saatchi & Saatchi Ljubljana