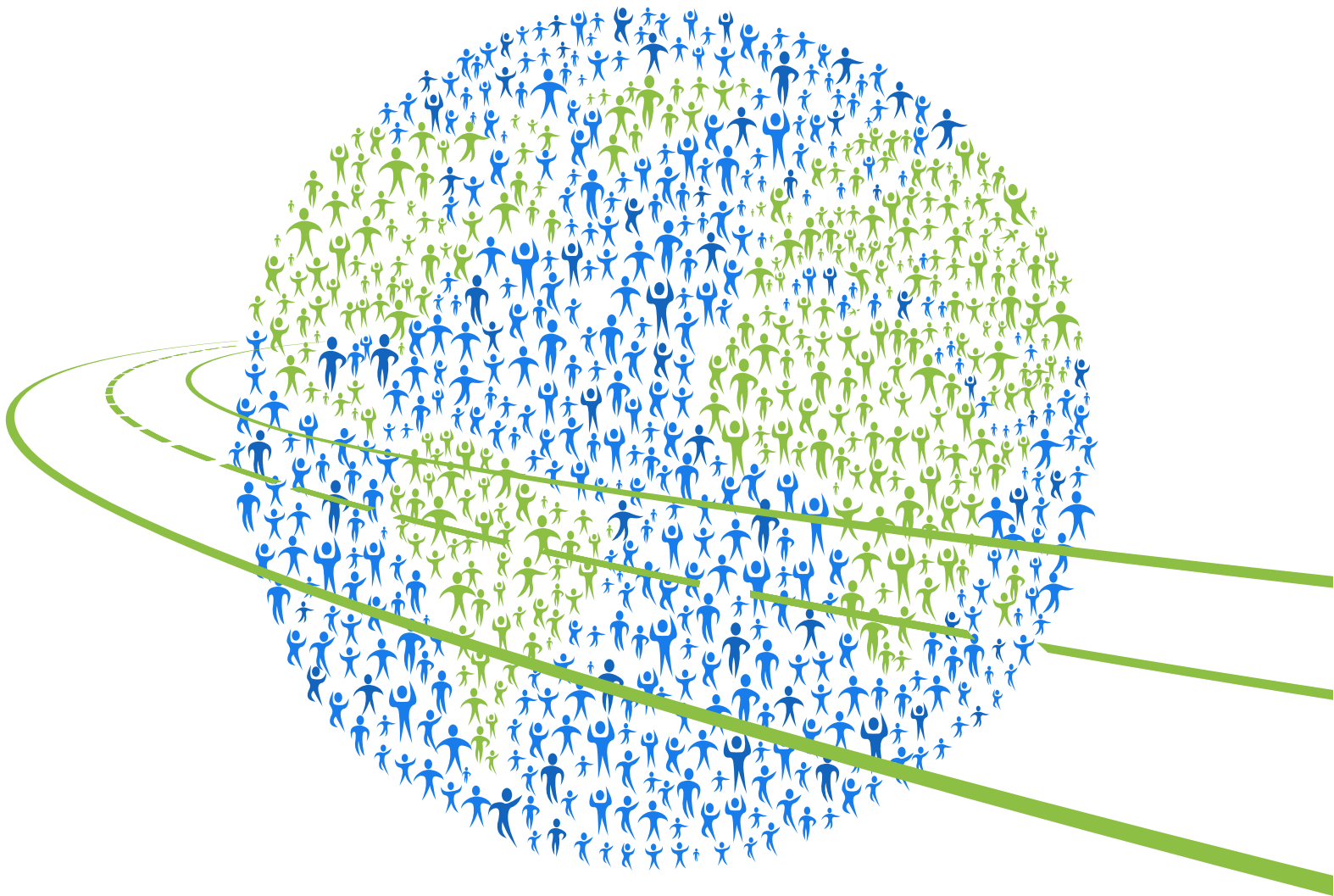


SUSTAINABILITY REPORT



CONSOLIDATED NON-FINANCIAL DISCLOSURE
PREPARED PURSUANT TO LEGISLATIVE DECREE 254/2016



2020



Connected to tomorrow! Ideas, people and values

THE SUSTAINABILITY REPORT HAS BEEN TRANSLATED INTO ENGLISH
SOLELY FOR THE CONVENIENCE OF THE INTERNATIONAL READER.
IN THE EVENT OF CONFLICT OR INCONSISTENCY BETWEEN THE TERMS USED
IN THE ITALIAN VERSION OF THE DOCUMENT AND THE ENGLISH VERSION,
THE ITALIAN VERSION SHALL PREVAIL, AS THE ITALIAN VERSION CONSTITUTES THE OFFICIAL RECORD

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Some pictures were taken prior to the start of the COVID-19 pandemic.

LETTER TO STAKEHOLDERS



Dear Stakeholders,

it's not easy to start the ASTM Group's 2020 Sustainability Document without taking into account the exceptional and extraordinary events which affected the entire world during the last year.

2020 can only be defined as an "annus horribilis": the year of the Covid-19 epidemiological emergency that overturned our habits, the way we organise our life and work, all way heavily impacting the world economy and that of our country.

We learned a new way to of working, physically more distant, but virtually connected learning how upheaval can give rise to an opportunity.

Despite the difficulties, we demonstrated truly extraordinary resilience, achieving important results in all the sectors in which we work and finalising operations of great import and significance, which will change the face of our Group in coming years, as we become ever more a global player in the motorway infrastructure sector.

All of this was the result of the efforts of our unique team, combining the skills and know-how of the people on it.

I cannot help but highlight how, in the face of the emergency we all lived through, we demonstrated the strength and structure of our organisation, adopting prevention and containment measures in line with directives issued by national and local authorities to mitigate the impacts of the pandemic on the health of our employees and collaborators, as

well as on business operations.

Aware of our mission, as we managed the motorway network under concessions we guaranteed all user services in terms of the road network, while continuing maintenance projects and investment activities which could be postponed as they served to raise the safety and quality levels of infrastructure.

We are an important part of the communities in which we work and live and we're proud that we contributed to dealing with the Covid-19 emergency, allocating specific funds for the Piedmont Region as well as donating equipped ambulances to the Italian Red Cross.

We also are a community based on respect for people, for safety and on constant attention to our clients. Because we want all of us to grow together.

We're proud of the work we have completed up to now but we want to do more and are also proud of the significant recognition which came our way during the year.

The independent Standard Ethics raised the ASTM rating to "EE" (strong), considering the Group's responsible and sustainable behaviour, fully investment grade, and confirmed an "EE+" positive outlook (very strong).

We found ourselves on the Carbon Disclosure Project (CDP) A List for the first time, thanks to our commitment to fighting climate change, one of the Group's primary objectives, integrated into our risk management model and medium/long-term strategies.

We were included on the Bloomberg 2021 Gender Equality Index, for our commitment to implementing gender parity policies and to promoting an ever more inclusive and equitable working environment, where diversity is considered important for success and growth.

We also further demonstrated our commitment and determination in protecting human rights throughout the world by signing the "Human Rights Guide" published by the World Business Council for Sustainable Development.

The pandemic accelerated a profound rethinking of the paradigms behind the industrial and financial system, further centring social and environmental issues. This is a strategic change that must push us even further towards understanding the centrality of these issues, which are a true intrinsic value for our Group.

In a national and international scenario that increasingly focusses on objectives linked to the issues of the ecological and energy transition, social inclusion and digitalisation/technology, the ASTM Group intends to accelerate its pursuit of the Sustainable Development Goals (SDGs), established through the UN's Agenda 2030.

We will continue to do our part, investing in technology, safety and the environment, to build the motorways of the future.

The challenges that await us require a clear vision of the future.

A future that we want to image will be increasingly green, without inequality, more sustainable, more modern and more people centred.

Enjoy your reading!

Umberto Tosoni

Chief Executive Officer

METHODOLOGICAL NOTE

This consolidated non-financial disclosure (“NFD” or “Sustainability Report”) of ASTM S.p.A. (“ASTM” or the “Company”) and its wholly consolidated subsidiaries (“ASTM Group” or “Group”) at 31 December 2020 describes initiatives and main results in terms of sustainability performance relative to the period from 1 January to 31 December 2020 and complies with provisions in articles 3 and 4 of Italian Legislative Decree 254/16 (the “Decree”).

As required by article 5 of Italian Legislative Decree 254/16, this document is a separate report, as indicated, referring to Consolidated Non-Financial Disclosure (NFD) required by law.

The NFD, to the extent necessary to ensure an understanding of a business’s activities, its performance, results and the impact it produces, covers environmental, social and personnel issues, respect for human rights, and the fight against active and passive corruption, which are significant for the company’s activities and characteristics, and for the expectations of its Stakeholders, as shown in the materiality matrix in this report in the section “Stakeholder Map and Materiality Analysis”.

Additionally, the NFD includes information on the areas indicated as of particular importance for the 2020 NFD in the document “European common enforcement priorities for 2020 annual financial reports” published by the European Securities and Markets Authority (ESMA) on 28 October 2020, and referenced by CONSOB in its Call to Attention 1/21 of 16 February 2021.

This Sustainability Report has been prepared in compliance with the GRI Sustainability Reporting Standards, published in 2016 by the Global Reporting Initiative (GRI), based on the “in accordance-core” option. As regards the GRI 403 Standard (Occupational Health and Safety) and GRI 303 Standard (Water and Effluents), the most recent version from 2018 has been adopted. Finally, GRI 207 (2019) has been adopted.

The “GRI Content Index” is included in the annex of this document, with details on contents reported in compliance with GRI.

For the preparation of the Sustainability Report,

reference was also made to the “Ten Principles” of the United Nations Global Compact (UNGC), ISO 26000:2010 (International Organization for Standardization) and Guidelines on Non-Financial Reporting of the European Commission.

The data and information included in the NFD refer to all companies within the ASTM Group scope of consolidation at 31 December 2020, with consolidation on a line-by-line basis. Any exceptions are expressly indicated in the text.

Regarding the main changes to the scope of consolidation for the NFD as at 31 December 2020, the following is reported:

- as of 1 January 2020, this document includes non-financial information for A.T.I.V.A. S.p.A. - Autostrada Torino-Ivrea-Valle D’Aosta, Ativa Engineering S.p.A. and S.I.CO.GEN. S.r.l., over which control was acquired on 14 November 2019;
- in July 2020, the subsidiary Itinera S.p.A. acquired control over Tubosider S.p.A., as well as its subsidiaries C.B.S. - Carpenteria Barriere Stradali S.r.l. in liquidation, Partecipazione Roma Sud S.c.ar.l., Tubosider UK LTD and Tubosider CSP LIMITED.

The non-financial data and information reported in this document, unless specified otherwise, refer to the period after the date control over the company was effectively acquired.

As regards the scope of consolidation of the ASTM Group, data on joint operations are reported in full without taking into consideration the percentage held, and also presented separately in order to allow for a wider understanding of the Group’s activities, its performance, results and the impact it produces. Additionally, data relative to manual workers includes those associated with unions and on the payroll of the Halmar Group (Union Workers) at 31 December 2020, regardless of the number of hours worked during the reference period.

To compare data and information over time and assess the trend of Group operations, a comparison

with the previous year has been made, where possible. Information on actions taken in previous years that still apply to Group operations is also included. Any restatements of the data published in the previous NFD have also been appropriately indicated in this report.

As established in the GRI Standards and in continuation of that carried out in previous years, ASTM has prepared a materiality analysis to report on the sustainability aspects deemed relevant for its Stakeholders and the organisation, taking into consideration the areas established under article 3 of the Decree. The materiality analysis, examined beforehand by the Sustainability Committee and the Audit and Risk Committee, was presented to the Board of Directors on 13 November 2020.

It was also considered appropriate to compare the significant issues identified by the materiality matrix with those identified by the main peers in the reference sectors in order to ensure a broader comparison.

Starting with the issues considered significant and considering the areas covered by the Decree, an analysis was carried out of the risks deriving from the Group's activity, services/products, including information about supply chain and subcontractors where relevant and available. In particular, ASTM and its main operating subsidiaries¹ have adopted a Risk Management system in line with best practices defined by the Enterprise Risk Management Integrated Framework (COSO ERM) and ISO 31000. The main risks connected with sustainability issues and relative management and mitigation procedures are indicated in the section "Corporate Governance, Internal Audit and Risk Management System", to which reference is made for details.

In November 2017, the ASTM Group started a process to continually improve sustainability aspects and set out its commitments in the 2017-2021 Sustainability Plan approved by ASTM S.p.A.'s Board of Directors. This document maps the strategic sustainability guidelines with a view to creating value for all Stakeholders in the medium to long term and considers them in terms of objectives and concrete actions, including the UN's 17 Sustainable Development

Goals (SDGs) to be reached by 2030, and consistent with the Group's Strategic Plan.

In this regard, the actions taken by the Group with reference to various sustainability topics are summarised below.

2020 saw an extraordinary event which affected the entire world - the Covid-19 health emergency, which was taken into account when defining projects associated with sustainability and the relative methods of execution.

GOVERNANCE AND THE FIGHT AGAINST ACTIVE AND PASSIVE CORRUPTION

To develop a management strategy increasingly aimed at fighting active and passive corruption, ASTM and its main operating subsidiaries have adopted an Anti-Corruption Policy in line with best practices and national and international standards.

Since 2019 ASTM and Itinera have voluntarily implemented an anti-corruption management system, achieving certification in compliance with international standard ISO 37001.

The Internal Audit Manager, appointed Anti-Corruption Officer, is in charge of overseeing the implementation of the management system for the prevention of corruption in compliance with the applicable regulations and ISO 37001 requirements.

A specific channel has also been set up to report offences or irregularities identified during work activities.

In 2020, Standard Ethics, an independent rating agency operating in the sustainability sector, raised ASTM's sustainability rating (Standard Ethics Rating) from EE- ("Adequate") to EE ("Strong") with a "Positive" outlook, foreseeing a Long Term Expected SER over 3/5 years of EE+ (Very Strong).

¹The main operating subsidiaries of ASTM S.p.A. include: A.T.I.V.A. S.p.A., Autostrada Asti-Cuneo S.p.A., Autostrada dei Fiori S.p.A., Società Autostrada Ligure Toscana p.A., S.A.T.A.P. S.p.A., S.A.V. S.p.A., Società di Progetto Autovia Padana S.p.A., Itinera S.p.A., Euroimpianti S.p.A., SINELEC S.p.A., S.I.N.A. S.p.A.

ENVIRONMENT

The ASTM Group is committed to pursuing solutions that can guarantee protection of local areas, a responsible use of natural resources, efficient energy consumption, the management of atmospheric emissions and protection of biodiversity.

Since 2018, ASTM has been a member of the CDP Climate Change Programme and in 2020 it was determined to be a global leader in management and transparency for climate issues and was added to the prestigious Climate A List.

To strengthen the Group's climate strategy, in 2020 the process of aligning with Task Force on Climate-Related Financial Disclosures (TCFD) recommendations continued. The main objective of these is to guide companies to provide clear and comparable information to Stakeholders on risks and opportunities associated with climate change.

In line with objectives defined in the Sustainability Plan, the Group companies contribute to protecting and safeguarding the environment, also through the following actions:

- I. the distribution of energy saving policies through the use of work sites with a reduced environmental impact, promoting the adoption of these policies also by subcontractors;
- II. efficient lighting systems on motorways, through increased use of LEDs
- III. noise abatement plans for motorway infrastructure;
- IV. the promotion of recycled materials, as part of activities for the maintenance and modernisation of motorway infrastructure and with a view to supporting a circular economy;
- V. promoting protection of the local area, reduction in land use and protection of biodiversity.

In this context, a project has been launched to harmonise environmental management systems in each business segment, scheduled for completion by 2021.

SOCIAL ASPECTS

Social issues have always been a key value and strategic objective of the ASTM Group, which is committed daily to ensuring the safety of its employees and, through its licensee companies, road safety and service quality, promoting solutions to improve motorway infrastructure and user satisfaction.

The quality, safety and environmental management systems are periodically updated, based on newly issued ISOs, maintaining all existing certifications.

In this framework, in line with the objectives set out in the Sustainability Plan:

- I. Group companies promote the adoption of operating standards applied in Italy by foreign operators, also by extending management systems;
- II. Group licensee companies will obtain ISO 39001 (Road Safety Management System) certification by 2021;
- III. the licensee companies of the Group are continuing their road safety investment plans;
- IV. in 2019, the main licensee companies of the Group implemented a customer experience programme intended to improve services to users;
- V. since 2019, motorway users also have access to road information in real time, including via smartphone, through new specifically designed websites for "mobile" use created for each licensee.

PERSONNEL

The ASTM Group has adopted policies and initiatives to empower its human capital, with a particular focus on employees' health and safety, company welfare, diversity and inclusion.

In 2020, guaranteeing the health of personnel in the context of the Covid-19 epidemiological emergency was the top priority for the Group. Through the adoption of appropriate health protocols, the extension of the remote work programme, it en-

sured its business and projects continued, all within the limits imposed in terms of social distancing and restrictions on mobility.

A project was also started to harmonise occupational health and safety management systems, scheduled for completion by 2021.

ASTM and its main operating subsidiaries have implemented a diversity and inclusion policy. They have also launched a talent policy based on an integrated human capital management system and employee training and development programmes, in order to create a shared company culture based on expertise and innovation.

In the context of initiatives for employees, 2020 saw the launch of the #ASTM Channel project, a series of 10 webinars intended to share experiences, opportunities for reflection and suggestions to better deal with the changes to working methods caused by the Covid-19 emergency.

Additionally, in 2020 ASTM subscribed the Women's Empowerment Principles (WEPs), promoted by the United Nations Global Compact to guide companies towards gender parity in employment, on the market and in the community.

ASTM was included in Bloomberg's 2021 Gender Equality Index (GEI), an international index which measures the performance and reporting quality for companies relative to gender parity.

RESPECT FOR HUMAN RIGHTS

The Group recognises the intrinsic value of each person and endeavours to ensure that human rights are respected along the entire value chain, promoting equal opportunities without any type of discrimination and encouraging the accessibility of services for use by persons with reduced mobility.

To strengthen its commitment in this area, since 2019 ASTM and its main operating subsidiaries have adopted a Human Rights Policy, which supplements the Group's Code of Ethics, Suppliers Code of Conduct and other sustainability policies. ASTM promotes adherence to the principles of this Policy by any entities which have a relationship with the Company.

In 2020, ASTM S.p.A. was granted SA8000 certification for its Social Responsibility management system.

Additionally, in 2020 Umberto Tosoni, the CEO of ASTM, signed the Italian version of the CEO Guide for Human Rights issued by the World Business Council for Sustainable Development (WBCSD).

Where possible, the use of estimates in this document has been limited and if present, estimates are indicated. Estimates are based on the best available information.

The reporting on the impact of Group operations on the local area and relative external factors in terms of value created and distributed, contained in the section on "Impact Measurement" is not based on GRI reporting standards, but on the use of an econometric input-output model. This model statistically analyses the interaction between a country's industries, making it possible to further understand the economic context in which a business operates.

The Board of Directors of ASTM S.p.A. approved this Sustainability Report on 19 March 2021.

This document was subject to a limited assurance engagement, as defined by ISAE 3000 Revised, by PricewaterhouseCoopers S.p.A., the firm also appointed to audit the ASTM Group's Annual Financial Report. This engagement was carried out according to procedures in the "Independent Auditor's Report" included at the end of the document.

The Sustainability Report of the ASTM Group as at 31 December 2020 is available on the Company's website www.astm.it/en in the section "Sustainability".

Contacts:

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www.astm.it/sostenibilita





01

THE ASTM GROUP AND SUSTAINABILITY

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Internal Audit and Risk Management System
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THE ASTM GROUP

CORPORATE OWNERSHIP AT 31 DECEMBER 2020

ASTM S.p.A. is a company listed on the electronic stock exchange (MTA) supervised by Borsa Italiana S.p.A., with its registered offices in Turin, Corso Regina Margherita 165, and is managed and coordinated by Argo Finanziaria S.p.A. As at 31 December 2020, On the basis of communications received pursuant to article 120 of Italian Legislative Decree 58/1998 and other available information, the entities which hold significant equity investments in the Company, directly or indirectly, with voting rights, are:

● Nuova Argo Finanziaria S.p.A. ⁽¹⁾	43.020% *
● Outstanding shares	34.870%
● Treasury shares **	7.645%
● Aurelia S.r.l.	6.343%
● Lazard Asset Management LLC	5.494%
● Norges Bank	2.628%
Total	100.00%

(1) Subsidiary of **Aurelia S.r.l.** (60%), holding of the Gavio Group, and in which **Mercure Investment S.à r.l.** has a stake (40%), in turn controlled by Ardian

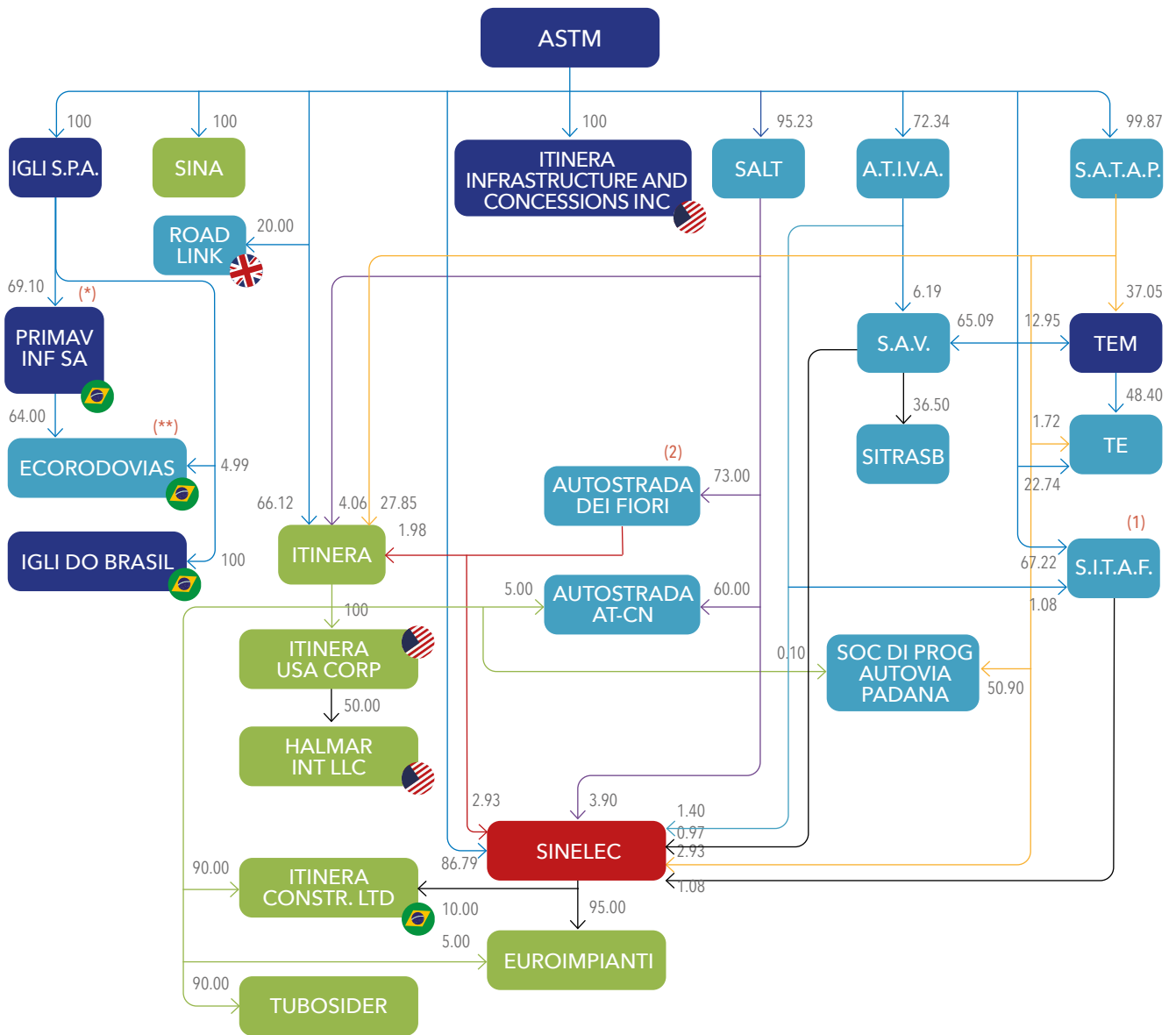
* of which 1.386% through **Nuova Codelfa S.p.A.**

** ASTM S.p.A. 6.100%; S.I.N.A. S.p.A. 1.530% and A.T.I.V.A. S.p.A. 0.015%



GROUP STRUCTURE

The current structure of the Group – only with regard to the main investee companies – is detailed below:



(1) of which 0.07% by Albenga Garessio Ceva

(2) of which 1.86% by Albenga Garessio Ceva

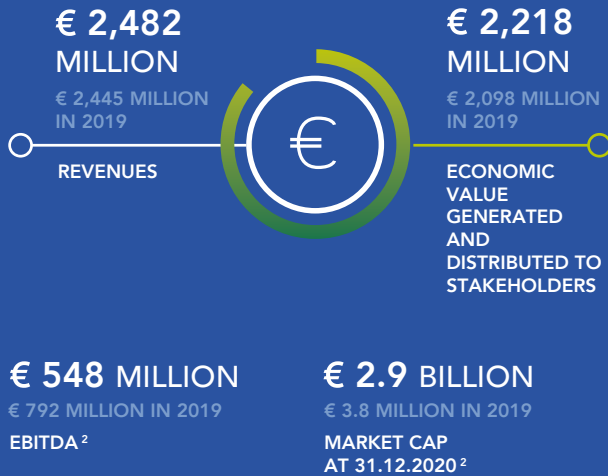
(*) Based on the contractual agreements, this percentage corresponds to 50% of the voting rights

(**) Brazilian holding company (listed on the Novo Mercado BOVESPA and jointly controlled), which holds companies operating in the motorway concession and logistics sectors, as detailed below

- Holding
- Motorway concessions
- EPC
- IT technology services

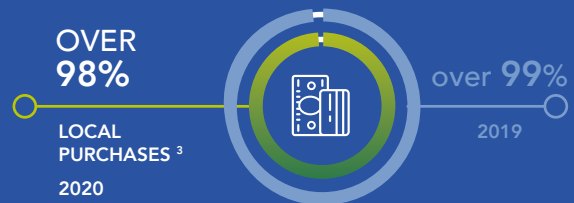
HIGHLIGHTS 2020 - ASTM GROUP

OUR RESPONSIBILITY TOWARD LOCAL AREAS



² Data from the ASTM Group 2020 Management Report

OUR RESPONSIBILITY TOWARDS THE ENVIRONMENT



³ In relation to the Significant Locations of Operations: Italy, Rest of Europe, United States, Latin America, South Africa, Middle East. The data refers to the purchase of main materials, the quantities of which are shown on page 71 of this document

OUR RESPONSIBILITY TOWARDS PEOPLE

EMPLOYEES AND OTHER COLLABORATORS



EMPLOYEES



92% IN 2019
EMPLOYEES WITH PERMANENT CONTRACTS



16% IN 2019
FEMALE EMPLOYEES



278k IN 2019
HOURS OF TRAINING FOR EMPLOYEES AND OTHER COLLABORATORS

SUSTAINABILITY INDICES AND RATINGS



Standard Ethics Rating
"EE"
Positive outlook (EE+)



GROUP STRUCTURE AND BUSINESS SEGMENTS AT 31 DECEMBER 2020

The companies consolidated on a line-by-line basis in the Consolidated Financial Statements of the ASTM Group at 31 December 2020 are listed below.



⁴ **Subsidiaries of Itinera S.p.A.:** Agognate S.C.A.R.L. in liquidation, A 7 Barriere S.C.A.R.L. in liquidation, Biandrate S.C.A.R.L. in liquidation, Carisio S.C.A.R.L. in liquidation, Cornigliano 2009 S.C.A.R.L., Crispi S.C.A.R.L. in liquidation with sole shareholder, CRZ01 S.C.A.R.L. in liquidation, Diga Alto Cedrino S.C.A.R.L., Lambro S.C.A.R.L., Marcallo S.C.A.R.L., Mazze' S.C.A.R.L., Ramonti S.C.A.R.L. in liquidation, Società Attività Marittime S.p.A., Sinergie S.C.A.R.L. in liquidation, Taranto Logistica S.p.A., Torre Di Isola S.C.A.R.L., Urbantech S.R.L. sole shareholder, Argo Costruzioni Infrastrutture S.C.P.A. (A.C.I. S.C.P.A.) Consorzio Stabile, Ponte Meyer S.C.A.R.L., S.G.C. S.C.A.R.L. in liquidation, Impresa Costruzioni Milano S.C.A.R.L. in liquidation - I.Co.M., Itinera Construcoes Ltda, Sea Segnaletica Stradale S.p.A., Lanzo S.C.A.R.L., Itinera Usa Corp, Halmar International Llc and its subsidiaries (Hic Insurance Company Inc., Halmar International Trucking Inc., Halmar Transportation System Llc, Halmar/A Servidone - B Anthony Llc, Atlantic Coast Foundations Llc, Halmar International Lb Electric Llc, Potomac Yard Constructors Jv, HNNS JV), Storstrom Bridge JV, Tubosider S.p.A., Tubosider CSP Limited, C.B.S. Srl in liquidation, Tubosider United Kingdom Ltd., Partecipazione Roma Sud S.c.ar.l.

⁵ **Joint operations in which Itinera S.p.A. is an investee:** ITINERA/CIMOLAI JV, Consortium Baixada Santista, Alças Da Ponte Consortium, Mg-135 Consortium, I/S Odense Hospital, I/S Koge Hospital, Itinera - Ghantoot JV, 3RD Track Constructor, Arge H51 Pfans - Brenner, Cons. Binario Porto De Santos, Itinera Agility JV, Consorzio BR-050, Consultoria - Eco 135, Consultoria - Novos Negócios, Consorzio SP-070, Consorzio PSG

MOTORWAY CONCESSIONS

ASTM has long-standing experience in the development, funding, management and maintenance of road and motorway infrastructure.

The Group is now the second operator in the world for toll-motorway management with 4,548 km of network in Italy, Brazil and the United Kingdom. In particular, the Group manages a network of approximately 1,423 km in Italy and is the largest operator in the north-west of the country, one of Europe's wealthiest areas per capita.

Through the jointly held subsidiary EcoRodovias, one of Brazil's main infrastructure players, the Group manages 3,041 km of network in the country.

Lastly, the Group operates in the United Kingdom through its equity investment in Road Link, which manages approximately 84 km of network between Newcastle and Carlisle.

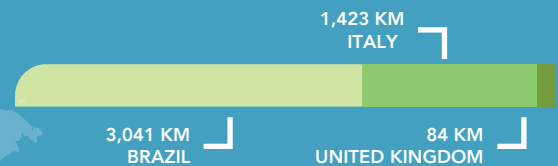
ONE OF THE LEADING PRIVATE INVESTORS IN TRANSPORT INFRASTRUCTURE IN ITALY

€ 1.4 BILLION
€ 1,5 IN 2019
REVENUE IN 2020*



*Source: Consolidated financial statements of the ASTM Group at 31 December 2020

2,352
2,118 IN 2019
EMPLOYEES



4,548 KM⁶
MOTORWAY NETWORK IN ITALY, BRAZIL AND THE UNITED KINGDOM

795 KM
732 IN 2019
OF DRAINING/SOUND-ABSORBING ROAD SURFACES EQUAL TO AROUND 70% OF THE MOTORWAY NETWORK MANAGED

€ 392 MILLION
OF INVESTMENTS IN MOTORWAY ASSETS 2020

€ 265 MILLION
2019

OVER 137 KM
107 IN 2019
NOISE BARRIERS

-61% Fatal accidents since 2001

⁶ Motorway network entirely managed by ASTM through the subsidiaries, jointly held subsidiaries and associated companies

THE ITALIAN MOTORWAY NETWORK



THE ITALIAN MOTORWAY NETWORK

OUR MOTORWAY LICENSEE COMPANIES⁷

S.A.T.A.P. S.p.A.

The motorway company S.A.T.A.P has the concession to manage the following motorway stretches:

- A4 Torino-Milano (130 km)
- A21 Torino-Piacenza (168 km)⁸.

Autostrada dei Fiori S.p.A.

The company Autostrada dei Fiori has the concession to manage:

- the stretch of motorway from Savona to Ventimiglia (A10), with an overall length of 113 km;
- the 131 km stretch of the Torino-Savona motorway (A6)

Società Autostrada Ligure Toscana p.A.

The motorway company SALT has the concession to manage the following motorway stretches:

- A12 Sestri Levante-Livorno; Viareggio-Lucca; Fornola-La Spezia for a total of 155 km⁸;
- A15 La Spezia-Parma for a total of 182 km, of which 81 under construction.

Società Autostrade Valdostane - S.A.V. S.p.A.

The motorway company S.A.V. has the concession to manage the A5 motorway stretch from Quincinetto to Aosta Ovest and the A5 SS27 junction of the Gran San Bernardo road tunnel (A5) for a total 60 km.

Autostrada Asti-Cuneo S.p.A.

The company Autostrada Asti-Cuneo has the concession to manage the A3378 stretch of the As-

ti-Cuneo motorway (A33), comprising two stretches totalling 78 km (of which 23 km under construction), connected in turn by a 20 km stretch of the Torino-Savona motorway (A6), from Marene to Massimini.

Società di Progetto Autovia Padana S.p.A.

The company Autovia Padana has the concession to manage the Piacenza-Cremona-Brescia stretch of the A21 motorway, for approximately 100 km and a further 11.5 km under construction, as well as the Fiorenzuola d'Arda branch, which connects the A21 with the Milano-Bologna motorway (A1).

The company is also appointed to manage the Ospitaletto-Montichiari motorway link for a further 17 km, on a separate and temporary basis, on behalf of ANAS.

A.T.I.V.A. S.p.A.⁸

A.T.I.V.A. has the concession to manage the Torino-Ivrea-Valle D'Aosta and Ivrea-Santhià motorways, the Sistema Autostradale Tangenziale Torinese and the Torino-Pinerolo motorway fork for a total 156 km. The company is also in charge of the planning, construction, management and operation of all potential related completions, forks and ring roads.

Through the jointly held subsidiary Tangenziale Esterna S.p.A., ASTM also manages the Tangenziale Esterna di Milano (Milan bypass) (32 km).

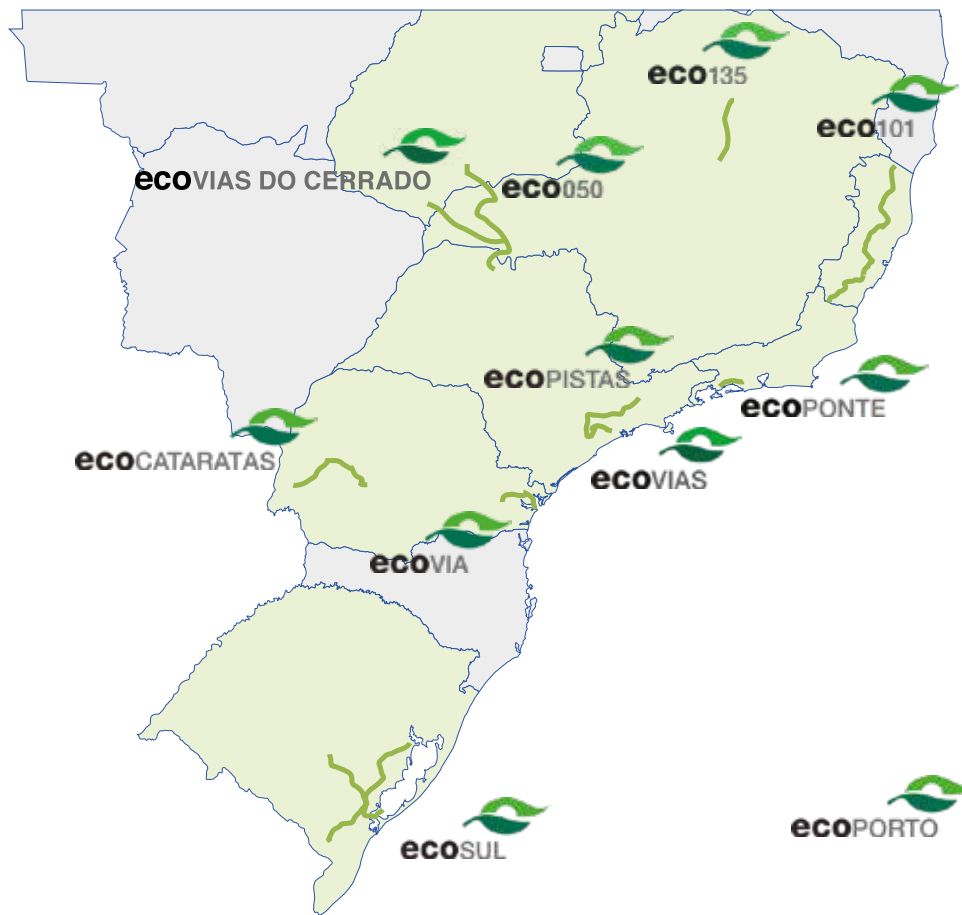
ASTM also holds an interest in the following licensee companies: S.I.T.A.F.⁹- Torino-Bardonecchia motorway and the Frejus tunnel (94 km) A69 Carlisle-Newcastle (UK) (84 km) SITRASB - Società Italiana Traforo del Gran San Bernardo (13 km).

⁷ Controlled directly and indirectly by ASTM

⁸ Concession expired, managed through an extension

⁹ ASTM was awarded the tender for the acquisition of the 19.347% stake in the share capital, bringing the direct and indirect total stake to 67.22% of share capital.

THE BRAZILIAN MOTORWAY NETWORK



In Brazil, the Group, through the jointly controlled company EcoRodovias, which is listed on the São Paulo Stock Exchange and is a leading infrastructure operator in the country, manages a motorway network of approximately 3,041 km, along the south-south-east corridor of the country in one of the wealthiest and most industrialised areas with a high population density.

EcoRodovias controls the following licensee companies:

- Ecovias dos Imigrantes, which connects São Paulo to Porto de Santos (177 km)
- Ecopistas, which connects São Paulo to Vale do Rio Paraíba (144 km)
- Ecovia Caminho do Mar, which connects Curitiba to the port of Paranaguá (137 km)
- Ecocataratas, which connects Paraná to the Triple Border, Brazil, Argentina, Paraguay (387 km)
- Ecosul, which connects Pelotas, Porto Alegre and Porto Rio Grande (457 km)
- Ecoponte, which connects Rio de Janeiro and Niteroi (26 km)
- ECO050 (MGO), which connects Cristalina (Goiás) to Delta (Minas Gerais) (437 km)
- ECO135 Montes Claros (Minas Gerais) (364 km)
- ECO101, which crosses 25 municipalities in the State of Espírito Santo (476 km)
- Ecovias do Cerrado, which connects Jataí to Uberlândia (437 Km)

EPC

In the Engineering, Procurement and Construction (EPC) sector, ASTM works through its subsidiaries Itinera, S.I.N.A. and Euroimpianti.



*Source: Consolidated financial statements of the ASTM Group at 31 December 2020

CONSTRUCTION

The ASTM Group operates in the construction sector through Itinera, an international developer of major infrastructure and civil and industrial engineering projects.

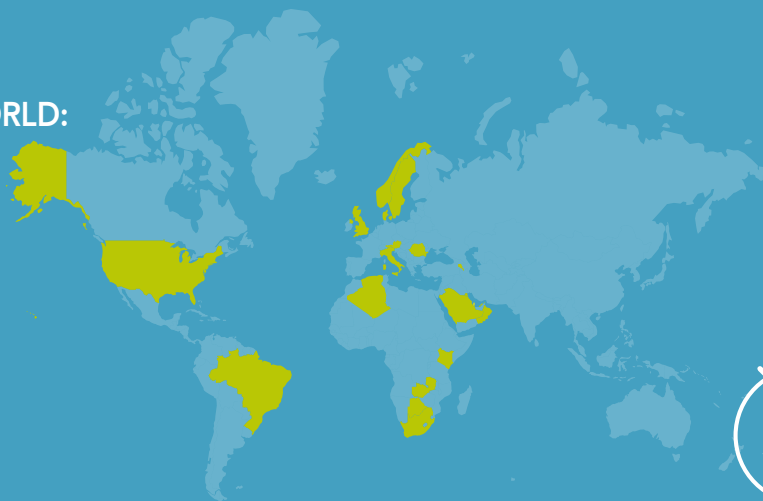
Itinera is one of the largest Italian companies in the sector for its expertise, know-how, revenues and backlog, offers its global customers quality and innovative solutions and is a leader in 4.0 infrastructure projects. Itinera operates all over the world (Europe, Southern Africa, the Middle East, Latin America and the United States), mainly in road and railway infrastructure, tunnels, ports, airports, hospitals and motorway maintenance.

The Itinera Group



WHERE WE ARE IN THE WORLD:

- ABU DHABI
- ALGERIA
- SAUDI ARABIA
- ARMENIA
- AUSTRIA
- BOTSWANA
- BRAZIL
- DENMARK
- DUBAI
- ITALY
- KENYA
- KUWAIT
- NORWAY
- OMAN
- QATAR
- ROMANIA
- SOUTH AFRICA
- SWEDEN
- USA
- ZAMBIA



ENGINEERING

ASTM operates in the engineering sector through its subsidiary S.I.N.A., which boasts an international track record specialised in the auditing of tunnel safety and surveillance systems and the control and inspection of infrastructure of works, as well as environmental monitoring activities.



ENGINEERING:
A KEY FACTOR FOR
TRANSPORT AND
MOBILITY
OPERATORS

ENSURING
A MORE
EFFICIENT
INFRASTRUCTURE
LIFECYCLE



ENSURING
THE BEST
SERVICE
TO CUSTOMERS



*IAS IFRS data at 31 December 2020 including intercompany relations

PLANT ENGINEERING



*IAS IFRS data at 31 December 2020 including intercompany relations

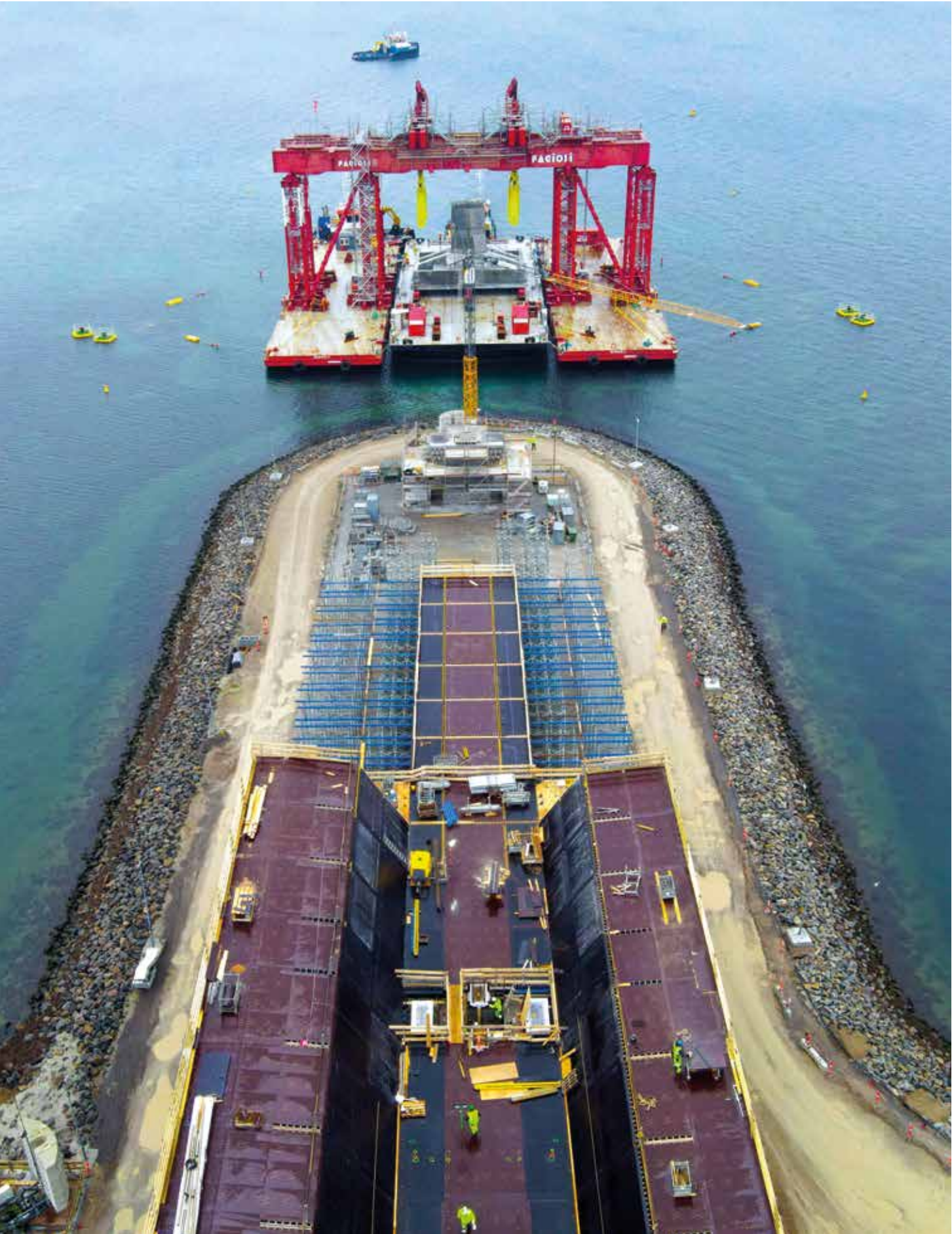
Euroimpianti is the Group company that manages plant engineering projects in captive and extra-captive markets. Its main activities involve the planning, development and maintenance of high technology systems.

TECHNOLOGY



*IAS IFRS data at 31 December 2020 including intercompany relations

ASTM operates in technology applied to mobility and road infrastructure through SINELEC, a company specialised in solutions for electronic tolls and Intelligent Transportation Systems (ITS). The company is a leader in the study, design, implementation and maintenance of advanced technology systems for optimised and safe management of traffic and operations in the road ecosystem.



PURPOSE, MISSION AND VALUES

TO CONTRIBUTED TO THE **GROWTH, SUSTAINABILITY AND DEVELOPMENT** OF THE **REGIONS IN WHICH WE OPERATE OUR INFRASTRUCTURE**

OUR PURPOSE

MISSION AND FUNDAMENTAL PRINCIPLES

Our mission is to provide the best possible service to our clients through safe and secure infrastructure and innovative, robust and sustainable solutions. Our work is based on the respect of certain ethics that must inspire our every action and conduct

OUR VALUES AND PRINCIPLES

The Values that underpin our actions are rooted in the concepts of lawfulness, integrity, responsibility and transparency



SUSTAINABILITY FOR THE GROUP

ASTM undertakes to operate responsibly and to integrate sustainability into its business model.

THE CORNERSTONES OF SUSTAINABILITY FOR THE GROUP ARE:



SPREADING A SUSTAINABILITY CULTURE

To support cultural change, involvement and the organisational well-being of employees, the internal communication process continued in 2020 with the aim of disseminating and fully making use of sustainability initiatives, in part through the creation of a dedicated interdepartmental team, as part of the People Identity project. This team, consisting of representatives from various Group companies, has the goal of improving connections between the “core” and “periphery”, facilitating communication about Group initiatives for employees in a bilateral manner, identifying the needs of individual local/organisational contexts and supporting the spread of the Group’s value and identity. Additionally, to support a company culture based on shared values, the ASTM Sustainability function publishes a weekly newsletter on new developments in ESG issues.

STAKEHOLDER MAP AND MATERIALITY ANALYSIS

The Group undertakes to identify and establish open and transparent dialogue with all its Stakeholders, i.e. all parties of any kind that contribute to the company's activities or are influenced by them. To that end, the following figure illustrates the Group's main Stakeholders, identified by way of an analysis of the reference sector and the contribution by participants of the Group's materiality workshop.

In accordance with GRI Standards and international best practices, ASTM has defined its materiality analysis in order to identify, consistently with its strategic priorities and the United Nations' Sustainable Development Goals, the most relevant sustainability issues. Using this process, the Group has considered aspects that have a significant impact on the economic, social and environmental performance and that could substantially influence the ratings and Stakeholders' decisions as material.

In order to promote the active participation of Stakeholders, in line with previous financial years and in accordance with the AA1000 Stakeholder Engage-

ment Standard and the GRI Standards Reporting Principles, on 25 September 2020 the Group's 4th internal Stakeholder Engagement workshop was held, involving around 80 employees from different company functions in each business segment of the Group. During the workshop, the impacts of Covid-19 on sustainability activities were discussed, with special attention paid to non-financial reporting in terms of: crisis management and significant changes to operations management, ESG risks, material issues and the associated methods used to manage material issues, as well as performance and outlook (for more details, please see the section on Management of the Covid-19 Epidemiological Emergency in this document).

Subsequently, with the aim of engaging a sample of all categories of external Stakeholders, an online survey was created in line with previous financial years for representatives from the world of institutions, investors and lenders, the media, consumer associations, suppliers, business partners, contrac-



tors, customers, members of local communities and Universities and Research Centres.

The survey was also sent to a wide sampling of motorway users and representatives from the supply chain. In total over 80 responses were received.

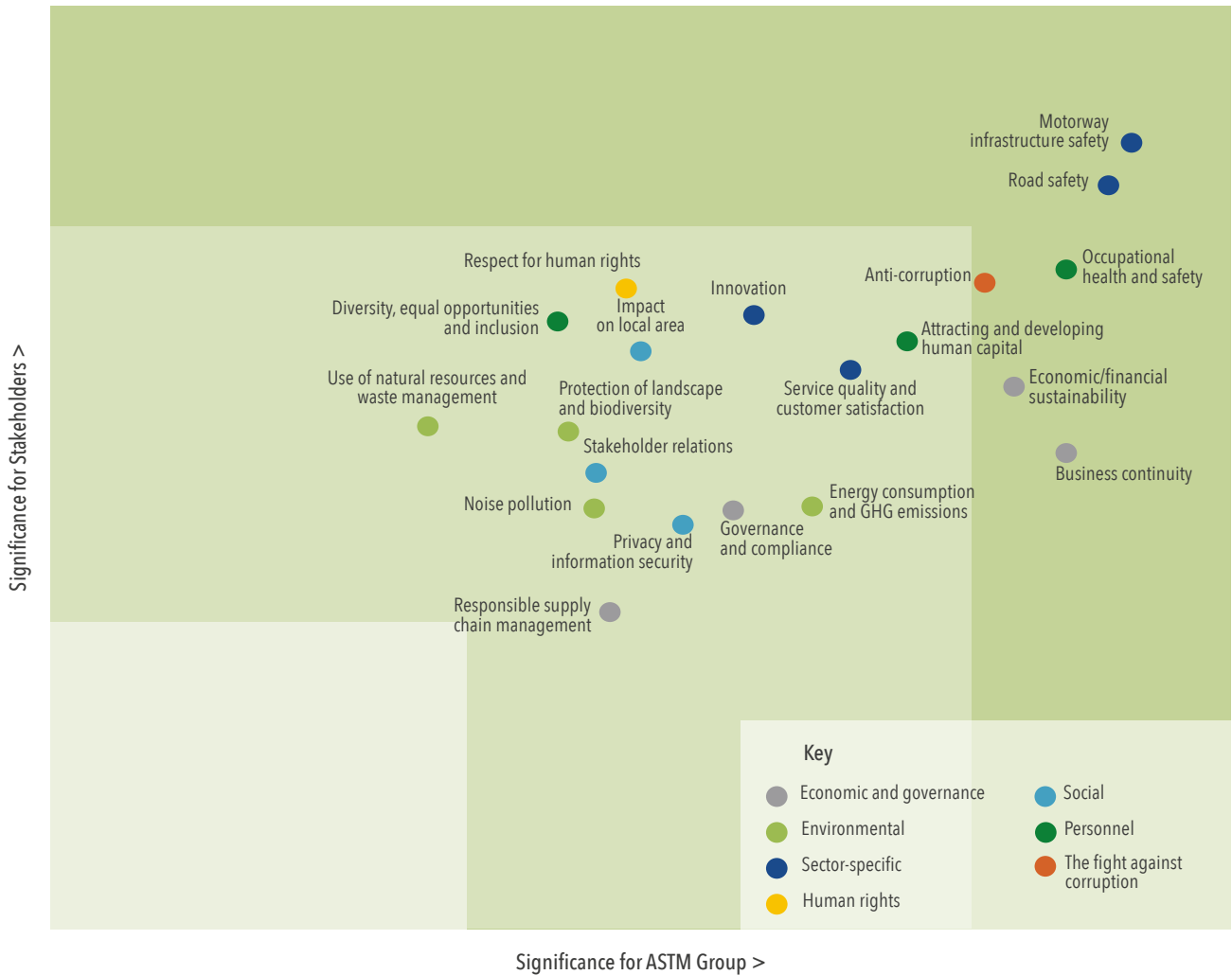
The results of the analysis were processed and summarised in the materiality matrix presented below, taking into consideration the areas defined under article 3 of Legislative Decree 254/16, specifically respect for human rights, environmental protection, personnel related issues, social aspects and the fight against active and passive corruption. The materiality analysis, examined beforehand by the Sustainability Committee and the Audit and Risk Committee, was

presented to the Board of Directors on 13 November 2020.

This year road safety, motorway infrastructure safety, occupational health and safety and anti-corruption are once again some of the most important sustainability issues for the Group.

Following the health emergency faced during the year, a new theme was introduced - business continuity - meaning an organisation's ability to guarantee operations at pre-established acceptable levels following external events and/or factors which affect the Company. This issue was particularly relevant, as was economic/financial sustainability.

THE ASTM GROUP'S MATERIALITY MATRIX



For the most important material topics, correlation schedules have been prepared and are included in this document with regards to the areas defined under Italian Legislative Decree 254/2016, the Sustainable Development Goals (SDGs) integrated in the Group's 2017-2021 Sustainability Plan objectives and main sustainability risks identified.

STAKEHOLDER ENGAGEMENT AUTOSTRADA DEI FIORI

Autostrada dei Fiori has always worked to operate responsibly and to integrate sustainability into its business model. The company strongly believes in the importance of maintaining relationships with its Stakeholders, with an eye to cooperation and reciprocal support.

The company operates the A10 Savona-Ventimiglia (French border) section and the A6 Savona-Torino through a concession.

During 2020, Autostrada dei Fiori developed a Stakeholder engagement project in the local area with the aims of:

- increasing awareness in the local area and in policy makers relative to issues deemed strategic by the company;
- engaging and listening stakeholders, to understand which beneficial areas are important to them;
- support an approach for publicising scheduled projects based on the specific areas of impact identified, also by identifying the channels of communication most appropriate and appreciated by Stakeholders.

The model implemented involved an initial analytical stage to identify the main areas of benefits linked to the projects/worksites, followed by a listening and communication stage carried out through a survey sent to a pilot sample of previously identified Stakeholders.

AREAS OF BENEFIT IDENTIFIED

To guarantee modern and efficient infrastructure which serves the local area with an eye to industry, Autostrada dei Fiori is creating a project plan which also complies with the regulatory provisions contained in the Technical Standards for Construction issued in 2018 and the Guidelines for Monitoring and Assessment of Bridge Structural Safety, published by the Public Works Supreme Council in January 2020.

Briefly, the areas of benefit identified for the projects the company is carrying out or which will be implemented refer to:

- **Modernising and improving the efficiency of infrastructure and systems** also with an eye to improving safety and the quality of services offered to users: this area includes projects with significant technological content, the use of new construction materials, integration of artificial intelligence technologies, predictive and real-time informational services to support mobility and road safety and infrastructure.
- **Attention to and protection of the environment and regional ecosystem:** projects in this category are focussed above all on reducing emissions and energy consumption, but also on protection of landscape and biodiversity in surrounding areas (i.e. new systems for water and hazardous liquids, solutions to limit/prevent fire risks or to protect local fauna). To these can be added projects to reduce noise pollution, to protect users and local communities.
- **Social/economic development of the region:** employment and economic development are direct consequences of the related employment generated by new worksites. To this can be added the fundamental role of motorways in terms of infrastructure which enables accessibility and connects an area regionally, nationally and internationally.

Additionally, Autostrada dei Fiori is aware that its activities may have an impact, even if temporary, on the local area and the mobility of users during the period the worksite is in place. In particular, on the Turin – Savona motorway, the Appenine section has a section where the two carriageways are separate (South and North direction). This enormously complicates road management and scheduling of worksites due to the impossibility of making use of parallel and adjacent carriageways, with the consequent elongation of the time needed to complete any activity.

LISTENING TO STAKEHOLDERS

The listening process involves surveys sent to a sample of stakeholders identified from among around 180 organisations, distributed among 10 different categories. Local institutions (e.g. municipalities, Provinces and Regions), trade associations (e.g. Confcommercio, Confindustria, Unioncamere), the media, environment and local area (e.g. environmental organisations and local monitoring entities such as Legambiente, ASVIS, ARPA Piemonte, ENPA), tourism, transport and logistics (e.g. local transportation companies and Federmobilitàà), healthcare structures (e.g. hospitals, local health authorities and regional 118 services), police forces (e.g. police, civil protection and local fire fighting groups), universities and research institutions, entities and central institutions (e.g. representatives of Ministries and prefectures).

In general, it can be stated that the test has confirmed the validity of the model. Based on feedback received from stakeholders, the revision of projects based on expected benefits and areas of impact was positively perceived and is consistent in terms of the previous analysis developed by the Company.

In fact, it was found that stakeholders are fairly aware of the importance of projects and the possible methods that can reduce associated issues. This translates to strong perception of the relevance of the direct benefits associated with improving the efficiency of the service, at the expense of the indirect social/economic benefits generated for local communities.

More specifically, with respect to environmental benefits, the issue of noise pollution is seen as the most important.

Finally, in terms of communication channels, the various stakeholders provided specific information on how to fine tune the current methods used.



To sum up, the first test highlighted that stakeholder engagement is a factor in organisational success and provides useful information if the various stakeholders demonstrate a good level of knowledge and awareness. This pilot stage indicates that this model could be a useful approach, able to support a continuous and direct relationship with local institutions, trade associations and the press, given that they can support proper dissemination of messages and serve as multipliers.

SUSTAINABILITY INDICES AND RATINGS

Sustainability indices and ratings assess companies on the basis of their performance on environmental, social and governance issues and recognise a clear long-term strategic vision, solidity in operating activities and a commitment to meet environmental and social needs.

The main recognitions achieved by the Group are shown below.

STANDARD ETHICS RATING

In 2020, for the second year ASTM achieved the Standard Ethics Rating sustainability rating issued by Standard Ethics, an independent sustainability ratings company based in London.



In particular, in July 2020, Standard Ethics, an independent rating agency operating in the sustainability sector, raised ASTM's sustainability rating (Standard Ethics Rating) from EE- ("Adequate") to **EE ("Strong")** with a "Positive" outlook, foreseeing a Long Term Expected SER over 3/5 years of **EE+ (Very Strong)**.

CDP CLIMATE CHANGE

In 2020, ASTM was recognised as a global leader in management and transparency for climate issues and was added to the prestigious Climate A List issued by the Carbon Disclosure Project (CDP), a global non-profit which studies climate impacts and offers investors the most important platform for assessing corporate performance with regards to combating climate change. The Group was assessed on the basis of its actions to reduce emissions, mitigate climate risks and develop a low-carbon emission economy. Of the 9,600 companies which adhered to the initiative in 2020, only 270 companies received the top score of A at the global level, of which only 8 Italian companies. Demonstrating a growing interest in these issues from all Stakeholders, also note that during the year over 515 investors representing over \$ 106 trillion in assets asked companies to publish data on environmental impacts, risks and opportunities through the CDP platform.



GENDER EQUALITY INDEX (GEI)

ASTM was included in Bloomberg's **2021 Gender-Equality Index (GEI)**, an international index that measures corporate performance for issues of **gender parity** as well as the quality and transparency of their public reporting. The index tracks the performance of companies who have committed to support gender parity through development, representation and transparent policies. Gender equality is measured on the basis of five factors: Female Leader & Talent Pipeline, Equal Pay & Gender Pay Parity, Inclusive Culture, Sexual Harassment Policies and Pro-Women Brand.



Inclusion on the Bloomberg Index, which includes 380 companies operating in 44 countries in 11 different sectors, displays ASTM's continued commitment to implementing policies for gender parity and to promote a working environment that is ever more inclusive and fair.

CORPORATE GOVERNANCE, INTERNAL AUDIT AND RISK MANAGEMENT SYSTEM

CORPORATE GOVERNANCE

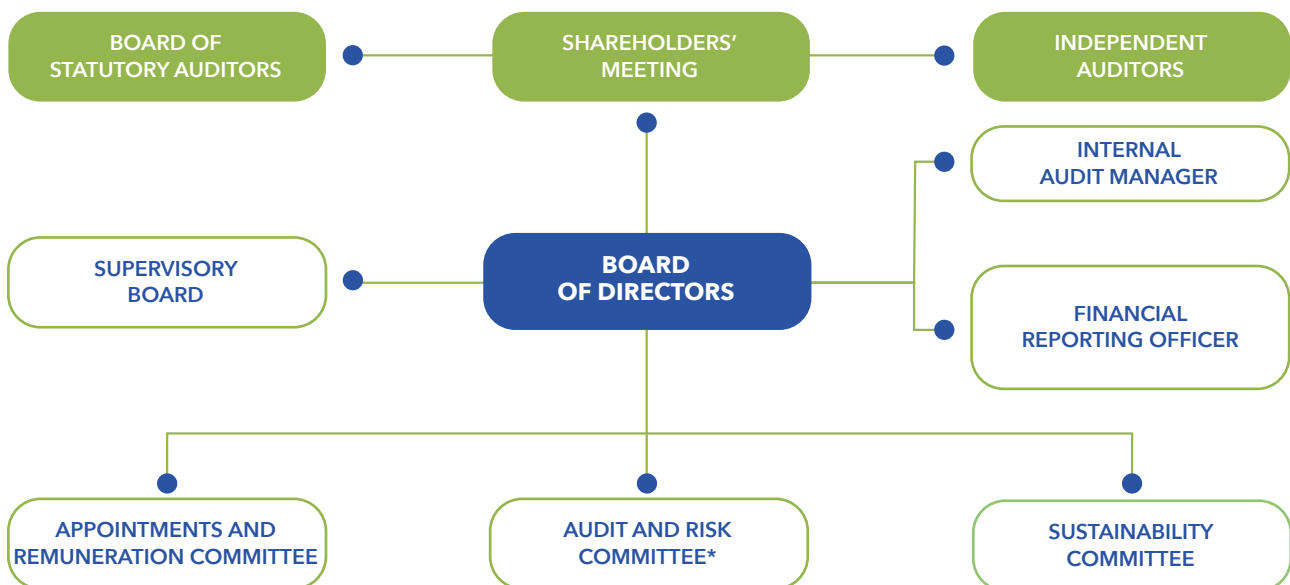
The ASTM governance model conforms to applicable laws and is consistent with provisions in the Corporate Governance Code approved by the “Corporate Governance Committee for Listed Companies” of Borsa Italiana S.p.A. (“Corporate Governance Code”), which the Company endorses. The Model considers the size of the company, its ownership structure and business segments. The Company adopts a traditional administration and control system.

The model conforms to the Corporate Governance Code for listed companies, without prejudice to any recommendations that ASTM, with regard to the specific nature of its size, corporate organisation, ownership structure and business segments, decides not to implement and which, alongside the related justifications and in accordance with the “*comply or explain*” principle, are in this case dis-

closed to the market as part of the annual Report on Corporate Governance and Ownership Structure.

The Articles of Association of ASTM require that the composition of the company bodies guarantee, in compliance with the applicable laws and best practices, the representation of minority interests, respect for gender balance and, with particular reference to the Board of Directors, a sufficient number of independent directors, whose requirements of independence are assessed periodically.

For further information on the Corporate Governance system of ASTM S.p.A. and the composition of its internal committees and the Board of Directors, see the “Report on Corporate Governance and Ownership Structure” available on the Company’s website www.astm.it/en in the section “Governance”.



*Also carries out the responsibilities of the Related Party Transactions Committee

GOVERNANCE OF SUSTAINABILITY

ASTM has defined the organisational structure for sustainability, formalising roles and responsibilities. ASTM's Board of Directors establishes strategic sustainability guidelines with a view to creating medium- to long-term value for all Stakeholders and approves the Sustainability Plan and Sustainability Report.

The ASTM Board of Directors has established a Sustainability Committee, consisting of three independent directors, which provides proposals and consulting to the Board with regards to sustainability matters. In particular, in assisting the Board of Directors, the Committee: a) offers supervision of sustainability issues linked to corporate activities and interaction dynamics with all Stakeholders, b) examines the Sustainability Plan before it is submitted for approval to the Board of Directors and monitors its implementation, c) examines the content of the periodic non-financial disclosure before it is submitted for approval to the Board of Directors.

The Audit and Risk Committee, consisting of three independent directors, does the following the assist the Board of Directors, among other things: a) assesses the suitability of the periodic non-financial disclosure in terms of adequately representing

the Company's business model and strategies, the impact of its activities and its performance, coordinating with the Sustainability Committee and b) examines the content of the periodic non-financial disclosure in terms of information on the internal audit system and risk management.

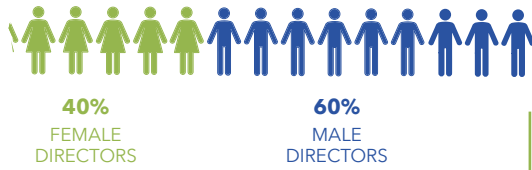
With a view to creating sustainable medium- to long-term value, the Sustainability Committee considers interaction with the other committees as fundamentally important, especially with the Audit and Risk Committee and with the Appointments and Remuneration Committee, in order to encourage each within its remit to increase the integration of sustainability into corporate governance.

Moreover, the Sustainability function, reporting directly to the Chief Executive Officer, contributes to establish the company sustainability strategies with a view to create medium- to long-term value for all Stakeholders, identifies and suggests to senior management the areas and projects for improvement in the Sustainability model, prepares the Sustainability Report, promotes and distributes the sustainability culture within the Group and ensures, through coordination with other departments, the identification and analysis of Stakeholders' expectations by encouraging dialogue with them.

PROCEDURE FOR DRAFTING, APPROVING AND PUBLISHING THE NON-FINANCIAL DISCLOSURE PURSUANT TO ITALIAN LEG. DECREE NO. 254/2016

In 2019, ASTM adopted an operating procedure "Procedure for Drafting, Approving and Publishing the Non-Financial Disclosure Pursuant to Italian Legislative Decree 254/2016", which defines the operating process for drafting, approving and publishing the NFD based on that established under Legislative Decree 254/2016 and the GRI Sustainability Reporting Standards.

GENDER BREAKDOWN OF THE BOARD OF DIRECTORS



11 independent directors pursuant to the Consolidated Law on Finance (TUF) meet the independent requirements established in the Corporate Governance Code

AGE GROUPS OF THE BOARD OF DIRECTORS MEMBERS



ADMINISTRATION AND CONTROL SYSTEM OF ASTM

With the awareness that gender diversity represents a value included in its corporate governance system, ASTM has defined specific provisions in its By-Laws regarding the structure of its corporate bodies to ensure that at least a third of the members of its Board of Directors and Board of Statutory Auditors are members of the less represented gender (or a higher number if established by legislation in effect on gender balance).

The Board of Directors consists of 15 Directors, of whom 9 (60%) are men and 6 (40%) women. 4 (27%) are in the 30-50 age group, while 11 (73%) are in the over-50 age group. 11 Directors are considered independent pursuant to the Consolidated Law on Finance (TUF) and meet the independent requirements established in the Corporate Governance Code.

MANAGEMENT OF CONFLICTS OF INTEREST

On 1 January 2011, ASTM adopted a “Procedure for transactions with related parties”, implementing that established under article 2391 bis of the Civil Code and the CONSOB Related Parties Regulations, most recently updated on 24 September 2020 and available on the Company’s website www.astm.it in the “Governance” section.

This procedure sets out the rules governing the approval, management and public disclosure of related-party transactions carried out by the ASTM, directly or through subsidiaries, in order to guarantee the transparency and procedural and substantive fairness of transactions.



RELATIONSHIP WITH SHAREHOLDERS AND THE MARKET

ASTM organises its activities according to rules that ensure management's reliability and a fair balance between the powers of management and the interests of shareholders and other Stakeholders, as well as transparency and the market's knowledge of managerial decisions and corporate events that can significantly influence the development of the financial instruments issued. ASTM ensures that shareholders are able to take part in the relevant decisions and make informed choices, and undertakes to guarantee the maximum transparency and timeliness of the information communicated to shareholders and the market, in compliance with

the laws applicable to listed companies. Through its governance structure and corporate rules, ASTM ensures the fair treatment of all shareholders, including minority interests and those located overseas.

Specifically, the current Company By-Laws provide for the possibility for minority shareholders to elect directors and auditors through the list voting mechanism. Moreover, a regulation has been adopted which defines shareholders' rights regarding participation in shareholders' meetings.





THE SUSTAINABILITY PLAN

The “Going Global Sustainably” Sustainability Plan prepared by ASTM highlights the Group’s commitment to sustainability issues, with a view to continuous performance improvement and clear communication with all Stakeholders on its strategic policies for sustainability, sharing its objectives, principles and values.

The Plan has been prepared by analysing, integrating and developing a number of factors, such as the

“Ten Principles” of the United Nations Global Compact (UNGC), ISO 26000 Guidelines, the Group’s materiality analysis and the 17 Sustainable Development Goals (SDGs) to be reached by 2030 and endorsed by the United Nations, consistent with the Group’s Strategic Plan. In this context, 9 SDGs deemed the most relevant were selected on the basis of the areas in which the Group operates and are reported on below.

The Plan is available on the Company website www.astm.it in the section “Governance”.



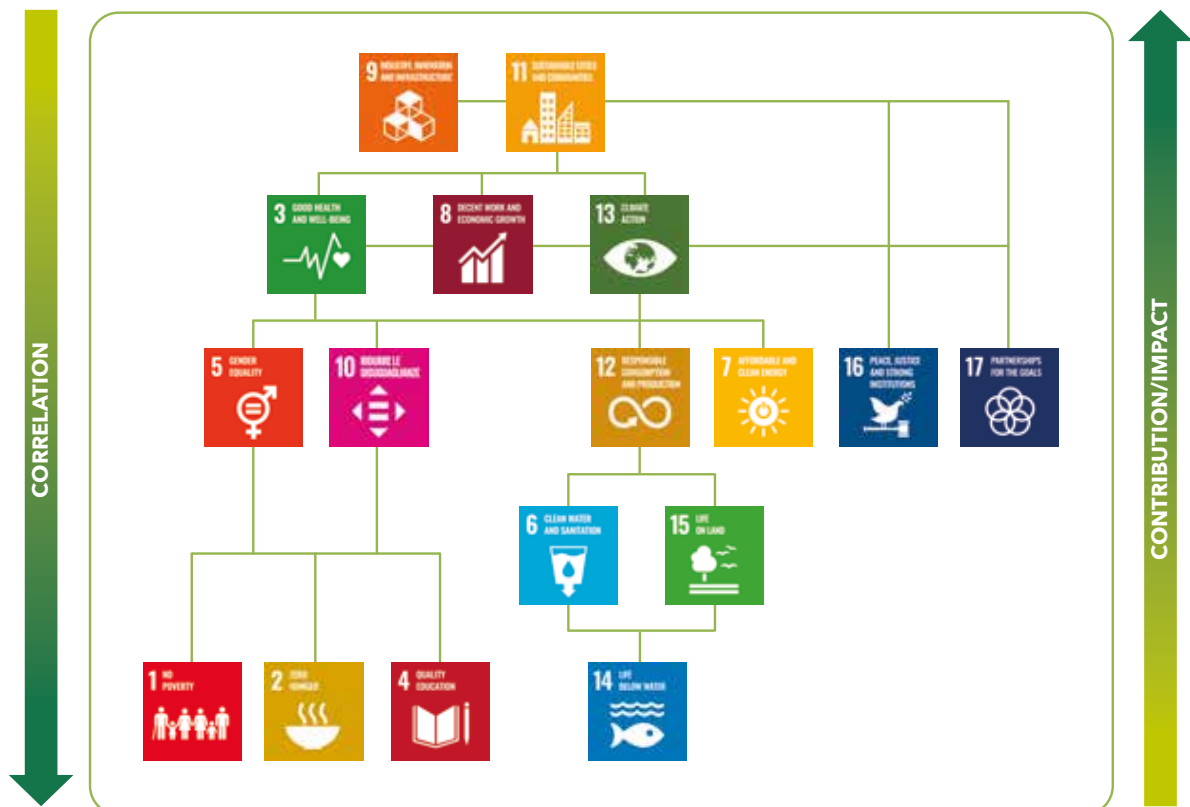
SDGS ROADMAP

In line with the guidelines published by the World Business Council for Sustainable Development (WBCSD), in 2019 ASTM defined a roadmap to improve the Group’s contribution to achieving the United Nations’ Sustainable Development Goals (SDGs) by 2030.

In particular, this involved an assessment of consistency, validity and application of the Sustainable Development Goals (SDGs) to the sustainability issues and policies of the Group, also taking into account the context and reference sector and the main impacts generated and experienced by the Group along the value chain. Actions were identified to improve the Group’s performance and impact in relation to the SDGs.

The analysis made it possible to prioritise the SDGs based on the greater and lesser ability of the Group to contribute to achieving them through the impact generated along the value chain. A summary of the achieved results is shown below: the SDGs at the top are those of greatest significance for the Group in terms of contribution/impact. The lines shown in the chart show the existing connection between the development issues identified and represented by the SDGs. The analysis made it possible to identify target SDGs of particular relevance and indicators used to improve the monitoring of the Group’s contribution to the SDGs. These indicators are monitored periodically and reported on annually in this document.

Of particular relevance were **SDG 9 - Industry, innovation and infrastructure** - given that the Group is committed to developing quality, reliable, sustainable and resilient infrastructure - and **SDG 11 - Sustainable cities and communities** - which reflects the Group’s commitment to providing access to safe and sustainable transport systems and improving road safety.



INTERNAL AUDIT AND RISK MANAGEMENT SYSTEM

The Internal Audit and Risk Management System is part of the organisational, administrative and accounting structure and more in general the corporate governance structure, and conforms to recommendations of the Corporate Governance Code of Borsa Italiana, which the company endorses¹⁰.

The Board of Directors is responsible for the Internal Audit and Risk Management System in relation to which, through the specific Committee, it defines the guidelines and periodically checks their adequacy and actual operation, ensuring that main company risks are identified and managed in line with the strategic objectives set.

ASTM and its main operating subsidiaries have adopted a Risk Management system in line with best practices defined by the Enterprise Risk Management Integrated Framework (CoSO ERM) and ISO 31000.

In line with the model adopted and with support from dedicated internal functions, each company guarantees monitoring of risk associated with the attainment of strategic company objectives, including in terms of sustainability.

As an industrial holding, ASTM plays a primary coordination role, developing its equity investments and identifying new investment opportunities, mainly managing financial and compliance risks related to its nature as a holding.

As part of their legal and operational autonomy, the subsidiaries are responsible for the autonomous management of the risks concerning the specific business activities.

During 2020, each company revised the mapping of main risks generated or sustained, relating to business operations, including aspects concerning environmental, social aspects and personnel issues, respect for human rights, the fight against active and passive corruption. In particular, based on experience acquired during the course of the Covid-19 emergency, it was noted that the main risks also include business continuity, linked to temporary limitations or interruptions to company business and/or operations due to external events and/or factors which affect one or more Group companies.

In particular, the following page contains the main risks concerning sustainability issues of ASTM and its subsidiaries are reported.

SUSTAINABILITY POLICIES

To support its efforts in the ESG sector, ASTM has adopted specific policies on relevant sustainability issues which can be found on the Company's website, promoting their adoption also by the main operating subsidiaries which, taking into account their own operations and organisational structures, have adopted them through their relevant bodies.



ANTI-CORRUPTION POLICY



DIVERSITY AND INCLUSION POLICY



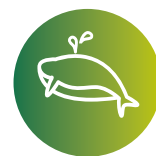
SUPPLIERS CODE OF CONDUCT



HUMAN RIGHTS POLICY



ENVIRONMENT MANIFESTO



BIODIVERSITY POLICY

¹⁰ For further information on the Internal Audit and Risk Management System, see ASTM's "Report on Corporate Governance and Ownership Structure" available on the Company's website www.astm.it/en in the Governance/Corporate Governance Report section

MAIN RISKS CONCERNING SUSTAINABILITY ISSUES

RISKS OF OPERATIONAL DISRUPTION TO INFRASTRUCTURE

Risks related to the operational disruption to motorway infrastructure caused by unpredictable events outside the control of the licensees of the Group, such as violent weather events, natural disasters or man-made disasters (accidents, fires, acts of terrorism).

RISKS RELATED TO THE MANAGEMENT OF EMERGENCY EVENTS AND MOTORWAY USER SERVICES

Risks related to the inadequate management by the Group's licensees of emergency events (weather emergency, transport of dangerous goods) in motorway operation and the provision of motorway services not in line with the standards defined in the services charter.

COMPLIANCE RISKS AND RISKS RELATED TO ETHICAL BEHAVIOUR

Risks related to non-compliance with environmental regulations by the Group companies, including those on climate change, occupational health and safety and the lack of integrity of management and employees that could result in unethical, unauthorised, unlawful or fraudulent behaviour, with particular reference to active and passive corruption, corruption between individuals and human rights.

RISKS RELATED TO THE SUPPLY CHAIN AND SUBCONTRACTING

Risks related to the conduct of suppliers and subcontractors and lack of monitoring of supplier practices, particularly in the construction sector, with particular reference to occupational health and safety issues, respect for human rights, anti-corruption and compliance with environmental regulations, including regulations on climate change.

RISKS RELATED TO PERSONNEL

Risks related to the ability to attract, hire, develop, motivate and retain qualified professionals within the Group companies while guaranteeing diversity and equal opportunities.

ENVIRONMENTAL COMPLIANCE RISKS

Risks related to environmental, legal and related regulations (in particular those on climate change) in countries where the Group companies operate and that could affect the business activities.

"NIMBY" RISK

Risks related to NIMBY (Not In My Back Yard) campaigns, i.e. when local communities or trade associations protest against the development of large infrastructure and/or projects to improve road systems undertaken by the Group companies.

RISKS RELATED TO INNOVATION AND THE MARKET

Risks related to the lack of or late implementation of innovative solutions (including in relation to solutions that reduce environmental impact) that meet the market's expectations with possible repercussions on the national and international competitiveness of the Group companies.

BUSINESS CONTINUITY RISKS

Risks linked to temporary limitations or interruptions to company business and/or operation due to external events and/or factors which affect one or more companies in the Group.

THE GROUP'S RESPONSE TO RISK

ASTM and its main operating subsidiaries have adopted a Risk Management system conforming to the best practices identified by CoSo ERM and ISO 31000, defining the organisational structure and assigning clear roles and responsibilities in this regard. Specific processes to identify, monitor and mitigate main company risks have also been defined.

As regards the main risk mitigation activities, ASTM and its main operating subsidiaries have adopted a Code of Ethics and Conduct and a Management Programme since 2004, pursuant to Italian Legislative Decree 231/01 (Model 231), also establishing the operating procedures and a disciplinary system.

Itinera S.p.A. also holds a certificate of conformity for its production cycle in relation to the provisions of ISO 31000 guidelines on risk analysis for activities carried out in Italy and overseas by work sites and branches.

The main policies adopted by ASTM and its subsidiaries, to mitigate identified sustainability risks, are described in this document, with particular reference to the "Ethics and Integrity" section.

ASTM and its main operating subsidiaries have implemented management systems in line with UNI ISO norms with reference to health, safety, environment and quality aspects. For more details, please see the dedicated sections.

In regards to whistleblowing legislation, ASTM and its main operating subsidiaries adopted a system in 2018 to report irregularities and potential offences committed by employees and third parties, to supplement the channels already set up for reporting to the Supervisory Body.

APPROACH TO RISK MANAGEMENT



CRISIS MANAGEMENT

ASTM and its main operating subsidiaries have adopted an operating procedure for crisis management.

In particular, the procedure identifies the types of possible crises, defines the organisational structure, processes and information flows in the event of a crisis.

The analysis of the various business segments of the Group identified the types of crises essentially attributable to safety issues (e.g. pollution or environmental disaster, serious injury at work, impediment of senior management) and to external factors (e.g. serious damage to works or infrastructure caused by external events, serious epidemics or infectious diseases, IT accidents, extreme weather events or natural disasters) and the criteria for assessing their severity on the basis of the event's specific characteristics.

In the event of a crisis assessed to be of maximum severity, the Crisis Manager (identified as the Chief Executive Officer) of the company affected can



activate the Crisis Management Team, which will be responsible for the overall crisis management strategy. The Crisis Manager may also involve external professionals and experts in relation to the type of crisis.

In the event that a crisis affects a subsidiary, in addition to initiating its own dedicated Crisis Management organisation, that company informs ASTM S.p.A., which provides an Advisory Committee to consult with the subsidiary's Crisis Manager.

During 2020, the procedure was activated at the beginning of the Covid-19 epidemiological emergency. The dedicated section provides details on the measures and actions adopted.

Material topic:

BUSINESS CONTINUITY

Area of Leg. D. 254/2016:
ENVIRONMENTAL, SOCIAL, PERSONNEL, RESPECT FOR HUMAN RIGHTS, FIGHT AGAINST ACTIVE AND PASSIVE CORRUPTION



Main sustainability risks associated:

- Business continuity risks;

Summary of main management and mitigation actions:

- Crisis Management operating procedure, which defines the organisational structure, processes and information flows in the case of a crisis
- Flexible organisational structure to be adopted in emergencies to guarantee continuity of business and of services in the public interest
- Adequate infrastructure and IT equipment
- Training and operating guidelines for the use of software, communication systems, connection methods
- Supplier register to guarantee Business Continuity



ETHICS AND INTEGRITY

The Company's Code of Ethics and Conduct, in the version most recently adopted by the Board of Directors on 3 August 2020, was prepared in terms of the Group and, inspired by the ESG principles and values contained in the various sustainability policies adopted by ASTM and its main operating subsidiaries, summarises all the elements which serve as the foundation for the ASTM Group's identity and culture.

The Code of Ethics and Conduct, available on the Company's website, applies to ASTM S.p.A. and its Italian and foreign subsidiaries, and is binding for all employees and collaborators of said companies and for all those who, in any capacity and regardless of the type of contractual relationship, contribute to the attainment of the Group's targets and objectives, including members of company bodies.

There were no reports regarding breaches of the Group's Code of Ethics during 2020.

Material topic:

ANTI-CORRUPTION

Area of Leg. D. 254/2016:
THE FIGHT AGAINST ACTIVE AND PASSIVE CORRUPTION



Main sustainability risks associated:

- Compliance risks and risks related to ethical behaviour;

Summary of main management and mitigation actions:

Implementation of an integrated human capital management system, through:

- Anti-corruption policy in line with the applicable best practices and national and international standards;
- anti-corruption management system certified to ISO 37001 for ASTM S.p.A. and Itinera S.p.A. (Italian scope);
- anti-corruption officer;
- internal channel to report offences or irregularities identified during work activities.

Training courses on corruption risks are held at regular intervals for executives and people most exposed to these risks.





ANTI-CORRUPTION

The Group repudiates and disincentives all types of corruption, whether in Italy or abroad, and is committed to actively fighting it by complying with the anti-corruption regulations in effect in all the countries in which it works, requiring its Stakeholders to work honestly and with integrity.

To that end, inspired by the best practices of the Anti-Corruption Compliance Program and the international reference standards, such as UNI ISO

37001, ASTM and its main operating subsidiaries have adopted a structured system of rules, controls and notification mechanisms with the aim of preventing crimes of corruption. In particular, the measures implemented to prevent corruption are governed by the Organisation, Management and Control Model pursuant to Italian Legislative Decree 231/2001 and the Anti-Corruption Policies of the main operating companies controlled by the Group who have adopted them.

ANTI-CORRUPTION MANAGEMENT SYSTEM CERTIFIED TO ISO 37001

Since 2019, ASTM and the subsidiary Itinera have implemented an Anti-Corruption Management System, achieving UNI ISO 37001:2016 certification for the Italian remit.

The UNI ISO 37001:2016 Management System has been harmonised with the existing controls, contributing to the optimisation of the organisational structure and the decision-making and control processes aimed at the tangible implementation of the Anti-Corruption Policy, with a view to the continuous improvement of the ISO standards. ASTM's Anti-Corruption Policy was most recently updated through a Board of Directors resolution on 13 November 2020.

As envisaged by the voluntary standard, an anti-corruption officer has been appointed, in the figure of the Internal Audit Function Manager, who has been allocated with tasks and responsibilities to oversee the implementation of the management system for corruption prevention, in compliance with the existing regulations and requirements of ISO 37001, and to communicate with senior management regarding the system's adequacy, highlighting any shortcomings or areas for improvement.

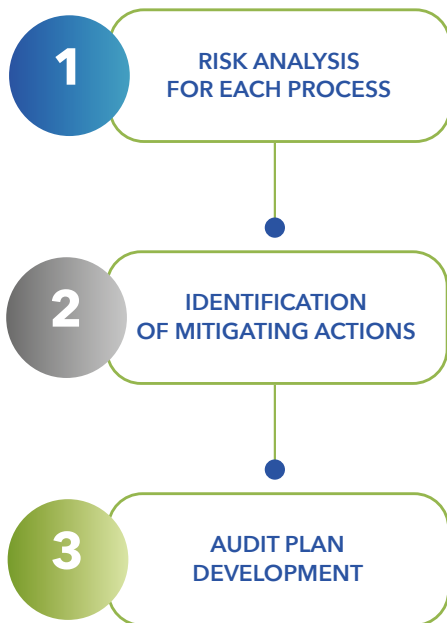
Training sessions are carried out periodically on the anti-corruption management system for all employees, with the objective of increasing awareness about each individual's contribution to promoting the culture of legality according to a zero-tolerance approach towards behaviours that do not meet the ethical principles adopted by the Company.

In accordance with the standard, specific internal audits are also carried out periodically on the compliance of the anti-corruption management system. The results of the monitoring activities and any reports are analysed systematically in order to assess the implementation of possible improvement actions.



INTERNAL AUDIT FUNCTION

ASTM and its main operating subsidiaries have appointed a manager of the Internal Audit Function. This individual, in possession of adequate requirements of professionalism and independence, is in charge of verifying the operations and suitability of the Internal Audit and Risk Management System, through an audit plan approved by the Board of Directors, based on a structured process of analysis and prioritisation of the main corporate risks.



The Board of Directors of ASTM, following the opinion of the Audit and Risk Committee, approves the working plan annually prepared by the manager of the Internal Audit Function, having consulted the Board of Statutory Auditors and the Director in charge of the Internal Audit and Risk Management System. When performing his/her activities, the Internal Audit Manager may be assisted by specialist support from external consulting companies.

During 2020, audit activities carried out by the head of the ASTM internal audit function involved, among other things, verifying the measures adopted by the Company to deal with the Covid-19 epidemiological emergency, to protect the health and safety of its workers in their workplaces.



WHISTLEBLOWING SYSTEM

To promote a culture of lawfulness with a zero tolerance policy for behaviour not in line with the ethical principles adopted by the Company and with current rules and regulations, ASTM and its operating subsidiaries have implemented a notification or whistleblowing system which allows all ASTM S.p.A. stakeholders (employees, collaborators, suppliers and any other person who has had or intends to have relations with the Company) to report, also anonymously, alleged or known violations of rules, laws, procedures and company policies or the values expressed in the Code of Ethics.

Through a digital platform, managed by a specialised independent third party and accessible through the company's website, the maximum privacy and protection is guaranteed for whistle-blowers and the subject of the reports, to protect all involved from any kind of discrimination or retaliation.

All reports are sent to the Internal Audit Manager of the relevant company (or to the Chair of the Supervisory Board, if the Internal Audit Manager is the subject of the report) and are handled confidentially and transparently via a predefined procedure. During 2020, two reports were resolved relative to Itinera regarding presumed inappropriate actions by employees working with suppliers against the company's interests. These reports, which regarded work done abroad, were taken on by Itinera's Internal Audit Manager who, in their role as the Manager of the Compliance and Corruption Prevention, carried out the necessary investigations and reported to the relevant bodies.

For more information about the reporting methods, refer to the ASTM website, in the Governance section.

PRIVACY

The Group continues to focus on protecting the personal data of its Stakeholders, aware that protecting the privacy of natural persons is a fundamental right, also recognised by the Charter of Fundamental Rights of the European Union.

In line with the provisions of EU Regulation 2016/679 (“GDPR” – General Data Protection Regulation), a data protection organisational and operational model has been implemented which requires: (i) the definition of roles and responsibilities within the company, including the identification of a Data Privacy Officer (or “DPO”), a focal point (or

“Data Protection Officer”) and internal managers for functional areas (known as “Data Managers”) who oversee personal data processing, also managing relations with third parties; (ii) the adoption of a data privacy policy and specific data protection procedures and protocols; (iii) the implementation of a digital platform for the management and accountability of all data protection activities.

A coordinating body has also been established, formed of the Data Protection Officers of the individual companies (known as the “Data Protection Officers Group”), with the role of raising collective awareness and connecting methodologies. Over the year, periodic meetings were held by the Officers Group and the DPO.

Over the year, the Group paid particular attention to training company resources and raising employee awareness by organising various training initiatives based on the corporate profiles of the participants, which involved around 1,500 participants.



MANAGEMENT OF THE COVID-19 EPIDEMIOLOGICAL EMERGENCY



2020 saw an extraordinary event which affected the entire world - the Covid-19 health and epidemiological emergency which changed our habits, our ways of living, working and interacting with others. We all lived through the unique and negative ex-

perience of the lockdown, which continued in our country for several months.

Companies had to revise and rethink their business strategies and operations, including interaction with all their stakeholders.

Impacts on business

Business continuity
Operations & maintenance

Protecting employee health

Resilience and strengthening projects

IMPACTS ON BUSINESS

Although the actions implemented in the field by the Group demonstrated its ability and the rapidity of the response limited the impacts of the pandemic to the extent possible, the pandemic nonetheless had an impact on the main economic/financial indicators. In the motorway sector, after the heavy reduction in traffic volumes during March and April due to the lockdown, after the virus containment measures were loosened, a recovery in traffic volumes was seen starting in May along the managed stretches. This recovery became stronger during the third quarter of the year. Following the recovery from the Covid-19 epidemic, the subsequent

restrictive measures regarding mobility established by both the DPCMs of 3 November and 3 December 2020, as well as the associated Orders issued by the Ministry of Health led to a new decrease in traffic in the fourth quarter of the year, although to a much lesser extent than that seen in the spring. Activities in the EPC sector were also heavily impacted by the effects of the pandemic, with notable slow-downs during March and April and, in some cases, involving a full stop of activities in the main work-sites under way in Italy, while abroad work continued at a slower pace with respect to the operating plans. Starting in the third quarter a recovery of production volumes was seen, as a consequence of the recovery of business and reopening of previously

suspended worksites. Nonetheless, final revenues recorded at 31 December 2020 are lower than had been forecast at the beginning of the year.

For more information on economic and financial impacts, please see the ASTM Group's Consolidated Financial Statements at 31 December 2020.

For the licensee companies, more heavily impacted by an extraordinary decrease in traffic, and for the EPC sector and Technology & Innovation sector companies, forced to interrupt or reduce their activities, including in construction sites, in compliance with regulatory provisions issued by the relevant authorities, unemployment benefits were established for the weeks needed for the crisis to be passed.

With reference to the main non-financial indicators, the most significant impacts include a decrease in training hours provided to manual workers due to decreased worksite activities during the first half of the year as a consequence of the Covid-19 emergency and an increase in absences and days lost.

BUSINESS CONTINUITY, OPERATION & MAINTENANCE

Relative to the progressive spread of the Covid-19 pandemic in Italy and in the foreign countries in which the Group's main investees operate, starting in February 2020, in line with the directives issued by the relevant national and local health authorities, prevention and containment measures were promptly adopted, with the issuing and dissemination of provisions, guidelines and instructions with the aim of mitigating the impacts of the pandemic on the health of its employees and other workers, as well as its business operations.

Considering the exceptional nature of this event (the rarity of occurrence, absence of comparable data, difficulty of determining reliable forecasts, difficulty of choices and decisions, seriousness which can only be assessed after the fact, serious consequences also over the medium/long-term), the emergency structure, activated in compliance with the "*Crisis management operating procedure*", focused its attention on constantly monitoring the

provisions and instructions issued by relevant authorities to safeguard, protect and organise personnel, on monitoring the main economic and financial KPIs and on researching possible scenarios, as well as on regulatory and contractual compliance.

In particular, during February 2020, ASTM's Crisis Management Team was activated specifically for the Covid-19 epidemiological emergency.

In the various central and operating offices and work sites, both in Italy and abroad, all necessary measures were adopted to protect the health and safety of employees and contractors, in compliance with the instructions issued by the authorities in the individual companies, while also guaranteeing, as much as possible, continuity in investments in the motorway network and in the execution of work which is, in any case, essential and strategic for communities and clients.

To protect occupational health and safety, every Group company distributed appropriate Personal Protective Equipment (PPE), increased cleaning of working environments and adopted appropriate measures to guarantee distance between workers. In particular, agile working was adopted for staff, with the sole exception of operating personnel or those who cannot work remotely.

Operationally and, in particular, with regards to management of the motorway network granted in concession, all user services relative to the road network were guaranteed, and actions relative to maintenance and non-deferrable investment activities also continued, given that these were necessary to maintain and, in some cases, increase the safety standards for infrastructure despite the complex situation, taking into account the difficulties faced by subcontractor companies, above all during the initial stage of the epidemic.

In April, after the lockdown had ended and before reopening began, ASTM and its subsidiaries adopted and disseminated specific safety operating instructions and rules to protect the health of employees in the workplace. Compliance with these continued to be required during subsequent months, with the necessary updates and additions.



Given the continuation of the emergency, Group companies have constantly updated the operating procedures issued to protect company employees and to limit contagion, making reference to the provisions issued by health authorities.

PROTECTING EMPLOYEE HEALTH

During all stages of the emergency, in line with the instructions contained in the Orders and Provisions issued by the Ministry of Health and the various Regions affected, communications, protocols and operating instructions were promptly communicated to all personnel, including behavioural information and guidelines regarding operating methods to protect health. The Risk Evaluation Document (RED) was updated and social safety nets and support were provided to foreign companies, guaranteeing constant monitoring of employees affected by health measures associated with Covid-19.

All companies organised their activities so as to limit the presence of employees in the office, while simultaneously guaranteeing operations and the provision of essential services.

Specific insurance protection was activated for all personnel.



To support employees in this new scenario, during the year the **#ASTM Channel** project was promoted, intended for all employees, with the aim of sharing experiences, opportunities for reflection and suggestions to better deal with the **changes to working methods caused by the Covid-19 emergency**. Through a cycle of 10 webinars, workers were able to talk with various specialists, examining issues such as organising work, appropriate behaviour during remote work, management of time for children and other family members, interaction with co-workers and working in a team, physical and psychological well-being, managing workloads, and data security. This was an interesting and useful “virtual contact point”, which helped to strengthen the sense of belonging to the Group, with active employee participation rewarded through the distribution of free tickets to visit locations maintained by the Fondo Ambiente Italiano, which the ASTM Group supports through “the FAI 200” initiative. Recordings of these meetings were later made available on the company intranet.

COVID-19 TOOL BOX

From the start of the epidemiological emergency, a specific section was created on the #Agora intranet to promptly and effectively communicate with Group personnel. It was constantly updated and documents and information were made available to all Group employees.



More specifically, all the Group's Protocols and instructions were made available, as well as videos, informational material and institutional links. Additionally, awareness was increased about the use of the company intranet which contains, among other things, numerous initiatives aimed at employees.



In 2019 ASTM launched a **People Identity** project to support cultural change, engagement and the organisational well-being of individuals. The project promotes Group initiatives associated with **personal care**, helping to increase awareness about existing projects through a dedicated communication plan on the Group's #Agora intranet.

In this context, since 2019 the **Fragilità** service has been active which is dedicated to caregivers - employees who are caring for an elderly or non-self sufficient person, even from a distance. The aim of the service is to relieve and support employees by arranging care, analysing needs and offering initial guidance in the support network of social assistance services available (public and private). The service covers all of Italy and brings together a network of over 900 qualified services to support employees who are alone or unprepared, for short or long periods, for the economic, social, welfare and psychological difficulties of coping with a family member who is not independent.

During the health emergency, in the cities of Milan, Varese, Turin, Genoa, Rome and Lecce and in the Provinces of Milan and Monza and Brianza, the **UGO** service was activated which does errands for the families of employees in at risk categories or who are over 65, so they could remain at home and not be exposed to risk. Simple but necessary activities such as doing the shopping, going to the pharmacy or picking up a doctor's prescription are done by UGO staff. This allowed elderly men and women, with previous chronic illnesses, undergoing treatment, socially isolated or with economic difficulties to remain home and avoid contact with the Coronavirus.

THE GROUP'S COMMITMENT TO LOCAL HEALTHCARE

In March 2020, the ASTM Group acted to provide support during health emergency that has affected Italy, in particular in Piedmont, its home region, where there are a number of the Group's infrastructure networks. It made a contribution of € 3 million in favour of the Piedmont Region to support the Coronavirus emergency and donated two ambulances the Italian Red Cross. Through these initiatives, the ASTM Group sought to offer a tangible representation of its vicinity and attention to all communities in Piedmont and to everyone working and fighting against the epidemic each day, especially the healthcare staff working on the front line to assist the ill.

RESILIENCE AND STRENGTHENING PROJECTS

At present, it is still difficult to foresee the developments and intensity of the social and economic effects of the shock, due to the undetermined nature of factors linked to pandemic trends, which the Group continues to monitor.

Based on the experience gained during the Covid-19 emergency and in order to strengthen its Business Continuity abilities, specific strengthening projects were begun, including strengthening infrastructure and IT equipment and rationalising these same things, to support agile working able to guarantee service quality and security.

In defining the 2020 sustainability plan, approved by the Board of Directors on 24 April 2020, distancing measures to contain the pandemic were taken into account. In particular, in order to take full advantage of the remote working experiment implemented to manage the Covid-19 emergency, a strategic Group project was begun known as "New Ways of Working", which aims to integrate this operating model, finding a better work/life balance while simultaneously reducing CO₂ emissions, with an eye to overall efficiency.

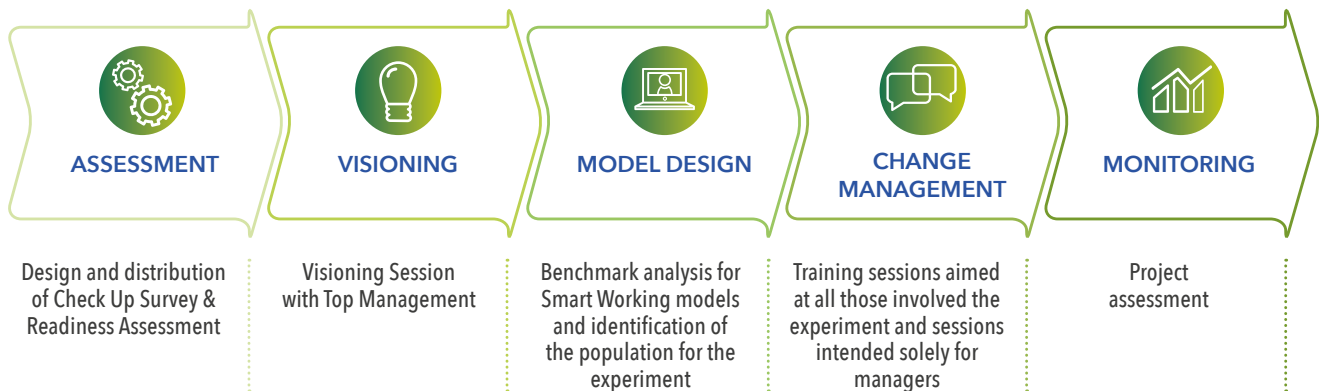
The purpose of the project was to experiment with a smart working model tailored to our Group, able to guarantee corporate operations by introducing new

forms of work in line with sustainability values which are now essential, protecting both employees and the environment.

Other project goals include the dissemination of a corporate culture based around flexibility, independence, trust, responsibility, cooperation and optimisation of tools and technologies.

As is known, the Covid-19 health emergency extended "emergency" smart working as a measure to contain the pandemic and to support distancing. In a situation that is still unstable and makes scheduling difficult, a more "mature" Smart Working approach was attempted, supported by training intended to provide greater knowledge about the adoption of new working methods and new behaviours. 349 workers were involved in the experiment, representing the main professional areas within the Group's various companies. In November and December, some training and conversational opportunities were organised with the aim of contextualising smart working relative to the national situation, both in terms of the emergency and the "new normal", to support the switch from emergency smart working to a normalised model. Specific training sessions intended for managers aimed to (i) understand the new methods for managing teams remotely, (ii) share and discuss new managerial styles based around Smart Working and (iii) identify priorities and possible changes.

STAGES IN THE NEW WAYS OF WORKING PROJECT



In December, through a survey intended for the corporate population involved in the experiment and their managers, various aspects were measured such as work efficiency, adequacy of the model, increased employee motivation, involvement and satisfaction, also in terms of work/life balance.

Finally, due to the reduction in commuting by ASTM Group employees (based in Italy) who were involved in smart working during the the "New Ways of Working" project (from 1 June to 31 December 2020), an 8% reduction in CO₂ emissions was estimated, with respect to the same period in 2019.

The impacts the Covid-19 healthcare emergency has had on the ASTM Group, even potentially, on its value chain, were considered when updating the materiality analysis done for preparation of the 2020 NFD: business continuity, the ability of an organisation to guarantee company operations, including those for essential public services, following extraordinary external events and/or factors which affect one or more Group companies, emerged as a new theme, while the innovation theme took on greater importance.

To better monitor the supply chain for products and materials needed to deal with possible emergencies linked to extraordinary external

events, the relative procedures were verified and strengthened. These include, among other things, ESG assessment models.

TRANSPORT WORKING GROUP

Additionally, during **2020 ASTM was part of the Transport Working Group (TWG)** established by the Ardian Fund, which brings companies in the transport and infrastructure sectors together to increase resilience through the sharing of experiences and best practices in the ESG area. The first webinar, on 2 July 2020, focussed on sharing the impacts that Covid-19 had on company strategies and business management, as well as on opportunities for future improvements.

GROUP CLIMATE STRATEGY

With reference to the Group's climate strategy, in 2020 the process of aligning with the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations continued, intended to strengthen the Group's commitment relative to climate change and, in particular, help meet the objective of limiting the increase in the average global temperature to no more than 2°C with respect to pre-industrial levels, as defined in the Paris Agreement.

The main goal of the TCFD recommendations is to help companies to inform their stakeholders, clearly and in a comparable fashion, about risks and opportunities linked to climate change, with reference to four thematic areas representing the fundamental pillars of an organisation: Governance, Strategy, Risk Management, Metrics and Targets.

GOVERNANCE

To promote the sustainable success of the Group also through environmental performance monitoring and, in particular, of the impacts of climate change on the company's operation and financial results, the ASTM Group has created a governance model in line with ESG best practices which guarantees top management are involved in the definition of strategic sustainability guidelines, also with reference to climate change issues. Further, each company, based on their operations, considers the impacts of climate change in their risk management policies, financial planning, operating activities and investment planning, as well as in designing and monitoring organisational performance objectives.

ASTM was included on the A List for fighting climate change by the Carbon Disclosure Project (CDP).

FUNDAMENTAL ELEMENTS IN TCFD REPORTING



GOVERNANCE

The organisation's governance with regards to climate-related risks and opportunities.

STRATEGY

The effective and potential impacts of climate-related risks and opportunities on an organisation's assets, strategy and financial planning.

RISK MANAGEMENT

The processes used by the organisation to identify, evaluate and manage climate-related risks.

METRICS AND TARGETS

The metrics and targets used to evaluate and manage climate-related opportunities and risks.

STRATEGY

The 2017-2021 Sustainability Plan "Going Global Sustainably" was prepared by analysing, adding and developing a series of elements, including the UN's 17 Sustainable Development Goals (SDG) for 2030, including target 13.1 "Strengthen resilience and adaptive capacity to climate related hazards and natural disasters in all countries". Promotion of energy efficiency policies was included among the Group's strategic guidelines, specifically through objectives and measurable actions for every area, over the medium/long-term.

In 2020 ASTM introduced climate scenario analysis to its strategy to:

- Assess how risks and opportunities linked to the climate influence all the Group's business areas
- Investigate the Group's resilience/robustness in the face of risks and opportunities linked to the climate
- Identify a strategy to reduce the Group's emissions over the medium/long-term

The scenarios used for analysis reflect various future possibilities, specifically the "**Transition Scenarios**", the technological and economic changes needed to mitigate climate change and, the "**Physical Scenarios**", how the Earth's climate reacts to changes in concentrations of greenhouse gases (GHG).

In compliance with TCFD recommendations, various scenarios were considered, including: one 2°C scenario and two much more ambitious ones (well below 2°C and 1.5°C); a scenario appropriate to the geographic context in which the organisation operates (Integrated National Energy and Climate Plan (INECP), the expression of the Nationally Determined Contributions (NDC) for Italy); and a physical scenario used to anticipate possible climate effects which will impact the Group's activities in the future (RCP8.5).

From the physical scenarios, the International Panel on Climate Change (IPCC) RCP8.5 scenario was selected in order to include the most significant impacts connected to physical climate variables (for example: temperature increase, extreme precipitation, etc.) which could directly influence the Group's activities, in particular infrastructure safety and road safety.

The physical effects which over the long term have the highest probability of impacting the ASTM Group's business in the geographic areas of greatest interest to the Group were extracted (Europe and Latin America):

- Increased damages associated with floods and landslides, overflowing of rivers and coastal erosion
- Increase in water scarcity and consequent restrictions on water use
- Increase in damage due to extreme heat and forest fires.

Relative to the transition scenario applied to Group business, various scenarios were selected in compliance with TCFD recommendations: the scenarios "2DS", "Well Below 2°C" and "1.5°C" (designed by the Science Based Target initiative - SBTi¹¹ and the International Energy Agency - IEA¹²), used for target setting to assess the maximum available "carbon budget" and to obtain plausible emissions reduction trajectories, as well as the INECP-based scenario¹³, used to assess regulatory and technological changes in the geographic area in which most of the ASTM Group's assets are located, Italy.

This analysis made it possible to assess the feasibility of a Science Based Target and update the mapping of climate-linked risks and opportunities as described below.

¹¹ <https://sciencebasedtargets.org/wp-content/uploads/2019/04/foundations-of-SBT-setting.pdf>

¹² <https://www.iea.org/reports/energy-technology-perspectives-2016>

¹³ https://www.mise.gov.it/images/stories/documenti/PNIEC_finale_17012020.pdf



RISK ANALYSIS

As part of its responsibilities regarding the Internal Audit and Risk Management System, the Board of Directors ensures that the main corporate risks are identified and managed in line with the strategic objectives identified. Management of ESG risks is integrated into the Risk Management System implemented by ASTM and its main operating subsidiaries. Risk mitigation actions also include opportunities for development which could lead to a competitive advantage over time.

Climate change and its effects on the economic activities represent a potential risk factor for the operations of the Group companies and the resilience of the infrastructure managed by ASTM. However, at the same time, the energy and technology transition currently in place could create important opportunities for growth and development. The risk assessment process considers both physical and transition risks. The first category includes the occurrence of extreme weather events (intense rain, flooding, landslides), caused by changes in climate conditions which could damage motorway infrastructure; the second includes changes in the market, increasingly sensitive to sustainability issues, or developments in environmental regulations, with the introduction of new minimum environmental requirements and new limitations on GHG emissions.

Group companies are implementing various actions to mitigate these physical and transition risks. With particular reference to the most vulnerable areas and works, the status of motorway infrastructure under concession is constantly monitored in order to guarantee, in compliance with the applicable laws, the safety of those infrastructure for the use of motorway traffic, in addition to a suitable maintenance work programme and planning. Along some stretches of the A6 Torino-Savona, the A5 Quincinetto-Aosta, and the A15 Parma-La Spe-

zia motorways, as regards the particular morphology of the local area, specific systems have been implemented to monitor landslide movements and mountainsides which in some cases require continuous measurement of pre-established parameters and the activation of alarms if the pre-set thresholds are exceeded.

Additionally, the Group is reviewing the possibility of introducing hybrid vehicles to the corporate fleet which would both comply with limitations on the circulation of polluting vehicles and reduce CO₂ emissions.



Climate change also creates new opportunities that could go on to impact the competitive mechanisms of the various sectors in which the Group operates.

For this reason, each Group company must be able to proactively identify and exploit the opportunities in order to maintain high levels of competitiveness. For example, with reference to motorway management, technological innovation plays an increasingly important role in guaranteeing ever higher user service standards through a gradual digital transformation of infrastructure able to communicate with next generation connected vehicles, to use automatic driving assistance systems and to mitigate and lighten traffic, reducing motorway accidents.

With reference to the EPC sector, clients are increasingly requesting infrastructure and civil and industrial works which are designed and constructed to have low environmental impacts and with high LEED ratings (Leadership in Energy and Environmental Design).

The following tables present details of the main risks and opportunities related to climate change that impact the Group's business segments.

RISKS RELATED TO CLIMATE CHANGE

Risk	Classification	Description	Time period	Probability	Magnitude of the financial impact	Financial impact
Acute environmental risk	Physical risk	Risks associated with unforeseeable events related to climate change and outside the control of the Group companies such as violent weather events and natural disasters that could cause operational disruption to the motorway infrastructure managed by the Group licensees.	 Short term	 As likely as it is unlikely	 High	The financial impact is linked to the operational disruption to the motorway infrastructure with a decrease in revenues, increase of maintenance costs, as well as additional expenses for the return to normal operations and direct and indirect compensation for damages to third parties.

Risk management methods

Within its own legal and operational autonomy, each Group licensee oversees and mitigates the risk through multiple structured engineering and operational initiatives. The extraordinary maintenance and investment programme envisages interventions such as:




- stabilisation of mountainsides superjacent to the motorway stretches with particular risk aspects, through containment works, surface and deep drainage, bolted and rockfall protection netting, soil bioengineering works;
- protection and reinforcement of bridge and viaduct foundations including parapets, weirs and hydraulic works;
- interventions aimed at the seismic improvement/upgrading of structures.

The motorway maintenance work programme is defined on the basis of specific and structured monitoring systems and models implemented through inspections, measurements and periodic surveys that allow each company to plan activities in order of priority, verified and approved also by external and independent experts.

For some motorway stretches (such as the A15 Parma-La Spezia, the A6 Torino-Savona and the A5 Quincinetto-Aosta), the licensees in collaboration with Institutions and Bodies have initiated specific systems to monitor landslide movements which in some cases require continuous measurements of parameters with the activation of alarm systems when certain thresholds are exceeded and consequent suspension of traffic. The monitoring activities are also extended, where necessary, to riverbanks to control the evolution of ongoing erosion.

In addition, the licensees have stipulated specific insurance policies to cover any damages to infrastructure, direct and indirect damages caused to third parties and lost revenue caused by the suspension of traffic.

The potential effects of climate change on infrastructure are considered in the design of new works and in the extraordinary maintenance of existing works. In infrastructure design decisions, and in particular for hydraulic works and the consolidation of mountainsides at hydrogeological risk, variables are assessed such as the return times of flooding events and the frequency of extreme weather events.

Risk	Classification	Description	Time period	Probability	Magnitude of the financial impact	Financial impact
Chronic environmental risk	Physical risk	<p>Risks related to the inadequate management of emergency events by the Group licensees in motorway operation and management of motorway services not in line with the standards defined in the services charter.</p> <p>The increased frequency of weather phenomena – such as particularly heavy rainfall including of short duration, frozen rain (i.e. glaze) and exceptional snowfall – could compromise the safety of traffic on the motorway stretches (e.g. reduced visibility, loss of grip, etc.), as well as cause damage to the motorway body and make a temporary traffic block necessary.</p>	 Short term	 More likely than not	 Medium to high	The financial impact is linked to a potential increase in the ordinary preventive maintenance costs to guarantee operation of the infrastructure and, in the event of temporary operational disruption, to any recovery costs and compensation to third parties, as well as decreased revenues.

Risk management methods

Within its own legal and operational autonomy, each Group licensee oversees and mitigates the risk through multiple structured engineering and operational initiatives.

The ordinary maintenance programme that each licensee company prepares annually provides for specific interventions such as cleaning ditches and gutters, culverts and the water collection and disposal systems in general in order to streamline their functioning in the event of particularly heavy rain. The banks, embankments and motorway areas in general are periodically mown and trimmed in order to avoid potential damage to traffic and infrastructure in the event of particularly adverse weather (e.g. wind, exceptional snowfall and frozen rain).

Periodic interventions are carried out on the works, buildings and systems in order to mitigate the effects of frequent and cyclical events, and to prevent considerable damage to them with consequent potential hazards for traffic and the need for more significant maintenance interventions. Specific procedures have been adopted, especially along the “valico” (crossing) stretches, to manage snowy rainfall, and local governance bodies and police forces have been involved. In particularly serious cases, heavy vehicles may also be stopped from travelling and temporarily directed to pre-defined lay-bys.



The licensees have also stipulated specific insurance policies to cover potential damages to infrastructure, direct and indirect damages caused to third parties and lost revenue caused by the suspension of traffic.

Risk	Classification	Description	Time period	Probability	Magnitude of the financial impact	Financial impact
Compliance risk	Transition risk	Risk related to non-compliance with the environmental regulation applicable to the business segments in which the Group companies operate	 Short term	 Highly unlikely	 The media	The financial impact is linked to the potential fines and/or lawsuits deriving from violations of the applicable environmental regulation, as well as the potential redevelopment costs required to recover the conditions envisaged by the regulation.

Risk management methods

Since 2004, ASTM and its main operating subsidiaries have had a Compliance Programme, in compliance with Italian Legislative Decree 231/01, which defines, among other things, procedures, protocols and a disciplinary system to prevent environmental damage and guarantee compliance with environmental regulations. In addition, some Group companies have adopted an Environmental Management System certified to ISO 14001, providing specific operating procedures for environmental issues management with a view to continuous improvement.

Lastly, the design of new works and the maintenance of existing works, overseen by the subsidiaries of ASTM, are developed in respect of the applicable technical and environmental regulations (e.g. Italian Legislative Decree 152/2006, as amended, which governs, among other things, the environmental impact assessment procedures of works).




Risk	Classification	Description	Time period	Probability	Magnitude of the financial impact	Financial impact
Regulatory risk	Transition risk	Risk associated with changes to the environmental regulations in countries in which the Group companies operate with an impact on the business activities.	 Long term	 More likely than not	 Medium to high	The financial impact is linked to the costs of upgrading to new regulations, as well as the potential fines and/or lawsuits deriving from violations of the new environmental regulation.

Risk management methods

Within its own business activity, each Group company constantly monitors the evolution of environmental regulations, including through dialogue and active participation in specific work groups.

In particular, S.I.N.A., the Group's engineering company, has actively participated for over 30 years in the research programmes of the PIARC – World Road Association. It has also chaired the Italian National Technical Committee for 13 years, which deals with Climate Change, mitigation policies, conversion and the resilience of infrastructure.






Risk	Classification	Description	Time period	Probability	Magnitude of the financial impact	Financial impact
Market/ technology risk - EPC and Technology	Transition risk	<p>Risk associated with the non-implementation of innovative solutions that reduce environmental impact and meet the expectations of the market, which is increasingly more aware of aspects pertaining to climate change.</p> <p>In particular, the construction sector is exposed to the risk associated with not meeting the requirements to participate in tenders that require specific environmental expertise, as well as the ability to operate in contexts with scarce water resources.</p>	 Long term	 More likely than not	 The media	The financial impact is linked to the failure to be awarded new potential contracts that require particular technical expertise with consequent loss of profits and revenues.

Risk management methods




The EPC and Technology sectors of the Group are constantly involved in implementing, maintaining or updating the environmental requirements and/or certifications and developing analyses and in-depth studies into the use of new technologies. The construction sector has developed expertise to design and develop transport infrastructure and civil and industrial buildings with a low environmental impact and a high LEED (Leadership in Energy and Environmental Design) classification, which involves, among other things, the reuse and recycling of water resources. The engineering sector also promotes the development of expertise in the Envision Sustainability Protocol, a ratings system for the assessment of sustainable infrastructure. In addition, expertise is being developed in order to undertake redevelopment, compliance and energy efficiency projects for lighting systems.



Risk	Classification	Description	Time period	Probability	Magnitude of the financial impact	Financial impact
Market/ technology risk – Concessions	Transition risk	Risk associated with the non-implementation of innovative solutions that reduce environmental impact and meet the expectations of the market, which is increasingly more aware of aspects pertaining to climate change. With particular reference to the concessions sector, one of the main risks is that of not adapting the infrastructure to technology changes and the requirements of its users.	 Short term	 More likely than not	 The media	The financial impact is linked to a loss in profits and revenues (toll revenues and service area royalties) in the motorway concessions sector.

Risk management methods




The Group licensees promote dedicated work groups in order to identify innovative solutions for the management of infrastructure (i.e. smart infrastructure), including the involvement of the Group companies operating in the technology and engineering sectors. In addition, the licensees have launched a programme for the dissemination of alternative fuels within the service areas of the motorway stretches under concession.

Risk	Classification	Description	Time period	Probability	Magnitude of the financial impact	Financial impact
Reputation risk	Transition risk	Risk associated with the reputational effects occurring in the events described above.	 Short term	 As likely as it is unlikely	 Low	Impact mainly linked to the indirect effects on the performance of the stock exchange price of the ASTM share.

Risk management methods




The management of risks related to climate change is integrated into the Risk Management System implemented by ASTM and its main operating subsidiaries. Each risk is assessed for financial impact deriving from any non-compliance, as well as for reputational impact. Therefore, the organisational structure of each company and the related actions put in place to mitigate the various risks also contribute to the mitigation of reputation risk. In addition, the Investor Relations and Communication Function defines the plans for disclosure to the markets, encouraging stable and efficient relations with analysts, institutional investors and Stakeholders.

OPPORTUNITIES RELATED TO CLIMATE CHANGE

Opportunity	Scope	Time period	Probability	Magnitude of the financial impact	Financial impact	Execution costs
Market/ technology opportunities – EPC	Products and services	 Short term	 Highly likely	 The media	The potential financial impact is connected to the increase in revenues and profits following the increase in customer demand for the design and construction of works with low energy impact.	The execution costs of the opportunities are mainly linked to training courses to develop internal expertise and knowledge about LEED and Envision requirements.

Strategy




In order to seize new business opportunities related to the growing demand for buildings with low energy impact, the Group companies operating in the EPC sector are promoting the development of internal expertise for the design and construction of infrastructural works and civil and industrial buildings with lower primary energy consumption through the use of technologies with low environmental impact (e.g. LEED and Envision Protocols). Opportunities have also been highlighted for the development of energy production systems with photovoltaic technology, in addition to redevelopment, compliance and energy efficiency projects for lighting systems.

Opportunity	Scope	Time period	Probability	Magnitude of the financial impact	Financial impact	Execution costs
Market/ technology opportunities – Concessions and Technology	Products and services	 Short term	 More likely than not	 The media	The financial impact is linked to the increased demand for innovative and competitive services that could lead to an increase in revenues.	The execution costs of the opportunities are mainly linked to initiating the necessary partnerships.

Strategy

To support the market transition towards electric vehicles, an experimental high-power electric charging project has begun.

In the context of new technologies applied to tolls, SINELEC, the Group's technology company, has developed the first open toll collection system in Italy in Free Flow Multilane mode, which enables users to pay tolls without having to transit through a toll station, thus reducing queues and consequent CO2 emissions. In addition, the use of Artificial Intelligence (AI) is considered at research and development level as a potential assistance tool for identifying trends more quickly and operating more predictively with a view to continuously improve road safety.

Opportunity Scope	Time period	Probability	Magnitude of the financial impact	Financial impact	Execution costs	
Market/ technology opportunities - Concessions	Energy efficiency	 Short term	 Highly likely	 The media	The estimate of the investment and economic return (i.e. reduced spending on electricity purchases) is assessed based on the specific lighting requirements of each motorway stretch within the remit of each concession agreement.	The execution costs are mainly related to the replacement of traditional lamps with LEDs and the preparation of the system.

Strategy

The use of LED technology to light the motorway stretches under concession, in particular tunnels, junctions and toll booths, may contribute to reduce electricity consumption and the associated emissions.

For more information on the risks and opportunities related to climate change identified by the Group, please refer to the CDP Climate Change questionnaire available at www.cdp.net/en.

METRICS AND TARGET

ASTM Group consumption and GHG emissions are monitored and certified annually by an independent external company in order to identify and assess any changes and, additionally, are used to calculate the the Group’s carbon footprint in line with the guidelines contained in the GHG Protocol “Corporate Accounting and Reporting Standard” and the “Global Reporting Initiative Sustainability Reporting Standards” published by the Global Reporting Initiative (GRI).

To support this type of reporting, the Group has installed internal monitoring tools to identify where the greater impacts are concentrated in terms of GHG emissions, relative to emission sources, business areas and geographic areas.

For more information, please see the section “Our commitment to the environment” in this document.

Additionally, ASTM is evaluating the expediency of submitting emission reduction targets for formal validation by the Science Based Targets initiative (SBTi).

ENERGY AUDIT

In line with the Group's commitment to reduce energy consumption, during 2020 ASTM identified the three main location categories which represent the Group - a motorway stretch, a construction site and an office building - to identify energy efficiency initiatives for each one, quantify the relative energy savings and, if appropriate, implement them in other locations of the same type. In particular, at the representative locations for the three categories, energy diagnostics were done which, for each of the categories, made it possible to analyse the current energy efficiency levels for processes and services, identify the functional areas which consume the most energy and identify possible initiatives which could reduce energy consumption and associated emissions of greenhouse gases.





02

OUR RESPONSIBILITY TOWARD LOCAL AREAS

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- 94** Donations and sponsorships



CONTEXT

Investments in sustainable infrastructure and scientific and technological research promote economic growth, the creation of jobs and prosperity. Growth of the global gross domestic product fell to 2.3%¹⁴ in 2019, the lowest rate since the global financial crisis of 2008-2009. This slowdown is occurring at the same time as dissatisfaction is increasing with the social and environmental aspects of economic growth, featuring pervasive inequality and worsening climate change. Investments in infrastructure with private participation have increased considerably since the start of the century, with particular reference to average-income countries. However, since 2012, private investments in infrastructure have been declining. In 2019, private investments

in the energy, transport and ICT backbone sectors and in water infrastructure in countries with a low to average income amounted to USD 96.7 billion, through 409 projects in 62 countries, down slightly (3%) with respect to 2018 levels¹⁵. Since 2000, the percentage of expenditure in research and development accounting for world GDP has been rising steadily. However, there is a considerable disparity between developed and developing countries, with the latter recording expenditure in Research and Development which is far lower. Considering the difficult macroeconomic situation, the Group is committed to maximising the value created and distributed and to measuring its impacts on communities in economic and employment terms, as described in the following sections of the document.



¹⁴ United Nations, World Situation and Prospects 2020, New York

¹⁵ World Bank, Private Participation in Infrastructure (PPI), 2019

ECONOMIC VALUE GENERATED AND DISTRIBUTED

The table showing the breakdown of economic value generated and distributed by the ASTM Group was based on reclassifying items in profit and loss of the Consolidated Financial Statements of the ASTM Group at 31 December 2020.

In 2020, the Group's net global added value was 2,218 (2,068 million in 2019).

Most of this value, equal to approximately 64% (59% in 2019), refers to "Supplier remuneration", in the amount of € 1,411 million, consisting mainly of costs for services and raw materials. This is followed, in line with the previous year, by "Personnel remuneration" (around 20%, 19% in 2019), totalling € 442 million and mainly referring to salaries and social security contributions.

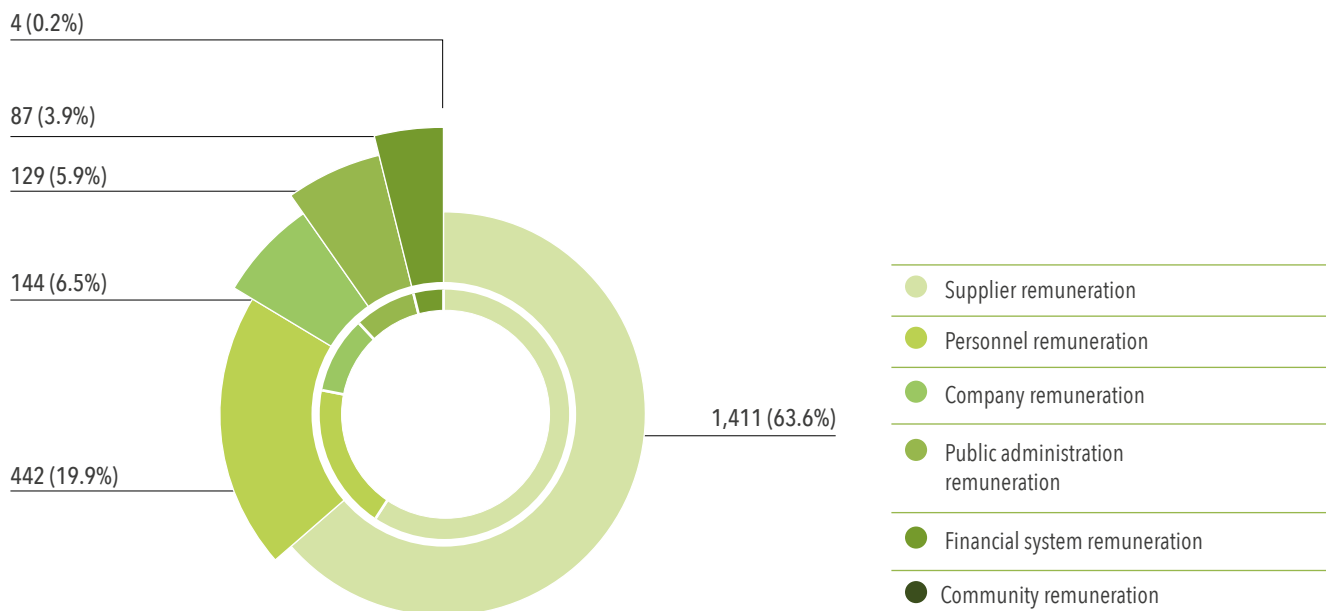
"Company remuneration", representing over 6% of the total (8% in 2019), comes to € 144 million and includes the value retained by ASTM for the Group's future development.

"Public administration remuneration" accounts for around 6% (10% in 2019) and amounts to € 129 million. It includes direct income taxes of € 25 million, plus concession fees totalling € 104 million¹⁶.

"Financial system remuneration" accounts for approximately 4% (4% in 2019)¹⁶ and totals € 87 million.

Finally, community remuneration comes to around € 4 million and mainly includes the € 3 million donation made to the Piedmont Region to support it during the coronavirus emergency¹⁷.

DISTRIBUTION OF ECONOMIC VALUE (in millions of EUR)



¹⁶For more information on taxes for the year, please see the section "Group Taxes" in this document.

¹⁷In relation to Shareholder Remuneration, not considered in the added value distribution model for 2020 found in this document, note that the Board of Directors hopes to be able to consider a possible call for a Shareholders' Meeting, to be held by the end of the year, to propose a possible distribution of reserves in the light of an improvement in both the economic and epidemiological situations.

GROUP TAXES

OUR APPROACH

As described in the previous section, the Group contributes to the creation and distribution of value, also by paying taxes.

The ASTM Group is aware that taxes, although not currently classified among the most relevant sustainability issues, are important sources for public funds and are fundamental for fiscal policy and the macroeconomic stability of the countries in which it works.

The Group's companies carry out their business in compliance with the fiscal norms established in the legislation for the jurisdictions in which they operate, promoting the principle of integrity, meaning correctness, honesty, loyalty and good faith, in carrying out their company activities and in their relationships, both internal and external to the Group. In line with that defined in the Groups' Code of Ethics, the values and ethical principles which inspire tax governance with an eye to creating medium/long-term value for stakeholders and protecting its reputation are:

- **Legality and compliance:** respect for the laws and regulations in force in the countries in which the Group operates.
- **Transparency and correctness:** attention to the needs and expectations of Stakeholders, including tax authorities, guaranteeing completeness, reliability, uniformity and promptness in disclosures and avoiding misleading communication, in compliance with the law and best market practices, so as to guarantee full understanding of events underlying the application of tax norms.
- **Sustainability:** creation of sustainable value over time for all Stakeholders, contributing to the economies of the countries in which the Group operates.

FISCAL GOVERNANCE, CONTROL AND RISK MANAGEMENT

The principles which guide tax management are intended to mitigate potential reputation and financial risks relative to corporate tax practices, included as part of the wider internal audit and risk management systems defined by each Group company.

Management of fiscal risks, including compliance risks and those linked to uncertainty about tax positions and changes in legislation are integrated in the risk management system, as well as the Organisation, Management and Control Model pursuant to Italian Legislative Decree 231/2001, of the main operating subsidiaries of the Group, who have adopted them.

ASTM has implemented administrative accounting procedures which identify responsibilities, roles, processes and types of controls, in compliance with Legislative Decree 231/2001 and Law 262/2005, assigning responsibility for managing fiscal issues to the head of the Administration and Budget function who, in exercising these responsibilities, also makes use of specialised external consultants.

When evaluating extraordinary transactions in line with the Group's strategy, if necessary making use of specialised external consultants, any relevant fiscal issues are also assessed in compliance with applicable regulations, to be submitted for examination by the relevant decision making body. In managing business carried out in foreign tax jurisdictions, local tax professionals are involved to guarantee better monitoring of local applicable tax norms, as well as to provide support in relations with the tax authorities in the various countries in which the Group operates.

Company structures responsible for handling tax issues constantly monitor legislative developments in this area, also through participation on specific working groups organised by tax experts. Note that the ASTM Model 231 was most recently updated on 3 August 2020, to include, among other things, the

predicate offences regarding taxes introduced by Italian Law 198 of 19 December 2019. Additionally, in 2020 the Company implemented a new training plan, with the assistance of its consultants, on Legislative Decree 231/2001, intended for all employees and company representatives, which also dealt with relevant fiscal aspects.

In the context of the internal audit and risk management system, activities to verify the efficacy of controls implemented to mitigate fiscal risks were mainly carried out pursuant to the Model 262/2005 by the appointed manager and to Model 231/2001 by the Supervisory Board, also with the support of qualified external consultants.

Through the whistleblowing management system implemented by ASTM and its main operating subsidiaries, all Stakeholders can provide information about problems linked to unethical or illegal behaviours and organisational integrity also for fiscal aspects.

STAKEHOLDER ENGAGEMENT AND MANAGEMENT OF TAX WORRIES

In managing fiscal issues, the Group promotes cooperative and transparent professional relationships with the relevant authorities, recognising that resolving risks in advance is in the best interest of both the Group and the tax authorities, through the use of tax clearance application process. In the case of disagreement with a fiscal interpretation or decision, Group companies begin formal disputes only after having attempted to resolve all problems through proactive and transparent discussions and negotiations with the financial authorities.

Tax audits and any tax disputes are managed by the appropriate company functions, with the assistance of external tax consultants if hired. At 31 December 2020 there were no significant tax disputes and, for more information, please see that reported in the ASTM Group's consolidated financial statements at 31 December 2020, audited by PricewaterhouseCoopers.

COUNTRY BY COUNTRY REPORTING

The ASTM Group complies with the obligations imposed by Italian Law 208 of 28 December 2015 regarding the Country by Country Report established by the OECD as part of the "Base erosion and profit shifting - BEPS" project (see Action 13). To that end, Aurelia S.r.l. was identified as the ultimate parent entity, to which ASTM S.p.A. and its subsidiaries provide the information and data needed to comply with current regulations.

The table below provides the information for all tax jurisdictions relative to the financial year 2020, as required under GRI 207:



Tax jurisdiction	Resident entities
Angola	Itinera S.p.A. Angola (Branch)
Saudi Arabia	Itinera S.p.A. Saudi Arabia (Branch)
Austria	Itinera S.p.A. Austria (Branch); Arge H 51
Botswana	Itinera S.p.A. Botswana (Branch); Itinera/Cimolai JV
Brazil	Igli Do Brasil Participacoes LTDA; Itinera Construcoes Ltda; Consortium Baixada Santista; Cons. Binario Porto de Santos; MG-135 Consortium; Alcas da Ponte Consortium; Consorcio BR-050; Consultoria - Novos Negocios; Consultoria - Eco 135; Consorcio SP-070; Consorcio PSG
Denmark	Itinera S.p.A. Denmark (Branch); Storstroem Bridge JV; I/S Koge Hospital; I/S Odense Hospital; ECS MEP Contractor I/S
United Arab Emirates	Itinera S.p.A. Abu Dhabi (Branch); Itinera - Ghantoot JV; Itinera Agility JV
Italy	A.T.I.V.A. S.p.A.; Autostrada Asti-Cuneo S.p.A.; Autostrada dei Fiori S.p.A.; S.A.T.A.P. S.p.A.; S.A.V. S.p.A.; Società Autostrada Ligure Toscana p.A.; Società di Progetto Autovia Padana S.p.A.; A 7 barriere S.c.ar.l. in liquidation; Agognate S.c.ar.l. in liquidation; Argo Costruzioni Infrastrutture S.c.p.a.; Ativa Engineering S.p.A.; Biandrate S.c.ar.l. in liquidation; C.B.S. S.r.l. in liquidation; Carisio S.c.ar.l. in liquidation; Cervit Impianti Tecnologici Consortile a Responsabilità Limitata (C.I.T. S.c.ar.l.); Consorzio Sintec; Cornigliano 2009 S.c.ar.l.; Crispi S.c.a r.l. sole shareholder in liquidation; CRZ01 S.c.ar.l. in liquidation; Diga Alto Cedrino S.c.ar.l.; Euroimpianti S.p.A.; Impresa Costruzioni Milano S.c.ar.l. - I.CO.M. in liquidation; Itinera S.p.A.; Lambro S.c.ar.l.; Lanzo S.c.ar.l.; Marcallo S.c.ar.l.; Mazze' S.c.ar.l.; Partecipazione Roma Sud S.c.ar.l.; Pedemontana Lombarda Manutenzioni S.c.ar.l. (P.L.M.) in liquidation; Ponte Meier S.c.ar.l.; Ramonti S.c.ar.l. in liquidation; S.G.C. S.c.ar.l. in liquidation; SEA Segnaletica Stradale S.p.A.; Si.Co.Gen. S.r.l.; S.I.N.A. S.p.A.; Sinergie S.c.ar.l. in liquidation; Siteco Informatica S.r.l. unipersonale; Società Attività Marittime S.p.A.; Taranto Logistica S.p.A.; Torre di Isola S.c.ar.l.; Tubosider S.p.A.; Urbantech S.p.A.; ASTM S.p.A.; Autostrada Albenga Garessio Ceva S.p.A.; Finanziaria di Partecipazioni e Investimenti S.p.A.; IGLI S.p.A.; Logistica Tirrenica S.p.A.; Sistemi e Servizi S.c.ar.l.; SINELEC S.p.A.; Safe Roads S.c.ar.l.
Kuwait	Itinera S.p.A. Kuwait (Branch)
Romania	Itinera S.p.A. Cluj Napoca (Branch)
South Africa	Itinera S.p.A. South Africa (Branch)
Sweden	Itinera S.p.A. Sweden (Branch)
UK	Tubosider UNITED Kingdom LTD; Tubosider CSP Limited
US	Halmar International - LB Electric LLC; Halmar International LLC; Halmar International Trucking Inc; Halmar Transportation System LLC; Halmar-A Servidone - B Anthony LLC; HIC Insurance Company Inc.; Potomac Yard Constructors; Atlantic Coast Foundations Llc; HINNS JV; Itinera USA Corp; 3RD Track Constructors JV; Itinera Infrastructure and Concessions Inc; Sinelec USA INC
Zambia	Itinera S.p.A. Zambia (Branch)
Total	

The total amount of "taxes" for 2020 is € 25 million and includes current taxes of € 80 million (of which corporate income tax (IRES) of € 63 million, regional production tax (IRAP) of € 15 million and international taxes of € 2 million) and deferred tax assets of € 55 million. These tax disclosures, together with the reconciliation of effective and "theoretical" taxes, are found in the ASTM Group's consolidated fi-

nancial statements at 31 December 2020, audited by PricewaterhouseCoopers, to which the reader is referred for further information.

Taxes are paid almost entirely in Italy, where the Group contributes to the economic and social development of the areas in which most of its operations occurs, with an eye to creating sustainable value over the medium/long-term.

Main Activities	Number of employees	Revenues from sales to third parties	Infragroup revenues in other tax jurisdictions	Infragroup revenues in the same tax jurisdiction	Profit/loss before taxes	Tangible assets other than cash and cash equivalents	Income taxes paid based on the cash criterion	Income taxes accrued on profits/losses
EPC	-	-	-	-	35	-	-	-
EPC and Technology	3	1	143	-	(467)	10	-	-
EPC	8	32,658	104	158	(3,459)	15,677	-	-
EPC	193	16,456	-	-	(4,839)	3,454	-	-
EPC and Services	406	19,713	-	-	3,284	519	742	(782)
EPC	308	136,860	823	1,773	(27,072)	36,368	-	-
EPC	563	144,866	418	8,314	3,859	5,385	-	-
EPC, Motorway, Technology and Services	4,216	1,681,466	22,133	461,845	186,591	131,716	76,655	(77,940)
EPC	3	37,599	205	-	36	7	-	-
EPC	78	14,067	-	-	(12,643)	1,248	-	-
EPC	-	145	5	-	(772)	7	-	-
EPC	10	15,695	-	-	(73)	522	-	-
EPC	36	3,604	-	-	(72)	2,808	33	(25)
EPC and Holding	1,464	379,191	-	7,863	24,276	18,631	-	(1,347)
EPC	-	-	-	-	(38)	-	-	-
	7,288	2,482,321*	23,831	479,953	168,646	216,352*	77,430 *	(80,094)*

* Total as in the ASTM Group's consolidated financial statements at 31 December 2020.

For the sake of completeness, also note that in 2020 the Group's licensees paid concession fees to the Granting Body for a total of € 104 million (€ 119 million in 2019), of which € 23 million (€ 27 million in 2019) relative to the concession fee pursuant to article 1, paragraph 1020 of Italian Law 296/06, € 76 million (€ 86 million in 2019) relative to the fee pursuant to article 19, paragraph 9 bis of Italian Decree Law 78/09 and € 5 million (€ 6 million in 2019) relative to the sub-concession fee.

Additionally, note that the section "Public Disbursement Transparency Disclosure" of the ASTM consolidated financial statements lists any subsidies, contributions and other public aid received by the Italian subsidiaries of the ASTM Group, for a total of € 11 million in financial year 2020, as well as any other subsidy measures that the Group benefited from following the Covid-19 pandemic for a total of approximately € 1 million.

IMPACT MEASUREMENT

The business segments in which the Group operates, and in particular concessions and construction, are fundamentally important for the economy, especially in the difficult context associated with the Covid-19 epidemiological emergency.

As regards motorway concessions, numerous studies have demonstrated the strong correlation between an area's infrastructure and its rate of development. The economic growth of a nation is in fact related to an increase in passenger and goods mobility in its territory¹⁸.

Moreover, the construction industry is the driving sector of the domestic economy, purchasing goods and services from 90% of economic sectors¹⁹.

The estimate of the economic impact makes it possible to measure the incremental wealth generated by an investment in the relative sector and therefore relate the business activity to other economic variables such as the economic value produced and employment.

For this reason, the ASTM Group, aware of the economic and social impact of its business operations, has developed a calculation model, refined over the years, used to quantify the direct, indirect and related contributions generated by its own business.

The analysis is based on the use of an input-output model²⁰ which statistically analyses interactions between a country's industries, to obtain a profound understanding of the economic context in which a business operates.

The total economic impact generated is € 6,005 million. Of this, € 2,074 million is a direct effect, € 1,774 million is an indirect effect occurring along the value chain and € 2,157 million derives from related employment generated by spending by those employed along the value chain. The total economic impact is € 2.9 exchanged for each Euro spent.

The total employment impact generated is 45,167 jobs. Of these, 18,130 are generated directly, 11,790 are indirect along the value chain and 15,247 are positions activated as related employment, through service and consumption spending by those employed along the value chain. Jobs activated directly, indirectly and in related employment amount to 23 for every € 1 million spent by ASTM.

DIRECT: economic and employment contribution directly connected to business activities.

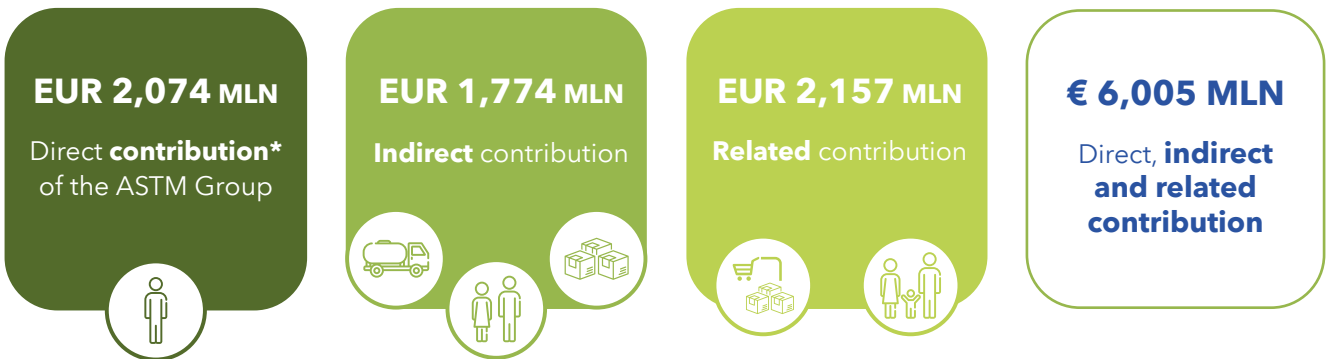
INDIRECT: economic and employment contribution indirectly connected to business activities, consisting of the value generated by the Group's partners throughout the value chain activated.

RELATED: economic and employment contribution linked to business levels at the larger level, consisting of value generated through the demand for goods and services coming from personnel employed throughout the value chain activated.

¹⁸ Source: "Processing an economic impact indicator for developing new linear transport infrastructure" - CRMT (Transport and Infrastructure Research Centre) - Unioncamere Lombardia

¹⁹ Source: "The construction industry: structure, sector interdependence and economic growth" by the Economic Affairs Department and Research Centre, ANCE (Italian Association of private construction contractors)

²⁰ Model developed by Wassily Leontief, the world-famous economist and scientist, winner of the Nobel Prize for Economics in 1973 and inventor of the input-output system



*The direct contribution is equal to the economic value generated and distributed without considering "Company remuneration".



**Includes direct employees (7,288) and work positions activated at Group suppliers through the purchase of goods and services

Source for multipliers for input/output analysis is based on Eurostat databases, especially "Symmetric input-output table at basic prices (industry by industry)", "National accounts employment data by industry" and "Household saving rate"



IMPACT MEASUREMENT: KØGE HOSPITAL

Measuring the impact of a project, activity or organisation, is increasingly important today, when ever greater attention is paid to the social, economic and employment impacts generated. Bearing this in mind, the ASTM Group analysed the impact of the Køge university hospital project in Denmark.

The project consists of expanding the existing structure, which will bring the specialist care and research and training wards of the Region Sjælland into a single centre, under the name Sjællands Universitetshospital. The university hospital will serve the entire region and will be used as an emergency hospital for one third of the region's inhabitants. The project, managed entirely with BIM technology, also envisages the demolition of two buildings in order to guarantee optimal integration between the new building and the existing structures, high functional concentration with short transportation distances and the future possibility for expanding the on-site treatment structures.

The analysis was done using a dual methodology. On the one hand, the Input-Output methodology made it possible to estimate economic and employment impacts during the period in which the project was carried out. On the other, Social Return on Investment (SROI) methodology made it possible to enrich these results by adding social and environmental changes to the typical economic cost/benefit analysis done for the activities in question²¹.

Input-Output

The total economic impact generated by the project is € 972.4 million. Of this, € 303.8 million is a direct effect (operating costs, investments and payroll costs), € 204.7 million is an indirect effect occurring along the value chain and € 463.9 million derives from related employment generated by spending by those employed along the value chain. The total economic impact is € 3.20 exchanged for each Euro spent.

The total employment impact generated by the project is 4,829 jobs²². Of these, 1,602 are generated directly, 943 are indirect along the value chain and 2,284 are positions activated as related employment, through service and consumption spending by those employed along the value chain.

Jobs activated directly, indirectly and in related employment amount to 16.5 for every € 1 million spent on employees and suppliers.

SROI

To apply the SROI methodology, the project's input factors were assessed, as well as the relative outputs and outcome, based on benchmark surveys carried out on similar projects, the collection of data and information through direct stakeholder involvement and through information acquired by reviewing the available literature.

The result of the research demonstrated that the project to enlarge the Køge hospital generated a social return of € 1.2 for each Euro invested, considering all stakeholders involved.

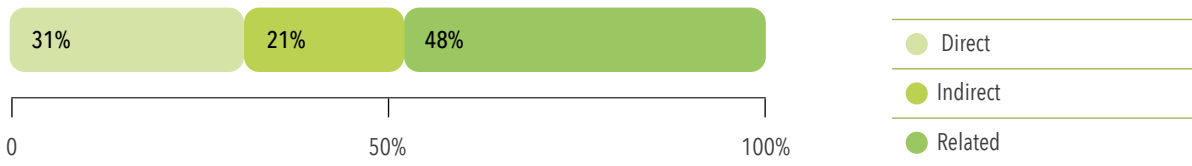
The project analysed in this study generated positive impacts for the community during execution and will contribute to increase social well-being after the work is completed.

²¹ The results of the analysis done, presented in the sections "Input-Output" and "SROI", are to be considered net of direct and indirect taxes associated with the project

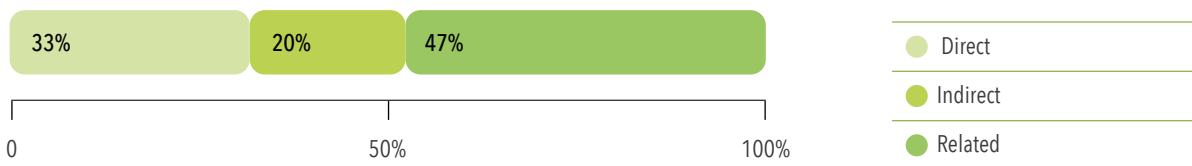
²² Data on employment impacts are expressed as Full Time Equivalent (FTE). One FTE means a person working full time (8 hours a day) for one business year, quantified as an average of 220 days of work

Additionally, analysis of the social impacts of this type of project allow for the development of continuing relationships with stakeholders, opening a dialogue with the aim of communicating the benefits generated for the entire community.

ECONOMIC IMPACTS



EMPLOYMENT IMPACTS



SUPPLY CHAIN

The ASTM Group recognises the importance of guaranteeing a transparent procurement cycle and of regulating social and environmental impact in order to safeguard its Stakeholders. To that end, each company undertakes to select suppliers and manage relations with them according to criteria of transparency, fairness and impartiality, avoiding conflicts of interest, even potential.

The choice of suppliers is based on assessments that aim to identify and select suppliers of proven quality, professionalism, integrity and reliability with the necessary legal requirements, as well as the best standards in terms of human rights, working conditions, ethics and respect for the environment.

As part of the internal audit system, each company formalises roles and responsibilities, criteria and operating methods for the monitoring and management of the procurement process.

ASTM and its main operating subsidiaries have adopted a Suppliers Code of Conduct which applies together with current regulations, complementing the Code of Ethics, the Anti-Corruption Policy and other company policies and procedures, defining the standards of behaviour that suppliers, partners, business agents and distributors shall adopt, as well as the procedures for disseminating the code and recruiting suppliers. The document reinforces the commitment of the Group companies to applying international standards such as the Ten Principles of the United Nations Global Compact (UNGC), the Universal Declaration of Human Rights and the Fundamental Conventions of the International Labour Organization (ILO). Through the introduction of specific clauses in contracts signed with suppliers, the latter undertake to observe - on penalty of contract termination and without prejudice to compensation for damages - the behavioural principles and rules established under the Code of Ethics, Model 231, Anti-Corruption Policy and other company policies adopted.

In particular, for all **licensee companies**, the transparency of the process to award works for motorway construction is guaranteed by legal provisions that

the licensees must observe when assigning works. In addition, all the licensees have a Suppliers List, which is managed and updated by the Department of Purchases, Contracts and Quality. As regards the execution of works and services for the construction of new works or the maintenance of the motorway structures under management, the Group companies operate in line with the official ANAS price list, which is used to determine the "threshold" prices of the works to be carried out. Costs are subject to periodic checks by the Italian Ministry of Infrastructure and Transport ("MIT" or "Granting Body").

The supply chain occupies a strategic position in the **construction sector**. The construction companies operate in work sites for the construction of civil engineering and infrastructure works. A significant quota of the works is subcontracted to third parties. When recruiting subcontractors, the characteristics of the contracted companies in relation to the work to carry out and relevance for environmental issues are assessed. Special attention is paid to excavation and earth moving works, environmental clean-ups and specialist works such as special foundation works, waterproofing and asphaltting.

The sustainability parameters are part of the assessment procedure for offers for goods, framework agreements and professional agreements and shall be extended to the assessment of the Suppliers List.

The supply chain in the **engineering** sector is also managed so as to guarantee complete traceability of suppliers and, where present, any subcontractors. Again in this case, the checks are intended to guarantee the high quality of services and, through contractual clauses and specific requirements for insertion in the Suppliers List, to ensure the ethical nature of the suppliers network. By virtue of the principle of continuous improvement, and in the aim of guaranteeing the traceability of the chain, the clause related to subcontractors has been amended, requiring that the Company's prior approval must also be given in relation to sub-suppliers and not limited to subcontractors. This way, it is possible to verify compliance with the principles by any party in the chain in advance.

In line with that established in the Suppliers Code of Conduct, the best standards in supply chain management are also adopted for the **technology** sector.

During 2020 ASTM S.p.A. implemented a supplier register which, among other things, verifies reputation checks carried out in part through the use of databases.

During 2020, approximately 98% of Group purchases were sourced from local suppliers²³. The chart below shows the percentage of local purchases, by geographic area.

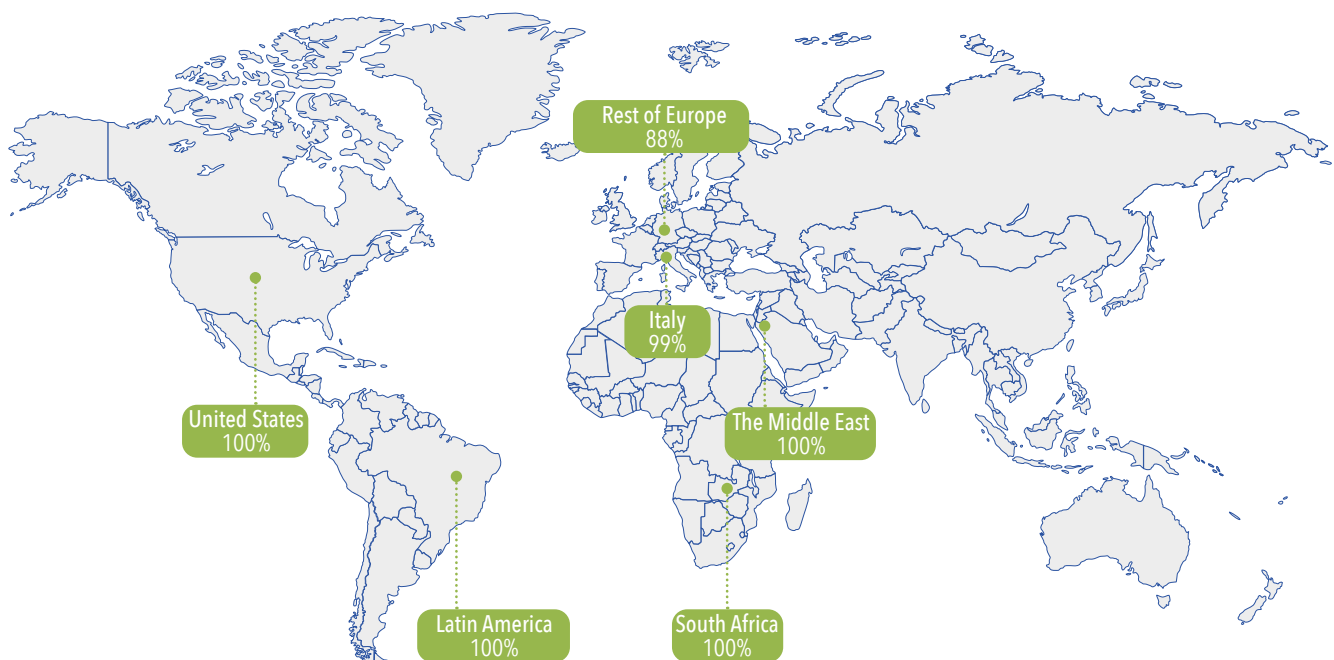
EXTERNAL AUDITS ON ITINERA S.P.A. SUPPLIERS

In 2020, Itinera performed audits on suppliers (7 in Italy and 6 abroad) which, in accordance with the company procedure, were selected on the basis of the following criteria: i. type and critical aspects of the supply; ii. feedback coming from work sites; iii. particular needs, such as the existence of harmful conditions for safety, the environment and quality of supplied products/services or information reported from work sites. The main objective of the annual external audit programme for the most significant suppliers is to monitor the services over time of its supply chain, seeking to prevent any critical situations.

The same rules and procedures indicated for the internal audits are applied to the preparation and performance of the external audits. In Italy, 7 audits were performed on suppliers operating at work sites and at the prefabrication system. 6 audits were carried out abroad on suppliers operating at the Storstroem Bridge work site, as well as 3 technical inspections for the Storstroem Bridge and Reem Ball work sites. Each audit took place over one day and was carried out by two people.

LOCAL PURCHASES

(% of expenditure on local suppliers)



²³ In relation to the Significant Locations of Operations: Italy, Rest of Europe, United States, Latin America, South Africa, Middle East. The data refers to the purchase of main materials, the quantities of which are shown on the following page

The main non-renewable materials purchased by the Group during 2020 are broken down as follows, by reference category.

MAIN MATERIALS PURCHASED²⁴

	2019	2020
Petroleum products [litres]	51,633,919	29,874,104
Concrete [m ³]	452,595	1,001,490
Quarry materials [m ³]	220,946	490,791
Bituminous mixes [tonnes]	314,213	194,129
Road barriers [linear metres]	80,289	145,237
Cement and other binding agents [tonnes]	41,779	54,122
Iron and steel [tonnes]	295,244	34,634
Bitumen [tonnes]	9,136	15,270
Chlorides [tonnes]	14,772	14,894
Prefabricated cement products [m ³]	43,180	3,646

SUPPLIER SCREENING AND ASSESSMENT

Supplier screening and assessment mainly takes place through monitoring supplier conformity to applicable laws and specific labour and environmental requirements.

In the **motorway concessions** sector, the services and works contracts of the licensee companies specifically refer to applicable laws and collective bargaining agreements in use, with particular reference to occupational health and safety, and insurance, welfare and salary conditions. In compliance with management systems adopted, suppliers used are generally assessed by the Procurement Function of each Group company, assisted by relevant Technical Managers and competent company functions. If examination of the documentation produced were to show any irregularities compared to the contract,

the termination clauses envisaged in each order and contract would be used.

Regarding the **construction** industry, suppliers are screened – as part of criteria concerning work practices – according to whether activities are to be carried out in Italy, the EU or the rest of the world. For Italy and EU countries, documents on personnel to use for activities to carry out are examined beforehand. For non-EU partners, a special focus is also placed on child labour (regarding subcontractors directly at the work site and external manufacturers of materials which are then used at work sites), and on living conditions at base camps (accommodation, board, leisure and recreational facilities, transport to and from the home country). In the case of suppliers operating at external production units, specific audits may be directly conducted at the units concerned. As regards environmental issues, when recruiting subcontractors, the characteristics of individual companies in relation to the work to carry out and relevance for environmental topics are normally assessed, requesting information on environmental certification and registration with applicable registers.

The criteria concerning work practices, used for screening in the **engineering sector**, vary according to the countries considered. In Italy and the European Union, the following are taken into consideration during the examination: valid certificate of social security compliance (DURC) (or equivalent), the absence of previous periods of non-compliance of the DURC, any receipt of penalties pursuant to Italian Legislative Decree no. 12/2002, as amended by the “Jobs Act” on undeclared employment or any receipt of business activity suspensions pursuant to Italian Legislative Decree no. 81/2008, article 14. In the other countries, in addition to the above criteria, compliance with the UN Convention on the Rights of the Child (Articles 31-40) is also considered, and contractual obligations are included on the maintenance of workers on site and their treatment.

Note that during the selection process, abnormally low offers are always excluded both due to questions linked to the potential quality of the service and with regards to possibly non-compliance with

²⁴ The figure is the result of estimates made in consideration of the total cost and average unit cost incurred for the materials listed above

national collective bargaining agreement provisions regarding minimum wages. Finally, with the goal of guaranteeing the widest possible participation in the request for bids, including small suppliers and with limited company assets, the possibility has been introduced for these latter to participate in tenders in the form of temporary associations of companies (ATI). In fact, it is held that this guarantees equal treatment for all third parties.

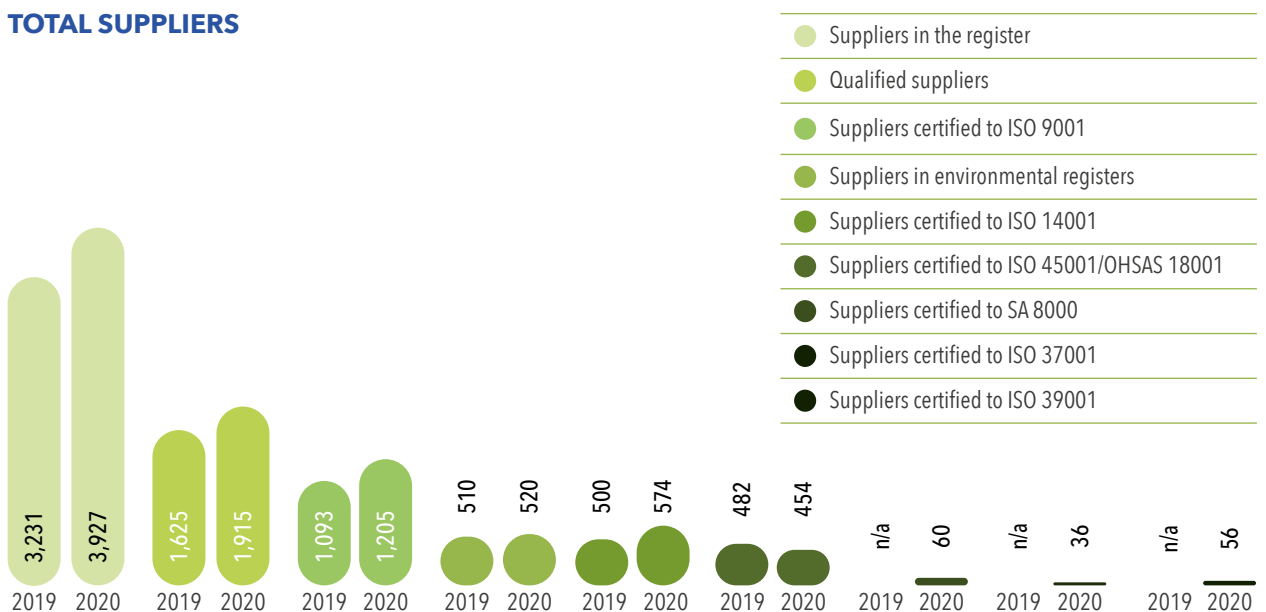
ACTIONS TO MITIGATE MAIN RISKS REGARDING CHILD LABOUR

Considering the specific nature of its business and geographic scope of its operations, in the world, the main risks identified for the Itinera Group regarding child and forced labour concern construction sites, with particular reference to the responsible management of the supply chain in Africa and the Middle East. Specifically, Itinera requests a statement of compliance with the UN Convention on the Rights of the Child, Articles 31-40, in relation to activities and main suppliers, both Italian and for-

ITINERA SUPPLIERS LIST

Itinera has implemented an on-line platform since 2017 for the prior assessment (pre-qualification) of its suppliers of goods and services worth more than € 10 thousand per year. In particular, the process is divided into two phases: (i) qualification of headquarters' staff (prior assessment - pre-qualification) and (ii) monitoring of the qualified supplier during its activity in the work site by competent Project Managers and Site Directors (direct assessment - work site feedback) and through specific audits. Having qualified suppliers meets the requirement to operate with reliable suppliers in quality, technical and organisational terms, the protection of health and safety and the environment, which guarantee the provision of the service requested in full compliance with the contractual requirements. In addition to the certifications achieved, some accident indicators in terms of health and safety have been inserted as a preferred criterion for awarding contracts since 2017. At the end of 2020, out of 3,927 suppliers recorded in Itinera's list, a total of 1,915 suppliers were qualified, of which 1,569 in Italy and 346 overseas.

TOTAL SUPPLIERS



eign, with a greater risk of the use of child labour. At the Botswana work site, the Human Resources and Health, Safety and Environment departments carry out controls. At the Abu Dhabi work site, work visas are checked before personnel can enter the site. As regards activities and main suppliers with a considerable risk of the use of forced labour, work-

ers selected on a random sample are interviewed during internal audits on human rights and any unlawful situations, in accordance with requirements of SA8000 and Corporate Accountability. Boxes are provided at foreign work sites to post anonymous reporting of any breaches.

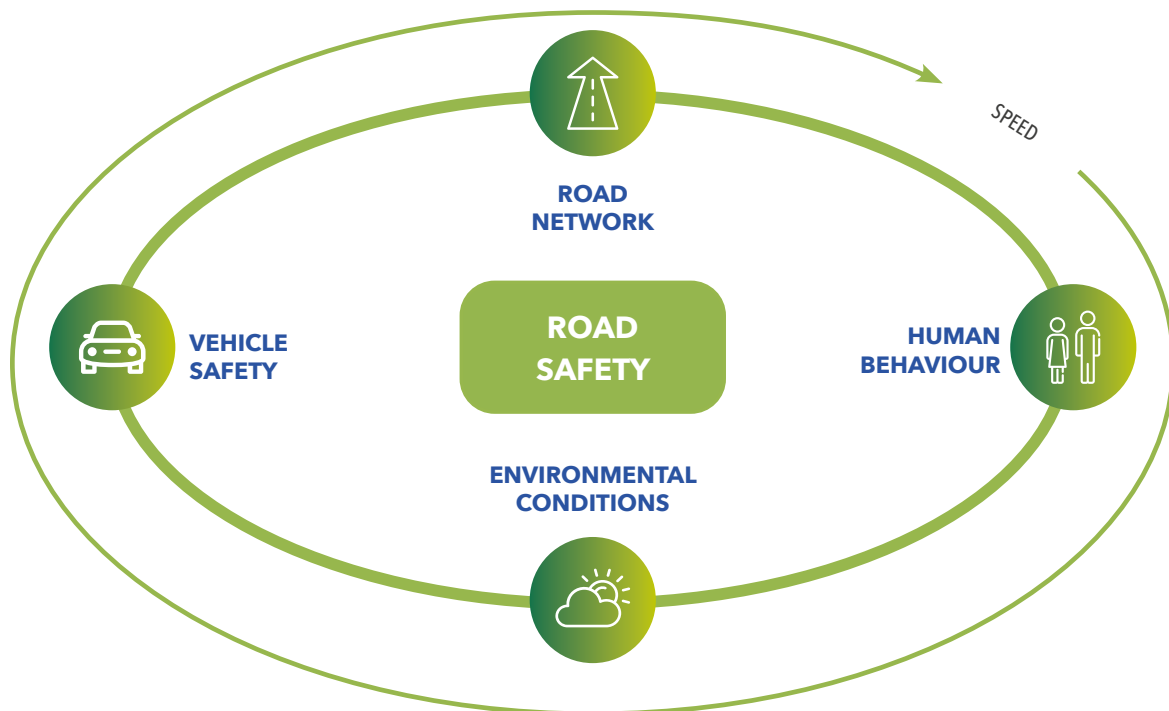
MOTORWAY INFRASTRUCTURE MANAGEMENT

OUR COMMITMENT TO ROAD SAFETY

The roads designed, built and managed by ASTM Group licensees aim to fulfil the need for the safe transit of people and goods. The complex and regulated road system calls for formal compliance with sector regulations, which is a qualifying part of the

planning and management process, but still only one part.

In fact, for some time the ASTM Group licensee companies have understood the need for a multi-factor approach to road safety management, choosing to update the aspects historically used in managing road safety to also include criteria in which road



users, vehicles and infrastructure are assessed and compared in an integrated manner. These criteria mean:

- design and construction choices geared towards safety, as part of a cycle of technical and administrative efficiency, with measures that target the development and adaptation of the roads that are devised to incorporate the human factor in design criteria, in order to prevent accidents and mitigate consequences for people;
- careful maintenance of infrastructure. inspection technologies and methods adopted tend to establish the consistency and safety of the work and foresee its future deterioration, referring this to the conditions of use of the infrastructure which the work is a part of. Activities comprise inspections and checks, controls and monitoring of works and the overall management of road infrastructure;
- safe management of infrastructure, with careful monitoring of events on the network and use of feedback relating to managed motorways;
- public notices and promotion of safety through the Autostradafacendo safe driving campaign.

THE ROLE OF PREVENTION

In managing safety policies, prevention plays a central role. The technical departments of the ASTM licensee companies are supported by EPC sector companies to develop a multitude of actions for prevention and to improve infrastructure.

Additionally, to improve the road infrastructure management process, all Group licensee companies have launched an accident analysis process, following a shared methodological approach.

Material topic:

ROAD SAFETY

Area of Leg. D. 254/2016:
SOCIAL, ENVIRONMENTAL



Main sustainability risks associated:

- risk of operational disruption to infrastructure
- Risks related to the management of emergency events and motorway services

Summary of main management and mitigation actions:

- management qualification and personnel training, including through drills
- operating procedures for timely and coordinated traffic and emergency management
- continual planning and monitoring of maintenance
- memorandums of understanding with neighbouring licensees and authorities (the police, civil protection, prefectures, etc.);
- service contracts with third parties (e.g. winter services);
- grantor monitoring plan
- systems to identify customer satisfaction.

All Group licensees have an operating unit that users may contact in the event of emergencies, and SOS points along the entire motorway network.

The Sustainability Plan envisages the attainment of ISO 39001 (Road Safety Management System) certification for all Group licensees by the end of 2021.

MONITORING THE CONDITIONS OF MOTORWAY INFRASTRUCTURE

The Group's licensees have defined and adopted a method - formalised in the Action Plan for Maintaining Infrastructure Efficiency - for the integrated process which monitors the conditions of infrastructure, provides diagnostics and defines necessary measures, to ensure the safety, functionality, sturdiness and durability of works over time.

The process is based on specific procedures that target the acquisition of information about the conditions of the infrastructure and developments over time, in order to understand the "current" conditions of works, reasonably predict future conditions and thus promptly and effectively plan necessary measures.

In addition to the ordinary checks required by the concession agreements, there are additional checks managed by the internal structure and external professionals, which provide the Technical Departments of the Group licensees with all results, making it possible to define which measures to undertake, the type and the planning of interventions.

The methodology adopted also envisages specific checks and validations by third-party and independent experts.

After priorities for actions and the planning are defined, the projects are prepared (opex and capex) and, as provided for by applicable regulations, are validated by a competent person; capex activities are also approved by the Granting Body or other competent organisations.

In close connection with this monitoring process, the Group is developing an industrial project to define a standard for the safety of infrastructure which, thanks to a combination of the most advanced techniques and civil engineering plus applied mathematics, as well as innovative monitoring technologies and advanced cognitive cloud computing systems, will improve the quality and safety of works, extending their useful life and reducing management costs.

The methodology is therefore characterised by an integrated approach which is also innovative. This is because establishing values and specific indexes for infrastructure conditions is difficult, and so mathematical models and specific algorithms are used to measure any inefficiencies, to enable the consequent planning of actions to ensure safety and sustainability over time.

Material topic:

INFRASTRUCTURE SAFETY

Area of Leg. D. 254/2016:
SOCIAL, ENVIRONMENTAL



Main sustainability risks associated:

- risk of operational disruption to infrastructure
- Compliance risk and risks related to ethical behaviour.

Summary of main management and mitigation actions:

- monitoring and planning of maintenance to check and guarantee the safety status of motorway infrastructure
- the seismic and hydrogeological monitoring plan
- grantor monitoring of infrastructure
- the "Code of Ethics and Conduct" and "Compliance Programme" 231/01 (hereafter "Model 231") adopted by ASTM and its operating subsidiaries, including specific operating procedures monitoring environmental offences and occupational health and safety;
- environmental and occupational health and safety management systems in line with applicable best practices

More specifically, the system will automate data collection and processing in order to standardise inspections and identify any critical aspects. To this end, SHM (structural health monitoring) systems are used comprising high-quality installed sensors to monitor significant structural parameters, connected to the cloud, for data acquisition, processing and storage. Real-time measurements of main structural parameters are compared with expected results, calculated using the structure mathematical model, to promptly identify any critical aspects of works.

Considering the importance of the development of methodologies and technologies described above regarding the infrastructure "under concession", and considering the opportunities of the project in the safety industry, the Group will put its experience and skills to use in the civil engineering sector.

Lastly, project partners include world leaders in the sectors of materials, components, systems and IT, as well as major universities.

INVESTMENTS IN SAFETY

The Group's licensees continue investing constantly in their own motorway network, with particular attention to improving quality and safety standards, in compliance not only with conventional obligations but, mostly, with the industrial approach to business that has always distinguished the Group.

Ordinary maintenance, closely linked to road safety, in 2020 amounted to a total of € 199 million and refers, for example, to projects involving paving, civil works, green areas, restoration of road infrastructure (e.g. pavement and safety barriers following accidents), and systems.

During 2020, investments in motorway assets amounted to a total of € 392 million (€ 265 million in 2019) and around 80% refers to investments to improve the safety of the motorway network, including projects involving bridges, viaducts and overpasses for around € 111 million, adjustment of tunnels to comply with the EU Directive for around € 81 million, to adaptation of safety barriers for around € 49 million and of sound barriers for around € 11 million. The remaining part of the investments essentially

SPENDING FOR INVESTMENTS AND MAINTENANCE

(amounts in millions of Euro)

	ANNO 2019		ANNO 2020	
	Ordinary maintenance	Investments	Ordinary maintenance	Investments
A4 Torino-Milano	29.4	9.5	29.3	10.1
A21 Torino-Piacenza	33.8	20.2	29.7	53.6
A6 Torino-Savona	17.6	63.3	17.8	87.4
A12 Livorno-Sestri Levante	22.7	39.5	23.2	73.1
A15 Parma-La Spezia	19.2	65.9	20.1	44.1
A33 Asti-Cuneo	7.8	10.2	7.9	2.8
A10 Savona-Ventimiglia	24.3	20.8	22.6	44.3
A5 Quincinetto-Aosta Ovest	10.9	12.5	11.4	11.7
A21 Piacenza-Cremona-Brescia	11.8	23.4	11.9	28.5
A5 A.T.I.V.A.	-	-	24.8	36.6
Total	177.5	265.3	198.7	392.2

refer to new motorway works carried out by SALT (A15 Parma-La Spezia) to create the Tirreno Brennero Multi-Modal Corridor (TI.BRE) for € 30 million and by Autovia Padana (A21 Piacenza-Cremona-Brescia) to create the new Montichiari-Ospitaletto motorway junction for € 12 million and the variant to the former SS 45bis provincial road near the settlements of Pontevico (prov. Brescia) and Robecco d'Oglio (prov. Cremona) for € 7 million.

MANAGING EMERGENCIES

The Group is committed to managing all types of risks and emergencies as efficiently as possible, to ensure transit on its motorway stretches in all situations and in the case of any type of event.

Main emergency situations refer to snow, flooding, fire and landslides. In 2020, a total of 65 snow events lasting a total of approximately 758 hours (54 snow events lasting approximately 771 hours in 2019) were managed, using 1,284 vehicles and around 22 thousand tonnes of fluxing agents (salt

and chlorides, approximately 22 thousand tonnes of fluxing agents in 2019). During 2020, 8 flooding events were also managed, using 49 items of equipment. All Group licensees have an operating unit that users may contact in the event of emergencies, and 1,952 SOS points along the entire motorway network.



795 KM APPROX.

**OF DRAINING/SOUND-ABSORBING
ROAD SURFACES EQUAL TO
AROUND 70% OF THE MOTORWAY
NETWORK MANAGED**



EMERGENCY SITUATIONS ON GROUP STRETCHES

TYPE OF EVENT	2019	2020
	no. of events/duration	no. of events/duration
Snow events (hours of snow)	778	758
Flooding (no. of events)	18	8
Landslides (no. of events)	3	3
Fires (no. of events)	30	41

SAFE INFRASTRUCTURE MANAGEMENT

Safe infrastructure management starts from careful attention to usage conditions, circulation features and information on accidents: these elements represent an extraordinarily rich knowledge base to work towards progressive improvement in travel conditions on the road network. In 2020, the licensees further perfected their methods of collecting, cataloguing and assessing these information assets by improving a detailed system that supports decision making, able to integrate various data sources.

The ADAM® (Accidents Data Analyser Module) platform, now used through the ASTM Group's network, makes it possible to:

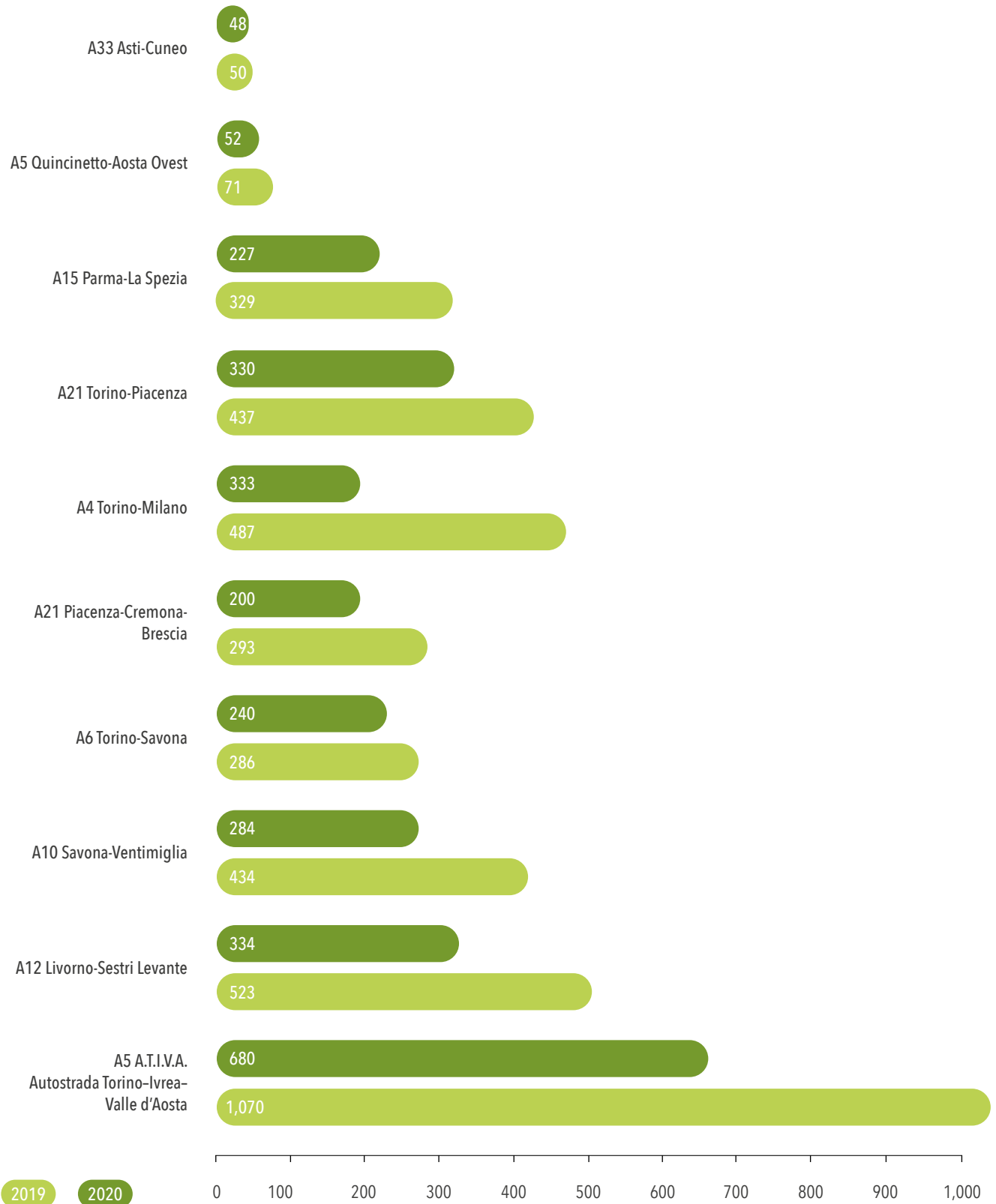
- create a descriptive road database, indicating the technical and geometric features of interest obtained from field measurements (viaducts, tunnels, turns, lengths, slopes, pavement features, etc.);
- acquire dynamic information from the manager of interest for processing (traffic, accidents, etc.);

- use the above data to create a wide number of indicators (e.g. accident rate, severity index, social cost, etc.);
- calculate indicators based on various types of road segmentation (automatic segmentation algorithm, guided by the indicators, or fixed);
- create infrastructure "models" based on the technical/geometric characteristics of sections to as to make homogeneous comparisons between indicators for arteries (e.g. compare only indicators in areas in which traffic is disturbed by junctions);
- compare the same motorway section over intervals of various times, to verify whether or not safety measures implemented are effective.

This project was launched to create a useful tool for implementing an improvement process with regards to operating measures implemented during the ordinary road safety improvement process, that is to select measures which are objectively able to reduce accidents on the network based on operating experience.

ACCIDENTS

NUMBER OF MOTORWAY ACCIDENTS ON THE GROUP NETWORK



In 2020, there were a total of 2,728 accidents on the network of the licensees controlled by the Group (3,980 in 2019, of which 1,070 A.T.I.V.A.), of which 29 fatal accidents (32 in 2019, of which 8 A.T.I.V.A.), with 995 injuries (1,847 in 2019, of which 502 A.T.I.V.A.) and 35 deaths (38 in 2019, of which 10 A.T.I.V.A.).

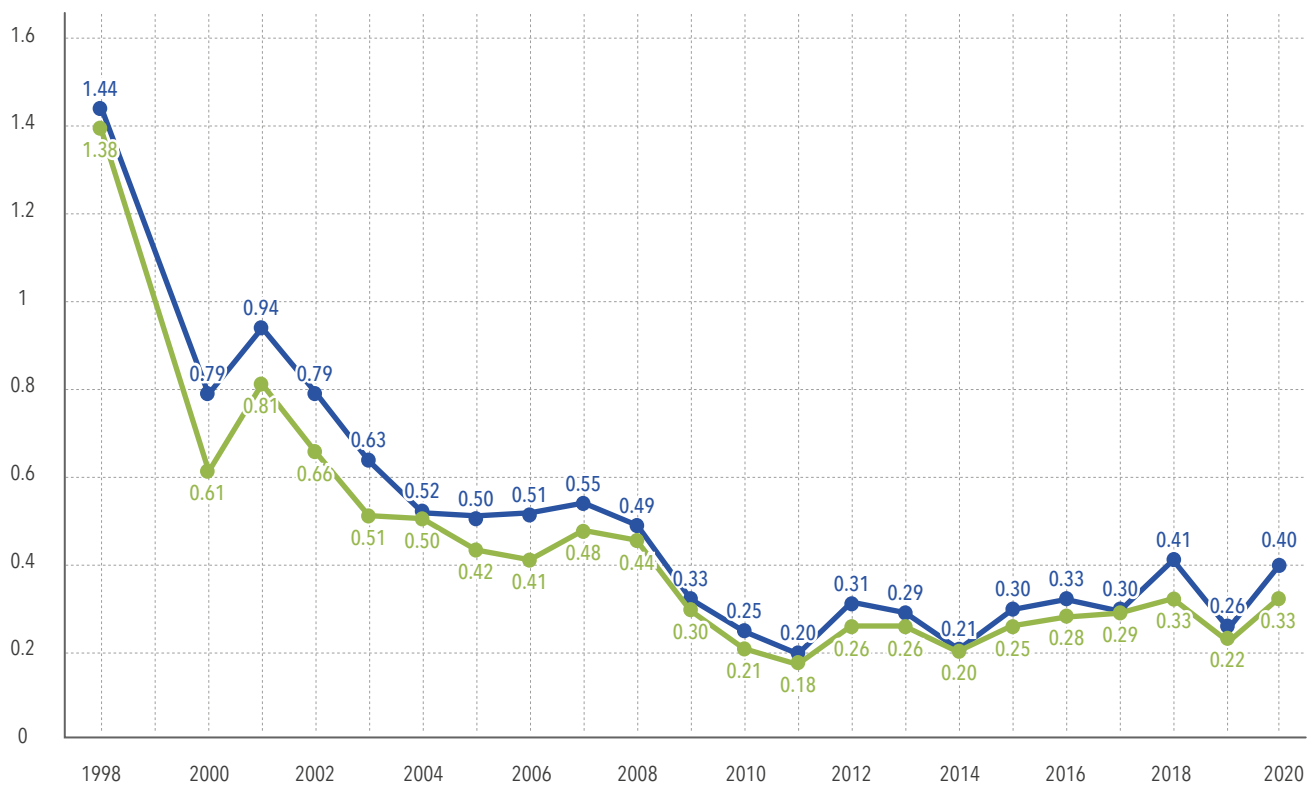
The graph shows the rate of fatal accidents on the network managed by the Group. The strong decrease in the rate reflects the Group’s efforts to continually improve safety on its managed network.

RATE OF FATAL ACCIDENTS ON THE GROUP NETWORK

(Rate for the years 1998-2020, no. of fatal accidents/mileage in millions of vehicles/km*100)

MORTALITY RATE ON THE GROUP NETWORK

(Rate for the years 1998-2020, no. of deaths due to road accidents/mileage in millions of vehicles/km*100)



68% of vehicles involved in accidents are light vehicles (63% in 2019), the remainder heavy vehicles.

The accident figure were influenced by a dual effect, on one hand the entry of A.T.I.V.A. into the scope of consolidation, which manages an urban motorway network which is especially complicated and complex and, on the other, the decrease in traffic linked to the Covid-19 emergency.

-61%

Fatal accidents since 2001

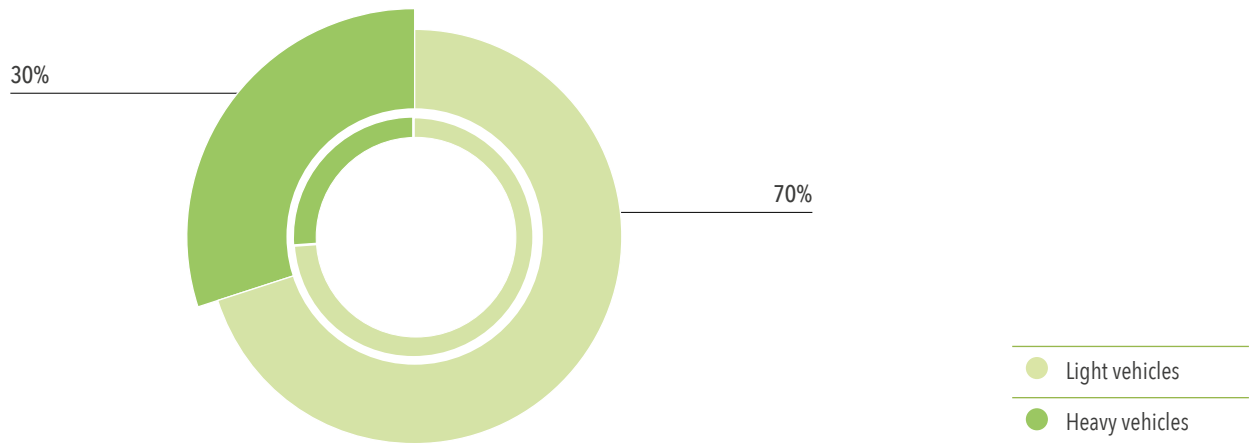
The following elements contributed:

- Technical improvement to infrastructure
- Completion of operational capacity
- Development of the road safety campaign Autostradafacendo

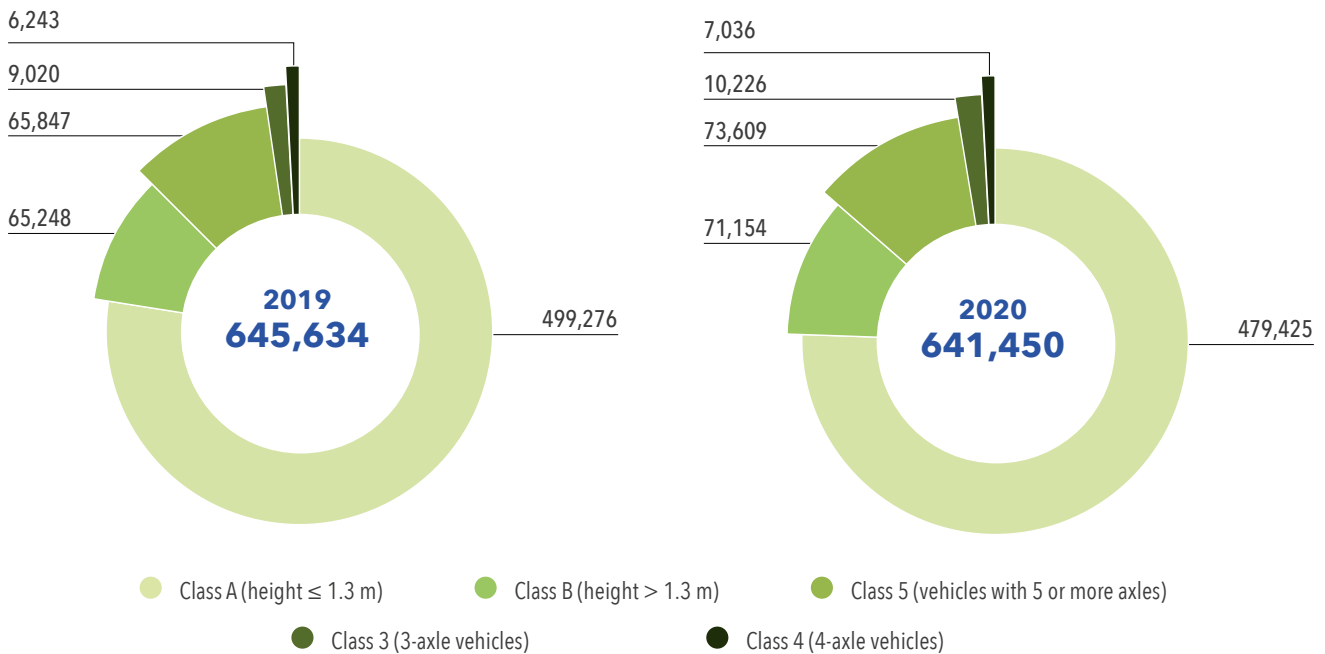
TRAFFIC DATA

Graphs and data on traffic served daily by the Group’s motorway licensee companies are shown below, indicating services provided to the public.

PERCENTAGE OF JOURNEYS ASSESSED IN VEHICLES/KM ²⁵



AVERAGE ACTUAL DAILY VEHICLES BY TYPE OF VEHICLE ²⁶



²⁵ Includes paying vehicles, vehicles subject to paying and exempt vehicles. The definition of vehicles/km refers to total km travelled by vehicles joining the motorway, in particular between the start and end of the stretch, and makes a distinction between actual vehicles, which are the number of all vehicle units, regardless of the category, joining the motorway and regardless of the km travelled

²⁶ Includes paying vehicles, vehicles subject to paying and exempt vehicles

LOCAL PROJECTS IMPLEMENTED

Accident rate studies

In response to Italian Legislative Decree 35/2011 on motorway infrastructure safety management, a specific ASTM Group office carries out, via S.I.N.A., widespread accident rate analysis on the motorway network it manages, contributing to evaluating developments in network safety by the individual licensee companies.

Group licensee companies implement progressive safety improvement measures also on the basis of these assessments. After these measures, accident rate studies also serve to verify the actual efficacy of the measures implemented. After identifying the type of action, the period in which it was executed and the date in which the work was completed, it is possible to do subsequent analysis to determine whether accident rates have effectively fallen over time after execution.

In particular, during 2020, this type of analysis was implemented for both sections managed by the licensee SALT p.A., with a positive impact on the number of accidents.

“Family” parking

“Family” spaces are parking locations designed to a safe space for families with small children taking a break along motorways.

SATAP S.p.A. (A4), for example, evaluating available space together with those operating the rest areas, establishing “family spaces”, generally in more isolated positions, where the speed of any passing vehicles is already naturally lower, preferably with a play area nearby.

Tunnel drill

Implementing the European Community Directive on tunnel safety in the road network, a drill was carried out in the Fresonara Tunnel on the west side, A15 in the direction of La Spezia, which saw the participation of all actors involved in the case of road accidents. In fact, the drill saw the presence of the Fire Brigade, with a vehicle set up to operate in



Rho and Villarboit rest areas on the S.A.T.A.P. motorway (A4 Section)

confined spaces, as well as the Traffic Police, 118, S.I.N.A. and the licensee company SLAT, which also cooperated with Aciglobal, Vai Europa Assistance and Ima Servizi.

The scenario was set up with the aim of testing the integrated operational response ability of the structures responsible for emergency assistance. To create a hypothetical accident two cars and a heavy vehicle were made available, with injured people stuck in a car, the beginning of a fire, and a fuel leak all simulated.



PROJECTS TO SUPPORT SUSTAINABLE MOBILITY

The recently published Italian Law 178 of 30 December 2020 containing the "Forecast budget for the state for financial year 2021 and a multi-year budget for 2021-2023", introduced certain provisions intended to support electrical mobility, also on the motorway. In fact, motorway companies must provide the stretches they manage with an appropriate number of high power recharging stations, guaranteeing that this infrastructure offers waiting times to access the service that are no longer than those for users of internal combustion vehicles (petrol, diesel).

Already in December 2018, the ASTM Group's licensees had sent the Ministry of Infrastructure and Transport (MIT) their respective Dissemination Plans for electric charging services, as well as those for Compressed Natural Gas (CNG) and Liquefied Natural Gas (LNG), to promote energy efficiency policies by implementing that established under Legislative Decree 257 of 2016 "Regulations for implementation of Directive EU 2014/94/EU of the European Parliament and of the Council of 22 October 2014 on the deployment of alternative fuels infrastructure.

The dissemination of alternative fuels has been incentivised by the licensee companies as part of public tender procedures for the assignment of carbon lubricant distribution and refreshment services within the service areas.

The Oil and Food Subconcessionaires, as part of their own Investment Plans, are working to implement new systems for alternative fuel distribution, including through agreements with specific sector operators.

At present, 10 recharge stations are active on the sections managed. An additional station will be opened in the very near future. Some of these stations, in particular those on A12 Livorno Sestri Levante and A10 Savona Ventimiglia (which see significant tourism flows), guarantee ultra rapid charging which, based on the vehicle, can guarantee recharges of up to 80% of battery capacity in around 15-20 minutes, with the supply of a maximum power of 350 kW.

The dissemination programme is still being implemented and within the next two years another 30 new recharge stations will progressively be opened along the network, in compliance with the principle

of technological neutrality, to guarantee users are offered services in line with market needs.

Of particular importance is the "Trial Project" launched by the company S.A.V. which manages the A5 Quincinetto-Aosta stretch, to develop high-power electric charging systems at the Les Îles de Brissogne Nord service area, and within the former disused barrier opposite it, along the motorway stretch under concession. This will open by the end of the year. The latter will be the first area exclusively dedicated to the electric charging service. Thanks to a maximum power of 350 kW provided at each recharge point, current and next generation electrical vehicles will be able to use a service able to recharge up to 80% of vehicle autonomy in just 15-20 minutes.




The location has strategic significance. In fact, the motorway stretch managed by SAV S.p.A. through the concession connects the national major road system with France and Switzerland, through the Monte Bianco and Gran San Bernardo tunnels and the Piccolo and Gran San Bernardo passes, serving as an access point to numerous and important Alpine tourism areas.

The commitment made by the ASTM Group's licensees, together with Oil/Food subconcessionaire, is intended to offer increasingly innovative services to its customers, responding to increasingly significant demand. In fact, many clients have now selected electrical vehicles, with an increasing desire for solutions which respect the environment.

The recent Ministry of Infrastructure and Transport initiative may provide an additional push towards the implementation and development of the dissemination plan and environmental sustainability policies promoted for years by the Group which, as part of the Europe Recovery Plan projects, "Next Generation EU", has asked for specific information from all Italian concession holder companies relative to planned projects intended to offer recharging or fuel for green-powered vehicles at service areas. This request was promptly complied with by all the licensees.

The Group constantly monitors technological developments and trends in the automotive and alternative fuel markets to guarantee adequate service for motorway users.



-  Electric charging stations active at the date of publication of the following document
-  Electric charging stations planned 2021-22
-  Natural Gas (CNG) distribution service

²⁷ Trial project launched

AUTOSTRADAFACENDO

The first appointment of the year for Autostradafacendo, the road safety campaign promoted by the Group, was the annual training and update course held in Nettuno from 6 - 7 February 2020, at the Police Inspector Institute, intended for specialists from the Traffic Police, Ministry of Infrastructure and Transport and the Ministry of Education.

The meeting was organised by the Traffic Police as part of the national ICARO project which, in its 20th year, represents the most important permanent road safety educational course, which also led to the creation of a specific European project. During the two days, instructors from Università di Roma La Sapienza, a long time partner in the project, updated those present on the projects which will be implemented in elementary and higher level schools.

S.I.N.A. was also asked to participate in the event and as the coordinator of both Autostradafacendo and ICARO it is an active partner, thanks to a specific Memorandum of Understanding which the ASTM Group has signed with the Ministry of the Interior.

During the time in Nettuno, SINA emphasised the contribution Autostradafacendo makes to spreading a culture of road safety through educational projects, some specifically created for the ICARO project, including the "Safety Drills" CD-Rom. These are given to the Traffic Police experts and handed over to teachers when projects are implemented at schools, so they can further examine the issue of road safety with their students.



COOPERATION WITH EUROPEAN INSTITUTIONS

The technological process which has been affecting Europe for more than 150 years has made it possible to improve the quality of human life in all senses, including transport - one of the sectors in which the ASTM Group works on a daily basis. In fact, the mobility system has always had a strong influence, both directly and indirectly, on local and global socio-economic growth. In recent years, technological developments are demonstrating potential which could favour further acceleration of the same.

Hence, it is easy to understand why mobility is one of Europe's priority, as it recognises that technology is absolutely necessary for positive changes in the transport system. For this reason, it has invested billions of euros in developing the Intelligent Transport System (ITS), which integrates digital knowledge with transport engineering. The aim is to improve driving safety, protecting people, vehicles and goods, while improving both the quality and efficiency of the systems used to transport passengers and goods, optimising the use of natural resources and respecting the environment.

To face this challenge, the European Commission has supported the creation of five European ITS corridors (Arc Atlantique, Crocodile, MedTIS, Next-ITS and Ursa Major) and of the European ITS Platform, with S.I.N.A. appointed to provide project management. SIINA is responsible for coordinating the ITS corridors, which in turn promote cooperation between member states, authorities and motorway operators, between public and private sector partners to support harmonisation of ITS systems and maximise benefits which would be put at risk by fragmented approaches and varying solutions implemented by individual countries.

A connected existence, a unified transport and communication network made available to all types of road users, making mobility more efficient, sustainable, safe and inclusive: these are the European Union's objectives.

For more details, please see the Association's website, www.piarc.org.

PANEUROPEAN COOPERATION TO IMPLEMENT NEW TECHNOLOGIES

The European ITS Platform (EU EIP) is the place where the Ministries, national road authorities, motorway operators and public and private sector partners coming from almost all European Union member states and bordering countries come to cooperate. Interested operators cooperate to promote, accelerate, harmonise and optimise current and future developments in the implement of road technologies on the Trans-European Road Network. The European platform for Intelligent Transport Systems (ITS) was established and is cofinanced by the European Commission. It is managed by European institutions through the Innovation and Networks Executive Agency (INEA) with the general coordination of the Italian Ministry of Infrastructure and Transport.

It brings together most European stakeholders with the goal of cooperation, through an open forum able to provide a helpful contribution to future strategies, as well as providing recommendations for new European policies intended to improve development and more widely implement technological services throughout the European road corridors. The Group is responsible for project management for the initiative through 2021.

European strategy for driving schools presented in Brussels

On 23 January 2020, Brussels hosted the first international even of the UNASCA (National Autoschool Union), the main national association for driving schools. At that time, the UNASCA and EFA (Europäische Fahrlehrer Assoziation) strategies for 2020 were presented to the main international stakeholders.

This was the first in a series of international events which will see the involvement of European parliament members, national institutions and the main NGOs responsible for road safety.

The objectives for the meetings come from the awareness the EFA has, the European Organisation of Autoschools, for which UNASCA is the Italian representative, that a training matrix needs to be applied at the European level to obtain higher levels of driving knowledge than those currently held.

S.I.N.A. participated with a presentation dedicated to safety on the national major road system, in particular those managed by the ASTM Group.



UNASCA Memorandum of Understanding

The ASTM Group has worked to promote a Memorandum of Understanding with the National Union of Autoschools and Automobile Consulting Firms (UNASCA, the association which represents much of the sector). This document makes it possible to spread the road safety messages driven by Autostradafacendo through the 3000 branches of auto-schools associated with UNASCA.

Implementing the memorandum, an on-line training day was organised on the theme of proper tunnel driving behaviour, an area of special interest for the Group's concession holder companies who manage a motorway network with many tunnels.

Webinar: "Autonomous driving and Smart Mobility"

6 October 2020 saw a webinar on the subject of "Autonomous Driving and Smart Mobility", promoted by the Italian National Committee of PIARC and ANAS, in cooperation with the Ministry of Infrastructure and Transport and the Rome Order of Engineers.

The European Commissioner for Transport Adina-loana Vălean opened the event, together with the Italian Minister of Infrastructure and Transport, Paola de Micheli, to discuss aspects relative to the current situation for autonomous vehicles and prospects for future development.

S.I.N.A. represented the European ITS Platform at the event through a presentation titled "A European Perspective on Intelligent and Sustainable Mobility". The webinar was viewed by around 1,000 delegates and is still available on the ANAS Youtube channel.

ROAD TRAFFIC QUALITY AND SAFETY MANAGEMENT

During 2020, development continued on the project to implement an ISO 39001 compliant road traffic safety management system by all the motorway companies, with the aim of decreasing the number of accidents on sections managed through application and continuous improvement of the system, specifically in terms of cases involving serious consequences for those involved.

After the first goal was achieved by Autostrada dei Fiori S.p.A., which developed the pilot project and obtained ISO 39001 certification in September 2019 for the A10 Savona-Ventimiglia and A6 Torino-Savona sections, SATAP S.p.A. received the same certification for the A4 Torino-Milano and A21 Torino-Piacenza sections in the last quarter of 2020.

All of the Group's concession holder companies have Services Charters which report the quality indicators and related reference standards with which compliance is assured. The Services Charters are reviewed annually by each licensee company, and represents an opportunity to review the service and the value of the information for motorway customers.

CUSTOMER SATISFACTION

The Group, in compliance with the objectives of the quality and road safety policy, is committed to monitoring quality perceived by users of its own motorway infrastructure. To this end, the licensee companies carry out customer surveys on a regular basis and the results are analysed and used internally to identify strengths and weaknesses, plan improvement actions and follow them up.

Supporting these activities, in February 2020 the Customer Experience Project "Qui Nord Ovest" was completed, which the Group licensee companies had begun in February 2019 in cooperation with Codacons, the main Italian consumer association, and Markonet.

The "Qui Nord Ovest" Project provided a series of information services with the intention of activating the interactive engagement of drivers in order to facilitate the continuous improvement of services and safety. Driver satisfaction, alongside changes in expectations, are necessary indicators for assessing the quality of the services provided and for continuously improving the services offered.

The Project involved the collection of reports (alongside photos and videos) of events, circum-

stances and critical situations encountered in motorway journeys by users in order to improve the services and safety on the motorways managed by the ASTM Group.

Reports coming from drivers who participated freely and interacted through channels made available involved not only aspects that negatively influence the Customer Experience, but also recommendations and proposals, compliments and constructive criticism.

The Project has made use of the following communication channels:

- the quinordovest.it website, which describes the objectives and purposes of the project, collects the main information about the stretches involved, supplementing official websites, promotes the local area through specific sections dedicated to tourist events and routes and places emphasis on the Highway Code. During the 12 months of the project, the website received over 200 thousand visits from 10 thousand unique users;
- the "Qui Nord Ovest" Facebook page, through which users can send reports and comments by private message or comments on posts, which

reached over 300 thousand people during the project;

- the mobile line, to which users can send reports and images through “WhatsApp” messages;
- the dissemination of the landline telephone numbers of the motorway companies’ operating centres, where motorway emergencies can be reported (e.g. presence of objects or animals on the carriageway).

As a whole, the Project has generated 867 reports, including suggestions, positive and negative comments, of which 202 immediate reports on critical situations, sent to the relevant licensee company in order to facilitate its intervention. Critical situations included various sectors such as service areas, the roadbed, objects in the carriageway, signage and vegetation.

Analysis of the research showed how users’ atten-

tion was rather polarised on the issue of road safety and even more so in relation to infrastructure: in that regard, growing awareness is evident that almost always results in concerns about the structural conditions of motorways, viaducts and tunnels.

Although recent events involving Italian motorways lead opinions down a more critical path, on the other hand we have seen a more aware and informed outlook from users, who demonstrate their appreciation for the commitment of the ASTM Group, which, through investments and the development of new technologies, guarantees infrastructural safety, and therefore the safety of travellers.

In this way, it is even more obvious how studied and in-depth the construction of real dialogue must be, aimed at discussion and to counter the circulation of news which can be insidious for the company’s reputation - in order to create an active interrelationship at the basis of long-lasting improvement and traveller loyalty.

S.I.N.A. AND INFRASTRUCTURE SAFETY

With reference to the issue of infrastructure safety, which is of utmost importance in the materiality matrix of the ASTM Group, as regards the development and implementation of road restraint systems, S.I.N.A. has consolidated its know-how since the 1960s, through the engineering and full-scale testing of its own-design safety barriers, partnering with the most important and qualified research centres and laboratories over the years.

In this field, it uses specific operating procedures to study the most appropriate and advanced technical and design solutions for restraint systems, which are tested using calculation and numerical simulation models. The operation process culminates in crash tests on the device prototype, which are carried out according to applicable national and European standards, at authorised testing sites/laboratories. The purpose of these tests is to certify the designed system, so it may receive CE marking from a Notified Body.

On this basis, S.I.N.A. restraint products and systems, all with CE marking, have been developed and continually implemented, with a different performance class depending on the intended use. In 2020, there were more than twenty products available, including solutions combining safety barriers with sound-absorbing panels for bridge/viaducts, certified, with the addition of specific reach for LED lamps, as an optimal solution including in terms of environmental friendliness. Further in-depth and development studies - including trials - were carried out on two systems to improve the performance of the ground connection of barriers embedded in the terrain, for which patent applications have been filed.

The company has also consolidated qualifications and skills in the study, promotion, design and supervision during the construction stage of new works in the major transport infrastructure sector.

Applying the "General priority criteria for replacing safety barriers", issued by MIT in August 2019, to be used as guidelines in planning projects to replace barriers, S.I.N.A. has prepared studies and done analysis to identify priorities and assist in the subsequent scheduling of projects. Therefore, in 2020 plans were designed for an overall total of around 250 km of barriers.

Also with regard to infrastructure safety, S.I.N.A. undertook a viaduct monitoring project characterised by significant technological and innovative content. The system is formed of a high number of sensors that continuously measure the standard parameters of the structure. The consistent amount of information generated by these instruments is then allocated to a cloud and analysed with specific algorithms. The structures are modelled numerically to monitor their behaviour and obtain information about any damage or degradation processes. Between the end of 2018 and 2020, more than 3,300 sensors were installed to monitor 25 viaducts on the motorway network of the ASTM Group. The bridge and viaduct assessment activities are repeated annually and take into account the changing state of preservation of the structures as recorded during the year as a result of the inspections.

Additionally, in 2020 a process began to increase knowledge about the structural status of tunnels in the ASTM Group motorway network, which includes approximately 300 tunnel arches. Starting in the beginning of the year, S.I.N.A. developed an inspection methodology with the assistance of specialised consultants which, using the CETU (Centre d'Etudes des Tunnels) guidelines as a reference and adopting the relative IQOA (Image Qualité des Ouvrages d'Art) classification, makes it possible to achieve an in-depth portrait of a tunnel.

The methodology identified, which includes multiple stages, both in the field and backoffice, features an approach based on analysing the historical data for every individual tunnel. Upon completion of the process, each tunnel will have a specific assessment which will make it possible to assign priorities for the purposes of maintenance activity.

S.I.N.A. has also developed a project to standardise operating processes in the use of tunnels, defining specific management procedures for emergencies. Reference scenarios range from the presence of a construction site through to the most serious case of a fire involving multiple heavy vehicles. For each system, the project analysed usage methods in an emergency and during normal operations. Relative to ordinary use, usage models were studied with an eye to energy savings, making reference to appropriate measurement and control techniques. The system is currently being implemented in synergy with Group companies in the technology sector and, at the end of the process, every tunnel will have a standardised systems operating management system, dedicated to tunnel safety.

Briefly, the technologies being implemented in the tunnels associated with the innovative system to manage equipment will make it possible to improve the intrinsic safety of the infrastructure and consequently user safety, while improving energy efficiency for the gallery system, by continuously optimising operations, in part through energy monitoring of existing equipment.



SINELEC AND THE MOTORWAY COMPANIES

TOLL COLLECTION SYSTEMS

SINELEC operates in the design and development of complete systems for toll collection: lane devices, data acquisition systems, station control platforms and financial information processing and reconciliation systems. Installed at over 800 points throughout Italy, SINELEC's toll collection system has been designed to manage users of the European Electronic Toll System (EETS).

A leader in traditional toll systems, SINELEC is also involved in the development of S*Gate, an innovative "free flow" system that makes significant improvements on several levels. Thanks to the use of artificial intelligence and machine learning technologies, the accuracy of the collection process is improved, with lower use of electronics on site, with a consequent reduction in costs during the acquisition, installation and maintenance stages. The "free flow" system makes it possible to identify and classify the vehicle passing under the point without it having to stop at the collection booth. This provides benefits in terms of traffic management and emissions.

INTELLIGENT TRANSPORTATION SYSTEMS (ITS)

In the context of intelligent transportation systems, SINELEC offers an integrated system that monitors the motorway stretch, manages user information and coordinates the infrastructure intervention and maintenance activities. SINCRO is the solution designed specifically to support road operators in the management of operations and is now at the heart of 14 operating centres in Italy, for the management of a network over 1,400 km, including 51 tunnels. The platform allows for the complete and functional integration of different systems used in ITS (such as cameras, variable message signs, SCADA and AID systems), simplifying their coordination and attributing all data collected to a single complete and intuitive interface. SINCRO also acts as a Decision Support System (DSS) through the continuous identification of potentially dangerous events and immediate response in emergencies with the implementation of optimal procedures.

With Italian Legislative Decree 264/06, which implements European Directive 2004/54/EC, the Italian galleries on the TERN network must be adapted to comply with the minimum security requirements and to guarantee appropriate systems control and automation systems. For ASTM, this translates to technological upgrades for 62 tunnels, operated by 7 licensee companies, with SINELEC, S.I.N.A. and EUROIMPIANTI synergistically involved in the creation of an Integrated Road Tunnel Management System (I-RTMS) for the licensee companies' Operations Control Centres (OCC).

Another solution that positively impacts traffic safety and management is LIBRA/S, a WIM (Weigh in Motion) system. WIM systems were created from the need to efficiently regulate heavy vehicles in road transport, since this traffic can negatively affect the life expectancy of road infrastructure, speeding up the degradation of paving, bridges and viaducts, in addition to the aforementioned aspects.

LIBRA/S is a platform that consists of an on-site component (weighing stations) and a central control system, which uses diagnostic, data analysis and reporting instruments to allow the monitoring and overview of the network of monitored weighing stations, supporting customers in the optimisation of day-to-day management and the processing of appropriate predictive maintenance models.

SMART ROAD

SINELEC can be considered as one of the key Italian players involved in the digitalisation of road transport infrastructure, thanks to its twenty years of experience in the development of traffic solutions.

In 2018, SINELEC, as the lead company in a joint venture including Autostrade Tech and Alpitel was awarded the first smart road public tender called by ANAS for the Mediterranean Motorway (A2).

The initiative focuses on the development of an advanced technological infrastructure along the A2 motorway stretch between Morano Calabro (Cosenza) and Lamezia Terme (Catanzaro) for a total of around 130 km, and aims to increase safety and driver comfort, optimise the management of traffic and extraordinary critical events, as well as enable interoperability between connected vehicles and infrastructure which is preparatory to the gradual introduction of self driving vehicles.

The joint venture will be responsible for adopting the technological innovations necessary to provide future C-ITS (cooperative intelligent transport system) services based on V2I (vehicle-to-infrastructure) and V2V (vehicle-to-vehicle) communication enabled by the IoT (Internet of Things) and 5G, as well as all basic infrastructure necessary to manage communication (fibre-optic network), and power (stations powered by renewable sources) on the smart road.

The initiative will be energy-sustainable, thanks to the construction of "green islands" to generate electricity from renewable sources to use to power the new technological infrastructure and promote the transit of electric vehicles.

SINELEC, as lead company of the joint venture, was also awarded the contract for the ANAS smart road on the Grande Raccordo Anulare (A90) and Roma-Aeroporto di Fiumicino (A91). The project will adopt specific, innovative digital solutions to optimise traffic management and increase metropolitan motorway safety which, like the A90 and A91, have to face high traffic inflows and outflows in urban areas, on a daily basis.

Smart systems will also be adopted to monitor road infrastructure, through IoT platforms providing information necessary to power innovative decision-making tools.

The constant research and development in which SINELEC is involved has translated to the development of products and innovative solutions that enable the digitalisation of roads.

DONATIONS AND SPONSORSHIPS

The ASTM Group is aware that relations with local communities are an important driver in creating shared value, and develops and promotes initiatives that help the economic, social and cultural development of local areas. With this in mind, the Group fosters relationships based on trust and cooperation with local communities, contributing directly or indirectly to supporting and/or funding projects and initiatives with a significant impact on the areas where it operates.

ASTM has defined principles and methods for offering donations and sponsorships in the internal procedures forming part of the Anti-Corruption System, certified in accordance with ISO 37001, as guarantee that the interventions are carried out in accordance with the approved budget and only following the positive outcome of certain checks on the validity of the purpose and the intentions of the payment, and on the credibility and moral integrity of the potential beneficiary.

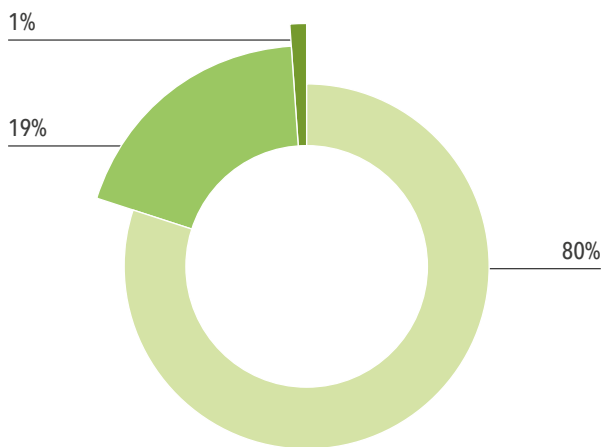
In particular, through donations the Group companies promote humanitarian and social initiatives in order to contribute to the development of the social fabric in which they operate; the sponsorships

are instead used as a communication instrument through which each company supports cultural, artistic, sport, social or technological initiatives, with the aim of increasing its popularity and promoting its reputation positively.

In 2020, the Group made donations totalling around € 3,505 thousand (€ 194 thousand in 2019), of which € 3 million to the Piedmont Region to provide support during the Coronavirus emergency, as well as sponsorships totalling around € 873 thousand (€ 1,325 thousand in 2019). In particular, with regards to sponsorships the Group allocated around € 837 thousand to community initiatives with a commercial impact (€ 1,269 thousand in 2019) and invested in communities for a total of around € 36 thousand (€ 56 thousand in 2019).

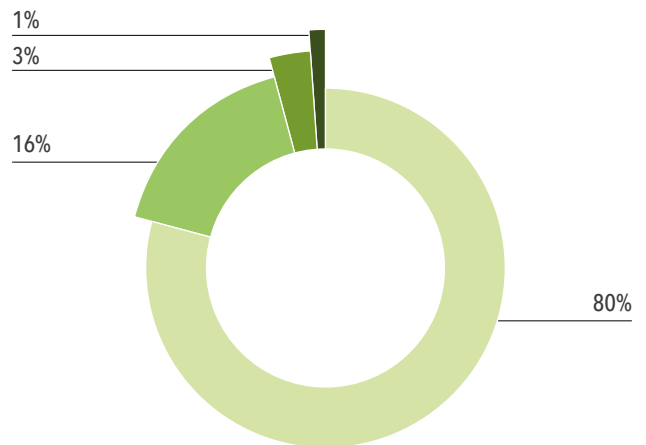
ASTM considers community relations as a vital part of its business. This is why it establishes long-lasting relations, setting up initiatives and projects that can benefit local areas from both a social and cultural standpoint. In particular, it considers sport an important way to encourage the growth of local communities and the development of young people.

TYPE OF INITIATIVE



- Donations
- Community initiatives with a commercial impact
- Community investments

TARGET SECTOR



- Health
- Sport
- Other
- Art and culture

In particular, through donations the Group companies promote humanitarian and social initiatives in order to contribute to the development of the social fabric in which they operate; the sponsorships are used as a communication instrument through which each company supports cultural, artistic, sport, social or technological initiatives in order to create positive associations between its image, projects and know-how and the supported event with the aim of increasing its popularity and promoting its reputation positively.

ASTM FOR SPORT

The ASTM Group invests in sport and the values it represents, aware of the role that it plays in the training of people, in particular of young people, in the local areas where the Group operates.

In basketball, the ASTM Group, through the contribution of some of its subsidiaries for around a total of € 574 thousand, has supported the Derthona Basket team for many years. The historic team from the city of Tortona plays in the Serie A2 Basket Italian national championship, achieving significant results such as the Coppa Italia 2018 and the professional Supercoppa Italiana 2019.

In rugby, through Itinera the Group has been the main sponsor of the CUS Ad Maiora Rugby 1951 since the 2017/2018 sports season. Both the men's and women's CUS Torino (Turin University Sports Centre) teams take part in the Serie A championship. Itinera also offers deserving youngsters a chance to go on a work placement, which is a unique opportunity to learn about the company first hand. This year, the grant paid to the team totalled € 120 thousand.

COVID-19 HEALTH EMERGENCY

The ASTM Group intervened in support of the health emergency that has affected Italy, in particular in Piedmont, its home region, where there are a number of the Group's infrastructure networks. In March 2020, it allocated a contribution of EUR 3 million in favour of the Piedmont Region to support the Coronavirus emergency.

Additionally, through Sea Segnaletica, S.I.N.A. and Euroimpianti, € 215 thousand was donated to the Italian Red Cross to purchase an ambulance.

FAI (FONDO AMBIENTE ITALIANO - ITALIAN ENVIRONMENTAL FUND)

During 2020, the ASTM Group became part of the "FAI 200", a group of patrons and companies established in 1987 to support the Foundation and its work to protect culture, art and nature.

For over 40 years, the Foundation has worked every day, together with over 190,000 members, to maintain the special places of Italy for present and future generations. Today, FAI protects 64 assets, including castles, villas, monasteries, parks and forests.





03

OUR RESPONSIBILITY TOWARDS PEOPLE

- 99** People
- 107** Diversity and inclusion
- 113** Remuneration and benefits
- 117** Human capital development
- 121** Health and safety



CONTEXT

There are approximately 190 million unemployed worldwide: of these, the majority are young people. In particular, the global rate of youth unemployment (13.6%) is two times greater than the average rate (5.6%)²⁸. However, greater effort is required to promote equal work opportunities, particularly for new generations, to reduce inequality (particularly regarding the gender pay gap) and promote working environments that are more dignified, saf-

er and healthier²⁹. General disparity is still a widespread problem in the world, even if some forms of direct and indirect discrimination against women and girls have attenuated and numerous countries have achieved important goals regarding gender equality in terms of education, health, access to the economy and politics. In particular, compared to some gradual improvements since 2006, there is still a Global Gender Gap Index of 31.4%. If this trend continues, the gap will be closed in around 100 years³⁰.

²⁸ International Labour Organization (ILO), World Employment and Social Outlook, Trends 2020

²⁹ United Nations (UN), The Sustainable Development Goals Report, 2020

³⁰ World Economic Forum (WEF), The Global Gender Gap Report, 2020



PEOPLE

ASTM considers its employees as the most important resource it has in order to create value within the organisation and also lay the foundations for its success.

ASTM's human resources management policies promote stable, long-lasting working relationships, which include part-time, that can meet employees' needs for a more flexible, dynamic approach.

"We believe in our people and invest in them, developing their skills. We support the protection of human rights, recognising the equal dignity of all people and diversity as essential resources for the development of humanity. We promote the health and safety of our people and the creation of an ethical working environment."

The Code of Ethics

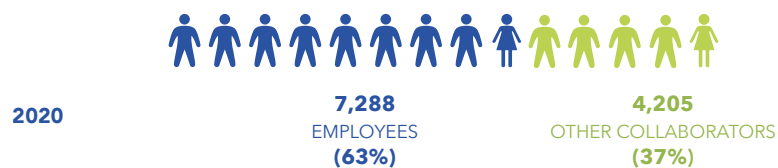


11,493
EMPLOYEES AND
OTHER COLLABORATORS



94%
EMPLOYEES WITH
PERMANENT CONTRACTS

GROUP PERSONNEL



EMPLOYEES AND OTHER COLLABORATORS BY GENDER

NO. OF PEOPLE	AT 31 DECEMBER 2019			AT 31 DECEMBER 2020		
	Men	Women	Total	Men	Women	Total
Employees	5,127	1,000	6,127	6,108	1,180	7,288
<i>of which joint operations</i>	1,605	125	1,730	983	122	1,105
Other collaborators	2,385	14	2,399	4,176	29	4,205
<i>of which joint operations</i>	2,361	11	2,372	4,156	21	4,177
Total	7,512	1,014	8,526	10,284	1,209	11,493

The Group's overall work force at 31 December 2020 totalled 11,493 people (8,526 in 2019), of whom 7,288 were employees (6,127 in 2019) and 4,205 other collaborators (2,399 in 2019).

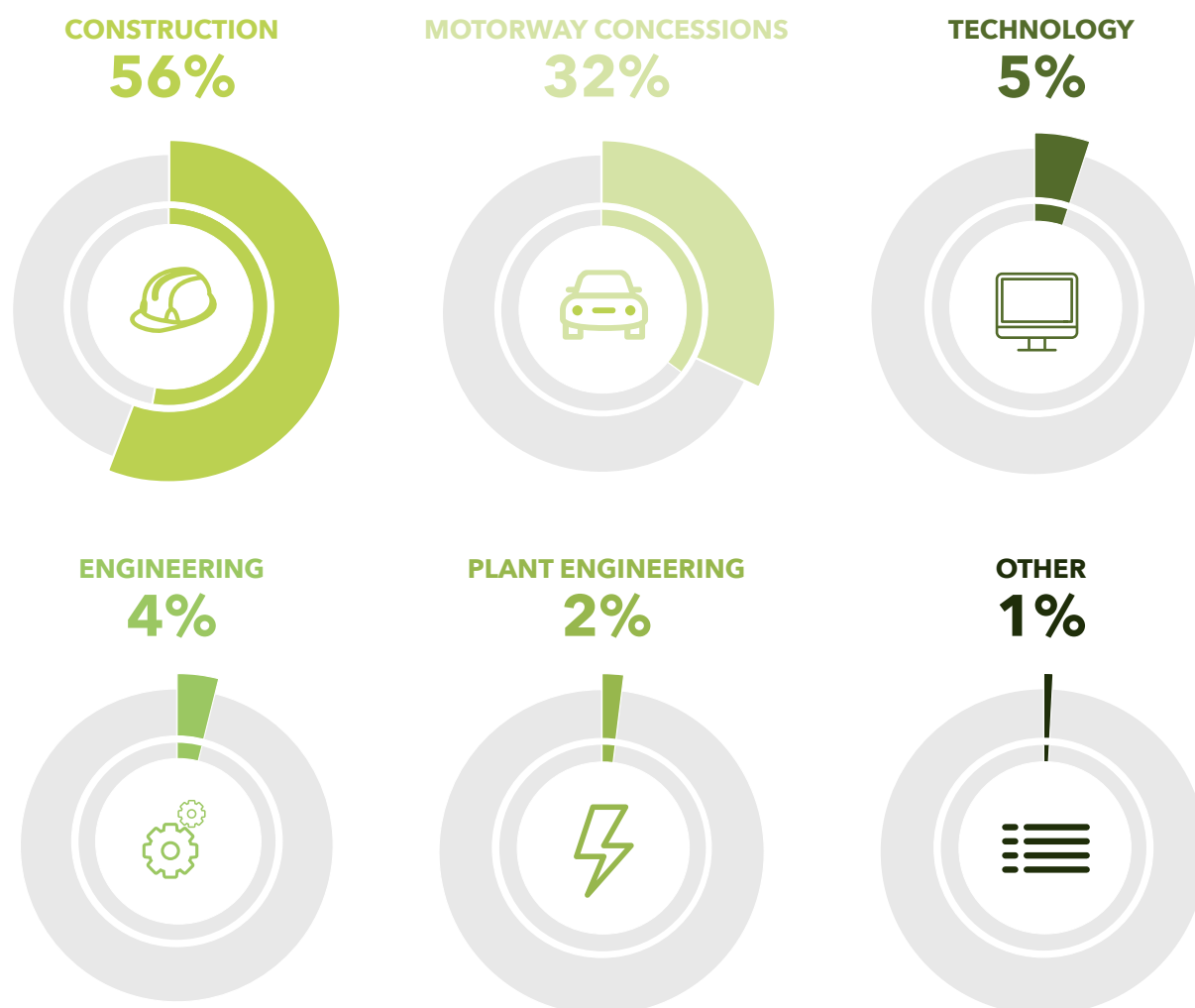
The increase in the number of employees with respect to the previous year was 1,161 people and mainly relates to Halmar International LLC (812 employees in 2020 and 247 in 2019), Halmar International LB Electric (69 employees in 2020 and 4 in 2019), Potomac Yard Construction JV (94 employees in 2020 and 16 in 2019), Itinera United Arab Emirates Branch (563 employees in 2020 and 83

in 2019). Additionally, the scope was expanded to include the companies A.T.I.V.A. S.p.A. (278), Ativa Engineering S.p.A. (19), SI.CO.GEN S.r.l. (51), Tubosider S.p.A. (86) and Tubosider United Kingdom LTD (36).

The item "Other collaborators" mainly includes temporary workers deployed at operating sites abroad, of whom around 83% for the Itinera/Ghantoot joint operation (3,505 in 2020, 1,954 in 2019), set up for the development of the Reem Mall in Abu Dhabi.

In 2020, 84% of employees were male, and nearly all other collaborators were male.

GROUP EMPLOYEES BY BUSINESS SEGMENT



Looking at the breakdown of personnel by business segment, approximately 62% (59% in 2019) work in the EPC sector, of which 56% (53% in 2019) in the construction sector, 4% (4% in 2019) in engineering and 2% (2% in 2019) in systems, around 32% (35% in 2019) work in the motorway concessions sector, while business, technology and other account for a residual portion of resources, equal to 6% (6% in 2019).

GROUP EMPLOYEES BY GENDER AND TYPE OF CONTRACT (PERMANENT, TEMPORARY)

NO. OF PEOPLE	AT 31 DECEMBER 2019			AT 31 DECEMBER 2020		
	Men	Women	Total	Men	Women	Total
Temporary	361	133	494	351	118	469
<i>of which joint operations</i>	144	44	188	159	36	195
Permanent	4,766	867	5,633	5,757	1,062	6,819
<i>of which joint operations</i>	1,461	81	1,542	824	86	910
Total	5,127	1,000	6,127	6,108	1,180	7,288

As proof of the Group's commitment to promoting stable, long-lasting working relationships, in line with the previous financial year, around 94% of employees have permanent contracts. This percentage is another excellent result regarding the current macro-economic context in which the Group operates. Employees on permanent contracts totalled 4,027 in Italy (3,584 in 2019), 1,464 in the United States (584 in 2019), 568 in the Middle East (88 in 2019), 404 in Latin America (1,191 in 2019), 356 in the Rest of Europe (186 in 2019) and zero in South Africa (in line with the previous financial year).

Employees on temporary contracts totalled 189 in Italy (252 in 2019), 193 in South Africa (160 in 2019), 84 in the Rest of Europe (57 in 2019), 2 in Latin America (25 in 2019) and 1 in the Middle East (zero in 2019).

GROUP EMPLOYEES BY GENDER AND PROFESSION (FULL-TIME, PART-TIME)

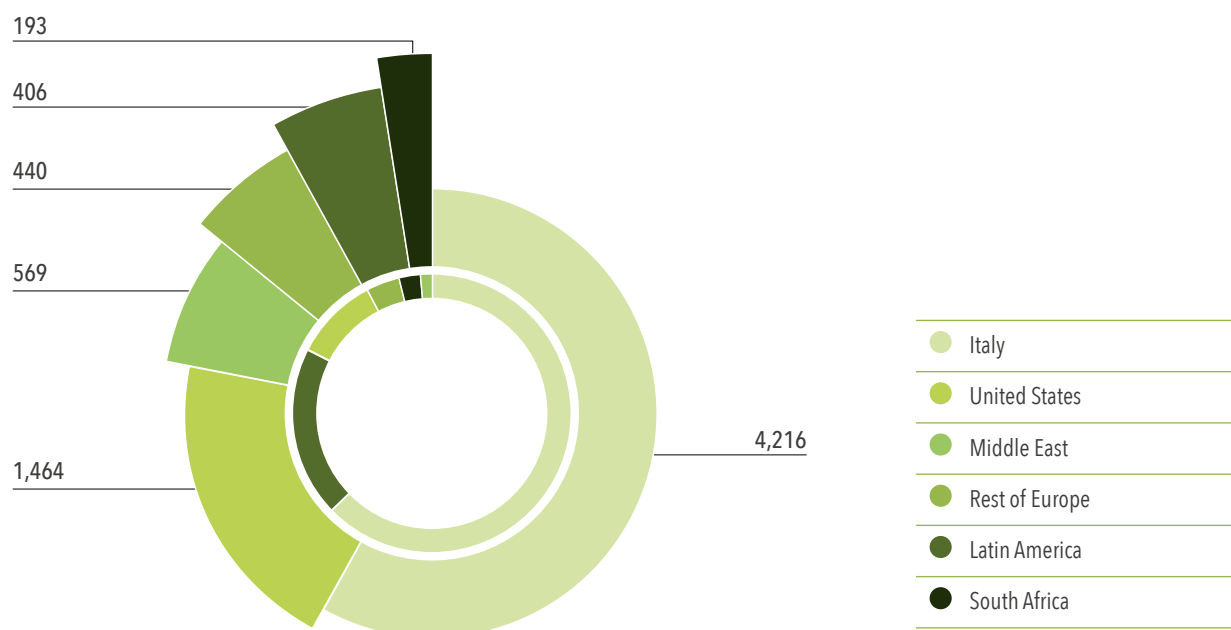
NO. OF PEOPLE	AT 31 DECEMBER 2019			AT 31 DECEMBER 2020		
	Men	Women	Total	Men	Women	Total
Full-time	4,775	707	5,482	5,732	882	6,614
<i>of which joint operations</i>	1,593	110	1,703	982	119	1,101
Part-time	352	293	645	376	298	674
<i>of which joint operations</i>	12	15	27	1	3	4
Total	5,127	1,000	6,127	6,108	1,180	7,288

In 2020, 674 employees (645 in 2019) have part-time contracts, around 9% of all employees (11% in 2019). The workforce is made up of roughly the same numbers between men and women, with men accounting for a slightly higher figure (56%).

GROUP EMPLOYEES BY GEOGRAPHIC AREA

NO. OF PEOPLE	AT 31 DECEMBER 2019			AT 31 DECEMBER 2020		
	Men	Women	Total	Men	Women	Total
Italy	3,044	792	3,836	3,326	890	4,216
United States	534	50	584	1,362	102	1,464
Middle East	79	9	88	547	22	569
Rest of Europe	176	67	243	333	107	440
Latin America	1,163	53	1,216	381	25	406
South Africa	131	29	160	159	34	193
Total	5,127	1,000	6,127	6,108	1,180	7,288

GROUP EMPLOYEES BY GEOGRAPHIC AREA



In 2020, around 58% of Group employees worked in Italy (63% in 2019), around 20% in the United States (10% in 2019), approximately 8% in the Middle East (1% in 2019), 6% in the Rest of Europe (4% in 2019), around 6% in Latin America (20% in 2019) and approximately 2% in South Africa (2% in 2019).

NEW HIRES BY GENDER AND AGE GROUP³¹

GENDER	AGE	2019		2020	
		no. of people	Turnover %	no. of people	Turnover %
Women	<30 years	120	103.45%	104	81.89%
	30-50 years	147	27.17%	208	33.07%
	>50 years	47	13.70%	91	21.46%
Total women		314	31.40%	403	34.15%
Men	<30 years	593	105.33%	588	81.55%
	30-50 years	1,442	54.13%	1,423	48.09%
	>50 years	356	18.74%	756	31.14%
Total men		2,391	46.64%	2,767	45.30%
Total		2,705	44.15%	3,170	43.50%

³¹ Employees of companies entering the scope of consolidation as of financial year 2020 (A.T.I.V.A. S.p.A, Ativa Engineering S.p.A., SI.CO.GEN S.r.l., Tubosider S.p.A, Tubosider United Kingdom Ltd, JO ECS MEP Contractor I/S and Consorcio SP 070) were entirely considered as having entered

In 2020, 3,170 new people joined the ASTM Group (2,705 in 2019), with a turnover rate (new hires) equal to around 43.50% (around 44% in 2019).

In particular, in Italy, the number of new hires in 2020 amounted to 937, in Latin America 483, in the Middle East 508, in South Africa 57, in the United States 907 and in the Rest of Europe 278. The turnover rate for new hires at 31 December 2020 was 22% in Italy, 119% in Latin America, 89% in the Middle East, 30% in South Africa, 62% in the United States and 63% in the Rest of Europe.

With a view to the sustainable development of skills and human resources, the Group tries to recruit candidates from areas where it operates, that preferably meet the professional profiles necessary for it to achieve its objectives.

In 2020, around 95% of Group executives were working in their home country (98% in 2019).

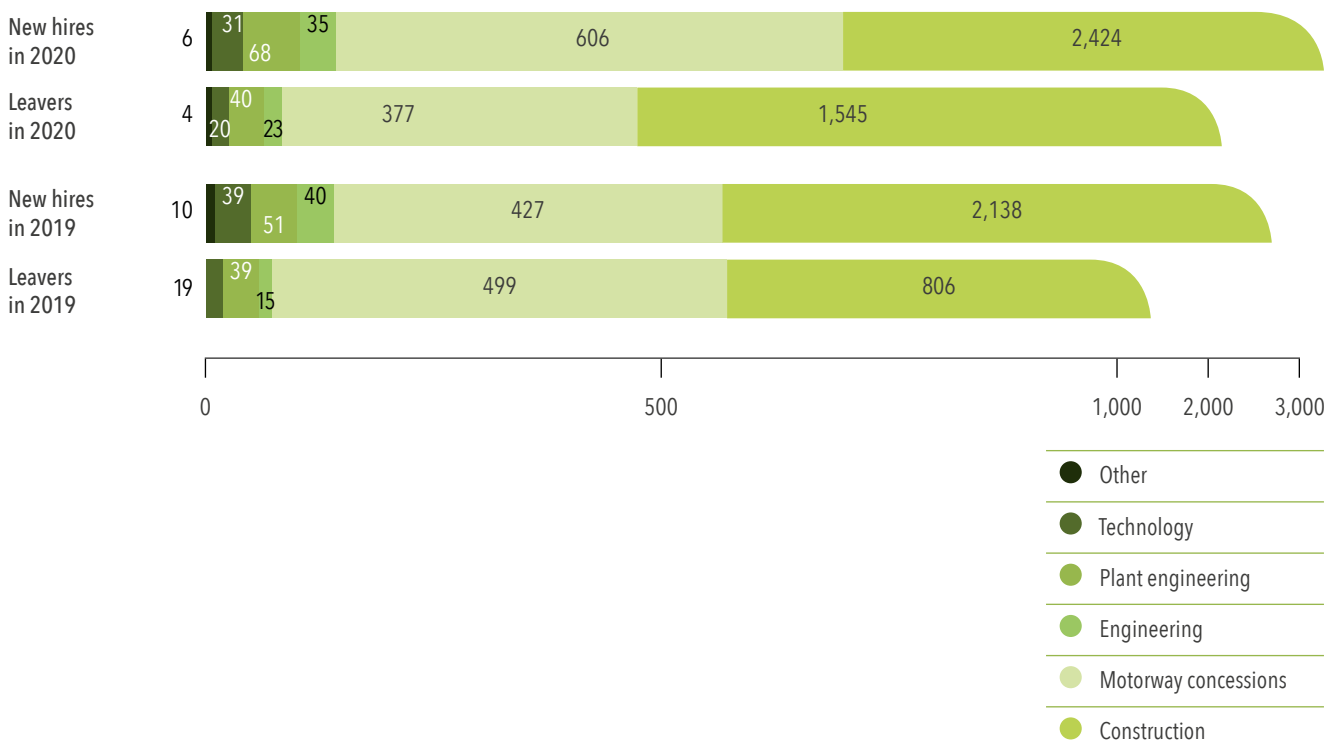
LEAVERS BY GENDER AND AGE GROUP

GENDER	AGE	2019		2020	
		no. of people	Turnover %	no. of people	Turnover %
Women	<30 years	64	55.17%	83	65.35%
	30-50 years	90	16.64%	95	15.10%
	>50 years	40	11.66%	45	10.61%
Total women		194	19.40%	223	18.90%
Men	<30 years	276	49.02%	373	51.73%
	30-50 years	594	22.30%	1,039	35.11%
	>50 years	314	16.54%	374	15.40%
Total men		1,184	23.10%	1,786	29.24%
Total		1,378	22.50%	2,009	27.57%

The turnover rate (leavers) at 31 December 2020 was equal to 27.57% (around 22% in 2019). During the year, a total of 2,009 people left the company (1,378 in 2019), of whom 223 were women and 1,786 men, mainly in the 30-50 age group. Leavers in Italy totalled 557, in Latin America 1,293, in the Middle East 27, in South Africa 24, in the United States 27 and in the Rest of Europe 81.

The turnover rate for leavers at 31 December 2020 was 13% in Italy, 318% in Latin America, 5% in the Middle East, 12% in South Africa, 2% in the United States and 18% in the Rest of Europe.

TURNOVER FOR NEW HIRES AND LEAVERS BY BUSINESS SECTOR



77% of new hires and around 77% of leavers are in the construction sector, with 2,424 new hires and 1,545 leavers in 2020.

In addition, the concessions sector, as a result of some unique aspects particularly related to staffing motorway toll booths, is characterised by a high number of seasonal employees.

ASTM and its operating subsidiaries are defining, through their internal policies and procedures, the responsibilities, criteria and methods followed for personnel employment: from planning and identifying personal profiles for candidates for specific operating segments to identifying the employment category and salary package.

These activities are inspired by impartiality, transparency, autonomy and independent judgement criteria. In particular, favouritism of any kind is prohibited, and a policy is pursued that recognises expertise, ability and professionalism and ensures inclusion.

INDUSTRIAL RELATIONS

The operations of ASTM Group Italian companies are extensive, and are covered by a large number of collective bargaining agreements and consequently a considerable number of second-level company and/or local contracts.

100% of employees in Italy are covered by collective bargaining agreements and the most representative, in terms of number of employees are:

- the building industry and local-level agreements
- the engineering industry
- motorways and road tunnels
- items manufactured in concrete
- senior management in industry

Italian Law 300/70 (Workers' Statute) which forms the basis for all labour laws and national and local bargaining agreements, and for all trade union negotiations, is the reference legal framework for companies to manage industrial relations. Companies

acknowledge that the trade union organisations who are signatories of national and local collective bargaining agreements are the “natural” parties to deal and negotiate with regarding financial and legal aspects of redundancy procedures.

Given the high number of contracts in place, industrial relations play an important role in human resources management, also considering the ramifications at a geographic level of the Group’s operations in Italy and abroad. As part of its strategies, which target growth and the optimisation of work, including safety and quality levels in human resources management, ASTM Group companies focus first and foremost on empowering work, professional qualifications and improving employee satisfaction levels as part of provisions established by law and by contracts. The involvement of trade unions in an industrial relations system that is more functional to achieving results for both companies and employees is strategic to reach objectives.

In the context of industrial relations, the companies have therefore strengthened regional solutions through innovative tools such as welfare measures and supplementary healthcare schemes.

Industrial relations also cover all bargaining, which is often shared, for the professional training of resources, involving both trade union representatives and workers in order to maintain high professional

standards. The companies again confirmed their commitments to the Fondimpresa/Fondirigenti/Fonte training fund and consider it a valid tool in preparing training programmes and in providing supplementary funding for training costs.

Take-up among employees for supplementary pension and healthcare schemes is very high.

Regarding staff employed abroad, local regulations concerning industrial relations, salaries, insurance and welfare are complied with in full, in accordance with laws in effect in countries where the Group operates.

DIVERSITY AND INCLUSION

"Empowering human capital based on meritocracy, professional competencies, appropriate behaviour, honesty and trust, and promoting a working environment that is inclusive and open to diversity, are the cornerstones of the ASTM Group's human resources policies."

Diversity and Inclusion Policy



ASTM recognises the diversity of its employees as a success factor and seeks to maximise their experience, capabilities and qualities. ASTM believes that diversity, in all its forms, is a strategic benefit as it enhances cultural initiatives, promoting a work environment that is inclusive and focused on cooperation and innovation. The Group is careful to avoid all forms of discrimination concerning employment and work, and does not tolerate any form of discrimination based on ethnic or racial origin, skin colour, gender, sexual orientation, religious beliefs, nationality, age, political opinions, trade union representation, marital status, health, and any other social or personal conditions.

These principles are set out in the Diversity and Inclusion Policy adopted by ASTM which all personnel shall comply with in relations with colleagues, customers, suppliers and all people they come into contact with while carrying out activities.

Confirming its commitment to eliminate all forms of discrimination and obstacles to inclusion, in 2020 ASTM subscribed the Women's Empowerment Principles (WEPs), promoted by the United Nations Global Compact to guide companies towards gender parity in employment, on the market and in the community.

Moreover, ASTM was included in Bloomberg's 2021 Gender Equality Index (GEI), an international index which measures the performance and reporting quality for companies relative to gender parity.

GROUP EMPLOYEES BY EMPLOYMENT CATEGORY AND GENDER

NO. OF PEOPLE	AT 31 DECEMBER 2019			AT 31 DECEMBER 2020		
	Men	Women	Total	Men	Women	Total
Executives	157	20	177	162	22	184
Middle managers	299	40	339	338	53	391
Office workers	2,282	876	3,158	2,617	1,007	3,624
Manual workers	2,389	64	2,453	2,991	98	3,089
Total	5,127	1,000	6,127	6,108	1,180	7,288
<i>of which joint operations</i>	1,605	125	1,730	983	122	1,105

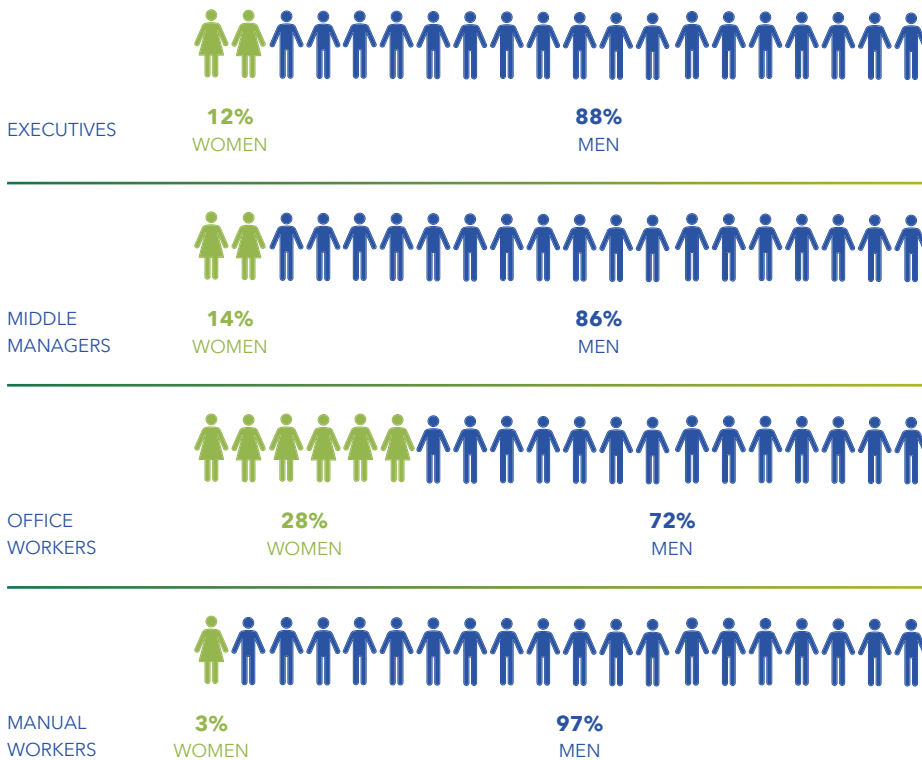
Employees must adopt conduct that respects the rights and individual nature of colleagues, collaborators and third parties, regardless of their position within the Group's hierarchy.

Some 50% of Group employees are office workers (52% in 2019), 42% are manual workers (40% in 2019) and the remainder are middle managers (5%) and senior executives (3%).

Additionally, data relative to manual workers includes those associated with unions and on the payroll of the Halmar Group (Union Workers) at 31 December 2020, regardless of the number of hours worked during the reference period. This choice is in line with the features of the US labour market which has different regulations and incentives obtaining workers through unions.

In 2020, in line with 2019, women represented around 16% of employees. Approximately 85% of female employees are office workers (88% in 2019), 8% are manual workers (6% in 2019), 5% are middle managers (4% in 2019), while 22 women hold managerial positions (20 in 2019). Female employees at ASTM are an important factor in the Group's development and growth.

BREAKDOWN BY GENDER



GENDER GAP ANALYSIS

A Gender Gap analysis was carried out in 2020 with the aim of identifying KPIs to monitor and to improve diversity and gender inclusion levels. The analysis included:

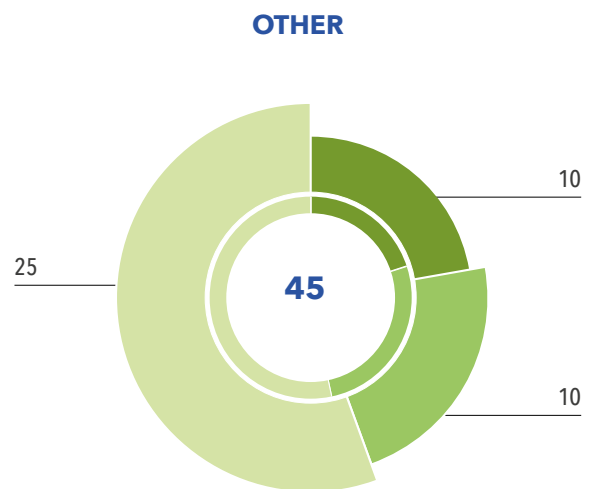
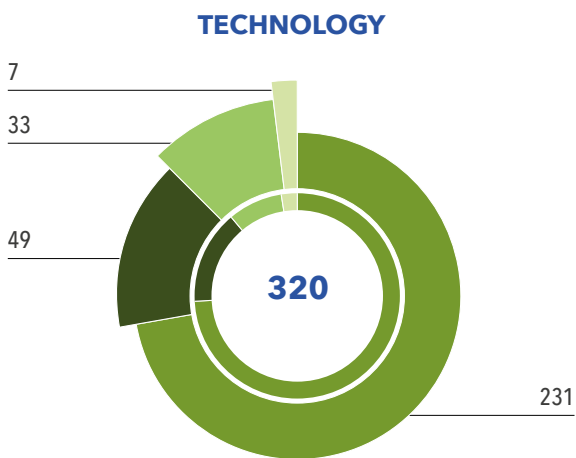
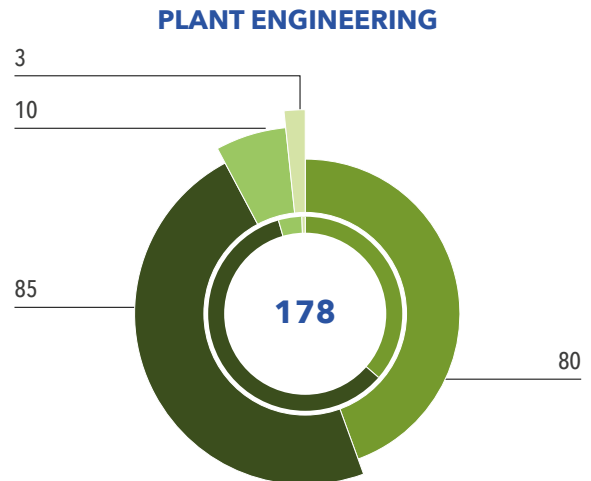
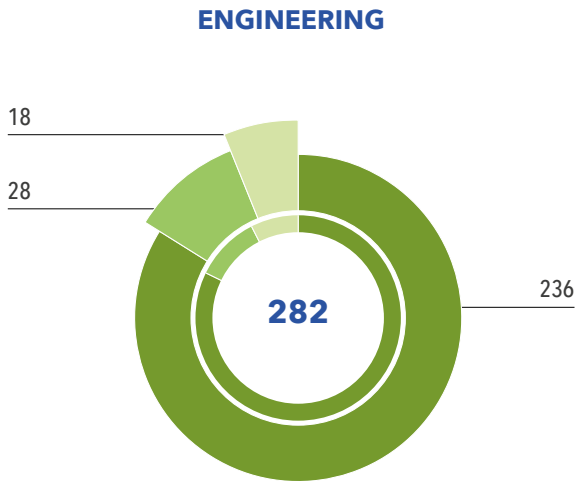
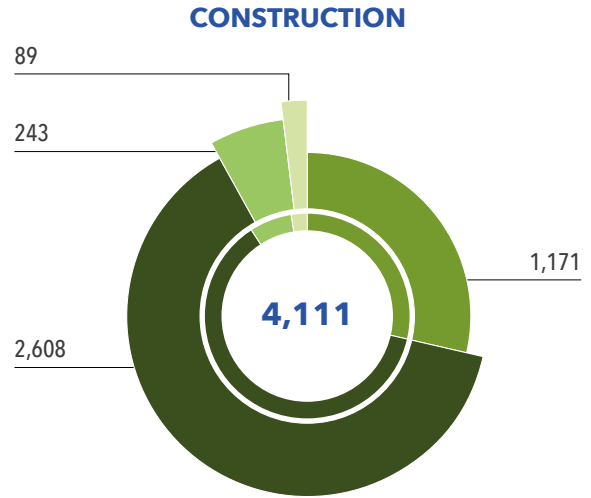
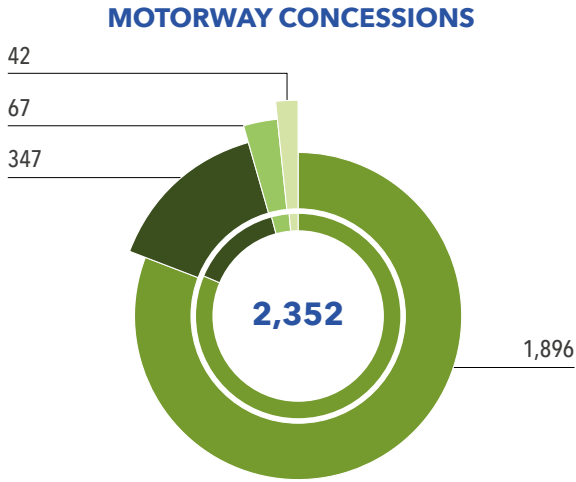
- a study of sector benchmarks, to identify the main activities implemented for Diversity and Inclusion and the main KPIs to monitor over time;
- the creation of an ad hoc survey, to obtain information about Italian employees of the Group regarding Diversity and Inclusion;
- reporting on the KPIs and information requested for the Bloomberg Gender Equality Index (GEI), which the Group adhered to in 2020.

The analysis carried out indicated that over 70% of survey respondents do not feel discriminated against in the workplace and that elements such as (i) assessment of work performance (ii) training and skill development and (iii) healthy work/life balance contribute to creating an increasingly inclusive workplace, free of discrimination.

The performance indicators in the Diversity and Inclusion area are essentially in line with international and reference sector benchmark, historically male-dominated.

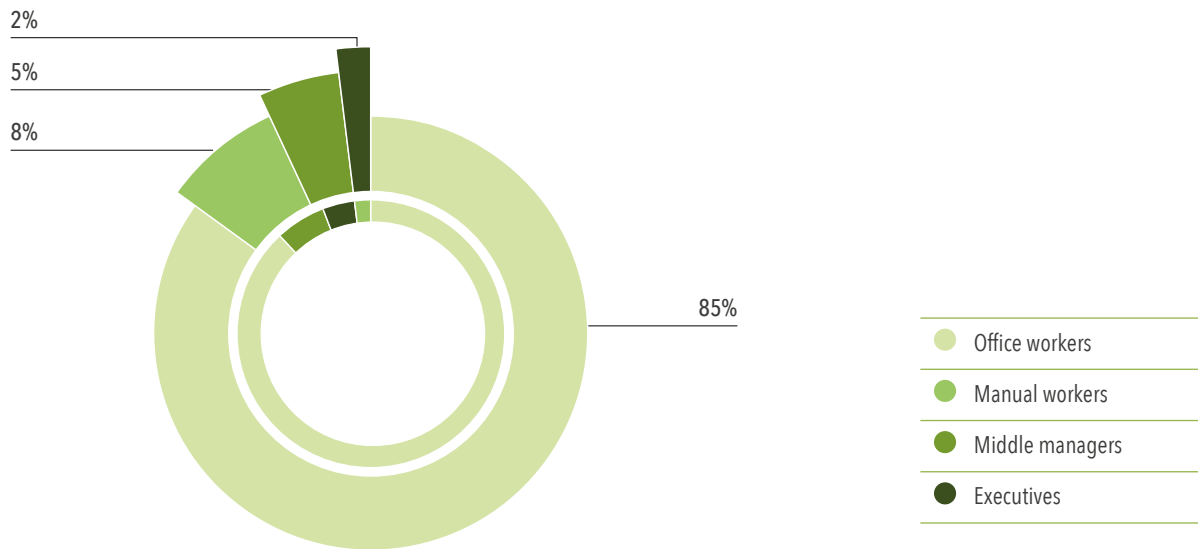
The analysis carried out made it possible to identify strategic areas for development that will help identify concrete objectives to strengthen Diversity and Inclusion governance, integrating them into strategic planning, strengthening the brand's reputation, helping to attract new talent and improving the process of selecting, evaluating and developing talented professionals.

GROUP EMPLOYEES BY EMPLOYMENT CATEGORY AND BUSINESS SEGMENT



● Executives
 ● Middle managers
 ● Office workers
 ● Manual workers

GROUP FEMALE EMPLOYEES BY EMPLOYMENT CATEGORY



GROUP EMPLOYEES BY EMPLOYMENT CATEGORY AND AGE GROUP

NO. OF PEOPLE	AT 31 DECEMBER 2019				AT 31 DECEMBER 2020			
	<30	30-50	>50	Total	<30	30-50	>50	Total
Executives	-	50	127	177	-	45	139	184
Middle managers	8	160	171	339	11	189	191	391
Office workers	288	1,570	1,300	3,158	315	1,772	1,537	3,624
Manual workers	383	1,425	645	2,453	522	1,582	985	3,089
Total	679	3,205	2,243	6,127	848	3,588	2,852	7,288
<i>of which joint operations</i>	437	1,082	211	1,730	315	622	168	1,105

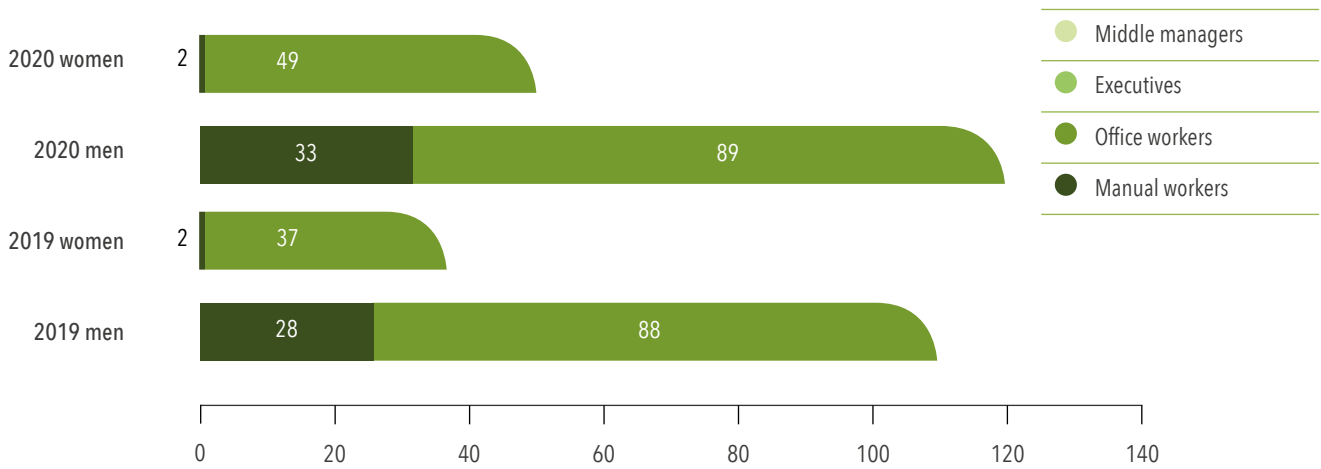
39% of employees are aged over 50 (37% in 2019), 49% aged between 30 and 50 (52% in 2019), and 12% are below 30 (11% in 2019).

The average age of employees is 44 years, slightly lower than the figure the previous year (45 years). Employees in the concessions sector have the highest average age (around 50 years), while employees in the construction segment have the lowest average age (41 years).



44 YEARS
AVERAGE
AGE

GROUP EMPLOYEES IN PROTECTED CATEGORIES



At 31 December 2020, the Group had 173 employees in protected categories (155 in 2019), of whom 51 women and 122 men.

2,917 employees or 40% have been with the company for over 10 years (2,460 employees or 40% in 2019), 2,253 employees or 31% for between 10 and 29 years (1,936 employees or 32% in 2019) and 664 employees or 9% for over 30 years (524 employees or 9% in 2019). These figures confirm the Group’s commitment to long-lasting, solid relationships and investments in its employees.

GROUP EMPLOYEES BY LENGTH OF SERVICE



REMUNERATION AND BENEFITS

ASTM's salary system recognises each person's skills, role and responsibilities within the Group. Salary policies aim to attract and reward new hires with outstanding professional profiles and talent and are designed to increase employee motivation.

Special attention is paid to career paths and appropriate contract categories, with some Group companies also using various salary parameters of national collective bargaining agreements, for example in the motorway concessions sector, to assess employee performance.

Senior management reviews the positions and results of the resources on an annual basis, and consequently, the improvement plans with an impact on contract employment categories and relative changes in salary levels, as part of a wide-ranging, extensive bonus programme.

Since 2017, a variable annual MBO (Management By Objectives) incentive system has been in place. This system establishes objectives to be achieved and rewards individual performance, valuing a sense of belonging to the Group and the contribution of each person in developing its strategy.

In compliance with national collective bargaining agreements adopted by Group companies, supplementary packages are provided that often anticipate existing welfare regulations and supplement provisions recognised by law. These benefits, offered to employees on both full-time and part-time contracts, include:

- supplementary pension policies, which also replace contractual funds
- policies reimbursing medical expenses for employees and their family members, also in addition to that included under the relative national collective bargaining agreement
- Long-Term Care ("LTC");
- special conditions for company microloans, to assist employees with unexpected expenses
- policies and schemes in addition to law and

employment contracts (for example, life and accident insurance policies)

- agreements with trade union organisations for advances/loans to employees at special conditions.

For personnel under the "Motorways and road tunnels" contract, the process of activating assistance through the Welfare and Flexible Benefits system was completed.

The aim of the Remuneration Policy of directors with specific roles and key management personnel is to:

- define salary packages that can: (i) acknowledge the managerial value of persons involved and their contribution to company growth, in relation to their duties and functions; (ii) attract, retain and motivate people with the professional skills and abilities that meet the company's needs;
- align the interests of the executive directors with the priority of creating medium/long-term value for shareholders
- ensure a connection between managers' remuneration and actual Company performance
- promote sustainability in the medium to long term, with a particular focus on the interests of all Stakeholders

In line with the above, short and long term incentive schemes have been established, to promote the attainment of the Company's qualitative and quantitative objectives, thus promoting the loyalty and engagement of resources. Sustainability goals have been introduced to the incentive schemes, also in response to the increasing focus of institutional investors on these topics and in line with the strategic importance of ESG policies.

For more information about the reporting methods, please see refer to the Remuneration Report, available on the ASTM website, in the Governance/Remuneration section.

OBLIGATIONS FOR COMPANIES APPLYING THE NATIONAL COLLECTIVE BARGAINING AGREEMENT FOR CONSTRUCTION WORKERS

The National Collective Bargaining Agreement for staff of Industrial Construction Companies and Similar requires registration with the Construction Workers Fund. This Fund is a joint association bringing together workers' trade unions and employers, set up under collective bargaining for construction industry manual workers, providing benefits and allowances.

Under Legislative Decree 276/2003 as amended, the Fund has public functions, such as the certification of welfare contributions paid by its member companies.

HEALTHCARE SCHEMES

The national collective bargaining agreements applied to employees of the ASTM Group call for the registering of personnel in healthcare funds which supplement the national healthcare system.

ASTM complies with the provisions of these contracts with the firm belief that the services provided by these funds offer a concrete and effective response to employee requirements, complementary to corporate welfare.

FLEXIBLE BENEFITS

The 2016 Stability Law increased tax incentives for companies that provide company welfare services for their employees. At the same time, it re-intro-

duced non-taxation of production bonuses and salary items related to increased performance.

This financial manoeuvre introduced various measures intended to incentivise corporate welfare. The flexible benefits plan covers areas relevant to employees: education (reimbursement of education fees, school fees, study holidays, school books) family care mortgages and loans culture and free time (gyms and sports' associations, baby sitting, vouchers).

WAGE RATIO BY GENDER

For each geographic area and each professional category, **the ratio between the base salary (or remuneration) for women and men** is calculated as the ratio between (i) the arithmetic average of the base salary (or remuneration) for women and (ii) the arithmetic average of the base salary (or remuneration) for men. When calculating the total ratio, professional categories which do not include members of both genders have been excluded, as they would have rendered the ratio algebraically null.

Finally, note that the total ratio may be greater than the ratio for each geographic area/professional category in relation to the gender composition of the various professional categories; for example, in Latin America the total ratio is influenced by a high percentage of men in the manual workers category relative to women who are for the most part office workers, with average salaries higher than those paid to manual workers.

The following tables highlight the ratio between the basic salary of women and men by category and gender³².

³² In order to improve comparability between the information collected by geographic area, before being compared, the values in local currency were translated to USD at purchasing power parities according to the World Bank

RATIO BETWEEN BASIC SALARY³³ OF WOMEN AND MEN BY EMPLOYMENT CATEGORY

	2019					2020				
	Executives	Middle managers	Office workers	Manual workers	Total	Executives	Middle managers	Office workers	Manual workers	Total
Italy	0.82	0.84	0.87	1.24	0.88	0.82	0.85	0.87	1.23	0.88
Latin America	-	-	0.66	0.72	0.98	-	-	0.95	1.00	1.18
United States	0.70	0.85	0.81	1.02	0.93	0.57	0.81	0.75	0.76	1.09
South Africa	-	-	0.75	0.63	0.69	-	-	0.58	0.46	0.56
Rest of Europe	0.66	0.90	0.68	0.31	0.68	0.51	0.67	0.70	0.61	0.77
Middle East	-	0.94	0.55	-	0.63	-	0.52	0.81	-	0.80

RATIO BETWEEN THE REMUNERATION³⁴ OF WOMEN AND MEN BY EMPLOYMENT CATEGORY

	2019					2020				
	Executives	Middle managers	Office workers	Manual workers	Total	Executives	Middle managers	Office workers	Manual workers	Total
Italy	0.80	0.82	0.86	1.20	0.86	0.81	0.86	0.86	1.20	0.86
Latin America	-	-	0.64	0.97	1.26	-	-	0.90	0.97	1.11
United States	0.70	0.83	0.80	1.02	0.78	0.58	0.81	0.75	0.73	0.94
South Africa	-	-	0.69	0.61	0.66	-	-	0.51	0.43	0.54
Rest of Europe	0.66	0.90	0.68	0.31	0.68	0.49	0.68	0.71	0.74	0.81
Middle East	-	0.94	0.52	-	0.61	-	0.59	0.98	-	0.96

The ratio between remuneration of women and men is higher than 1 for Latin America, just under 1 for Italy, the United States, the Rest of Europe and the Middle East, and significantly below 1 for South Africa.

PEOPLE IDENTITY

The People Identify projects continued in 2020, to support cultural change, involvement and organisational well-being for employees, as well as Fragilità, dedicated to caregivers - employees who care for an elderly or non-self sufficient family member.

³³ Basic salary is the fixed minimum amount paid to an employee for the execution of his/her functions

³⁴ Remuneration is the basic salary increased by additional amounts, with reference to MBO and one-off bonuses/awards and any other benefits.



ASTM CHANNEL

In 2020, the #ASTM Channel was begun, a cycle of 10 webinars for all Group employees intended to help share experiences and offer opportunities for reflection and suggestions to better deal with the changes to work caused by the Covid-19 emergency.

MILLENNIALS FOR INNOVATION

During the year, a survey was done which involved over 330 Millennials (those born between 1981 and 1996) in the ASTM Group in Italy, with the aim of identifying strategic drivers to attract and retain these young workers. The aspects identified as most important for Millennials in the Group were developing the structured training programmes, concrete opportunities for career advancement and flexibility in organising work.

To support the sharing of ideas, experiences and expectations of Millennials in the Group with regards to work, sustainability and opportunities for improving daily life within the company, the "Millennials for Innovation" forum was created on the Group intranet #Agorà.

The Forum has four sections:

- **Innovation:** an area in which to discuss innovative ideas for business and processes
- **Sharing:** intended for the sharing of thoughts on initiatives the company could implement to increase its attraction and retention levels.
- **Millennials for social:** used to share charitable initiatives promoted by members
- **Team Building:** used to plan team building events.

Additionally, to strengthen Group identity and develop young employees, initiatives will be promoted to help share experiences between colleagues in various Group companies, including those abroad.

HUMAN CAPITAL DEVELOPMENT

The ASTM Group believes strongly in training for personnel growth and is committed to providing training programmes to build up the professional skills and managerial, technical and professional competencies of its employees.

Group companies also adopt programmes for managing competencies. In this framework, each company has already been mapping the competencies of its employees for several years, requesting employees to compile questionnaires on professional skills with reference to their professional background, including training with previous employees and educational background, as well as specific qualifications certified by training organisations. This mapping, which is reviewed at regular intervals, can be used to immediately identify company positions required, within the broader context of the Group.

Training offered by the various Group companies differs based on specific activities carried out by various company areas and is attributable to the following areas:

- quality: promote the necessary skills to achieve, maintain and improve quality standards defined by each company;
- health and safety: develop the skills to manage safety in the workplace;
- technical/professional: acquire and/or reinforce innovation of technical/professional skills pertaining to the management of the various business segments;
- broad-ranging: develop skills shared by various organisational levels and professional categories (foreign language courses, IT skills, legal updates, soft skills, etc.).





HOURS OF TOTAL AND PER CAPITA TRAINING FOR GROUP EMPLOYEES BY EMPLOYMENT CATEGORY AND GENDER

	2019					
	MEN		WOMEN		TOTAL	
	Training hours	Per capita	Training hours	Per capita	Training hours	Per capita
Executives	1,095	7.0	268	13.4	1,362	7.7
Middle managers	2,535	8.5	243	6.1	2,778	8.2
Office workers	20,094	8.8	6,346	7.2	26,440	8.4
Manual workers	57,841	24.2	806	12.6	58,647	23.9
Total	81,565	15.9	7,663	7.7	89,227	14.6

	2020					
	MEN		WOMEN		TOTAL	
	Training hours	Per capita	Training hours	Per capita	Training hours	Per capita
Executives	1,214	7.5	380	17.3	1,594	8.7
Middle managers	2,104	6.2	162	3.0	2,266	5.8
Office workers	16,103	6.2	4,453	4.4	20,556	5.7
Manual workers	26,371	8.8	393	4.0	26,764	8.7
Total	45,792	7.5	5,388	4.6	51,180	7.0

During 2020, approximately 554 thousand training hours were delivered for employees and collaborators of the Group. In particular, over 51 thousand hours of training were provided to employees. A decrease in training hours provided to manual workers was seen, due to a drop in construction activities during the first half of the year because of the Covid-19 emergency, in particular in Brazil. In 2020, 54% of total hours were focused on specific training programmes on health and safety, 24% on technical operating sector-specific training, 14% on issues relating to the environment and 2% on training relative to Italian Legislative Decree 231.

High numbers were recorded for the training hours provided to Group collaborators. Over 503 thousand hours were recorded, most of which were provided in the Itinera Ghantoot joint operation on health and safety.

S.I.N.A. TECHNICAL TRAINING

During 2020, the ASTM Group organised opportunities for employee training, working to deal with important technical aspects for the sector to promote safety and environmental sustainability in terms of design, construction and infrastructure operation among the Group's technicians and workers.

When selecting trainers, experts within the ASTM Group were made use of and favoured, with the addition of contributions from authoritative representatives from the government (members of the Ministry of the Environment and Sea Protection), from the academic world (Politecnico di Milano, Università di Roma "La Sapienza") and experts from the sector (ANAS).

Based on a specific agreement that S.I.N.A. signed with the Milan Order of Engineers for the year 2020, training allowed participants to also acquire professional training credits. In particular, technicians obtained a total of 1,367 engineering training credits, the amount required to maintain the qualifications for 92 engineers employed by the Group.

Below are some examples of training events.

- I. During the seminar on "Digitalising the construction sector", national and international regulations were discussed, with conversations also including more technical aspects such as structural modelling, systems, architecture and Building Information Modelling (BIM). The initiative saw over 130 people participate.
- II. The seminar on "Infrastructure assets: monitoring works, technologies and action plans to maintain efficiency" offered a change for over 150 participants to share their views with experts from the European Commission, the MIT and the municipality of Milan, on monitoring and safely managing infrastructure assets.

INFORMATION AND TRAINING ON SUSTAINABILITY ISSUES

During 2020, the training and information on environmental issues continued for personnel (climate change, workplace health and safety, integrating sustainability into business and sustainable finance), with a particular focus on the Group sustainability policies which were initiated in 2019.

In particular, training was provided through e-learning to 839 expatriate executives, middle managers and office workers of the Group within the Italy perimeter.

HUMAN RIGHTS

ASTM endeavours to ensure that human rights are respected along the entire value chain. To strengthen its commitment to human rights, also considering the Group's international development, ASTM and the main operating subsidiaries adopted a specific Human Rights Policy, inspired by international standards such as the Universal Declaration of Human Rights and the Fundamental Conventions of the ILO (International Labour Organization), the ILO Declaration on Fundamental Principles and Rights at Work, the Guiding Principles on Business and Human Rights of the United Nations, the Principles of the United Nations Global Compact and the OECD Guidelines for Multinational Enterprises.

During 2020, Umberto Tosoni, the CEO of ASTM, signed the Italian version of the CEO Guide for Human Rights issued by the World Business Council for Sustainable Development (WBCSD), presented during the CSR and Social Innovation Salon.

During 2020, ASTM also obtained the SA8000 certification, a voluntary verifiable standard based on the Universal Declaration of Human Rights, ILO documents and other domestic and international norms on human and employment rights, to develop and protect individuals following under the control and influence of the organisation.



HEALTH AND SAFETY

The material issues of primary importance for the ASTM Group include the health and safety of workers, which is protected by all Group companies with the aim not only of respecting laws, but of undertaking at all times to improve working conditions.

This commitment has resulted in policies and occupational health and safety management systems being adopted to ensure that each employee is in a suitable working environment, which does not pose hazards and provides working conditions that respect the individual. In particular, around 40% of employees in the construction sector are covered by an ISO 45001 certified Occupational Health and Safety Management System. The remaining 60% are covered by uncertified Health and Safety Management Systems, which will be aligned to that of Itinera S.p.A. as part of the ongoing long-term improvement programme.

For the other business segments of the Group, all workers from the main operating companies are covered by Health and Safety Management Systems that are certified or in the process of being certified (see licensee companies net of S.A.T.A.P., Autovia Padana, SALT and A.T.I.V.A. already certified ISO 45001).

In addition, employees are protected by spreading a culture of safety, encouraging responsible behaviour, as well as monitoring and assessing hazardous situations.

A considerable number of solutions have been adopted in the construction sector to ensure the health and safety of employees, as they are more exposed to risks in their day-to-day activities.

Itinera's injury and near miss management procedure makes it possible to collect useful data for protecting the health and safety of employees and subcontractors.

The data refer to cases of:

- Near misses: events that have no consequences on people or objects but have the potential to cause an injury;
- First Aid Injuries: health intervention that does not require equipment or particular training

(first aid officer). In this case, no working days are lost;

- Medical Treatment: health intervention by qualified healthcare personnel (doctor, nurse, paramedic). In this case, no working days are lost;
- Restricted workdays: any event that translates to a person's inability to carry out his/her normal job and that leads to the employee's assignment to a temporarily lighter workload. In this case, no working days are lost (not applicable in Italy);
- Injuries with serious consequences: an accident from which the worker cannot or is not expected to fully recover to his/her pre-accident state of health within 6 months.

In relation to the processes intended to facilitate workers' participation in the Occupational Health and Safety Management Systems and in order to provide access and communicate relevant information in this respect for the concessions sector a specific course named "Occupational Health and Safety Management System" was inserted into the usual training projects involving all personnel, and in particular workers in the collection and traffic department. Through various topics, the course covers policy, manual and procedures relating to the activities of the learners, reporting modules and the importance of reporting any injuries or near misses.

As part of the 45001 Management System, a specific reporting module was established for the engineering sector, through which each worker can communicate/report information about health and safety in the workplace, participating in the implementation/application of the system.

Relative to the existence of formal joint management/staff committees for health and safety, in the concession sector specific commissions were planned and created during the year, which include: the coordinator, appointed by the Employer, the Safety Manager (RSPP), Safety Officers, Workers' Safety Representa-

tives (RLS), and the Emergency Team Manager (RSE). The meetings are organised in order to assess and determine any interventions/activities that may be necessary to improve the safety standards.

There are no formal joint management-employee committees for the other sectors. However, the pro-

visions of the law in relation to the activities of Workers' Safety Representatives (RLSs) are put in place and constant periodic dialogue takes place between the Safety Manager and the Workers' Representatives.

INJURIES AND OCCUPATIONAL DISEASES INVOLVING GROUP EMPLOYEES BY GENDER

NO. OF CASES	2019			2020		
	Men	Women	Total	Men	Women	Total
Occupational diseases	3	-	3	1	-	1
Injuries	116	13	129	103	9	112
<i>of which with prognosis > 6 months</i>	2	-	2	2	-	2
<i>of which fatal</i>	-	-	-	-	-	-

With reference to the 2 injuries with a prognosis greater than six months, recorded in 2020, both occurred in the workplace.

Over the course of 2020, 19 cases of medical treatment for Group employees, 45 first aid injuries and 47 near misses were also recorded. Meanwhile, 11 cases of medical treatment, 90 first aid injuries, 15 near misses and 9 restricted workday cases were recorded for Group collaborators.

TYPE OF INJURIES INVOLVING GROUP EMPLOYEES BY GENDER

NO. OF CASES	2019			2020		
	Men	Women	Total	Men	Women	Total
Work-related injuries	112	13	125	99	9	108
<i>Injuries while travelling to and from work using company vehicles</i>	4	-	4	4	-	4
Total	116	13	129	103	9	112

During 2020, 112 injuries were recorded, most of which at the workplace, with over 15 injuries while travelling to and from work in employees' own vehicles (129 injuries and 11 injuries while travelling to and from work in 2019). Additionally, 21 work-related injuries for male collaborators were recorded (17 in 2019, including 1 while travelling to and from work) and 1 for female (0 in 2019), of which none with a prognosis greater than six months and/or fatal, and 1 injury while travelling to and from work using own vehicle, were also recorded.

ABSENCES AND LOST DAYS FOR GROUP EMPLOYEES BY GENDER

NO. OF DAYS	2019			2020		
	Men	Women	Total	Men	Women	Total
Absences ³⁵	31,895	7,767	39,662	49,502	11,240	60,742
<i>of which joint operations</i>	560	94	654	7,292	192	7,484
Lost days ³⁶	3,099	331	3,430	3,234	396	3,630
<i>of which joint operations</i>	968	-	968	825	-	825

Days of absence went from 39,662 in 2019 to 60,742 in 2020, recording an increase of over 53%. This is connected to a higher absentee rate, which went from 3.26% in 2019 to 3.77% in 2020. Absences and days lost both increased due to Covid-19. In 2020, 11,036 thousand hours were worked by Group employees (9,893 thousand hours in 2019), of which 9,408 thousand hours by men (8,427 thousand hours in 2019) and 1,628 thousand hours by women (1,465 thousand hours in 2019). In 2020, 10,329 thousand hours were worked by collaborators (9,134 thousand hours in 2019), of which 10,281 thousand hours by men (9,104 thousand hours in 2019) and 48 thousand hours by women (30 thousand hours in 2019).

GROUP EMPLOYEE HEALTH AND SAFETY INDICATORS BY GENDER

	2019			2020		
	Men	Women	Total	Men	Women	Total
Lost day rate ³⁷	0.36	0.21	0.34	0.29	0.21	0.28
Occupational disease rate ³⁸	0.07	-	0.06	0.02	-	0.02
Absentee rate ³⁹	3.09	4.23	3.26	3.61	4.71	3.77

	2019			2020		
	Men	Women	Total	Men	Women	Total
Rate of fatalities as a result of work-related injury ⁴⁰	-	-	-	-	-	-
High-consequence work-related injury rate ⁴¹	0.24	-	0.20	0.21	-	0.18
Recordable work-related injuries rate ⁴²	13.77	8.87	13.04	10.95	5.53	10.15

³⁵ Absence means the days when the worker was absent, not only due to illness or an injury. Days of absence do not include agreed on leave such as holidays, study leave, maternity or paternity leave

³⁶ Lost days mean days when work was not carried out due to the worker not being able to carry out his/her usual work because of an accident in the work place or an occupational disease. Resuming work with limited or alternative duties carried out for the same organisation is not considered a lost day

³⁷ The lost day rate is the ratio between the total number of lost days through occupational injuries and diseases and the total number of hours that could be worked in the same period, multiplied by 1,000 (GRI 403 (2016))

³⁸ The occupational disease rate is the ratio between the total number of cases of occupational disease and the total of hours worked in the same period, multiplied by 200,000 (GRI 403-2 (2016))

³⁹ The absentee rate is the ratio between the total days of absence and the total working days in the same period, multiplied by 100 (GRI 403-2 (2016))

⁴⁰ The rate of fatalities as a result of work-related injury is the ratio between the number of deaths resulting from injuries at work and the number of hours worked, multiplied by 1,000,000 (GRI 403-9 (2018))

⁴¹ The high-consequence work-related injury rate (excluding deaths) is the ratio between the number of injuries at work with serious consequences (excluding deaths) and the number of hours worked, multiplied by 1,000,000 (GRI 403-9 (2018))

⁴² The recordable work-related injuries rate is the ratio between the number of recordable injuries at work, excluding injuries while travelling to and from work using own vehicles, and the number of hours worked, multiplied by 1,000,000 (GRI 403-9 (2018))



GROUP COLLABORATOR HEALTH AND SAFETY INDICATORS BY GENDER

	2019			2020		
	Men	Women	Total	Men	Women	Total
Rate of fatalities as a result of work-related injury	-	-	-	-	-	-
High-consequence work-related injury rate	-	-	-	-	-	-
Recordable work-related injuries rate	1.87	-	1.86	2.04	-	2.03



Material topic:

OCCUPATIONAL HEALTH AND SAFETY

Area of Leg. D. 254/2016:
EMPLOYEE RELATED THEMES



Main sustainability risks associated:

- Compliance risks and risks related to ethical behaviour;
- Risks related to the supply chain and subcontracting.

Summary of main management and mitigation actions:

- the “Code of Ethics and Conduct” and “Compliance Programme pursuant to Legislative Decree 231/01” (hereafter “Model 231”) adopted by ASTM and its significant operating subsidiaries, including specific operating procedures monitoring compliance with the provisions in the Consolidated Health and Safety at Work Act (Italian Legislative Decree no. 81/08);
- occupational health and safety management systems in line with applicable best practices
- specific health and safety training and prevention programmes, to reduce injuries, guarantee a safe working environment, and promote and encourage virtuous behaviour in the workplace
- Suppliers’ Code of Conduct that establishes the behaviour to adopt in dealings with suppliers and business partners.

With a view to continual improvement, the Group promotes the harmonisation of occupational health and safety policies within each business segment, also through the adoption of an Integrated Quality, Safety and Environmental Management System, in line with applicable international standards.

TRANSPARENCY IN THE SUPPLY CHAIN: SUBCONTRACTORS

The health and safety information required by the reporting standards used by the Group, GRI Standards, refers to all workers, employees or otherwise, whose work and/or workplace is controlled by the organisation.

With a view to continuous improvement and in order to provide more information about the value chain, Itinera has implemented, on a voluntary basis, a system to collect information about subcontractors regardless of whether the organisation controls the work and/or workplace.

The data reported in this Report refer to the subcontractors of Itinera S.p.A., within the Italian remit.

Information such as the number of workers employed, the number of hours worked, the number of injuries and the hours of training provided, is collected to guarantee Itinera increased monitoring over the working standards of the subcontractors.

As at 31 December 2020, 584 workers of subcontractor firms, of which 574 men and 10 women, worked at the Itinera work sites in Italy. The overall hours worked totalled 795,532 thousand.

Details of subcontractor injuries are shown below.

NO. OF SUBCONTRACTOR CASES	2019			2020		
	Men	Women	Total	Men	Women	Total
Work-related injuries	9	-	9	13	-	13
Injuries while travelling to and from work using company vehicles	-	-	-	-	-	-
Medical treatment	1	-	1	1	-	1
First aid injuries	1	-	1	4	-	4
Near misses	4	-	4	5	-	5

There were no fatal injuries. In 2020, 4,298 hours of training were provided to the subcontractors of Itinera S.p.A. in Italy.

WORK SITE SAFETY

Itinera has developed and gradually adopted an Integrated Management system with a specific focus on controlling safety at all operating sites (work sites, head offices, warehouses and plants). Further improvements to performance were made, also thanks to experience gained including international contracts with high standards, required by customers such as the Reem Mall in Abu Dhabi and the Storstrøm Bridge in Denmark.

Significant achievements were accomplished thanks to implementation of a proactive skills, training and awareness programme on health and safety. As of the 2018 financial year, the workers of both Itinera and the subcontractor firms have been subject to *toolbox talks*, informal conversations that take place in the work site at frequent intervals. They contribute to discussion of safety issues, guaranteeing that the multinational workforce is prepared to face any hazardous situations that may arise in the workplace. These activities are coordinated by the Safety Manager (RSPP) and the Safety Officers (ASPP) of the projects. These moments facilitate workers' participation and their consultation as part of the development, implementation and assessment of the occupational health and safety management system and provide access to relevant information about occupational health and safety.

This approach helps to improve workers' level of awareness about the measures and working methods required to guarantee that these risks be reduced to the minimum and managed efficiently.

Moreover, the Management Systems Department conducts inspections and audits of operating areas, on a regular basis, in order to analyse the implementation and application status of the Management System, as well as the implementation status of actions to manage non-conformities concerning safety, environment and quality issues. The results of these audits are recorded in audit reports and system records, and any findings (non-conformities, observations and comments) are managed through documented action plans.

In 2020, 16 internal audits were performed, of which 9 at operating units and 7 at management offices, as

well as 13 inspections/training meetings. As a consequence of these activities, 6 non-compliances, 10 observations and 40 recommendations resulted.

The main non-compliances involve audits carried out with regards to regulatory compliance and were immediately taken on to be resolved.

On the other hand, the minor non-compliances and observations identified issues with regards to a requirement to check operating documents. For this reason, the area which can be most improved is that of document management by operating control.

The recommendations also identified a need to verify application of operating controls and the need for operational/regulatory compliance, and should be implemented without difficulty by the operating units.

2 external audits were carried out abroad by the certification entity as part of the renewal of Itinera's certifications, from which recommendations mainly resulted. Due to the health emergency, foreign travel was extremely difficult and, consequently, the number of supplier audits was much lower than the previous year (7 audits performed), and it was not possible to carry out the scheduled internal QSA audits.

Operating control and regulatory control are highly relevant in Italy. Overseas, on the other hand, the focus is mainly on monitoring the application of the Integrated Management System on a voluntary basis.

In the current year, supervisory bodies (local health authority - ASL, national labour inspectorate - ITL, specifically) conducted 17 health and occupational safety inspections in the Italian work sites (construction and motorway maintenance), with inspection reports issued and only one complaint and/or sanction issued against Itinera. No permanent provisions were issued by the entities and/or supervisory bodies.

In addition, in the Storstrøm Bridge project, the contract requires that quality audits be performed on the main suppliers. In order to ensure effective and efficient monitoring, these audits are also extended to environment and safety aspects.

As regards the Reem Mall project, senior management from Itinera and the customer agreed on the "Safety Leadership Site Tour", an on-site meeting between the contractor's safety department managers (Itinera and Ghantoot), the customer's consultant (4See) and the Middle East Manager of the PMC (Mace), with the aim of identifying any critical organisational situations in the management of safety aspects and providing indications and suggestions to resolve them. Due to the situation created by Covid-19, and the consequent border

closure by the government of the United Arab Emirates, only one occurred.

For the sectors other than construction, though the risk of serious injury or occupational disease is minimal, the appropriate checks for health and safety risk assessment, the accident survey and the necessary channels for training and reporting any irregularities are active as part of the respective Health and Safety Management Systems.



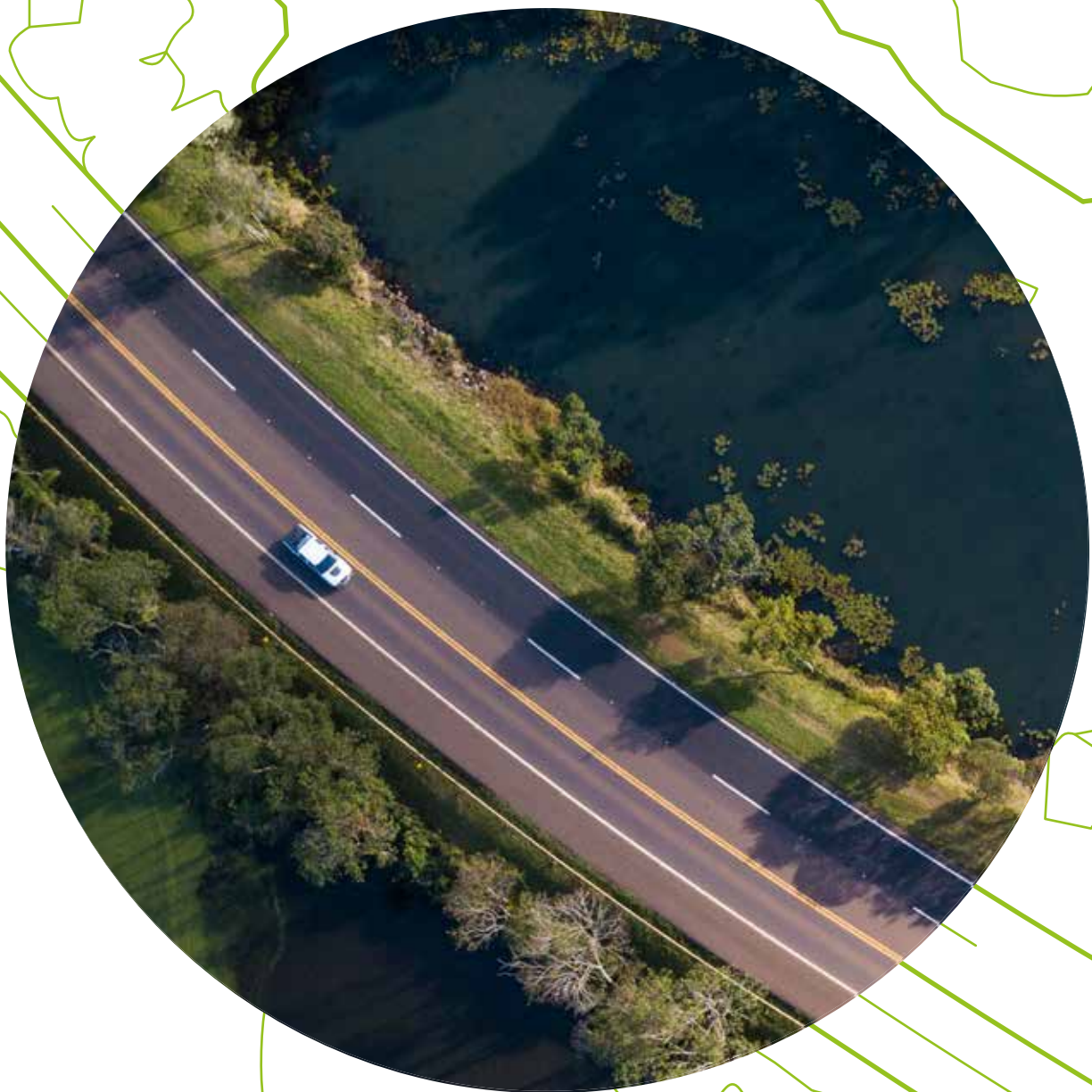
PROMOTION OF WORKER HEALTH

As part of health monitoring for the concessions sector, the companies - in agreement with the workers' safety representatives - have decided to promote, using benefits activated the previous year, an awareness and prevention campaign for a number of significant illnesses. In addition, the licensee companies, through the external company that oversees the workers' health monitoring activities, provide all their employees, including their household with spouses and dependent children, the possibility to receive diagnostic and instrumen-

tal outpatient healthcare services, with short waiting times and subsidised prices, at multiple partner structures.

The engineering sector has a healthcare policy for all personnel which provides for the reimbursement of medical expenses.

For the construction and technology sectors, there are currently no ways to subsidise workers' access to medical and healthcare assistance services unrelated to work, above and beyond those required by law.



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04

OUR RESPONSIBILITY TOWARDS THE ENVIRONMENT

- 131** Management of environmental issues
- 132** Use of resources
- 138** Waste
- 140** Noise management
- 141** Protection of the local area, reduction in land use and protection of biodiversity

CONTEXT

The UNEP (United Nations Environment Programme) reports that the global use of material has tripled over the last four decades, and that the quantity of extracted materials went up from 22 billion tonnes in 1970 to 50 billion tonnes in 2010. This growth also reflects use per capita of resources: on average a person uses 10 tonnes of resources each year⁴³. In many countries, industrial sectors are evolving towards a greater efficiency and reduced energy intensity: generally, CO₂ emissions per unit produced are on the decrease.

Global greenhouse gas emissions from developed countries decreased by 6.5% from 2000–2018⁴⁴. The Power Purchase Agreements grew

by 18% in 2020, reaching a total of around 23.7 GW estimated capacity: this value has quadrupled compared to the one recorded in 2017⁴⁵. To achieve the goal of limiting global warming to well below 2°C and hopefully limiting it to the 1.5 °C defined in the Paris Agreement, an annual 7.6% reduction in greenhouse gas emissions is necessary starting in 2020. Nonetheless, despite the drastic reduction in human activity caused by the Covid-19 crisis, the 6% decline in emissions forecast for 2020 is less than the objective, and it is expected that emissions will once again increase when restrictions are removed⁴⁶. In addition, average temperatures are continually increasing, the sea level is rising and extreme weather events are increasing in frequency and intensity.



⁴³ United Nations Environment Programme (UNEP), Global material flows and resource productivity, 2016

⁴⁴ United Nations, The Sustainable Development Goals Report, 2020

⁴⁵ BloombergNEF, 2021

<https://about.bnef.com/blog/corporate-clean-energy-buying-grew-18-in-2020-despite-mountain-of-adversity/>

⁴⁶ United Nations (UN), The Sustainable Development Goals Report, 2020

MANAGEMENT OF ENVIRONMENTAL ISSUES

ASTM and its main operating subsidiaries have adopted a Model 231 and implemented operational controls to guarantee conformity to applicable environmental regulations.

With an eye to continuous improvement, various companies, joint operations and branches have implemented an ISO 14001 certified Environmental Management System. This system establishes specific management procedures for the continual improvement of company performance.

Group companies operating in the technology sector and construction industry have also developed an integrated management system to guarantee that all applicable safety, health and environmental laws have been identified and evaluated and that all necessary measures to guarantee the legal compliance of all operating units have been taken.



14 COMPANIES
2 ITINERA BRANCHES OVERSEAS
1 JOINT OPERATION
ISO 14001 CERTIFIED

COMPLIANCE WITH ENVIRONMENTAL LAWS AND REGULATIONS

No significant sanctions were administered to Group companies during 2020, due to failure to observe environmental laws and regulations.

USE OF RESOURCES

ENERGY CONSUMPTION

In 2020, the energy consumption of the ASTM Group totalled over 1,240 thousand GJ (1,012 thousand GJ in 2019), up by 20% compared to the previous year. This change is mainly attributable to the significant increase in electricity consumption by the joint operations Itinera Ghantoot and Arge H51 and the additional operations in the United States. In particular, electricity consumption totalled around 527 thousand GJ (415 thousand GJ in 2019), diesel fuel came to over 477 thousand GJ (359 thousand GJ in 2019) and natural gas came to over 101 thousand GJ (92 thousand GJ in 2019), up

slightly with respect to the previous year. Additionally, in 2020 consumption of diesel to produce electricity from generators came to around 49 thousand GJ (45 thousand GJ in 2019), of fuel to around 42 thousand GJ (58 thousand GJ in 2019), heating fuel came to around 26 thousand GJ (23 thousand GJ in 2019) and fuel oil totalled around 12 thousand GJ (12 thousand GJ in 2019). Consumption of electricity self-produced from renewable sources, net of the portion sold and sent to the grid, was around 3,094 GJ, with LPG at around 3 thousand GJ (4 thousand GJ in 2019) and, finally, around 550 GJ (1 thousand GJ in 2019) of ethanol was consumed.

ENERGY CONSUMPTION OF THE GROUP⁴⁷

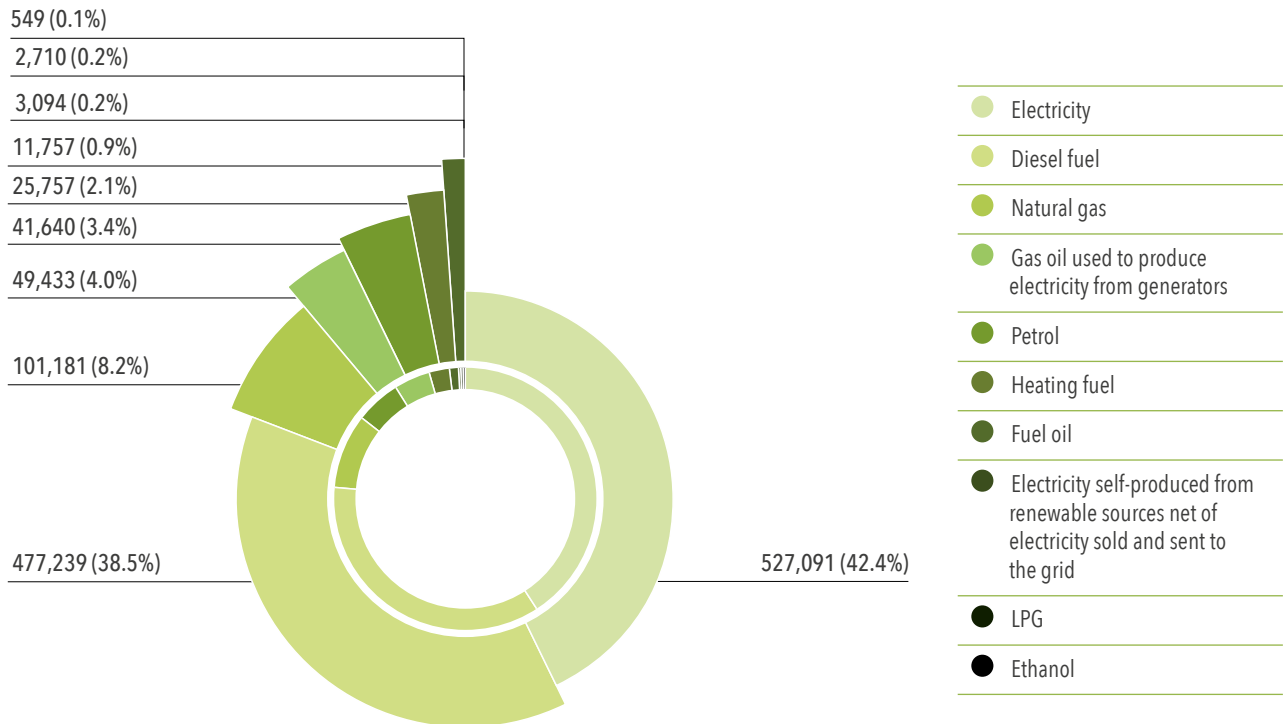
SOURCE	2019	2020
	Total	Total
Electricity purchased	115,152	146,414
<i>Electricity purchased from renewable sources [kWh/000]</i>	12,703	19,479
<i>Electricity purchased from non-renewable sources [kWh/000]</i>	102,449	126,935
Electricity self-produced from renewable sources [kWh/000]	1,065	1,197
Electricity sold and put on the grid [kWh/000]	569	338
Natural gas (m ³ /000)	2,582	2,829
Heating fuel [l/000]	639	709
Diesel fuel [l/000]	10,206	13,549
Gas oil used to produce electricity from generators [l/000]	1,245	1,360
Fuel oil [l/000]	350	334
Petrol [l/000]	1,761	1,269
LPG [l/000]	185	111
Ethanol [l/000]	29	17

Total electricity used was over 142,273 thousand kWh. Electricity used coming from renewable sources amounted to 20,338 thousand kWh, of which 19,479 thousand kWh acquired from renewable sources and 859 kWh self-produced from renewable sources, net of amounts sold and transferred to the grid.

⁴⁷ Some data related to energy consumption are the result of estimates

ENERGY CONSUMPTION OF THE GROUP BY SOURCE

(values in GJ)



ENERGY SAVING IN THE CONTEXT OF UPGRADING PUBLIC LIGHTING

Environmental stewardship and protection is also achieved through a rational use of resources and this is why actions to rationalise the energy consumption of public lighting systems is an important measure. Euroimpianti is the Group company that manages plant engineering projects in captive and extra-captive markets. Its main activities involve the planning, development and maintenance of high technology systems. In this context, Euroimpianti has developed a number of activities as part of Energy Saving projects to re-qualify public lighting systems in order to reduce energy consumption, light pollution and improve performance thanks to LED lighting. Moreover, actions will include:

- the use of latest technologies applied to public lighting to increase system use through remote management and integration with the network of IT services for users, CCTV and Wi-Fi (Smart City);
- the development of projects for energy efficiency in ESCo (Energy Service Company) mode, with a consequent decrease in primary energy consumption with the same volume of final services; in 2019 the upgrading of the public lighting system in the municipality of Piosasco was acquired through the new ESCo contract;
- the development of competencies for the planning and construction of buildings with a reduced primary energy consumption, using low environmental impact technologies, also with LEED (Leadership in Energy and Environmental Design) classification.

ENERGY EFFICIENCY PLAN ON MOTORWAY STRETCHES

With reference to the motorway sector, all licensee companies of the Group are implementing an energy efficiency plan through the adoption of new generation technologies on par with the most advanced sustainability performances.

In this regard, throughout 2020, works to modernise the lighting systems located in the motorway areas continued, mainly in the tunnels, parking laybys, junctions and toll booths.

The process of adjusting to the standards established under Italian Legislative Decree 264/06 continued for 47 tunnels of over 500 metres located through the areas managed by the Group and included under the European Transport Network (TEN). An automation project is being implemented for the "Tunnel System", which, thanks to the coordinated management of the numerous systems, will allow for a significantly more efficient control of energy consumption.

The project involves all ASTM Group galleries longer than 500 metres, falling under Italian Legislative Decree 264/06. Initial application occurred in the Roreto tunnel on the Asti-Cuneo stretch, and applications are currently under way in certain tunnels along the A6 Torino-Savona stretch.

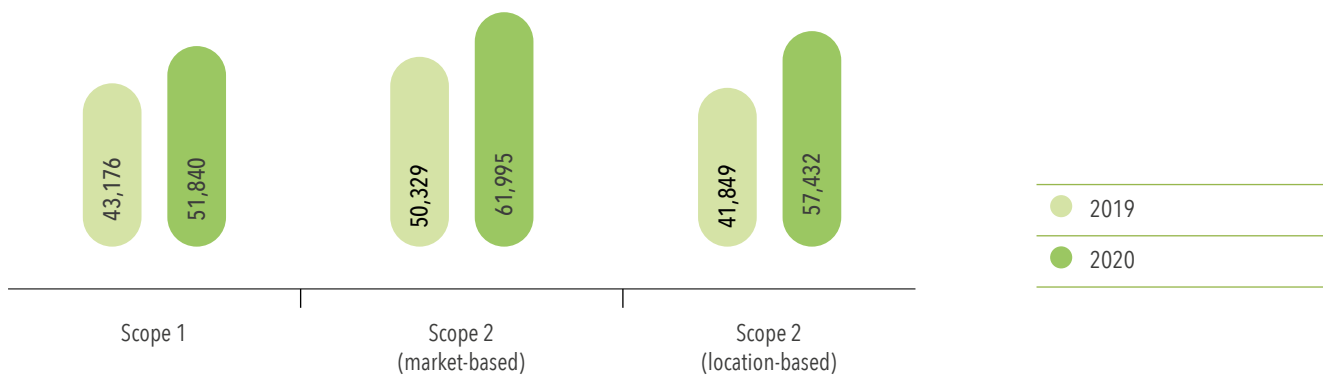
SINA S.p.A. is involved in projects to adjust the lighting systems scheduled by Group licensee companies, also for tunnels not falling under the scope of Italian Legislative Decree 264/06, for motorway junctions, service areas and toll stations. These adjustments have the main objectives of complying with regulations and improving energy efficiency. Efficiency is obtained through installation of LED lighting which consumes less energy, as well as allowing the installation of radio-wave regulation systems. By requiring a management method which aims for use only when lighting is effectively needed in the design, an additional advantage is obtained through the reduction of energy consumption, in combination with the already lower consumption deriving from the use of lighting which consumes less energy.

In line with the provisions of the 2017-2021 Sustainability Plan, the energy efficiency plan on the motorway stretches continued through the use of LED technology to replace the traditional light sources mainly in tunnels and at junctions. In particular, between 2017 and 2020 over 14 thousand lamps were replaced in tunnels.

EMISSIONS

In 2020, the direct emissions of CO₂e (Scope 1⁴⁸) were equal to around 51,840 tonnes of CO₂ (43,176 tonnes of CO₂ in 2019), while indirect emissions (Scope 2⁴⁹) were equal to around 61,995 tonnes of CO₂ (market-based, 50,329 tonnes of CO₂ in 2019) and around 57,432 tonnes of CO₂ (location-based, 41,849 tonnes of CO₂ in 2019).

TOTAL DIRECT EMISSIONS (SCOPE 1) [tCO₂] AND INDIRECT (SCOPE 2) [tCO₂]⁵⁰



2020 ENERGY SAVING INITIATIVES

The main initiatives for energy savings adopted by the Group companies during 2020 include:

- the replacement of lights in tunnels with LED solutions by Autostrada dei Fiori S.p.A., which produced an energy saving of around 725,000 kWh in the Orco, Bracciale and Montegrosso tunnels;
- the replacement of SAP lights in tunnels with LED solutions at the Castagnito junction by Autostrada Asti-Cuneo S.p.A., which produced an energy saving of around 65,800 kWh;

⁴⁸ Scope 1 (direct emissions): this category includes emissions from own sources or sources controlled by the organisation

⁴⁹ Scope 2 (indirect emissions): this category includes emissions inferred from electricity use. Scope 2 emissions are expressed in tonnes of CO₂, however the % of natural gas and nitrous oxide had a negligible effect on total greenhouse gas emissions (CO₂ equivalent) as may be inferred from the technical literature

⁵⁰ Source of conversion factors used: DEFRA 2020

Source of emission factors used: TERNA 2020 and AIB 2019

WATER CONSUMPTION

In 2020, the companies of the ASTM Group consumed a total of around 427 megalitres (ML) of water (473 ML in 2019).

In particular, around 56% (53% in 2019) of water consumption refers to third party water⁵¹, 31% (11% in 2019) to surface water, around 12% (37% in 2019) to ground water and around 1% to see water (none in 2019).

GROUP WATER CONSUMPTION ⁵²

(values expressed in ML)

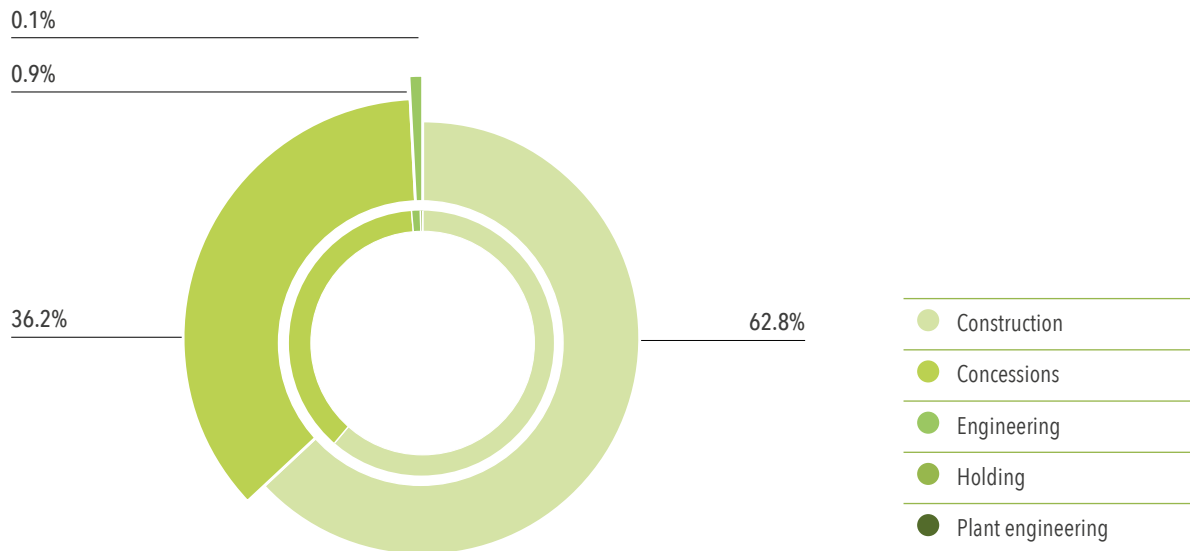
	2019		2020	
	All areas	Areas with water stress	All areas	Areas with water stress
Surface water	50	46	131	116
<i>fresh water</i>	35	30	81	66
<i>other types of water</i>	15	15	50	50
Ground water	173	98	51	51
<i>fresh water</i>	103	28	9	9
<i>other types of water</i>	70	70	42	41
See water	-	-	3	3
<i>fresh water</i>	-	-	-	-
<i>other types of water</i>	-	-	3	3
Water produced	-	-	-	-
<i>fresh water</i>	-	-	-	-
<i>other types of water</i>	-	-	-	-
Third party water	250	179	242	203
<i>fresh water</i>	123	52	112	77
<i>other types of water</i>	127	127	130	126
Total third-party water withdrawal by withdrawal source		179		203
<i>surface water</i>		93		160
<i>ground water</i>		15		43
<i>see water</i>		6		-
<i>water produced</i>		65		-
Total water withdrawal	473	323	427	373
<i>of which joint operations</i>	256	110	212	173

⁵¹ "Third party water" means water supplied by aqueducts, municipal waste water treatment plants, public or private services or other organisations involved in the supply, transport, treatment, disposal or use of water

⁵² Some data related to water consumption are the result of estimates

WATER CONSUMPTION OF THE GROUP BY BUSINESS SEGMENT

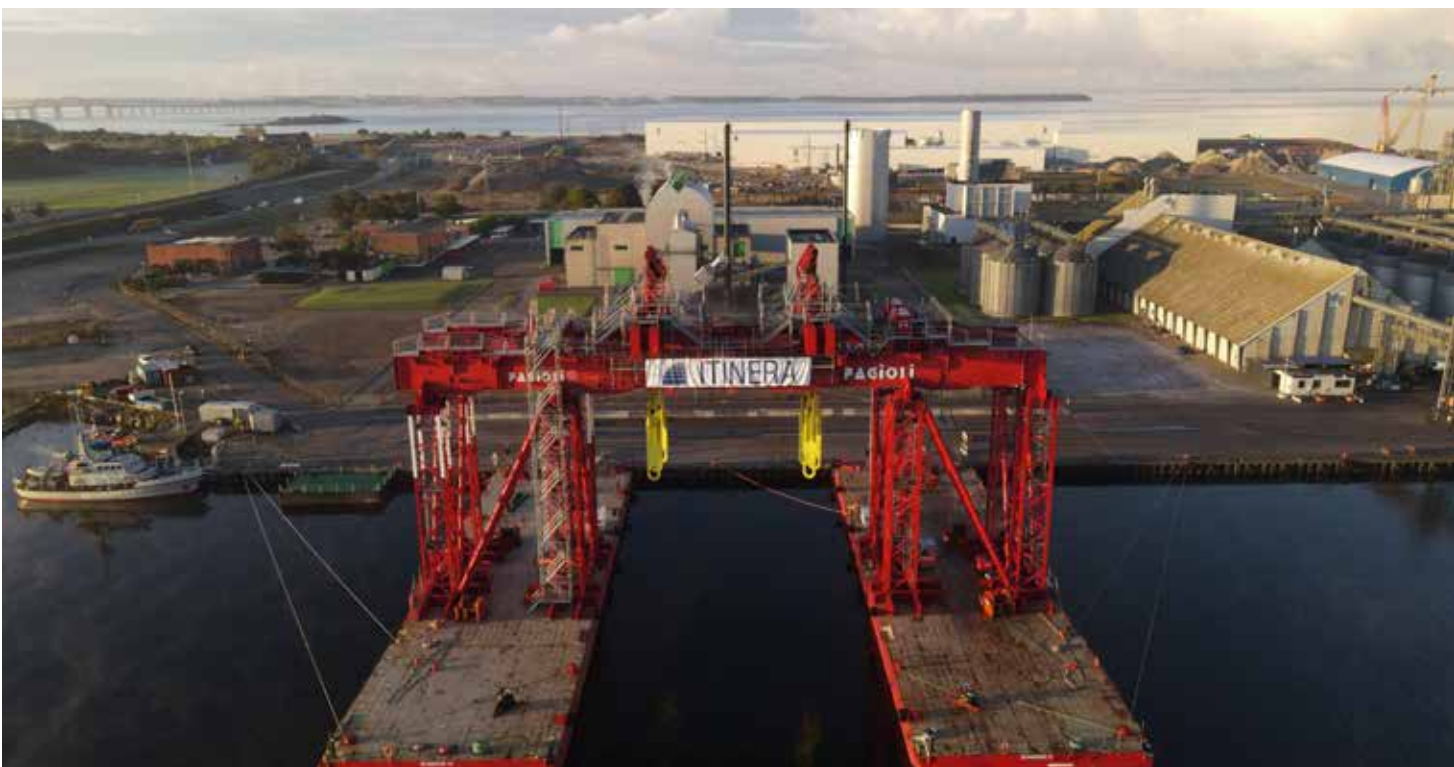
(percentages expressed in ML)



As shown in the graph, around 63% of water consumption refers to the construction sector (61% in 2019). In particular, water is mainly used at work sites, with consumption of 268 ML (288 ML in 2019).

Regarding the concessions sector, where water is mainly used during maintenance projects, water consumption totalled 154 ML (177 ML in 2019), accounting for approximately 36% of the Group's total consumption (37% in 2019).

On the other hand, water use for the engineering, technology and other sectors is significantly lower: it came to a level of 5 ML, or 1% of the Group's total consumption (7 ML, 2% of the Group's total consumption in 2019), mainly intended for use at the operating sites.



WASTE

In line with the Group's policies, waste produced is recycled where possible, otherwise it is disposed of at the most suitable sites depending on the type of waste. The Group's policy on waste management aims to guarantee sustainable waste management, while increasing the percentage of recycled waste and ensuring a responsible management of hazardous waste.

The type of waste produced varies, due to the different nature of the Group's business segments. Most waste is produced by the construction sector (98.5% of the total), followed by the engineering, technology and other sectors with 0.9% of production and lastly concessions, which only produce around 0.6% of the total waste. The percentage of waste attributable to the licensee company sector is lower than that for the construction sector, due to the type of waste and because the waste collected in the service areas is the responsibility of the operator that manages them, not of the licensee company.

Waste went from over 566 thousand tonnes in 2019 to over 679 thousand tonnes in 2020 with an increase of 20%. This increase is mainly due to increased operations by Itinera Agility and of activities located in the United States. The waste produced and disposed of by the construction sector is higher than 2019.

In 2020, most of the waste produced by the Group was recycled and reused (62.1%, 97% in 2019), while around 37.9% was sent to landfill, incinerated or disposed of in another way. The decrease in recycled and reused waste is due to the increase in the "other" category with regards to earth materials originating from extraordinary activity by the Halmar Group. Waste disposal is managed through municipal service companies and specialist firms. Nearly all waste (99.8%) is non-hazardous, and most hazardous waste (954 tonnes) is from the Storstrøm Bridge work site.

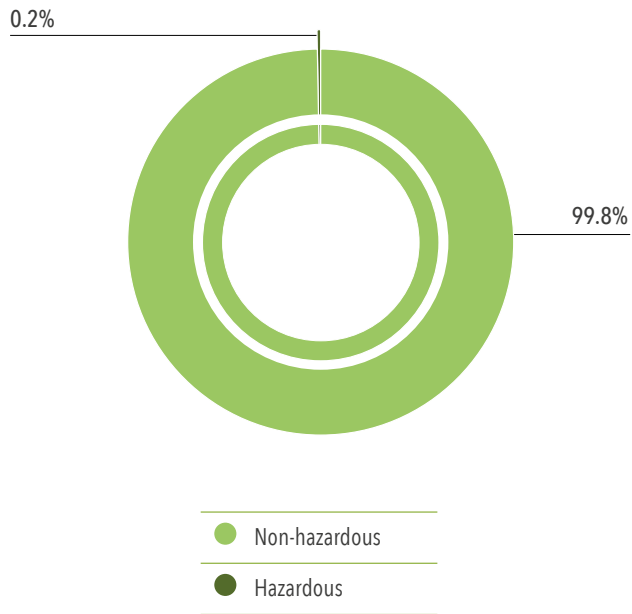
GROUP WASTE BY DISPOSAL METHOD⁵³

(figures in tonnes)

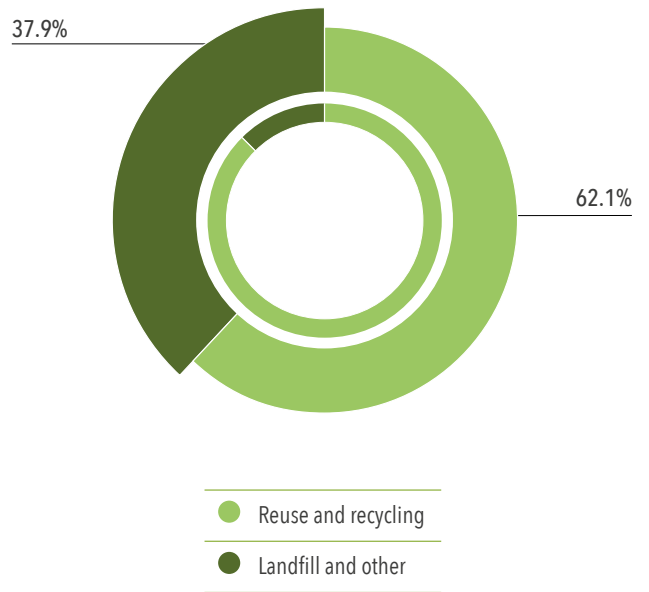
DISPOSAL METHOD	2019				2020			
	Hazardous	Non-hazardous	Total	Total (%)	Hazardous	Non-hazardous	Total	Total (%)
Reuse [t]	-	27,171	27,171	4.8%	-	31,525	31,525	4.6%
Recycling [t]	106	521,237	521,343	92.1%	78	390,370	390,448	57.5%
Energy recovery [t]	-	115	115	0.0%	-	210	210	0.0%
Incineration [t]	12	3,534	3,546	0.6%	14	677	691	0.1%
Landfill [t]	36	13,536	13,572	2.4%	295	9,857	10,152	1.5%
Other [t]	202	259	461	0.1%	957	245,591	246,548	36.3%
Total	356	565,852	566,208	100.0%	1,344	678,230	679,574	100.0%
<i>of which joint operations</i>	27	67,578	67,605	11.9%	58	286,381	286,439	42.1%

⁵³The data for 2019 related to disposal in landfills have been restated in line with the continuous improvement of the data collection and consolidation system

GROUP WASTE BY TYPE



GROUP WASTE BY DISPOSAL METHOD



NOISE MANAGEMENT

Noise management is particularly important in the concessions and construction sectors.

Transport infrastructure and their related motorway traffic are a widespread and significant source of noise pollution for the local areas. Nevertheless, the impact for the community and the perception of noise are notably affected by the location of the infrastructure with respect to inhabited areas.

With a view to the sustainable development of road infrastructure, noise is a fundamental issue. Aware of the importance of mitigating the potential negative effects on communities, the Group licensees continuously monitor the level of noise pollution through measurement and impact studies, planning and the construction of mitigation works launched in previous years. In 2020, according to the commitments defined in the financial plans of each licensee, activities to plan, develop and test mitigation measures continued, as provided for in the implementing sections of the Noise Abatement Plans pursuant to the Decree of 29 November 2000 of the Italian Ministry for the Environment. In particular, the Noise Abatement Plans require that following the issue of the legislation (2007) and approval of the Plan by the Ministry, the licensee companies must complete the interventions within 15 years.

As at 31 December 2020, a total of 137 km of noise barriers have been installed along the Group's motorway stretches, of which 30 km in 2020 (including the effect deriving from the entry of A.T.I.V.A. to the scope of consolidation).

The table below provides details for each individual concession holder company:

NOISE BARRIERS (figures in km)

	2020
A4 Torino-Milano	25.1
A21 Torino-Piacenza	15.5
A6 Torino-Savona	7.7
A12 Livorno-Sestri Levante	25.4
A15 Parma-La Spezia	4.1
A33 Asti-Cuneo	8.4
A10 Savona-Ventimiglia	9.7
A5 Quincinetto-Aosta Ovest	2.1
A21 Piacenza - Cremona - Brescia	11.1
A5 A.T.I.V.A.	27.9
Total	137.0

On the motorway stretches managed by the licensee companies of the Group, a draining surface has been used whenever the characteristics of the stretch allowed. It is noted that for safety reasons, this paving cannot be laid in tunnels, nor is it recommended on the stretches subject to frequent snowy rainfall in winter months. Noise abatement draining paving is currently present on around 70% of the total kilometres managed by the licensees of the Group, which represents nearly all of the motorway stretches where this type of asphalt can be used.

In the construction sector, the environmental aspect of noise generated by operations at work sites (e.g. excavation and earth moving works, assembly, concrete mixers, handling operating equipment) is managed based on the location of the work site, as per specific operating instructions.

BIODIVERSITY POLICY

In November 2020, the ASTM Board of Directors approved the Biodiversity Policy.

ASTM and its subsidiaries are committed to the conservation and protection of biodiversity and ecosystem services. In this context, the Policy defines the Group's commitment in relation to protecting biodiversity.

In carrying out its business, the Group interacts with various ecosystems, landscapes and animal species. Therefore, the Group is committed to promoting biodiversity in ecosystems, developing new projects in a sustainable manner, protecting and promoting the development and growth of natural assets. These commitments are made and promoted through the Policy, so that the various levels of the organisation and other Group companies might continue developing methods of analysis and action for the conservation of biodiversity when planning and undertaking their activities. The end goal is to integrate biodiversity conservation into the Group's strategy, considering it when making decisions about construction, management and dismantling of all infrastructure.

PROTECTION OF THE LOCAL AREA, REDUCTION IN LAND USE AND PROTECTION OF BIODIVERSITY

Group activities are carried out with a focus on protecting the environment, seeing it as an asset to protect and value. The aim is therefore to adapt the environment's characteristics to the needs of communities and standards of institutions in its motorway network maintenance and updating projects, as well as for the construction of new stretches.

Local areas have always been considered as a fundamental asset to protect. With this in mind, the Group carries out its activities with a view to protecting the environment in local areas and safeguarding historical and cultural heritage.

During 2020, the activities planned under the Environmental Monitoring Plans, defined during the design stage, mainly involved the motorway stretches of the A4 Torino-Milano and the A12 Livorno-Sestri Levante. In particular, consistent with the evolution of infrastructure modernisation works along the stretch between Pero and Milan, monitoring of the work

continued, while for the new connection junction between A12 Livorno-Sestri Levante and the SS Aurelia state road, near the Livorno toll booth, monitoring was completed in June.

The monitoring activities on the Ti.Bre (Tirreno Brennero, Corridoio plurimodale Tirreno- Brennero) also continued, with subsequent validation and publication on the Local Information System of the measurement data sheets related to the individual natural components potentially impacted by the works.

MANAGEMENT OF HYDROGEOLOGICAL RISK

The Group also focused heavily on the hydrogeological context of motorways, developing numerous initiatives in 2020.

The Group licensee companies have an Action Plan for Maintaining Infrastructure Efficiency (APMI), which, in particular for “Mountain Sides and Monitoring Works”, provides instructions on how to manage the monitoring and maintenance of the works and on checks including: support works (reinforced terrain, gabion walls, etc.), passive defence works (rockfall barriers, bolted nettings, etc.), surface draining works (ditches, gutters, etc.), deep draining works (sub-horizontal drains, draining trenches, draining wells).

Some of the specific initiatives include the continued implementation, again in 2020, with installation of additional sensors for the advanced integrated monitoring system for mountainside landslides, located in the Municipality of Quincinetto, Chiappetti district by the licensee S.A.V., in collaboration with the Civil Defence System at Florence University. In this context, using dedicated technical round tables, the licensee company established continuous dialogue with Local Organisations, National Civil Defence and all players affected by the phenomenon.

Additionally, with an eye to managing hydraulic and hydrogeologic risks associated with exceptional weather events, the licensee company S.A.V., with technical and scientific support from the Civil Defence System at Florence University, installed a hydrometric and solid material movement monitoring network near certain critical overpass sections of motorway infrastructure near water features.

Since the early 2000s, SALT’s hydrogeological risk studies have made it possible to identify, record and monitor over 100 landslide events affecting the motorway stretch of the A15 Motorway Parma - La Spezia. In 2020, all surveys were carried out for each event identified, at intervals defined and planned in order to monitor developments.

The landslide events considered most at risk are inspected annually, and additional tests are also carried out using specific instruments that have been

installed on the structures to guarantee continual monitoring of the landslide, including during critical events, and to offer the possibility of remote control through a dedicated website. Annual or twice yearly topographic surveys are also carried out by specialist technicians from the licensee company SALT, in association with Parma University.

Monitoring of landslide events makes it possible to plan specific actions with varying levels of intervention. In 2020, in-depth studies were carried out to improve the characterisation and definition of landslide movements.

Additionally, in 2020, in addition to normal monitoring and verification, with the aim of identifying danger levels for incipient or developing issues along the motorway stretch between Priero and Savona, Autostrada dei Fiori S.p.A. commissioned a study to interpret satellite interferometric data obtained from the Cosmo Sky-Med and Envisat platforms. Support was also provided by CNR - Irpi of Turin, which did an overhead DTM survey using LIDAR sensors.

Relative to Autostrada dei Fiori, which is responsible for the A6 Torino-Savona section, after the well-known landslide in 2019 which led to the partial collapse of the Madonna del Monte viaduct between the Savona and Altare junctions, in the Turin direction, in order to monitor developments in this landslide phenomena the Company immediately implemented a series of actions which continued in 2020:

- in cooperation with the CIMA Foundation (Civil Protection Centre), the activation of monitoring through rain monitoring stations able to provide necessary alerts, implementing the Operating Plan signed with the Authorities;
- through Florence University (Civil Protection Centre), activation of monitoring through ground interferometric radar to acquire, process and interpret data regarding surface deformation of the ground near the section;

- installation of three stations with accelerometers and inclinometers to rapidly and continuously obtain information about movements, already in use in other areas to prevent avalanche incidents.

PROTECTION OF BIODIVERSITY

The Group is committed to protecting biodiversity through planning, subsequent development and post-construction verification of environmental mitigation work, involving careful study of potential vegetation for operating areas and native flora.

In particular, during 2020, as part of ten-year agreements stipulated by SATAP with the University of Turin for the Torino-Milano motorway stretch, activities to develop trial systems for green areas continued, to redevelop the landscape and re-naturalise degraded areas affected by work sites for motorway modernisation in several municipalities.

In the trial site of Vicolungo, during the third growing season, management and monitoring activities were carried out on the trial reforestation completed in the spring of 2018. At the end of the growing season, a positive trend was seen in terms of the plants response to the soil. In fact, the experimental areas have taken hold well and the plants appear well-adapted to the climate conditions. The satisfactory growth rates, combined with high vitality rates (higher than expected at the end of the third year) are factors which suggest the system is promising. Again during this growing season various traces of the passage of animals were seen, including small rodents, amphibians, boars, buzzards and other birds which nested among the plants, making it possible to state that the system is becoming naturalised, another indication that the design was done well.

The ecological permeability of infrastructure for fauna is an increasingly important topic in planning, with specific defragmentation measures studied, as applicable.

For example, six large pass-through items (measuring 3 m by 2 m) were installed for the passage of fauna in the area of the Torino-Milano motorway (A4) which crosses the Ticino Park. These items are specifically monitored with camera traps that demonstrate effectiveness, recording a moderate number of small and medium-sized fauna passing through.

In addition to areas below viaducts and secondary roads, the Group's infrastructure has over 600 items that, due to their size and location, serve for the fauna to pass through. One example are the large culverts (1.5 m x 1.5 m) in areas with high biodiversity levels which enable animals to pass.

In relation to the activities associated with the construction of the Ti.Bre, in 2020 artificial nests installed the previous year were monitored, to encourage the development of the red-footed falcon colony that has settled near the work site. These nest boxes again this year guaranteed that nesting pairs had greater protection from predators and helped to support the survival of new chicks. The results of the checks carried out on all the nests used for the species were added to measurement data sheets included on the SIT and accessible to the public.

During 2020, SALT p.A. began reclamation of the area near the Berceto motorway exit through planting. The area had previously been used as a depot and was then closed. The aim is to "test" the ability of bamboo to live in this climate, without irrigation, for the entire experiment other than the installation stage, as part of research for new Green Technologies. The area is around 144 m² and includes terrain with abundant rocks (also due to detritus from the previous structure) and limited vegetation.



REDUCTION IN LAND USE AND REUSE OF MATERIALS

Regarding the reduction in land use and general tendency at the European level to reuse resources, maximum reuse of excavation materials has been envisaged at a planning and operational level.

In particular, after testing the geotechnical and chemical characteristics, in order to limit as far as possible the use of natural quarry materials at work sites, new works are developed by re-using the natural excavated terrain where the new infrastructure will be located. Additionally, when direct reuse was not possible, transport to alternative locations or authorised collection entities was favoured, rather than definitive disposal.

To guarantee sustainable development during the construction of new motorways and in the maintenance and restoration of existing ones, the Group also promotes the use of innovative raw materials with a reduced environmental impact.

REUSE OF RECLAIMED ASPHALT PAVEMENT

Through S.I.N.A., the ASTM Group has launched a research contract with the Department of Civil, Chemical, Environmental and Materials Engineering at the University of Bologna for the use of reclaimed asphalt pavement (RAP) in the production of bituminous mixes.

The study involved the state of the art for methodologies and technologies available on the market for reuse of reclaimed asphalt pavement (RAP) in production of bituminous mixes with high RAP content, verifying whether performance was maintained in terms of safety, useful life and user comfort.

The research supports the construction sector company Itinera S.p.A.'s strategic decisions for possible investments in new cutting-edge bituminous mix production systems which allow for an extensive application (including up to 90%) of RAP in the creation of new mixes to be used in the construction of road paving.

This new initiative flanks the usual recycling activities carried out by the ASTM Group, including the cold recycling of RAP in the creation of the road superstructure of the Torino-Milano Motorway Modernisation (with the use of around 1 million cubic metres of RAP), and, albeit of a lesser impact, the recovery in situ of the base layer using the foamed bitumen technique to upgrade the traffic divider at the junction east of Chivasso.

MINIMUM ENVIRONMENTAL CRITERIA (MEC)

SINA S.p.A., again in 2020 continued its participation on technical round tables set up by the Italian Ministry for the Environment, Land and Sea Protection, which oversees the definition of the "Minimum Environmental Criteria (MEC) for the planning and works pertaining to the construction and maintenance of road infrastructure", in implementation of the National Action Plan for Green Public Procurement - NAP GPP.

These criteria are the environmental requirements defined for the various stages of the acquisition process, intended to identify the best design solution, product or service with regard to the environment through the life cycle. Once they take effect - with their adoption in a specific decree - they will be used by the contracting stations for the achievement of the environmental objectives set out by the NAP GPP, in the context of tender procedures, as provided for by Italian Legislative Decree 50/2016.

Pending definition of the specific MEC for the road sector, attention has nevertheless been on minimising, throughout the entire life cycle of the road, the use of resources for the production of construction materials, the conservation of habitats and water resources, and the reduction of noise and atmosphere emissions.

For application of already approved MECs, the ASTM Group licensee companies began to call for their insertion in the Special Tender Specifications and Evaluation Criteria for OEPV tenders.

SINA AND ENVIRONMENTAL PROTECTION

Relative to the issue of environmental protection, S.I.N.A. has invested since 2018 to acquire skills in the context of the Envision Sustainability Protocol, a ratings system to assess sustainable infrastructure, providing training courses each year to certify new personnel as Envision Sustainability Professionals, while providing updates for already certified personnel, to ensure qualifications are maintained.

Since 2007, S.I.N.A. has received Accredia UNI EN 17025:2018 certification, a national and international regulatory reference standard for testing accreditation.

Again with regards to environmental issues, and in particular relative to protection of local areas, biodiversity and reduction of soil consumption, the Company has strengthened its qualifications and skills through the execution of environmental impact studies and the design of works for environmental mitigation, conservation and compensation. Additionally, S.I.N.A. is specialised in noise pollution studies (supporting the Group's licensee companies for over 20 years to comply with national requirements and implement European Directives), in managing excavated dirt and rocks (from the project to the construction site) and in carrying out environmental audits at construction sites.





05 | FOCUS

148 EcoRodovias

ECORODOVIAS

ASTM S.p.A. has joint control of EcoRodovias Infraestrutura e Logística S.A. ("EcoRodovias"), a company operating in Brazil in the motorway concessions sector.

Source: EcoRodovias Group 2019 Sustainability Report (excluding revenues and market capitalisation)

INDUSTRIAL CAPITAL

R\$ 1,5 MILLION*



INVESTED IN INFRASTRUCTURE AND SERVICES FOR PEDESTRIANS, MOTORWAY USERS AND COMMUNITIES

*Equal to over € 230 thousand

INTELLECTUAL CAPITAL

OVER 100



IDEAS PUBLISHED BY EMPLOYEES ON THE InovaECO PORTAL ABOUT COST REDUCTION, SUSTAINABILITY AND WELFARE

FINANCIAL CAPITAL

R\$ 7,5 BILLION*



MARKET CAP AT 31.12.2020

*Equal to around EUR 1.1 billion

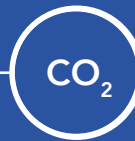
NATURAL CAPITAL

OVER 100k KWH



REDUCTION IN ELECTRICITY CONSUMPTION

COMPENSATION OF 36,271 TONNES OF CO₂



EQUIVALENT USING CARBON CREDITS LINKED TO THE CLEAN DEVELOPMENT MECHANISM (CDM) UNDER THE UNITED NATIONS (UN) KYOTO PROTOCOL.

R\$ 1,7 MILLION



INVESTED IN THE PURCHASE AND INSTALLATION OF PHOTOVOLTAIC PANES IN THE ECO135 STRETCH

HUMAN CAPITAL

3,863



ECORODOVIAS EMPLOYEES



96% OF THE WORKFORCE HAS ATTENDED AN ANTI-CORRUPTION COURSE

SHARE CAPITAL

ECOVIVER

A COMPANY PROGRAMME DELIVERING TRAINING ON ENVIRONMENTAL ISSUES SUCH AS WATER, ENERGY AND WASTE. IN 2019, 270 PUBLIC SCHOOLS PARTICIPATED IN THE PROGRAMME, INVOLVING MORE THAN 15,000 STUDENTS AND 860 TEACHERS.

EcoRodovias has a presence in eight states in the Brazilian regions of Sudeste, Nordeste, Centro-Oeste and Sul focussing on the administration of motorway concessions. It has around 4 thousand direct employees and manages 11 motorway concessions, for a total of 3,041 km as well as one port (EcoPorto), with a market value of R \$ 7.5 billion at 31 December 2020.

EcoRodovias is also listed on the Bovespa stock market in San Paolo and ended financial year 2020 with revenues of 3.018 billion Reais.

Further information is also available on the company's website: www.ecorodovias.com.br

VALUES, POLICIES AND PRINCIPLES

To guarantee ethical behaviour when carrying out its operations, EcoRodovias has established a number of ad hoc initiatives and policies.

The company Code of Conduct is revised at regular intervals and disseminated through training and awareness campaigns. The Code includes information on conflicts of interest, company reputation and the fight against corruption.

EcoRodovias's Ethics Committee is responsible for managing issues relative to ethics and integrity, investigating any accidents, recommending corrective actions and checking reports received from parties concerned on potential breaches of the Code.

On a daily basis, the Compliance Programme and Anti-Corruption Programme contribute to reducing EcoRodovias's exposure to risk.

As reflected in the efforts to maintain the social and environmental standards for Quality, the Environment and Health and Safety, the road concessions of EcoRodovias are certified ISO 9001, ISO 14001 and OHSAS 18001. Some are undergoing transition to ISO 45001. The road safety management system of the Ecovias and Ecopistas concessions are certified to ISO 39001. In February 2021, ECORODOVIAS INFRAESTRUTURA E LOGÍSTICA SA obtained ISO 37001 certification for its anti-bribery management system.

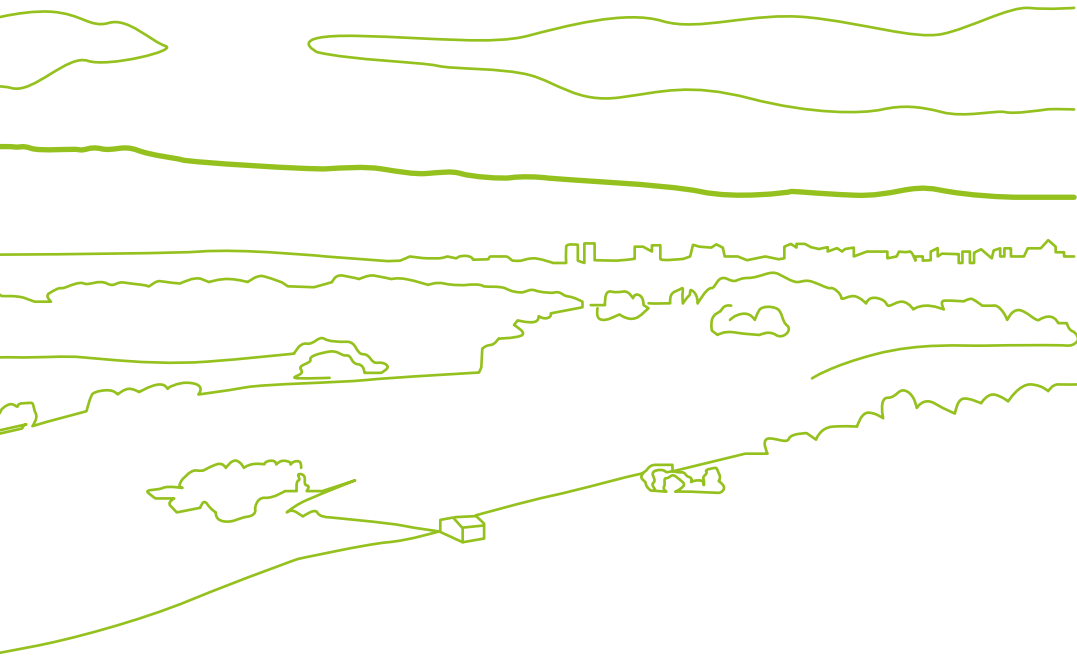
In line with its management model, EcoRodovias is part of various indices and reinforces its sustainable commitment towards the public, shareholders and the environment; it takes part in the Carbon Disclosure Project (CDP) and in 2014 became a signatory of the United Nations Global Compact, an initiative developed by the former UN Secretary-General, Kofi Annan, with the aim of mobilising the international business community in the adoption, in its commercial practices, of fundamental values accepted at international level in relation to human rights, employment, the environment and the fight against corruption.

CARBON EFFICIENCY INDEX - ICO2

From January to April 2021, EcoRodovias shares will be included on the Carbon Efficiency Index - ICO2, made up of shares from Brazilian companies which adopt transparent practices relative greenhouse gas (GHG) emissions.

Inclusion on the ICO2 index is further confirmation of EcoRodovias's commitment to the ESG sector. In fact, since 2011 the company has been part of the Corporate Sustainability Index (ISE) portfolio, an index which aims to reflect the returns of a portfolio of shares from companies recognised for their commitments to social and sustainability issues.





06

ANNEXES

152 Table of the Boundary of material topics for the ASTM Group

154 *GRI Content Index*

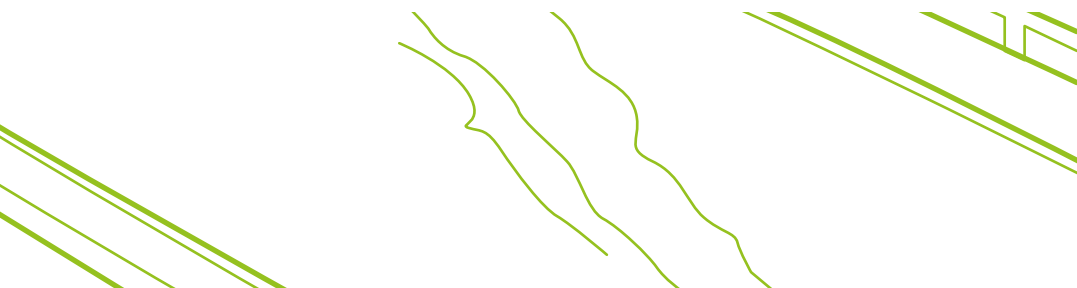


TABLE OF THE BOUNDARY OF MATERIAL TOPICS FOR THE ASTM GROUP

MATERIAL TOPICS	RECONCILIATION WITH GRI STANDARDS	SDGs	BOUNDARY OF IMPACTS	ASTM'S ROLE	SUSTAINABILITY RISKS
Economic/financial sustainability	<ul style="list-style-type: none"> • GRI 103: Management approach (2016) • GRI 201: Economic Performance (2016) 	• 8	• ASTM Group	• Direct - Caused by the ASTM Group	• Risk of operational disruption to infrastructure
Governance and compliance	<ul style="list-style-type: none"> • GRI 103: Management approach (2016) • GRI 307: Environmental Compliance (2016) 	• 9, 16	• ASTM Group	• Direct - Caused by the ASTM Group	• Compliance risks and risks related to ethical behaviour
Responsible supply chain management	<ul style="list-style-type: none"> • GRI 103: Management approach (2016) • GRI 204: Procurement practices (2016) 	• 9	• ASTM Group	• Direct - Caused by the ASTM Group	• Risks related to the supply chain and subcontracting
Anti-corruption	<ul style="list-style-type: none"> • GRI 103: Management approach (2016) • GRI 205: Anti-corruption (2016) 	• 16	• ASTM Group	• Direct - Caused by the ASTM Group	• Compliance risks and risks related to ethical behaviour
Energy consumption and GHG emissions	<ul style="list-style-type: none"> • GRI 103: Management approach (2016) • GRI 302: Energy (2016) • GRI 305: Emissions (2016) 	• 7, 11, 12, 13	<ul style="list-style-type: none"> • ASTM Group • Electricity suppliers 	<ul style="list-style-type: none"> • Direct - Caused by the ASTM Group • Indirect - Related to ASTM Group activities through business relations 	• Environmental compliance risks
Use of natural resources and waste management	<ul style="list-style-type: none"> • GRI 103: Management approach (2016) • GRI 301: Materials (2016) • GRI 303: Water (2018) • GRI 306: Effluents and waste (2016) 	• 7, 11, 12, 13	• ASTM Group	• Direct - Caused by the ASTM Group	• Environmental compliance risks
Infrastructure safety	<ul style="list-style-type: none"> • GRI 103: Management approach (2016) 	• 3, 11	• ASTM Group	• Direct - Caused by the ASTM Group	<ul style="list-style-type: none"> • Risks related to the management of emergency events and motorway services • Risk of operational disruption to infrastructure
Occupational health and safety	<ul style="list-style-type: none"> • GRI 103: Management approach (2016) • GRI 403: Occupational health and safety (2018) 	• 3, 8	• ASTM Group	• Direct - Caused by the ASTM Group	• Risks related to personnel
Diversity, equal opportunities and inclusion	<ul style="list-style-type: none"> • GRI 103: Management approach (2016) • GRI 402: Labour/management relations (2016) • GRI 405: Diversity and equal opportunity (2016) • GRI 406: Non-discrimination (2016) 	• 5, 8, 10, 16	• ASTM Group	• Direct - Caused by the ASTM Group	• Risks related to personnel
Attracting and developing human capital	<ul style="list-style-type: none"> • GRI 103: Management approach (2016) • GRI 401: Employment (2016) • GRI 404: Training and education (2016) 	• 4, 8	• ASTM Group	• Direct - Caused by the ASTM Group	• Risks related to personnel

MATERIAL TOPICS	RECONCILIATION WITH GRI STANDARDS	SDGs	BOUNDARY OF IMPACTS	ASTM'S ROLE	SUSTAINABILITY RISKS
Respect for human rights	<ul style="list-style-type: none"> GRI 103: Management approach (2016) GRI 408: Child labour (2016) GRI 409: Forced or compulsory labour (2016) 	<ul style="list-style-type: none"> 8, 16 	<ul style="list-style-type: none"> ASTM Group Suppliers 	<ul style="list-style-type: none"> Direct - Caused by the ASTM Group Indirect - Related to ASTM Group activities through business relations 	<ul style="list-style-type: none"> Risks related to personnel Risks related to the supply chain and subcontracting
Stakeholder relations	<ul style="list-style-type: none"> GRI 103: Management approach (2016) GRI 413: Local communities (2016) 	<ul style="list-style-type: none"> 11, 17 	<ul style="list-style-type: none"> ASTM Group 	<ul style="list-style-type: none"> Direct - Caused by the ASTM Group 	<ul style="list-style-type: none"> All risks
Impact on local area	<ul style="list-style-type: none"> GRI 103: Management approach (2016) GRI 202: Market Presence (2016) GRI 203: Indirect Economic Impacts (2016) 	<ul style="list-style-type: none"> 8, 9, 11 	<ul style="list-style-type: none"> ASTM Group 	<ul style="list-style-type: none"> Direct - Caused by the ASTM Group 	<ul style="list-style-type: none"> "NIMBY" risk Risks related to innovation and the market
Road safety	<ul style="list-style-type: none"> GRI 103: Management approach (2016) 	<ul style="list-style-type: none"> 3, 11 	<ul style="list-style-type: none"> ASTM Group Motorway users, with reference to driving behaviour 	<ul style="list-style-type: none"> Direct - Caused by the ASTM Group Indirect - Related to ASTM Group activities 	<ul style="list-style-type: none"> Risks related to the management of emergency events and motorway services Risk of operational disruption to infrastructure
Protection of landscape and biodiversity	<ul style="list-style-type: none"> GRI 103: Management approach (2016) 	<ul style="list-style-type: none"> 11, 12 	<ul style="list-style-type: none"> ASTM Group 	<ul style="list-style-type: none"> Direct - Caused by the ASTM Group 	<ul style="list-style-type: none"> Environmental compliance risks
Privacy and information security	<ul style="list-style-type: none"> GRI 103: Management approach (2016) GRI 418: Customer privacy (2016) 	<ul style="list-style-type: none"> 16 	<ul style="list-style-type: none"> ASTM Group 	<ul style="list-style-type: none"> Direct - Caused by the ASTM Group 	<ul style="list-style-type: none"> Compliance risks and risks related to ethical behaviour
Innovation	<ul style="list-style-type: none"> GRI 103: Management approach (2016) 	<ul style="list-style-type: none"> 9 	<ul style="list-style-type: none"> ASTM Group Universities and research centres 	<ul style="list-style-type: none"> Direct - Caused by the ASTM Group Indirect - Related to ASTM Group activities through business relations 	<ul style="list-style-type: none"> Risks related to innovation and the market
Service quality and customer satisfaction	<ul style="list-style-type: none"> GRI 103: Management approach (2016) 	<ul style="list-style-type: none"> 9, 17 	<ul style="list-style-type: none"> ASTM Group 	<ul style="list-style-type: none"> Direct - Caused by the ASTM Group 	<ul style="list-style-type: none"> Risks related to the management of emergency events and motorway services
Noise pollution	<ul style="list-style-type: none"> GRI 103: Management approach (2016) 	<ul style="list-style-type: none"> 9, 11 	<ul style="list-style-type: none"> ASTM Group 	<ul style="list-style-type: none"> Direct - Caused by the ASTM Group 	<ul style="list-style-type: none"> Environmental compliance risks
Business continuity	<ul style="list-style-type: none"> GRI 103: Management approach (2016) 	<ul style="list-style-type: none"> 8, 9, 11 	<ul style="list-style-type: none"> ASTM Group 	<ul style="list-style-type: none"> Direct - Caused by the ASTM Group 	<ul style="list-style-type: none"> Business continuity risks

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GRI Standard	Description of General Standard Disclosures	Page	Notes
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GRI 306-3	Significant spills		No significant spills were recorded in 2020
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GRI 402: LABOUR/MANAGEMENT RELATIONS (2016)			
GRI 402-1	Minimum notice periods regarding operational changes		The minimum notice period for workers and their representatives regarding organisational changes that could significantly impact them is established in compliance with laws applicable in the country where the group operates and, where applicable, with National Collective Bargaining Agreements
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GRI Standard	Description of Specific Standard Disclosures	Page	Notes
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GRI 406-1	Incidents of discrimination and corrective actions taken		No cases of discrimination were reported in 2020
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GRI 413: LOCAL COMMUNITIES (2016)			
GRI 413-2	Operations with significant actual and potential negative impacts on local communities		No operations with significant actual and potential negative impacts on local communities were reported
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GRI 103: MANAGEMENT APPROACH (2016)			
GRI 103-1	Explanation of the material topic and its Boundary	152-153	
GRI 103-2	The management approach and its components	41	
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GRI 418: CUSTOMER PRIVACY (2016)			
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GRI Standard	Description of Specific Standard Disclosures	Page	Notes
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GRI 103: MANAGEMENT APPROACH (2016)			
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GRI 103-3	Evaluation of the management approach	74-83; 89-91	

GRI Standard	Description of Specific Standard Disclosures	Page	Notes
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GRI 103-1	Explanation of the material topic and its Boundary	152-153	
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ASTM SPA

**INDEPENDENT AUDITOR'S REPORT ON THE
CONSOLIDATED NON-FINANCIAL STATEMENT PURSUANT
TO ARTICLE 3, PARAGRAPH 10, OF LEGISLATIVE DECREE
NO. 254/2016 AND ARTICLE 5 OF CONSOB REGULATION
NO. 20267 ADOPTED BY RESOLUTION OF 18 JANUARY 2018**

YEAR ENDED 31 DECEMBER 2020



Independent auditor's report on the consolidated non-financial statement

pursuant to article 3, paragraph 10, of Legislative Decree No. 254/2016 and article 5 of CONSOB Regulation No. 20267 adopted by Resolution of 18 January 2018

To the Board of Directors of
ASTM SpA

Pursuant to article 3, paragraph 10, of Legislative Decree No. 254 of 30 December 2016 (the "Decree") and article 5 of CONSOB Regulation No. 20267/2018, we have undertaken a limited assurance engagement on the consolidated non-financial statement of ASTM SpA and its subsidiaries (hereafter the "ASTM Group" or the "Group") for the year ended 31 December 2020 prepared in accordance with article 4 of the Decree and approved by the Board of Directors on 19 March 2021 (the "NFS").

Responsibilities of the Directors and the Board of Statutory Auditors for the NFS

The Directors are responsible for the preparation of the NFS in accordance with articles 3 and 4 of the Decree and with the "GRI-Sustainability Reporting Standards" defined in 2016 and updated to 2020 (hereafter the "GRI Standards"), identified by them as the reporting standards as laid down in paragraph "Methodological note" of the NFS.

The Directors are also responsible, in the terms prescribed by law, for such internal control as they determine is necessary to enable the preparation of NFS that is free from material misstatement, whether due to fraud or error.

Moreover, the Directors are responsible for identifying the content of the NFS, within the matters mentioned in article 3, paragraph 1, of the Decree, considering the activities and characteristics of the Group and to the extent necessary to ensure an understanding of the Group's activities, its performance, its results and related impacts.

Finally, the Directors are responsible for defining the business and organisational model of the Group and, with reference to the matters identified and reported in the NFS, for the policies adopted by the Group and for the identification and management of risks generated or faced by the Group.

The Board of Statutory Auditors is responsible for overseeing, in the terms prescribed by law, compliance with the Decree.

PricewaterhouseCoopers SpA

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Auditor's Independence and Quality Control

We are independent in accordance with the principles of ethics and independence set out in the Code of Ethics for Professional Accountants published by the International Ethics Standards Board for Accountants, which are based on the fundamental principles of integrity, objectivity, competence and professional diligence, confidentiality and professional behaviour. Our audit firm adopts International Standard on Quality Control 1 (ISQC Italia 1) and, accordingly, maintains an overall quality control system which includes processes and procedures for compliance with ethical and professional principles and with applicable laws and regulations.

Auditor's responsibilities

We are responsible for expressing a conclusion, on the basis of the work performed, regarding the compliance of the NFS with the Decree and with the GRI Standards. We conducted our work in accordance with International Standard on Assurance Engagements 3000 (Revised) – Assurance Engagements Other than Audits or Reviews of Historical Financial Information (“ISAE 3000 Revised”), issued by the International Auditing and Assurance Standards Board (IAASB) for limited assurance engagements. The standard requires that we plan and apply procedures in order to obtain limited assurance that the NFS is free of material misstatement. The procedures performed in a limited assurance engagement are less in scope than those performed in a reasonable assurance engagement in accordance with ISAE 3000 Revised, and, therefore, do not provide us with a sufficient level of assurance that we have become aware of all significant facts and circumstances that might be identified in a reasonable assurance engagement.

The procedures performed on the NFS were based on our professional judgement and consisted in interviews, primarily of company personnel responsible for the preparation of the information presented in the NFS, analyses of documents, recalculations and other procedures designed to obtain evidence considered useful.

In detail, we performed the following procedures:

1. analysis of the relevant matters reported in the NFS relating to the activities and characteristics of the Group, in order to assess the reasonableness of the selection process used, in accordance with article 3 of the Decree and with the reporting standard adopted;
2. analysis and assessment of the criteria used to identify the consolidation area, in order to assess their compliance with the Decree;
3. comparison of the financial information reported in the NFS with the information reported in the ASTM Group's consolidated financial statements;
4. understanding of the following matters:
 - business and organisational model of the Group with reference to the management of the matters specified by article 3 of the Decree;
 - policies adopted by the Group with reference to the matters specified in article 3 of the Decree, actual results and related key performance indicators;
 - key risks generated and/or faced by the Group with reference to the matters specified in article 3 of the Decree.

With reference to those matters, we compared the information obtained with the information presented in the NFS and carried out the procedures described under point 5 a) below;



5. understanding of the processes underlying the preparation, collection and management of the significant qualitative and quantitative information included in the NFS. In detail, we held interviews and discussions with the management of ASTM SpA and we performed limited analyses of documentary evidence, to gather information about the processes and procedures for the collection, consolidation, processing and submission of the non-financial information to the function responsible for the preparation of the NFS.

Moreover, for material information, considering the activities and characteristics of the Group:

- at Group level,
 - a) with reference to the qualitative information included in the NFS, and in particular to the business model, the policies adopted and the main risks, we carried out interviews and acquired supporting documentation to verify its consistency with available evidence;
 - b) with reference to quantitative information, we performed analytical procedures as well as limited tests, in order to assess, on a sample basis, the accuracy of consolidation of the information;
- for the following companies, ASTM SpA, Itinera SpA, Halmar International LLC, Società Autostrada Ligure Toscana pA and Autostrada dei Fiori SpA, which were selected on the basis of their activities, their contribution to the performance indicators at a consolidated level and their location, we gathered supporting documentation regarding the correct application of the procedures and calculation methods used for the key performance indicators.

Conclusion

Based on the work performed, nothing has come to our attention that causes us to believe that the NFS of the ASTM Group as of 31 December 2020 is not prepared, in all material respects, in accordance with articles 3 and 4 of the Decree and with the GRI Standards.

Other aspects

The NFS for the year ended 31 December 2019, which data are presented for comparative purposes, have been subject to limited assurance procedures by another auditor who, on 29 April 2020, expressed a conclusion without any remarks on that NFS.

Turin, 26 March 2021

PricewaterhouseCoopers SpA

Signed by

Piero De Lorenzi
(Partner)

Signed by

Paolo Bersani
(Authorised signatory)

This report has been translated from the Italian original solely for the convenience of international readers. We have not performed any control on the NFS 2020 translation.



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