

SUSTAINABILITY REPORT



CONSOLIDATED NON-FINANCIAL STATEMENT
PURSUANT TO LEGISLATIVE DECREE 254/2016



2019



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

CONTENTS

- 2 | Letter to Stakeholders
- 4 | Methodological note

01

THE ASTM GROUP AND SUSTAINABILITY

- 10 Corporate ownership
- 12 Business
- 13 Group structure and business segments
- 14 2019 highlights
- 15 Vision and values
- 16 Sustainability for the Group
- 18 Corporate Governance
- 20 Internal Audit and Risk Management System
- 22 Main risks concerning sustainability issues
- 33 Ethics and integrity
- 37 Stakeholder map and materiality analysis

02

OUR ECONOMIC RESPONSIBILITY

- 47 Economic value generated and distributed
- 48 Impact measurement
- 50 Supply chain

03

OUR RESPONSIBILITY TOWARDS PEOPLE

- 57 People
- 65 Diversity and inclusion
- 70 Remuneration and benefits
- 74 Human capital development
- 78 Health and safety

04

OUR RESPONSIBILITY TOWARDS THE ENVIRONMENT AND LOCAL AREAS

- 87 Environmental issues management
- 88 Use of resources
- 94 Waste
- 96 Noise management
- 97 Protection of the local area, reduction in land use and protection of biodiversity
- 103 Donations and sponsorships

05

OUR BUSINESS SEGMENTS

- 108 Motorway concessions
- 126 EPC
- 133 Technology

06

FOCUS

- 138 EcoRodovias

07

ANNEXES

- 142 Table of the boundary of material topics for the ASTM Group
- 144 *GRI Content Index*

08

INDEPENDENT AUDITOR'S REPORT

- 152 Independent Auditor's Report

LETTER TO STAKEHOLDERS



It is with deep satisfaction that I present the fourth edition of the **ASTM Group** Sustainability Report.

This is the first time I am doing so as Chief Executive Officer, inheriting, alongside the new Board of Directors appointed on 12 February, the valuable work carried out over the years thus far by the Company in the development of environmental and social issues.

2019 was a very important year for the Group, characterised by many events, the main one being the successful merger by incorporation of the subsidiary SIAS S.p.A., a holding in the motorway concessions sector, into ASTM S.p.A.

The operation represented the completion of a strategic and industrial corporate streamlining process initiated several years ago, which has made it possible to give life to a single listed industrial holding and create a veritable "One Company" with specific expertise in the motorway concessions, construction and technology sectors.

This renewed and ambitious corporate context must include the sustainability policies promoted by the Group, which have become an integral part of managing our business segments.

In fact, we are fully aware that sustainable actions are a tool to improve our industrial and economic performance and to create medium- to long-term value for all our Stakeholders.

Our business segments are spread across various countries with different cultures, but the objectives that guide us are the same and shared by all.

Many challenges await us.

We are the second operator in the world of motorway infrastructure management: it is our responsibility to contribute to provide the best service possible to our customers, operating in a virtuous and responsible manner and offering increasingly high service quality levels.

We wish to continue aligning our activities with the United Nations 2030 Agenda for Sustainable Development, encouraging long-lasting economic growth that includes the construction of resilient infrastructure.

We are promoting technology applied to the maintenance, control and monitoring of works across our motorway assets. Our commitment is aimed at continuous innovation, our efforts are focused on anticipating change, becoming a leader in cutting-edge processes, the result of merging technology and human sensibility, which is the genuine spirit of change. The infrastructure of tomorrow must serve people more and more and take shape around the sense of environmental, technological and social responsibility that guides our behaviour.

We acknowledge the scientific evidence around climate change. It is a phenomenon that impacts people's lives, businesses and the very infrastructures that we are called upon to manage. Each year, this phenomenon becomes more and more violent and forces the adoption of new risk and investment management models. A study published by the *Global Environment Change* journal of Elsevier, the world's most prestigious publisher for medicine and science, calculated that the economic impact of these atmospheric phenomena is destined to become more and more significant.

European countries currently spend over USD 3.4 billion per year on extraordinary interventions on infrastructure following these events. But this figure

could shoot up to 19.6 billion in 2050 and 37 billion by 2080. The fight against climate change is therefore one of the Group's priorities. It is an objective integrated into our risk assessment, our policies, strategies and medium- to long-term plans.

We are aware that institutional investors are incorporating an ESG approach into their portfolios more and more often. This approach considers environmental, social and governance factors as an integral part of the assessment process for investments. Capital is now directed towards activities that not only generate an economic capital gain, but are also useful to society and therefore more solid and sustainable over time, generating returns that reflect the risk.

Lastly, investing in our people and collaborators lies at the heart of our sustainable action. We want to show commitment towards creating an increasingly more positive and attractive working environment for young people and key talent across the world, where the values of inclusion and diversity are con-

sidered factors for growth and success. We operate internationally with people from different cultures and with different traditions: the key to the Group's growth will depend on our ability to develop their skills and promote the sharing of their diverse experiences.

We understand the challenges before us and the commitment required to centre on the ambitious objectives we have given ourselves. But we also know that the management of social and environmental factors, in addition to promoting transparency in economic activities, represents an opportunity for each of us to develop new business models that can create medium- to long-term value for all Stakeholders.

This is an opportunity that we all wish to seize.

Umberto Tosoni

Chief Executive Officer

METHODOLOGICAL NOTE

This consolidated non-financial statement ("NFS" or "Sustainability Report") of ASTM S.p.A. ("ASTM" or the "Company") and its wholly consolidated subsidiaries ("ASTM Group" or "Group") as at 31 December 2019 describes initiatives and main results in terms of sustainability performance relative to the period from 1 January to 31 December 2019 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 Statement (NFS) required by law.

The NFS, 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 "The ASTM Group and Sustainability".

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 specific GRI 403 Standard (Occupational Health and Safety), the most recent version from 2018 has been adopted. This Report is the fourth edition published by the Company.

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.

Data and information included in the NFS refer to all subsidiaries within the scope of consolidation of the ASTM Group as of 31 december 2019, consol-

idated on a line by line basis, with the exception of the social and environmental data and information of 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., control of which was acquired on 14 November 2019, and which will be reported as of the next financial year. Any additional exceptions are expressly indicated in the text.

Regarding the main changes to the scope of consolidation as at 31 December 2019, the following is reported:

- the scope of consolidation now includes the companies newly incorporated in 2019 SINELEC USA Inc., Safe Roads S.c.a r.l., Itinera Infrastructure and Concessions Inc., HINNS JV;
- the scope of consolidation now includes the joint operations Arge H51, Consorzio BR-050 and MEP JV, and now excludes the company Bishop/Halmar JV following the achievement of the corporate purpose;
- the scope of consolidation now excludes CERVIT S.c.a r.l., Brescia Milano Manutenzioni S.c.ar.l., Mortara S.c.a r.l., Malpensa 2011 S.c.a r.l. and Brescia Milano Impianti S.c.a r.l.

With reference to the merger by incorporation of SIAS S.p.A. into ASTM S.p.A. taking effect on 31 December 2019, there are no changes to the scope of consolidation since the incorporated company was already consolidated on a "line-by-line method" in the financial statements of the ASTM Group in the previous financial year.

The non-financial data and information reported in this document, unless specified otherwise, refer to the entire financial year regardless of the date of acquisition of control of the company.

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.

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 NFS have also been appropriately indicated in this report.

The Group has prepared a materiality analysis, as required by GRI standards, in order to report on the sustainability issues considered most significant by its Stakeholders and the organisation.

This analysis was conducted in line with previous years, and also in consideration of the issues and areas indicated in article 3 of the Decree.

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 generated or suffered by 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 31000:2009. The main risks connected with sustainability issues and relative management and mitigation procedures are indicated in the section "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 objective and, concrete actions, also through the UN's 17 Sustainable Development Goals (SDGs) to be reached by 2030.

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

THE FIGHT AGAINST ACTIVE AND PASSIVE CORRUPTION

To develop a management strategy increasingly aimed at fighting active and passive corruption, in 2018 ASTM adopted an Anti-Corruption Policy in line with best practices and national and international standards.

In 2019 ASTM and Itinera 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 2019, Standard Ethics, an independent sustainability ratings agency, awarded its sustainability rating (Standard Ethics Rating) to ASTM, assigning an EE- (full investment grade) rating with a "Positive" outlook, forecasting a Long Term Expected SER over 3-5 years of EE+ (Very strong).

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. In 2019, the Group started

¹The main operating subsidiaries of ASTM S.p.A. include: 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.

a process to improve its strategy to combat climate change, taking inspiration from the TCFD recommendations (Task Force on Climate-related Financial Disclosures), whose main objective is to drive companies to communicate the information that Stakeholders need to assess climate risks and opportunities correctly in a clear, comparable and consistent way.

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, compatibly with the legal requirements and required quality standards;
- 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.

In 2019, current quality, safety and environmental management systems were aligned with applica-

ble ISO releases, while maintaining all certification awarded, and activities were carried out to promote safe driving through the development and dissemination of the "Autostradafacendo" campaign.

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. In 2019, in the form of pilot projects, the licensee Autostrada dei Fiori S.p.A. and Itinera S.p.A., with reference to the motorway maintenance activities, adopted a Road Safety Management System compliant with the UNI ISO 39001:2016 standard and certified by an accredited third party;
- III. the licensee companies of the Group are continuing their road safety investment plans;
- IV. in 2019, the main licensee companies of the Group launched a customer experience programme intended to improve services to users;
- V. from 2019, motorway users also have access to road information in real time, including via their smartphone, through each concession company's websites specifically designed for "mobile" use.

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.

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.

A project was also started to harmonise occupational health and safety management systems, scheduled for completion by 2021. In 2019, Itinera S.p.A. and S.A.T.A.P. S.p.A. adopted an Integrated Management System (IMS) for Environment and Occupational Health and Safety in compliance with UNI ISO 14001 and UNI ISO 45001, certified by an accredited third party.

As part of the initiatives dedicated to employees, in 2019 a "People Identity" portal was created in the company's Intranet. It contains the main employee initiatives, such as the Fragibilità project dedicated to individuals caring for a family member who is not independent.

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 consolidate its commitment in this area, in 2019 ASTM and its main operating subsidiaries adopted a Human Rights Policy, which supplements the Code of Ethics, Suppliers Code of Conduct and other sustainability policies.

ASTM encourages all parties that do business with the Company to adhere to the principles of that Policy, and to pay particular attention to contexts where there are greater risks related to human rights.

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

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 14 April 2020.

This document was subject to a limited assurance engagement, as defined by ISAE 3000 Revised, by the appointed auditors Deloitte & Touche S.p.A. This engagement was carried out according to procedures in the "Independent Auditor's Report" included at the end of the document.

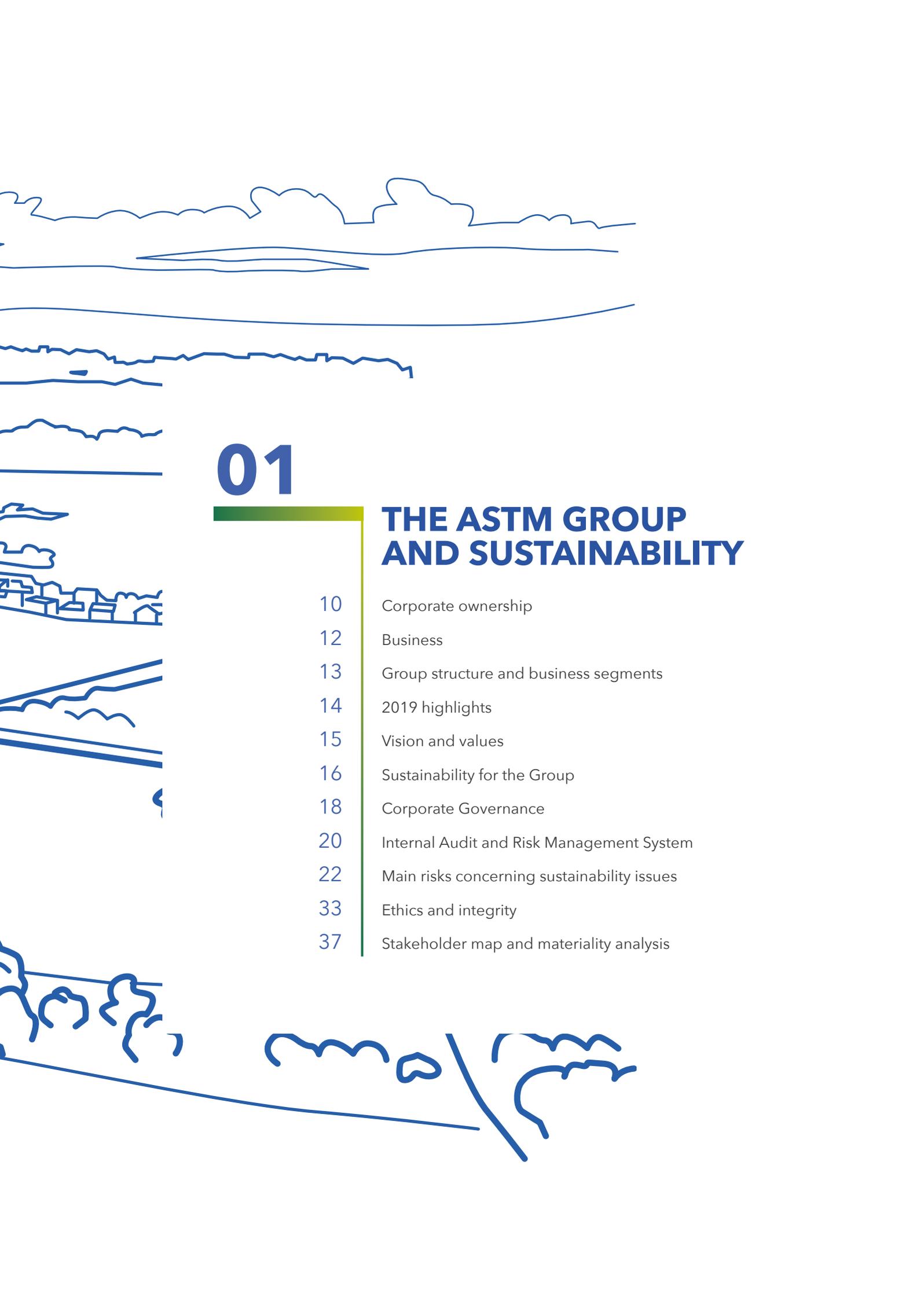
The Sustainability Report of the ASTM Group as at 31 December 2019 is available on the Company's website www.astm.it/en in the section "Sustainability".

Contacts:

sostenibilita@astm.it

<https://www.astm.it/en/highlights/>





01

THE ASTM GROUP AND SUSTAINABILITY

10	Corporate ownership
12	Business
13	Group structure and business segments
14	2019 highlights
15	Vision and values
16	Sustainability for the Group
18	Corporate Governance
20	Internal Audit and Risk Management System
22	Main risks concerning sustainability issues
33	Ethics and integrity
37	Stakeholder map and materiality analysis

CORPORATE OWNERSHIP

AS AT 31 DECEMBER 2019

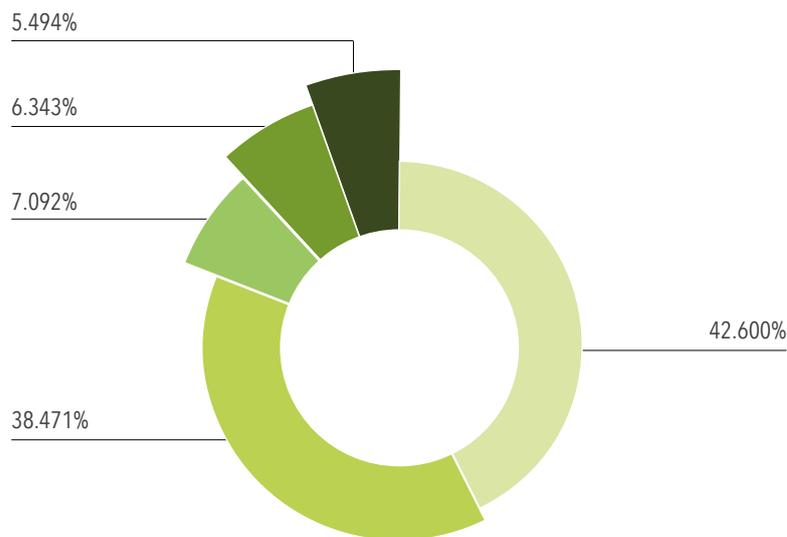
ASTM S.p.A. is a company with share capital listed on the electronic stock exchange (MTA) managed by Borsa Italiana S.p.A. Based on available information, holders of ordinary shares amounting to more than 3% of the share capital, as at 31 December 2019, were as follows:

● Nuova Argo Finanziaria S.p.A. ⁴	42.600% ³
● Outstanding shares	38.471%
● Treasury shares ⁵	7.092%
● Aurelia S.r.l.	6.343%
● Lazard Asset Management LLC	5.494%
Total	100.000%

³ of which 1.386% through Nuova Codelfa S.p.A.

⁴ 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

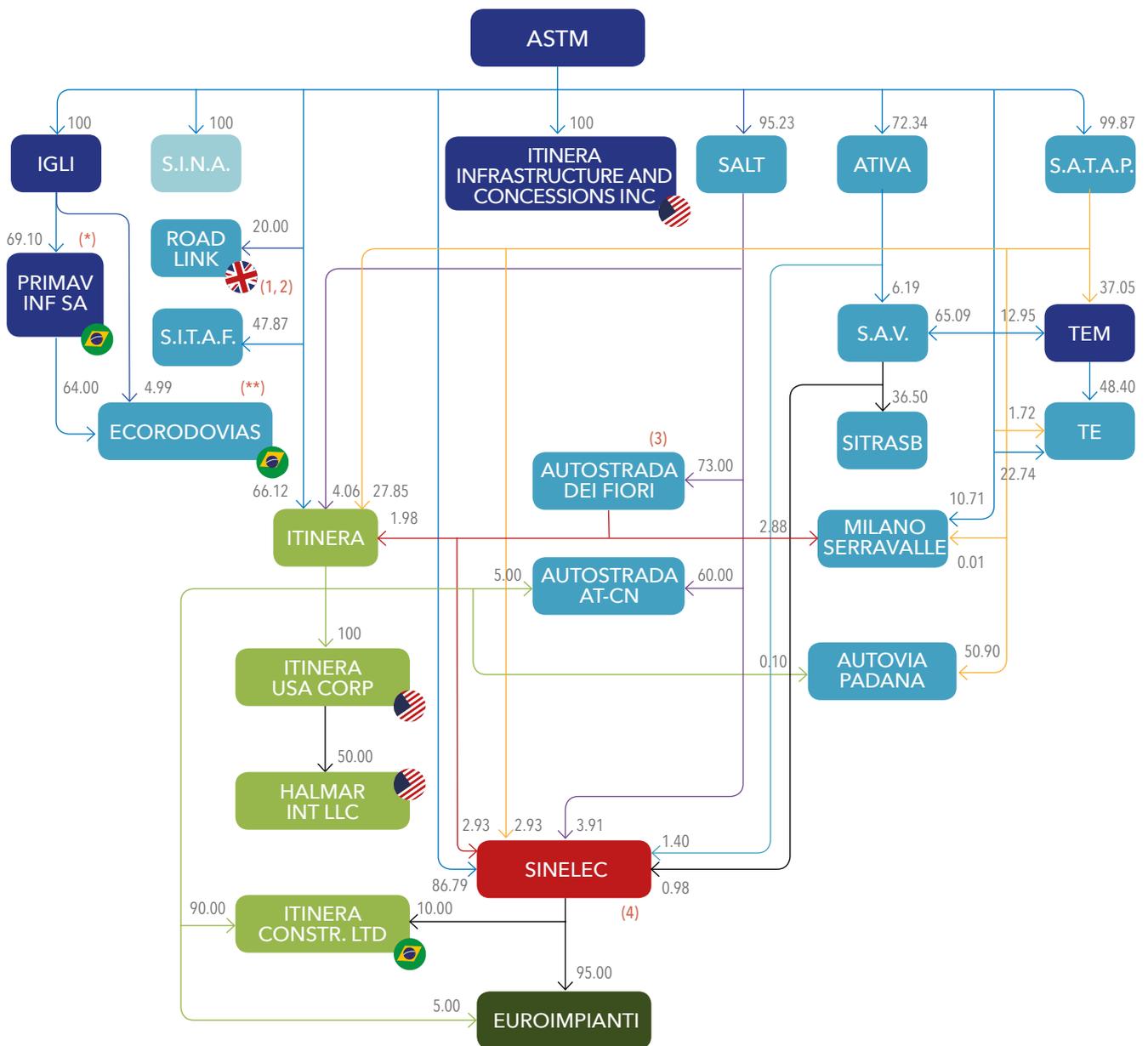
⁵ ASTM S.p.A. 5.547%; Sina S.p.A. 1.530% and Ativa S.p.A. 0.015%



With a view to continuous improvement, in the 2019 financial year ASTM achieved certification for its quality management system according to UNI EN ISO 9001:2015. In the course of 2019, ASTM also obtained the UNI ISO 37001:2016 anti-corruption certification.

GROUP STRUCTURE

The equity investments of main companies of the ASTM Group as at 31 December 2019 are indicated below, indicating the business segment.



(1) of which 0.07% by Albenga Garessio Ceva

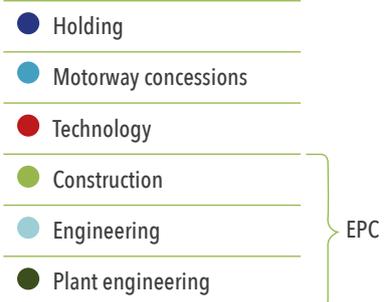
(2) of which 1.08% by ATIVA

(3) of which 1.86% by Albenga Garessio Ceva

(4) by S.I.T.A.F. 1.08%

(*) 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



ASTM S.p.A. is an industrial holding, with headquarters at Corso Regina Margherita 165, Turin, involved in the management of motorway networks under concession, the planning and development of major infrastructure works and technology applied to transport mobility.

The Group has over 8,500 employees with a high level of expertise and ended the 2019 financial year with total revenues equal to EUR 2,445 million.

ASTM S.p.A. is a company listed on the electronic stock exchange (MTA) supervised by Borsa Italiana S.p.A. and is managed and coordinated by Argo Finanziaria S.p.A.

BUSINESS



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 management² with **4,594 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 3,087 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.



EPC

In the EPC sector (Engineering, Procurement and Construction), ASTM operates through its subsidiaries Itinera, which undertakes major infrastructure works and civil and industrial building, S.I.N.A., an engineering company, and Euroimpianti, a plant engineering company.

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.

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.

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

ASTM operates in technology applied to mobility and road infrastructure through SINE-LEC, 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.

² Motorway network entirely managed by ASTM through the subsidiaries, jointly held subsidiaries and associated companies

GROUP STRUCTURE AND BUSINESS SEGMENTS

AS AT 31 DECEMBER 2019

The companies consolidated on a line-by-line basis in the Consolidated Financial Statements of the ASTM Group as at 31 December 2019 are listed below.



⁶ **Subsidiaries of Itinera S.p.A.:** A 7 barriere S.c.a r.l. in liquidazione, Argo Costruzioni Infrastrutture S.c.p.a., Agognate S.c.a r.l. in liquidazione, Biandrate S.c.a r.l. in liquidazione, Carisio S.c.a r.l. in liquidazione, Cornigliano 2009 S.c.a r.l., Crispi S.c.a r.l. con socio unico in liquidazione, CRZ01 S.c.a r.l. in liquidazione, Diga Alto Cedrino S.c.a r.l., Impresa Costruzioni Milano S.c.a r.l. in liquidazione, I/S Storstrøm Bridge, Itinera Construções LTDA, Lambro S.c.a r.l., Marcallo S.c.a r.l., Mazzè S.c.a r.l., Ponte Meier S.c.a r.l., Ramonti S.c.a r.l. in liquidazione, Società Attività Marittime S.p.A., SEA Segnaletica Stradale S.p.A., S.G.C. S.c.a r.l. in liquidazione, Sinergie S.c.a r.l. in liquidazione, Taranto Logistica S.p.A., Torre di Isola S.c.a r.l., Urbantech S.r.l. con socio unico, Itinera USA CORP, Halmar International LLC and its subsidiaries (HIC Insurance Company Inc., Halmar Transportation System Llc, Halmar A Servidone - B Anthony Llc, Atlantic Coast Foundations Llc, Halmar International - LB Electric LLC, Halmar International Trucking Inc, Potomac Yard Constructors, HINNS JV

⁷ **Joint operations in which Itinera S.p.A. is an investee:** 3RD Track Constructors, Arge H51, Consortium Baixada Santista, Consortium Binário Porto de Santos, Alças da Ponte Consortium, MG135 Consortium, I/S Odense Hospital, I/S Koge Hospital, Itinera/Ghantoot JV, Itinera Agility JV, Itinera/Cimolai JV, MEP JV, Consorcio BR-050

*Companies excluded from the scope of reporting for social and environmental information in the 2019 NFS. For further information see the "Methodological note" of this Report

2019 HIGHLIGHTS

OUR ECONOMIC RESPONSIBILITY



⁹ Data from the ASTM Group 2019 Management Report

OUR RESPONSIBILITY TOWARDS THE ENVIRONMENT AND LOCAL AREAS



⁹ 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 57 of this document

OUR RESPONSIBILITY TOWARDS PEOPLE

EMPLOYEES AND OTHER COLLABORATORS



EMPLOYEES



EMPLOYEES WITH PERMANENT CONTRACTS



FEMALE EMPLOYEES



HOURS OF TRAINING FOR EMPLOYEES AND OTHER COLLABORATORS

OUR BUSINESS SEGMENTS

OVER **4,594 KM¹⁰** MOTORWAY NETWORK IN ITALY AND BRAZIL AND THE UNITED KINGDOM



¹⁰ Motorway network entirely managed by ASTM through the subsidiaries, jointly held subsidiaries and associated companies

SUSTAINABILITY INDICES AND RATINGS

Standard Ethics Rating
CDP Climate Change
Integrated Governance Index
Future Respect Index

VISION AND VALUES

ASTM is an industrial holding that operates through its subsidiaries in the planning, construction and management of infrastructure networks, particularly in the motorway sector. Works that contribute to a country's development and progress, encourage the mobility of people and goods and promote the economic and social growth of a local area.

A major work is not merely the duty of technicians and engineers.

It goes beyond that, engaging citizens and surrounding environment, permanently changes a local area, and has important safety implications in both the construction and management stages. It is a genuine collective work, a civil undertaking supported by the work of thousands of experts.

In conclusion, the operation of infrastructure is the end point of an articulated process involving numerous Stakeholders.

ASTM consults with each and every one of them through its subsidiaries, with a constant commitment to respecting the environment, implementing road safety policies, and developing and promoting the local area in which it operates.



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:

- Corporate Governance in line with ESG best practices
- Sustainability Plan 2017-2021
- Remuneration system linked to sustainability objectives
- Transparent and active stakeholder engagement
- ESG risks integrated into the Risk Management system
- Policies, procedures and management systems for relevant ESG issues
- Creation of value shared with all Stakeholders
- Sustainability reporting according to GRI standards and best practices

THE SUSTAINABILITY PLAN

The “Going Global Sustainably” Sustainability Plan prepared by ASTM highlights the Group’s commitment to sustainability topics, 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.

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



SUSTAINABILITY NEWSLETTER

In 2019, the Sustainability function of ASTM launched a weekly newsletter about sustainability issues on the company’s Intranet. The newsletter is intended as an area for informing about and distributing the sustainability culture to all Group employees.

Each edition dedicates space to “good practice” and useful information that is not only interesting for individuals in charge of sustainability and corporate social responsibility, but for all parties that collaborate in ASTM S.p.A. activities.

SDG ROADMAP

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

In particular, an assessment has been carried out on the consistency, validity and application of the Sustainable Development Goals (SDGs) to the sustainability issues and policies of the Group, in light of the dynamics and main issues associated with the sector and the main impact generated and experienced by the Group along its value chain. In this context, 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. To guarantee a complete analysis, all 17 SDGs have been analysed and included in the chart, since they were considered inseparable and to be achieved systemically.

The analysis also made it possible to identify target SDGs of particular relevance and Key Performance Indicators (KPIs) used to improve the monitoring of the Group's contribution to the SDGs.



SDG 9 - Industry, Innovation and Infrastructure - is particularly relevant for ASTM since the Group operates in the development of quality, reliable, sustainable and resilient infrastructure to support economic development and human well-being and in the upgrading of infrastructure to make it sustainable, with higher resource efficiency and increased adoption of clean technologies that respect the environment. Similarly, SDG 11 - Sustainable Cities and Communities - reflects the Group's commitment to providing access to safe and sustainable transport systems and to improving road safety.

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 disclosed 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 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”.

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. On 18 February 2020, ASTM’s Board of Directors established the Sustainability Committee from amongst its members formed of three independent directors, with the main task of supervising sustainability topics related to business operations and of reviewing the Sustainability Report and Sustainability Plan, monitoring their adoption. Over the course of 2019 and until the date of constitution of the above committee, sustainability issues were supervised by the Audit, Risk and Sustainability Committee. 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.

ASTM ADMINISTRATION AND CONTROL SYSTEM

On 1 January 2020, the provisions of the 2020 Finance Act entered into force (article 1, paragraphs 302, 303 and 304 of Italian Law no. 160/2019), amending articles 147-ter, paragraph 1-ter, and 148, paragraph 1-bis of Italian Legislative Decree no. 58 of 24 February 1998 ("TUF"), introduced by Italian Law no. 20 of 12 July 2011 (the "Golfo-Mosca Law") on gender balance in the corporate bodies of companies with listed shares.

The above law increased the quota reserved for the less represented gender (from "one third" to "two fifths"), establishing that this allocation criteria would apply for six consecutive mandates.

Convinced that gender diversity represents a value in defining Corporate Governance, ASTM has agreed to adjust its Articles of Association, which contain specific provisions regarding the composition of the corporate bodies and expressly require compliance with the quota established by the applicable laws on gender balance.

The Board of Directors in office at the date of publication of this document, appointed by the Ordinary Shareholders' Meeting held on 12 February 2020, comprises 15 Directors, of whom 9 (60%) are men and 6 (40%) women. 4 (26.67%) are in the 30-50 age group, while 11 (73.33%) 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.

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

On 2 August 2019, the Board of Directors of ASTM approved the Procedure for Drafting, Approving and Publishing the Non-Financial Statement in light of the provisions of Italian Legislative Decree no. 254/2016 and the GRI Sustainability Reporting Standards.

The procedure has the aim of identifying the main parties involved in the NFS reporting, preparation and approval process, defining the related roles and responsibilities in brief.

GENDER BREAKDOWN OF THE BOARD OF DIRECTORS¹¹



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 MEMBERS¹¹

4

11

● 30-50 years

● > 50 years

¹¹ Figures refer to the date of publication of this Report

MANAGEMENT OF CONFLICTS OF INTEREST

The “Procedure for transactions with related parties”, approved by the Board of Directors of ASTM, has been in force since 1 January 2011. This procedure was last updated on 23 January 2017, as part of periodic review activities recommended by Consob, on a three-year basis.

This procedure sets out the rules governing the approval, management and public disclosure of related-party transactions carried out by ASTM, in order to guarantee their transparency and procedural and substantive fairness. The procedure is available on the Company website www.astm.it/en in the section “Governance”.



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.

The current Articles of Association of the Company 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 minority shareholders’ rights regarding participation in shareholders’ meetings.

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 endorses¹².

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.

The Internal Audit and Risk Management Model adopted by ASTM was defined based on best

¹² 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 section



practices established by COSO's Enterprise Risk Management Integrated Framework and ISO 31000:2018.

In line with the model adopted and with support from dedicated internal functions, risks connected with the attainment of strategic company objectives are assessed, including in terms of sustainability topics.

During 2019, 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, was revised.

Following the merger by incorporation of SIAS S.p.A. into ASTM S.p.A. and therefore of the new corporate structure of the Group, it became necessary to revise ASTM's Risk Management organisation and model, which was finalised in January 2020.

As an industrial holding, ASTM coordinates, develops its equity investments and identifies 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. In particular, the main risks concerning sustainability issues of ASTM and its subsidiaries are reported.

MAIN RISKS CONCERNING SUSTAINABILITY ISSUES

1

RISK 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 and man-made disasters (accidents, fires, acts of terrorism).

2

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.

3

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.

4

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 topics, respect for human rights, anti-corruption and compliance with environmental regulations, including regulations on climate change.

5

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.

6

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.

7

"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.

8

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.

THE GROUP'S RESPONSE TO RISK

ASTM and its main operating subsidiaries have adopted a Risk Management system conforming to applicable best practices, 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 main risk mitigation activities, ASTM and its main operating subsidiaries have adopted a Code of Ethics and Conduct and a Management Programme pursuant to Italian Legislative Decree 231/01 since 2004, 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 31000:2018 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 adopted management systems in line with applicable best practices, with a particular focus on sections concerning quality, health and safety and the environment.

The parent company ASTM S.p.A. and its main operating subsidiaries have adopted a management and quality system certified to ISO 9001.

Some Group companies, including Itinera S.p.A., S.I.N.A. S.p.A., SINELEC S.p.A. and Euroimpianti S.p.A., have also adopted an Environmental Management System certified to ISO 14001 and an Occupational Health and Safety Management System certified to OHSAS 18001 and ISO 45001, ensuring specific management procedures to continually improve company environmental performance.

SINELEC also has an information security management system, certified to ISO 27001.

In the 2019 financial year, ASTM S.p.A. and Itinera S.p.A. implemented an Anti-Corruption Management System, achieving UNI ISO 37001:2016 certification.

Group companies operating in the technology and construction industries have developed an integrated management system (Quality, Safety and Environment) to guarantee that all applicable safety, health and environment laws have been identified and evaluated, and that all necessary measures to guarantee the legal compliance of all operating units have been taken.

As regards recent legal updates concerning whistleblowing, ASTM and its main operating subsidiaries adopted a system 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

In November 2019, ASTM adopted an operating procedure for crisis management, promoting the adoption by its subsidiaries of a similar procedure that takes their operations and organisational structure into account.

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, 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.

After its adoption, the procedure was activated on 24 November 2019 along the A6 Torino-Savona motorway managed by Autostrada dei Fiori S.p.A. when a landslide of exceptional size (caused by unforeseeable and exceptional weather events) hit a pier of the Madonna del Monte viaduct, causing part of the deck to collapse. The reconstruction works initiated on 13 December 2019 (date on which the areas were made available by the Authorities), thanks to the work and commitment of all parties involved, continued rapidly and on 22 February 2020, earlier than the works schedule, it was possible to reopen to traffic.

Moreover, in February 2020 the Crisis Management Team of ASTM S.p.A. was activated as a result of the epidemiological emergency caused by Coronavirus - COVID-19. In particular, in line with the instructions in the Orders and Measures of the Italian Ministry of Health and of the various Regions affected, communications and protocols were promptly distributed to all personnel with information about behaviour and guidelines pertaining to operating procedures.

Specifically, ASTM and its subsidiaries have prepared an emergency management plan intended to limit attendance at workplaces while guaranteeing operations and essential services (PPE and sanitising solutions distributed, disinfection of work environments, use of video/audio conferences). Where possible, the combined use of "smart working" and annual leave has been envisaged, with the exception of operating personnel or personnel for whom it is not possible to work remotely: for these cases, the rotating use of annual leave is favoured.

RISKS RELATED TO CLIMATE CHANGE

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. However, at the same time, the energy and technology transition currently in place could create important opportunities for growth and development. In the risk assessment process, risks have included extreme weather events (heavy rainfall, flooding, landslides) caused by changes in climate conditions that could damage motorway infrastructure, and the distribution of new traffic limitations on vehicles in residential areas that could impact the construction business, given the presence of some Itinera work sites located in metropolitan cities.

The Group companies are implementing various actions to mitigate the aforesaid 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 traf-



fic, 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 Spezia 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.

In addition, the Purchases Department is assessing the introduction of hybrid vehicles into the company fleet, which would, among other things, reduce CO₂ emissions.

Nevertheless, 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 company must be able to proactively identify and exploit the opportunities in order to maintain high levels of competitiveness. For example, in the motorway sector, in addition to investments in the development of infrastructure to guarantee adequate safety standards, it is necessary to continue with technology innovation in order to offer a service in line with the evolution of the automotive market and the increasingly greater need for infrastructure that permits interactive vehicle-to-vehicle and vehicle-to-infrastructure dialogue. The same goes for the construction sector, where customer demand is growing for buildings that respect certain environmental standards, such as those outlined by LEED certification.

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

Risk	Risk type	Description	Time horizon	Likelihood	Magnitude of the 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	 About as likely as not	 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.

Management method

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	Risk type	Description	Time horizon	Likelihood	Magnitude of the 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-high	<p>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.</p>

Management method

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 taken out specific insurance policies to cover potential damage to infrastructure, direct and indirect damage caused to third parties and loss of revenue due to traffic disruption.



Risk	Risk type	Description	Time horizon	Likelihood	Magnitude of the 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	 Very unlikely	 Medium	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.

Management method

Since 2004, ASTM and its main operating subsidiaries have adopted a “Compliance Programme” pursuant to Italian Legislative Decree 231/01, which defines, among other things, procedures, protocols and a disciplinary system in order to prevent environmental damage and guarantee compliance with the environmental regulation. 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	Risk type	Description	Time horizon	Likelihood	Magnitude of the 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-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.

Management method

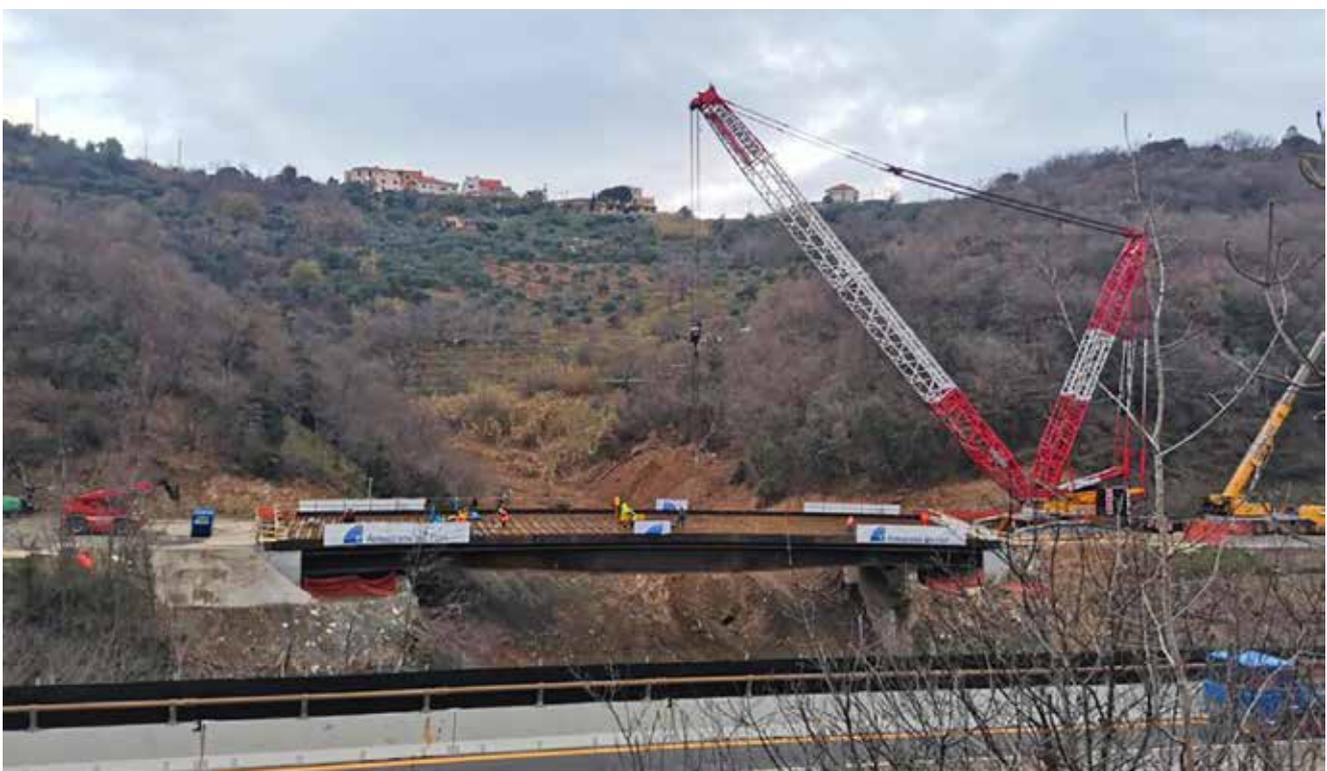
Within its own business activity, each Group company constantly monitors the evolution of environmental regulations, including through dialogue and active participation in specific work groups.

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 12 years, which deals with Climate Change, mitigation policies, conversion and the resilience of infrastructure.

Risk	Risk type	Description	Time horizon	Likelihood	Magnitude of the 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>	 <p>Long term</p>	 <p>More likely than not</p>	 <p>Medium</p>	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.

Management method

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	Risk type	Description	Time horizon	Likelihood	Magnitude of the 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	 Medium	The financial impact is linked to a loss in profits and revenues (toll revenues and service area royalties) in the motorway concessions sector.

Management method

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	Risk type	Description	Time horizon	Likelihood	Magnitude of the impact	Financial impact
Reputation risk	Transition risk	Risk associated with the reputational effects occurring in the events described above.	 Short term	 About as likely as not	 Low	Impact mainly linked to the indirect effects on the performance of the stock exchange price of the ASTM share.

Management method

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 Function of ASTM, in collaboration with the 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	Opportunity type	Time horizon	Likelihood	Magnitude of the impact	Financial impact	Execution costs
Market/ technology opportunities – EPC	Products and services	 Short term	 Very likely	 Medium	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	Opportunity type	Time horizon	Likelihood	Magnitude of the impact	Financial impact	Execution costs
Market/ technology opportunities – Concessions and Technology	Products and services	 Short term	 More likely than not	 Medium	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, as of 2018, a trial project for high-power electric charging was launched at a service area on the motorway stretch managed by S.A.V.

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	Opportunity type	Time horizon	Likelihood	Magnitude of the impact	Financial impact	Execution costs
Market/ technology opportunities – Concessions	Resource efficiency	 Short term	 Very likely	 Medium	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.



ETHICS AND INTEGRITY

ASTM's Code of Ethics and Conduct ("Code of Ethics") sets out the ethics and behaviour to adopt in relations with personnel and third parties and that shall apply to any entity operating on behalf of the Company or in contact with it, establishing disciplinary and contractual sanctions in the event of any infringements. ASTM and its main operating subsidiaries have adopted their own Code of Ethics that is distributed to all people and entities that do business with the respective companies; it is available, alongside the other sustainability policies defined, in the company Intranet and on the respective websites of the companies. There were no reports regarding breaches of the Code of Ethics during 2019.

In order to gradually integrate the sustainability culture in all company processes and operating areas, ASTM developed a specific Sustainability Policy, which reflects the Group's commitments, with reference to actions targeting governance, employees, the environment, the local area, the supply chain, innovation, road safety and occupational health and safety.

To strengthen ESG monitoring, ASTM and its main operating subsidiaries have adopted specific policies and procedures, of which the main characteristics are described in brief.

ANTI-CORRUPTION MANAGEMENT SYSTEM CERTIFIED TO ISO 37001

In 2019, ASTM and the subsidiary Itinera 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.

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.



ANTI-CORRUPTION

An awareness of corruption risk associated with the nature and characteristics of the business, has led ASTM to take action beyond simple legal compliance, identifying measures to prevent corrupt practices which have become a part of the Group's responsibility. In this context, in line with the principles set out in the Code of Ethics and Conduct, and Compliance Programme, based on best practices concerning anti-corruption according to a zero-tolerance approach, and ISO 37001:2016, ASTM has defined an Anti-Corruption Policy in order to further mitigate risks of conduct attributable to corruption.

The Internal Audit function is in charge of monitoring the adoption and dissemination of this policy. Moreover, the Supervisory Body, as part of its oversight activities, checks the operating effectiveness of controls adopted to prevent corruption as part of Italian Legislative Decree no. 231/2001. A channel has also been set up to report offences or irregularities identified during work activities. Training courses on corruption risks are held at regular intervals for executives and for employees most exposed to these risks.



DIVERSITY AND INCLUSION

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. In each phase of employment, from the recruitment process and the allocation of roles, to the conclusion of the relationship, the Company undertakes to guarantee equal opportunities, avoiding all forms of discrimination concerning employment and work and promoting a culture where individuals recognise the value that a diversified and inclusive workforce brings. No 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 or any other social or personal condition is tolerated.

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. Particular responsibility for the application, dissemination and implementation of the Diversity and Inclusion Policy is allocated to the management team involved, for reasons of position, in the daily management of employees and their supervision in addition to the hiring, recruitment, promotion and training process of them.



SUPPLIERS CODE OF CONDUCT

ASTM's Suppliers Code of Conduct involves its own suppliers in creating a procurement cycle that is sustainable in social, environmental and economic terms. This Code applies along with all existing laws and contains all the principles in the Code of Ethics and Conduct and existing company procedures.



HUMAN RIGHTS

ASTM endeavours to ensure that human rights are respected along the entire value chain. To consolidate its commitment to human rights, also considering the Group's international development, in 2019 ASTM defined 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. ASTM has promoted the adoption of the Anti-Corruption Policy, the Diversity and Inclusion Policy, the Suppliers Code of Conduct and the Human Rights Policy by its main operating subsidiaries, which, taking into account their operations and organisational structure, have adopted them autonomously through their administrative bodies.

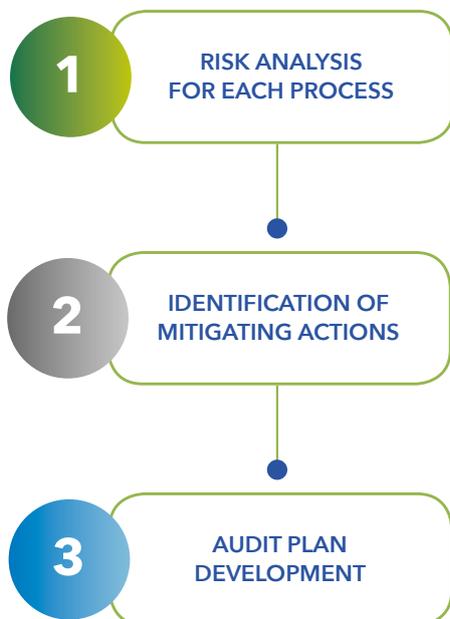


INTERNAL AUDIT FUNCTION

ASTM and its main operating subsidiaries have appointed a manager of this 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 an audit, the design of the controls system and their operating efficiency is verified through testing for each area being inspected.

During the 2019 financial year, the audit activities carried out by the Manager of ASTM's Internal Audit function mainly concerned the governance and compliance processes (and in particular the "inside information management", "related-party transaction management", "internal dealing" and "significant transaction management" procedures), investment management, financial processes and human resource management. In addition, the supervisory activities continued on the implementation and dissemination of the Anti-Corruption Policy.

With a view to integrated management, the internal audit activities also take into account the outcomes of the checks carried out by the Manager in charge of drawing up the corporate accounting documentation, by the Supervisory Body and by the Data Protection Officer (DPO).

A follow-up is also carried out annually to verify the effective implementation of any improvement actions that arose during the previous audit activities.

The audits carried out highlighted no significant aspects to be reported regarding the operations and suitability of the Internal Audit and Risk Management System.

During 2019, the Internal Audit function also verified the adequacy and implementation of the Anti-Corruption Policy, in addition to the operational effectiveness of the checks envisaged by it. The audit activities had no significant findings.

With reference to the motorway concessions the 2019 auditing activities carried out by the respective Internal Audit Function managers, defined on the basis of the main operating risks identified, were mainly focused on "services to users", "road safety management" and "maintenance management" processes.

With reference to the construction sector, the 2019 activities plan prepared by the Internal Audit Manager of Itinera was particularly focused on the "employee administration" and "procurement" processes.

As regards the engineering, technology and plant engineering sectors, which operate by contract, the auditing activities focused on the "bid management" and "contract management" operating processes, as well as on the personnel management and development processes.



WHISTLEBLOWING SYSTEM

“Whistleblowing” is the reporting carried out by a worker, collaborator or third party that, when undertaking their activities, discovers fraud, risk or a hazardous situation that could cause damage to the company they work for, in addition to customers, colleagues, citizens and any other category of individual or entity.

In accordance with Italian Law no. 179 of 30 November 2017, ASTM has implemented a reporting system for any irregularities or violations of the applicable regulations and internal procedures (known as the whistleblowing system) in line with national and international best practices, which guarantee a specific and confidential information channel and the anonymity of the whistleblower.

For more information about the reporting methods, refer to the Company’s website in the section “Governance”.

No reports were made in 2019.



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. In light of the changes to the organisational context and the growing level of implementation of data protection compliance activities, in 2019 the Officers Group formed some internal working teams which analysed specific compliance issues, carrying out data protection projects involving all Group entities. The commitment of the internal working groups will continue throughout 2020, and new teams will be created.

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 people.

STAKEHOLDER MAP AND MATERIALITY ANALYSIS

The Group undertakes to 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 image shown below illustrates the 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 Engagement Standard and the GRI Standards Reporting Principles, on 11 and 13 September 2019 the Group's 4th internal Stakeholder Engagement workshop was held, involving over 100 employees from different company functions in each business segment of the Group.

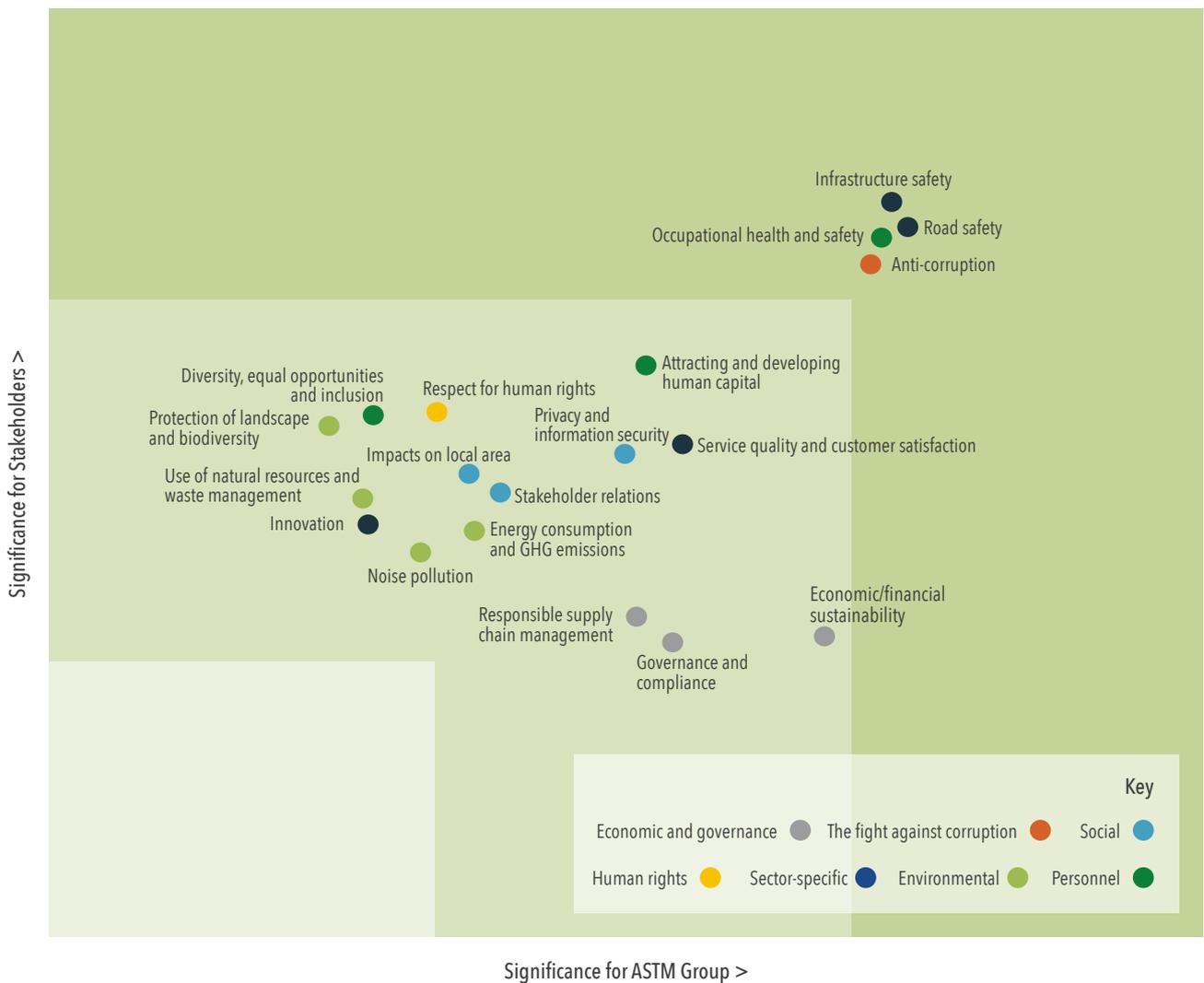
Subsequently, with the aim of engaging a sample of all categories of external Stakeholders, an online survey was created in line with previous financial years for representatives from the world of institutions, investors and lenders, the media, consumer associations, suppliers, business partners, contractors, customers, members of local communities and Universities and Research Centres.



The number of external Stakeholders involved increased compared to the 2018 financial year, thanks to sending the survey to a wider sample of motorway users and representatives from the supply chain. In total around 120 responses were received.

The results of the analysis were processed and summarised in the materiality matrix, presented below, considering the topics defined in article 3 of Legislative Decree 254/16, such as respect of human rights, environmental protection, issues concerning personnel, social aspects and the fight against active and passive corruption. The matrix was examined by the Audit, Risk and Sustainability Committee and approved by the Board of Directors on 14 November 2019.

THE ASTM GROUP'S MATERIALITY MATRIX



This year, road safety, occupational health and safety and anti-corruption are once again some of the most important sustainability issues for the Group. In addition, the relevance of infrastructure safety has increased for both Stakeholders and the ASTM Group.

DIALOGUE WITH SHAREHOLDERS: ITALIAN SUSTAINABILITY DAY

For the second time, ASTM took part in the third edition of the *Italian Sustainability Day*, an event held to promote dialogue between companies and investors on sustainability, innovation and growth issues, organised by Borsa Italiana on 2 July 2019 in Milan.

Important themes from this edition included climate change and the transition towards a more sustainable economy with lower environmental impact. In the 2019 edition, 31 listed companies and 2 unlisted companies met with 80 national and international investors representing over 50 asset owners and asset managers in more than 330 meetings dedicated to the discussion of ESG strategies.

The presentation made to investors in the "one-to-one" meetings is available on the Company website www.astm.it/en in the section "Sustainability".

ATTRACTING YOUNG TALENT

In 2019, S.I.N.A. and SINELEC participated in the "Career Days" organised by the Guidance Centre of the University of Pavia and the Polytechnic University of Milan respectively .

These kinds of events are important occasions for coming into contact with the expectations and professional ambitions of young people, at the same time providing information about the business and employment opportunities that the Group offers to near-graduates and graduates.

PUSH TO OPEN (P2O)

Investing in young people, to design a sustainable future with them. Leveraging the awareness of adolescents about sustainability issues, having them work on the UN 2030 Agenda Goals to encourage them to reflect on what kind of tomorrow they would like to see.

Push to Open (P2O) is the project promoted by the Group, alongside the company Jointly and the Municipality of Tortona, which involved 4th and 5th year students from the Istituto Carbone - G. Marconi and Liceo scientifico Peano. The pupils were asked to interact with the world of businesses, using gamification and game design mechanisms, developing skills and innovative solutions to the challenges presented to them by sustainability issues.

In Tortona, at the Itinera headquarters, 80 pupils developed ideas and projects to transform roads and improve the experience of vehicles while driving. In particular, the students worked together to find effective solutions, contributing to the achievement of Goal 11.2 of the UN 2030 Agenda: "provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons".

The event concluded with a presentation of the works before a panel of mentors and facilitators from the company. It was an important occasion to encourage the children, through discussion and dialogue, to make attitude changes that support well-being and improve the conditions of the world we live in.



CORRELATION OF MATERIAL TOPICS, SDGs, AREAS ENVISAGED IN ITALIAN LEG. DECREE 254/2016, SUSTAINABILITY RISKS AND MAIN MANAGEMENT AND MITIGATION ACTIONS

Material topics identified were correlated with the areas envisaged by Italian Legislative Decree no. 254/2016, the Sustainable Development Goals (SDGs) integrated in the Group's 2017-2021 Sustainability Plan objectives and main sustainability risks identified.

The results of this analysis for the most significant material topics for the Group and its Stakeholders are summarised below:

MATERIAL TOPIC	DEFINITION
<p>ROAD SAFETY</p> <p>Area of Leg. D. 254/2016: SOCIAL, ENVIRONMENTAL</p> <div style="display: flex; justify-content: space-around;"> <div data-bbox="145 954 255 1064"> </div> <div data-bbox="279 954 389 1064"> </div> <div data-bbox="413 954 523 1064"> </div> </div>	<p>Main sustainability risks associated:</p> <ul style="list-style-type: none"> • risk of operational disruption to infrastructure • Risks related to the management of emergency events and motorway services. <p>Summary of main management and mitigation actions:</p> <ul style="list-style-type: none"> • 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 (i.e. the police, civil protection, prefectures); • service contracts with third parties (e.g. winter services); • Granting Body monitoring plan; • systems to identify customer satisfaction. <p>All Group licensees have an operating unit that users may contact in the event of emergencies, and SOS points along the entire motorway network.</p> <p>The Sustainability Plan envisages the attainment of ISO 39001 (Road Safety Management System) certification for all Group licensees by the end of 2021.</p> <p>For further information, see the section "Motorway concessions" in the chapter "Our business segments".</p>
<p>INFRASTRUCTURE SAFETY</p> <p>Area of Leg. D. 254/2016: SOCIAL, ENVIRONMENTAL</p> <div style="display: flex; justify-content: space-around;"> <div data-bbox="145 1659 255 1769"> </div> <div data-bbox="279 1659 389 1769"> </div> <div data-bbox="413 1659 523 1769"> </div> </div>	<p>Main sustainability risks associated:</p> <ul style="list-style-type: none"> • Risk of operational disruption to infrastructure; • Compliance risks and risks related to ethical behaviour. <p>Summary of main management and mitigation actions:</p> <ul style="list-style-type: none"> • monitoring and planning of maintenance to check and guarantee the safety status of motorway infrastructure; • the seismic and hydrogeological monitoring plan; • Granting Body monitoring of infrastructure; • the "Code of Ethics and Conduct" and "Compliance Programme" adopted by ASTM and its main 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. <p>For further information, see the section "Motorway concessions" in the chapter "Our business segments", the section "Health and safety" in the chapter "Our responsibility towards people" and the section "Environmental issues management" in the chapter "Our responsibility towards the environment and local areas".</p>

MATERIAL TOPIC	DEFINITION
<p>OCCUPATIONAL HEALTH AND SAFETY</p> <p>Area of Leg. D. 254/2016: PERSONNEL</p> <div style="display: flex; justify-content: space-around;"> <div data-bbox="146 528 258 638"> </div> <div data-bbox="280 528 392 638"> </div> </div>	<p>Main sustainability risks associated:</p> <ul style="list-style-type: none"> • Compliance risks and risks related to ethical behaviour; • Risks related to the supply chain and subcontracting. <p>Summary of main management and mitigation actions:</p> <ul style="list-style-type: none"> • the "Code of Ethics and Conduct" and "Compliance Programme" adopted by ASTM and its main 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 accidents, 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. <p>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. For further information, see the section "Health and safety" in the chapter "Our responsibility towards people".</p>
<p>ANTI-CORRUPTION</p> <p>Area of Leg. D. 254/2016: THE FIGHT AGAINST ACTIVE AND PASSIVE CORRUPTION</p> <div data-bbox="146 1106 258 1216"> </div>	<p>Main sustainability risks associated:</p> <ul style="list-style-type: none"> • Compliance risks and risks related to ethical behaviour. <p>Summary of main management and mitigation actions:</p> <p>Implementation of an integrated human capital management system, through:</p> <ul style="list-style-type: none"> • 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. <p>Training courses on corruption risks are held at regular intervals for executives and people most exposed to these risks. For further information, see the section "Ethics and Integrity" in the chapter "The ASTM Group and Sustainability".</p>



SUSTAINABILITY INDICES AND RATINGS

Sustainability indices and ratings assess companies based on their environmental, social and governance (ESG) performance. They acknowledge a clear long-term strategic vision, the solidity of the operating activities and the commitment to meeting environmental and social needs.

In this way, the Group meets the transparency requirements of investors who are increasingly aware of adopting responsible investment strategies, improving its reputation for all Stakeholders.

The main recognitions achieved by the Group are shown below.

STANDARD ETHICS RATING

In 2019, for the first year ASTM achieved the Standard Ethics Rating sustainability rating issued by Standard Ethics, an independent sustainability ratings company based in London.



Specifically, the Standard Ethics Rating focuses on assessing corporate governance, environmental and social aspects and measures the level of compliance with instructions from the European Union, the Organisation for Economic Co-operation and Development (OECD) and the United Nations, meaning that it offers a measurement of the adherence to the most important international indications on sustainability.

Standard Ethics awarded ASTM an EE- rating (full investment grade), acknowledging how over recent years the Company has adopted ESG reporting models, sustainability strategies aligned with international indications and has appropriately dealt with environmental, social and safety issues.

The outlook attributed to ASTM is "Positive", forecasting a Long Term Expected SER over 3-5 years of EE+ (Very strong).

CDP CLIMATE CHANGE

In 2019, ASTM took part for the second time in the "CDP Climate Change" programme promoted by the Carbon Disclosure Project (CDP), an international, non-profit organisation that assesses the transparency of main industrial and financial groups in disclosing information on their environmental impact, with the aim of contributing to the fight against climate change at global level.



Organisations that take part in this programme are assessed by compiling a specific questionnaire, to provide quantitative and qualitative data and information on strategies adopted for managing CO₂ emissions.

To confirm its commitment to managing and reducing its environmental impact, the Group obtained an assessment corresponding to B on an 8-point assessment scale (from the most virtuous to the least virtuous: A, A-, B, B-, C, C-, D, D-).

INTEGRATED GOVERNANCE INDEX

The Integrated Governance Index (IGI) is a quantitative index involving the top 100 Italian listed companies.



The IGI strives to clearly and briefly express the positioning of companies in relation to key sustainability aspects and intends to prove a snapshot of the level of progress in sustainability governance or integrated governance.

ASTM came third place in the IGI 2019 classification dedicated to the 'Industry' business segment.

FUTURE RESPECT INDEX

ConsumerLab has added the 2018 Sustainability Report of the ASTM Group to the 2019 Future Respect Index since it was chosen by consumers from the 40 clearest and most effective Sustainability Reports (from other 800 reports analysed), which highlighted business management respectful of the future, given its awareness of the common good and general interest towards social cohesion. In particular, the valuation criterion is based on the ability of the report to engage consumers and make them aware of the sustainability culture.



ConsumerLab is an organisation that structures its experience gained in the consumer world, with the expertise of a high-profile academic and professional team, to promote sustainability culture by illustrating best practices and success cases taken from the reports prepared by companies.

2019 PREMIO REPORT DI SOSTENIBILITÀ

In 2019, ASTM was a finalist in the 2019 "Premio Report di Sostenibilità" in the large company category. This sustainability report award is organised by the Department of Economics and Management at the University of Pavia, alongside Alleanza Italiana per lo Sviluppo Sostenibile, the Associazione Italiana Revisori Contabili, the Associazione Italiana per la Direzione del Personale and Refinitiv.

The "Premio al Report di Sostenibilità" event came from the idea to reward Italian companies based on their non-financial statements, and their sustainability reporting in general, through which they communicate information relating to environmental, social and corporate governance issues to various Stakeholders.





02

OUR ECONOMIC RESPONSIBILITY

- 47 Economic value generated and distributed
- 48 Impact measurement
- 50 Supply chain



OUR ECONOMIC RESPONSIBILITY

CONTEXT

Investments in sustainable infrastructure and scientific and technological research promote economic growth, the creation of jobs and prosperity. In 2017, it is estimated that global economic growth reached 3%¹³: a figure which is particularly significant given that growth in 2016 amounted to 2.4%.

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 2017, 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 93 billion in 304 projects in 52 countries¹⁴.

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.



¹³ United Nations, World Situation and Prospects 2018, New York

¹⁴ World Bank, Private Participation in Infrastructure Database

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 ASTM as at 31 December 2019.

In 2019, the Group's net global added value was 2,068 million of euros (1,718 million in 2018).¹⁵

Most of this value, equal to 59% (47% in 2018), refers to "Supplier remuneration"; this item mainly consists of costs for services and raw materials. This is followed, in line with the previous financial year,

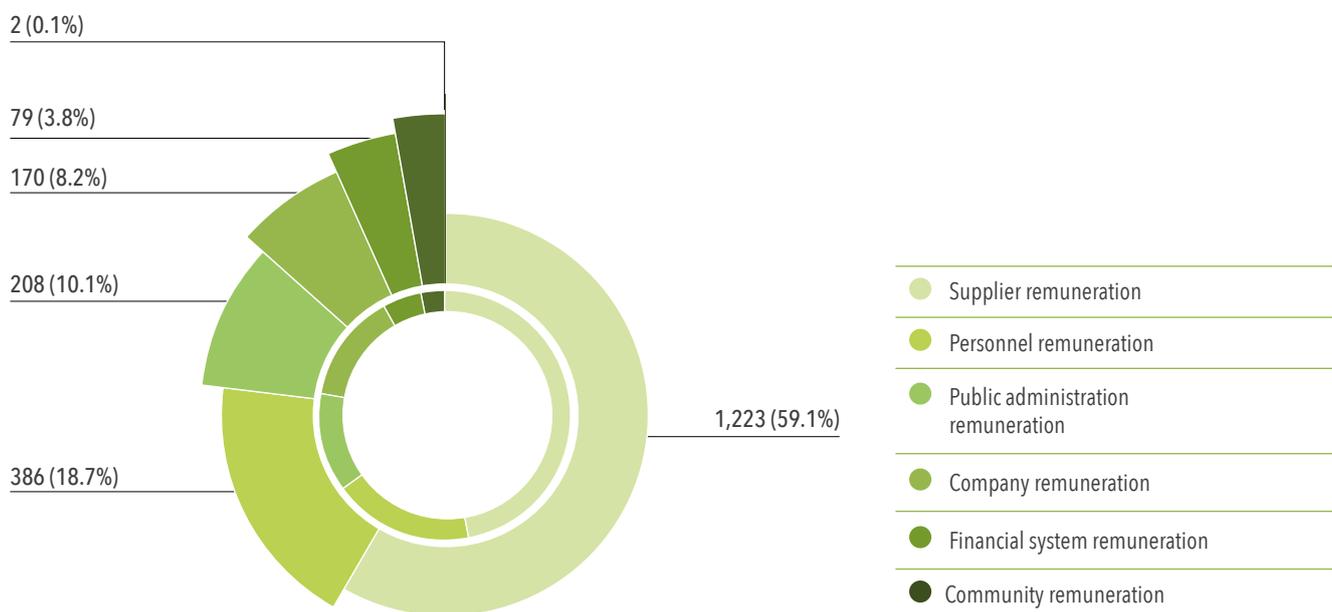
by "Personnel remuneration" (19%), which mainly refers to salaries and social security contributions.

"Public administration remuneration" accounts for around 10% (13% in 2018) and basically refers to income tax and concession fees.

"Company remuneration", equal to 8% of the total (14% in 2018), includes the value retained by ASTM for the Group's future development.

"Financial system remuneration" was equal to 4% (5% in 2018).¹⁶

DISTRIBUTION OF ECONOMIC VALUE (in millions of euro)



¹⁵ From 1 January 2019, the "IFRS 16 - Leases" international accounting standard has applied; the standard establishes a single model for the recognition and measurement of lease contracts for the lessee, which calls for the leased asset, including operating assets, to be recognised as an asset but with a balancing entry under financial payables. When transitioning to the new standard, the Group choose to apply the "simplified retrospective method", recognising in shareholders' equity the cumulative effect of applying the standard as at 1 January 2019 and, therefore, not amending the comparative data relating to the previous period. Please refer to the section "Principles of consolidation, valuation criteria and explanatory notes" of the Consolidated Financial Statements of the ASTM Group for more information

¹⁶ With regard to "Shareholder remuneration", which is not taken into account for the purposes of the 2019 value added distribution model contained in this document, the Board of Directors reserves the right to assess the possible call for a Shareholders' Meeting, held in the final quarter of the year, to propose any distribution of reserves in accordance with monitoring the equity and financial stability of the Group in relation to changes in the economic scenario due to the COVID-19 emergency.

IMPACT MEASUREMENT

The business segments in which the Group operates, and in particular concessions and construction, are fundamentally important for the economy.

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 territory¹⁷.

Moreover, the construction industry is the driving sector of the domestic economy, purchasing goods and services from 90% of economic sectors¹⁸.

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 to quantify the direct, indirect and related contributions generated by its own business.

The analysis is based on the use of an input-output model¹⁹ which, by analysing the interaction between a country's industries, makes it possible to further understand the economic context in which a business operates.

By using this model, it is possible to estimate "indirect" multipliers, i.e. the multipliers which make it possible to represent the economic value generated by the Group and distributed to the economic system thanks to interaction with other companies in the local area, as well as the "related" multipliers that reflect the effect generated by the spending of households to whom the Group distributes wealth.

As regards the ASTM Group, the analysis shows the indirect and related contribution, also in relation to generated employment²⁰, starting from the economic value generated and distributed in 2019 ("Direct contribution").

The ASTM Group makes a significant contribution to creating economic value and jobs in the local areas where it operates.

In particular, with an added value of EUR 2,068 million (for more information see the section on Economic value generated and distributed), an overall economic contribution of around EUR 4.2 billion is generated (given by the sum of the direct, indirect and related contribution).

DIRECT: Directly related to the sector analysed and related to the effects on the sector's production chain.

INDIRECT: Generated in the economic system through the production chain consisting of suppliers of goods and services for activities directly attributable to the sector in question

RELATED: Generated through spending and consumption caused by direct and indirect impact. This refers to the increase in spending in the relative geographic area following an investment

¹⁷ Source: "Processing an economic impact indicator for developing new linear transport infrastructure", CRMT (Transport and Infrastructure Research Centre) Unioncamere Lombardia

¹⁸ 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)

¹⁹ 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



Through the use of indirect and related employment multipliers, the overall effect on creating new jobs was of more than 148,000 workers. This value includes direct employees of the Group and the effect on indirect and related employment generated by the latter.



²⁰ In relation to the activities carried out by the Group throughout the world, the multipliers have been estimated using the matrix of flows of inter-segment goods and services at current prices with an industry-by-industry approach. The data shown in the Report refer to the national input-output tables in the OECD international database related to Italy, Austria, Denmark, Sweden, the United States of America, Brazil, Romania and Saudi Arabia for 2015 (<http://www.oecd.org/sti/ind/input-outputtables.htm>). The values associated with the above countries were used as a proxy in order to estimate the data of the countries for which no specific information was available. This method has been updated since 2018, with a view to the continuous improvement of the analysis model

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, including political conflicts, in compliance with the applicable company organisational procedures.

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 Compliance Programme, each company formalises roles and responsibilities, criteria and operating methods for the monitoring and management of the procurement process.

In addition, ASTM and its main operating subsidiaries have adopted a Suppliers Code of Conduct, which is applicable together with current regulations,

that complements all the principles in the Code of Ethics and Conduct and in company procedures in effect and sets out 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).

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").

An appropriate "environmental" clause is included when stipulating supply contracts, on the basis of which the supplier is specifically required to comply with all applicable existing laws. The supplier must present all certification/qualification required by law, which are collected and updated as part of the management of the Suppliers List.

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.

During 2019, over 99% of Group purchases were sourced from local suppliers²¹. The chart below shows the percentage of local purchases, by geographic area.

EXTERNAL AUDITS ON ITINERA SUPPLIERS

In 2019, Itinera carried out audits on its suppliers (10 in Italy and 11 overseas), which, in accordance with the company procedure were chosen according to the following criteria: i. type and critical nature of the supply; ii. feedback from work sites; iii. particular requirements, such as the existence of detrimental conditions for safety, the environment and the quality of the products/services supplied or reports from the 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, 10 audits were carried out on 4 work sites, while 11 were carried out on 2 work sites overseas. Each audit took place over one day and was carried out by two people.

LOCAL PURCHASES (% of expenditure on local suppliers)



²¹ 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 materials purchased by the Group during 2019 are broken down as follows, by reference category.

MAIN MATERIALS PURCHASED IN 2019²²

	UNIT OF MEASUREMENT	QUANTITY
Oil products	litres	51,633,919
Concrete	m3	452,595
Bituminous mixes	ton	314,213
Iron and steel	ton	295,244
Quarry material	m3	220,946
Road barriers	ml	80,289
Prefabricated cement products	m3	43,180
Cement and other binding agents	ton	41,779
Chlorides	ton	14,772
Bitumen	ton	9,136

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 **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 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.

In particular, 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 topics, 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. Itinera is certified to SA8000 on social accountability.

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. For the purpose of diversifying the suppliers, the competent function also uses, where necessary, the principle of supplier rotation intended to favour a new or non-continuous supplier with the same results.

²² The figure is the result of estimates made in consideration of the total cost and average unit cost incurred for the materials listed above

ACTIONS TO MITIGATE MAIN RISKS REGARDING CHILD LABOUR

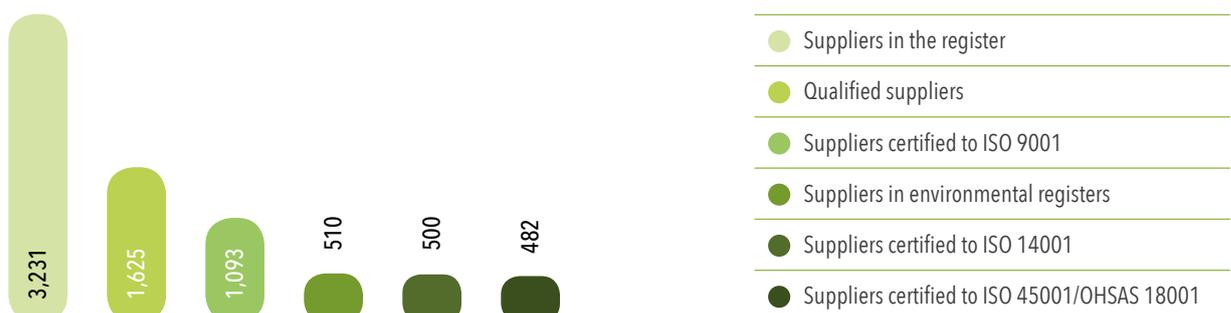
Considering the specific nature of its business and geographic scope of its operations, in the world, the main risks identified for the Itinera Group regarding child and forced labour concern construction sites, with particular reference to the responsible management of the supply chain in Africa and 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 foreign, 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, workers 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.

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 EUR 10,000 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 2019, out of 3,231 suppliers recorded in Itinera's list, a total of 1,625 suppliers were qualified, of which 1,418 in Italy and 207 overseas.

TOTAL SUPPLIERS







03

OUR RESPONSIBILITY TOWARDS PEOPLE

- 57 People
- 65 Diversity and inclusion
- 70 Remuneration and benefits
- 74 Human capital development
- 78 Health and safety

OUR RESPONSIBILITY TOWARDS PEOPLE

CONTEXT

There are approximately 200 million unemployed worldwide: of these, the majority are young people. In particular, the global rate of youth unemployment (11.8%)²³ is two times greater than the average rate (4.9%). 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, safer and healthier²⁴. 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 years²⁵.

²³ International Labour Organization (ILO). 2019. World Employment Social Outlook: Trends 2019

²⁴ United Nations (UN). 2018. The Sustainable Development Goals Report 2018

²⁵ World Economic Forum (WEF). 2018. The Global Gender Gap Report 2018



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.

"ASTM pays the utmost attention at all times to empowering people. For this reason it considers meritocracy, professional expertise, honesty and fairness as fundamental and key to taking all decisions concerning career development and any other aspects related to its employees."

The Code of Ethics



8,526
EMPLOYEES AND OTHER
COLLABORATORS



92%
EMPLOYEES WITH
PERMANENT CONTRACTS

GROUP PERSONNEL



EMPLOYEES AND OTHER COLLABORATORS BY GENDER

NO. OF PEOPLE	AS AT 31 DECEMBER 2018			AS AT 31 DECEMBER 2019		
	Men	Women	Total	Men	Women	Total
Employees	3,919	881	4,800	5,127	1,000	6,127
<i>of which joint operations</i>	560	61	621	1,605	125	1,730
Other collaborators	3,667	17	3,684	2,385	14	2,399
<i>of which joint operations</i>	3,665	16	3,681	2,361	11	2,372
Total	7,586	898	8,484	7,512	1,014	8,526

The Group's overall work force as at 31 December 2019 totalled 8,526 people (8,484 in 2018), of whom 6,127 were employees (4,800 in 2018) and 2,399 other collaborators (3,684 in 2018).

The increase in the number of employees compared to the previous year of 1,327 people is mainly related to Halmar International LLC (247 employees in 2019 and 190 in 2018), Storstrøm Bridge (94 employees in 2019 and 22 in 2018) and the joint operations Alças da Ponte Consortium (630 employees in 2019 and 256 in 2018), CONS. BINÁRIO PORTO DE SANTOS (310 employees in 2019 and 128 in 2018), CONSORCIO BR-050 (234 employ-

ees in 2019 and 0 in 2018) and 3RD TRACK CONSTRUCTOR (306 employees in 2019 and 9 in 2018).

The item "Other collaborators" mainly includes temporary workers deployed at operating sites abroad, of whom around 80% for the Itinera/Ghantoot joint operation (1,954 in 2019, 3,606 in 2018), set up for the development of the Reem Mall in Abu Dhabi. The number of Itinera/Ghantoot collaborators has greatly decreased compared to 2018 in line with changes in work site activities.

In 2019, 84% of employees were male, and nearly all other collaborators were male.

GROUP EMPLOYEES BY BUSINESS SEGMENT

MOTORWAY CONCESSIONS
35%



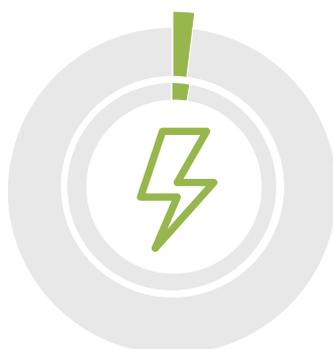
CONSTRUCTION
53%



ENGINEERING
4%



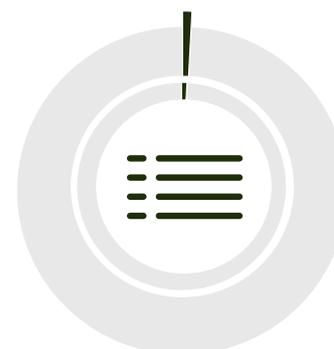
PLANT ENGINEERING
2%



TECHNOLOGY
5%



OTHER
1%



Looking at the breakdown of personnel by business segment, approximately 53% (40% in 2018) work in the construction sector, around 35% (45% in 2018) operate in the motorway concessions sector, while the remaining 12% (15% in 2018) are employed in the engineering, technology, plant engineering and other sectors.

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

NO. OF PEOPLE	AS AT 31 DECEMBER 2018			AS AT 31 DECEMBER 2019		
	Men	Women	Total	Men	Women	Total
Temporary	272	110	382	361	133	494
<i>of which joint operations</i>	97	36	133	144	44	188
Permanent	3,647	771	4,418	4,766	867	5,633
<i>of which joint operations</i>	463	25	488	1,461	81	1,542
Total	3,919	881	4,800	5,127	1,000	6,127

As proof of the Group's commitment to promoting stable, long-lasting working relationships, in line with the previous financial year, around 92% 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 3,584 in Italy (3,623 in 2018), 1,191 in Latin America (477 in 2018), 584 in the United States (225 in 2018), 186 in Europe (41 in 2018), 88 in the Middle East (52 in 2018) and zero in South Africa (in line with the previous financial year).

Employees on temporary contracts totalled 252 in Italy (217 in 2018), 160 in South Africa (116 in 2018), 57 in Europe (32 in 2018), 25 in Latin America (16 in 2018) and zero in the remaining geographic areas (1 in the United States in 2018).

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

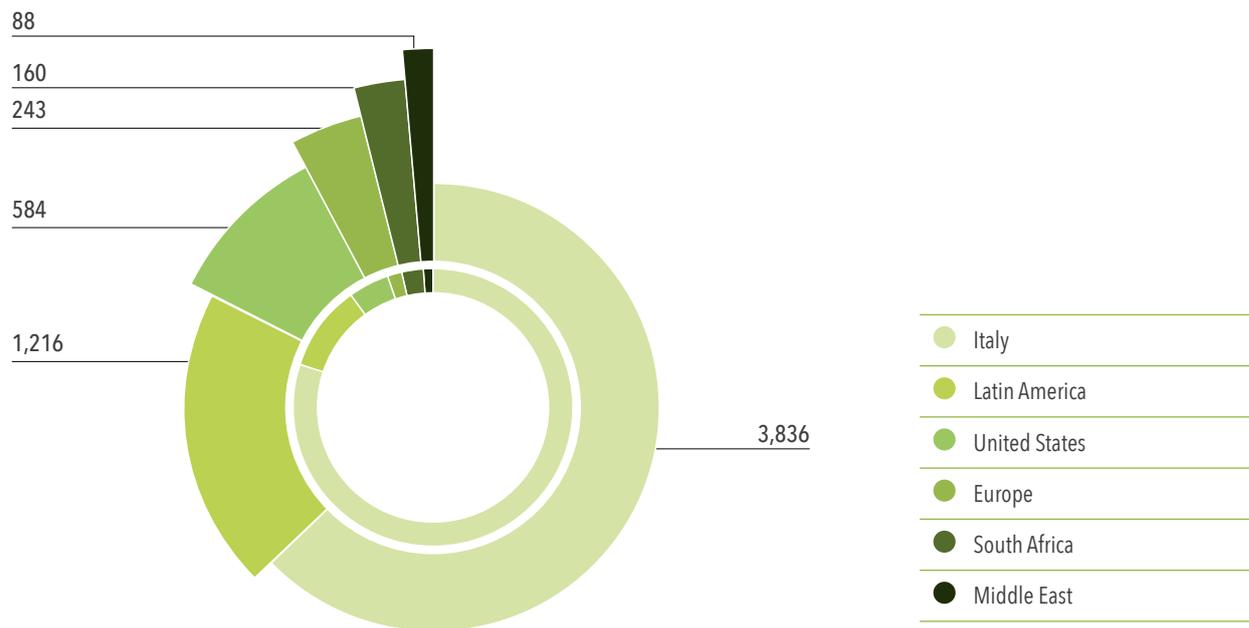
NO. OF PEOPLE	AS AT 31 DECEMBER 2018			AS AT 31 DECEMBER 2019		
	Men	Women	Total	Men	Women	Total
Full-time	3,564	591	4,155	4,775	707	5,482
<i>of which joint operations</i>	552	52	604	1,593	110	1,703
Part-time	355	290	645	352	293	645
<i>of which joint operations</i>	8	9	17	12	15	27
Total	3,919	881	4,800	5,127	1,000	6,127

In line with 2018, 645 people are again employed under part-time contracts in 2019, totalling approximately 11% of the total employees. The workforce is made up of roughly the same numbers between men and women, with men accounting for a slightly higher figure (55%). In line with the principles in its Diversity and Inclusion Policy, the Group ensures it avoids 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. Through the aforementioned policy, the Group seeks to promote an inclusive culture based on mutual respect, which engages all individuals and offers them opportunities to develop their talent.

GROUP EMPLOYEES BY GEOGRAPHIC AREA

NO. OF PEOPLE	AS AT 31 DECEMBER 2018			AS AT 31 DECEMBER 2019		
	Men	Women	Total	Men	Women	Total
Italy	3,070	770	3,840	3,044	792	3,836
Latin America	463	30	493	1,163	53	1,216
United States	208	18	226	534	50	584
Europe	42	31	73	176	67	243
South Africa	89	27	116	131	29	160
Middle East	47	5	52	79	9	88
Total	3,919	881	4,800	5,127	1,000	6,127

GROUP EMPLOYEES BY GEOGRAPHIC AREA



In 2019, approximately 63% of Group employees were based in Italy (80% in 2018), around 20% in Latin America (10% in 2018), around 10% in the United States (5% in 2018) and around 7% in Europe, South Africa and the Middle East (5% in 2018).

NEW HIRES BY GENDER AND AGE GROUP

GENDER	AGE	2018		2019	
		no. of people	Turnover %	no. of people	Turnover %
Women	<30 years	85	134.92%	120	103.45%
	30-50 years	196	38.06%	147	27.17%
	>50 years	76	25.08%	47	13.70%
Total women		357	40.52%	314	31.40%
Men	<30 years	306	101.32%	593	105.33%
	30-50 years	909	48.40%	1,442	54.13%
	>50 years	485	27.89%	356	18.74%
Total men		1,700	43.38%	2,391	46.64%
Total		2,057	42.85%	2,705	44.15%

In 2019, 2,705 people joined the ASTM Group (2,057 in 2018), with a turnover rate (new hires) equal to around 44% (around 43% in 2018).

In particular, in Italy, the number of new hires in 2019 amounted to 706, in Latin America 1,291, in the Middle East 45, in South Africa 73, in the United States 391 and in the Rest of Europe 199. The turnover rate for new hires as at 31 December 2019 was 18% in Italy, 106% in Latin America, 51% in the Middle East, 46% in South Africa, 67% in the United States and 82% 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 2019, around 98% of Group executives were working in their home country (100% in 2018).

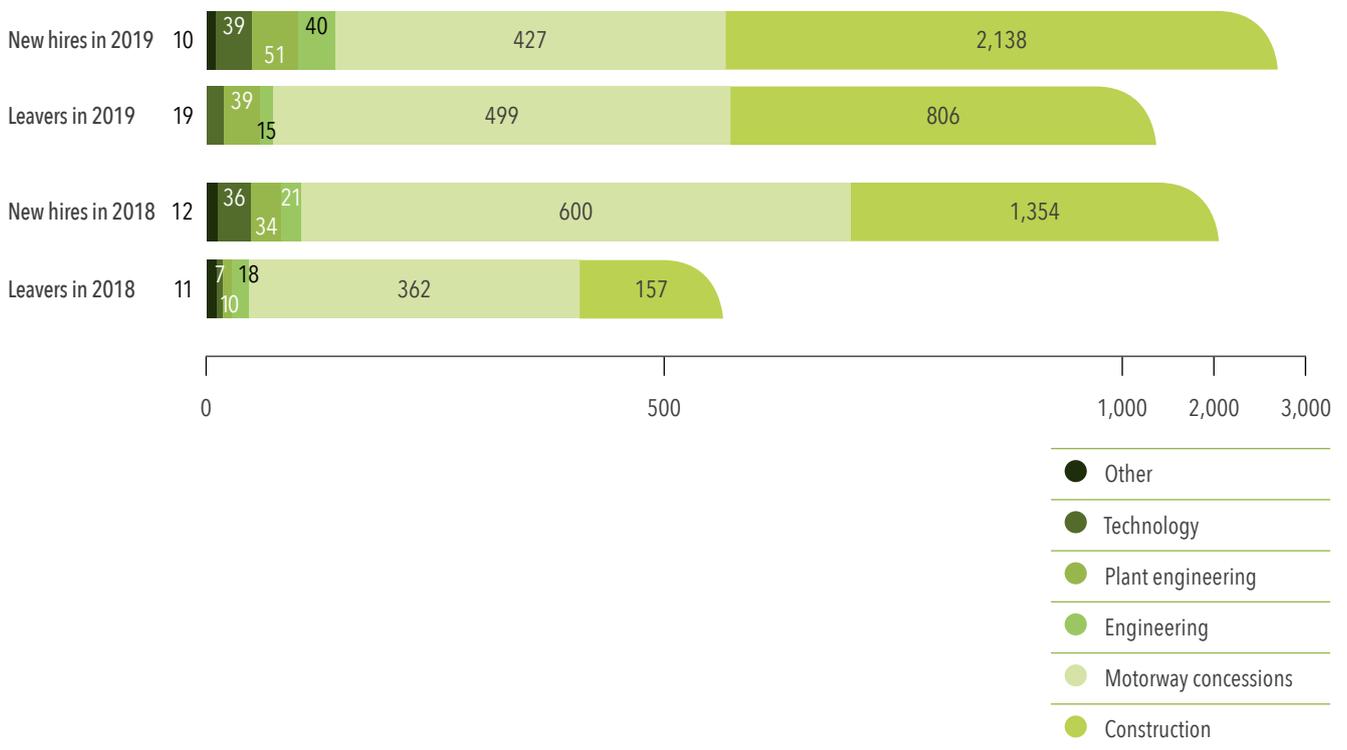
LEAVERS BY GENDER AND AGE GROUP

GENDER	AGE	2018		2019	
		no. of people	Turnover %	no. of people	Turnover %
Women	<30 years	36	57.14%	64	55.17%
	30-50 years	55	10.68%	90	16.64%
	>50 years	40	13.20%	40	11.66%
Total women		131	14.87%	194	19.40%
Men	<30 years	64	21.19%	276	49.02%
	30-50 years	199	10.60%	594	22.30%
	>50 years	171	9.83%	314	16.54%
Total men		434	11.07%	1,184	23.10%
Total		565	11.77%	1,378	22.50%

The turnover rate (leavers) as at 31 December 2019 was equal to around 22% (around 12% in 2018). During the year, a total of 1,378 people left the company (565 in 2018), of whom 194 were women and 1,184 men, mainly in the 30-50 age group. Leavers in Italy totalled 710, in Latin America 568, in the Middle East 9, in South Africa 29, in the United States 33 and in the Rest of Europe 29.

The turnover rate for leavers as at 31 December 2019 was 19% in Italy, 47% in Latin America, 10% in the Middle East, 18% in South Africa, 6% in the United States and 12% in the Rest of Europe.

TURNOVER FOR NEW HIRES AND LEAVERS BY BUSINESS SECTOR



79% of new hires and around 59% of leavers are in the construction sector, with 2,138 new hires and 806 leavers in 2019.

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 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; 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.

In December 2019, following lengthy negotiations, the national collective bargaining agreement for employees in licensee motorway and road tunnel companies and consortia was renewed.

New additions include a significant improvement in bilateral rights which will offer greater contractual and even economic assistance to personnel, including the welfare system.

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.

During 2019, Italian companies of the ASTM Group continued to consolidate industrial relations, confirming the use of contracts with a view to optimising the organisation and work, with an excellent response in terms of company needs and trade union requests/claims.

As a matter of fact, during the year the supplementary company agreements of the national collective bargaining agreement were renewed, updating the tools already used in previous years to new company requirements in compliance with the law.

The companies have therefore increased the additional 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. Once more in 2019, the companies confirmed the commitment assumed in 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, contracts, 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

The Code of Ethics



GROUP EMPLOYEES BY EMPLOYMENT CATEGORY AND GENDER

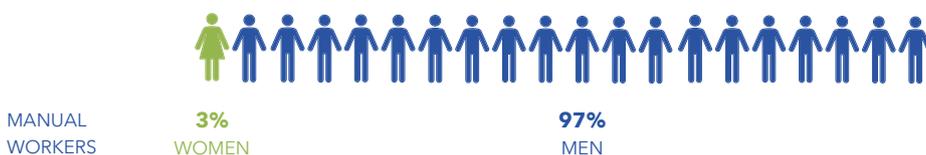
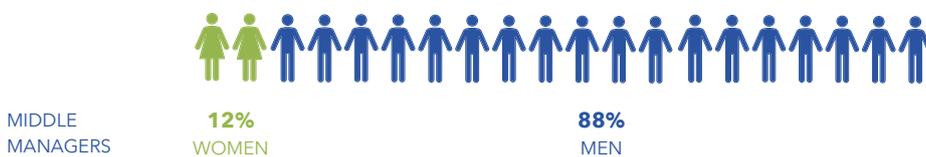
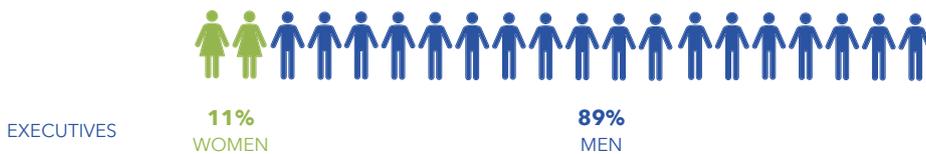
NO. OF PEOPLE	AS AT 31 DECEMBER 2018			AS AT 31 DECEMBER 2019		
	Men	Women	Total	Men	Women	Total
Executives	146	18	164	157	20	177
Middle managers	231	30	261	299	40	339
Office workers	2,114	791	2,905	2,282	876	3,158
Manual workers	1,428	42	1,470	2,389	64	2,453
Total	3,919	881	4,800	5,127	1,000	6,127
<i>of which joint operations</i>	560	61	621	1,605	125	1,730

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.

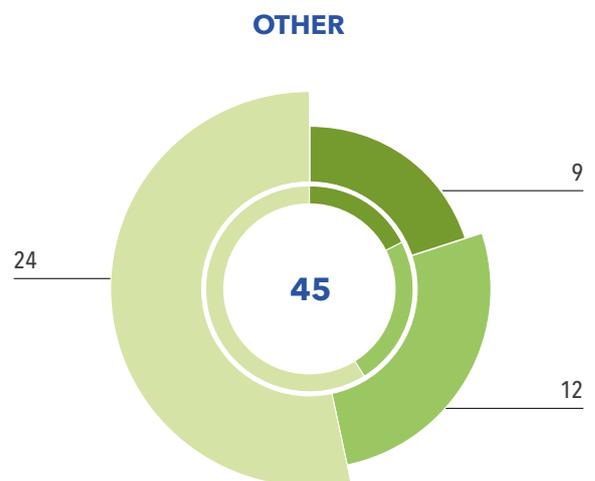
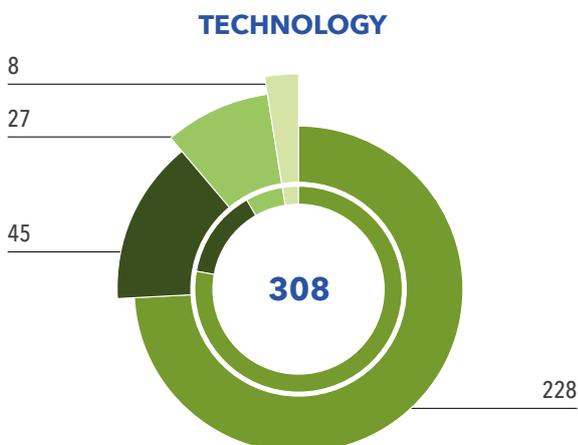
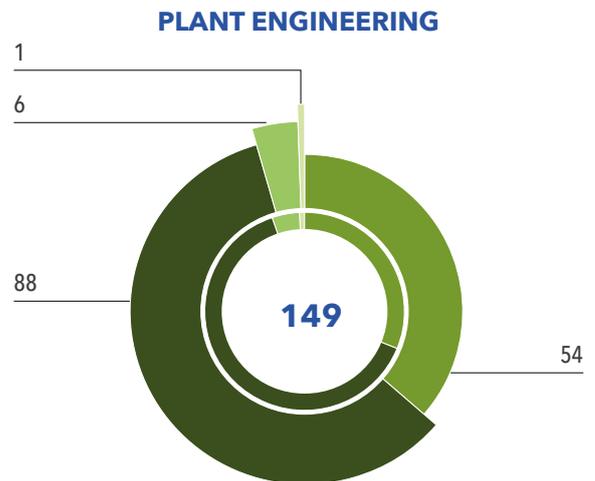
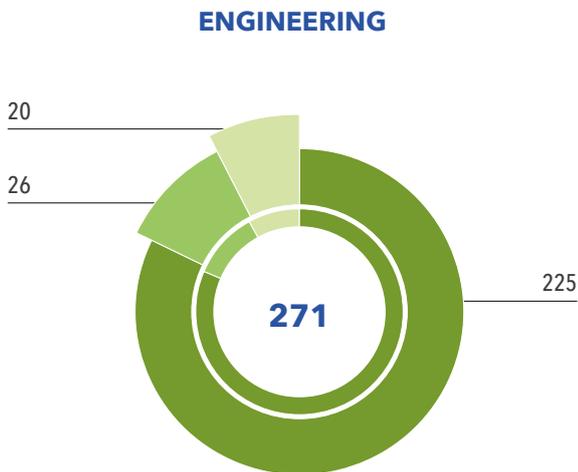
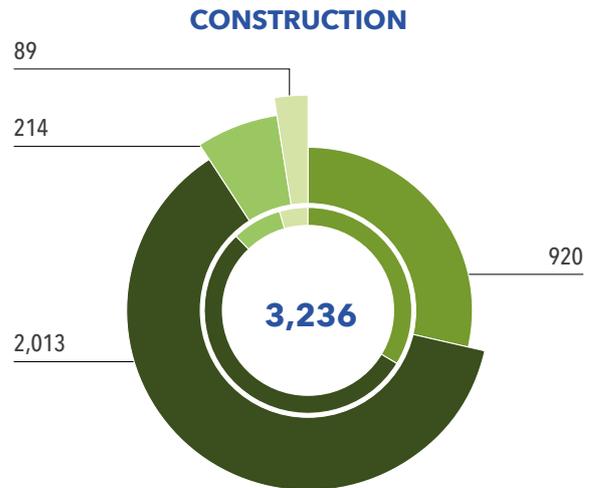
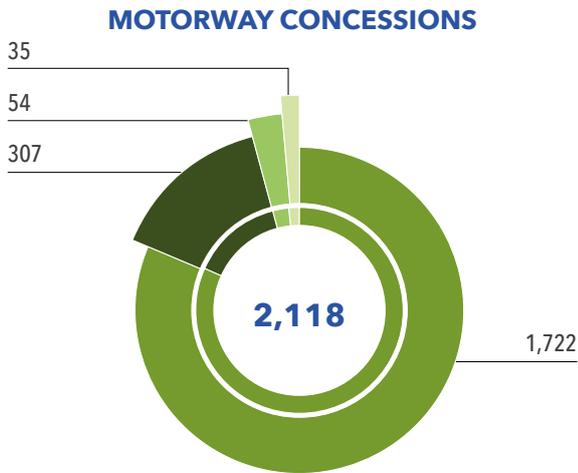
Some 52% of Group employees are office workers (60% in 2018), 40% are manual workers (30% in 2018) and the remainder are middle managers and executives.

In 2019, approximately 16% of employees were female (18% in 2018). 88% of female employees are office workers (90% in 2018), while 20 women hold managerial positions (18 in 2018). Female employees at ASTM are an important factor in the Group’s development and growth.

BREAKDOWN BY GENDER

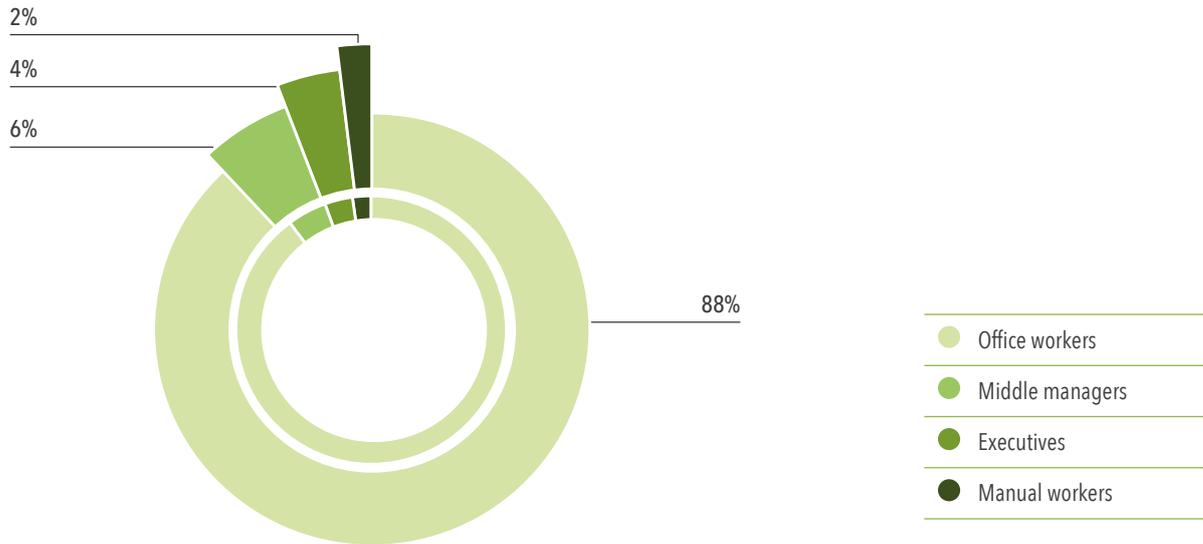


GROUP EMPLOYEES BY EMPLOYMENT CATEGORY AND BUSINESS SEGMENT



● Executives ● Middle managers ● Office workers ● Manual workers

GROUP FEMALE EMPLOYEES BY EMPLOYMENT CATEGORY



GROUP EMPLOYEES BY EMPLOYMENT CATEGORY AND AGE GROUP

NO. OF PEOPLE	AS AT 31 DECEMBER 2018				AS AT 31 DECEMBER 2019			
	<30	30-50	>50	Total	<30	30-50	>50	Total
Executives	-	49	115	164	-	50	127	177
Middle managers	2	133	126	261	8	160	171	339
Office workers	186	1,450	1,269	2,905	288	1,570	1,300	3,158
Manual workers	177	761	532	1,470	383	1,425	645	2,453
Total	365	2,393	2,042	4,800	679	3,205	2,243	6,127
<i>of which joint operations</i>	177	358	86	621	437	1,082	211	1,730

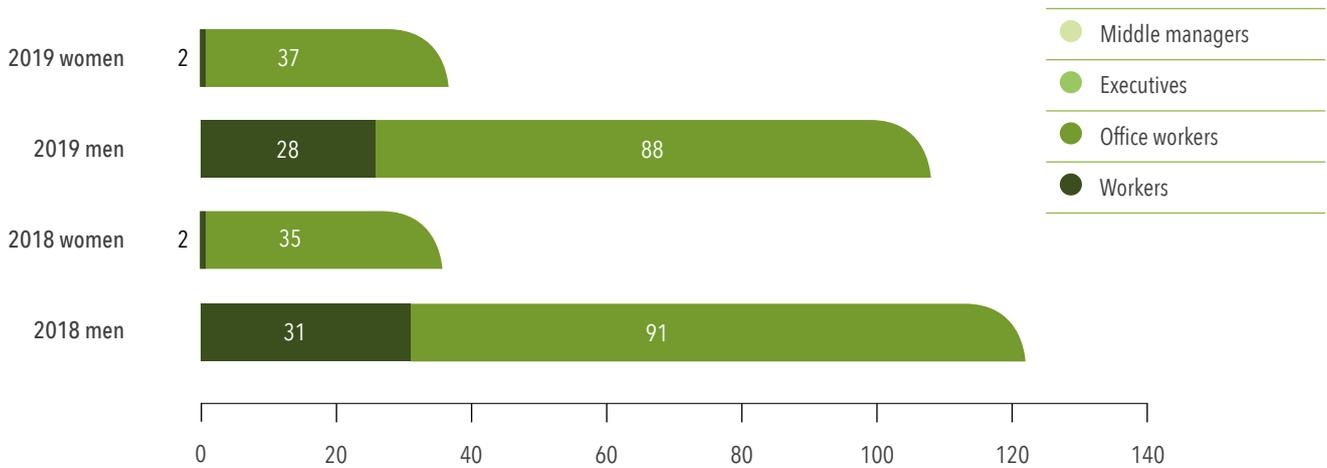
37% of employees are aged over 50 (42% in 2018), 52% aged between 30 and 50 (50% in 2018), and 11% are below 30 (8% in 2018).

The average age of employees is 45 years, in line with the previous year (46 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 (43 years).



45 YEARS
AVERAGE AGE

GROUP EMPLOYEES IN PROTECTED CATEGORIES



As at 31 December 2019, the Group had 155 employees in protected categories (159 in 2018), of whom 39 women and 116 men.

2,460 employees, or 40%, have been with the company for over 10 years (2,498 employees or 52% in 2018), 1,936 employees, or 32%, for between 10 and 29 years (1,975 employees or 41% in 2018) and 524 employees, or 9%, for over 30 years (523 employees or 11% in 2018). 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 achieve and verify 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. The benefits, for full-time employees, include:

- supplementary pension policies, which also replace contractual funds;
- policies reimbursing the medical expenses of employees and their family members, even if not provided for by the relative national collective bargaining agreement;
- long-term care;
- 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 to whom the "Motorways and Road Tunnels" contract applies, assistance through the welfare and flexible benefits system has been launched, available to all employees with the exception of companies for which negotiations are still under way.

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 executive directors with the priority goal of creating value for shareholders in the medium to long term;
- 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 for the first time ever in the incentive schemes, also in response to the increasing focus of institutional investors on these topics and in line with the strategic importance of Corporate Social Responsibility policies.

OBLIGATIONS OF THE NATIONAL COLLECTIVE BARGAINING AGREEMENT

The National Collective Bargaining Agreement for staff of Industrial Construction Companies and Similar require 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 workers, providing benefits and allowances.

Under Italian Leg. Decree no. 276/2003 as amended, the Fund has public functions, such as the certification of welfare contributions paid by its member companies.

HEALTHCARE SCHEME

The renewal of the Collective Bargaining Agreement for Construction and Similar Companies, has provided for a national supplementary healthcare scheme to be set up for the construction industry, to provide manual and office workers with the same benefits, in order to achieve a level of standardisation in Italy. This very recent scheme, which became effective on 1 October 2018, requires employers to pay in a contribution.

FLEXIBLE BENEFITS

The 2016 Stability Law increased tax incentives for companies that provide company welfare services for their employees (such as childcare, meal vouchers, supplementary healthcare/pensions scheme, etc.). At the same time, it re-introduced the non-taxation of production bonuses and salary items related to increased performance.

The law has introduced a number of measures to encourage company welfare with the idea that this type of benefit and service from companies can also be adopted in SMEs, thanks to tax exemption.

Companies can therefore save on labour costs, regarding taxes and related contributions, while meeting their employees' needs, offering services and benefits of a monetary value that is higher than a bonus in their pay packet. 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).

REMUNERATION OF DIRECTORS WITH SPECIFIC ROLES AND KEY MANAGEMENT PERSONNEL

The aim of the Remuneration Policy is to acknowledge the managerial value of the people involved and their contribution to company growth in relation to their duties and functions, aligning the interests of executive directors with the priority goal of creating value for shareholders in the medium to long term. This Policy will also make it possible to promote sustainability in the medium to long term, with a particular focus on the interests of all Stakeholders.

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 for the first time ever in the incentive schemes, also in response to the increasing focus of institutional investors on these topics and in line with the strategic importance of Corporate Social Responsibility policies.

The following tables highlight the ratio between the basic salary of women and men by category and gender ²⁶.

RATIO BETWEEN BASIC SALARY²⁷ OF WOMEN AND MEN BY EMPLOYMENT CATEGORY

	2018					2019				
	Executives	Middle managers	Office workers	Manual workers	Total*	Executives	Middle managers	Office workers	Manual workers	Total*
Italy	0.82	0.82	0.87	1.26	0.88	0.82	0.84	0.87	1.24	0.88
Latin America	-	0.70	0.76	0.86	1.19	-	-	0.66	0.72	0.98
United States	0.93	0.60	0.63	-	0.59	0.70	0.85	0.81	1.02	0.93
South Africa	-	-	0.68	0.69	0.74	-	-	0.75	0.63	0.69
Rest of Europe	-	1.59	0.67	-	0.73	0.66	0.90	0.68	0.31	0.68
Middle East	-	0.96	0.51	-	0.73	-	0.94	0.55	-	0.63

* The total values have been calculated by excluding the professional categories where there are no male or female employees, an element which renders the ratio between the average salary of women and the average salary of men null

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

RATIO BETWEEN THE REMUNERATION²⁸ OF WOMEN AND MEN BY EMPLOYMENT CATEGORY

	2018					2019				
	Executives	Middle managers	Office workers	Manual workers	Total*	Executives	Middle managers	Office workers	Manual workers	Total*
Italy	0.81	0.82	0.87	1.23	0.87	0.80	0.82	0.86	1.20	0.86
Latin America	-	0.65	0.74	0.75	1.09	-	-	0.64	0.97	1.26
United States	0.93	0.60	0.63	-	0.59	0.70	0.83	0.80	1.02	0.78
South Africa	-	-	0.58	0.65	0.68	-	-	0.69	0.61	0.66
Rest of Europe	-	1.59	0.67	-	0.73	0.66	0.90	0.68	0.31	0.68
Middle East	-	1.04	0.53	-	0.77	-	0.94	0.52	-	0.61

* The total values have been calculated by excluding the professional categories where there are no male or female employees, an element which renders the ratio between the average remuneration of women and the average remuneration of men null

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

²⁶ 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

²⁷ Basic salary is the fixed minimum amount paid to an employee for the execution of his/her functions

²⁸ Remuneration is the basic salary increased by additional amounts, with reference to MBO and one-off bonuses/awards

COMMUTING SURVEY

In 2019, the Group carried out a commuting survey for the first time. It was used to analyse the movement habits of employees in relation to their journeys between work and home.

An additional purpose of the survey was to identify possible initiatives to facilitate employee mobility, also considering the location of the Group's workplaces.

In particular, it was found that around 80% of survey respondents travel to their workplace by car and would find increased initiatives dedicated to employee mobility useful, including possible flexible working and smart working initiatives.

PEOPLE IDENTITY AND "FRAGIBILITÀ"

The Group, with the support of Jointly, a company specialised in the welfare sector, in association with Sacro Cuore University, Milan, oversaw an important and unique Stakeholder engagement initiative in 2018 aimed at its employees, to understand their needs and expectations, in support of the Group's profound change management process in recent years. The results show that the organisation has experienced the transition in recent years from a consolidated tradition, more related to being a "family-run" businesses, to having a new managerial approach, increasingly targeting the international business dimension. As a consequence, new standard cultural references to identify with are being pursued.

In this context, the initiatives dedicated to employees promote the recognition of an identity, are strategically important as support for change management and deliver benefits to the organisation in terms of productivity and empowering human resources.

Some of the initiatives considered most useful by the employees involved in this survey included training, prevention/health and assistance and care for family members who are not independent. Due to the average age, which is high, the percentage of employees who are caregivers for a relative who is not independent is 40%.

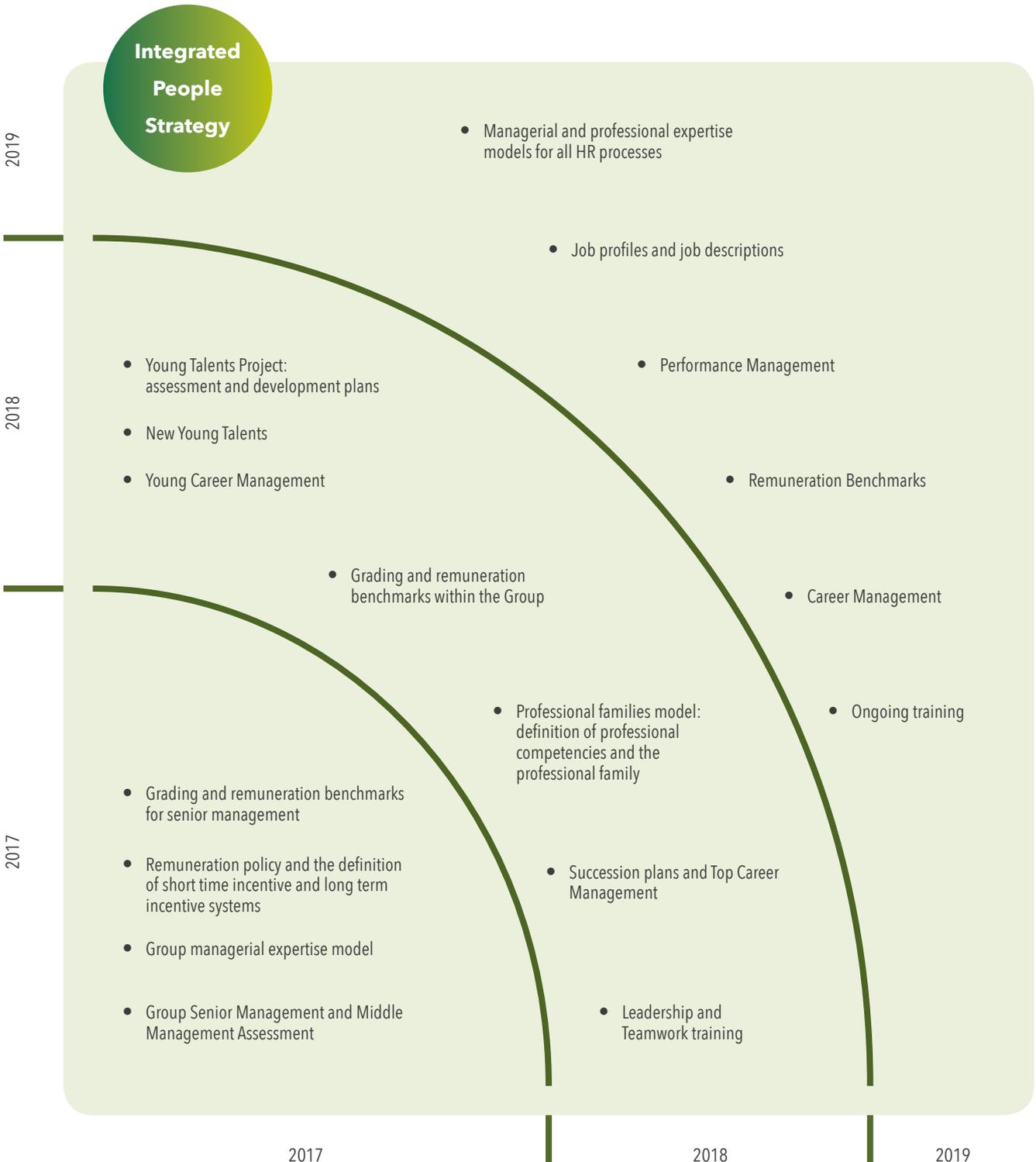
In this context, in 2019 ASTM launched a People Identity project to support cultural change, engagement and the organisational well-being of individuals. The project was developed by promoting the Group's existing initiatives regarding care of people and their distribution through a dedicated communication plan. In particular, a dedicated web page was developed on the Group's Intranet #Agorà.

In November 2019, the Group also launched the new Fragibilità service dedicated to caregivers.

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.

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

	2018					
	MEN		WOMEN		TOTAL	
	Training hours	Per capita	Training hours	Per capita	Training hours	Per capita
Executives	1,110	7.6	176	9.8	1,286	7.8
Middle managers	1,592	6.9	157	5.2	1,749	6.7
Office workers	19,756	9.3	4,490	5.7	24,246	8.3
Manual workers	7,564	5.3	379	9.0	7,943	5.4
Total	30,022	7.7	5,202	5.9	35,224	7.3

	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

In the 2019 financial year, over 89,000 hours of training were delivered to Group employees, continuing the employee training commitment which recorded over 35,000 hours in 2018. In 2019, 73% of the total hours was focused on specific training programmes on health and safety, 8% on issues relating to the environment and 2% on foreign language courses. The significant increase in training hours compared to the previous year is mainly due to the increase in the activities of the Brazilian joint operations.

High numbers were also recorded for the training hours provided to Group collaborators. Over 189,000 hours were recorded, most of which were provided in the Itinera Ghantoot joint operation on health and safety.



INFORMATION AND TRAINING ON SUSTAINABILITY ISSUES

In 2019, a training and information course on sustainability issues was launched for personnel, with a particular focus on the Group's sustainability policies.

In particular, 4 classroom training sessions were organised for managers, which were attended by around 120 employees including executives and function managers.

Each session featured an expert guest who contributed his/her own experience in order to offer concrete examples of the concepts expressed when dealing with climate change, occupational health and safety, the integration of sustainability into business and sustainable finance.

Over the course of 2020, the training will be extended to e-learning for Group expatriate executives, office workers and middle managers within the Italian remit.

WELLNESS DAY AND WORLD AIDS DAY COMMEMORATION: OKAVANGO RIVER BRIDGE

The management of the health and well-being of its employees is one of the Group's main objectives. For this reason, and given that Botswana is one of the countries most highly affected by HIV, on 30 November 2019 World AIDS Day was commemorated at the Okavango River Bridge.

With a view to improving workers' well-being, on 13 December 2019, at the same work site, a Wellness Day was organised for the second year in a row. This year's theme was "Communities Make the Difference". The initiative involved around 250 employees from the Okavango River Bridge work site, including subcontractors.

For more information, refer to Itinera's Sustainability Report, which is available on the company's website in the section "Sustainability".



HEALTH AND SAFETY

The material topics 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, all employees in the construction sector are covered by a Occupational Health and Safety Management System certified to ISO 45001, excluding the employees of the Halmar Group (273), SEA Segnaletica Stradale S.p.A. (74), Argo Costruzioni Infrastrutture S.c.p.a. (10) and Taranto Logistica S.p.A. (1) who are covered by un-certified Health and Safety Management Systems, which will be aligned to that of the Parent Company as part of the ongoing long-term improvement programme.

For the other business segments of the Group, all workers from the main operating subsidiaries 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. already certified to ISO 45001).

In addition, employees are protected by spreading a culture of safety. Responsible behaviour is encouraged and hazardous situations are monitored and assessed.

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 accident 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 accident;

- *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 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;
- *Accidents 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, as of 2018, 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 accidents or near misses.

An internal course named "Practices, Processes and Procedures" was created for the technology sector, intended to clarify the importance of aligning conduct to procedure. The course involved the employees most affected by the organisational change. Most of the content referred to aspects of involvement and engagement.

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.

In relation to the existence of formal joint management-employee committees for health and safety for the concessions sector a specific "Occupational Health and Safety Committee" was established in March 2009. This committee includes: the coordinator, appointed by the Employer, the Safety Manager (RSPP), the Safety officers, the Workers' Safety Representatives (RLSs) and the Emergency Team Manager (RSE). The meetings take place quarterly and 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 provisions 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.

ACCIDENTS AND OCCUPATIONAL DISEASES INVOLVING GROUP EMPLOYEES BY GENDER

NO. OF CASES	2018			2019		
	Men	Women	Total	Men	Women	Total
Occupational diseases	3	-	3	3	-	3
Accidents	74	10	84	123	17	140
<i>of which with prognosis > 6 months</i>	-	-	-	2	-	2
<i>of which fatal*</i>	1	-	1	-	-	-

*With reference to the single fatality reported in 2018, the dynamics refer to an accident in which the operator was hit by a vehicle driven by a user, while signalling to vehicles transiting along the route where maintenance works were ongoing. The reconstruction of the accident seems to exclude any liability for the company's or operator's failure to observe occupational safety regulations. Therefore, it may be reasonably considered that the employee's death is due solely to an external cause, not attributable to incompetence or imprudent behaviour in the workplace

With reference to the two accidents with a prognosis greater than six months, recorded in 2019, both occurred in the workplace.

Over the course of 2019, 21 cases of medical treatment for Group employees, 44 first aid injuries and 28 near misses were also recorded. Meanwhile, 13 cases of medical treatment, 76 first aid injuries, 21 near misses and 1 restricted workday case were recorded for Group collaborators.

TYPE OF ACCIDENTS INVOLVING GROUP EMPLOYEES BY GENDER

NO. OF CASES	2018			2019		
	Men	Women	Total	Men	Women	Total
Workplace accidents	60	6	66	112	13	125
Commuting accidents	14	4	18	11	4	15
<i>of which using company vehicles</i>	5	-	5	4	-	4
Total	74	10	84	123	17	140

During 2019, 140 accidents were recorded (84 accidents in 2018), mainly occurring in the workplace. 17 workplace accidents for male collaborators (2 in 2018), of which none with a prognosis greater than six months and/or fatal, and 1 commuting accident using own vehicle, were also recorded.

ABSENCE AND LOST DAYS OF GROUP EMPLOYEES BY GENDER

NO. OF DAYS	2018			2019		
	Men	Women	Total	Men	Women	Total
Absences ²⁹	35,060	10,774	45,834	31,895	7,767	39,662
<i>of which joint operations</i>	122	16	138	560	94	654
Lost days ³⁰	2,396	260	2,656	3,099	331	3,430
<i>of which joint operations</i>	151	-	151	968	-	968

The days of absence went from 45,834 in 2018 to 39,662 in 2019, recording a decrease of over 13%. This is connected to a lower absentee rate, which went from 4.85% in 2018 to 3.26% in 2019. In 2019, 9,893,000 hours were worked by Group employees (6,586,000 hours in 2018), of which 8,427,000 hours by men (5,438,000 hours in 2018) and 1,465,000 hours by women (1,148,000 hours in 2018). In 2019, 9,134,000 hours were worked by collaborators (6,308,000 hours in 2018), of which 9,104,000 hours by men (6,281,000 hours in 2018) and 30,000 hours by women (28,000 hours in 2018).

GROUP EMPLOYEE HEALTH AND SAFETY INDICATORS BY GENDER

	2018			2019		
	Men	Women	Total	Men	Women	Total
Lost day rate ³¹	0.40	0.20	0.37	0.36	0.21	0.34
Occupational disease rate ³²	0.11	-	0.09	0.07	-	0.06
Absentee rate ³³	4.50	6.50	4.85	3.09	4.23	3.26

	2018			2019		
	Men	Women	Total	Men	Women	Total
Death rate resulting from workplace accidents ³⁴	0.18	-	0.15	-	-	-
High-consequence work-related injury rate ³⁵	-	-	-	0.24	-	0.20
Injury rate ³⁶	13.01	8.61	12.27	14.60	11.60	14.15
Recordable workplace injury rate ³⁷	11.43	5.17	10.37	13.77	8.87	13.04

²⁹ Absence means the days when the worker was absent, not only due to illness or an accident. Days of absence do not include agreed on leave such as holidays, study leave, maternity or paternity leave

³⁰ "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

³¹ The Lost day rate for accidents is the ratio between the total number of lost days through occupational accidents and diseases and the total number of hours that could be worked in the same period, multiplied by 1,000 (GRI 403 (2016))

³² 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))

³³ 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))

³⁴ The Death rate resulting from workplace injuries 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))

³⁵ The High-consequence work-related injury rate (excluding deaths) is the ratio between the number of injuries at work with high consequences (excluding deaths) and the number of hours worked, multiplied by 1,000,000 (GRI 403-9 (2018))

³⁶ The Injury rate is the ratio between the total number of injuries and the total hours worked in the same period, multiplied by 1,000,000 (GRI 403-2 (2016))

³⁷ The Recordable workplace injury 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

	2018			2019		
	Men	Women	Total	Men	Women	Total
Death rate resulting from workplace accidents	-	-	-	-	-	-
Workplace injury rate with serious consequences	-	-	-	-	-	-
Injury rate	0.32	-	0.32	1.98	-	1.97
Recordable workplace injury rate	0.32	-	0.32	1.87	-	1.86

TRANSPARENCY IN THE ITINERA 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 2019, 517 workers of subcontractor firms, of which 497 men and 20 women, worked at the Itinera work sites in Italy. The overall hours worked totalled 799,000.

Details of subcontractor accidents are shown below.

NO. OF SUBCONTRACTOR CASES	2019		
	Men	Women	Total
Workplace accidents	9	-	9
Accidents while travelling to and from work using company vehicles	-	-	-
Medical treatment	1	-	1
First aid injuries	1	-	1
Near misses	4	-	4

There were no fatal injuries. In 2019, 1,878 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, such as the Reem Mall in Abu Dhabi and the Storstrøm Bridge in Denmark.

The Reem Mall project continued to achieve positive results in terms of occupational health and safety: over the year, the project reached a significant positive indicator with more than 14 million hours of work (starting May 2018) with no accidents, out of a total 17 million hours worked during 2019 across the entire project, including hours worked by subcontractors. This significant goal was also achieved thanks to the 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 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 any hazardous situations be reduced to the minimum and managed efficiently.

Moreover, Itinera's 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 Italy, 20 internal audits and 23 inspections/training sessions were carried out which gave rise to recommendations and non-conformities. Some relevant points were also highlighted.

Overseas, 4 internal audits and 3 external audits were carried out by the certifying body, which mainly gave rise to recommendations.

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.

For more information about work site safety, refer to Itinera's Sustainability Report, which is available on the company's website in the section "Sustainability".

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.



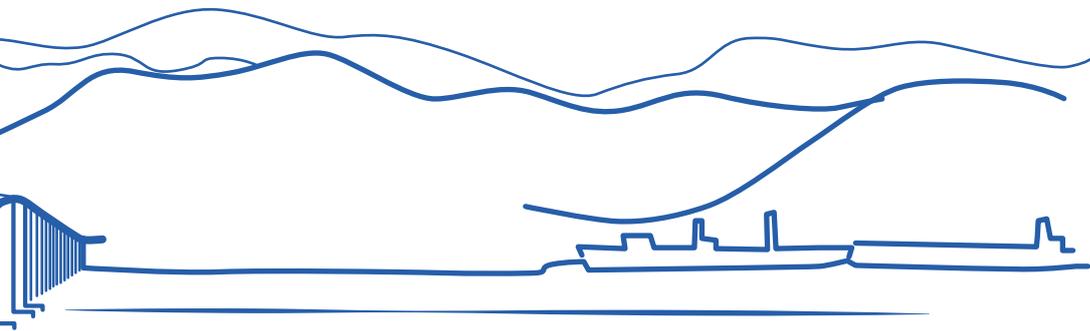
PROMOTION OF WORKER HEALTH

As part of health monitoring for the concessions sector, the companies - in agreement with the workers' safety representatives - have decided to promote, using benefits, 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 instrumental 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.

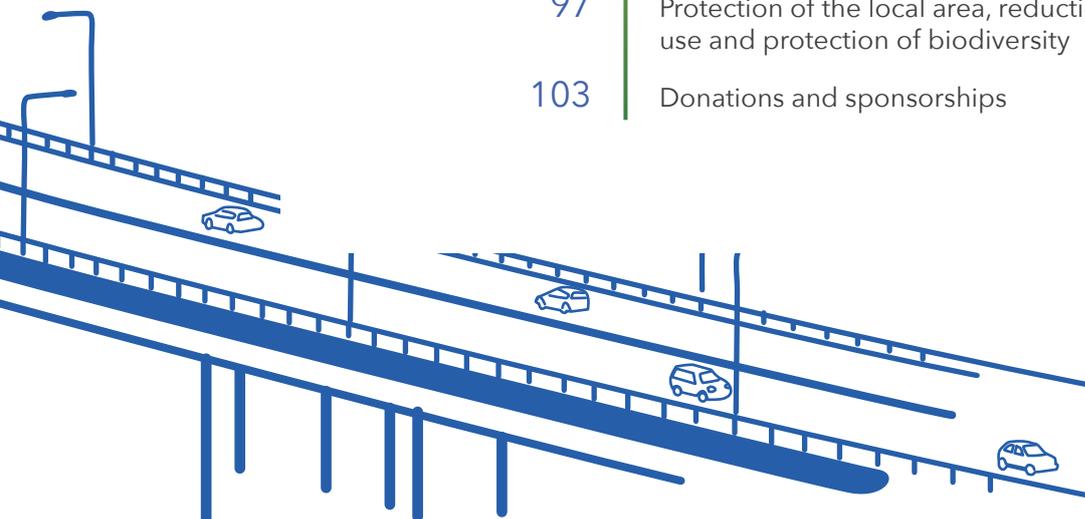




04

OUR RESPONSIBILITY TOWARDS THE ENVIRONMENT AND LOCAL AREAS

- 87 Environmental issues management
- 88 Use of resources
- 94 Waste
- 96 Noise management
- 97 Protection of the local area, reduction in land use and protection of biodiversity
- 103 Donations and sponsorships



OUR RESPONSIBILITY TOWARDS THE ENVIRONMENT AND LOCAL AREAS

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 year³⁸. 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. From 2000 to 2014, Europe and North America reduced the intensity of emissions by 36%³⁹. The Power Purchase Agreements achieved a new record in 2019, reaching a total of around 19.5 GW estimated capacity: this value has tripled compared to the one recorded in 2017⁴⁰. However, these positive trends are not reflected in the levels of greenhouse gas emissions produced, which are still rising: in 2019, the concentration of CO₂ in the atmosphere reached a new record, of 15 parts per million. In addition, average temperatures are continually increasing, the sea level is rising and extreme weather events are increasing in frequency and intensity.

³⁸ United Nations Environment Programme (UNEP). 2016. Global material flows and resource productivity

³⁹ United Nations (UN). 2017. Progress towards the Sustainable Development Goals, Report of the Secretary-General

⁴⁰ BloombergNEF, 2020



ENVIRONMENT MANIFESTO

"We are committed to be determined, aware and devoted to continuing the sustainability journey undertaken, aware of our shared - yet different - responsibilities to protect the planet and the natural wealth that surrounds us"

On 2 August 2019, the Board of Directors of ASTM approved the Environment Manifesto. The document formalises the Group's commitment to help to protect the planet, by gradually minimising the environmental impact associated with business operations. The main issues refer to the management of energy consumption and atmospheric emissions, the protection of landscape and biodiversity, the management of natural resources and Stakeholder engagement.

ENVIRONMENTAL ISSUES MANAGEMENT

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

With a view to continuous improvement, S.A.T.A.P. S.p.A., Itinera S.p.A., SEA Segnaletica Stradale S.p.A., Itinera Construcoes, S.I.N.A. S.p.A., SINELEC S.p.A., Euroimpianti S.p.A., the joint operation Itinera Ghantoot, Itinera UAE Branch and Itinera Saudi Arabia Branch have implemented an "Environmental Management System" certified to ISO 14001.

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.



7 COMPANIES

2 ITINERA BRANCHES OVERSEAS

1 JOINT OPERATION

ISO 14001 CERTIFICATION

COMPLIANCE WITH ENVIRONMENTAL LAWS AND REGULATIONS

No significant sanctions were administered to Group companies during 2019, due to failure to observe environmental laws and regulations.

USE OF RESOURCES

ENERGY CONSUMPTION

In 2019, the energy consumption of the ASTM Group totalled over 1,012,000 GJ (809,000 GJ in 2018), up by 25% compared to the previous year. In particular, natural gas use totalled over 92,000 GJ (59,000 GJ in 2018), slightly up on the previous year. In 2019, the consumption of LPG totalled around 4,000 GJ (22,000 GJ in 2018). The use of heating fuel came to a value of around 23,000 GJ (22,000 GJ in 2018),

diesel fuel over 359,000 GJ (261,000 GJ in 2018), petrol around 58,000 GJ (47,000 GJ in 2018), electricity around 415,000 GJ (338,000 GJ in 2018), fuel oil around 12,000 GJ (30,000 GJ in 2018), gas oil used to produce electricity from generators around 45,000 GJ (30,000 GJ in 2018) and ethanol nearly 1,000 GJ (0 GJ in 2018). In addition to these values, we need to add the consumption of about 1,780 GJ of electricity self-produced from renewable sources, net of the share sold and fed into the grid.

ENERGY CONSUMPTION OF THE GROUP⁴¹

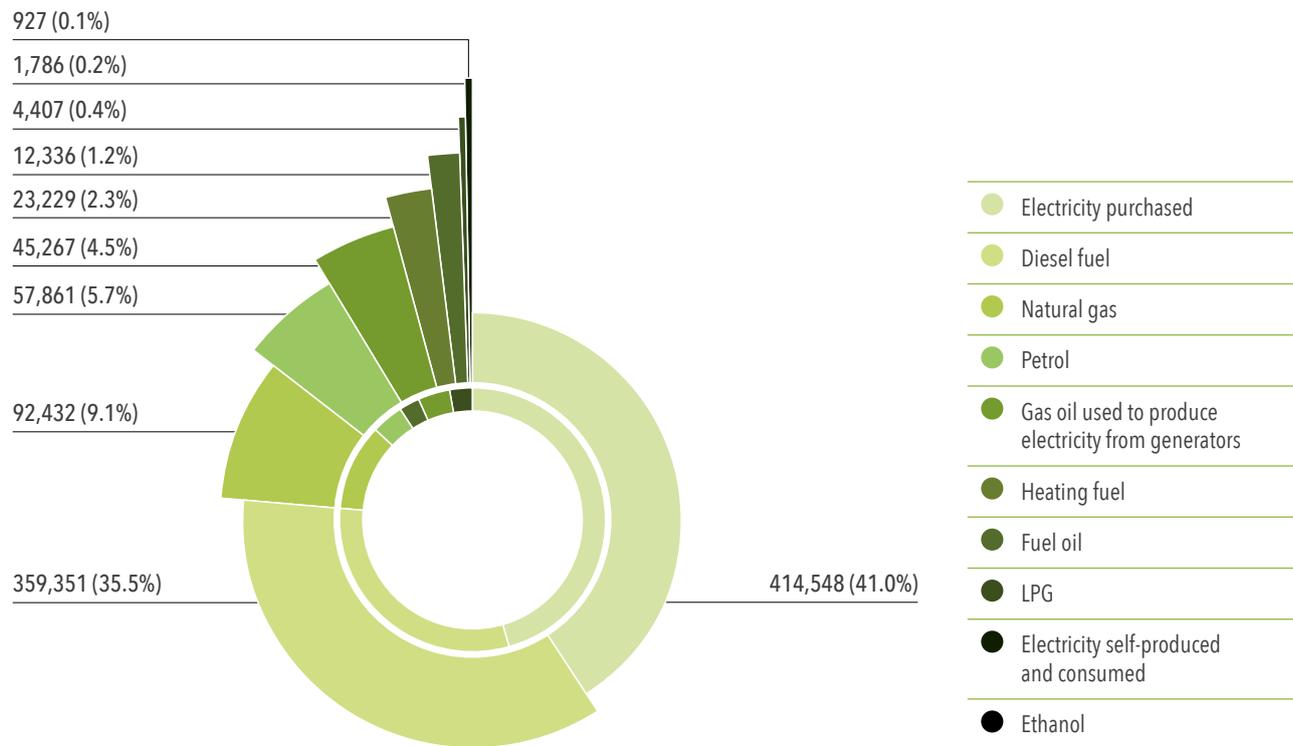
SOURCE	2018	2019
	Total	Total
Electricity purchased	93,753	115,152
<i>Electricity purchased from renewable sources [kWh/000]</i>	48	12,703
<i>Electricity purchased from non-renewable sources [kWh/000]</i>	93,705	102,449
Electricity self-produced from renewable sources [kWh/000]	1,156	1,065
Electricity sold and put on the grid [kWh/000]	559	569
Natural gas [m ³ /000]	1,645	2,582
Heating fuel [l/000]	602	639
Diesel fuel [l/000]	7,419	10,206
Gas oil used to produce electricity from generators [l/000]	823	1,245
Fuel oil [l/000]	852	350
Petrol [l/000]	1,440	1,761
LPG [l/000]	915	185
Ethanol [l/000]	-	29

The increase in energy consumption is mainly due to the increased operations of the Itinera joint operations with particular reference to Brazil and the United States and to the entry into the scope of consolidation of Arge H51. There was also an increase in energy consumption for Itinera S.p.A. given the higher production requirements of the active work sites.

⁴¹ Some data related to energy consumption are the result of estimates. The data related to electricity, natural gas, diesel fuel and petrol for 2018 have been restated in line with the continuous improvement of the data collection and consolidation system. In particular, as of 2019, the representation of data associated with electricity consumption has been further improved, by dividing this consumption into: kWh of electricity purchased (from renewable and non-renewable sources) and litres of gas oil used for the production of electricity

ENERGY CONSUMPTION OF THE GROUP BY SOURCE

(figures in GJ)



ENERGY SAVING AND LED 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.

MOTORWAY CONCESSIONS: ENERGY SAVING INITIATIVES

The Group companies adopted initiatives during 2019 for energy savings, including:

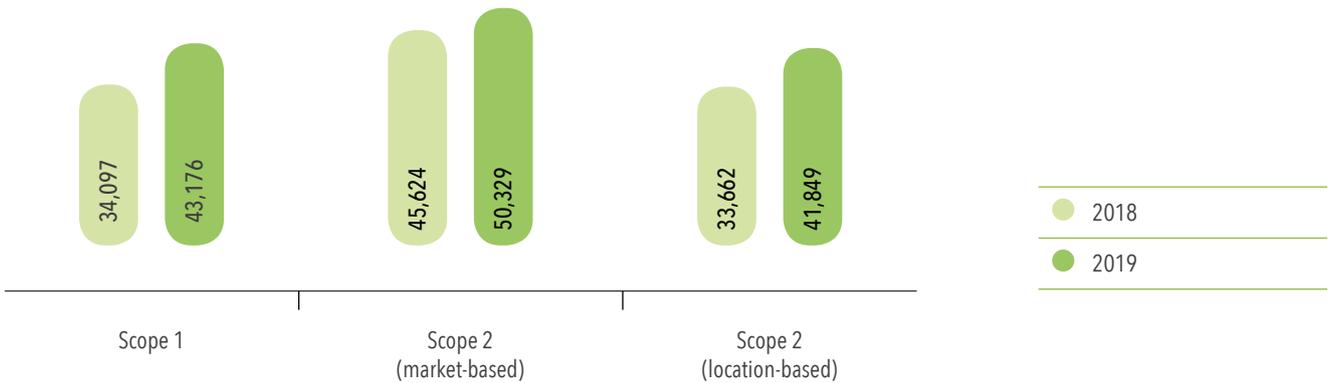
- the replacement of lamps on junctions with LED solutions by Autostrada dei Fiori S.p.A., which produced an energy saving of around 360,000 kWh;
- the replacement of sodium lamps (SAP) with LED lamps at the Fiorenzuola junction and the Brescia Centro station by Autovia Padana S.p.A., with a saving of around 114,000 kWh;

- the replacement of sodium lamps (SAP) with LED lamps at the Bra-Marene and Cherasco junction by Autostrada A33 Asti-Cuneo, which produced an energy saving of around 80,000 kWh.

EMISSIONS

In 2019, the direct emissions of CO₂e (Scope 1⁴²) were equal to around 43,176 tonnes (34,097 tonnes in 2018), while indirect emissions (Scope 2⁴³) were equal to around 50,329 tonnes of CO₂ (market-based, 45,624 tonnes of CO₂ in 2018) and around 41,849 tonnes of CO₂ (location-based, 33,662 tonnes of CO₂ in 2018).

TOTAL DIRECT EMISSIONS (SCOPE 1) [tCO₂e] AND INDIRECT EMISSIONS (SCOPE 2) [tCO₂]⁴⁴



ENERGY EFFICIENCY PLAN ON MOTORWAY STRETCHES

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 2019 over 5,000 lamps were replaced in tunnels.

⁴² Scope 1 (direct emissions): this category includes emissions from own sources or sources controlled by the organisation

⁴³ 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

⁴⁴ The data related to 2018 have been restated in line with the continuous improvement of the energy consumption data collection and consolidation system

Source of conversion factors used: DEFRA 2019

Source of emission factors used: TERNA 2020 and AIB 2018



WATER CONSUMPTION

In 2019, the companies of the ASTM Group consumed a total of around 474,000 m³ of water (304,000 m³ in 2018).

In particular, 38% of water consumed was withdrawn from the mains (42% in 2018), around 10% from rivers (8% in 2018), around 37% from aquifers (32% in 2018) and 15% from tanks (18% in 2018).

WATER CONSUMPTION OF THE GROUP ⁴⁵ (figures in m³)

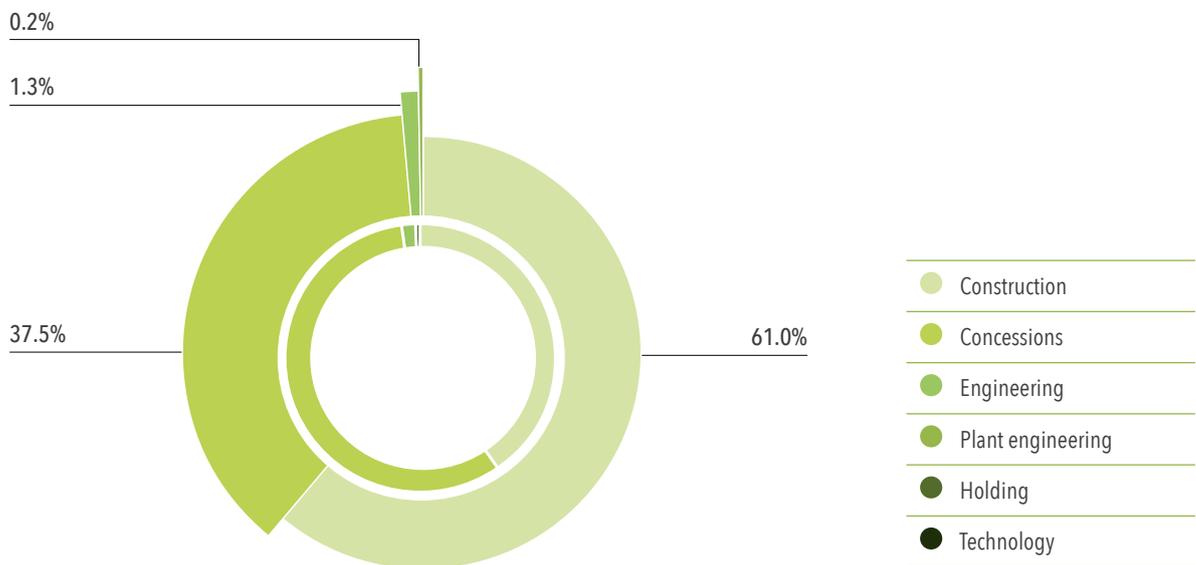
	2018	2019
	Volume	Volume
Water mains	126,784	179,552
Withdrawal from rivers	23,229	50,134
Withdrawal from the aquifer	97,499	173,052
Withdrawal from tanks	56,456	70,865
Total water	303,968	473,603
<i>of which joint operations</i>	79,568	256,785

⁴⁵ Some data related to water consumption are the result of estimates. The data for 2018 related to withdrawal from the mains and withdrawal from rivers have been restated in line with the continuous improvement of the data collection and consolidation system

The increase in water consumption is mainly due to the increased operations of the Itinera joint operations with particular reference to Brazil and the United States and to the entry into the scope of consolidation of Arge H51. In addition, the increase shown in the water consumption of S.A.V. S.p.A. referring to withdrawals from aquifers follows from the recognition of the right to draw well water, which, following the request to the competent state water departments of the Autonomous Region Valle d'Aosta was approved with Resolution of the Regional Council no. 1182 of 30 August 2019, the policy document for which is pending registration. Water from wells is used for irrigation purposes.

WATER CONSUMPTION OF THE GROUP BY BUSINESS SEGMENT

(percentages in m³)



As shown in the graph, 61% of water consumption refers to the construction sector (46% in 2018). In particular, water is mainly used at work sites, with a consumption equal to 288,691 m³ (40% equal to 123,050 m³ in 2018).

Regarding the concessions sector, water consumption at maintenance work sites was equal to 177,504 m³ (174,532 in 2018), accounting for approximately 37% of the Group's total consumption (57% in 2018).

On the other hand, water use for the engineering, technology and other sectors is significantly lower: it came to a level of 7,408 m³, equal to 2% of the Group's total consumption (6,386 m³, equal to 3% of the Group's total consumption in 2018), mainly intended for use at the operating sites.

OPTIMISING TRANSPORT

ASTM's transport management policy limits excess transit where possible, and encourages the use of a fleet of company vehicles with a low environmental impact. The Company Fleets Units (UFA) oversee the definition of framework agreements for the purchase, sale and hire of company vehicles. The fleet of vehicles used by employees comprises cars provided as a benefit and service vehicles, as well as the vehicles used by the Traffic Police Subsection, for motorway patrols.

The UFAs are tasked with making users accountable, providing internal notices with information on the correct use of the vehicle (avoiding keeping the engine running while the vehicle is stationary, complying with the Highway Code, in particular with speed limits, not driving if having taken certain medication or other substances that may affect the individual, etc.).

Car pooling is one of the ways to optimise costs and benefits, and make sure that several people travel to working using the same vehicle.

CONSTRUCTION

Construction sector equipment comes under three categories:

- vehicles for passenger transport
- vans and minibuses for passenger and goods transport
- heavy goods vehicles for the transport of goods and equipment

Cars are either purchased or hired based on an estimate of the annual mileage of the user, with car hire preferred in reason years in order to optimise the logistics and economic management of the company fleet.

The use of service cars at work sites, or at various head office sectors, is also being prioritised, with a view to keeping costs down, but chiefly to respecting the environment, limiting pollutant emissions.

Lastly, equipment and material are rarely transported using own heavy goods vehicles, but instead companies specialised in transport are preferred.

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 (97% of the total), followed by the engineering, technology and other sectors with less than 3% of production and lastly concessions, which only produce around 0.5% of the total waste. The percentage of waste attributable to the licensee companies' sector is low as a result of the type of waste of the construction sector 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 296,000 tonnes in 2018 to over 625,000 tonnes in 2019 with an increase of 111%. The most significant increases were recorded in the construction sector (+316,000 tonnes with an increase of 108% compared to 2018) and plant engineering (+13,467 tonnes compared to 2018). The waste produced and disposed of by the con-

struction sector is noticeably higher than 2018. This increase is justified by the fact that in 2019 a number of tenders were won and therefore there were more operating contracts than in 2018, as well as the operations of the joint operations. A further increase is due to the management of non-hazardous waste (terrain and rocks from excavations) deriving from works carried out by Itinera in the areas surrounding Tortona (AL): construction, extension and maintenance of warehouses.

In addition, in 2019 there was a noticeable increase in waste from the company Euroimpianti S.p.A. compared to 2018: this increase was mainly related to the tunnel upgrading works on the A5 motorway stretches, the Ligure-Toscana Stretch and the A6, which led to the production of particularly heavy waste such as milled material and rocks from excavations.

In the construction sector, waste produced typically refers to non-hazardous construction and demolition waste and is mainly recovered.

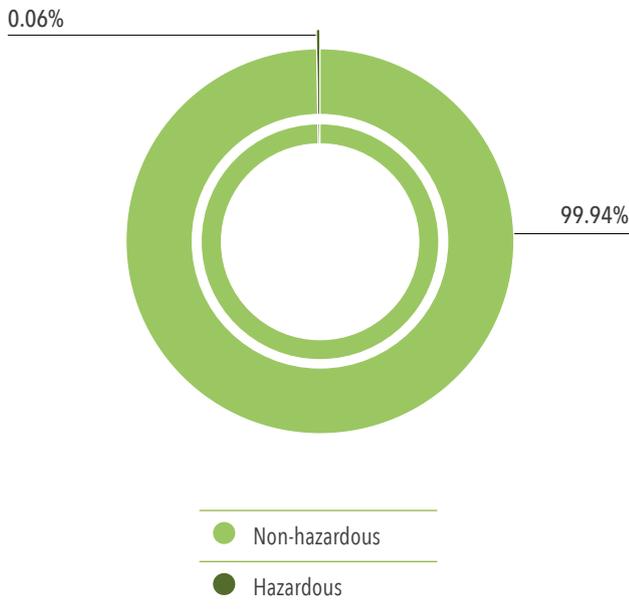
In 2019, nearly all waste produced by the Group was recycled and reused (87.7%, 98.2% in 2018), while around 12.3% was sent to landfill, incinerated or disposed of in another way. Waste disposal is managed through municipal service companies and specialist firms.

GROUP WASTE BY DISPOSAL METHOD

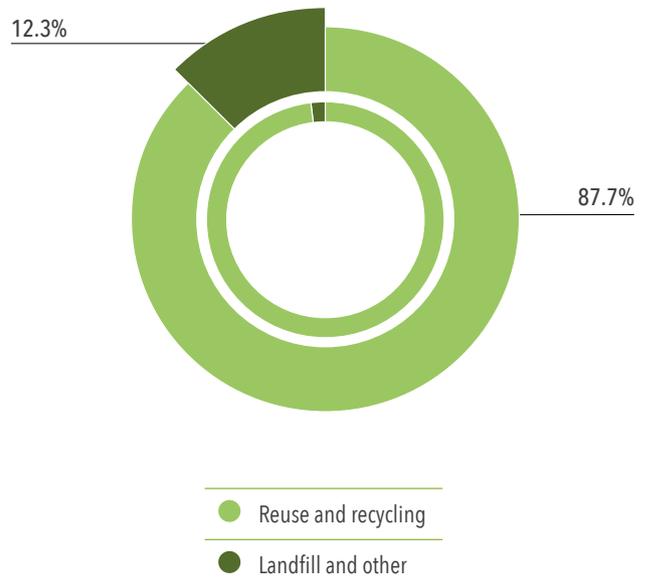
(figures in tonnes)

DISPOSAL METHOD	2018				2019			
	Hazardous	Non-hazardous	Total	Total (%)	Hazardous	Non-hazardous	Total	Total (%)
Reuse [t]	5	117,730	117,735	39.7%	-	27,171	27,171	4.3%
Recycling [t]	72	173,305	173,377	58.5%	106	521,237	521,343	83.4%
Energy recovery [t]	-	72	72	-	-	115	115	-
Incineration [t]	1	1,190	1,191	0.4%	12	3,534	3,546	0.6%
Landfill [t]	46	2,518	2,564	0.9%	36	72,669	72,705	11.6%
Other [t]	210	1,151	1,361	0.5%	202	259	461	0.1%
Total	334	295,966	296,300	100.0%	356	624,985	625,341	100.0%
<i>of which joint operations</i>	214	21,203	21,417	7.2%	27	57,473	57,500	9.2%

GROUP WASTE BY TYPE



GROUP WASTE BY DISPOSAL METHOD



EMPLOYEE AWARENESS CAMPAIGN

In the knowledge that, despite the collective consciousness for a sustainable future, it is not always easy to implement good simple daily practices, the ASTM Sustainability Department has launched a Group employee awareness campaign to promote the adoption of responsible behaviours and prevent wasting natural resources.

The campaign focuses on the awareness of energy saving and water consumption, the correct use of printers and office temperature regulation. Posters have been displayed in the various offices of the Group companies and the campaign can also be viewed on the Group's Intranet.



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 housing and built-up areas.

With a view to sustainable infrastructure development, 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 2019, 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 2019, a total approximately 107 km of noise barriers were installed along the Group's motorway stretches.

At the end of 2019, the Noise Abatement Plans were completed on the A4 Torino-Milano and A33 Asti-Cuneo stretches. The plans for other stretches will be completed within the deadlines agreed with the Granting Body given that many projects have already been planned and sent for formal approval.

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.

NOISE BARRIERS (figures in km)

	2019
A4 Torino-Milano	25.1
A21 Torino-Piacenza	15.5
A6 Torino-Savona	7.7
A12 Livorno-Sestri Levante	24.1
A15 Parma-La Spezia	3.6
A33 Asti-Cuneo	8.4
A10 Savona-Ventimiglia	9.7
A5 Quincinetto-Aosta Ovest	2.0
A21 Piacenza-Cremona-Brescia	11.1
Total	107.2

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 projects and 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.

In 2019, the activities envisaged by the Environmental Monitoring Plans, defined during the planning stage, mainly concerned the A4 motorway, as part of developments in infrastructure modernisation works, and the A12 motorway, where the Post Works stage of the Environmental Monitoring of the works on the new junction connecting the A12 and the SS Aurelia state road near the "Livorno" toll station and the Works Ongoing monitoring stage of the A12 and A15 interconnection were initiated. The monitoring activities on the Ti.Bre (Tirreno Brennero) also continued, with subsequent validation and publication on the Local Information System (SIT) (for public access) 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 2019.

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 rockfall nettings, etc.), surface draining works (drainage gutters, etc.), deep draining works (sub-horizontal drains, draining trenches, draining wells).

Some of the specific initiatives include the promotion of an 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.

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 2019, 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. Annual topographic surveys are also carried out by specialist technicians from SALT, in association with Parma University.

Monitoring of landslide events makes it possible to plan specific actions with varying levels of intervention. In 2019, in-depth studies were carried out to improve the characterisation and definition of the landslide movements of Berceto, Costa Madoni and Montaio Cà Maioli.



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, works to improve the landscape and increase biodiversity of the S.A.T.A.P. A4 Torino-Milano motorway area along the Novara-Rho stretch were completed in 2019.

As part of 10-year agreements stipulated by SATAP with the University of Turin, activities to develop trial systems for green areas continued in 2019, 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 second growing season, management and monitoring activities were carried out on the trial reforestation completed in the spring of 2018. Though not yet at the end of the second growing season, there has been a positive trend in the response of the plants to the re-constituted soil. Growth in terms of both height and diameter is higher than the growth found on average in reforestation carried out using traditional techniques. In terms of mortality, the figures recorded to date also highlight a positive response from the plants.

The works to create planted areas near the new junction connecting the A12 and the SS Aurelia state road near the Livorno toll station were also completed in 2019.

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, new artificial nests were installed in 2019 to encourage the development of the red-footed falcon colony that has settled near the work site. In April and May 2019, new nest boxes were installed in order to guarantee mating couples greater protection from predators. The new nests have been monitored and the results of the checks inserted in specific measurement data sheets included in the Local Information System - SIT (accessible to the public).

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 terrain where the new infrastructure will be located.

To guarantee sustainable development during the construction of new motorways and in the maintenance and restoration of existing ones, the Group promotes the use of innovative raw materials with a reduced environmental impact.

With reference to the Ti.Bre work site, in order to reduce the impact of the works in relation to the use of natural resources and land use, the use of terrain deriving from the excavations envisaged for the work and alternative materials both internal and external has been favoured. In particular, in accordance with the approved design documentation and the regulations of reference, the reuse of land deriving from internal excavations to create fills, banks and finishes was monitored so as to maximise it.

Likewise, materials deriving from demolition opera-

tions (of existing and/or provisional works) within the work site were reused through the creation of specific and duly authorised recovery campaigns, using the deriving product for the creation of sub-bases and banks.

Lastly, the entry into the work site of materials deriving from external installations approved for recovery operations according to the waste regulations in force was supervised, verifying not only the docu-

mentation associated with the recycled aggregates proposed but also carrying out specific tests on both the production sites and in the work site, in order to verify the compatibility of the materials with the characteristics required by the performance specifications and the regulations in force.

MINIMUM ENVIRONMENTAL CRITERIA (MEC)

S.I.N.A. S.p.A., active in the engineering segment, takes part in 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 the environmental sustainability of public administration consumption (national action plan on 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.

During the motorway planning and development stages, these criteria may be summarised as follows:

- planner qualification based on experience and specific skills;
- use of recycled or recovered materials for sub-bases and road surfaces;
- use of terrain and rocks from excavations, recovered in situ;
- recovery of waste produced in situ;
- reduction in laying temperature;
- increased efficiency of the superstructure duration;
- implementation of systems designed to reduce air, water and ground pollution caused by traffic;
- use of construction products with environmental certificates;
- use of maintenance techniques for surface layers as an alternative to resurfacing.

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.

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 research supports Itinera'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.

WATER TREATMENT

In the context of the aforementioned Action Plan for Maintaining Infrastructure Efficiency, adopted by the licensee companies, the "platform water collection and disposal system" asset provides indications on how to manage the checks and maintenance.

ENERGY EFFICIENCY

With reference to the motorway sector, all licensee concessions 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 2019, works to modernise the lighting systems located in the motorway areas continued, mainly in the tunnels, parking laybys, junctions and toll booths.

Upgrades to the safety standards determined by Italian Legislative Decree 264/06 continued in 47 tunnels longer than 500 m, located on the stretches managed by the Group and belonging to the Trans-European Transport Network (TEN-T). An automation project is

being developed 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.

PLAN FOR DISSEMINATION OF ALTERNATIVE FUELS

In order to promote the energy efficiency policies, the licensees have implemented the provisions of Italian Legislative Decree no. 257 of 2016 "Implementing regulation of Directive 2014/94/EU of the European Parliament and of the Council of 22 October 2014 on the deployment of alternative fuels infrastructure", and in December 2018, submitted the

respective Dissemination Plans for electric charging services, Compressed Natural Gas (CNG) and Liquefied Natural Gas (LNG) to the Granting Body, the Ministry of Infrastructure and Transport (MIT).

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.

As part of the Investment Plans envisaged by the sub-concession agreements with the licensee companies, the Oil&Food sub-licensees undertook to create new systems for alternative fuel distribution, including through agreements with specific sector operators.

S.A.V. S.p.A. launched a "Trial Project" for the development of 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 (A5 Quincinetto-Aosta). The latter will be the first area exclusively dedicated to the electric charging service. The launch of super-fast charging services envisaged by the above trial project is scheduled for 2020. Thanks to the supply of a maximum power of 350 kW, current and next-generation electric vehicles can be fully charged in 15-30 minutes.

There are 65 service areas on the motorway stretches under concession. As at 31 December 2019 the electric charging services are operative in 6 service areas including the Brugnato Ovest area on the A12 motorway (Sestri Levante-Livorno) and Ceriale Sud

on the A10 motorway (Savona-Ventimiglia), where the super-fast charging service is operative. Works have also been completed to launch the super-fast charging services at the Rinovo Nord area on the A10 motorway (Savona-Ventimiglia), which is expected in the first half of 2020.

In the 2020-2022 period, the dissemination of electric charging services in an additional 36 areas (including areas with planned tender) present on the stretches managed by the Group's licensees is planned.

The Plan for the dissemination of alternative fuels developed by the individual licensees also envisages implementation of new methane distribution systems. Currently, this service is active in two areas along the A4 Stretch under concession by S.A.T.A.P. S.p.A. (Settimo Sud and Rho Sud).

In the next few years, the use of alternative fuels, driven by the environmental policies of the European Union, will see gradual technological development in both vehicles and refuelling systems, generating dynamics that will necessarily see the involvement of the MIT, the motorway concessions and all sector operators in general. In this context, the licensees will be committed, including in the near future, to the implementation of programmes and projects already started, as well as continuous technological innovation essential to guarantee an adequate supply and service for the demand.



 Electric charging stations active at the date of publication of the following document

 Electric charging stations planned 2020-22

⁴⁶ Works completed, launch scheduled in 1st half of 2020

⁴⁷ Trial project launched

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.

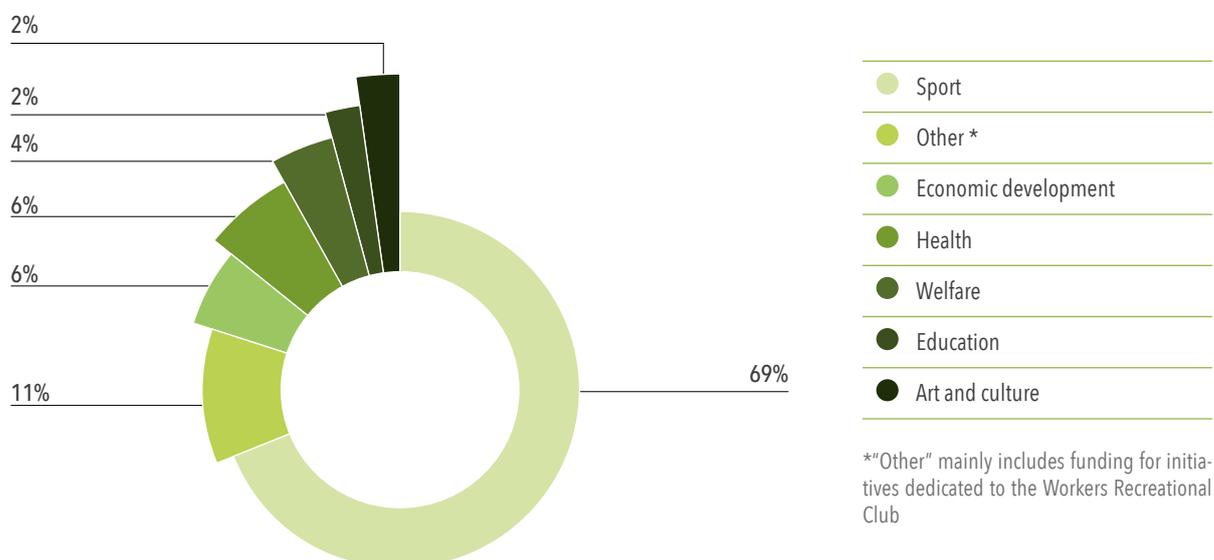
ASTM has defined principles and methods for offering donations and sponsorships in the internal procedures forming part of the Anti-Corruption System, certified in accordance with ISO 37001, as guarantee that the interventions are carried out in accordance with the approved budget and only following 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, while the sponsorships are 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 2019, the Group made donations of around EUR 194,000 (EUR 69,000 in 2018) and sponsorships for around EUR 1,325,000 (EUR 390,000 in 2018). As part of the sponsorships, in particular, the Group invested in the community for an amount of approximately EUR 56,000 (EUR 112,000 in 2018) and around EUR 1,269,000 were used for community initiatives with a commercial impact (EUR 278,000 in 2018).

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.

TARGET SECTOR



MOTORWAY VETERINARY AMBULANCE

In 2019, S.A.T.A.P. S.p.A. (A4 Torino-Milano stretch) signed an agreement with the Novara-based non-profit “Ambulanze veterinarie Italia” for the rescue and recovery of animals on the motorway, with particular reference to the stretch between Sesia and Ticino. Volunteers are available 24 hours a day to provide first aid and rescue abandoned and wild animals, and animals involved in any accidents.

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.

Results in team sport are achieved by mutual collaboration between players, the sharing of sacrifices and a commitment to achieve pre-set goals. These same dynamics are the life-force of companies.

Overseas, the company Halmar International, a subsidiary of Itinera, has been one of the main sponsors of the New Jersey Devils for many years. Professional ice hockey team based in Newark, New Jersey. The team competes in the National Hockey League as a member of the Metropolitan Division of the Eastern Conference. The New Jersey Devils have won the Stanley Cup, the NHL professional championship, three times: 1994-95, 1999-00, 2002-03. Thanks to the sponsorship - USD 640,000 (around EUR 570,000) - the Halmar International logo has been displayed on the ice and barriers of the rink at the Prudential Center.

In basketball, the ASTM Group, through the contribution of some of its subsidiaries for around a total of EUR 180,000, 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 EUR 120,000.

In football, through SEA Segnaletica, the ASTM Group provided a sponsorship worth EUR 105,000 to ASD Hic Sunt Leones Derthona, a football team from the city of Tortona, founded by fans of Derthona FbC 1908 in June 2017.



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.

Through this initiative, 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.

ARCHAEOLOGICAL MUSEUM OF LUNI

In May 2019, the National Archaeological Museum Park of Luni became even more accessible to its visitors thanks to the inauguration of the new connection with the A12 Motorway through the "Antica Luni" parking area and the related interconnecting pedestrian walkway.

The objective of the project was to give life to a connection that made the historical and archaeological heritage of the location fully usable including directly from the motorway, thus contributing to further promoting this important historical area and the entire local area between La Spezia and Carrara.

The new spectacular walkway, alongside an exciting multimedia tunnel, will therefore allow for easier access to one of the most significant archaeological areas in the country. It will also provide a simple way to enjoy the recently renovated visitor routes.

It is also worth mentioning the presence in the area of a "beacon", built with a load-bearing structure of concrete and steel and clad with white Carrara marble, which supports the pedestrian walkway and is reminiscent of the old light of the port of Luni ("Portus Lunae") formerly located on that site.

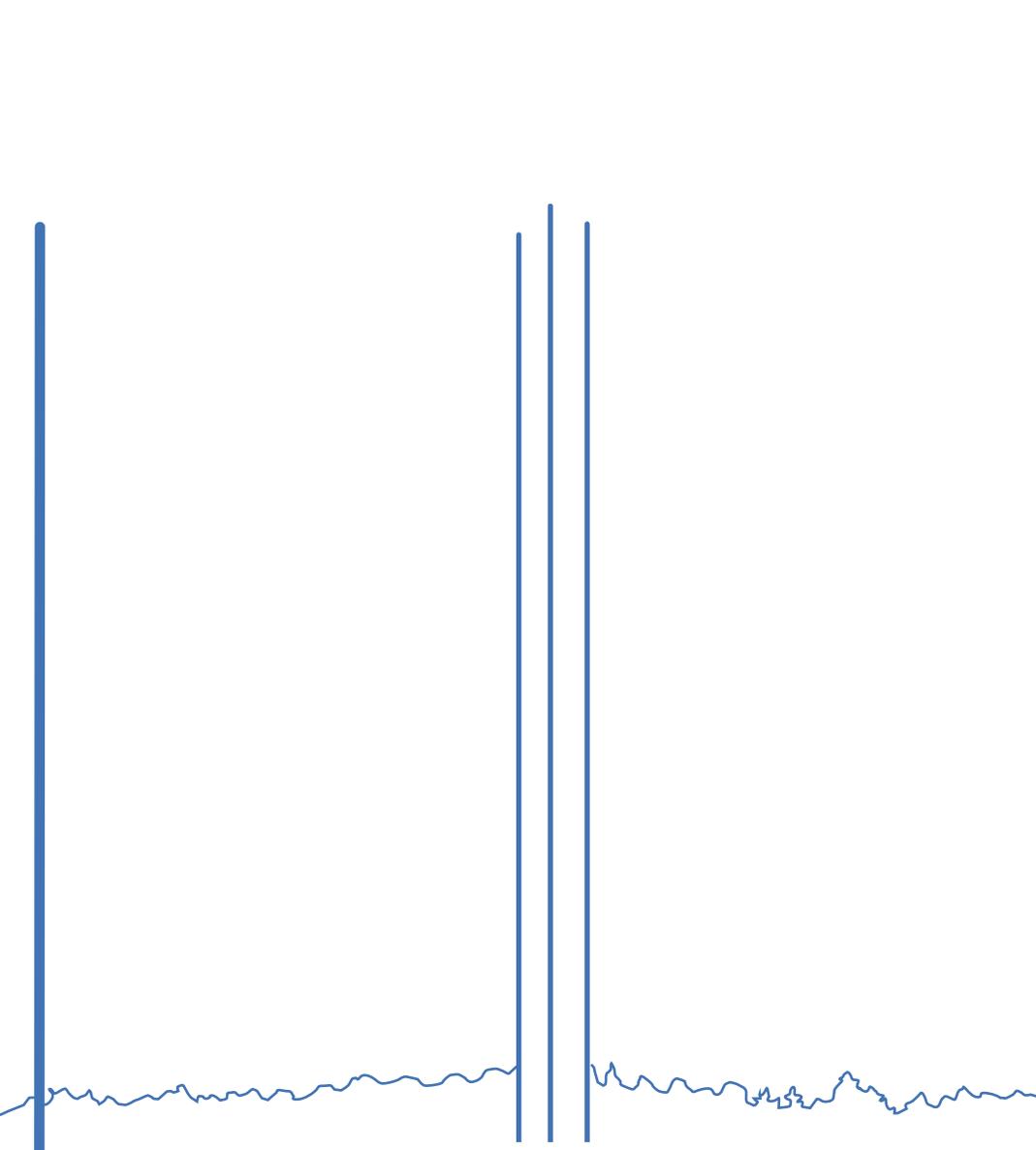
Construction of the works was promoted and funded by SALT p.A., a Group company active in the concessions business segment.

All works also involved close and successful collaboration with the Italian Ministry of Cultural Heritage and Activities and Tourism (MiBAC) and the Museum Centre of Liguria, in addition to the Municipalities affected by the works, in order to give life to designs that are integrated into the context and surrounding environment.

More information about the National Archaeological Museum Park of Luni can be found on the website www.luni.beniculturali.it.



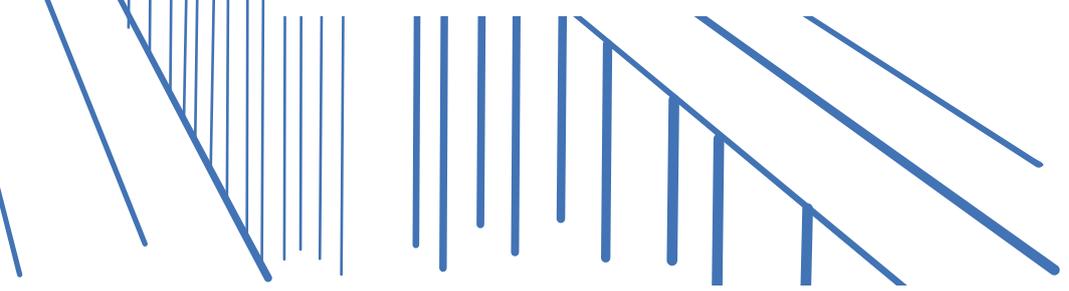




05

OUR BUSINESS SEGMENTS

108	Motorway concessions
126	EPC
133	Technology



MOTORWAY CONCESSIONS

ASTM has long-standing experience in the development, funding, management and maintenance of road infrastructure. Today the Group is the second motorway operator worldwide, with a network of approximately 4,594 km ⁴⁶ managed in countries such as Italy, Brazil and the United Kingdom. In particular, the Group manages a network of approximately 1,423 km in Italy. In Brazil, through the jointly held subsidiary EcoRodovias, it is the second motorway operator with 3,087 km of network, while in the United Kingdom, through the associate Road Link, it manages approximately 84 km of network between Newcastle and Carlisle.

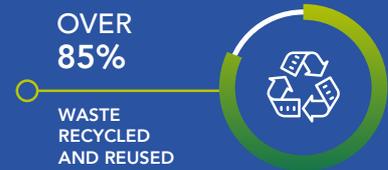
ECONOMIC RESPONSIBILITY

ONE OF THE LEADING PRIVATE INVESTORS IN TRANSPORT INFRASTRUCTURE IN ITALY



*Source: Consolidated financial statements of the ASTM Group as at 31 December 2019

THE ENVIRONMENT AND LOCAL AREA



BUSINESS

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

SECOND MOTORWAY OPERATOR IN THE WORLD



4,594 KM ⁴⁸ MOTORWAY NETWORK IN ITALY, BRAZIL AND THE UNITED KINGDOM

⁴⁸ Motorway network entirely managed by ASTM through the subsidiaries, jointly held subsidiaries and associated companies



THE ITALIAN MOTORWAY NETWORK

OUR MOTORWAY LICENSEES ⁴⁹

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)⁵⁰.

Autostrada dei Fiori S.p.A.

The company Autostrada dei Fiori has the concession to manage:

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

Società Autostrada Ligure Toscana - SALT p.A.

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

- A12 Sestri Levante-Livorno; Viareggio-Lucca; Forno-La Spezia for a total of 155 km;
- 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 Asti-Cuneo motorway (A33), comprising two stretches totalling 78 km (of which 23 km under construc-

tion), connected in turn by a 20 km stretch of the Torino-Savona motorway (A6), from Marene to Massimini.

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.

Ativa S.p.A.

Ativa 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 licensees:

S.I.T.A.F. Torino-Bardonecchia motorway and the Frejus tunnel (94 km)

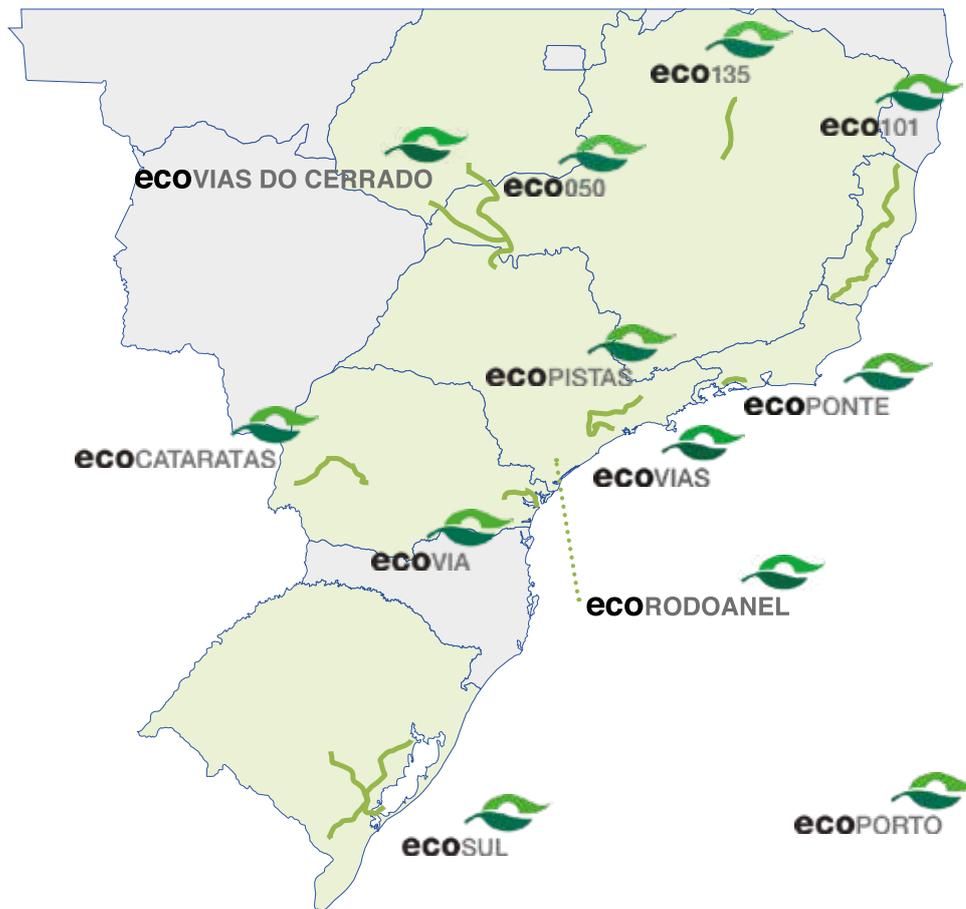
A69 Carlisle-Newcastle (UK) (84 km)

SITRASB - Società Italiana Traforo del Gran San Bernardo (13 km)

⁴⁹ Directly controlled

⁵⁰ Concession expired and managed by S.A.T.A.P. S.p.A. under an extension

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 3,087 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 licensees:

- 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 (23 km)
- Rodoanel Norte, which connects São Paulo and the Northern Ring Road (48 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)

INVESTMENTS IN SAFETY

The Group's licensees are going ahead 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.

In 2019, ordinary maintenance totalled over EUR 177 million and was closely related to road safety, since a correctly maintained network is a safe network. For example, the maintenance included works on paving, structures, green areas, restoring the structure following accidents and works on installations.

During 2019, investments in motorway assets totalled EUR 265 million (EUR 149 million in 2018, over around EUR 301 million paid for the acquisition of the concession of the Piacenza-Cremona-Brescia stretch of the A21) and around 64% referred to investments to improve the safety of the motorway network, including upgrading the tunnels to the European Community Directive for

around EUR 71 million, interventions on bridges, viaducts and overpasses for around EUR 69 million and upgrading the safety barriers for around EUR 9 million. The remaining 36% refers to investments made to develop the motorway network and in particular to construct new infrastructure for around EUR 85 million, of which EUR 51 million related to investments made by the licensee SALT p.A. (Autocisa Stretch) for the completion of the motorway link between the Cisa-Fontevivo (PR) motorway and the Brennero-Nogarole Rocca (VR) motorway Lot 1 (the "Tibre").

EUR 265.3 million invested in the motorway network break down as follows:

SPENDING FOR INVESTMENTS IN SAFETY AND MAINTENANCE

(amounts in EUR/million)

	FY 2018		FY 2019	
	Ordinary maintenance	Investments	Ordinary maintenance	Investments
A4 Torino-Milano	30.51	11.50	29.38	9.50
A21 Torino-Piacenza	29.17	3.30	33.80	20.20
A6 Torino-Savona	16.32	25.20	17.57	63.30
A12 Livorno-Sestri Levante	19.71	13.30	22.75	39.50
A15 Parma-La Spezia	19.51	66.90	19.15	65.90
A33 Asti-Cuneo	7.56	4.70	7.79	10.20
A10 Savona-Ventimiglia	24.47	4.90	24.25	20.80
A5 Quincinetto-Aosta Ovest	10.19	4.60	10.97	12.50
A21 Piacenza-Cremona-Brescia	9.59	14.20	11.79	23.50
Total	167.03	148.60	177.45	265.30

OUR COMMITMENT TO ROAD SAFETY

The roads designed, built and managed by 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.

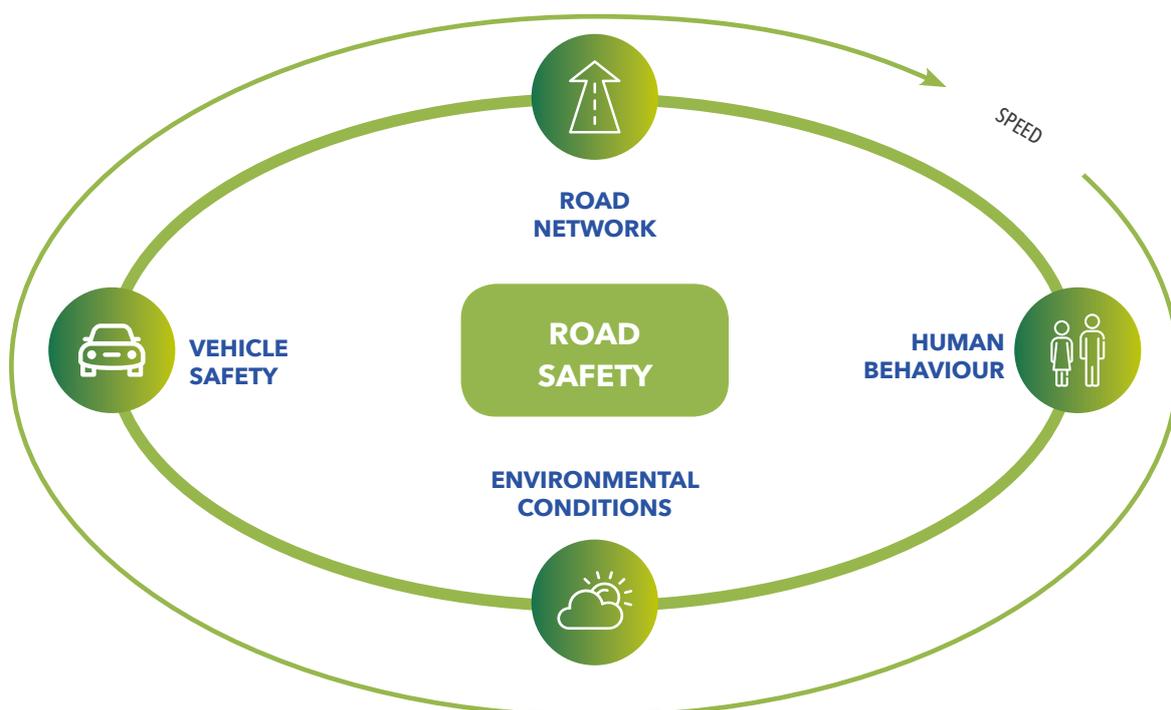
In line with the guiding principles of the "Decade of Action for Road Safety 2011-2020" and of the Road Safety Manual of the World Road Association, it is clear that a systematic approach to road safety ("a safe system approach") can overcome the boundaries of formal regulatory compliance, recognising the need to integrate a whole host of aspects from the technical to the psychological that form the basis of user behaviour, in managing road safety.

The Group licensees have been aware of the need to adopt this systemic approach for some time, and they do this through:

- 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 of bridges and viaducts, controls and monitoring of underground 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.



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 com-

puting systems, will improve the quality and safety of works, extending their useful life and reducing management costs.

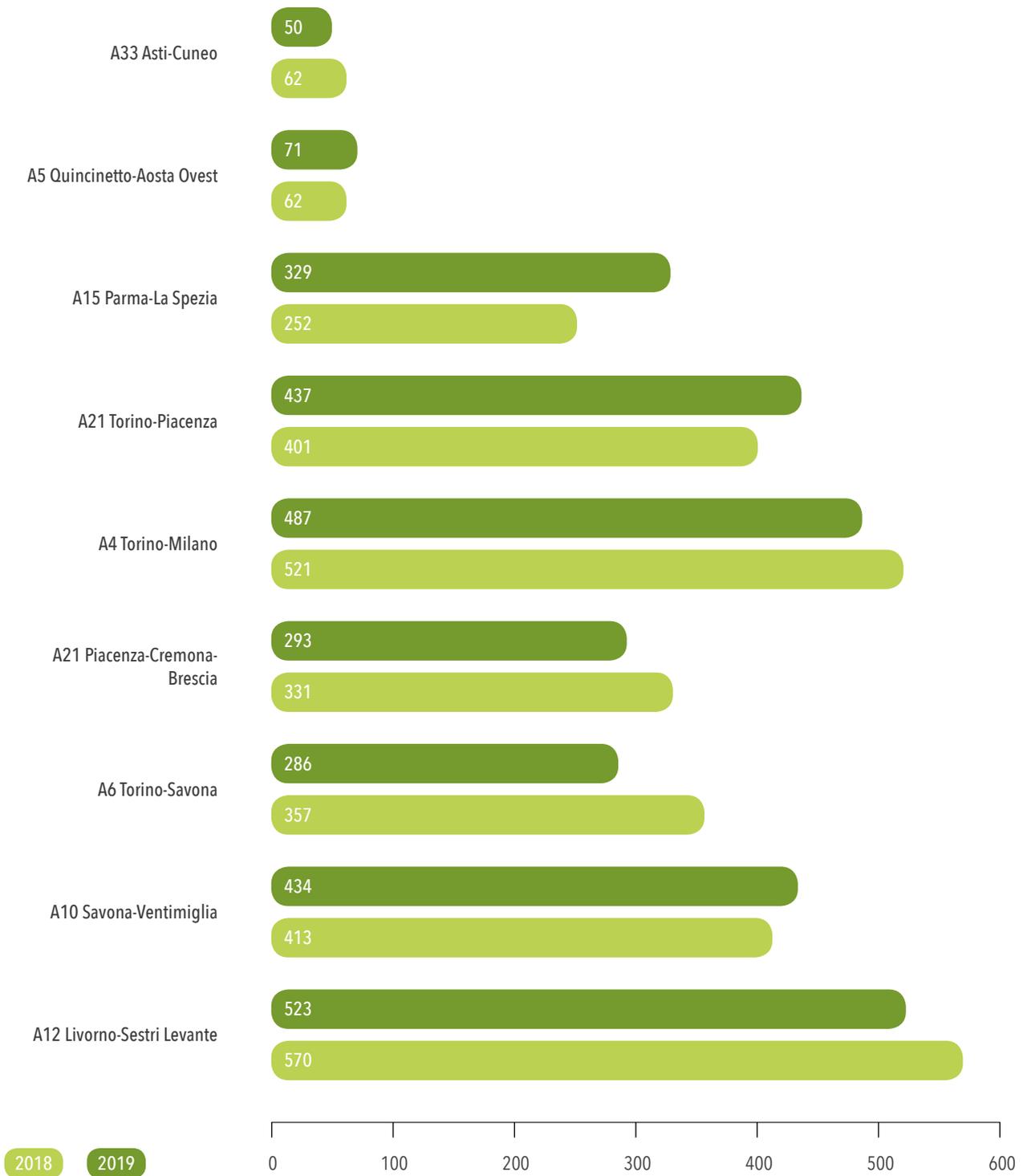
The methodology is therefore characterised by an integrated approach which is also innovative. This is because establishing values and specific indexes for infrastructure conditions is difficult, and so mathematical models and specific algorithms are used to measure any design inefficiencies and ageing,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

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.

NUMBER OF MOTORWAY ACCIDENTS ON THE GROUP NETWORK ⁵¹



⁵¹ For uniformity with the other motorway stretches, the data related to the accidents in 2018 on A21 Torino-Piacenza and A4 Torino-Milano have been restated to also include minor accidents without injuries

In 2019, there were a total of 2,910 accidents on the network of the licensees controlled by the Group (2,969 in 2018), of which 24 fatal accidents (36 in 2018), with 1,345 injuries (1,286 in 2018) and 28 deaths (44 in 2018).

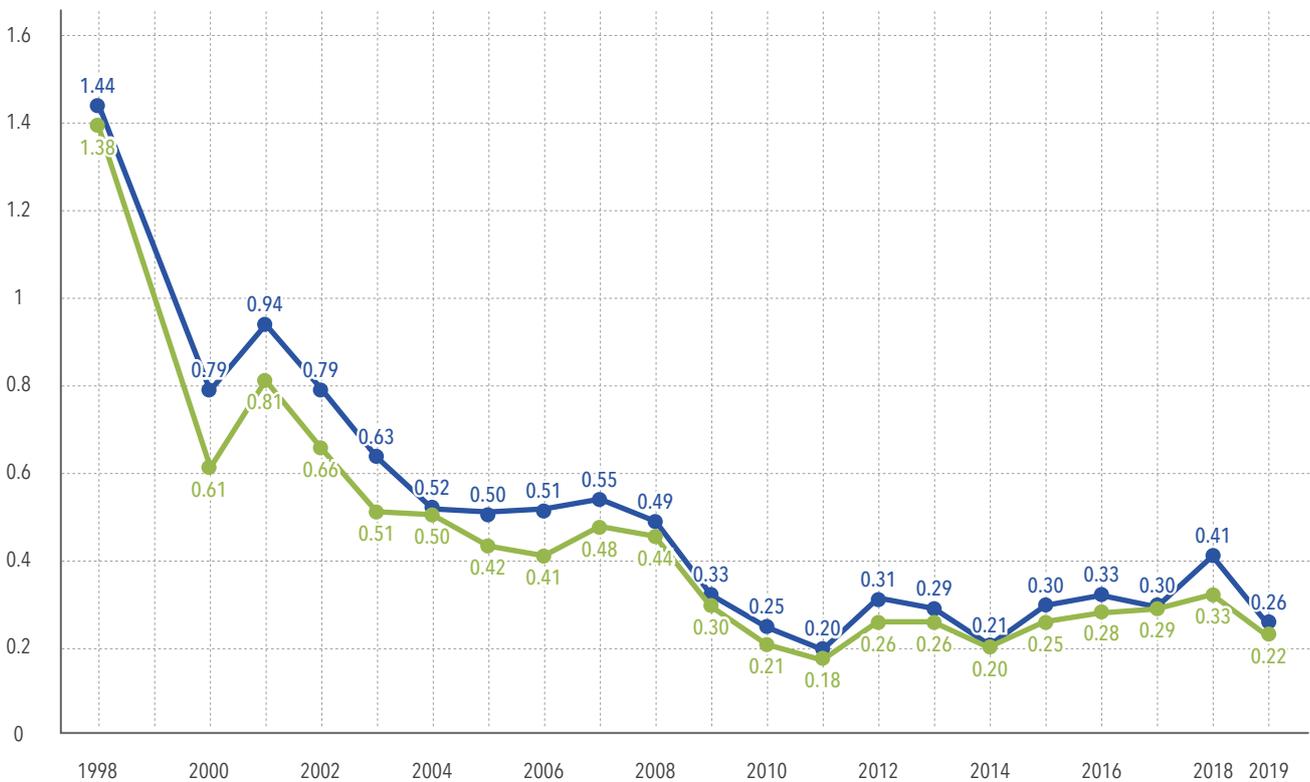
The graph shows the rate of fatal accidents on the network managed by the Group. The strong decrease in the rate reflects the Group’s efforts to continually improve safety on its managed network.

RATE OF FATAL ACCIDENTS ON THE GROUP NETWORK

(Rate for the years 1998-2019, no. of deaths due to road accidents/mileage in millions of vehicles/km*100)

MORTALITY RATE ON THE GROUP NETWORK

(Rate for the years 1998-2018, no. of deaths due to road accidents/mileage in millions of vehicles/km*100)



-67% Fatal accidents since 2001

The following elements contributed:

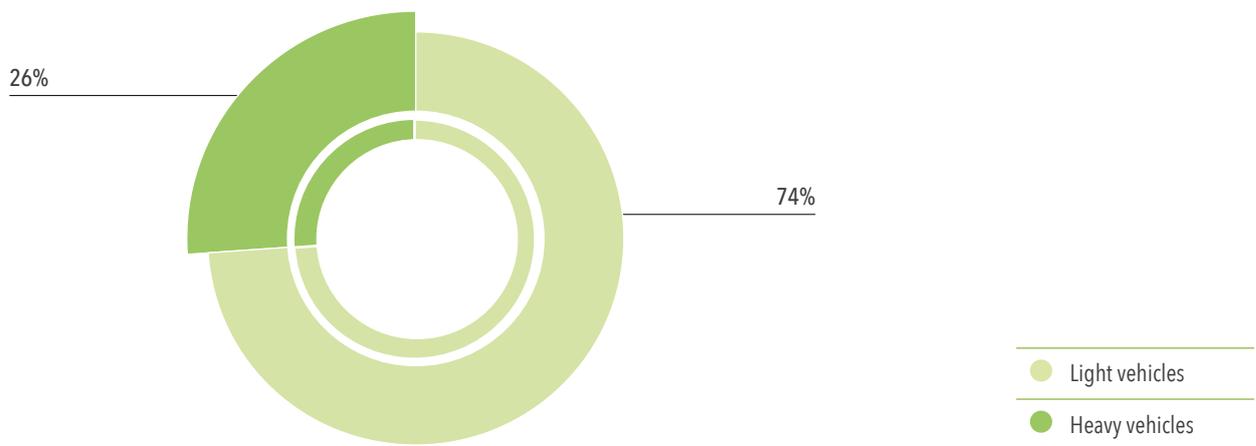
- Technical improvement to infrastructure
- Completion of operational capacity
- Development of the road safety campaign Autostradafacendo

63% of vehicles involved in accidents are light vehicles (65% in 2018), the remainder heavy vehicles.

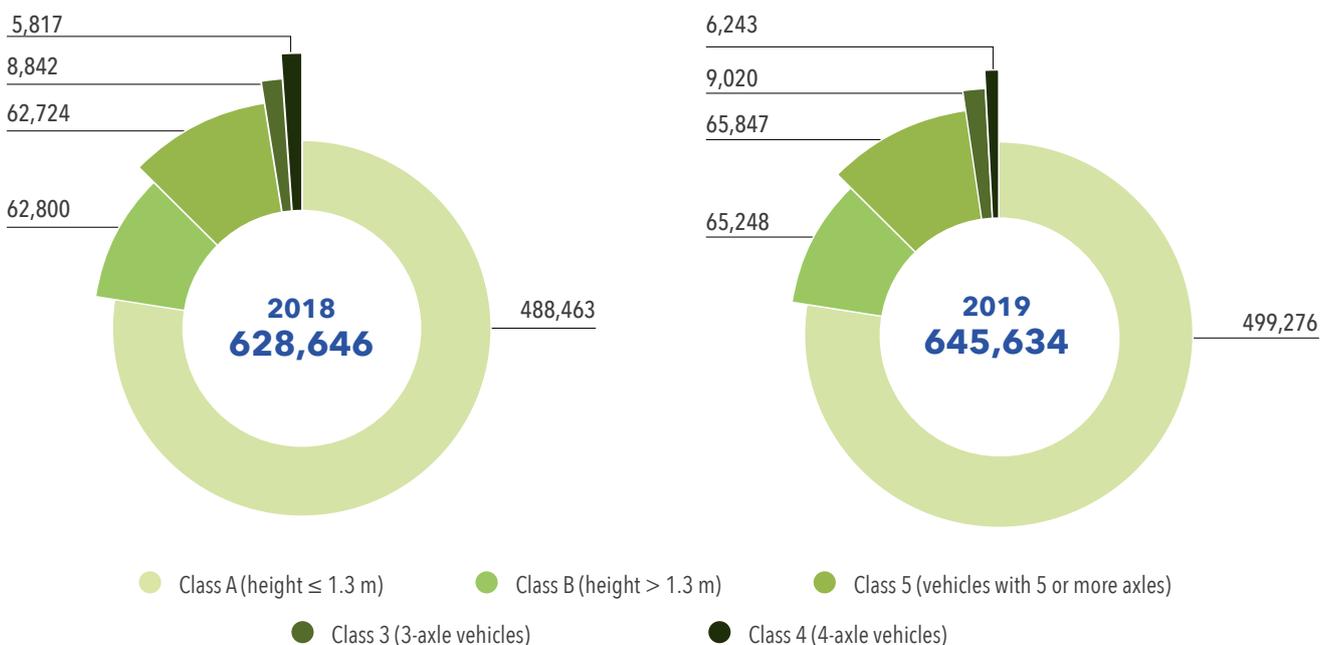
TRAFFIC DATA

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

PERCENTAGE OF JOURNEYS ASSESSED IN VEHICLES/KM ⁵²



AVERAGE ACTUAL DAILY VEHICLES BY TYPE OF VEHICLE ⁵³



⁵² 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

⁵³ Includes paying vehicles, vehicles subject to paying and exempt vehicles

COOPERATION WITH EUROPEAN INSTITUTIONS

S.I.N.A. performs the role of project manager of the *European ITS Platform*, the European round table for ITS technologies (Intelligent Transportation Systems) which was established and is co-funded by the European Commission. The activity of the *European ITS Platform* is managed by the European institutions through the Innovation and Networks Executive Agency (INEA) with the general coordination of the Italian Ministry of Infrastructure and Transport.

This type of management encourages the harmonisation of ITS systems and maximises their benefits, which would otherwise be at risk of fragmented approaches and different solutions for each individual country. In addition, as of 10 March 2016, S.I.N.A. was assigned presidency of the technical committee C.1 National Road Safety Policies and Programmes of the World Road Association (PIARC), the oldest international association created in 1909 by governments across the world with the aim of favouring all aspects of road progress.

In 2019, the Committee chaired by S.I.N.A. published the third edition of the Road Safety Manual. To draft the Manual, an approach was adopted in line with the pillars of the UN Decade of Action for Road Safety 2011-2020: road safety management (Pillar 1), safer roads and mobility (Pillar 2) and safer vehicles (Pillar 3).

S.I.N.A. has actively participated for over 30 years in the research programmes of the PIARC. It has also chaired the Italian National Technical Commit-

tee for 12 years, which deals with Climate Change, mitigation policies, conversion and the resilience of infrastructure. In particular, in the 2016-2019 four-year research period, it chaired the "Climate Change - Adjustment Strategies to Increase Infrastructure Resilience" National Committee, representing Italy in the corresponding International Committee.

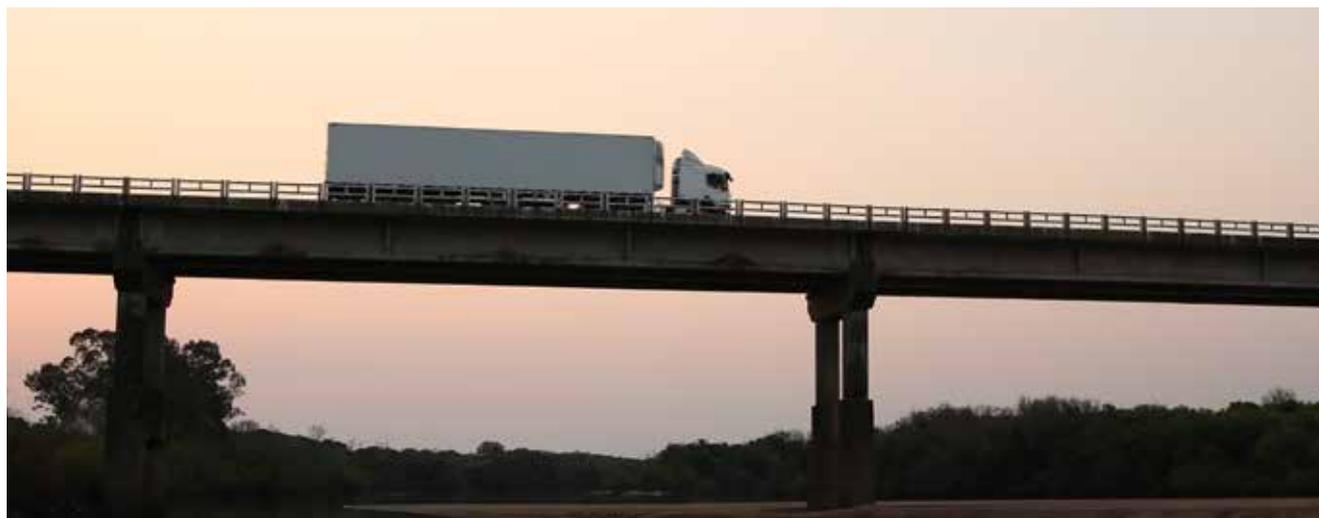
The Committee's activities involved the analysis of the strategies to adapt to climate change in order to increase the resilience of road infrastructure, through the collection of case studies.

The Committee has operated continuously with works carried out over the course of the previous four years of research, tackling the issue in accordance with the technical indications of its international counterpart and in full respect of the strategic guidelines outlined by the World Road Association.

The results have been summarised in the "Adapting to climate change and strategies to improve road resilience. Analysis of the Italian context" report, which is part of the "Roads of the future. Final summary report - Technical Committees and Strategic Plan Task Force PIARC Italy 2016-2019" booklet. They were also presented in May 2019 as part of the XXVIIIth PIARC Italian National Conference in Rome.

S.I.N.A. has also obtained presidency of this Committee for the 2020-2023 four-year period.

For more details, see the Association's web page (Italian site: <https://www.aipcr.it/web2/>, international site: <https://www.piarc.org/>).



50th anniversary of the Vienna Convention

United Nations Headquarters, Geneva - 25 March 2019

Road safety was the topic for debate attended by experts from 5 continents. S.I.N.A. was invited to present a preview of the "System approach to road safety: national policies and implementation" study, later published by the World Road Association. The study was developed thanks to grants from 31 countries and offers interesting suggestions for policies and practices adopted by road authorities in relation to traffic safety.



Italian national conference of the World Road Association

Scuola Superiore di Polizia, Rome - May 2019

S.I.N.A. attended the conference on safety, infrastructure monitoring, technology applications and sustainability.

Workshop:

"Highly Automated Driving: an exploration of benefits, costs and ODD in Europe"

ASTM S.p.A. offices, Turin - 1-2 October 2019

40 experts from 12 countries took part in the event, representing the main European administrations, motorway operators and the European Commission, with the aim of identifying the necessary developments to prepare European major road systems in light of an increasingly more automated mobility and to assess the opportunities created by automation.

XXVIth World Road Congress

Abu Dhabi - 6-10 October 2019

The congress, entitled "Connecting Cultures, Enabling Economies" was organised by the World Road Association (PIARC) in collaboration with the Abu Dhabi Department of Transportation, with the aim of presenting the results of the work carried out by the 22 Committees of the PIARC. S.I.N.A. took part in the event, organising the sessions: "Road Safety Policies and Programmes", "UN Road Safety Manual and Objectives" and "Building Partnerships for Better Road Safety".

International workshop: "Technology and Training: threat or opportunity?"

Turin - 17 October 2019

Event organised by the EFA (European Driving Schools Association) and SIMUSAFE (SIMULATION of behavioural aspects for SAFER transport) to discuss the issue of autonomous vehicles and safety, considering the aspect of training both drivers and driving instructors.



AUTOSTRADAFACENDO

Autostradafacendo

Istituto comprensivo "Pietro Verri" in Biassono (MB)

4 February 2019

Pupils from the second year of middle school met with experts from S.I.N.A. as part of the road education project. During the event, the children asked a series of questions about safety and the highway code.

As part of the "Ogni esperienza lascia un segno" (Every experience leaves a mark) project, the children dedicated a "tile" to the Autostradafacendo project with the description "I am mindful of safety because I love and respect life" and placed it at the entrance to the school.



Autostradafacendo - World Road Safety Week

6-12 May 2019

In addition to its institutional activities, the Italian Chefs Association (AIC) is also aware of and present in activities related to social issues and is sensitive to the problems that affect its professionals. This includes a strong focus on road safety, a central issue in relation to the shifts and working hours of its members. Working in the hospitality industry, which very often runs into the late evening, exposes chefs to the dangers and risks present on the roads. As part of World Road Safety Week, day events were organised dedicated to the fifth-year students at Hotelier Institutes in Lazio to raise awareness about this highly relevant issue.



Pullman Azzurro

Castelnuovo Garfagnana (LU) - 22 May 2019

Larderello (PI) - 24 May 2019

Ligonchio (RE) - 10 August 2019

The Pullman Azzurro (Blue Coach) used by the Italian Police and the material provided by Autostradafacendo were used to guide children through a training course with the objective of learning about and respecting the strict rules set out by the highway code.



Seminar: "Safe management of road infrastructure: from design to management of major road systems"

Roma Tre University, Rome - 3 June 2019

Seminar organised with the goal of enhancing the didactic offer and academic training for students in Bachelor's Degrees in Civil Engineering and Master's Degrees in Road Infrastructure and Transport Engineering with a focus on road safety.

Icaro Project

Catania - 4 June 2019

In collaboration with Pullman Azzurro, around 200 participants including students and teachers were involved in the road safety initiative that allowed them to visit a photovoltaic production installation in Catania and experience a new innovative and sustainable "energy culture" up close.



"Class Reporters", Journalism Competition

5 June 2019

The initiative organised by the "QN-II Giorno" newspaper in collaboration with Autostradafacendo involved more than 3,800 students from Lombardy, with the publication of 187 pages created by the young people in the newspaper. At the end of the competition, Autostradafacendo gave a prize for the best road safety piece, entitled "Road accident alarm - knowing the risks can reduce the number of victims".

"Safety 2.0: The challenge of the future"

Otranto - 29 September-1 October 2019

Annual event of the Traffic Police service with Italian licensee companies attended by institutional authorities and the main national and international road safety representatives. The purpose of the event was to analyse useful strategies for increasing safety levels on national major road systems.



"Master in Tunnelling"

Milan Polytechnic, Milan - 14-19 June 2019

Highly specialised course intended to provide multi-disciplinary skills used to train professionals in design, operating and managerial skills at the Department of Civil and Environmental Engineering at the Polytechnic. The educators invited included an expert from S.I.N.A. who covered "Fire safety and risk reduction: from active and passive systems to operational provisions", an issue included in the broader teaching module: "Fire and explosion in tunnels: prevention and mitigation measures".



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 2019, a total of 54 snow events lasting a total of approximately 771 hours (79 snow events lasting approximately 1,265 hours in 2018) were managed, using 1,058 vehicles and around 22,000 tonnes of fluxing agents (salt and chlorides, approximately 30,000 tonnes of fluxing agents in 2018). During 2019, 18 flooding events were also managed, using 34 items of equipment. All Group licensees have an operating unit that users may contact in the event of emergencies, and 1,713 SOS points along the entire motorway network.



APPROXIMATELY
732 KM

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

EMERGENCY SITUATIONS ON GROUP STRETCHES

TYPE OF EVENT	2018	2019
	no. of events/duration	no. of events/duration
Snow events (hours of snow)	1,265	771
Flooding (no. of events)	6	18
Landslides (no. of events)	1	3
Fires (no. of events)	46	30

ROAD TRAFFIC QUALITY AND SAFETY POLICIES AND MANAGEMENT

The ASTM Group considers management for quality and road traffic safety as essential for the sustainability of its strategic business objectives over time.

Therefore, the basis of the Group companies' related Quality Policies is the improvement of customer satisfaction and the satisfaction of other interested

parties that can impact the organisation's ability to achieve objectives and maintain long-term success.

In this context, the adoption by all Group motorway licensees of a Quality Management System compliant with the UNI EN ISO 9001:2015 is a strategic decision, with the commitment to improve its efficiency over time in order to increase the satisfaction of the Primary Customer (Granting Body) and the End Customer (motorway user), including a focus on changes in the context and the requirements and expectations of other relevant interested parties.

For this purpose, the scope of application of the Quality Management System covers the main processes and services provided by the licensee: from planning, construction and maintenance of motorway infrastructure, to the provision and management of toll and mobility services, as well as control of service areas, for the stretches in operation.

In 2019, implementation was also initiated quickly by all relevant motorway licensees for a road traffic safety management system compliant with ISO 39001, with the objective of obtaining the related certification by 2020.

An initial aim was reached by Autostrada dei Fiori S.p.A., which developed the pilot project and obtained the ISO 39001 certificate of compliance in September 2019.

The continuous improvement of the new system, integrated with the ISO 9001 system, is intended to reduce the number of road accidents on the managed stretches, with specific regard to the cases with serious consequences for the people involved.

All Group licensee companies have Services Charters, in compliance with the provisions of the Concession Agreement, the Directive of the Italian Ministry of Infrastructure and Transport no. 102/09 and the "General Directorate for the Supervision of Motorway Concessions" (DGVCA) of the Italian Ministry of Infrastructure and Transport (MIT).

These report the quality indicators and related reference standards required by the DGVCA, compliance with which is promptly ensured.

The Group also intends for the aforesaid annual updating of the Services Charters to be seen by each licensee company as an opportunity to review the service and the value of the information for motorway customers.

Aware of the importance of the technical standards, for some time the Group has participated in support of the preparation and voluntary development of quality standards, both nationally and internationally, contributing to the work of the Technical Committee of the UNI (Italian National Unification Body) and the Technical Committee of ISO - TC 176 "Quality Management and Quality Assurance".

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.

In addition to this activity, in 2019 the licensee companies of the ASTM Group launched the customer experience project "Qui Nord Ovest" together with Codacons, the main Italian consumers association and Markonet.

The "Qui Nord Ovest" Project provides 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 involves the collection of reports (alongside photos and videos) of events, circumstances 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.

The reports come from drivers who voluntarily participate and interact: not only issues that negatively impact customer experience, but also advice and suggestions, 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. Visitors can interact using two forms, through which they can leave reports and suggestions. The site recorded 208,112 visits from 10,132 unique users;

- the “Qui Nord Ovest” Facebook page, through which users can send reports and comments by private message or comments on posts, which has reached over 300,000 people (optimal satisfaction ratio);
- the mobile line, to which users can send reports and images through “WhatsApp” messages (161 reports collected);
- the dissemination of the landline telephone numbers of the motorway licensees’ 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. The critical situations have been grouped into macro-categories: 37 related to service areas (night-time closure of bar service, lack of Wi-Fi service), 45 to the road surface (damaged asphalt), 22 to objects on the carriageway, 23 to signage (absence of notices related to work sites), 5 to vegetation and 70 to other (closure of toll booths in heavy traffic, malfunction of card and debit card service).



This working programme is used by drivers as an information reference point that is always updated and proved useful to the ASTM Group network when interacting with users, with a view to continuous improvement, and to guarantee a better travel experience.

Analysis of the research showed how users' attention 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. In conjunction with the current events involving Italian motorways, with consequent interest from the media, there has been an increase, albeit unstructured, in a flow of comments and opinions.

Although current events 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 - for discussion and to counter the circulation of fake and dangerous news for the company's reputation - in order to create an active interrelationship at the basis of long-lasting improvement and traveller loyalty.

MOTORWAY TOLLS

The Group's main source of income is from motorway tolls that customers pay to use the infrastructure. The tolls are calculated by multiplying the number of km travelled on the Group's network by the rate, which is specific for each concession. The rate is governed based on an agreement which each Group licensee company has signed with the Ministry of Infrastructure and Transport (MIT), that awarded the concession, and which is updated according to indications in MIT decrees.

The rates policy of Group licensee companies is therefore subject to compliance with numerous constraints, which therefore rule out any discretionary application by the companies and guarantee the transparent, uniform adoption of rates for customers.

A specific Economic Financial Plan ("EFP") is attached to the agreement. It forms the basis for determining the toll increases for the individual licensee companies. This calculation is made on the basis of the calculation of eligible costs and revenues envisaged for regulatory purposes.

The final unit rate, which each user pays to the licensee companies, includes three components: the quota related to the licensee company, the additional fee to be paid to the State and VAT. The quota pertaining to the licensee company makes it possible to remunerate the capital used for investments made in the modernisation, innovation and increase in safety of the network managed, even without the concession.

FINAL UNIT RATE PER KM (UNIT RATE PERTAINING TO LICENSEE COMPANIES + ADDITIONAL FEES + VAT)

- This depends on the vehicle category and characteristics of the motorway stretches (flat land or mountain). It is determined on the basis of a mechanism set out in the agreement.
- The additional fees paid to the State total 6 thousandths of EUR/km for category A and B vehicles and 18 thousandths of EUR/km for categories 3, 4 and 5 (Italian Laws no. 102/2009 and 122/2010).

EPC

In the EPC sector (Engineering, Procurement and Construction), ASTM operates through its subsidiaries Itinera, which operates in the construction sector, S.I.N.A., an engineering company, and Euroimpianti, a plant engineering company.



*Source: Consolidated financial statements of the ASTM Group as at 31 December 2019

CONSTRUCTION

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

ECONOMIC RESPONSIBILITY



*Source: Consolidated financial statements of the Itinera Group as at 31 December 2019

PEOPLE



BUSINESS

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



HOURS OF TRAINING FOR EMPLOYEES AND OTHER COLLABORATORS

MAJOR INFRASTRUCTURE WORKS



+ 100 KM TUNNELS COMPLETED



+ 1,000 KM INFRASTRUCTURE, ROADS AND RAILWAYS COMPLETED

Itinera is a leading player on an international scale in the development of major infrastructure (roads, motorways, railways, underground railways), and civil and industrial buildings (ports, airports, hospitals, universities, shopping centres), and also involved in the development of greenfield concession projects.

Today, the Group is a leader in major works in Northern Europe, Africa, the Middle East and Latin America, as well as the United States, where it operates through one of the leading transport infrastructure companies in the metropolitan area of New York.

As part of its activities, Itinera has implemented an Integrated Management System (IMS) applied to Quality, the Environment, Safety, Corporate Responsibility, Risk Management and Road Traffic Safety in compliance with ISO 9001, ISO 14001, ISO 45001, OHSAS 18001, SA8000, ISO 31000 and ISO 39001.

In 2019, Itinera raised its safety standards, effectively adopting and implementing a safety management system compliant with the latest version of ISO 45001.

It also acquired certification according to ISO 39001 "Road Traffic Safety Management Systems", a management standard for the reduction of risk mainly related to motorway maintenance activities within the organisation.

The management system has a Risk-Based Thinking approach, which envisages risk management across the entire system and particularly in the planning, analysis, assessment and operating activities. In this way, it becomes a systematic method for risk prevention.

TRAINING COURSES

Itinera pays the utmost attention to the ongoing training of its employees, at all levels. During 2019, approximately 248,000 training hours were delivered for employees and collaborators.

In 2019, a new training system was implemented at the work site located in Denmark for the construction of the Storstrøm Bridge. The underlying logic of the new system is that direct engagement in the learning process (on-the-job training) reinforces awareness of which risks are present in the work site and as a result, increases the probability of preventing accidents. For this purpose, the way in which the training is delivered envisages the simulation of real scenarios that could happen in the work site, managed in a context reminiscent of the typical format of a video game. These scenarios constantly evolve in order to create a simulation as close to the real work site situation as possible.



CONSTANT COMMITMENT TO DEVELOPING OUR INFRASTRUCTURE: NEW “MADONNA DEL MONTE” VIADUCT ON THE A6 TORINO-SAVONA REBUILT IN RECORD TIME

On 21 February 2020, the new “Madonna del Monte” on the A6 Torino-Savona managed by the licensee Autostrada dei Fiori was opened in a record-breaking time. On 24 November 2019, the viaduct was hit by an unforeseeable and violent landslide of around 15,000 m³ in volume, which came away from the superjacent mountainside. The mountainside was not classified as being at hydrogeological risk in the regional cartography nor within the remit of the licensee. The landslide hit the north-bound motorway between the Savona and Altare toll booths with notable speed and force.

The inauguration ceremony included, among others, Paola De Micheli - Minister of Infrastructure and Transport, Giovanni Toti, President of Liguria, Ilaria Caprioglio - Mayor of Savona and Bernardo Magrì - Chief Executive Officer of Autostrada dei Fiori.

The reconstruction of the new 58-metre steel viaduct, single-span with no intermediate pillars so as to entirely pass over the landslide area, was completed in around 70 days, earlier than the original time frame, and saw a daily average of 40 employees representing around 30 companies involved in the works coordinated by the licensee Autostrada dei Fiori and Itinera, two of the main global players in the construction of motorway concessions and civil and industrial building.

The deck, weighing around 300 tonnes, was constructed in corten steel, chosen for its excellent resistance to corrosion and atmospheric agents.

As part of the works on the new viaduct, around 1,300 metres of safety barriers with the highest level of containment were installed.



The fast turnaround for constructing the new viaduct was made possible by the efforts of the companies that took part in the works and by the successful collaboration, at various levels, of all parties involved in the construction of the new infrastructure.

“We are all particularly proud of having successfully returned an infrastructure of great importance for the local area, not to mention a strategic road axis connecting Liguria to Northwest Italy, to our users and the Liguria Region so quickly,” commented Bernardo Magrì, Chief Executive Officer of Autostrada dei Fiori.

For more information, refer to Itinera’s Sustainability Report, which is available on the company’s website in the section “Sustainability”.

ENGINEERING

The ASTM Group is active in development, control and maintenance engineering for infrastructure, through its subsidiary S.I.N.A.

ECONOMIC RESPONSIBILITY



*IAS IFRS data
as at 31 December 2019
including intercompany
relations

PEOPLE



ENGINEERING IS A KEY FACTOR FOR TRANSPORT AND MOBILITY OPERATORS

BUSINESS



ENGINEERING:
A KEY FACTOR
FOR MOBILITY



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, the company 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 including: Milan Polytechnic's Transport Systems Research Laboratory (LAST), the CSI-IMQ Centre in Bollate, Milan and TRANSPOLIS based in Lyon.

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 (EN 1317), 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 2019, 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. 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. For one of these systems (DNA system), in 2019 the Italian patent was formally published.

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.

The close link between the study and design of restraint systems and design of systems to replace and modernise safety barriers has generated a

virtuous cycle that can optimise devices based on needs identified during the design and development of new installations, and generate know-how and tools for the simulations typically carried out during the study stage, also to certify the compliance of some specific installations with regulations and good practices, through static and dynamic trial tests performed with "Marte" equipment, which has also been patented by S.I.N.A.

In this context, the study commissioned by Autostrada dei Fiori and completed in 2019 is particularly relevant. The study looked at the modernisation of the existing road restraint devices on the managed stretches and was intended to identify the necessary interventions to increase the passive safety of the infrastructure, as well as their order of priority.

More recently, the Ministry of Infrastructure and Transport (MIT) also asked the licensee companies for the maintenance work programme required for the modernisation of the barriers, thereby promoting the criterion according to which it is necessary to prioritise investments with a higher return in terms of increases in safety.

In August, the MIT also issued the "General priority criteria for the replacement of safety barriers", to be applied as guidelines when planning interventions to upgrade barriers. S.I.N.A., substantially involved by all licensee companies of the Group, carried out specific analyses, which, in addition to the criteria identified by the MIT, took into account the specific nature of the individual stretches, the different operating conditions and the particular situations recorded on a case-by-case basis, scheduling all interventions necessary for the complete modernisation of the devices.

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 2019, more than 2,000 sensors were installed to monitor 10 viaducts on the motorway network of the ASTM Group. The choice of viaducts to be monitored is consistent with the assessment produced for various Group concession companies by S.I.N.A. and intended to identify the safety margins of the structure, any operating measures to be implemented pending intervention and the priorities of the upgrading interventions. 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.

In 2018, S.I.N.A. invested in the acquisition of expertise in the Envision Sustainability Protocol, a ratings system for the assessment of sustainable infrastructure, initiating annual training and refresher courses for personnel certified as Envision Sustainability Professionals and therefore authorised to use the system.

SINA has a wide range of technologically advanced equipment and a laboratory with apparatus for environmental testing. In particular, the company has gained significant experience in determining pollutants caused by road, railway and airport traffic, in noise pollution and in air, water and ground quality. During 2019, in addition to the scheduled update to instrumentation, a mobile laboratory was set up to monitor airborne pollutants and meteorological parameters. Noise testing also continued without interruption in accordance with the mandatory regulations and mitigation objectives, carried out on receptors pertaining to the main licensee companies of the Group, in particular located along the A10 Autostrada dei Fiori.

During 2019, as part of a project to implement measures supporting sustainability, S.I.N.A. eliminated the use of single-use plastic containers and distributed its employees with a water bottle and a multi-use cup in order to reduce non-degradable waste.



PLANT ENGINEERING

ECONOMIC RESPONSIBILITY



*IAS IFRS data
as at 31 December 2019
including intercompany
relations

PEOPLE



EUROIMPIANTI

Euroimpianti boasts thirty years of experience in the planning, construction and maintenance of electric, special, thermal and mechanical systems for infrastructure, and has participated in the construction of a number of tunnels, junctions, toll collection booths and service areas on the national motorway network.

The company manages electric and mechanical maintenance for most of the motorways in the north-west under the ASTM Group concession. Over the years, Euroimpianti has expanded its commercial offer into civil, services and industrial building, creating technological solutions dedicated to shopping centres, port logistics platforms, museums, hospital structures and university structures. The company also has an internal division operating in industrial control panels, with the design and creation of high and low voltage switchboards and industrial automation boards for remote control and monitoring.

Constant research into new operating areas for development, alongside the insertion of highly specialised personnel, have made it possible for Euroimpianti to continuously expand its expertise. In 2019, it acquired work orders from primary operators including the University of Turin and the University of Naples Federico II.

Every day, the company demonstrates its awareness of issues related to the protection of the environment, investing resources in the creation of a number of systems for energy production using photovoltaic technology, district heating and cogeneration plants and energy efficiency projects on public lighting systems through the project finance model.

The energy saving intervention on the public lighting system in the municipality of Giaveno (TO) has seen the company manage and maintain the entire municipal network for 22 years, with the aim of achieving an improvement in the public lighting service quality through upgrading, compliance and energy efficiency projects on the existing system. The main activity involved converting around 2,000 lamps to devices with an LED light source. In addition, during 2019 the company was awarded the concession for an energy upgrade project on the public lighting system in the Municipality of Piosasco (TO), which involves replacing around 2,700 lamps with LED light sources.

At the start of 2019, Euroimpianti received the Certiquality "Certificate of Excellence", an important award issued by the main Italian certifying body to companies that stand out for their commitment to and work in Quality.

TECHNOLOGY

ECONOMIC RESPONSIBILITY

€ 75
MILLION

REVENUE
IN 2019*



*IAS IFRS data
as at 31 December 2019
including intercompany
relations

PEOPLE

308

EMPLOYEES



SINELEC

SINELEC accumulates the technological expertise of ASTM in electronic tolls, intelligent transportation systems (ITS) and telecommunications. It is the Group's IT service provider of reference, responsible for digital services and telecommunications networks, and is the technological player that oversees, using an end-to-end approach, the toll collection, info-mobility, monitoring and traffic and infrastructure management systems of the licensee companies.

Active for over 20 years in the motorway sector, SINELEC fully understands the operating and maintenance requirements, aspects that drive the growth of its portfolio towards real improvement in the transport ecosystem. The development of innovative solutions for the safe and intelligent management of traffic and infrastructure is one of the company's priorities. In line with the Group's policies, the company considers the creation of a sustainable mobility model to be a key prerequisite for Italy's growth and its citizens' well-being.

TOLL COLLECTION SYSTEMS

The company 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 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.

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 ROADS

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 selfdriving 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.

CERTIFICATIONS AND COMMITMENT TO SUSTAINABILITY

Since 2001, SINELEC has implemented a quality management system certified to UNI EN ISO 9001:2015, added following achievement of the UNI CEI ISO/IEC 27001:2017 certification for information security.

The company is also fully committed to sustainability. In 2018, it achieved certification for its occupational health and safety management system according to OHSAS 18001:2007 and for environmental management according to ISO 14001:2015.

The environment and safety management systems are an important preventive control for the management of environmental and safety-related incidents.

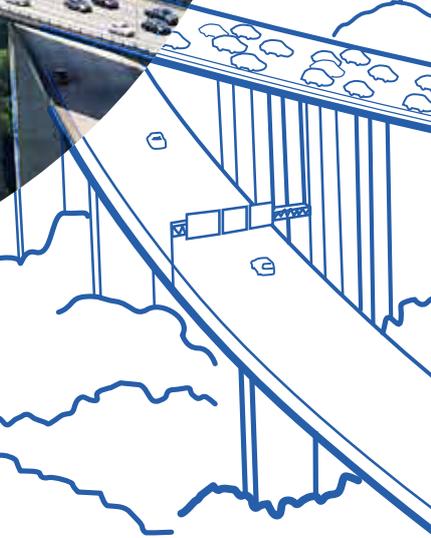
In 2019, SINELEC received a Gold Certificate of Excellence. The award was given by Certiquality, a leading Italian certifying body with over 8,000 business customers.

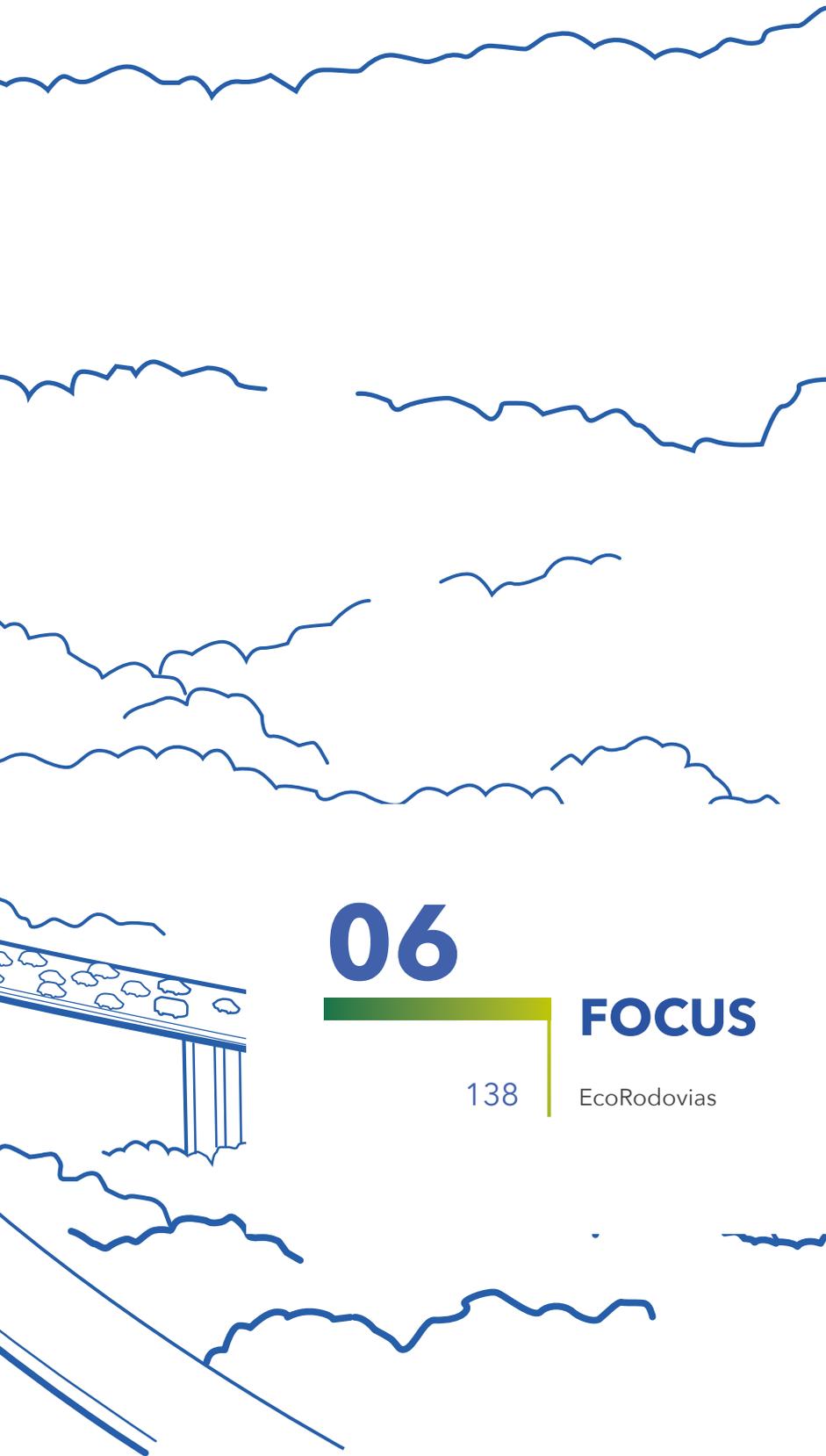
The important certificate underlines the Company's commitment to continuous improvement through an integrated management system.

The Certificate is awarded to organisations that have followed a virtuous pathway, demonstrating "excellence" in the way they operate each day.

Lastly, with the aim of meeting the new needs of users and complying with changes in the automotive market, SINELEC is promoting partnerships with sector companies and a number of Italian licensee companies for the installation of charging stations for electric cars.

For more information about the electric charging stations, see the section "Plan for dissemination of alternative fuels" in the chapter "Our responsibility towards the environment".





06

FOCUS

138

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 2018 Sustainability Report (excluding revenues and market capitalisation)

INDUSTRIAL CAPITAL

R\$ 9.3
MILLION*



INVESTED IN
INFRASTRUCTURE
AND SERVICES FOR
PEDESTRIANS,
MOTORWAY USERS
AND COMMUNITIES

*Equal to around EUR 2 million

FINANCIAL CAPITAL

R\$ 9.1
BILLION*



MARKET CAP
AS AT 31.12.2019

*Equal to around EUR 2 billion

HUMAN CAPITAL

3,742

ECORODOVIAS
EMPLOYEES



47

THOUSAND

HOURS OF
TRAINING ON THE
'ESCOLA DA GENTE'
PLATFORM

100%

OF THE WORKFORCE
HAS ATTENDED AN
ANTI-CORRUPTION
COURSE

SOCIAL CAPITAL

ECOVIVER

A COMPANY PROGRAMME
DELIVERING TRAINING ON
ENVIRONMENTAL ISSUES SUCH
AS WATER, ENERGY AND WASTE.
IN 2018, 276 STATE SCHOOLS
IN 20 CITIES, INVOLVING 18,000
STUDENTS, TOOK PART IN THE
PROGRAMME

NATURAL CAPITAL

OVER
600
THOUSAND
KWH

REDUCTION
IN ELECTRICITY
CONSUMPTION

KWH



85%

OF EMPLOYEES
TRAINED IN
ENVIRONMENTAL
ISSUES



INTELLECTUAL CAPITAL

OVER
100

IDEAS PUBLISHED
BY EMPLOYEES ON
THE InovaECO PORTAL
ABOUT COST REDUCTION,
SUSTAINABILITY AND
WELFARE



EcoRodovias's portfolio includes 11 motorway concessions for a total of 3,086 km of network and one port (EcoPorto), located in 8 different Brazilian states.

Infrastructure is situated along the main commercial corridors of regions in the south and south-east of the country.

EcoRodovias is also listed on the Bovespa stock market in São Paulo, which ended 2019 with revenues equal to BRL 2.9 billion, an increase of 17% compared to 2018.

With reference to the events associated with civil actions and criminal investigations involving a number of Ecorodovias Group companies, in relation to some alleged unlawful acts, see the section "Other information" in the Explanatory Notes to the 2019 Consolidated Financial Statements of the ASTM Group.

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.

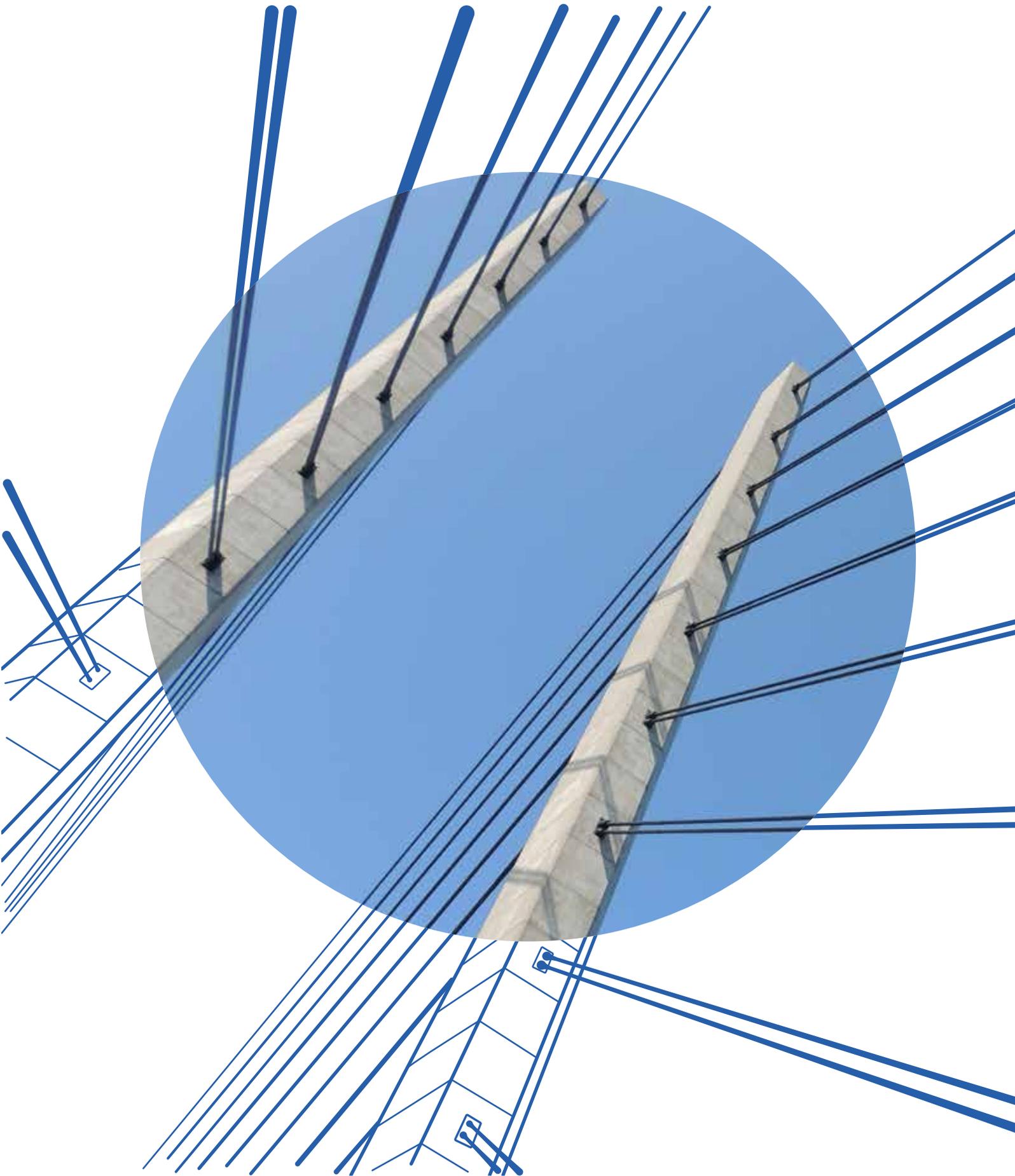
On a daily basis, the Compliance Programme and Anti-Corruption Programme contribute to reducing EcoRodovias's exposure to risk.

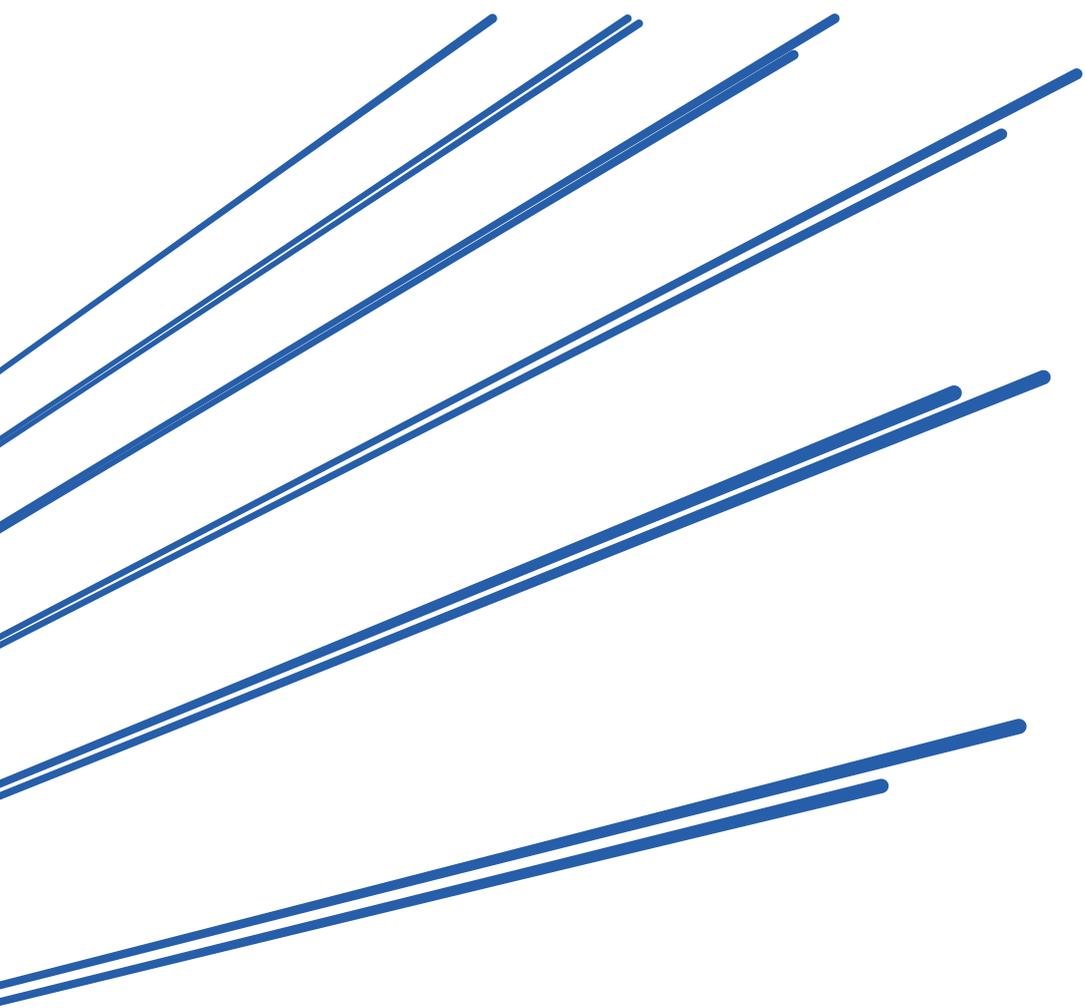
As reflected in the efforts to maintain the social and environmental standards for Quality, the Environment and Health and Safety, the road concessions of EcoRodovias are certified ISO 9001, ISO 14001 and OHSAS 18001. Some are undergoing transition to ISO 45001. The road safety management system of the Ecovias and Ecopistas concessions are certified to ISO 39001.

In 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.

CORPORATE SUSTAINABILITY INDEX (ISE)

EcoRodovias shares have been included in the ISE (Corporate Sustainability Index) portfolio since 2011. The purpose of this index is to reflect the return of a portfolio of shares from companies recognised for their commitment to the social and sustainability dimensions, while promoting best practices on the Brazilian market.





07



ANNEXES

142

Table of the boundary of material topics for the ASTM Group

144

GRI Content Index

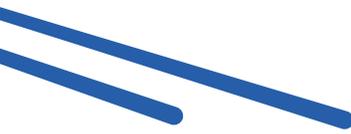


TABLE OF THE BOUNDARY OF MATERIAL TOPICS FOR THE ASTM GROUP

MATERIAL TOPICS	RECONCILIATION TO GRI STANDARDS	SDGs	BOUNDARY OF IMPACTS	ASTM'S ROLE
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
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
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
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
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
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 (2016) • GRI 306: Effluents and waste (2016) 	• 7, 11, 12, 13	• ASTM Group	• Direct - Caused by the ASTM Group
Infrastructure safety	<ul style="list-style-type: none"> • GRI 103: Management approach (2016) 	• 3, 11	• ASTM Group	• Direct - Caused by the ASTM Group
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
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
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

MATERIAL TOPICS	RECONCILIATION TO GRI STANDARDS	SDGs	BOUNDARY OF IMPACTS	ASTM'S ROLE
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) 	• 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
Stakeholder engagement	<ul style="list-style-type: none"> • GRI 103: Management approach (2016) • GRI 413: Local communities (2016) 	• 11, 17	• ASTM Group	• Direct - Caused by the ASTM Group
Impacts 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) 	• 8, 9, 11	• ASTM Group	• Direct - Caused by the ASTM Group
Road safety	<ul style="list-style-type: none"> • GRI 103: Management approach (2016) 	• 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
Protection of landscape and biodiversity	<ul style="list-style-type: none"> • GRI 103: Management approach (2016) 	• 11, 12	• ASTM Group	• Direct - Caused by the ASTM Group
Privacy and information security	<ul style="list-style-type: none"> • GRI 103: Management approach (2016) • GRI 418: Customer privacy (2016) 	• 16	• ASTM Group	• Direct - Caused by the ASTM Group
Innovation	<ul style="list-style-type: none"> • GRI 103: Management approach (2016) 	• 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
Service quality and customer satisfaction	<ul style="list-style-type: none"> • GRI 103: Management approach (2016) 	• 9, 17	• ASTM Group	• Direct - Caused by the ASTM Group
Noise pollution	<ul style="list-style-type: none"> • GRI 103: Management approach (2016) 	• 9, 11	• ASTM Group	• Direct - Caused by the ASTM Group

GRI CONTENT INDEX

GRI Standard	Description of General Standard Disclosures	Page	Notes
GRI 102: GENERAL DISCLOSURE (2016)			
Organizational profile			
102-1	Name of the organization	4	
102-2	Activities, brands, products and services	12-15	
102-3	Location of headquarters	12	
102-4	Location of operations	14	
102-5	Ownership and legal form	12	
102-6	Markets served	12-14	
102-7	Scale of the organisation	14; 66	
102-8	Information on employees and other workers	57-61	
102-9	Supply chain	50-53	
102-10	Significant changes to the organisation and its supply chain	4	
102-11	Precautionary principle or approach	22-32	
102-12	External initiatives	103-105	
102-13	Membership of associations	118-120	
Strategy			
102-14	Statement from senior decision-maker	2-3	
102-15	Key impacts, risks and opportunities	22-32	
Ethics and integrity			
102-16	Values, principles, standards, and norms of behaviour	15; 33-36	
Governance			
102-18	Governance structure	18-19	
102-29	Identifying and managing economic, environmental and social impacts	18-19	

GRI Standard	Description of General Standard Disclosures	Page	Notes
GRI 102: GENERAL DISCLOSURE (2016)			
Stakeholder engagement			
102-40	List of stakeholder groups	37	
102-41	Collective bargaining agreements	63	
102-42	Identifying and selecting stakeholders	37	
102-43	Approach to stakeholder engagement	37-38	
102-44	Key topics and concerns raised	38	
Reporting practice			
102-45	Entities included in the consolidated financial statements	4; 13	
102-46	Defining report content and topic Boundaries	4-7; 40-41	
102-47	List of material topics	38	
102-48	Restatements of information	4	
102-49	Changes in reporting	4	
102-50	Reporting period	4	
102-51	Date of most recent report	4	
102-52	Reporting cycle	4	The Sustainability Report is published annually.
102-53	Contact point for questions regarding the report	7	
102-54	Claims of reporting in accordance with the GRI Standards	4	
102-55	GRI content index	144-151	
102-56	External assurance	7; 152-153	

GRI Standard	Description of Specific Standard Disclosures	Page	Notes
Economic/financial sustainability			
GRI 103: MANAGEMENT APPROACH (2016)			
GRI 103-1	Explanation of the material topic and its Boundary	40-42; 142-143	
GRI 103-2	The management approach and its components	50; 52	
GRI 103-3	Evaluation of the management approach	4-7; 46	
GRI 201: ECONOMIC PERFORMANCE (2016)			
GRI 201-1	Direct economic value generated and distributed	46	
Responsible supply chain management			
GRI 103: MANAGEMENT APPROACH (2016)			
GRI 103-1	Explanation of the material topic and its Boundary	41-42; 142-143	
GRI 103-2	The management approach and its components	50-53	
GRI 103-3	Evaluation of the management approach	4-7; 50-53	
GRI 204: PROCUREMENT PRACTICES (2016)			
GRI 204-1	Proportion of spending on local suppliers	51	
Anti-corruption			
GRI 103: MANAGEMENT APPROACH (2016)			
GRI 103-1	Explanation of the material topic and its Boundary	41-42; 142-143	
GRI 103-2	The management approach and its components	7; 33-34	
GRI 103-3	Evaluation of the management approach	4-8; 23	
GRI 205: ANTI-CORRUPTION (2016)			
GRI 205-3	Confirmed incidents of corruption and actions taken		No incidents of corruption were recorded in 2019
Energy consumption and GHG emissions			
GRI 103: MANAGEMENT APPROACH (2016)			
GRI 103-1	Explanation of the material topic and its Boundary	41-42; 142-143	
GRI 103-2	The management approach and its components	87;89; 93; 100-101	
GRI 103-3	Evaluation of the management approach	4-7; 88-90	
GRI 302: ENERGY (2016)			
GRI 302-1	Energy consumption within the organization	88-89	
GRI 302-4	Reduction of energy consumption	89-90; 93	
GRI 305: EMISSIONS (2016)			
GRI 305-1	Direct (Scope 1) GHG emissions	90	
GRI 305-2	Energy indirect (Scope 2) GHG emissions	90	

GRI Standard	Description of Specific Standard Disclosures	Page	Notes
Use of natural resources and waste management			
GRI 103: MANAGEMENT APPROACH (2016)			
GRI 103-1	Explanation of the material topic and its Boundary	41-42; 142-143	
GRI 103-2	The management approach and its components	99-100	
GRI 103-3	Evaluation of the management approach	4-8; 52; 99-100	
GRI 301: MATERIALS (2016)			
GRI 301-1	Materials used by weight or volume	52	With a view to continuous improvement, the Group will develop the data collection and consolidation system in order to find information on the use of renewable materials.
GRI 303: WATER (2016)			
GRI 303-1	Water withdrawal by source	98-99	
GRI 306: EFFLUENTS AND WASTE (2016)			
GRI 306-2	Waste by type and disposal method	101-102	
GRI 306-3	Significant spills		No significant spills were recorded in 2019
Attracting and developing human capital			
GRI 103: MANAGEMENT APPROACH (2016)			
GRI 103-1	Explanation of the material topic and its Boundary	41-42; 142-143	
GRI 103-2	The management approach and its components	34; 63; 70-71	
GRI 103-3	Evaluation of the management approach	4-7; 70-71	
GRI 401: EMPLOYMENT (2016)			
GRI 401-1	New employee hires and employee turnover	61-63	
GRI 401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	70-71	
GRI 404: TRAINING AND EDUCATION (2016)			
GRI 404-1	Average hours of training per year per employee	76	
Occupational health and safety			
GRI 103: MANAGEMENT APPROACH (2016)			
GRI 403: MANAGEMENT APPROACH (2018)			
GRI 103-1	Explanation of the material topic and its Boundary	41-42; 142-143	
GRI 103-2	The management approach and its components	34; 78-79; 82-83	
GRI 103-3	Evaluation of the management approach	4-8; 78-83	
GRI 403-1	Occupational health and safety management system	78	
GRI 403-2	Hazard identification, risk assessment, and incident investigation	78-79; 82-83	

GRI Standard	Description of Specific Standard Disclosures	Page	Notes
GRI 403-3	Occupational health services	78	
GRI 403-4	Worker participation, consultation, and communication on occupational health and safety	78	
GRI 403-5	Worker training on occupational health and safety	75-76	
GRI 403-6	Promotion of worker health	83	
GRI 403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	81-82	
GRI 403: OCCUPATIONAL HEALTH AND SAFETY (2018)			
GRI 403-9	Work-related injuries	85-87	
Diversity, equal opportunities and inclusion			
GRI 103: MANAGEMENT APPROACH (2016)			
GRI 103-1	Explanation of the material topic and its Boundary	41-42; 156-157	
GRI 103-2	The management approach and its components	7; 65-66; 71	
GRI 103-3	Evaluation of the management approach	4-8; 75-76	
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.
GRI 405: DIVERSITY AND EQUAL OPPORTUNITY (2016)			
GRI 405-1	Diversity of governance bodies and employees	19; 65-69	
GRI 405-2	Ratio of basic salary and remuneration of women to men	72	
GRI 406: NON-DISCRIMINATION (2016)			
GRI 406-1	Incidents of discrimination and corrective actions taken	71	No cases of discrimination were reported in 2019.
Respect for human rights			
GRI 103: MANAGEMENT APPROACH (2016)			
GRI 103-1	Explanation of the material topic and its Boundary	41-42; 142-143	
GRI 103-2	The management approach and its components	52-53	
GRI 103-3	Evaluation of the management approach	4-7; 52-53	

GRI Standard	Description of Specific Standard Disclosures	Page	Notes
GRI 408: CHILD LABOUR (2016)			
GRI 408-1	Operations and suppliers at significant risk for incidents of child labour	52-53	
GRI 409: FORCED OR COMPULSORY LABOUR (2016)			
GRI 409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	53	
Stakeholder relations			
GRI 103: MANAGEMENT APPROACH (2016)			
GRI 103-1	Explanation of the material topic and its Boundary	41-42; 142-143	
GRI 103-2	The management approach and its components	103-105	
GRI 103-3	Evaluation of the management approach	4-8; 103-105	
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.
Privacy and information security			
GRI 103: MANAGEMENT APPROACH (2016)			
GRI 103-1	Explanation of the material topic and its Boundary	41-42; 142-143	
GRI 103-2	The management approach and its components	36	
GRI 103-3	Evaluation of the management approach	4-8; 36	
GRI 418: CUSTOMER PRIVACY (2016)			
GRI 418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data		During 2019, no cases of breaches of privacy or the loss of customer data were reported.
Road safety			
GRI 103: MANAGEMENT APPROACH (2016)			
GRI 103-1	Explanation of the material topic and its Boundary	41-42; 142-143	
GRI 103-2	The management approach and its components	40; 112-125	
GRI 103-3	Evaluation of the management approach	4-7; 112-125	
Governance and compliance			
GRI 103: MANAGEMENT APPROACH (2016)			
GRI 103-1	Explanation of the material topic and its Boundary	41-42; 142-143	
GRI 103-2	The management approach and its components	18-19	
GRI 103-3	Evaluation of the management approach	4-8; 18-19	

GRI Standard	Description of Specific Standard Disclosures	Page	Notes
GRI 307: ENVIRONMENTAL COMPLIANCE (2016)			
GRI 307-1	Non-compliance with environmental laws and regulations	87	
Protection of landscape and biodiversity			
GRI 103: MANAGEMENT APPROACH (2016)			
GRI 103-1	Explanation of the material topic and its Boundary	41-42; 142-143	
GRI 103-2	The management approach and its components	5-6; 97-99	
GRI 103-3	Evaluation of the management approach	4-7; 97-99	
Innovation			
GRI 103: MANAGEMENT APPROACH (2016)			
GRI 103-1	Explanation of the material topic and its Boundary	41-42; 142-143	
GRI 103-2	The management approach and its components	132-135	
GRI 103-3	Evaluation of the management approach	4; 133-135	
Service quality and customer satisfaction			
GRI 103: MANAGEMENT APPROACH (2016)			
GRI 103-1	Explanation of the material topic and its Boundary	41-42; 142-143	
GRI 103-2	The management approach and its components	123-125	
GRI 103-3	Evaluation of the management approach	4-7; 123-125	
Infrastructure safety			
GRI 103: MANAGEMENT APPROACH (2016)			
GRI 103-1	Explanation of the material topic and its Boundary	41-42; 142-143	
GRI 103-2	The management approach and its components	112-116; 130-131	
GRI 103-3	Evaluation of the management approach	112-116; 130-131	

GRI Standard	Description of Specific Standard Disclosures	Page	Notes
Noise pollution			
GRI 103: MANAGEMENT APPROACH (2016)			
GRI 103-1	Explanation of the material topic and its Boundary	41-42; 142-143	
GRI 103-2	The management approach and its components	96	
GRI 103-3	Evaluation of the management approach	4-8; 96	
Impact on local area			
GRI 103: MANAGEMENT APPROACH (2016)			
GRI 103-1	Explanation of the material topic and its Boundary	41-42; 142-143	
GRI 103-2	The management approach and its components	26-34; 55-59; 104-113	
GRI 103-3	Evaluation of the management approach	4-8; 26-34; 55-59; 104-113	
GRI 202: MARKET PRESENCE (2016)			
GRI 202-2	Proportion of senior management hired from the local community	68	
GRI 203: INDIRECT ECONOMIC IMPACTS (2016)			
GRI 203-2	Significant indirect economic impacts	53-54; 110-113	



Deloitte & Touche S.p.A.
Via Tortona 25,
20144 Milano
Italia

Tel: +39 02 83322111
Fax: +39 02 83322112
www.deloitte.it

**INDEPENDENT AUDITOR'S REPORT
ON THE CONSOLIDATED NON-FINANCIAL STATEMENT PURSUANT TO ARTICLE 3,
PARAGRAPH 10 OF LEGISLATIVE DECREE No. 254 OF DECEMBER 30, 2016 AND
ART. 5 OF CONSOB REGULATION N. 20267/2018**

**To the Board of Directors of
ASTM S.p.A.**

Pursuant to article 3, paragraph 10, of the Legislative Decree no. 254 of December 30, 2016 (hereinafter "Decree") and to article 5 of the CONSOB Regulation n. 20267/2018, we have carried out a limited assurance engagement on the Consolidated Non-Financial Statement of ASTM S.p.A. and its subsidiaries (hereinafter "ASTM Group" or "Group") as of December 31, 2019 prepared on the basis of art. 4 of the Decree, and approved by the Board of Directors on April 14, 2020 (hereinafter "NFS" or "Sustainability Report").

Responsibility 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 "Global Reporting Initiative Sustainability Reporting Standards" established in 2016 by GRI – Global Reporting Initiative (hereinafter "GRI Standards"), which they have identified as reporting framework.

The Directors are also responsible, within the terms established 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.

The Directors are moreover responsible for defining the contents of the NFS, within the topics specified in article 3, paragraph 1, of the Decree, taking into account the activities and characteristics of the Group, and to the extent necessary in order to ensure the understanding of the Group's activities, its trends, performance and the related impacts.

Finally, the Directors are responsible for defining the business management model and the organisation of the Group's activities as well as, with reference to the topics detected and reported in the NFS, for the policies pursued by the Group and for identifying and managing the risks generated or undertaken by the Group.

The Board of Statutory Auditors is responsible for overseeing, within the terms established by law, the compliance with the provisions set out in the Decree.

Auditor's Independence and quality control

We have complied with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants* issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. Our auditing firm applies International Standard on Quality Control 1 ("ISQC Italia 1") and, accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Ancona Bari Bergamo Bologna Brescia Cagliari Firenze Genova Milano Napoli Padova Parma Roma Torino Treviso Udine Verona

Sede Legale: Via Tortona, 25 - 20144 Milano | Capitale Sociale: Euro 10.328.220.00 i.v.

Codice Fiscale/Registro delle Imprese Milano n. 03049560166 – R.E.A. Milano n. 172039 | Partita IVA IT 03049560166

Il nome Deloitte si riferisce a una o più delle seguenti entità: Deloitte Touche Tohmatsu Limited, una società inglese a responsabilità limitata ("DTTL"), le member firm aderenti al suo network e le entità a esse correlate. DTTL e ciascuna delle sue member firm sono entità giuridicamente separate e indipendenti tra loro. DTTL (denominata anche "Deloitte Global") non fornisce servizi ai clienti. Si invita a leggere l'informativa completa relativa alla descrizione della struttura legale di Deloitte Touche Tohmatsu Limited e delle sue member firm all'indirizzo

www.deloitte.com/about.

© Deloitte & Touche S.p.A.



Auditor's responsibility

Our responsibility is to express our conclusion based on the procedures performed about the compliance of the NFS with the Decree and the GRI Standards. We conducted our work in accordance with the criteria established in the "International Standard on Assurance Engagements ISAE 3000 (Revised) – Assurance Engagements Other than Audits or Reviews of Historical Financial Information" (hereinafter "ISAE 3000 Revised"), issued by the *International Auditing and Assurance Standards Board* (IAASB) for limited assurance engagements. The standard requires that we plan and perform the engagement to obtain limited assurance whether the NFS is free from material misstatement. Therefore, the procedures performed in a limited assurance engagement are less than those performed in a reasonable assurance engagement in accordance with ISAE 3000 Revised, and, therefore, do not enable us to obtain assurance that we would become aware of all significant matters and events that might be identified in a reasonable assurance engagement.

The procedures performed on NFS are based on our professional judgement and included inquiries, primarily with company personnel responsible for the preparation of information included in the NFS, analysis of documents, recalculations and other procedures aimed to obtain evidence as appropriate.

Specifically we carried out the following procedures:

1. Analysis of relevant topics with reference to the Group's activities and characteristics disclosed in the NFS, in order to assess the reasonableness of the selection process in place in light of the provisions of article 3 of the Decree and taking into account the adopted reporting standard.
2. Analysis and assessment of the identification criteria of the consolidation area, in order to assess its compliance with the Decree.
3. Comparison between the financial data and information included in the NFS with those included in the consolidated financial statements of the ASTM Group.
4. Understanding of the following matters:
 - business management model of the Group's activities, with reference to the management of the topics specified by article 3 of the Decree;
 - policies adopted by the entity in connection with the topics specified by article 3 of the Decree, achieved results and related fundamental performance indicators;
 - main risks, generated and/or undertaken, in connection with the topics specified by article 3 of the Decree.

Moreover, with reference to these matters, we carried out a comparison with the information contained in the NFS and the verifications described in the subsequent point 5, letter a) of this report.

5. Understanding of the processes underlying the origination, recording and management of qualitative and quantitative material information included in the NFS.

In particular, we carried out interviews and discussions with the management of ASTM S.p.A. and with the employees of the main companies of ASTM Group, and we carried out limited documentary verifications, in order to gather information about the processes and procedures which support the collection, aggregation, elaboration and transmittal of non-financial data and information to the department responsible for the preparation of the NFS.



In addition, for material information, taking into consideration the Group's activities and characteristics:

- at the parent company's and subsidiaries' level:
 - a) with regards to qualitative information included in the NFS, and specifically with reference to the business management model, policies applied and main risks, we carried out interviews and gathered supporting documentation in order to verify its consistency with the available evidence;
 - b) with regards to quantitative information, we carried out both analytical procedures and limited verifications in order to ensure, on a sample basis, the correct aggregation of data.
- for the following companies ASTM S.p.A., Itinera S.p.A., Halmar International LLC, S.A.T.A.P. S.p.A., SALT p.A., Autostrada dei Fiori S.p.A., SINELEC S.p.A., SINA S.p.A. which we selected based on their activities, their contribution to the performance indicators at the consolidated level and their location, we carried out site visits or remote meetings, during which we have met their management and have gathered supporting documentation with reference to the correct application of procedures and calculation methods used for the 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 December 31, 2019 is not prepared, in all material aspects, in accordance with article 3 and 4 of the Decree and the GRI Standards.

DELOITTE & TOUCHE S.p.A.

Signed by
Franco Amelio
Partner

Milan, Italy
April 29, 2019



Connected to tomorrow! Ideas, people and values

www.astm.it/en