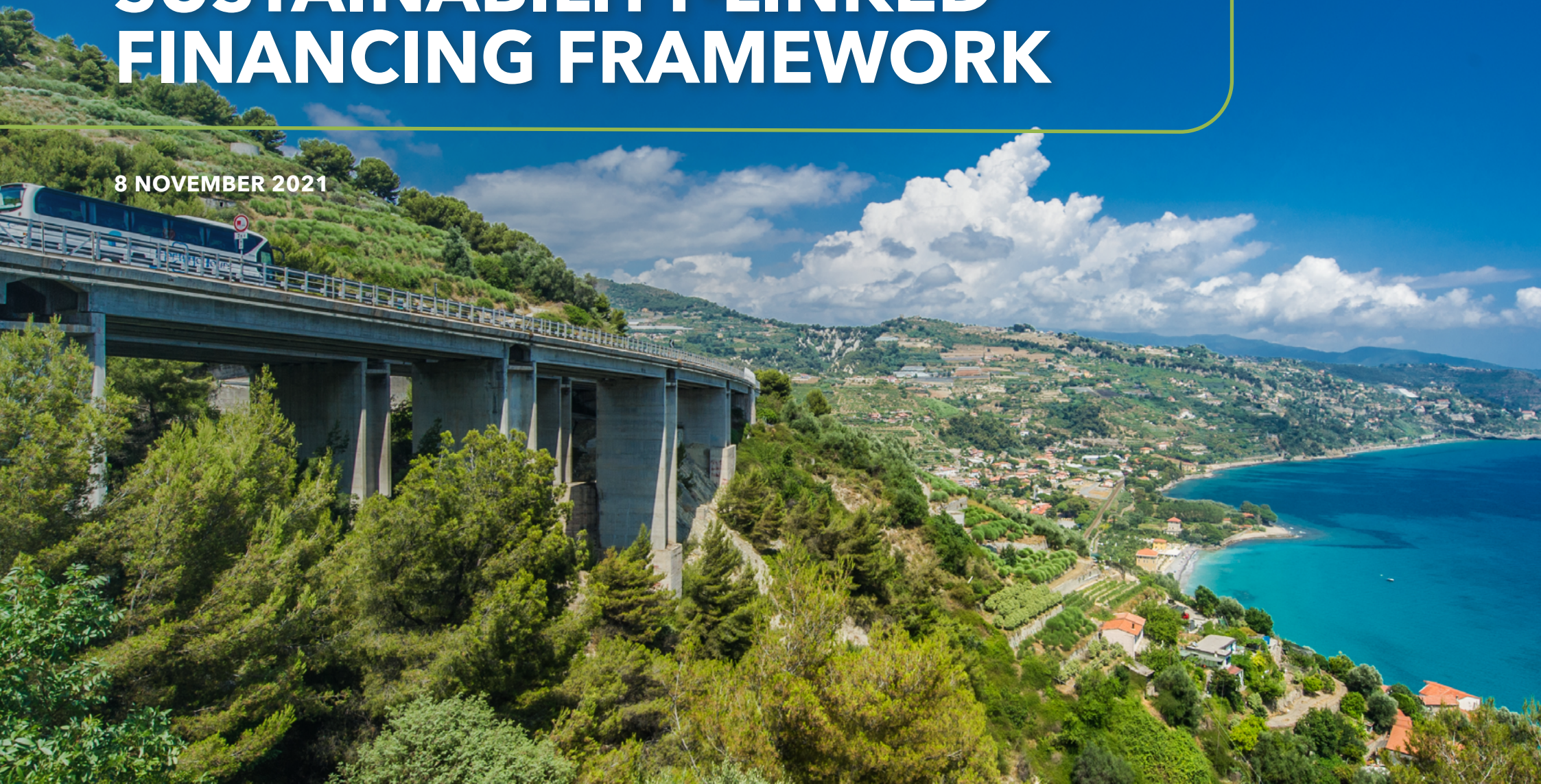




SUSTAINABILITY-LINKED FINANCING FRAMEWORK

8 NOVEMBER 2021



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ABOUT ASTM

ASTM is an industrial Group operating in the sectors of motorway management, large infrastructure engineering and construction projects and mobility technology.

The Group is the second largest motorway concession operator in the world, with approximately 5,500 km of roads managed in Italy, Brazil and the UK. ASTM is the main motorway operator in the North-west of Italy, with a network of approximately 1,420 km under concession.

Through EcoRodovias, one of the largest players in the infrastructure sector in the country, ASTM manages approximately 4,000 km of roads in Brazil.

The Group is also active in the United Kingdom, by managing 80 km of roads between Newcastle and Carlisle, through the shareholding in Road Link.

The engineering, procurement and construction (EPC) activity is carried out through SINA, the Group's engineering company, and through Itinera, a global player in the construction of transport and civil infrastructure. Itinera also has a presence in the US market through Halmar International.

ASTM also operates in the mobility technology industry through Sinelec, which is specialized in advanced security, info-mobility, toll collection systems and ITS (Intelligent Transport Systems).

With 25 motorway concessions and operational presence in 15 countries, ASTM has more than 16,000 employees and collaborators worldwide (including EcoRodovias Group).

The Covid-19 pandemic did not affect the Group's medium-long term strategy.

The Group's long-term strategy involves, with regards to the motorway concessions sector, the strengthening of leadership in both the domestic and international markets with a view towards "qualitative" growth and geographic diversification of risk. On the other hand, with regard to the ECP activity, the goal is to maintain the Group's position as a major player in the construction market, mainly to support activities provided to the concessionaires in the PPP (Public Private Partnership) area, while also maintaining a balanced financial structure.



SUSTAINABILITY AT ASTM GROUP

The ASTM Group's **purpose** is to contribute to the growth, sustainability and development of the regions in which it operates.

ASTM's **mission** is to provide the best possible service to its clients through a safe and secure infrastructure and innovative, robust and sustainable solutions. ASTM's operations are based on the respect of certain ethical principles that must inspire every action and conduct. The **values** that underpin ASTM's actions are rooted in the concepts of lawfulness, integrity, responsibility, and transparency.



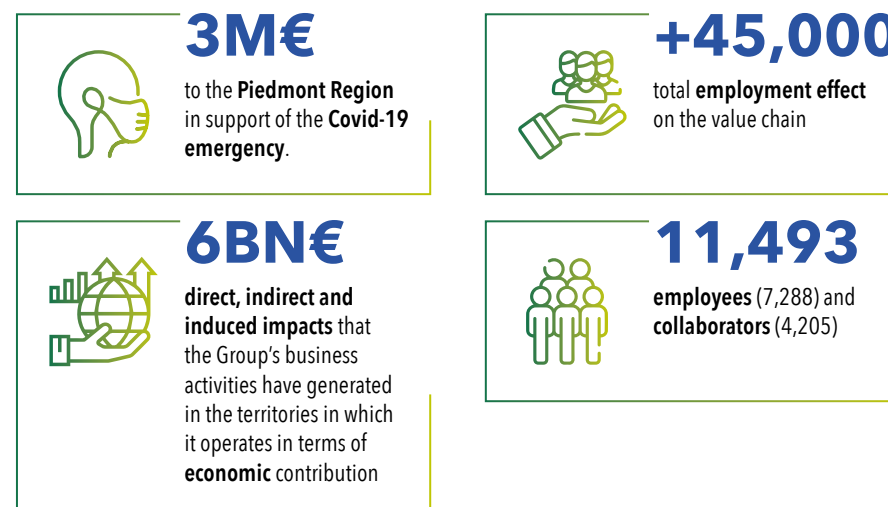
ASTM undertakes to operate responsibly and to integrate sustainability principles and best practices into its business model following an approach of continuous improvement, constant performance monitoring, development of competitiveness, and transparency towards all Stakeholders.

ASTM recognizes sustainability as a fundamental element to improve its industrial and economic performance and to create value in the medium to long term for all its Stakeholders.

The pillars of sustainability for the Group are:

- Corporate governance in line with ESG best practices;
- Sustainability planning with long-term concrete Science Based Targets;
- Remuneration system linked to sustainability objectives;
- ESG risks integrated into the Risk Management System;
- Policies, procedures and management systems for relevant ESG issues;
- Sustainability reporting according to GRI Standards and best practices.

Main achievements and 2020 highlights relating to ASTM and its wholly-consolidated subsidiaries as at 31 December 2020:



SUSTAINABILITY INDICES AND RATINGS



CDP CLIMATE CHANGE

In 2020, ASTM was recognised as a global leader in management and transparency for climate issues and was added to the prestigious **Climate A List** issued by the CDP (formerly, Carbon Disclosure Project).

"The entry into the CDP A list is an extraordinary recognition of the commitment made in recent years by the ASTM Group in the fight against climate change which is therefore one of the Group's priority objectives. An objective integrated in our risk management model, in our policies, strategies and medium long-term plans."

Umberto Tosoni, CEO of ASTM



STANDARD ETHICS RATING

Standard Ethics has attributed a **Standard Ethics Rating** on ASTM assigning an EE (full investment grade) rating, recognising how the company has adopted both ESG reporting model and sustainability strategies in line with international guidelines promoted by the United Nations, OECD (Organisation for Economic Co-operation and Development) and European Union and has adequately addressed environmental, social and security issues.

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



GENDER EQUALITY INDEX

As a part of our ongoing commitment to implementing gender equality policies, ASTM was included in **Bloomberg's 2021 Gender-Equality Index (GEI)**, an international index that measures corporate performance for issues of gender parity. Inclusion in the Bloomberg Index shows ASTM's continued commitment to implementing policies for gender parity and to promote a working environment that is ever more inclusive and fair.

I. ASTM'S GOVERNANCE STRUCTURE FOR SUSTAINABILITY

In 2017 ASTM defined its **organizational structure for sustainability**, formalizing roles and responsibilities. ASTM's **Board of Directors** establishes the strategic sustainability guidelines, with a view of creating medium to long-term value for all Stakeholders, validates and approves the Sustainability Plan and Sustainability Report.

ASTM's Board of Directors has also established a **Sustainability Committee**, consisting of three directors, which provides proposals and consulting to the Board with regards to sustainability matters.

While assisting the Board of Directors, the Sustainability Committee:

- offers supervision on sustainability issues linked to corporate activities and interactional dynamics with all Stakeholders;
- examines the Sustainability Plan before it is submitted for approval to the Board of Directors and monitors its implementation;
- examines the content of the periodic non-financial disclosure before it is submitted for approval to the Board of Directors.

The **Audit and Risk Committee**, consisting of three directors, assists the Board of Directors in:

- assessing the suitability of the periodic non-financial disclosure, in terms of adequately representing the Company's business model and strategies, as well as the impact of its activities and its performance, (coordinating with the Sustainability Committee); and
- examining the content of the periodic non-financial disclosure in terms of information regarding internal audit and risk management systems.

With a view to create sustainable value, the Sustainability Committee highly values the interaction with the other committees, notably with the **Audit and Risk Committee** and with the **Remuneration Committee**, encouraging both, within its remit, to increase the integration of sustainability into corporate governance.

In order to encourage **innovation** and **continuous improvement** in its sustainability performance, ASTM has also established a dedicated **Sustainability function**.

The Sustainability function – which reports directly to the Chief Executive Officer – drafts the Sustainability Plan through which the Company establishes the Company's sustainability strategies with the ultimate goal of creating sustainable value for all Stakeholders in the medium to long term.

ASTM's Sustainability function is also responsible for advising senior management on the constant improvement of the Groups' Sustainability model, preparing the Sustainability Report, promoting a sustainability culture within the Group and the identification and analysis of Stakeholders' expectations by encouraging a constant dialogue.

In order to better integrate ESG topics in the Group's strategy, since 2019, in the ASTM remuneration policy management objectives were linked to sustainability topics. More specifically, 2021 ASTM's remuneration policy for the CEO and Key Management Personnel provides both short (MBO) and long (LTI) term incentives linked to sustainability targets. In particular, the sustainability targets established for the Short-Term Variable Remuneration aim to guarantee health and safety in the workplace and safety of infrastructure thanks respectively to an increase in the training hours provided to employees and to application of innovative technologies for monitoring the safety of infrastructure (20% weighting). Moreover, the sustainability target established for the Long-Term Variable Remuneration is linked to the reduction of Greenhouse Gas (GHG) emissions (20% weighting).

II. SUSTAINABILITY PLAN AND SDGS ROADMAP

Sustainability is a key component of the Group's overall strategy and continues to drive its operations and engagements with the communities where the Group is present.

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 UN SDGs by 2030.

In particular, this involves the assessment of consistency, validity and application of the UN Sustainable Development Goals (SDGs) to ASTM's sustainability issues, materiality and policies, also taking into account the context, reference sector and the main impacts generated and experienced by the Group along its value chain.

ASTM has identified the following UN SDGs as the most relevant for its business, and these continue to guide and inspire ASTM's ESG efforts and ambitions:



SDG 9 - Industry, innovation and infrastructure – given that the Group is committed to developing quality, reliable, sustainable and resilient infrastructure



SDG 11 - Sustainable cities and communities – which reflects the Group's commitment to providing access to safe and sustainable transport systems and improving road safety



SDG 13 - Climate action – considering the Group commitment to reduce the amount of greenhouse gas produced through its activities and value chain

SUSTAINABILITY AS A CORE GUIDELINE OF ASTM'S BUSINESS STRATEGY

With its Plan **"Going Global Sustainably"** ASTM put in place several long-term sustainability objectives and actions which have now been substantially achieved and implemented.

In line with the objectives defined in the Plan, the Group's companies have been implementing the following actions to limit their environmental impact:

- development of **energy saving policies** and work sites with reduced environmental impact, while promoting the adoption of these policies also by subcontractors;
- diffusion of **efficient lighting systems** on motorways, through increased use of **LEDs**;
- development of **noise abatement plans** for motorway infrastructures;
- promotion of the use of **recycled materials** to support circular economy, as part of the activities for maintenance and modernization of motorway infrastructures;
- **protection of local areas**, reduction in land use and safeguarding of biodiversity.

Once its "Going Global Sustainably" Plan will be completed at the end of 2021, the Group intends on developing an even more ambitious strategic plan, aiming to further improve ASTM's best in class ESG profile.

ASTM is determined to contribute to the protection of the Planet by progressively minimizing the environmental impacts associated with its operations. ASTM is committed to guarantee the protection of local areas, responsible use of natural resources, efficient energy consumption, management of atmospheric emissions and protection of biodiversity.

As part of its ESG ambitions, ASTM recognizes the relevance of becoming a global leader in sustainability by establishing ambitious commitments and goals, with the hope to inspire others to follow this journey.

To this end, ASTM has already taken key steps that will allow the group to further improve in its sustainability efforts:

- As announced on 14 October 2021, ASTM's ambitious 2030 GHG emission reduction goals have been validated by the **Science Based Targets initiative (SBTi)** by contributing to limiting the increase in the average global temperature to **well-below 2°C for its Scope 1 and 2 GHG emissions** with respect to pre-industrial levels, as defined in the Paris Agreement. ASTM also commits to reduce absolute Scope 3 GHG emissions from purchased goods and services by 2030. This achievement marks ASTM as the first motorway operator in Europe and one of the first worldwide to set science-based targets for the reduction of GHG emissions.

ASTM's GHG emission goals are to **reduce absolute Scope 1 and 2 GHG emissions 25% by 2030 from a 2020 base year**. ASTM also commits to **reduce absolute Scope 3 GHG emissions from purchased goods and services 13% within the same timeframe**.

- As part of its overall sustainability effort and in line with current strategy, ASTM has the ambition to issue debt in sustainable debt format, as the Group perceives the sustainable finance market as the most suitable platform to take its ESG commitments another step forward.

The debt instruments that will be issued under this framework are the perfect tools to allow ASTM to substantiate its sustainability efforts and aspirations, but also permit investors and Stakeholders to participate actively in ASTM's journey towards sustainable business growth.

III. TRANSPARENT AND ACTIVE ENGAGEMENT WITH STAKEHOLDERS

The Group undertakes to identify and establish an open and transparent dialogue with all its Stakeholders, i.e. all parties of any kind that contribute to the Company's activities and/or are influenced by them.

Establishing and maintaining constant dialogue with Stakeholders over time allows the Group to identify the most important sustainability issues and evaluate how to best integrate them into industrial and management activities.

For more information on the Stakeholder map, their expectations, and methods of involvement, please refer to the Company's website. For more information on engagement initiatives implemented by the Group please refer to ASTM's Sustainability Report.

IV. ESG RISKS INTEGRATED INTO THE RISK MANAGEMENT SYSTEM

ASTM and its main operating subsidiaries have adopted a Risk Management System conforming to the best practices identified by CoSo ERM¹ and ISO 31000, defining the organisational structure and assigning clear roles and responsibilities in this regard. Risks connected with the attainment of strategic corporate objectives are assessed, including ESG risks.

V. POLICIES, PROCEDURES AND MANAGEMENT SYSTEMS FOR RELEVANT ESG ISSUES

In order to strengthen ESG controls, ASTM has adopted specific policies on relevant sustainability issues which can be found on the Company's website, promoting their adoption also by the main operating subsidiaries which, taking into account their own operations and organisational structures, have adopted them through their relevant bodies.



**ANTI-CORRUPTION
POLICY**



**DIVERSITY AND
INCLUSION POLICY**



**SUPPLIERS CODE
OF CONDUCT**



**HUMAN RIGHTS
POLICY**



**ENVIRONMENT
MANIFESTO**



**BIODIVERSITY
POLICY**

¹Committee of Sponsoring Organizations of the Treadway Commission (CoSo) regarding Enterprise Risk Management (ERM)

In accordance with a continuous improvement approach, various operating companies have implemented procedures and management systems for relevant ESG issues (e.g. ISO 14001, ISO 45001, ISO 9001 certified Management Systems). The quality, safety and environmental management systems are periodically updated, based on newly issued ISOs, maintaining all existing certifications.

In order to strengthen its commitment towards human rights, ASTM and its main operating subsidiaries have adopted a Human Rights Policy. The Policy supplements the Group's Code of Ethics, Suppliers Code of Conduct and other sustainability policies. ASTM promotes the adherence to the principles of this Policy by any entity having a relationship with the Company. In 2020, ASTM S.p.A. obtained the **SA8000** certification for its Social Responsibility management system.

ASTM has signed the Women's Empowerment Principles (WEPs), the principles promoted by the United Nations Global Compact that offer guidance to businesses on gender equality in the workplace, on the market and in the community.

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

ASTM and its relevant operating subsidiaries have implemented a **whistleblowing** reporting system to allow all its Stakeholders to report, even anonymously, alleged or known violations of rules, laws, procedures, company policies or the values of the Code of Ethics.

VI. SUSTAINABILITY REPORTING ACCORDING TO GRI STANDARDS AND BEST PRACTICES

On an annual basis ASTM publishes a Sustainability Report, qualified as Consolidated Non-Financial Statement (NFS) pursuant to the Italian Legislative Decree 254/2016, which adopts the EU Directive 95/2014 on disclosure of non-financial and diversity information. The 2020 Sustainability Report approved by the ASTM Board of Directors on 19 March 2021, has been reviewed by PricewaterhouseCoopers Advisory S.p.A. (PWC), that issued a limited assurance report on 26 March 2021.

ASTM implemented the "Procedure for Drafting, Approving and Publishing the Non-Financial Disclosure Pursuant to Italian Legislative Decree 254/2016", which defines the operating process for drafting, approving and publishing the NFS based on guidelines that were established under Legislative Decree 254/2016 and the GRI "Global Reporting Initiative Sustainability Reporting Standards" (the GRI Standards). The procedure has the aim of identifying the main parties involved in the NFS reporting, preparation and approval process, and defines the related roles and responsibilities in brief.

For additional information related to the topic described above, please refer to the 2020 ASTM Sustainability Report available on Company's website.

ASTM'S CLIMATE STRATEGY

ASTM Group is determined to contribute to the protection of the Planet by progressively minimizing the environmental impacts associated with its operations.

ASTM is aware of the risks that climate change and environmental degradation pose to humanity. With the support of its Stakeholders, ASTM aims at developing its business and activities with a responsible and sustainable approach. The Group pays attention to the development of environmental legislation in force in the countries and territories where it operates, being constantly committed to ensuring compliance with applicable laws and regulations.

With reference to the Group's climate strategy, the process of aligning with the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations has been implemented with the intention to strengthen the Group's commitment relative to climate change and, in particular, help meet the objective of limiting the increase in the average global temperature, as defined in the Paris Agreement. The main goal of the TCFD recommendations is to help companies inform their Stakeholders, clearly and in a comparable fashion, about risks and opportunities linked to climate change, with reference to four thematic areas representing the fundamental pillars of an organization: **Governance, Strategy, Risk Management, Metrics and Targets**.



GOVERNANCE

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

STRATEGY

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

RISK MANAGEMENT

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

METRICS AND TARGETS

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

GOVERNANCE

In order to promote the sustainable success of the Group also through the monitoring of the environmental performance and the impacts of climate change on the Company's operation and financial results, the ASTM Group has built a **governance model in line with ESG best practices**, which guarantees that the top management is involved in the definition of strategic sustainability guidelines, also with reference to climate change issues. In addition, all companies of the Group, based on their operations, consider the impacts of climate change in their respective risk management policies, financial planning, operating activities and investment planning, as well as in designing and monitoring their organizational performance objectives.

Since 2018, ASTM is a member of the **CDP (formerly, Carbon Disclosure Project)**, while in 2020 it has been added to the prestigious **Climate Change - A List**, being recognized amongst the global leaders in management and transparency for climate issues.



STRATEGY

The Sustainability Plan “Going Global Sustainably” was prepared by analysing, and developing a series of elements, including the **UN’s 17 SDGs** for 2030, including target 13.1 “Strengthen resilience and adaptive capacity to climate related hazards and natural disasters in all countries”. The promotion of energy efficiency policies was included among the Group’s strategic guidelines, specifically through objectives and measurable actions for every area, over the medium/long-term.

In 2020 ASTM introduced **climate scenario analysis** to its process to develop strategy to:

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

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

Physical scenarios analyze the most significant impacts connected to physical climate variables (for example: temperature increase, extreme precipitation, etc.), which could directly influence the Group’s activities, in particular infrastructure safety and road safety.

According to this analysis the most important physical effects, which over the long term have the highest probability of impacting the ASTM Group’s business

in the geographic areas of greatest interest (Europe and Latin America), include:

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

Transition scenarios applied to the Group’s businesses were used for target setting to assess the maximum available “carbon budget” and to obtain plausible emission reduction trajectories used to assess regulatory and technological changes in the geographic area in which most of the ASTM Group’s assets are located. This analysis made it possible to assess the feasibility of Science Based Targets and update the mapping of climate-linked risks and opportunities as described below.

RISK MANAGEMENT

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

Climate change and its effects on the economic activities represent a potential risk factor for the operations of the Group companies and the resilience of the infrastructure managed by ASTM. However, at the same time, the energy and technology transition currently in place could create important opportunities for growth and development. The risk assessment process considers both

physical and transition risks. The first category includes the occurrence of extreme weather events (intense rain, flooding, landslides), caused by changes in climate conditions which could damage motorway infrastructure; the second includes changes in the market, increasingly sensitive to sustainability issues, or developments in environmental regulations, with the introduction of new minimum environmental requirements and new limitations on GHG emissions.

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 example, with reference to motorway management, technological innovation plays an increasingly important role in guaranteeing ever higher user service standards through a digital transformation of infrastructure able to communicate with next generation connected vehicles, to use automatic driving assistance systems and to mitigate and better manage traffic, reducing motorway accidents. With reference to the EPC sector, clients are increasingly requesting infrastructure and civil and industrial works which are designed and constructed to have low environmental impacts and with high LEED ratings (Leadership in Energy and Environmental Design).

METRICS AND TARGETS

ASTM Group consumption and GHG emissions are monitored and certified annually by an independent external company in order to identify and assess any changes and, additionally, are used to calculate the Group's carbon footprint in line with the guidelines contained in the GHG Protocol "Corporate Accounting and Reporting Standard" and the "Global Reporting Initiative Sustainability Reporting Standards" published by the Global Reporting Initiative (GRI). The 2020 GHG emissions inventory covers all relevant GHG emissions, from all relevant sources and subsidiaries. ASTM GHG emissions reduction targets have received external validation from the Science Based Targets initiative (SBTi) as announced on 14 October 2021.

RATIONALE FOR SUSTAINABILITY-LINKED FINANCING FRAMEWORK

ASTM recognizes the importance of the role that sustainable finance is playing in guiding companies towards a more sustainable economy. As a major motorway operator, ASTM believes that a Sustainability-Linked Financing Framework could further enhance the Group's ESG commitments by linking the financing activities with meaningful and ambitious targets.

ASTM intends to develop a comprehensive framework that allows the issuance of Sustainability-Linked Bonds ("SLBs") and, at the same time, applies also to Sustainability-Linked Loans ("SLLs") or any other Sustainability-Linked instruments (e.g. Commercial Paper, derivatives instruments or other forms of financial instrument available).



SUSTAINABILITY-LINKED FINANCING FRAMEWORK

ASTM's Sustainability-Linked Financing Framework (the "Framework") is based on principles and guidelines stated in the **Sustainability-Linked Bond Principles (SLBP) 2020 version³**, as administered by the International Capital Markets Association ("ICMA").

The Framework is based on the following five core components:

1. Selection of Key Performance Indicators (KPIs);
2. Calibration of Sustainability Performance Targets (SPTs);
3. Financial characteristics;
4. Reporting;
5. Verification.

Sustainability-Linked Bonds (SLBs) are any type of bond instrument for which the financial and/or structural characteristics can vary depending on whether the issuer achieves predefined SPTs. In that sense, issuers are thereby committing explicitly (including in bond documentation) to future improvements in sustainability outcome(s) within a predefined timeline that are relevant, core and material to their overall business. SLBs are forward-looking performance-based instruments. The proceeds of SLBs are intended to be used for general purposes.

The Framework will apply to all SLBs issued by ASTM from now on and will be applied as long as any such instrument is outstanding.

The Framework is also intended to be substantially aligned with the five core components of the **Sustainability-Linked Loan Principles (SLLP) 2021 version**, as published by the Loan Markets Association (LMA).

ASTM commits to continually evolving its approach to sustainability and intends to periodically review this Sustainability Linked Financing Framework to ensure alignment with market expectations, voluntary standards such as the SLBP, SLLP, and any relevant future principles or regulatory developments, including potential changes in calculation methodologies of its KPIs.

For the avoidance of doubt and to ensure consistent tracking of performance over time, the Company commits to recalculate its SPT(s) included in this framework, as needed, to reflect significant changes that would otherwise compromise the target's relevance (e.g. change in methodology or material mistakes, where applicable).

1. Selection of Key Performance Indicators (KPIs)

Key Performance Indicators (the "KPIs") included in the Framework have been selected as they are core, relevant and material to ASTM's business. ASTM has decided to focus on GHG emissions reduction, which represents a material focus for both ASTM and its Stakeholders, as outlined in the Group's materiality analysis included in the Group Sustainability Report and the Group's contribution to achieving the SDGs by 2030. Moreover, the KPIs selected also consider the ever-increasing urgency for climate action perceived by all Stakeholders including governments, regulators and investors.

Therefore, the following two KPIs were deemed the most credible, ambitious targets aligned with ICMA's SLBP requirements and with sustainable finance market practices:

- KPI #1: Absolute Scope 1 and 2 GHG Emissions
- KPI #2: Absolute Scope 3 GHG Emissions from purchased goods and services

³The Sustainability Linked Bond Principles (SLBP) were launched by ICMA in June 2020. They are administered by the ICMA and are available at: <https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/sustainability-linked-bond-principles-slbp/>

KPI #1

Absolute Scope 1 and 2 GHG emissions, calculated in tonnes of carbon dioxide equivalent (tCO₂eq)

KPI: Combined amount of Scope 1 GHG Emissions (direct emissions), which includes emissions from own sources or sources controlled by the organization, and Scope 2 Emissions (indirect emissions – market based), which includes emissions produced from electricity use.

KPI #1 contributes to the following SDGs



9.4 By 2030, **upgrade infrastructure and retrofit industries to make them sustainable**, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities



11.2 By 2030, provide **access to safe, affordable, accessible and sustainable transport system** 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



13.1 **Strengthen resilience and adaptive capacity to climate-related hazards** and natural disasters in all countries

Rationale: As a major motorway operator, ASTM Group wants to actively contribute the objectives of the Paris Agreement for the development of a low-carbon economy, including greater adoption of clean and environmentally sound technologies for sustainable infrastructure. One of the key focus areas of the Group's decarbonization path is the reduction of GHG emissions coming from own sources and from the use of electricity, contributing to develop safe, affordable, accessible and sustainable transport systems for all.

Methodology and Scope: The total amount of GHG Scope 1 and 2 emissions is calculated in accordance with the Global Reporting Initiative Sustainability Reporting Standards issued by GRI - Global Reporting Initiative (the GRI Standards) and with the Greenhouse Gas Protocol (GHG Protocol).

This scheme provides for the accounting of direct and indirect emissions, distinguishing them in three fields of application or "Scope": i) Scope 1: direct emissions; (ii) Scope 2: indirect emissions from the production of purchased electricity; (iii) Scope 3: other indirect emissions.

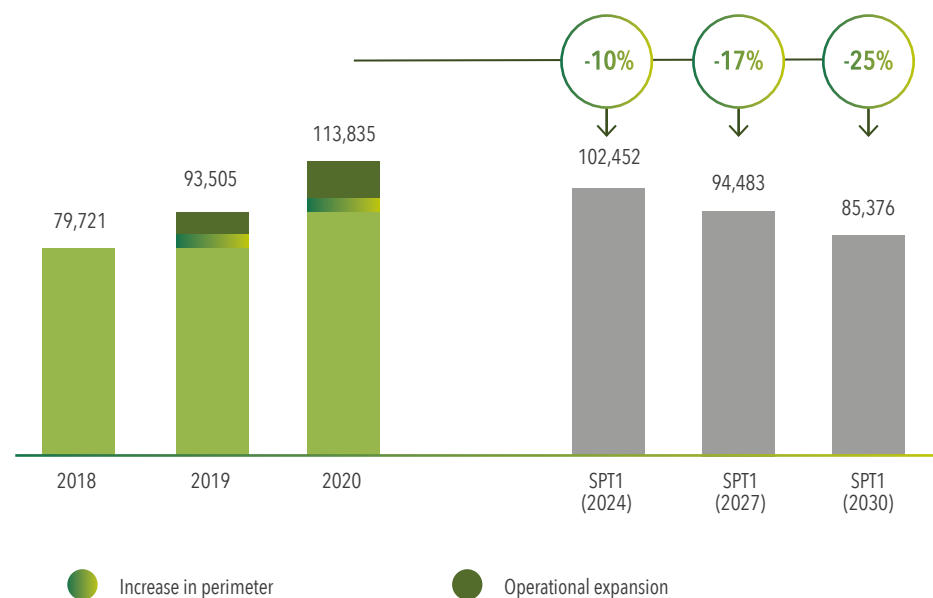
Scope 1: direct emissions, coming from sources owned or controlled by the Group, including:

- Natural Gas,
- Heating fuel,
- Diesel fuel,
- Fuel oil,
- Petrol,
- LPG (Liquefied Petroleum Gas),
- Diesel fuel for electricity generation,
- Ethanol.

Scope 2: indirect emissions coming from the generation of electricity (from non-renewable sources) purchased externally and consumed by the Group (market-based approach).

Perimeter: ASTM S.p.A. and all its wholly consolidated subsidiaries included in the 2020 Consolidated Financial Statements (please note that for the purpose of the baseline and related SPTs, the KPI will be calculated pro-forma considering this perimeter, i.e. any further subsidiary included in the consolidation perimeter will not be accounted for).

Absolute Scope 1 and 2 GHG emissions (tCO₂eq)



KPI #2

Absolute Scope 3 GHG emissions from purchased goods and services, calculated in tonnes of carbon dioxide equivalent (tCO₂eq)

KPI: Absolute GHG emissions from purchased goods and services (Scope 3).

KPI #2 contributes to the following SDGs



11.2 By 2030, provide **access to safe, affordable, accessible and sustainable transport system** 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



9.4 By 2030, **upgrade infrastructure and retrofit industries to make them sustainable**, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities



13.1 **Strengthen resilience and adaptive capacity to climate-related hazards** and natural disasters in all countries

Rationale: Scope 3 emissions from purchased goods and services represent the majority of ASTM's total GHG emissions (around 64% of ASTM's total carbon footprint). Therefore, ASTM considers the establishment of a dedicated Scope 3 target (from purchased goods and services) as relevant, core and material to its ultimate sustainability goals in order to strengthen resilience to climate-related hazards and promote the development of safe, affordable, accessible and sustainable infrastructure through the involvement of the supply chain.

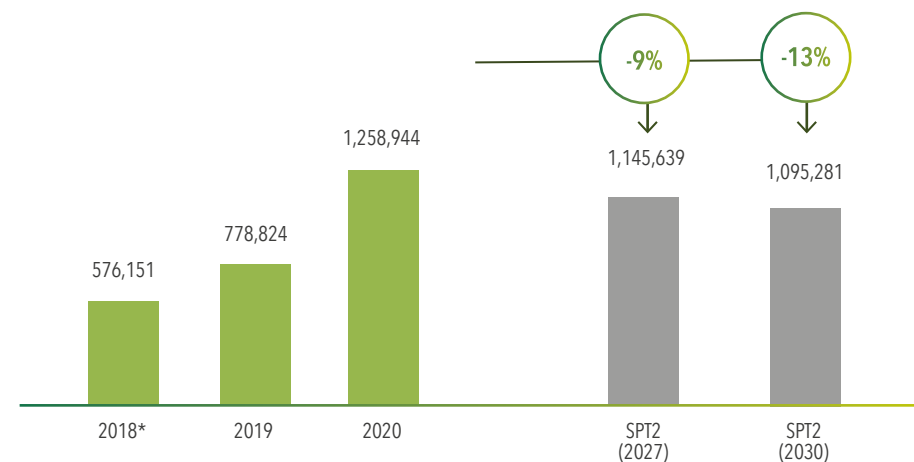
ASTM has selected the Scope 3 KPI because it is core and material to the business and measures the sustainability improvements of GHG emissions that are not under ASTM's direct control. Moreover, setting a Scope 3 target enables ASTM to mitigate value chain risks, unlock new innovations and collaborations, and respond to the interest expressed by investors, customers, and civil society.

Methodology and Scope: The total amount of GHG Scope 3 emissions is calculated in accordance with the Global Reporting Initiative Sustainability Reporting Standards issued by GRI - Global Reporting Initiative (the GRI Standards) and with the Greenhouse Gas Protocol (GHG Protocol). ASTM's Scope 3 GHG emissions considered in this KPI includes 100% of emissions from purchased goods and services.

Scope 3 GHG emissions have been partially calculated using specific emission factors and partially estimated through "The Scope 3 Evaluator" screening tool, released by GHG Protocol in collaboration with Quantis.

Perimeter: ASTM S.p.A. and all its wholly consolidated subsidiaries included in the 2020 Consolidated Financial Statements (please note that for the purpose of the baseline and related SPTs, the KPI will be calculated pro-forma considering this perimeter, i.e. any additional subsidiary included in the consolidation perimeter will not be accounted for).

Absolute Scope 3 (tCO₂eq)



*Pro forma, non-audited



2. Calibration of Sustainability Performance Targets (SPTs)

All Sustainability Performance Targets (“SPTs”) are aligned with the Group’s decarbonization path and have received external validation from the **Science Based Targets initiative (SBTi)** as announced on 14 October 2021.

Specifically, the ASTM Group commits to reduce absolute Scope 1 and 2 GHG emissions 25% by 2030 from a 2020 base year. ASTM also commits to reduce absolute Scope 3 GHG emissions from purchased goods and services by 13% within the same timeframe.

These targets have been assessed against the SBTi’s quantitative and qualitative criteria and have been validated in accordance with the SBTi validation protocol. For approval, a company’s targets must comply with all applicable criteria.

Furthermore, all applicable SPTs will be detailed in the relevant documentation of the specific transaction, as applicable (e.g. Final Terms of any Sustainability Linked Bond or Facility Agreement of any Sustainability-Linked Loan).

Factors that support and/or might put at risk the achievement of the SPTs will be disclosed in the documentation of the relevant sustainability-linked transactions, according to applicable regulations and market practice.

SPT #1

As of the SPT #1 observation dates, Scope 1 and 2 GHG emissions (market based) reduction, compared to the 2020 baseline, will have to be at least equal to the (Scope 1 and 2 GHG emission reduction) thresholds outlined below.

Observation Year	2024	2027	2030
SPT	-10%	-17%	-25%

Observation dates: 31 December 2024, 31 December 2027, 31 December 2030

2020 baseline: 113,835 tonnes CO₂eq in 2020 (Scope 1= 51,840 and Scope 2 Market based=61,995).

The 2020 Baseline has been audited through a limited assurance engagement by PWC in accordance with International Standard on Assurance Engagements ISAE 3000 Revised - Assurance Engagements other than Audits or Reviews of Historical Information (“ISAE 3000 Revised”) and also referring to International Standards on Assurance Engagements 3410 – Assurance Engagements on Greenhouse Gas Statements (“ISAE 3410”) issued by the International Auditing and Assurance Standards Board for limited assurance engagement.

Action plan: To achieve GHG emission reduction targets, ASTM Group companies are implementing energy efficiency initiatives, including:

- Strengthening of the governance of energy consumption (e.g., Group energy manager appointment, implementation of Energy Management System according to the ISO 50001:2018 Standard);
- Renewal of vehicle fleet and construction site vehicles with models that have low environmental impact;



- Monitoring of motorway infrastructures through innovative technologies (e.g. drones, sensors) to reduce kilometres driven across the network;
- Definition of a sustainable re-lamping plan with LED technology;
- Implementation of dynamic management systems for infrastructure and office lighting and HVAC (Heating, Ventilation, Air Conditioning) to minimize energy consumption;
- Self-production of renewable energy (e.g. solar panels);
- Implementation of other energy efficiency technologies and initiatives (e.g., buildings' heating systems) to reduce the carbon footprint of operations and corporate buildings;
- Research and innovation for the development of energy recovery technologies;
- Purchase of renewable energy (with Guarantees of Origin certificates).

SPT #2

As of the SPT #2 observation dates, Scope 3 GHG emissions from purchased goods and services reduction, compared to the 2020 baseline, will have to be at least equal to the (Scope 3 GHG emission reduction) thresholds outlined below.

Observation Year	2027	2030
SPT	-9%	-13%

Observation dates: 31 December 2027, 31 December 2030

2020 baseline: 1,258,944 tonnes CO₂eq in 2020.

Through a limited assurance engagement PWC performed a comparison of the

GHG 2020 Baseline calculated by the Group using a third-party tool with those obtained through the same tool, using corresponding input data. The limited assurance engagement was performed referring to International Standard on Assurance Engagements ISAE 3000 Revised - Assurance Engagements other than Audits or Reviews of Historical Information ("ISAE 3000 Revised") and also referring to International Standards on Assurance Engagements 3410 - Assurance Engagements on Greenhouse Gas Statements ("ISAE 3410") issued by the International Auditing and Assurance Standards Board for limited assurance engagements.

Action plan:

- Strengthening of the governance of energy consumption (e.g. Group energy manager appointment, implementation of Energy Management System according to the ISO 50001:2018 Standard);
- Optimizing operational processes resulting in reduced demand for goods and services;
- Implementation of green procurement policies to make different purchasing decisions favouring low-carbon products or services and to purchase from suppliers with a low carbon footprint;
- Involvement of the supply chain partners to raise awareness and promote their transition to green technologies and materials;
- Contribution to technological innovation on materials, decarbonization of the energy mix, efficiency and electrification trends;
- Business model innovation also through the use of technologies (such as artificial intelligence) for predictive planning of motorway maintenance interventions, to ensure a higher degree of infrastructure resilience.

3. Financial characteristics

This section of the Framework only applies to Sustainability-Linked Bonds and Sustainability-Linked Loans.

The proceeds of ASTM's Sustainability-Linked instruments will be used for general corporate purposes.

The failure by ASTM to satisfy the chosen SPT(s) as of the relevant Sustainability Performance Target Observation Date will trigger a step-up margin or margin adjustment, as applicable, causing an increase in the interest rate applicable to interest periods following such reference date.

The achievement by ASTM of the chosen SPT(s) as of the relevant Sustainability Performance Target Observation Date might trigger a margin adjustment applicable to interest periods following such reference date.

For the avoidance of doubt, in case of Sustainability-Linked Loans the interest rate may be decreased or increased, subject to the achievement or not of the relevant SPT(s), while in case of Sustainability-Linked Bonds no decrease in the interest rate is envisaged.

The step-up margin or margin adjustment, as applicable, will be specified in the relevant documentation of the specific transaction (e.g. Final Terms of any Sustainability Linked Bond or the Facility Agreement of any Sustainability-Linked Loan).

For the avoidance of doubt, no more than one step-up margin or margin adjustment, as applicable, can be applied over the life of a given Sustainability-Linked Bond.



4. Reporting

ASTM will report its performance against the various SPTs at least on an annual basis on its website and/or in its Sustainability Reports until maturity of any outstanding SLLs or SLBs.

Reporting may include:

- I. up-to-date information on the performance of the selected KPIs, including the baseline where relevant;
- II. with reference to each selected KPI, up-to-date information on the SPT outlining the performance against the SPT and the related impact, and timing of such impact, on a financial instrument performance;
- III. any relevant information enabling investors to monitor the progress vis-a-vis the SPTs; and
- IV. a verification assurance report relative to the reporting including the above points.

Information may also include when reasonably feasible and available:

- I. qualitative or quantitative explanation of the contribution of the main factors behind the evolution of the performance/KPIs on an annual basis (e.g. M&A activities);
- II. illustration of the positive sustainability impacts of the performance improvement; and/or
- III. any re-assessments of KPIs and/or restatement of the SPTs and/or pro-forma adjustments of baselines or KPI scope, if relevant.

5. Verification

This Framework and the associated annual reporting will benefit from three layers of external verification:

- I. a second-party opinion by a recognised ESG agency on the alignment of the Framework and the associated documentation with the Sustainability-Linked Bond Principles, including an assessment of the relevance, robustness and reliability of selected KPIs, the rationale and level of ambition of the proposed SPTs, the relevance and reliability of selected benchmarks and baselines, and the credibility of the strategy outlined to achieve them, based on scenario analyses, where relevant;
- II. an annual assurance statement by an auditor on the KPI information included on its website and/or in its Sustainability Reports until maturity of any outstanding SLLs or SLBs;
- III. a verification assurance certificate issued annually confirming whether the performance of the KPI meets the relevant SPT, published on ASTM's website following a target observation date, until maturity of any outstanding SLLs or SLBs.

Both the Sustainability-Linked Financing Framework and the Second Party Opinion are available on ASTM's website.

DISCLAIMER

This Sustainability-Linked Financing Framework provides general information on ASTM's management's current view and strategy, which is limited and is non-exhaustive. In addition, this Framework contains forward-looking statements which are based on assumptions that may not be correct because they are subject to uncertainties and other unplanned risks that could impact on ASTM Group's results, performance and achievements and cause the latter to vary from the targeted or expected results.

ASTM does not have any obligation to update, amend or modify this Framework in the future or the statements contained in it so as to take into account changes in factors, assumptions, and strategy. Nor does ASTM intend to notify Stakeholders in case any information, forecast or estimate changes or become incorrect.

This Sustainability-Linked Financing Framework is not intended to be distributed and published in, or used by, any person or entity in any jurisdiction or country where such distribution or use would be contrary to Law or regulations.

This Sustainability-Linked Financing Framework is not intended to provide any legal, financial or technical advice.



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