



ASTM

2021

SLB PROGRESS
REPORT





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CONTENTS

04**INTRODUCTION****06****FRAMEWORK**

- 06 Sustainability at ASTM Group
- 06 ESG governance
- 06 ESG strategy

08**MAIN CHARACTERISTICS OF THE SLB ISSUED BY ASTM S.P.A.**

- 08 Key Performance Indicators (KPIs)
- 09 Sustainability Performance Targets (SPTs)
- 10 Characteristics of the Bonds

12**PROGRESS REPORT**

- 12 Activity and initiatives of 2021
- 13 KPIs performance and alignment with SPTs trajectory

14**GLOSSARY****16****ASSURANCE REPORT**

INTRODUCTION

ASTM S.p.A., world leader in the management of motorway networks and in the design and construction of large infrastructural works, recognizes the importance of finance as a tool for promoting a more sustainable economy, integrating sustainability into its financial strategy.

This report, available on the Group's website—"Sustainability Reports" area, aims to provide, on annual basis, information on the Sustainability-Linked Bonds (also referred in this report as "SLB") issued by ASTM in 2021. This information provides details on the level of performance achieved with respect to each Sustainability Performance Target (SPT) for each KPI identified.

Specifically, the ASTM Group is committed to reduce Greenhouse Gas (GHG) emissions:

- Scope 1 and 2 (marked-based) 25% by 2030 from a 2020 base year; and
- Scope 3 from purchased goods and services by 13% within the same timeframe.

The document also provides a summary of what is reported in the Sustainability-Linked Financing Framework (hereinafter also "SLFF") of ASTM. The Framework was issued on 8 November 2021; it is accessible on the Group's website¹. It was prepared taking into consideration the Sustainability-Linked Bond Principles (SLBP) issued in June 2020 by ICMA² and the five core components of the Sustainability-Linked Loan Principles (SLLP) published in 2021 by the Loan Markets Association (LMA)³. This report also summarizes what was reported in the "Base Prospectus" document signed on 15 November 2021, and available on the Group's website⁴.

ASTM submitted its SLFF to an independent external Auditor⁵, which issued a Second Party Opinion in

November 2021 (available on the Group's website⁶) confirming the alignment between ASTM's SLFF with ICMA's five SLBPs. Specifically, the Auditor has identified as "Advanced" the relevance of the selected KPIs with respect to sustainability issues, considered as material for current and future operations by the Group. The Auditor also defined as "Robust" the ambition of the SPTs in the Group's sustainability strategy with respect to Company performance and sector peers. The Auditor also validated the use of 2020 emission data as a baseline for Scope 1, 2 and 3.

On 18 November 2021 ASTM placed three ESG bonds (allocated exclusively for institutional investors) for a value of € 3 billion with the following features⁷:

- I. € 750 million maturing on 25 November 2026, with a coupon of 1.00%; **Sustainability target: reduction of Scope 1 and 2 GHG emissions by 10% at the observation date in July 2025 (with reference to the reporting year closed on 31 December 2024) compared to 2020 baseline values.**
- II. € 1,250 million maturing on 25 January 2030, with a coupon of 1.50%; **Sustainability target: reduction of Scope 1 and 2 GHG emissions by 17% and reduction of Scope 3 emissions by 9% at the observation date in July 2028 (with reference to the reporting year ended on 31 December 2027) compared to 2020 baseline values.**
- III. € 1,000 million maturing on 25 November 2033, with a coupon of 2.375%; **Sustainability target: reduction of Scope 1 and 2 GHG emissions by 25% and reduction of Scope 3 emissions by 13% at the observation date in July 2031 (with reference to the reporting year ended on 31 December 2030) compared to the 2020 baseline values.**

¹ Sustainability-Linked Financing Framework: https://www.astm.it/wpcontent/uploads/2021/11/ASTM_SLF-Framework_November-2021.pdf

² The International Capital Market Association: <https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/sustainability-linked-bond-principles-slb/>

³ Loan Markets Association: https://www.lma.eu.com/documents-guidelines/documents?itemid=666&search_str=sustainability-linked%20loan%20principles#

⁴ "Base prospectus": <https://www.astm.it/wp-content/uploads/2021/11/ASTM-2021-EMTN-Base-Prospectus.pdf>

⁵ Vigeo Eiris: <https://vigeo-eiris.com/>

⁶ Second Part Opinion Vigeo Eiris: <https://www.astm.it/wp-content/uploads/2021/11/Second-Party-Opinion-on-ASTM-SLF-Framework-November-2021.pdf>

⁷ Roadshow Presentation: https://www.astm.it/wp-content/uploads/2021/11/20211114_ASTM_Investor_Presentation_FINAL.pdf

ASTM, through the issuance of the forementioned bonds, also aims to contribute to the achievement of the following Sustainable Development Goals (SDGs) by the United Nations⁸ which are integrated into its sustainability strategy⁹:

- **SDG 9 - Industry, innovation and infrastructure**
– 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** – considers the Group's commitment to reduce the amount of Greenhouse Gas (GHG) produced through its activities and value chain.

This document has been subjected to a Limited Assurance activity by the Auditing company PricewaterhouseCoopers S.p.A.

⁸ United Nations: <https://sdgs.un.org/goals>

⁹ For further information please visit the Sustainability area of ASTM's website: <https://www.astm.it/>



FRAMEWORK

SUSTAINABILITY AT ASTM GROUP

The main goal of our business is to contribute to the development and progress of the countries in which we operate. We promote the mobility of people and goods, and, in doing so, help the economic and social growth of those territories.

ASTM mission is to provide the best possible service to our customers, through safe infrastructures and innovative, resilient, and sustainable solutions.

Our work is based on the respect of ethical principles, which must inspire our every action and behavior. The values that inspire us can be traced back to the concepts of legality, integrity, responsibility, and transparency.

ASTM is committed to operating responsibly and to integrating sustainability principles and best practices into its business model. This is achieved by following an approach of continuous improvement, constant monitoring of ESG performance, development of competitiveness and transparency towards all stakeholders.

The Group's Sustainability pillars, aimed at creating shared value with all stakeholders, are:

- Corporate governance in line with ESG best practices;
- Sustainability plan with long-term concrete Science Based Targets;
- Remuneration system linked to sustainability objectives;
- Transparent and active engagement of Stakeholders;
- 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.

ESG GOVERNANCE

ASTM group has defined a model of Governance with the aim to promote the sustainable success of the Group, also through the monitoring of environmental performance and, in particular, the impacts of climate change on its operations and financial results. The Group governance model is defined in line with ESG best practices and guarantees the involvement of top management in defining strategic sustainability guidelines, also with reference to climate related issues. Furthermore, each Group company takes into consideration the impacts of climate change in risk management policies, financial planning, operational management, and investment planning, as well as in the design of the organization's performance objectives and in their monitoring.

Furthermore, ASTM is member of the CDP (formerly Carbon Disclosure Project) since 2018 and in 2021 ASTM was confirmed as a global leader in the fight against climate change, obtaining an A- rating.

ESG STRATEGY

As reported in the periodic non-financial disclosure (NFD) (for the reporting year 2021¹⁰) and in the overview document of the SLFF, the Group incorporates the 17 SDGs for 2030 in its sustainability strategy, promoting energy efficiency policies were further defined in measurable medium-long term objectives for each area of commitment.

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

- assess how risks and opportunities linked to the climate influence 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.

¹⁰ 2021 Non-financial disclosure available on the Group's website - "Sustainability Reports" area



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 GHG.

These analyses made it possible to assess the feasibility of science Base Targets and to update the mapping of risks and opportunities related to climate, which are reported in detail in the group’s periodic NFD.

As reported in the press release of 14 October 2021¹¹ and in the NFD for the reporting year 2021, ASTM is the first European motorway operator- and the largest in terms of kilometers managed in the world- to set emissions reduction targets on a scientific basis approved by the Science Based Targets initiative (SBTi)¹² and therefore compliant with the reduction trajectories provided by the Paris Agreement.

In detail, ASTM has designed a path to reduce its carbon footprint in the medium term, with a different level of ambition depending on the type of emissions (Scope) considered. The result of this planning has led the Group to define ambitious reduction targets based on scientific criteria, to fight against climate change and to maintain the global average temperature increase to below 2°C. These targets were submitted and validated by the “Science Based Targets” initiative. From October 2021 ASTM appears on the official list of the so-called “Companies Taking Action”. Further details are reported in the Key Performance Indicators (KPIs) and Sustainability Performance Targets (SPTs) paragraphs below.

¹¹ Press release: <https://www.astm.it/wp-content/uploads/2021/10/2021.10.14-SBTi-comunicato.Finale.pdf>

¹² Science Based Targets initiative: <https://sciencebasedtargets.org/>

MAIN CHARACTERISTICS OF THE SLB ISSUED BY ASTM S.P.A.

KEY PERFORMANCE INDICATORS (KPIs)

In line with the nature of its business and the sector where ASTM operates, the Company has identified two KPIs here detailed.

KPI #1 - Reduction of absolute Scope 1¹³ and 2¹⁴ GHG emissions, calculated in tons of carbon dioxide equivalent (tCO₂eq) by 25% by 2030 from a 2020 base year¹⁵. The company has forecasted the following annual reduction steps: -3% in 2021; -5% in 2022; -8% in 2023; -10% in 2024; -13% in 2025, -17% in 2027 (sum of Scope 1 and 2 - market based - values) in comparison to 2020 baseline values.

KPI #2 - Reduction of absolute Scope 3¹⁶ GHG emissions from purchased goods and services, calculated in tCO₂eq¹⁷ by 13% in the same period¹⁸. The company has forecasted a mid-point target of 9% in 2027 and a long-term target of 13% by 2030.

The perimeter for the calculation of the KPIs considers 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 KPIs will be calculated pro-forma considering this perimeter, i.e. any additional subsidiary subsequently included in the consolidation perimeter will not be accounted for).

Here below are reported the assumptions considered for the determination (and eventual re-determination) of the 2020 baseline.

- The Terms and Conditions of the Notes¹⁹ permit the Issuer to redetermine the Scope 1 and 2 Emissions Baseline to reflect that (i) any SLB Reporting Significant Subsidiary (i.e. Autostrada dei Fiori S.p.A., Autostrada Torino-Alessandria-Piacenza S.p.A., Società Autostrada Ligure Toscana p.a., Itinera S.p.A., Itinera Ghantoot JV and Itinera Agility JV), which for the year ended 31 December 2020 accounted for 5% or more of the Scope 1 and 2 Emissions Baseline, ceases to be a Subsidiary of the Issuer or that (ii) any such SLB Reporting Significant Concession (i.e. the A4 Turin - Milan, the A12 Sestri Levante-Livorno, Viareggio-Lucca and Fornola-La Spezia and the A10 Savona-Ventimiglia), which for the year ended 31 December 2020 accounted for 5% or more of the Scope 1 and 2 Emissions Baseline, ceases to be held or operated by the SLB Reporting Group. Accordingly, while any such redetermination must be disclosed in accordance with the Terms and Conditions and verified by an independent, qualified reviewer, any redetermination will decrease the volume of Greenhouse Gas used as a baseline and therefore may decrease the total volume of reduction of Greenhouse Gas that needs to be

¹³ Scope 1 (direct emissions): this category comprises the emissions coming from sources owned or controlled by the Group (for further details, consult the document "Base Prospectus"), as defined in the Group's Sustainability Report and in line with the Sustainability Reporting Standards issued by GRI - Global Reporting Initiative (the GRI Standards) and with the Greenhouse Gas Protocol (GHG Protocol).

¹⁴ Scope 2 (indirect emissions): this category comprises emissions coming from the generation of electricity (from non-renewable sources) purchased externally and consumed by the Group (market-based approach for further details, consult the document "Base Prospectus"), as defined in the Group's Sustainability Report and in line with the Sustainability Reporting Standards issued by GRI - Global Reporting Initiative (the GRI Standards) and with the GHG Protocol.

¹⁵ Baseline 2020: 113,835 tCO₂eq (Scope 1 = 51,840 and Scope 2 market-based = 61,995) for the period starting on 1 January 2020, and ending on 31 December 2020. For further details refer to the sections "Terms & Conditions" of the document "Base Prospectus".

¹⁶ Scope 3 (indirect emissions): this category comprises emissions from purchased goods and services (for further details, consult the document "Base Prospectus")

¹⁷ The total amount of GHG Scope 3 emissions is calculated in accordance with the GRI Standards and with the GHG Protocol. ASTM's Scope 3 GHG emissions considered in this KPI include 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.

¹⁸ Baseline 2020: 1,258,944 tCO₂eq corresponding to Scope 3 for the period starting on 1 January 2020, and ending on 31 December 2020 based on the impact of the Issuer and its subsidiaries as of 31 December 2020. For further details refer to the sections "Terms & Conditions" of the document "Base Prospectus".

¹⁹ ASTM - EMTN Programme area: <https://www.astm.it/en/emtn-programme/>

achieved by the Group in order to satisfy such conditions and avoid the occurrence of a Step-Up Event.

- In addition, Greenhouse Gas emissions generated by any entity that has become or will become a Subsidiary after 31 December 2020 other than a Subsidiary operating an SLB Reporting Concession will not be accounted for in the calculation of the Scope 1 and 2 Emissions and Scope 3 Emissions.
- Furthermore, any emissions generated by assets or properties exclusively related to Concessions that are not SLB Reporting Concessions will not be accounted for in the calculation of Scope 1 and 2 Emissions.

SUSTAINABILITY PERFORMANCE TARGETS (SPTS)

In line with the requisites of the SLB Framework, ASTM has set specific SPTs for each identified KPI.

As of the SPT #1 observation dates²⁰, 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.

SPT #1

OBSERVATION YEAR	2024	2027	2030
SPT	-10%	-17%	-25%

As of the SPT #2 observation dates²¹, 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.

SPT #2

OBSERVATION YEAR	2027	2030
SPT	-9%	-13%

It is highlighted here that the reduction target of Scope 3 emissions represents an ambitious commitment to extend ESG goals to third parties that ASTM Group does not control. Scope 3 emissions from purchased goods and services represent the majority of ASTM's total GHG emissions (around 64% of ASTMs total carbon footprint in 2020). Therefore, ASTM considers the establishment of a dedicated Scope 3 target (from purchased good and services) as relevant, core and material to its ultimate sustainability goals 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. 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.

²⁰ YTE 31 December 2024, 31 December 2027, 31 December 2030.

²¹ YTE 31 December 2027, 31 December 2030.



CHARACTERISTICS OF THE BONDS

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 SPTs 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).

Following the release of the document "Base Prospectus" on 15 November 2021, ASTM has issued on 23 November 2021 three additional documents named "Final Terms" (one for each set of ESG bond issued) in support of the "Base Prospectus", which remains, in any case, the main reference.

As detailed in each document "Final Terms" for each set of ESG bond, the failure by ASTM to satisfy the chosen SPTs as of the relevant Sustainability Performance Target Observation Date will trigger a step-up margin, causing an increase in the interest rate applicable to interest periods following such reference date.

For the avoidance of doubt, in case of Sustainability-Linked Bonds no decrease in the interest rate is envisaged. Furthermore, no more than one step-up margin or margin adjustment, as applicable, can be applied over the life of a given Sustainability-Linked Bond.

In line with the SLBP by ICMA, we hereby report a summary of the potential variation of the financial characteristics of the obligations issued by ASTM. For further detail, please refer to the respective documents "Final Terms" available on the Group's website – "EMTN Programme" area.

SET 1

Issue date: 25 November 2021

Aggregate Nominal Amount: €750 million

Maturity Date: 25 November 2026

Interest basis: 1.000 per cent. Fixed Rate, subject to the Step-Up Option

Step-Up Option:

- Reference year(s): 2025
- Step-Up Event: Scope 1 and 2 Emission Event ²²
- Scope 1 and 2 Emissions Percentage Threshold: 10%
- Step-Up Margin: 0.40% *per annum* at the occurrence of a Scope 1 and 2 Emissions Event, payable, if any, on the Interest Payment Date falling on the Maturity Date.
- Notification Deadline: In relation to any Reporting Year, 200 days after the last day of the relevant Observation Period.

For further details, please consult the document "Final Terms" available on the Group's website²³.

²² "Scope 1 and 2 Emission Event" occurs if the Issuer fails to satisfy the Scope 1 and 2 Emissions Condition.

²³ Final Terms Set 1: <https://www.astm.it/wp-content/uploads/2021/11/ASTM-Final-Terms-2026-Notes.pdf>

SET 2

Issue date: 25 November 2021

Aggregate Nominal Amount: €1,250 million

Maturity Date: 25 January 2030

Interest basis: 1.500%. Fixed Rate, subject to the Step-Up Option

Step-Up Option:

- Reference year(s): 2028
- Step-Up Event: Scope 1 and 2 Emission Event e Scope 3 Emissions Event²⁴
- Scope 1 and 2 Emissions Percentage Threshold: 17%
- Scope 3 Emissions Percentage Threshold: 9%
- Step-Up Margin: 0.28 per cent. *per annum* at the occurrence of a Scope 1 and 2 Emissions Event, payable, if any, on the Interest Payment Date falling on the Maturity Date. 0.42 per cent. *per annum* at the occurrence of a Scope 3 Emissions Event, payable, if any, on the Interest Payment Date falling on the Maturity Date.
- Notification Deadline: In relation to any Reporting Year, 200 days after the last day of the relevant Observation Period.

For further details, please consult the document "Final Terms" available on the Group's website²⁵.

SET 3

Issue date: 25 November 2021

Aggregate Nominal Amount: €1,000 million

Maturity Date: 25 November 2033

Interest basis: 2.375%. Fixed Rate, subject to the Step-Up Option

Step-Up Option:

- Reference year(s): 2031
- Step-Up Event: Scope 1 and 2 Emission Event e Scope 3 Emissions Event
- Scope 1 and 2 Emissions Percentage Threshold: 25%
- Scope 3 Emissions Percentage Threshold: 13%
- Step-Up Margin: 0.20 per cent. *per annum* at the occurrence of a Scope 1 and 2 Emissions Event, payable, if any, on the Interest Payment Dates falling on 25 November 2032 and on the Maturity Date. 0.30 per cent. *per annum* at the occurrence of a Scope 3 Emissions Event, payable, if any, on the Interest Payment Dates falling on 25 November 2032 and on the Maturity Date.
- Notification Deadline: In relation to any Reporting Year, 200 days after the last day of the relevant Observation Period.

For further details, please consult the document "Final Terms" available on the Group's website²⁶.

²⁴ "Scope 3 Emission Event" occurs if the Issuer fails to satisfy the Scope 3 Emissions Condition.

²⁵ Final Terms Set 2: <https://www.astm.it/wp-content/uploads/2021/11/ASTM-Final-Terms-2030-Notes.pdf>

²⁶ Final Terms Set 3: <https://www.astm.it/wp-content/uploads/2021/11/ASTM-Final-Terms-2033-Notes.pdf>



PROGRESS REPORT

As part of the definition of the emission reduction targets approved by SBTi, the emission reduction initiatives of Scope 1 and 2 and Scope 3 detailed below have been identified.

ACTIVITIES AND INITIATIVES OF 2021

To achieve the GHG emission reduction objectives, the Group has defined an action plan which includes, for Scope 1 and 2 emissions, the following initiatives:

- 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. The activity, formalized in the Action Plan for the Maintenance of Infrastructure Efficiency (PAMI), consists of inspections and verifications, checks and monitoring of the works and overall management of the road assets through the use of specific sensors for the acquisition of information about the state of the infrastructure and its evolution over time, in order to understand the "current" condition of the works, reasonably foresee the future one and, in this way, plan promptly and effectively necessary interventions;
- replacement plan for lighting bulbs with LED technologies. For example, in 2021 Autostrada dei Fiori S.p.A. replaced the lighting systems in the tunnels with LED solutions for which a total energy saving of 516 MWh per year is expected;
- dynamic management systems to minimize energy consumption for lighting and HVAC (Heating, Ventilation, Air Conditioning);

- self-production (e.g. solar panels) and purchase of renewable energy with Guarantees of Origin certificates. For 2021, the share of energy from renewable sources used by ASTM Group companies represents 79% of the total electricity consumed (14% in 2020);
- other technologies and initiatives for energy efficiency, to reduce the carbon footprint of operations and buildings.
- research and innovation for the development of energy recovery technologies.

Furthermore, the ASTM Group, in collaboration with Volkswagen Group Italia, has developed the "Smart Road" project on the A4 Turin-Milan motorway, which enables for the first time in Italy the interconnection between a series car and the motorway in open traffic conditions and allows, through direct dialogue between vehicles and infrastructure, to provide better quality services in terms of safety, comfort and traffic reduction. Additional interventions to develop further the "Smart Road" Project will be carried out by 2024 on the pilot section between Milan and Novara, and then, following authorization by the Ministero delle Infrastrutture e della Mobilità Sostenibili (MIMS), will be extended to the entire A4 tract and then to the entire motorway network of the ASTM Group in Italy.

An action plan has also been defined for the reduction of Scope 3 emissions which includes the following initiatives:

- 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)(currently under evaluation);
- optimizing operational processes resulting in reduced demand for goods and services;
- green procurement policies that encourage the purchase of low-carbon products and services and the purchase from suppliers with a low carbon footprint. As an example, the Group has launched experimental projects to evaluate the use of 70% recycled plastic and graphene for surface coats and deep layers in construction works by 2030;
- involvement of suppliers to raise awareness and promote their transition to green materials and technologies;

- contribution to technological innovation of materials, energy mixes, 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. In this regard, during 2021 the Group carried out a viaduct monitoring project consisting of many sensors

that continuously measure the characteristics of the structure to monitor its behavior and obtain information on any damage or degrading processes. For further details on the project, please refer to the periodic Group NFD.

Furthermore, the Itinera Group has launched a procurement project that integrates ESG criteria aimed at optimizing the research and qualification processes of suppliers.

KPIs PERFORMANCE AND ALIGNMENT WITH SPTS TRAJECTORY

With reference to the 2021 reporting period, ASTM confirms that, during the year, no event has occurred that led to the recalculation of the 2020 baseline for Scope 1 and 2 emissions. In addition to this, there were no re-assessments of KPIs and/or restatement of the SPTs.

The status of achievement of the SPTs for the period starting 1 January 2021 and ending 31 December 2021 is reported below in relation to the KPIs identified by ASTM.

GHG SCOPE 1 AND 2 (MARKET-BASED) [tCO₂eq] EMISSIONS

	2020	2021	% change
GHG SCOPE 1 AND 2 (MARKET-BASED) EMISSIONS	113,835	73,197	-36%

The level of cumulative Scope 1 and 2 (market-based) emissions for 2021 (73,197 tCO₂eq) is lower than the 2020 baseline (113,835 tCO₂eq), with a reduction of 36%. The reduction of 40,638 tCO₂eq is the combined effect of the increase in Scope 1 emissions (+7,842 tCO₂eq) and the decrease of Scope 2 emissions (market-based) (-48,480 tCO₂eq).

The reduction in Scope 2 emissions (market based) is substantially due to the increase in the percentage of electricity used from renewable sources, which rose from 14% in 2020 to 79% in 2021.

GHG SCOPE 3 [tCO₂eq] EMISSIONS FROM PURCHASED GOODS AND SERVICES

	2020	2021	% change
GHG SCOPE 3 EMISSIONS (PURCHASED GOODS AND SERVICES)	1,258,944	1,763,223	40%

The increase in Scope 3 emissions from purchased goods and services mainly refers to the increase in emissions for the purchase of raw materials categories with higher emission factors, such as iron and steel and bituminous conglomerates.

As mentioned above, to reduce Scope 3 emissions, the Group has launched a procurement project that integrates ESG criteria to make different purchasing decisions, through a gradual approach, focus on favouring low-carbon products and services and to purchase from suppliers with a low carbon footprint.



GLOSSARY

“Baseline Redetermination Event” shall have occurred if (i) any SLB Reporting Significant Subsidiary ceases to be a Subsidiary of the Issuer or (ii) any SLB Reporting Significant Concession ceases to be held or operated by the SLB Reporting Group.

“Concession” means a motorway concession, concession contract or analogous instrument.

“GHG Protocol Standard” means the document titled “The Greenhouse Gas Protocol, A Corporate Accounting and Reporting Standard (Revised Edition)” published by the World Business Council for Sustainable Development and the World Resources Institute (as amended and updated as at the Issue Date of the first Tranche of the relevant Step-Up Notes).

“GRI Sustainability Reporting Standards” means the document titled “GRI 305: Emissions 2016” published by the Global Reporting Initiative (as amended and updated as at the Issue Date of the first Tranche of the relevant Step-Up Notes).

“Group” means ASTM S.p.A. and its Subsidiaries from time to time.

“Interest Amount” means, in relation to a Note and an Interest Period, the amount of interest payable in respect of that Note for that Interest Period.

“Maturity Date” has the meaning given in the relevant Final Terms.

“Observation Period” means for any Reporting Year (including, for the avoidance of doubt, any Reference Year), the period commencing on 1 January in the previous calendar year and ending on 31 December in the previous calendar year.

“Scope 1 and 2 Emissions Percentage Threshold” means the threshold (expressed as a percentage) specified in the applicable Final Terms as being the Scope 1 and 2 Emissions Percentage Threshold in respect of the relevant Reference Year(s). For

the avoidance of doubt, the occurrence of any Baseline Redetermination Event will not result in any adjustment to the Scope 1 and 2 Emissions Percentage Threshold(s), but may result in the redetermination (also on a pro forma basis) of the Scope 1 and 2 Emissions Baseline.

“Scope 3 Emissions Percentage Threshold” means the threshold (expressed as a percentage) specified in the applicable Final Terms as being the Scope 3 Emissions Percentage Threshold in respect of the relevant Reference Year(s).

“SLB Progress Report” has the meaning given to it in the definition of Reporting Requirements.

“SLB Reporting Concession” means the Concessions relating to any of the following motorways: (i) A4 Turin – Milan; (ii) A21 Turin-Alessandria-Piacenza; (iii) A5 Quincinetto – Aosta; (iv) A12 Sestri Levante – Livorno, Viareggio – Lucca and Fornola – La Spezia; (v) A15 La Spezia – Parma (and road link with Autostrada del Brennero); (vi) A10 Savona-Ventimiglia; (vii) A6 Turin – Savona; (viii) A33 Asti-Cuneo; (ix) A21 Piacenza – Cremona – Brescia; and (x) A5 – A55 Tangenziale di Torino (Turin bypass), Turin-Quincinetto, Ivrea-Santhià and Turin-Pinerolo, provided that any of such Concessions shall cease to be a SLB Reporting Concession if it ceases to be held or operated for any reason whatsoever by a Subsidiary of the Issuer.

“SLB Reporting Group” means the Issuer and the SLB Reporting Subsidiaries.

“SLB Reporting Significant Concession” means any of the Concessions relating to the following motorways: (i) A4 Turin – Milan; (ii) A12 Sestri Levante-Livorno, Viareggio-Lucca and Fornola-La Spezia; and (iii) A10 Savona-Ventimiglia.

“SLB Reporting Significant Subsidiary” means any of: (i) Autostrada dei Fiori S.p.A.; (ii) Autostrada Torino-Alessandria-Piacenza S.p.A.; (iii) Società Autostrada Ligure Toscana p.a.; (iv) Itinera S.p.A.; (v) Itinera Ghantoot JV; and (vi) Itinera Agility JV.

“SLB Reporting Subsidiary” means any Person which either (i) in relation to any Person that does not hold or operate Concessions (a) at any time, is a Subsidiary of the Issuer and (b) was a Subsidiary of the Issuer as of 31 December 2020 or (ii) in relation to any Person that does not hold or operate Concessions (a) at any time, is a Subsidiary of the Issuer and (b) holds or operates a SLB Reporting Concession. For the avoidance of doubt, except as set out in (ii) above any entity which becomes a Subsidiary of the Issuer as of any date subsequent to 31 December 2020 shall not qualify as a SLB Reporting Subsidiary.

“Step-Up Event” means the occurrence of one or more of a Scope 1 and 2 Emissions Event and/or a Scope 3 Emissions Event, as specified in the applicable Final Terms.





ASSURANCE REPORT



ASTM SPA

**INDEPENDENT AUDITOR'S REPORT ON THE LIMITED
ASSURANCE ENGAGEMENT OF THE SLB PROGRESS
REPORT 2021**



Independent auditor's report on the SLB Progress Report 2021

To ASTM SpA

We have undertaken a limited assurance engagement in respect of the accompanying Sustainability-Linked Bond Progress Report 2021 of ASTM SpA and its subsidiaries ("ASTM Group" or the "Group") for the year ended 31 December 2021 (hereinafter also "SLB Progress Report 2021"). The SLB Progress Report 2021 aims to provide, in relation to the three Sustainability-Linked Bonds issued in November 2021, the level of performance achieved with respect to each Sustainability Performance Target (SPT) for the following KPIs identified:

- KPI #1: Greenhouse Gas (GHG) emissions, Scope 1 and 2 (market based);
- KPI #2: Greenhouse Gas (GHG) emissions, Scope 3 from purchased goods and services.

Responsibilities of ASTM SpA for the SLB Progress Report

ASTM SpA (the "Company") is responsible for the preparation of the SLB Progress Report 2021 in accordance with the Company's Sustainability-Linked Financing Framework ("SLFF"), which takes into account the Sustainability-Linked Bond Principles ("SLBP") issued in June 2020 by the International Capital Market Association ("ICMA"), with the contents of the "Base Prospectus" and, for the identified KPIs, with the Global Reporting Initiative Sustainability Standards (the "GRI Standards"). ASTM SpA is also responsible for such internal control as it determines is necessary to enable the preparation of the SLB Progress Report 2021 that is free from material misstatement, whether due to fraud or error.

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 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.

PricewaterhouseCoopers SpA

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Auditor's responsibilities

Our responsibility is to express a limited assurance conclusion on the compliance of the SLB Progress Report 2021 with the SLFF, with the content of the Base Prospectus, and, for the identified KPIs, with the GRI Standards on the basis of the procedures we have performed. We conducted our engagement 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 with the International Standard on Assurance Engagements ISAE 3410 - Assurance Engagements on Greenhouse Gas Statements ("ISAE 3410") issued by the International Auditing and Assurance Standards Board for limited assurance engagements. Those standards require that we plan and perform procedures to obtain limited assurance about whether the SLB Progress Report 2021 is free from material misstatement; they also indicate that a "*GHG quantification is subject to inherent uncertainty*" because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases. The procedures performed in a limited assurance engagement are less in scope than those performed in a reasonable assurance engagement in accordance with ISAE 3000 Revised and ISAE 3410, and, therefore, do not provide us with a sufficient level of assurance that we have become aware of all significant facts and circumstances that might be identified in a reasonable assurance engagement.

The procedures we performed were based on our professional judgement and included inquiries, mainly of personnel of the Company responsible for the preparation of the SLB Progress Report 2021, inspection of documents, recalculations, agreeing and reconciling with underlying records and other procedures designed to obtain evidence considered useful.

In particular, we performed the following procedures supported by interviews and limited documentation checks:

- analysis of the principles and guidelines adopted to prepare the SLB Progress Report 2021;
- comprehension of the data collection process for both quantitative and qualitative information;
- through inquiries, we obtained an understanding of the characteristics of the actions planned to reduce GHG emissions, the Group's control environment and the information systems relevant to emissions quantification and reporting, but we did not evaluate the design of particular control activities, nor obtained evidence about their implementation or tested their operating effectiveness;
- as for the Scope 3 emissions, calculated by the Group using a third-party tool, comparison of the GHG data included in the SLB Progress Report 2021 with those obtained through the same tool, using corresponding input data;
- interviews with management/corporate representatives involved, gathering of information/documents aimed to understand and verify the collection and aggregation processes as well as the transmission of data related to GHG emissions and of the baseline defined in the SLFF and the Base Prospectus;



- with reference to quantitative information, we performed analytical procedures as well as limited tests, in order to assess, on a sample basis, data related to GHG emissions and the baseline defined in the SLFF and the Base Prospectus.

Conclusions

Based on the procedures we have performed, nothing has come to our attention that causes us to believe that the SLB Progress Report 2021 of the ASTM Group for the year ended 31 December 2021 is not prepared, in all material respects, in accordance with the SLFF, with the content of the “Base Prospectus”, and, for the identified KPIs, with the GRI Standards.

Restriction on distribution and use

Without modifying our conclusion, we draw attention to the explanatory notes to the SLB Progress Report 2021, which describes the basis of preparation. The SLB Progress Report 2021 has been prepared for the purpose illustrated in the opening paragraph of this report. As a result, the SLB Progress Report 2021 may not be suitable for another purpose. This report is intended solely for the purpose illustrated in the opening paragraph and, therefore, it cannot be used for other purposes or distributed or disclosed to third parties, in whole or in part, without our prior consent in writing.

Turin, 13 April 2022

PricewaterhouseCoopers SpA

A handwritten signature in blue ink, reading 'Piero De Lorenzi'.

Piero De Lorenzi
(Partner)



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