(Translation from the Italian original which remains the definitive version)

Astaldi Group 2020 consolidated non-financial statement

(Pursuant to Legislative Decree no. 254 of 30 December 2016)

2020

Contents

GRI 102-14

LETTER TO STAKEHOLDERS

Dear Stakeholders,

2020 was a difficult year for everyone. The entire planet was overwhelmed by a pandemic caused by the Covid-19 virus that faced us with the biggest health, economic and social crisis since the end of World War II.

In order to cope with the emergency promptly, we put a number of safeguards in place to provide an efficient response to the requirement of protecting the health of all the Group's employees; before any other measures, forming a special Committee chaired by the top management with the purpose of monitoring the trend of the spread of the virus in the Group's production units in Italy and abroad and open channels for coordination with the Italian embassies in the countries the Company operates in.

In compliance with the instructions of the civil and healthcare authorities, we have adopted all the necessary protocols regarding the safety and the protection of the health of the workers and suppliers in worksites and offices. As further protection of the Group's personnel, with effect from 1 March 2020 and for the whole of the year we have executed an insurance policy to cover Covid-19 risk for our employees and their households.

In this scenario, such a complex one, the Astaldi Group has proceeded with the important structural and organisational changes that it commenced in 2018 with a sense of responsibility and in a spirit of sacrifice.

Thanks to a strongly resilient approach, we continued on our path towards the integration of sustainability in our business and, in this document, we commit ourselves in full awareness and as a matter of strategy, as before, to provide non-financial information on the basis of the provisions of Legislative Decree 254 of 2016 and the GRI Standards Guidelines.

The principles of trust, clarity and transparency are at the basis of our Group's relationship with both its human resources and its stakeholders. This document reflects a mission that is simple to frame but certainly complex to carry out: that of leaving the new generations a world that is better and fairer and that respects the Planet's natural heritage. A mission that, in these years, has taken the form of strategic decisions and many operational decisions.

Sustainability, in fact, is an integral and decisive part of our work and we try to pursue it by respecting and contributing to the attainment of the 17 Sustainable Development Goals (SDGs) of the UNO 2030 Agenda: a commitment to continue working to create responsible and sustainable value by managing our business sensibly and respecting all our stakeholders.

We believe that the commitment and dedication to sustainable growth that we have given evidence of have always been acknowledged and accepted by the market and that this, over the years, has been a stimulus to improve our performance, aware as we are that sustainability is an important challenge inherent in the fundamental principles of our conduct as an enterprise; it is the coherent expression of a culture that is rooted in our people and expressed in our Code of Ethics. Just as we are aware of the present and future challenges that are increasingly fraught with non-financial factors and risks like the new forms of social inequality and the fight against climate change. The Group is reflecting on these as on other aspects, not merely to make a contribution, but to play a leading part in a sustainable transition fostered by the international institutions in the form of the Green Deal.

We have also had to learn how to work in this totally unprecedented situation, which has forced us all to try a leap into the future, applying new forms of interpersonal relations and new ways of living and working with satisfaction.

Sure that we are operating in a close-knit, motivated environment, we will continue to transform adverse events into new opportunities without ever giving up our principles and the support we give the entire global community thanks to what we do.

Happy reading!

GRI 102-46; GRI 102-49; GRI 102-54

METHODOLOGY FOR REPORTING NON-FINANCIAL INFORMATION

This *consolidated non-financial statement* (NFS), which refers to the year ended 31 December 2020, demonstrates the commitment to reporting the non-financial impacts of its business, in compliance with Legislative decree no. 254/2016. It summarises how the group has strategically integrated the management of economic, social, environmental and governance topics using a selection of significant indicators representing the most relevant and important topics to be progressively used as the basis for the group's sustainability planning, reporting and communication.

In 2020 the Astaldi Group successfully completed the composition with creditors procedure, joining the Webuild Group (Salini Impregilo) to give life to one of the first European giants in the construction of complex infrastructures. The Court order draws the line under a process almost two-years long but which, at least, enables the Group to remain in business and preserve work and its People.

One of the significant events affecting the start of 2020 was the COVID-19 epidemiological emergency, the effects of which - including from a business continuity standpoint - are described in the directors' report, to which reference should be made for more details.

The NFS has been prepared in accordance with the aforementioned decree and the GRI Standards published in 2016 by the Global Reporting Initiative, as updated. In recent years Astaldi has undergone major structural and organisational changes, which is the reason why it was decided to postpone reporting with respect to the 2018 updates of GRI 303 "Water and Effluents " and 403 "Occupational Health and Safety" until next year. The document also makes reference to the publication on "Linking the SDGs and the GRI Standards" prepared by the GRI, in order to reconcile the issues covered in this NFS with the Sustainable Development Goals[1].

"In accordance" option

The Consolidated Non-Financial Statement of Astaldi S.p.A. has been prepared in accordance with the "Global Reporting Initiative Sustainability Reporting Standards" ("GRI Standards") set out by the Global Reporting Initiative (hereinafter "GRI") in 2016, under the "Core" option. With regard to the specific GRI Standard 207 (Tax), the most recent 2019 version has been adopted. Cases of partial reporting or other justified omissions are disclosed in the GRI Content Index reported at the bottom of this non-financial statement.

Reporting period

Given the characteristics of Astaldi's business and in line with the principles of comparability, accuracy and reliability issued by the GRI and with international best practices, the group decided to focus on the 2018-2020 three-year period.

Stakeholders

The stakeholders were mapped with the direct involvement of management in order to determine the relationship linking each category of stakeholder depending on the level of importance, influence and interest towards the organisation. Materiality was updated after the end of the fiscal year in which new issues became material, which are reported in the paragraphs below.

Materiality

The materiality of economic, environmental and social aspects was assessed via the combined analysis of two parameters: "Materiality for the group" and "Materiality for the stakeholders". Materiality update between 2020 and 2021 has no substantial impact on the data collection sheets already used to request

1 The United Nation's 2030 Agenda for Sustainable Development, presented in New York in September 2015, sets out 17 Sustainable Development Goals (SDGs) that represent common sustainable development goals for shared responses to the complex challenges of today. They represent an important point of reference for the international community.

information; however, during 2021, they will be more streamlined and updated with the latest versions of the GRI and material topics that are not covered by specific indicators.

Publication and communication of the NFS

This document is published separately from the financial statements, albeit using the same approval process, in accordance with Legislative Decree no. 254/2016 and ruling regulations.

It can be viewed and downloaded from the group website: www.astaldi.com

Reporting scope

The scope of this statement includes the data of the parent, Astaldi S.p.A., and the companies included in the line-by-line consolidation scope, to the extent necessary to ensure an understanding of the group's operations, performance, results and the impact thereof.

In this regard, it should be noted that, following the successful completion of the Composition with Creditors Procedure, the consolidation perimeter of the Astaldi Group underwent some changes in 2020, including in implementation of the provisions of the Composition with Creditors Plan and Proposal (see the paragraph on the "Composition with creditors on a going concern basis as per Article 186–bis of the Bankruptcy Law"). In particular, it should be noted that the Astaldi Group's assets have been separated into:

i. assets related to construction, infrastructure construction, plant engineering, study, design, transport, maintenance, facility management and complex system management, intended to continue as a going concern (the "Core Assets Scope");

ii. assets relating to the management under concession of infrastructure and other assets, intended for liquidation and to be transferred to a separate unit pursuant to Articles 2447-*bis* et seq. of the Italian Civil Code (the "Astaldi Separate Unit").

Depending on the case, the information included in this statement refers to the Astaldi Group or Astaldi S.p.A. (including its headquarters, branches material in terms of their size or operations and material projects with direct contracts), subsidiaries and companies (e.g., consortia and joint ventures) that manage contracts with Astaldi S.p.A. as leading partner[2], within the "Core Assets Scope".

The statement explicitly indicates to which companies the data and information refer and whether there are particular limitations.

The reporting scope excludes consolidated companies in which Astaldi S.p.A. is not a leading partner and/or the fully-consolidated companies/production units whose contribution to non-financial reporting is immaterial, as well as all assets included in the "Astaldi Separate Unit".

Considering the nature and size of the Group's projects, information is grouped by project rather than by company in order to give a uniform view of value distributed at group level in the areas where the projects are performed. The following table shows the reporting scope. The contract column shows the projects carried out, while the company column lists the name of the group company/companies involved.

Group Company	Indirect investors	Operating company[3]	Sector	Country
Astaldi S.p.A.	-	-	Construction	ITALY WITH FOREIGN BRANCHES
Astaldi Concessions. S.p.A.	-	Subsidiary	Concessions	
NBI S.p.A.	-	Subsidiary	Industrial plants and maintenance	
GE. SAT S.c.a.r.l.	Astaldi Concessions S.p.A.	Subsidiary	Concessions	ITALY
A10 S.c.a.r.l.	NBI S.p.A.	Subsidiary	Industrial plants and maintenance	
Astaldi Canada Enterprises Inc.		Subsidiary	Transport infrastructure and civil building	CANADA

[2] Meaning material contracts where Astaldi S.p.A. has substantial operating leadership.

[3] This item includes subsidiaries, associates and Joint Operations.

Group Company	Indirect investors	Operating company[3]	Sector	Country
T.E.Q. Construction Enterprise Inc.	Astaldi Canada Enterprise inc.	Subsidiary	Transport infrastructure and civil building	CANADA
Astaldi Construction Corp.	-	Subsidiary	Transport infrastructure	USA
Astaldi Algerie Eurl	-	Subsidiary	Transport infrastructure and civil building	ALGERIA
Astaldi India Services LLP	-	Subsidiary	Construction	INDIA

Contract	Company involved in the project	Operating company[3]	Sector	Country
Line C of the Rome metro	Metro C S.c.p.a.	Associate	Transport infrastructure	ITALY
Capodichino Station – Line 6 of the Naples Metro	Capodichino AS.M S.c.r.l.	Subsidiary	Transport infrastructure	
Taranto port – Extension of the 5th Jetty	Astaldi S.p.A.	-	Reclamation	
Brennero base tunnel - Lot “Mules 2-3”	Brennero Tunnel Construction Società Consortile a Responsabilità Limitata - BTC SCARL	Associate	Transport infrastructure	
Quadrilatero Marche-Umbria road system - Maxi Lot 2	Consorzio Stabile Operae	Subsidiary	Transport infrastructure	
	Dirpa 2 S.c.ar.l.	Subsidiary	Transport infrastructure	
	Astaldi S.p.A.	-	Transport infrastructure	
Monte Sant’Angelo railway connector	Infraflegrea Progetto S.p.A.	Subsidiary	Transport infrastructure	
	Astaldi S.p.A.	-	Transport Infrastructure	
Nato base in Sigonella	Astaldi S.p.A.	-	Civil building	
Cumana railway line	Astaldi S.p.A.	-	Transport infrastructure	
Design and building of third mega lot of highway SS106	Sirjo S.c.p.a.	Subsidiary	Transport infrastructure	
Works carried out on the Nuovo Ospedale del Sud Est Barese Monopoli – Fasano (the new South East Bari Monopoli - Fasano hospital)	NOSEB S.C.R.L.	-	Civil building	
Line 5 of the Bucharest metro	Asocierea Astaldi - FCC - Delta ACM- AB Construct	Jo	Transport Infrastructure	ROMANIA
	Asocierea ASTALDI-FCC-UTI-ACTIV (Metro 5)	Jo	Transport infrastructure	
Brasov-Targu Mures-Cluj-Oradea motorway, Section 2A: Ogra-Campia Turzii Lot 2	Asocierea Astaldi Spa – Max Boegl Romania Srl – Astalrom Sa – Consitrans S.R.L. (Ogra-Campia Turzii)	Jo	Transport Infrastructure	
Curtici-Simeria railway line - Lot 2A and Lot 2B	Asocierea Astaldi – FCC – Salcef – Thales, Lot 2a	Jo	Transport Infrastructure	
	Asocierea Astaldi – FCC – Salcef – Thales, Lot 2b	Jo	Transport Infrastructure	
Suspension bridge over the Danube River in the Braila area	Asocierea Astaldi S.p.A. – IHI Infrastructure Systems Co., Ltd	Jo	Transport Infrastructure	
Civil works related to the “E04 Entreprenad Haga Projekt Västlänken” project	AGN Haga AB	Subsidiary	Transport Infrastructure	SWEDEN
Waste-to-energy plant in Gdansk	Gdansk JV	Jo	Hydroelectric and power plants	POLAND
S-2 expressway Warsaw Southern Bypass - Lot A	Astaldi S.p.A. – Polish branch	-	Transport Infrastructure	
S-7 expressway Naprawa-Skomielna Biała	Astaldi S.p.A. – Polish branch	-	Transport Infrastructure	
Saida-Tiaret railway line	Astaldi S.p.A. – Algerian branch	-	Transport Infrastructure	ALGERIA
Chuquicamata mining project CC13	Astaldi S.p.A. – Chilean branch	-	Industrial plants	CHILE
El Teniente (Obras de Ventilacion)	Astaldi S.p.A. – Chilean branch	-	Industrial plants	
Normalizacion Hospital Base de Linares	Astaldi S.p.A. – Chilean branch	-	Civil building	
Normalizacion Hospital Barros Luco Trudeau	Astaldi S.p.A. - Chilean branch	-	Civil building	
Central Hidroelectrica Brazo Ana Cua	Consorcio Aña Cuá	Jo	Hydroelectric and power plants	PARAGUAY

THE GROUP'S IDENTITY

WHO WE ARE

The Astaldi Group operates internationally in constructing large works with strong leadership in Italy and abroad, where it operates in four continents. It designs, constructs and operates avant-garde works in the transportation infrastructure, energy generation plants, civil and industrial construction, plant engineering and O&M business segments. It is one of the top contractors in Europe.

GOVERNANCE SYSTEM

Astaldi S.p.A. (**"Astaldi"**) – incorporated under Italian law, the company is listed on the Italian Stock Exchange. Its governance structure is based on a traditional administration and control model. The Company has shareholders, a board of directors and a board of statutory auditors, as well as independent auditors and a supervisory body as per Legislative Decree no. 231/2001.

Despite having asked the Italian Stock Exchange to voluntarily withdraw its shares from the STAR segment and to transfer them to the MTA segment, which subsequently took place on 5 October 2018, Astaldi adheres to the Code of conduct for listed companies – now the "Corporate Governance Code" - and has set up a Control and Risks Committee, an appointments and Remuneration Committee and a Related Parties Committee to comply with relevant recommendations. Astaldi's governance model adopted by Astaldi is in line with international standards and best practices. Furthermore, in compliance with the CONSOB (the Italian Commission for Listed Companies and the Stock Exchange) resolution no. 20621 of 10 October 2018, Astaldi notified the Italian Stock Exchange of it once again meeting the SME criteria in accordance with Article 1.1.w-quater.1) of the Consolidated Finance Act (CFA).

In January 2019, the Astaldi Group's general organisational chart was updated (see section Organisation, expertise and performance).

GRI 102-7; GRI 102-12; GRI 102-18; GRI 102-19; GRI 102-23; GRI 102-24; GRI 102-25

COMPANY BODIES

BOARD OF DIRECTORS[4]	**BOARD OF STATUTORY AUDITORS**[5]
Chairman Paolo Astaldi ***Chief Executive Officer*** Filippo Stinellis ***Directors*** Andrea Gemma Michele Valensise Maria Raffaella Leone Nicoletta Mincato Teresa Naddeo Daniela Montemerlo David Morganti	Giovanni Fiori (*Chairman*) *Standing auditors* Anna Rosa Adiutori Lelio Fornabaio *Alternate statutory auditors* Giulia De Martino Francesco Follina Gregorio Antonio Greco

[4] On 31 July 2020, the Ordinary Shareholders' Meeting appointed the new Board of Directors to hold office until the Shareholders' Meeting called to approve the financial statements at 31 December 2022. The Board resolution of 31 July 2020 also confirmed Paolo Astaldi, Executive Director, as Chairman of the Board of Directors, as well as appointed Alessandro De Rosa as Deputy Chairman (in office until 21 January 2021), and confirmed Filippo Stinellis, Executive Director, as Chief Executive Officer. Following the capital increase subscribed by Webuild S.p.A., director Flavia Insom no longer meets the independence requirements, as prescribed by current legislation, and has therefore automatically ceased to be a director. Daniela Montemerlo and David Morganti were co-opted by Board resolution of 10 February 2021, as Independent Directors in accordance with Article 147-*ter*, fourth paragraph, of the Consolidated Finance Act and Article 2 of the Corporate Governance Code.

[5] Board of Statutory Auditors appointed by the Shareholders' Meeting on 27 April 2018 for 2018/2020.

CONTROL AND RISKS COMMITTEE
Nicoletta Mincato (*Chairwoman*)
Teresa Naddeo
Daniela Montemerlo[6]

APPOINTMENTS AND REMUNERATION COMMITTEE
Teresa Naddeo (*Chairman*)
Nicoletta Mincato
David Morganti[7]

GENERAL MANAGEMENT
Paolo Citterio[8] , *Administration and Finance General Manager and Manager in charge of Financial Reporting*
Cesare Bernardini[9], *Chief Operating Officer*
Filippo Stinellis[10] , *General Manager - Turkey*

RELATED PARTIES COMMITTEE
Andrea Gemma (*Chairman*)
Maria Raffaella Leone
Daniela Montemerlo[11]

INDEPENDENT AUDITORS
PricewaterhouseCoopers S.p.A.

Engagement for the statutory audit of the financial statements of Astaldi S.p.A. and of the consolidated financial statements of the Astaldi Group for the financial years from 2020 to (and including) 2028, as well as for the Consolidated Non-financial Statement and for the Separate Unit (as defined below), entrusted by a resolution passed by the Shareholders' Meeting held on 31 July 2020.

ORGANISATIONAL STRUCTURE

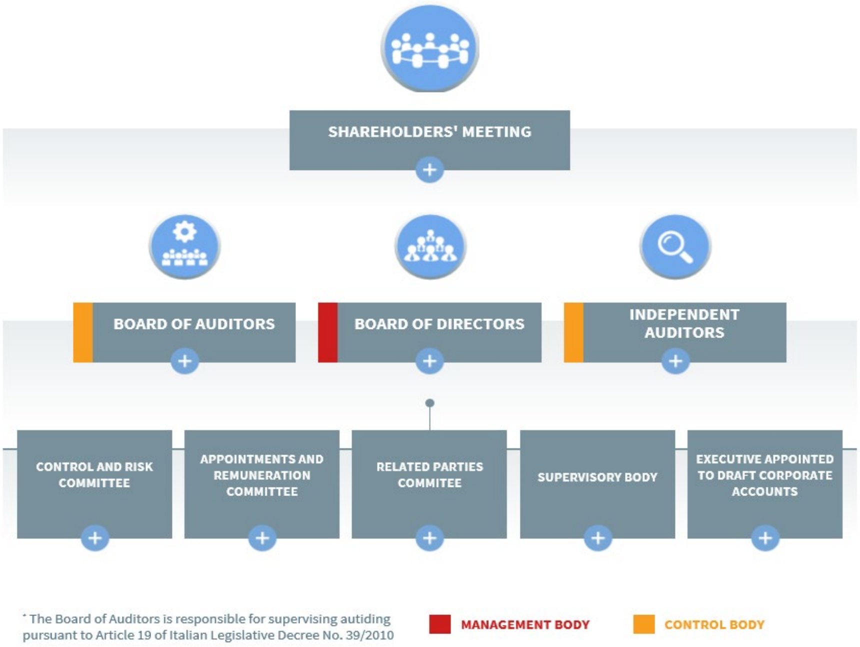

Figure 1: Astaldi Group organisational chart

Its correct application of primary and secondary legislation and the code of conduct means that Astaldi's governance is in line with best practices, including with regard to the prevention and management of conflicts of interest. With regard to the composition of the Board of Directors, the

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[6] She was appointed as a Member of the Control and Risks Committee, replacing Alessandro De Rosa, by Board resolution of 10 February 2021.

[7] He was appointed as a Member of the Appointments and Remuneration Committee, replacing Alessandro De Rosa, by Board resolution of 10 February 2021.

[8] He was confirmed in the role of Manager in Charge of Financial Reporting, as well as Administration and Finance General Manager, by Board resolution of 31 July 2020.

[9] On 10 February 2021, the Company terminated by mutual agreement the employment relationship with Francesco Maria Rotundi, General Manager (Italy, American Continent, Algeria, Morocco and Tunisia) and assigned his delegated powers to Cesare Bernardini, former General Manager (Europe, Asia and Africa and Brenner, Italy) on the same date. By Board resolution of 10 February 2021, Cesare Bernardini therefore took on the position of Chief Operating Officer.

[10] He was appointed as General Manager for Turkey by Board resolution of 27 July 2020.

[11] She was appointed as a Member of the Related Parties Committee, replacing Flavia Insom, by Board resolution of 10 February 2021 Director Teresa Naddeo held the position of Member of the Related Parties Committee, replacing Flavia Insom, from 26 November 2020 to 10 February 2021.

presence of highly experienced directors, many of whom are independent, ensures balanced discussions in the board's decision-making processes.

Furthermore, set up to provide advice and make recommendations to the Board, the Committees add specific expertise, perform ad-hoc investigations and, in certain cases, add weight to resolutions where there is a higher risk of potential conflicts of interest (remuneration of managers and related party transactions).

In this regard, the components of directors' fees not resolved at shareholders' meetings are defined via proposal by the Appointments and Remuneration Committee. In accordance with the code of conduct and primary and regulatory legislation, the Board of Directors approves a "Remuneration report" every year as proposed by the above Committee.

With regard to related party transactions, in accordance with CONSOB regulations, the parent has adopted a procedure for identifying, approving and carrying out transactions by Astaldi - directly or through its subsidiaries - with related parties. The parent has also set up an ad-hoc internal board committee (Related Parties Committee) comprised exclusively of independent directors which is called to express an opinion on such transactions before they are carried out. The parent also has procedural rules in place which ensure that any relations with third parties are identified in advance (e.g., when signing contracts, consultancies, etc.).

In order to formulate diversity policies for its boards of directors and statutory auditors, Astaldi launched an analytical process aimed at assessing the profiles and parameters to consider in compliance with the law. After analysing legislation and codes of conduct along with the clauses of Astaldi's bylaws, the parent deemed the organisational solutions in place to be in full compliance with legislative requirements and recommendations.

VISION, MISSION AND CORE PRINCIPLES

"Building for progress and development in the countries where we operate"

Contribute towards the development and well-being of the countries where it operates, through its own style in which the design, construction, and operation of large infrastructure works go hand in hand with integration into the territory and the technical and managerial training of the people involved. Astaldi translates concepts into concrete reality, satisfying its customers' needs while opening new paths to progress, by carrying out distinctive, cutting-edge works capable of blending function and aesthetics. Astaldi stands for Italian-made quality in Infrastructure. For years, it has exported technology, know-how, and innovative solutions for customers worldwide, with an approach to dialogue to forge real partnerships with its clientele. In other words, it helps affirm our country's excellence in the world, cultivating talent and giving value to ingenuity, in an ongoing process of creation in Italy and abroad.

- Transparency
- Safeguarding assets
- Sustainability
- Professionalism
- Correctness
- Protection of human resources

Figure 2: Astaldi's pillars

GRI 102-10; GRI 102-11; GRI 102-16; GRI 205-1; GRI 205-2; GRI 205-3

ETHICS AND COMPLIANCE

Corporate ethics is a key value for the Group. The code of ethics applies to all directly and indirectly controlled companies, and regulates the behaviour of company bodies, control and supervisory bodies, employees and consultants. The Group requires commercial and financial partners, its main suppliers, contractors and independent contractors to act in line with the general principles of the code of ethics. Astaldi undertakes to promote compliance with the rules of behaviour of the associations it is involved with in Italy and abroad. To date, Astaldi has not signed any externally developed national or international economic, social and environmental codes of conduct, principles, or other agreements.

Astaldi S.p.A. decided to adopt an Organisational, management and control model - the 231 Model - in order to prevent directors, control and supervisory bodies, employees, consultants, business partners, suppliers, independent contractors, service providers and consultants from acting illegally, as well as to ensure fairness and transparency in its business and operations, in order to also protect its position and reputation, the expectations of its shareholders and the work of its employees. It is aware of the importance of having an appropriate internal control and risk management system in place, which is suitable for the effective and efficient identification, measurement, management and monitoring of the main risks.

The following have been identified as the areas that are most sensitive to the risk of the commission of crimes against Public Authorities and the risk of corruption in particular (bribing public officials to exercise their functions improperly, bribing public officials to act contrary to their duties, bribery in legal proceedings, bribing a person charged with providing a public service, instigation to corruption and corruption and instigation to the corruption of members of bodies and of officers of the European Union and foreign states): managing: relationships with local sponsors; initiatives, prequalfications, bids, negotiations and contract signing (public bids or private negotiations); authorisations/licences and certifications; partnerships; procurement and subcontracts; services and consultancies; purchase/sale/transfer of company assets; human resources and company organisation; in-court and out-of-court legal disputes, appointing legal advisors; intragroup transactions; corporate and contract planning and budgeting; tax processes; corporate and contract finance and treasury; loans, sureties and guarantees, facilitated loans, grants, subsidies from public or private parties; recurring and non-recurring transactions; relationships with public officials during the public administration’s and supervisory body’s inspection and control activities; property management activities.

The main areas, on the other hand, that have been identified as being sensitive to the commission of the crime of corruption between private individuals are the management of pre-qualification procedures and offers, the management of presents, gifts and sponsorships, the management of human resources and procurement, the provision of services and professional consulting, the management of plant, machinery and equipment, the management of legal matters, administrative and tax processes, property assets and work contracts, etc..

Following on from the project on fraud risk launched in 2013, and the issuing of a related policy, the internal audit department also carries out checks, within the scope of the Audit and Supervisory Plan approved on an annual basis, with the aim of verifying the controls put in place to prevent fraud and corruption risk associated with the Group’s transactions.

All managers, employees and external consultants (suppliers and independent contractors) are informed that the Company has adopted a Code of Ethics and an Organisational, Management and Control Model under Legislative Decree no. 231 of 2001, which also make reference to monitoring anti-corruption policies, as implemented in the procedures of the business management system that regulate their activities.

Furthermore, the Group's personnel also receive periodic training on these issues in the context of sessions that are provided annually by the Supervisory Body of Astaldi S.p.A..

The 231 Model, moreover, was prepared and is periodically revised with the aim of guarding against the risk of illicit conduct that does not only fall within the sphere of corruption and crimes against Public Authorities, but of all types of illicit conduct that fall peremptorily within the scope of Legislative Decree no. 231 of 2001. The Model, therefore, is an important instrument for the encouragement and awareness of the worth of ethical and upright conduct. In 2020, the Supervisory Body gave training sessions in the matter by virtual means to head office and Italian worksite personnel and in the main foreign areas chosen for these sessions in the Supervisory Plan approved for 2020. There were 274 hours of training in all, of which 147 were at Corporate level; the remaining hours of training were given on Italian and foreign worksites.

The Model is updated to reflect the main developments in the relevant regulations and to take into account organisational changes and the results of testing of the model's suitability and effectiveness.

In 2020, the project related to the audit of the Parent's 231 Model was completed, which entailed an updating of the Model (general and special parts) for tax crimes entered into the catalogue and which was approved by the Board of Directors on 15 December 2020.

As part of the audit activities carried out on a six-monthly basis, action plans aimed at resolving issues to improve the working and effectiveness of the 231 Model, which the Supervisory Body refers to the Board of Directors, are implemented.

No cases of corruption were found during the reporting period.

Audit activities carried out for the purposes of the 231 Model allowed for the comprehensive valuation of compliance of behaviour with the general principles of the Group's code of ethics and the monitoring protocols provided by Astaldi's 231 Model, and the identification of certain areas of improvement which will be subject to careful follow-up activities.

GRI 102-22; GRI-102-26; GRI 102-27

ORGANISATION, EXPERTISE AND PERFORMANCE

Astaldi has adopted a matrix organisational model that ensures functionality and integration between the headquarters, countries and projects, based on criteria formulated to efficiently and synergically develop central and peripheral organisational structures.

Astaldi's organisational structure is summarised as follows:

- **Chairman of the Board of Directors**, who has powers to represent the parent and define company strategies to submit to the Board of Directors, mainly the annual budget and business plan;
- **Deputy Chairman**, who, together with the chairman and the chief executive officer, identifies company development strategies to submit to the Board of Directors;
- **Chief Executive Officer**, who, supported by their staff departments, implements the sustainable development policies and strategies for the Group's operations by defining policies for acquiring, managing and using resources and coordinating the organisational structure;
- **Administration and Finance General Manager**, who is charged with supervising all of the parent's administrative, tax, financial, etc. activities, in addition to providing assistance and services to the managers in charge of domestic and international activities;
- **Three Domestic General Manager and International General Managers**, who are charged with acquiring and managing contracts (each for their relevant geographical segment), depending on the goals set in the annual budget and business plan;

- The **General Managers** are supported by the **Deputy General Managers**, who supervise and control their respective geographical segments, in both the acquisition and operating stages;
- **Country Managers**, in charge of acquisition and operating management in their respective countries;
- **Project Managers**, who supervise contracts and reaching the set cost, quality and time objectives.

In 2018, the Group underwent the first streamlining phase, which was finalised with changes that occurred between 2019 and 2020 following the analysis and measurement of efficiency and optimisation of the processes, with the aim of making the structures more dynamic and efficient, focusing more on the areas of business.

The main changes can be summarised as follows:

- streamlining general manager positions from six to four, of which three business managers for geographic segments and one manager for administration and finance;
- shutting down of the foreign central management departments;
- redistribution of certain responsibilities between corporate head office departments, providing for the setting up of Industrial Services Management and Project Management departments relating to project management, procurement and engineering services and the merging of quality, the environment and safety project functions into the "QHSE Management" department which is responsible for ensuring compliance with management regulations concerning quality, safety and the environment;
- the organisation department was merged into the Human Resources department;
- the Sustainability department was merged into the Risk Management department.

GRI 102-11; GRI 102-15

RISK MANAGEMENT

Given the nature of its business, the Astaldi Group has a Risk Management system integrated with decision-making and planning processes, based on a dual approach aimed at enterprise risk management (ERM) and project risk management (PRM) alike.

The aim is to ensure timely, efficient and effective responses to any uncertain event that could have a positive or negative impact on attaining the Group's objectives, while ensuring, for this purpose, an adequate process for identifying, assessing, managing and monitoring the Group's main risks.

The ERM and PRM approaches are closely connected and complementary. The operational risk analysis is an integral part of ERP as quick and correct management allows for any potentially adverse effects on company strategy to be minimised. With reference to project risks, again in 2020, head office's Risk Management & Sustainability service regularly liaised with areas and individual work sites.

Particular attention was also given to emphasising the importance of two essential themes: spreading the risk culture in the Group and the growth of risks associated with ESG issues.

In order to spread the "risk culture" in the Group, the Risk Management & Sustainability service unit arranged and ran monthly workshops for both Corporate personnel and personnel from outer areas, divided into homogeneous working groups having the following objectives:

- ✓ **Strategic objective**: assert “risk culture” in the heart of the organisation, namely the collective and individual capacity to identify, understand and discuss risks and take decisions on present and future risks;
- ✓ **General objectives**:
    a) accountability at all levels of the organisation with respect to risk governance through the development of management and employee awareness of risk exposure and opportunities to be seized;
    b) making the organisation “resilient”, i.e. able to develop the ability to identify and adapt to changes in the business environment;
- ✓ **Specific objective**: train personnel by increasing their skills and making them feel like an active part of risk analysis and management.

As regards trends of risks associated with ESG themes, let us remember that Sustainability has always played a prominent role in Astaldi’s Risk Management. A Group Risk Appetite Statement[12] was already approved by the Board of Directors in 2016 and placed Sustainability among the five main risk categories, assigning it a zero level appetite precisely to show its special attention to environmental, social and governance issues and ensure the Group’s capacity to create value for itself and all its stakeholders over time.

The Group’s steadily increasing inclination towards structured ESG risk management, moreover, is in step with the suggestions made by the Italian Stock Exchange, which revised its Self-regulation Code, now a Corporate Governance Code, published at the end of 2019. The Code particularly stresses the inclusion of sustainability, including environmental and social sustainability, in listed companies’ strategies, risk management and pay policies. On the other hand, Legislative decree no. 254/2016, which regulates the management of non-financial information and data, establishes the liability (and the related sanctions) of the Board of Directors and the Board of Statutory Auditors for the correct presentation of such information, risks and related policies. The EC guidelines on non-financial reporting refer to an adequate internal control system to manage ESG risks and non-financial information in order to ensure that the data and information reported are correct and accurate.

The overall objective is to move towards a Sustainable Enterprise Risk Management (SERM) process that, compared to the traditional ERM process, also includes the analysis of non-financial risks with an integrated approach that aims to understand and manage these risks, also identifying business opportunities and improving corporate resilience for the creation of sustainable corporate value over time for the benefit of all stakeholders.

However, the risk categories are still valid, which have been identified by the Astaldi Group and explicitly addressed in the Risk Appetite Statement approved by the Board of Directors in March 2018, as the main opportunity/critical sources that are peculiar to the business environment in which the enterprise operates, as described below:

[12] Risk appetite is the maximum level of risk that a company is willing to assume in carrying out its business in relation to main sources of critical issues (or “over the top” risks) in order to meet its strategic objectives, identified by company management as typical and recurring.

MACRO-CATEGORY OF RISKS	
MATTERS IDENTIFIED	**MAIN RELATED RISKS**
Sustainability	Reputation risks due to non-achievement of CSR objectives.
Financial structure	Financial risks: related to lending agreements with the Group's banks (financial covenants) and the related possibility that the Group may not be able to meet its financial commitments assumed with the related implications for its ability to continue as a going concern.
Human resources	Risks related to lack of monitoring of key figures with suitable professional profiles in terms of specialist technical skills.
Partnership	Risks connected to cultural and organisational integration of partners, as well as their potential ability to meet their contractual commitments.
Reference scenario	Country risk arising from economic, political and social risks (not controlled by Astaldi).

INTEGRATED BUSINESS MODEL

Astaldi's business model strives to create sustainable and shared value over time for the Group and its reference community. The Group presents an integrated offer, which puts to good use its internationally-renowned skills and which is based on two main drivers.

STRENGTHENING THE GROUP'S SKILLS WITH EPC CONTRACTS
VALUE CREATION THROUGH DIVERSIFICATION

This approach seeks to promote a project development model which sees Astaldi mainly participate as EPC Contractor with an offer capacity based on several product lines - Transport Infrastructure, Hydroelectric and power plants, Civil and Industrial Building, Plant Engineering – to which must be added investments in concession initiatives and Operation & Maintenance (O&M) work for the management of the infrastructure and the works realised.

Balanced geographical diversification of activities is an additional growth driver. Together with the already consolidated sector-level diversification, this aims to place the Group in areas and sectors characterised by development cycles that are different and balanced in terms of effort on a combined basis, with consequent benefits in terms of the overall risk profile of the activities.

The Group therefore intends to make the most of its current geographical presence and its expertise in order to focus on areas and sectors with high growth potential.

SUSTAINABILITY GOVERNANCE

THE SUSTAINABILITY COMMITTEE

The Sustainability Committee has been set up with the role of governing the review process of the business management system at corporate level. This work is performed as part of the planning of controls and supervision of sustainability performance.

Comprised of the Chief Executive Officer, General Managers, the Head of QHSE management, the Head of Strategic Planning and Management Control and the Head of Risk Management and Sustainability, the Committee was reorganised early in 2019 to streamline the decision-making process. It provides guidance about sustainability and is in charge of analysing and monitoring the Group's non-financial performance, assessing the adequacy of its integrated strategy and monitoring goals and targets in line with the directions provided by the Board of Directors.

GRI 102-40; GRI 102-42; GRI 102-43

ASTALDI'S STAKEHOLDERS

The geographical expansion of the market and the allocation of the Group's operations to various business lines have led the Group to liaise with numerous categories of stakeholders with varied needs and expectations.

As set out under the Sustainability Policy, the Group considers dialogue and transparency as key elements for the ongoing integration of its stakeholders' point of view which reiterates the Group's commitment to creating extended value.

The aim of mapping Group stakeholders[13] is to boost awareness of the Group's network while monitoring its reputation. Based on the study of some information in the media on the Group, its main competitors and the construction industry in general, the mapping was made by involving the Group's management, both at Corporate and operational areas level (Italy and Abroad), in order to understand Astaldi's relationships with the various categories of stakeholders.

Identifying the stakeholders and thus understanding their perspective is a key component of Astaldi's sustainability strategy.

The stakeholders have been classified by level of materiality, interest and influence.

The picture below provides the mapping of key stakeholders whose perspective was taken into consideration for the development of the materiality analysis described in the subsequent paragraph.

[13] Stakeholders are identified at corporate and local level according to a single mapping criterion. Right from the planning or start-up phase, each project team identifies the stakeholders with which to engage, defining the type and frequency of engagement based on requirements.

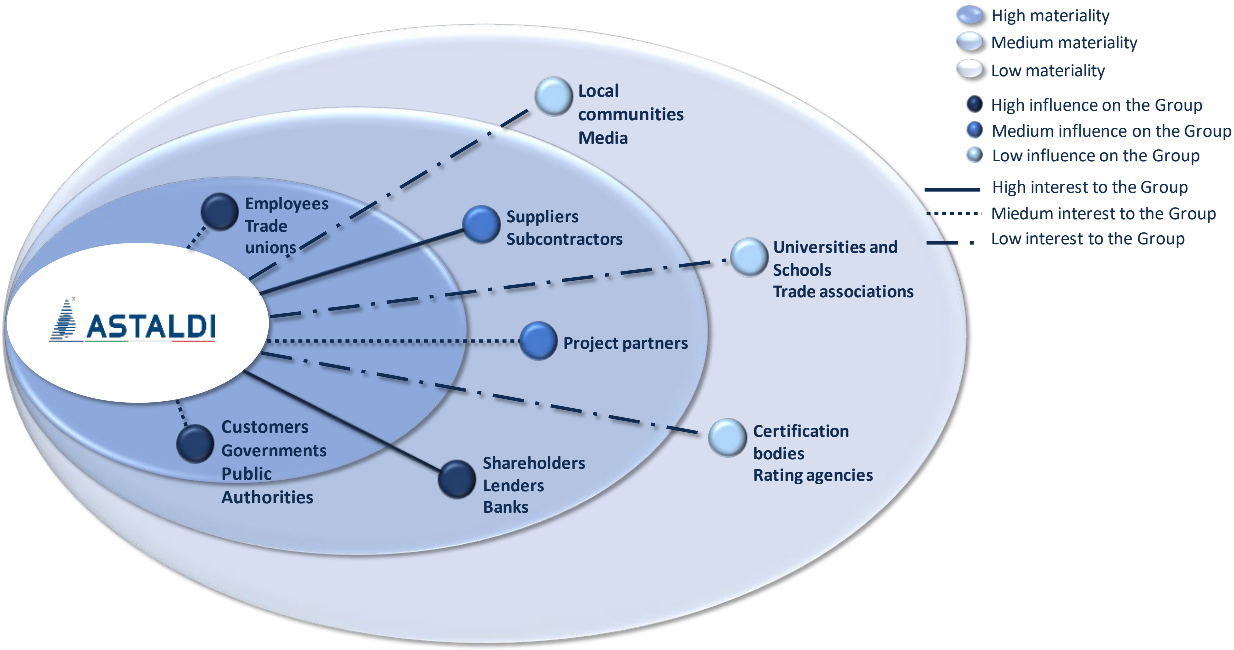

Figure 3: Stakeholders

How stakeholders are identified is periodically reviewed also by means of consultation with the operating units in the Group's various areas of interest, which provide information on the main stakeholders involved and the main ways in which they are brought into the picture.

The Group builds its relationships with stakeholders around the general principles of its Code of Ethics: fairness, transparency, safeguarding assets, professionalism, protection of human resources and sustainability.

Meeting the needs and requests of the various stakeholder groups in order to make them compatible with the development of its business is the foundation of engagement activities undertaken by the Group.

Based on its stakeholders' expectations, the Group undertook various engagement activities in 2020, especially at project level, despite the pandemic.

Figure 4: Stakeholders and engagement actions implemented at local level

MAIN ACTIONS UNDERTAKEN	
• implementation of measures aimed at eliminating or reducing environmental impacts and ongoing communication with stakeholders about the measures carried out; • actions to resolve disputes and assisted negotiation procedures; • coordination and communication between the Group and stakeholders to increase the latter's level of involvement; • road safety meetings - guidelines, "travel safely" campaign; • partnerships with instructors from training centres; • implementing grievance mechanisms; • consulting for local service providers and agricultural companies; • vaccination campaign; • periodic meetings, also on safety; • control and supervision of operations;	• training and awareness campaigns provided through training centres about sexual education, sexually transmitted diseases and infections and teenage pregnancy; • creation of jobs and providing services to the communities; • creation of committees with suppliers and subcontractors to promote the spread of social policies; • development, in collaboration with technical institutes, of a professional training course for unqualified workers; • road maintenance; • implementation of social centres; • active participation in local community life; • raising awareness of disease prevention.

GRI 102-44; GRI 102-47

MATERIALITY ANALYSIS

Identifying material topics is the outcome of a process to identify, assess and classify in order of priority sustainability aspects that are significant for stakeholders and that significantly impact the parent's ability to create value in the short, medium and long term. In other words, material topics for stakeholders are those issues that help stakeholders decide whether to invest in the parent, creating value for the latter. Astaldi's materiality analysis is broken down into two stages:

- identifying key topics for Astaldi to be included in its materiality analysis out of those identified by the Global Reporting Initiative.
- assessing the topics: with the help of management on the basis of two parameters: "materiality for stakeholders" and "materiality for the Group".

For the purposes of understanding the Group's sustainability strategy, a topic that is "material for the Group" is defined in terms of its impact on strategy, reputation and financial performance, while a topic "material for stakeholders" chiefly relates to the perception - made as objective as possible by combining internal and external data and information - that the parent has of its role within the world where it operates over a period of time that more or less matches its strategic planning.

The Group updated, between 2020 and 2021, the materiality matrix, with the aim of improving the analysis and completeness of communication about issues that are material for stakeholders as part of the Group's non-financial performance.

As shown below, materiality in 2020 presents some differences from 2019:

- New material topics (marked with a blue border): ethics and compliance, transparency in governance, waste management, the handling of the Covid-19 emergency and dust, noise and vibrations.
- Topics no longer material (marked with a red border): creation and distribution of value, water consumption, energy consumption, training.

Moreover, the Group has started on a gradual process of mapping and integrating non-financial risks associated with environmental, social and governance (ESG) factors that have been shown to be material.

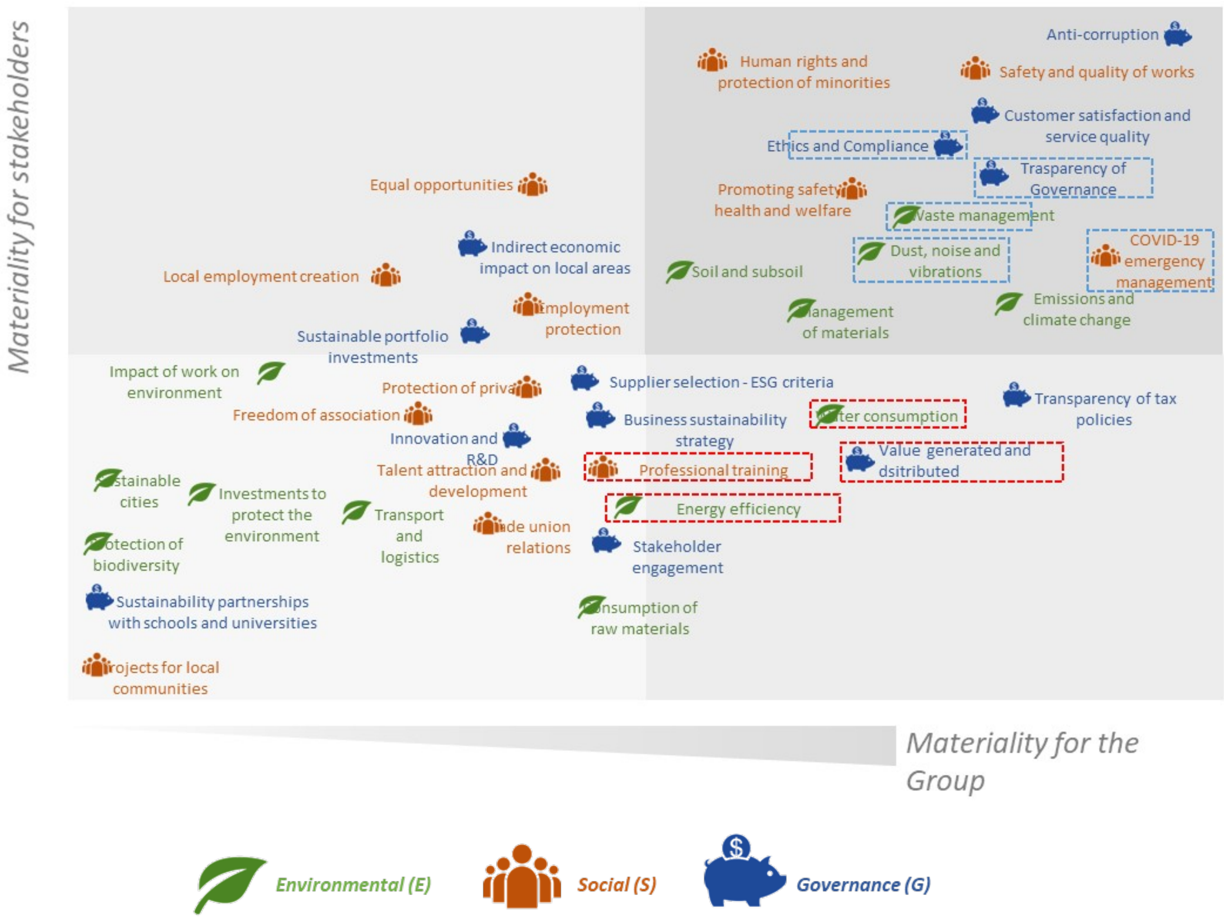

Figure 5: Material topics for Astaldi

A bridging table is provided below linking the material aspects identified by the Group through its materiality analysis to the aspects set out in the GRI Sustainability Reporting Standards to show the standard used in each case and the objectives of the 2030 Agenda, which the Group is committed to achieving over time. Furthermore, the categories of stakeholders which may be impacted by each topic are also included.

SCOPE	MATERIAL TOPICS IDENTIFIED BY ASTALDI	MAIN RELATED RISKS	GRI STANDARDS MATERIAL ASPECTS	EXTERNAL IMPACT FOR ASTALDI	SDGs[14]
Environmental (E)	**Management of materials**	▪ Non-compliance with the provisions of environmental laws and regulations ▪ Adjustments to regulations with risk of sanctions	Materials	Suppliers Subcontractors Customers Local communities.	8; 12
	★ **Dust, noise and vibrations**	▪ Non-compliance with the limits allowed by the regulations of the countries in which the organisation operates ▪ Occupational health and safety	Materials Compliance		12;16
	★ **Waste management**	▪ Soil and water pollution	Waste		12;15
	Emissions and climate change	▪ Sanctions and penalties ▪ Non-compliance with Kyoto protocol ▪ Atmospheric pollution	Emissions		12; 13
	Soil and subsoil	▪ Soil pollution	Significant spills (included under "Effluents and waste")		6;12; 15
Social (S)	**Promoting safety, health and welfare**	▪ Increased turnover and loss of capable and key personnel	Employment	Employees, customers, Subcontractors and suppliers	3;5; 8;10
	★ **Covid-19 emergency management**	▪ Increased infections ▪ Reputation ▪ Increased management costs	Occupational health and safety		3
	Human rights and protection of minorities	▪ Reputation ▪ Decreased value creation for the area	Indigenous rights		2;8
	Safety and quality of works	▪ Reputation ▪ Decreased value creation for the area	Health and safety of the user of the work Product and service labelling		12;16
Governance (G)	★ **Transparency of Governance**	▪ Unethical and/or illegal governance behaviour ▪ Corporate crimes ▪ Non-compliance or breach of reference legislation or applicable regulations	Governance	External consultants, Partners, consultants	16
	★ **Ethics and compliance**	▪ Non-compliance or breach of reference legislation or applicable regulations ▪ Reputation	Ethics and integrity		16
	Customer satisfaction and service quality	▪ Reputation ▪ Possible late and/or inadequate response to customer feedbacks and expected satisfaction levels	Consumer health and safety		9;16
	Anti-corruption	• Crimes related to corruption • Reputation	Anti-corruption		16

Table 1: Bridging table linking the materiality matrix to GRI Standard material aspects[15]

[14] The United Nation's 2030 Agenda for Sustainable Development, presented in New York in September 2015, sets out 17 Sustainable Development Goals (SDGs) that represent common sustainable development goals for shared responses to the complex challenges of today. They represent an important point of reference for the international community.

[15] The new material topics are marked with an icon (★) in the table.

ASTALDI AND SUSTAINABLE DEVELOPMENT

Astaldi has always been committed to carrying out projects and providing services capable of fully meeting the needs of customers and the expectations of other stakeholders, to increase the value of the Group in terms of sustainable development, which in turn guarantees the health and safety of its employees and the community and respect for and safeguarding of the environment in which it operates.

In line with the Group's values, its social and environmental sustainability objectives refer to the following commitments:

- contributing to achieving the SDGs by defining sustainable strategies, drawing on the ongoing improvement required to maintain certifications and the increasing diversification to low risk countries;
- continuously improving the Group's performance and value;
- helping to improve well-being and shared value, recognising the need to integrate the Group's interests with those of the local areas and societies in which it works;
- guaranteeing legislative compliance and respect for health, safety and environment agreements.
- satisfying the needs of customers;
- considering the point of view of stakeholders in making improvements;
- preventing and mitigating pollution;
- preventing injuries and occupational diseases and mitigating health and safety risks.

In order to develop its commitments, the Group has implemented and maintains a management system which integrates and applies the management standards ISO 9001, ISO 14001, ISO 45001 and the ISO 26000 guidance.

The Group has made its sustainability policy available internally and externally and it represents the reference framework used in defining the performance objectives. It is regularly assessed to ensure it is suitable.

ECONOMIC ASPECTS

GRI 102-7; GRI 102-10

THE GROUP'S FINANCIAL HIGHLIGHTS

With regard to its financial policies and performance, reference should be made to the information provided in the group's directors' report.

Furthermore, information regarding Astaldi S.p.A.'s legal status is provided below:

COMPOSITION WITH CREDITORS ON A GOING CONCERN BASIS AS PER ARTICLE 186–BIS OF THE BANKRUPTCY LAW

On 28 September 2018 Astaldi S.p.A. ("**Astaldi**" or the "**Company**") filed an application for composition with creditors on a going concern basis as per Articles 161 et seq. of the Bankruptcy Law (procedure no. 63/2018, the "**Astaldi Composition with Creditors**" or the "**Procedure**") with the Court of Rome, Bankruptcy Section (the "**Court of Rome**"). The final version of the composition with creditors plan was filed on 19 June 2019 (the "**Plan**"), together with the composition with creditors proposal and the additional documentation required (subsequently supplemented on 16 July 2019, 20 July 2019 and 2 August 2020 – the "**Composition with Creditors Proposal**"). In order to support the Plan, among other things, Astaldi accepted the offer of financial and industrial support formulated by Webuild S.p.A. ("**Webuild**", then Salini Impregilo S.p.A.) on 13 February 2019, then supplemented and confirmed on 15 July 2019 (the "**Webuild Offer**"). From 5 November 2020 Webuild holds a stake in Astaldi, which at the date of preparation of this report stands at 66.10% of the total capital, acquired as part of the Astaldi Composition with Creditors. For further information on the reasons for the financial difficulties and the various steps of the Astaldi Composition with Creditors, as well as for the description of the Composition with Creditors Plan and Proposal (approved by the Court of Rome on 17 July 2020), please refer to what is presented in the Annual Report as at 31 December 2019 available on the website www.astaldi.com in the section Investor Relations – Financial Reports.

Here, please note that the Plan envisaged:

a) the separation between:
   i. Astaldi's assets related to construction, infrastructure construction, plant engineering, study, design, transport, maintenance, facility management and complex system management, intended to continue as a going concern (the "**Core Assets Scope**");
   ii. Astaldi's assets relating to the management under concession of infrastructure and other assets, intended for liquidation and to be transferred to a separate unit pursuant to Articles 2447-bis et seq. of the Italian Civil Code (the "**Astaldi Separate Unit**");

b) the satisfaction of the creditors involved in the composition:
   i. with regard to pre-preferential creditors and preferential creditors, in cash, also through the resources deriving from Webuild's financial support through a capital increase in Astaldi for €225,000,000.00 (the "Webuild Increase", as detailed below);
   ii. with regard to the "**Unsecured Creditors**" (understood as the unsecured creditors of Astaldi at 28 September 2018, the date specified in the Astaldi Composition with Creditors), by assigning them: (a) newly issued Astaldi ordinary shares to be assigned to them as settlement of their claims in the ratio of 12.493 new shares for every €100 of unsecured claim against Astaldi, and (b) participating financial

instruments issued by Astaldi pursuant to Article 2447-ter, paragraph 1, letter e) of the Italian Civil Code, which give them the exclusive right to receive the net proceeds from the sale of the assets in the Separate Unit (Participating Financial Instruments, the "**PFIs**"), in the ratio of 1 PFI for each €1.00 of unsecured claim. In fact, the Astaldi Composition with Creditors provides both for the participation of the Unsecured Creditors in the core assets (through the assignment of ordinary Company shares) and their exclusive right to benefit from the proceeds of the disposal of assets destined for liquidation (through the assignment of the PFIs). The Unsecured Creditors are to be understood in their capacity as both "**Confirmed Creditors**" (understood as the Unsecured Creditors by title or cause prior to the publication of Astaldi's pre-composition appeal on 1 October 2018, as resulting from the list of debts filed together with the Composition with Creditors Proposal and the additions made by the Court-Appointed Receivers upon completion of the assessments assigned to them pursuant to Article 171 of the Bankruptcy Law) and "**Additional Creditors**", understood as "**Potential Creditors**" (Unsecured Creditors whose claims, after completion of the assessments assigned to the Court-Appointed Receivers pursuant to Article 171 of the Bankruptcy Law, were not wholly or partially included in the debts listed in the composition liabilities, but instead were fully included in the provisions for risks listed in the composition liabilities, as adjusted by the Court-Appointed Receivers) or "**Unforeseen Creditors**" (understood as (i) the Unsecured Creditors whose claims, after completion of the assessments assigned to the Court-Appointed Receivers pursuant to Article 171 of the Bankruptcy Law, were not even partially included in the debts and provisions for risks listed in the composition liabilities, and (ii) Potential Creditors for the portion not satisfied by the Capital Increase by Conversion, as defined below);

c) Astaldi's issuance of warrants intended for Webuild and aimed at ensuring that Webuild maintains a certain stake in Astaldi depending on the results of the subscription of Astaldi shares reserved for Unsecured Creditors (the "**Anti-Dilutive Warrants**").

In the same period as the transactions envisaged by the Composition with Creditors Proposal, Astaldi also issued warrants intended for banks that have made new resources available during the Procedure (the "Lenders", as detailed below), aimed at ensuring them the possibility of subscribing to a stake in the Company's share capital (the "**Lender Warrants**"). For the sake of completeness, the key steps of the Procedure recorded from 1 January 2020 are shown below.

COMPOSITION WITH CREDITORS ON A GOING CONCERN BASIS

In February 2020 the Court-Appointed Receivers submitted the report prepared pursuant to Article 172 of the Bankruptcy Law to the Court of Rome. At the conclusion of their observations and findings, the Court-Appointed Receivers expressed their positive opinion on the legal and economic feasibility of the Composition with Creditors Plan and Proposal, finding that the Proposal was "*certainly more advantageous for the unsecured creditors*" than the alternative scenario of extraordinary administration.

Subsequently, on 25 February 2020, the General Meeting of the bondholders of the bond "€140,000,000 4.875 per cent. Equity-Linked Notes due 2024" was held on its first call and approved said Composition with Creditors Proposal with 80.05% of the votes present. Then, on 17

March 2020, the General Meeting of the bondholders of the bond "€750,000,000 7.125% Senior Notes due 2020" met on second call with 73.2% of those present voting against, rejecting the Composition with Creditors Proposal. The two votes represent a necessary step in the Procedure and, pursuant to Italian law, the result of voting by both Meetings was then announced by the Joint Representative of the Bondholders at the creditors' meeting, as defined below.

On 9 April 2020, the meeting of Astaldi's creditors was held electronically (the "**Meeting**"), and, at the end of the voting, with order of 4 May 2020, the Court of Rome noted that 69.4% of the credits admitted to vote voted in favour of the Composition with Creditors Proposal. With order no. 2900/2020 filed and published on 17 July 2020 (General Court Docket no. 26945/2020 – the "**Approval Order**"), the Court of Rome approved the Astaldi Composition with Creditors. Since the only opposition filed by creditors was withdrawn, the Approval Order became final and effective from 17 July 2020. The shareholders' resolution on the capital increase reserved for Webuild was then passed on 31 July 2020.

Moreover, with a Board resolution of 24 May 2020, implementing the Composition with Creditors Plan and Proposal (on that date already approved by the creditors), the Company's Board of Directors established the Astaldi Separate Unit. The Board of Directors also resolved:

(i) to assign management and sale of the Astaldi Separate Unit, in the interest of the Unsecured Creditors, to Mr Claudio Sforza, an individual fulfilling the professional and integrity requirements prescribed for members of the board of statutory auditors (the "**Astaldi Separate Unit Proxy**"), granting him a specific, irrevocable mandate (the "**Mandate**"), to be finalised before the date of publication of the Court of Rome order approving the Composition with Creditors Proposal (the "**Approval**", which took place on 17 July 2020) and with effect from the same date. The Mandate concerns performance, in the name and on behalf of Astaldi, but in the interest of the Unsecured Creditors holding the PFIs, of all acts, legal transactions, contracts and activities of any sort and kind, as deemed necessary, useful and/or appropriate to execute the specific deal to which the Astaldi Separate Unit is dedicated and to manage and sell all the assets, rights and legal relationships of the Astaldi Separate Unit in execution of the Plan;
(ii) to approve the financial plan of the Astaldi Separate Unit (the "**Astaldi Separate Unit Plan**"), which covers a period from 2020 to 2023, a period within which it is expected that the sale of the assets transferred to the Astaldi Separate Unit will be completed, in implementation of the Composition with Creditors Proposal and within the terms defined therein;
(iii) to establish the rules for reporting on the Astaldi Separate Unit, notwithstanding the fact that such Astaldi Separate Unit is subject to audit by the same independent auditors of the Company;
(iv) to issue, in one or more issues, PFIs with no par value, pursuant to Article 2447-bis, sub-paragraph e), of the Italian Civil Code, to be assigned to the Unsecured Creditors in exchange for contribution to the Astaldi Separate Unit of the unsecured claims owned (the "**Unsecured Claims**") pursuant to Article 2447-bis, sub-paragraph d) of the Italian Civil Code;

(v) to approve the Regulation for the PFIs (the "**PFI Regulation**"), for which reference is made to the information provided by the Company on the website www.astaldi.com, in the Liquidation Perimeter section;

(vi) to grant each Unsecured Creditor one PFI for each €1.00 of Unsecured Claim contributed, while not recognising cash adjustments or the issuance of fractional PFIs and, therefore, cancelling the remainders. The PFIs are equity-based instruments and the contribution made by each Unsecured Creditor for release of the PFIs is a forgivable loan and does not grant any right to return and/or reimbursement of the contribution, but exclusively the financial and administrative rights pertaining to those PFIs;

(vii) that the first issue of PFIs be executed after the Approval, in a number corresponding to the amount of the unsecured claim indicated in the liabilities of the Plan, as adjusted in the Report by the Court-Appointed Receivers prepared pursuant to Article 172 of the Bankruptcy Law. Any additional issues of PFIs will be made after a specific resolution by the Board of Directors, on a half-yearly basis after any recognition, in court or out of court, of unsecured claims not included in the liabilities of the Composition with Creditors Plan or the possible materialisation of liabilities that were taken into account during recognition of the provisions for risks within the Plan. The first issue took place in November 2020, as detailed below.

For further information on the assets, rights and legal relationships (related assets and liabilities) of the Company and of Astaldi Concessioni S.p.A. ("**Astaldi Concessioni**") merged and segregated into the Separate Unit, please refer to the Astaldi Separate Unit Financial Report attached to Astaldi S.p.A.'s Separate Financial Statements as at 31 December 2020.

Here it is considered appropriate to point out that, in view of establishing the Astaldi Separate Unit, in implementation of the Composition with Creditors Plan and Proposal, Astaldi Concessioni first underwent a proportionate partial demerger, executed with a deed dated 28 May 2020 (becoming effective 12 June 2020), designed to isolate the liquidation perimeter (that will remain within the demerged Astaldi Concessioni) from the assets of the Core Assets Scope (which has flowed into a newly incorporated company named Astaldi Concessions S.p.A. ("**Astaldi Concessions**")). The assets included in Astaldi Concessions essentially refer to O&M contracts, other minor concessions for which construction work is expected to be completed and other related assets and liabilities, including those vis-à-vis third parties.

On 31 July 2020, in order to comply with the obligations assumed with the Astaldi Composition with Creditors, the Extraordinary Shareholders' Meeting of Astaldi resolved, among other things:

(i) (a) an indivisible increase in share capital against payment, with exclusion of rights offering pursuant to Article 2441, paragraphs 5 and 6, Italian Civil Code, for a total amount of €225,000,000.00, including the share premium, through the issuance of 978,260,870 ordinary shares without par value, at a unit price of €0.23, to be reserved for subscription by Webuild and to be paid in cash (the "**Webuild Increase**"); (b) the issuance and allocation reserved for Webuild of 80,738,448 Anti-Dilutive Warrants, which give Webuild the right to the allocation of a maximum 80,738,448 Astaldi ordinary shares without par value ("bonus shares") at the ratio of 1 newly issued Astaldi ordinary share for every 1 Anti-Dilutive Warrant exercised; (c) the issuance of a maximum 80,738,448 Astaldi ordinary shares without par value ("bonus shares") to be assigned upon the exercise of Anti-Dilutive Warrants, without any change in share capital;

(ii) a divisible increase in share capital against payment, with exclusion of rights offering pursuant to Article 2441, paragraphs 5 and 6, Italian Civil Code, for a maximum total amount of €98,653,846.00, including the share premium, through the issuance of a maximum 428,929,765 Astaldi shares without par value, at a unit price of €0.23, to be reserved for subscription by the Confirmed Creditors and the Potential Creditors, to be assigned to them in settlement of their claims at the ratio of 12.493 new shares for every €100.00 in unsecured claim against Astaldi ("**Capital Increase by Conversion**");
(iii) a divisible increase in share capital against payment, with exclusion of rights offering pursuant to Article 2441, paragraphs 5 and 6, Italian Civil Code, for a maximum total amount of €10,000,000.00, including the share premium, through the issuance of a maximum 43,478,261 Astaldi shares without par value, at a unit price of €0.23, to be reserved for subscription by the Unforeseen Creditors, to be assigned to them in settlement of their claims at the ratio of 12.493 new shares for every €100.00 in unsecured claim against Astaldi ("**Unforeseen Creditors Capital Increase**").

On the same date, the Astaldi Shareholders' Meeting also resolved: (a) the issuance and assignment of 79,213,774 Lender Warrants to the Astaldi lending banks, granting the right to subscribe ordinary shares of Astaldi at the ratio of one share for every Lender Warrant, to be exercised by the deadline of three years after the date of entry of the resolution in the Company Register; (b) a divisible increase in share capital against payment, with exclusion of rights offering pursuant to Article 2441, paragraphs 5 and 6, Italian Civil Code, for a maximum total amount of €18,219,168.00, including the share premium (the "**Lender Warrant Capital Increase**"), through the issuance of a maximum 79,231,774 Astaldi shares without par value, at a unit price of €0.23, to be reserved exclusively and irrevocably for service of the Lender Warrants and thus exercise of the subscription right due to the holders of those Lender Warrants.

In execution of the shareholders' resolutions adopted by Astaldi on 31 July 2020, on 5 November 2020:

(i) Webuild fully subscribed and paid the Webuild Increase, with an issue in its favour of 978,260,870 new Astaldi shares;
(ii) Astaldi carried out the Capital Increase by Conversion, by issuing 399,782,755 new Astaldi shares;
(iii) Astaldi issued 3,199,975,846 PFIs for a value of €3,199,975,846.00;
(iv) Astaldi issued and assigned to Webuild 80,738,448 Anti-Dilutive Warrants;
(v) Astaldi issued and assigned to the lending banks (Unicredit, Intesa Sanpaolo, SACE, BNP Paribas, Banca Monte dei Paschi di Siena and Banco BPM) 79,213,774 Lender Warrants.

Following the request by Banco BPM on 26 November 2020 to exercise 4,222,094 Lender Warrants, 4,222,094 Lender Warrants were consequently cancelled and 4,222,094 Astaldi shares were issued and assigned to Banco BPM, as part of the Lender Warrant Capital Increase.

At the date of preparation of this report, therefore, the amount of Astaldi's share capital is equal to €340,431,460.27 divided into 1,480,136,785 shares, already including the sum of €91,950,033.65

and the corresponding 399,782,755 shares subscribed on 5 November 2020 in execution of the Capital Increase by Conversion, and the sum of €971,081.62 and the corresponding 4,222,094 shares subscribed on 26 November 2020 relating to the Lender Warrant Capital Increase. The Unforeseen Creditors Capital Increase has been approved but not subscribed, not even partially.

As a result of the transactions described above, at the date of preparation of this report Astaldi's capital is therefore 66.10% owned by Webuild, 3.57% by Fin.Ast. and the remaining 30.33% by the market[16].

For the sake of completeness, on 19 October 2020 Astaldi signed an unsecured loan agreement (the "**RCF Loan Agreement**") with a pool of banks comprised by Banca Monte dei Paschi di Siena, Banco BPM, BNP Paribas (Italian Branch), Intesa Sanpaolo and Unicredit (the "**Lenders**"), pursuant to which the Banks committed themselves, subject to satisfaction of certain conditions precedent for disbursement, to provide Astaldi with a revolving credit facility in cash totalling €200 million (the "**RCF 200**"), which is pre-preferential pursuant to Article 182-quater, paragraph 1, and Article 111 of the Bankruptcy Law, and usable, after the Approval and execution of the Webuild Increase, to finance the ordinary business activities of Astaldi and allow repayment of the portion of the pre-preferential bond that has not yet been repaid at that date (the "**Pre-preferential Bond**", also "Up to Euro 190,000,000.00 Super-senior Secured PIYC Floating Rate Notes due 12 February 2022", subscribed in 2019 by Beyond and illimity). Astaldi then made the full early repayment of the Pre-preferential Bond on 12 November 2020, as a result of the Webuild Increase and the subsequent disbursement of the RCF 200, as required by the loan rules.

Appeals to the Supreme Court against the approval order of 17 July 2020

On 14 and 15 September 2020 the Company was notified of two extraordinary appeals to the Supreme Court pursuant to Article 111 of the Italian Constitution, separately filed by an individual ("**Individual Appeal**") and a group of bondholders ("**First Collective Appeal**"), against the approval order of 17 July 2020. Subsequently, on 13 and 14 October 2020 the Company received notification of two further extraordinary appeals to the Supreme Court, respectively filed by eight ("**Second Collective Appeal**") and eighteen bondholders ("**Third Collective Appeal**"), which almost fully reproduce the arguments contained in the First Collective Appeal. The four appeals were combined pursuant to art. 335 of the Italian Code of Civil Procedure and were assigned General Court Docket no. 23901/2020.

On 23 October 2020, Astaldi served its counter-appeal against the First Collective Appeal and the Individual Appeal, replying with a single filing to both appeals, given the substantial similarity of most of the grounds for appeal, requesting that they be declared inadmissible or unfounded. Subsequently, on 2 November 2020 the Company filed its pleadings.

With a further counter-appeal served on 20 November 2020, again pursuant to art. 372 of the Italian Code of Civil Procedure, Astaldi replied with a single filing to the Second Collective Appeal and the Third Collective Appeal, requesting that they be declared inadmissible or unfounded. Subsequently, on 3 December 2020 the Company filed its pleadings with the clerk of the court.

[16] Of which 16,984,348 shares allocated to Group Companies in conversion of unsecured claims against Astaldi S.p.A..

At the date of preparation of this report, the Court of Cassation has yet to schedule a hearing or a meeting to deal with the appeals.

Based on the assertions of its lawyers, stressing that the filing of appeals does not hinder the execution of the composition with creditors, the Company considers the risk of losing to be remote, considering the appeals to be unfounded and inadmissible.

GOING CONCERN

The situation of the Company and the Group described in the Financial Report as at 31 December 2019 and in the Financial Report as at 30 June 2020 was examined with regard to the events that occurred in particular in the second half of 2020 and led the Company's management to make the appropriate considerations regarding the possibility of continuing to operate as a going concern.

In this regard, with respect to the main uncertainties that could have given rise to significant doubts about the Company's and the Group's ability to continue to operate as a going concern, as summarised in the notes to the 2019 financial statements – the positive development of which was widely illustrated in the notes to the Half-yearly Financial Report as at 30 June 2020 – the Board of Directors took into account the further favourable results of the overall asset and financial turnaround already initiated by the Company with the filing of the composition with creditors application and culminating in the full implementation of the integrated financial manoeuvre referred to in the composition with creditors proposal.

Specifically, the following elements were considered:

(i) the capital increases on 5 November 2020 for an amount initially equal to €323.5 million – of which €225 million dedicated to Webuild S.p.A. and €98.5 million for unsecured creditors – to which further capital increases may subsequently be added due to the exercise of the lending bank warrants by the lending banks and the issuance of shares in conversion of unsecured claims subsequently ascertained;

(ii) the granting of a revolving credit facility by banks for €200 million (the "**RCF Loan Agreement**") to fund Astaldi's ordinary activities, including the full redemption (with funds from the credit facility) of the residual portion of the Pre-preferential Bond[17];

(iii) the granting of a bonding facility benefiting Astaldi for a total of €384 million (the "**Bonding Facility**") aimed at providing Astaldi with the resources needed to issue guarantees for projects in progress;

(iv) the sale of specific assets excluded from the Astaldi core assets scope which, with the approval of the composition with creditors were transferred to a separate unit as per Article 2447-bis of the Italian Civil Code along with other assets/liabilities set out in the composition with creditors Plan of 19 June 2019 (the "**Separate Unit**"), whose proceeds will be used to settle the claims of Astaldi's unsecured creditors against the assignment thereto of specific Participating Financial Instruments;

[17] Bond originally valued at €75 million, issued on 12 February 2019 ("*Euro 75,000,000.00 Super-senior Secured PIYC Floating Rate Notes due 12 February 2022*"), subsequently increased and amended to €190 million on 27 November 2019 ("*Up to Euro 190,000,000.00 Super-senior Secured PIYC Floating Rate Notes due 12 February 2022*").

(v) the implementation of the provisions referred to in the "Relaunch Decree" issued following the COVID-19 emergency (Law decree no. 34 of 19 May 2020) with regard to the benefits introduced by the urgent measures to aid the liquidity of contractors regarding the collection of advance payments from individual customers;

(vi) the Company's ability to settle pre-preferential and preferential claims as envisaged in the composition with creditors plan within the terms set out in the approval order (i.e. 12 months from the date of the approval order).

Finally, the Directors carefully monitored and assessed all aspects related to the COVID-19 emergency, and did not identify any critical issues such as to significantly compromise the objectives set out in the Company's 2021-2023 business plan.

Taking into account the above and the provisions of the treasury plan from 1 January 2021 to 30 June 2022, the Directors of the Company believe that the Group can continue to operate as a going concern as at present there are no significant uncertainties that could give rise to significant doubts in this regard.

TRANSPARENT TAX APPROACH

When the annual review of the Business Plan is conducted and when the progress of the Group's activities is monitored periodically from the point of view of budget predictions, as a part of its strategic planning the tax aspects of the Group's business are considered and analysed in detail both as regards orders in the portfolio and commercial growth (new orders).

Tax impacts are controlled by means of the Company's corporate procedures and tracked in its integrated management system forms, company communications and the opinions issued by the legal counsels working for the Company; additionally, the identification, assessment and monitoring of tax risks is an integral part of the Group's Risk Management and Sustainability work, performed in coordination with the Tax and Fiscal Compliance Office as regards the assessment impacts/fiscal opportunities emanating from legislation in the countries in which the Group operates, which is also conducted by liaising with its local taxation contacts.

The management of the tax planning and monitoring process comes under the Company's General Administration and Finance Department, which lays down its guidelines and strategy in consultation with the functions involved. This is an element in the sustainable development of the core business, which is increasingly carried forward across the board throughout the Group.

The Company's tax strategy abides by the value and general principles in the Group's Code of Ethics, that is to say:

- probity in relations with institutions;
- compliance with laws, regulations and allowable practices;
- transparency in communications to the market;
- social responsibility towards the countries the Group operates in;
- safeguarding the company's assets by creating value for its shareholders, etc.

The Astaldi Group is scrupulous and transparent in its relations with the Tax Authorities, encourages cooperative practices with the different Authorities in the countries it is present in, conscious of the fact that as the Company operates under various jurisdictions must adopt a tax strategy that ensures observance of the particular corporate environment and domestic laws in each country.

As far as the Group's organisational structure is concerned, respect for the above policy is the concern of the Tax and Fiscal Compliance Office, which, under the Administration Department, has the duty of supporting the General Administration and Finance Department in devising tax strategies by finding the various opportunities for optimisation, monitoring the most important taxation themes and supporting the various Business Lines.

The Board of Directors is ultimately the top management body that approves the Company's tax strategy and its management is periodically reviewed in periodic financial reports.

A set of operating procedures were first prepared in 2017 for the "Tax Risk Control System", which identifies the processes that give rise to data relevant for tax purposes and the associated risks and controls. These procedures are kept up to date by the Tax and Fiscal Compliance Office as a result of changes in legislation, organisational changes, new developments in governance and/or the Group's core business and are published on the corporate intranet at the disposal of personnel working in headquarters and other local branches in Italy and abroad.

The procedures are also audited by the operational offices that support the Manager in charge of Financial Reporting and the Internal Audit Function.

During the 2020 financial year, the Company revised the General and Special Parts of its Organisational, Management and Control Model (hereinafter the "231 Model") under Legislative Decree no. 231 of 2001, making changes approved by the Board of Directors on 15 December 2020, as a result of the following new legislation:

- the new macro category of tax crimes under Article 25-*quinquiesdecies* of Legislative Decree no. 231 of 2001, introduced by Decree Law no. 124 of 26 October 2019, coordinated with Conversion Law no. 157 of 19 December 2019;
- Legislative Decree no. 75 of 14 July 2020, the PFI Directive, which, among further changes, expanded the range of predicate crimes in Legislative Decree no. 231 of 2001, extending the category of the above tax crimes and scaling up punishments.

One of the changes to the 231 Model was the provision in the General Part for special information flows to the Supervisory Body in the case of events relevant for tax purposes (such as potential breaches of the Company's 231 Model involving "tax crimes", important inspections, objections on the part of the tax authorities, tax litigation, working groups considering the correct tax treatment of certain transactions, updates to the procedures, etc.). Information is also provided during the annual meeting with the Manager in charge of Financial Reporting and in the quarterly flow of information in the Certificates issued in accordance with Legislative Decree 231 of 2001.

Additionally, the 231 Model provides for channels for sending information to the Supervisory Body (dedicated email and/or whistleblowing channel) in the event of potential breaches in the framework of the whistleblowing management system that the Company has put in place, regulated by a particular corporate procedure.

The general and/or specific control systems that have been in place since 2017 have been included in the Special Part of the 231 Model (protocols under Article 6, paragraph 2, letter b), of Legislative Decree 231 of 2001).

This action has further enhanced the fiscal strategy of the Group's core business as regards evaluations of management processes and both day-to-day and extraordinary transactions (management of commercial initiatives and of the business plan, creation of corporate entities, contract acquisition and management, the management of merger and demerger transactions, etc.) and administrative and accounting operations.

As regards administrative and accounting aspects, control systems have been strengthened for transactions that have generated tax impacts: the Company started employing a set of procedures in 2016 for the regulation of accounting work in Italy and abroad that interact with current tax procedures. The entire set of administrative and accounting procedures is published on the Group's intranet and is periodically updated; all personnel receive information and training in the administrative and accounting procedures together with the tax procedures.

Information and training are provided by the Administration Department and the Tax and Fiscal Compliance Office and, for Legislative Decree no. 231 of 2001 impacts, by the Supervisory Body itself.

Finally, the 231 Model is published on the Company's website and Group intranet for consultation by all Group personnel.

Risks related to Covid-19 (the Coronavirus)

During 2020, the Italian and other EU and non-EU governments applied extraordinary measures to curb the spread of the COVID-19 virus, declared a pandemic by the World Health Organization.

According to statistics, Italy was one of the countries hit hardest by the pandemic, especially in the initial stages. This circumstance has exposed the Company to risks generated by the extraordinary measures applied by the Italian government to prevent and/or curb the spread of the virus involving, inter alia, the temporary closure of industrial plants and construction sites, as well as severe restrictions to the movement of people and means of transport. Moreover, the global spread of the pandemic exposed the Company to the consequences deriving from the application of extraordinary measures issued both in Europe and beyond, where the Group operates or has offices or sites.

The effects on the world economy have been and continued to be significant, as at the reporting date, and the economies of the countries in which the Group operates – albeit to varying degrees – have not escaped the consequent economic and social impacts of the pandemic.

Below is a brief description of the measures implemented and the effects experienced by the Astaldi Group during the year as a result of the pandemic.

Stable coordination unit implemented at the corporate level

At the end of February 2020, in an effort to oversee all issues related to the COVID-19 situation (at the date not yet declared a pandemic, but already a growing emergency), the Astaldi Group set up a specific committee. Chaired by senior management, its members include the heads of all head-office and peripheral operating structures along with the heads of the parent's main departments involved, in order to (i) monitor the spread of the virus at Italian and foreign production units, (ii) supervise measures to contain the risk of infection, (iii) activate channels to liaise with the Italian embassies in the countries where the Group operates, (iv) coordinate actions to safeguard contracts with customers against the possible impact of the pandemic on production activities.

Measures introduced to protect the health of Astaldi Group employees

Following the spread of the virus, Astaldi and its subsidiaries progressively implemented due precautionary measures, also related to safety and securing the health of employees and suppliers on job sites, in compliance with the Prime Minister's various decrees, ministerial circulars, orders from the national civil protection service, along with recommendations issued over time by other authorities in Italy and abroad.

Despite promptly implementing the health protocols defined in the general guidelines set out in the agreement reached between social partners and the government right from the onset of the pandemic, the parent has encountered growing problems in organising the work of the Italian production units, basically as manpower is not available due to the disease, the ban on movement between regions and lock-down restrictions progressively imposed by regional authorities (which put a stop to commuting, especially common among blue collar workers). As routine activities became impossible to guarantee in many production sites, a large number of customers decided to suspend works. Accordingly, starting in mid-March and once the sites had been brought up to safety standards, the parent implemented a series of actions to protect the employees and company value (using up accrued holidays and leave, implementing shock absorbers provided by the Italian government, introducing working from home). In April and May, the parent closed the Rome and Milan offices and accordingly reduced the working hours of the entire workforce by applying for the COVID-19 government-sponsored lay-off scheme[18], while simultaneously ruling that the remaining work be performed from home. Moreover, even before closing down the production units, the parent had drafted protocols introducing a series of dedicated measures (control, distancing, personal protection, sanitisation of the workplace and work tools, health monitoring, managing emergencies following detection of Covid-19 symptoms) to guarantee the safety of work areas in preparation for the resumption of activities. Therefore, these protocols were fully

[18] Conventionally to be understood as the government-sponsored lay-off scheme introduced by the Heal Italy Decree (Law Decree no. 18 of 17 March 2020) in response to the health emergency caused by COVID-19.

implemented with the gradual recommencement of production activities at the various sites starting in May 2020 as soon as restrictions around the country began to be lifted. In order to offer further protection to employees, starting from 1 March and for the whole of 2020, the parent has taken out a specific insurance policy covering Covid-19 risks for its employees and their family units. Furthermore, in anticipation of the resumption of activities, workplaces were sanitized through the intervention of companies specialising in this sector (for more details, reference should be made to the "worksite management during emergencies" box on page 48). At the date of preparation of this report, production activities had resumed in Italy.

Beyond Italy, considering the rapid spread of the virus, extraordinary measures were progressively adopted in almost all the countries where the Group operates to restrict the circulation of goods and people, with the closure of plants and commercial and production activities. Similarly to Italy, such measures, together with those implemented by the Group to protect employee health, made it progressively difficult for the Group to continue its ordinary production activities. This led to the slowdown or, in some cases, the suspension of production activities, with additional problems (due to restrictions on air traffic) linked to the logistics of personnel who were off-site at the outbreak of the pandemic (because they were forced to repatriate due to the health emergency or, on the contrary, because they were unable to return to the production sites that remained open). At the date of preparation of this report, almost all projects abroad were fully operational with the exception of Algeria only.

The drivers of our growth

GRI 102-9

Relationships of trust with partners and suppliers

The Astaldi Group contributes to creating value, advancing ideas and specialist expertise, also through its network of partners and suppliers. In managing its relationships with these parties, Astaldi draws on the principles set out in the code of ethics and requests conduct in line with its principles, in more serious cases sanctioning any violations by activating the withdrawal clause.

In both Italy and foreign countries, the Group often operates through partnerships with other industry players who are chosen with the objective of ensuring maximum competitiveness on the various markets it intends to operate on.

In selecting its partners, the Group screens the characteristics of possible candidates on the basis of their reputation, industrial criteria (technical abilities, experience in the relevant business, qualifications held, etc.), performance (revenue recorded in recent years, proven by their financial statements, etc.) and, finally, financial aspects (financial solvency, etc.). Proposals are approved by senior management before definitively choosing partners.

The Group's main partners are:

- Italy: Webuild, Ansaldo STS, Ghella and Vianini
- USA: OHL
- Canada: Webuild, John Laing, Hitachi, Transdev, Bot, SMC
- Chile: Vinci Grand Projets
- Poland and Sweden: Gulermak, Termomeccanica
- Romania: FCC Construcción, Max Bögl, IHI Corporation, Thales, Salcef
- Turkey: Turkerler
- India: Reliance

In 2020, the Group continued to develop the Ariba Vendor Management portal. In total, contract and corporate management invited 1,944 suppliers to take part in the process. Of these, 338 have completed the procedure, while 645 are in the process of completing the qualification form. The remaining 961 suppliers will be sent a reminder to complete the required forms. The limited number of qualified vendors was still impacted by the fact that the Company remained in the phase of Composition with Creditors from September 2018 to June 2020, which the Company is attempting to remediate with a focused action aimed at rebuilding relationships of trust with suppliers.

With regard to the supplier qualification process in partnership contracts, the information provided still stands: Astaldi sponsors the use of its Vendor Management portal if it is the agent. If Astaldi is the principal, it will propose the qualification procedure to the intracompany committees as a reference, in order to promote instruments and methodologies within the partnership processes. Alternatively, the partners will define an ad hoc procedure for the qualification of suppliers, drawing on any specific qualified vendor lists of the individual partners or, alternatively, making use of the qualified suppliers of the Main Customers.

Following the capital increase that took place in November 2020 on the part of WeBuild, an analysis and comparison of the Vendor Management processes of the two companies is expected in early 2021 with a view to a potential integration as from the second half of the year.

ASTALDI VENDOR MANAGEMENT

Astaldi's management of its register of suppliers via the Vendor Management portal is based on two main processes:

- **qualification** (estimated rating): this consists of assessing, on the basis of a series of pre-defined criteria (financial data, quality certificates, safety and environment indexes and certificates, code of ethics, references, etc.), a supplier's potential, expertise and prior experience.
- **performance assessment** (actual rating): this consists of examining, on the basis of a series of pre-defined criteria, the qualitative performance and punctuality of the main suppliers that have provided services/carried out works or supplied materials/plant/machinery.

Depending on the results of the qualification and/or the performance assessment, each supplier included in the register is allocated a rating (from 0 to 100) and classified as follows:

- High rating (60-100 points);
- Medium rating (40-59 points);
- Not qualified (score of 0-39).

Working with suppliers that meet group standards is a primary objective for Astaldi and it is a selection criterion applied right from the qualification and selection stage. To this end, the sections on safety and the environment in the qualification questionnaires significantly influence the estimated rating and mainly regard:

- having ISO 14001 environmental management system and ISO 45001 occupational health and safety management system certification;
- the existence of HSE disputes;
- injury rates in terms of the number of work-related fatalities and accidents with permanent consequences in the last three years and the related corrective actions taken;
- LTIFR - Lost Time Injury Frequency Rate;
- SR - Severity Rate;
- TRCFR - Total Recordable Case Frequency Rate
- implementation of organisational and management tools (such as action plans and training on health and safety and the environment).

In this regard, building relationships of trust with solid, transparent counterparties is considered a priority. The suppliers and independent contractors are selected by assessing their financial statements, with particular focus on their financial soundness, expertise and experience in their specific business market, in order to check that they meet the requirements in terms of managerial ability, technical skills and ability to fulfil commitments undertaken. The current system uses a Vendor Management portal which is used to manage the supplier register, along with the supplier qualification process, performance assessment and rating.

SELECTING PARTNERS AND SUPPLIERS GRI 204-1

The Group's commercial partners, main suppliers, contractors and independent contractors must act in line with the general principles of the code of ethics and the sustainability policy, as well as complying with specific cultural and social requirements of the countries where the Astaldi Group operates.

Astaldi uses a system to manage suppliers and independent contractors that are selected via a pre-selection and screening process (described in ASTALDI ASTALDIVENDOR MANAGEMENT) based on parameters of expertise, experience and financial soundness. The aim of this process is to check that they meet Astaldi's minimum requirements in relation to managerial, technical and practical skills, financial soundness and experience gained with the Astaldi Group and the market in general. Signing the code of ethics is a mandatory condition in agreeing contracts, as is compliance with general and specific standards related to health and safety and environmental requirements adopted by Astaldi S.p.A..

In line with its mission, the Astaldi Group strives to satisfy and exceed its customers' expectations, also contributing to the well-being of the countries where it operates. In this regard, Astaldi has grouped procurement categories into two macro-groups called "global categories" and "local categories". The latter group refers to those for which Astaldi tends to favour commercial relations with local companies from where the works are being carried out, also based on the composition of the local supply market and the characteristics of the goods to be purchased.

SOCIAL ASPECTS

FOCUS ON INDIVIDUALS

The health emergency has not prevented the Group from continuing to invest in the professional growth and development of its personnel, while also monitoring climate and motivation through distance learning courses, surveys aimed at detecting adaptation and any possible critical issues in smart working, conferences and corporate events transferred online to keep communication channels alive even during the lockdown periods and preserve the sense of corporate community.

In 2020, the Group had a total of 8,231 employees, 90.9% of whom have open-ended contracts. As reported in previous years, again this year, with reference to the principle of comparability, the Group deems it suitable to present data for the average workforce as this gives a better understanding of its HR trends.

GRI 102-7/102-8

Average workforce[19]

	MU	2020	2019	2018
Breakdown by geographical segment				
Italy	**no.**	**1,940**	**2,003**	**1,816**
Abroad,[20] of which:	**no**	**6,732**	**9,796**	**13,108**
Poland	no.	231	337	765
Romania	no.	958	1,134	1,100
Turkey	no.	575	32	1,689
Algeria	no.	81	147	347
USA	no.	538	46	170
Canada	no.	158	120	950
Central America	no.	95	244	1,336
Chile	no.	852	1,888	2,913
Paraguay	no.	38	-	492
Sweden	no.	100	66	67
Breakdown by position				
Managers	no.	238	262	348
Junior managers (only Italy and expatriates)	no.	205	216	278
White collars	no.	3,114	3,672	4,764
Blue collars	no.	4,673	7,647	9,533
Breakdown by contract				
Local personnel – Italy	no.	1,940	2,003	1,816
Expatriated personnel	no.	193	254	413
Local personnel – abroad	no.	6,098	9,542	12,695
Total workforce	**no.**	**8,231**	**11,798**	**14,924**

The Group keeps two basic objectives in mind when selecting and assigning employees to projects:

[19] In accordance with the principle of substance over form, considering the irregular trends of site work, the average number of employees of group companies is provided. Furthermore, in order to best present social and environmental trends, the figure includes the entire workforce of the group company even when it is not fully consolidated and, therefore, does not match the consolidated financial statements figure despite referring to the same company.

[20] The number of foreign personnel also includes those from out-of-scope areas.

1. Ensuring that a portion of employees belong to the local communities, thus generating benefits for the economy of the region (or entire country) where the Group is operating, and simultaneously ensuring an indirect positive impact on the economy which is vital for the Group's economic influence from a sustainable development point of view.
2. Ensuring the spread of the Astaldi Group's values and knowledge along with its integrated management approach to business, a distinctive feature of the Astaldi trademark worldwide, by sending employees to work abroad.

GRI 102-8

Breakdown of personnel by contract and gender (at 31/12/2020)

	Employees at 31/12/2020	Contract type (%)			Gender (%)	
	(no.)	Open-ended	Fixed-term	Other types	Men	Women
Italy	1,266	97.1%	2.5%	0.4%	87.8%	12.2%
Poland	225	43.6%	53.8%	2.7%	63.1%	36.9%
Romania	691	57.5%	42.5%	0.0%	77.6%	22.4%
Algeria	49	10.2%	89.8%	0.0%	87.8%	12.2%
USA	6	100.0%	0.0%	0.0%	83.3%	16.7%
Canada	176	100.0%	0.0%	0.0%	71.6%	28.4%
Chile	576	82.6%	17.4%	0.0%	88.0%	12.0%
Paraguay	107	99.1%	0.9%	0.0%	79.4%	20.6%
Sweden	120	58.3%	41.7%	0.0%	75.8%	24.2%
Total	**3,216**	**79.7%**	**20.0%**	**0.3%**	**82.3%**	**17.7%**

Breakdown of personnel by contract and gender (at 31/12/2019)

	Employees at 31/12/2019	Contract type (%)			Gender (%)	
	(no.)	Open-ended	Fixed-term	Other types	Men	Women
Italy	1,697	90.9%	8.7%	0.4%	90%	10%
Poland	241	44%	52%	4%	65%	35%
Romania	1,039	35%	64%	0.1%	83%	17%
Turkey	21	100%	0%	0%	67%	33%
Algeria	107	6%	94%	0%	97%	3%
USA	8	100%	0%	0%	88%	12%
Canada	132	100%	0%	0%	73%	27%
Central America[21]	85	94%	0%	6%	78%	22%
Chile	895	88%	12%	0%	92%	8%
Peru	-	-	-	-	-	-
Sweden	88	57%	43%	0%	81%	19%
Georgia	.	-	-	-	-	-
Total	**4,313**	**72%**	**28%**	**1%**	**87%**	**13%**

Breakdown of personnel by contract and gender (at 31/12/2018)

	Employees at 31/12/2018	Contract type (%)			Gender (%)	
	(no.)	Open-ended	Fixed-term	Other types	Men	Women
Italy	1,879	92.4%	7.3%	0.3%	90%	10%
Poland	349	44%	54%	2%	62%	38%
Romania	1,133	44%	56%	0%	83%	17%
Turkey	787	100%	0%	0%	87%	13%
Algeria	195	4%	96%	0%	96%	4%
USA	143	100%	0%	0%	90%	10%
Canada	98	100%	0%	0%	71%	29%

[21] 2018 and 2019 data also include Panama.

Breakdown of personnel by contract and gender (at 31/12/2018)						
	Employees at 31/12/2018	Contract type (%)			Gender (%)	
	(no.)	Open-ended	Fixed-term	Other types	Men	Women
Central America[22]	1,314	93%	7%	0%	90%	10%
Chile	2,831	94%	6%	0%	94%	6%
Peru	39	41%	44%	15%	82%	18%
Sweden	28	39%	61%	0%	86%	14%
Georgia	27	100%	0%	0%	78%	22%
Total	**8,823**	**84%**	**16%**	**0%**	**89%**	**11%**

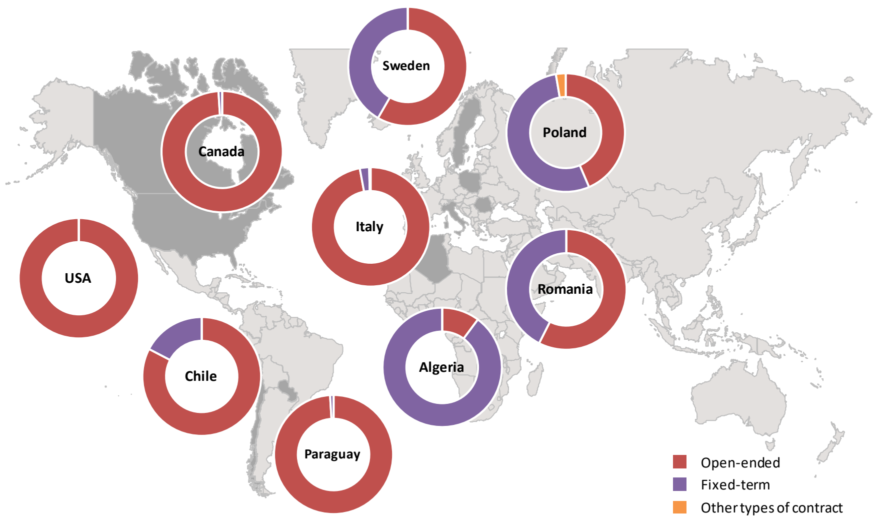

Figure 6: Employees by type of contract (at 31 December 2020)

GRI 405-1

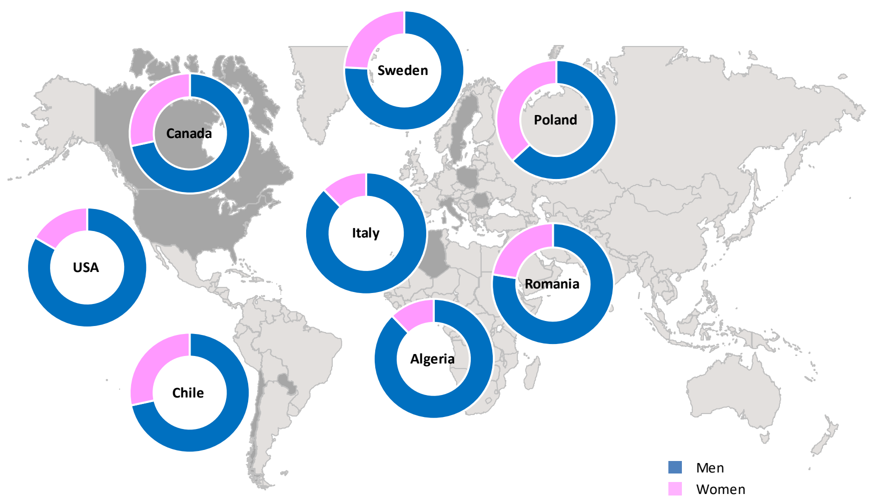

Figure 7: Total employees (expatriates and locals) by gender (at 31 December 2020)

[22] 2018 and 2019 data also include Panama.

In terms of gender, the construction sector typically employs a low percentage of female personnel compared to other industrial sectors. Astaldi considers this trend to be mainly due to the geographical location of its projects and the socio-cultural context in the countries where the Group operates. With regard to the total workforce at 31 December 2020, the percentage of women was roughly 18%. Considering the individual areas (also including expatriated personnel), countries with the highest percentage of female employees are Poland (36.9% of the workforce), Canada (28.4% of the workforce) and Sweden (24.2% of the workforce).

GRI 102-41

Furthermore, in the following countries where collective bargaining agreements are applied, the percentage of total is as follows: Italy (100%), Chile (63.9%), Sweden (25.8%) and Paraguay (100%).

Breakdown of personnel by professional category (at 31/12/2020) **GRI 405-1**

	Managers	Junior managers / White collars	Blue collars
Number of employees	173	1,722	1,321
Men	156	1,206	1,284
Women	17	516	37

Breakdown of personnel by professional category (at 31/12/2019) GRI 405-1

	Managers	Junior managers / White collars	Blue collars
Number of employees	160	1,937	2,216
Men	147	1,410	2,174
Women	13	527	42

Breakdown of personnel by professional category (at 31/12/2018) **GRI 405-1**

	Managers	Junior managers / White collars	Blue collars
Number of employees	231	3,361	5,231
Men	211	2,514	5,109
Women	20	847	122

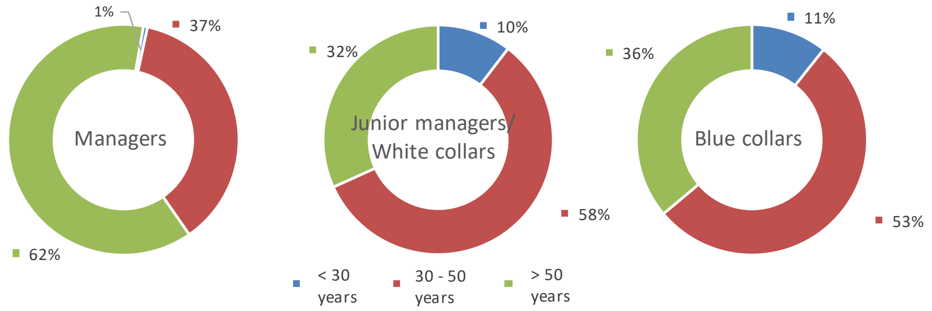

Figure 8: Professional categories by age bracket (at 31 December 2020)

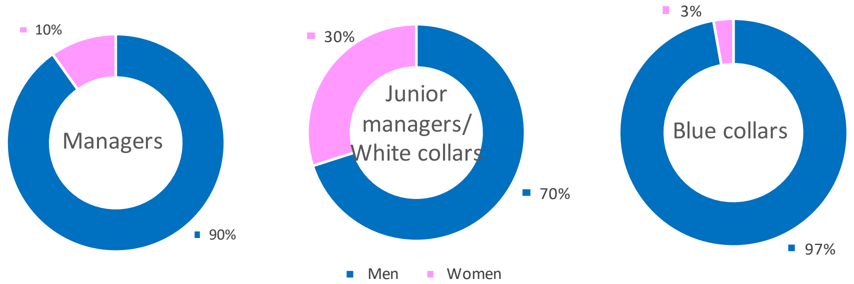

Figure 9: Professional categories by gender (at 31 December 2020)

MANAGEMENT OF THE GROUP CRISIS

The extraordinary government-sponsored lay-off scheme, which was not extended for the Rome and Milan offices with respect to the expiry date of 2 December 2019, was adopted for personnel engaged in some Italian projects during the first half of 2020. The extension of the wage-support scheme involved 57 employees working on contracts in the provinces of Naples and Ancona.

During the Covid-19 epidemic emergency, which was characterised by the period of general lockdown throughout the country, the slowdown in the operations on the Italian projects led the Company to apply the ordinary government-sponsored lay-off scheme due to the Covid-19 emergency. This scheme, which was mainly applied in relation to the reduction in working hours, involved, in the second quarter, 314 employees working on both the contracts and at the Rome and Milan offices.

For those sites that were closed down last year, as part of the composition with creditors procedure, and involved in the application of the wage-support scheme specifically provided for cases of termination, the Company continued, with the aim of minimising the number of surplus resources, its work on relocation to other manufacturing entities (including in joint venture with other companies) and put in place active labour policy programs agreed upon with the Regional governments concerned due to their local jurisdiction over the production units involved.

With the end of the first half of 2020, the extraordinary government-sponsored lay-off scheme, too, ceased to be applied as a result of the company crisis, including for contracts being performed in the provinces of Naples and Ancona.

The extraordinary government-sponsored lay-off scheme for cases of termination and the ordinary scheme for the Covid-19 health emergency were used exclusively for those production units for which the closure was ordered within the scope of the composition with creditors procedure, while continuing work on relocating redundant resources to other production units of the Group.

LOCAL SUPPLIER SELECTION

Astaldi considers its relationship with its suppliers to be of utmost importance, also from a moral point of view, as mentioned in the Group's Code of Ethics.

The Group is committed on an ongoing basis to developing a shared organisational process which is responsible and based on sustainability throughout the entire procurement chain.

Local acquisitions - % of procurement GRI 204-1

	2020	2019	2018
Italy	98.8%	95.8%	93.2%
Poland	97.2%	97.3%	97.2%
Romania	95.3%	95.4%	90.9%
Turkey	-	-	49.9%
Algeria	100%	100%	100.0%
USA	-	-	100.0%
Canada	99.4%	100%	99.4%
Central America[23]	-	100%	90.2%
Chile	97.3%	99.9%	99.7%
Paraguay	66.6%	-	100.0%
Sweden	79.9%	93.7%	60.6%
Total	**96.6%**	**96.1%**	**92.0%**

[23] 2018 and 2019 data also include Panama.

GRI 403-2; GRI 403-3; GRI 403-4

HEALTH AND SAFETY[24]: APPROACH, OBJECTIVES AND RESULTS

Occupational health and safety are crucial values for Astaldi that considers them strategic and an integral part of its business. The spotlight is constantly shone on these values so that everyone is focused and determined to reach the Group's objectives.

When this occurs, the success of each production unit reverberates on the value, image and reputation of the entire Company.

In this regard, a "safety culture" is built by developing awareness and promoting responsible behaviour. All health and safety processes are thus directed at identifying and defining the following:

- **risks** for workers linked to their specific activities;
- **standards** and operating **instructions** for prevention and protection;
- **training requirements** on safety issues and relevant training methods;
- **timeframes**, **roles** and **responsibilities** for periodic inspections and supervision;
- **monitoring** and **review** mechanisms.

Monitoring third parties' HSE performance

Checks on third-party companies working on Astaldi Group projects in any capacity comprise daily safety walk-throughs and periodic audits on a sample basis and annually planned audits depending on the critical nature and level of risk associated with the activities.

97 internal audits on HSE management were carried out on projects in 2020, with 53 focused on occupational health and safety, 41 on the environment and 3 were integrated (sometimes also checking the quality component of the integrated management system).

The audits comprise checking requirements and assessing the performance of third parties working at group sites, in order to:

- check that activities are being performed in line with the operating instructions and Astaldi operating standards;
- ensure that activities are managed in compliance with the requirements defined by the Group;
- promote ongoing improvement of the supplier's performance;
- stimulate development and preservation of a safety culture by suppliers.

The criteria for assessing third parties' HSE performance are based on contractual requirements (which provide for clauses on safety and environment management) and specific operating instructions in line with the demands and specific activities of the site.

Astaldi is fully committed to developing and promoting the safeguarding of occupational health and safety. As the primary health and safety objective, injury prevention is pursued through the adoption of actions aimed at eliminating or reducing the typical risk factors associated with its type of work. Astaldi sets, monitors and periodically updates specific targets for health and safety issues in line with the "zero accident" philosophy of every project. The research and adoption of good practices are continuously promoted not only within the Group but with suppliers, with the aim of expanding and improving collaboration in achieving optimum performance.

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[24] The information reported makes reference to the GRI 403 (2016).

In 2020, a total of 131 injuries were recorded (352 in 2019), of which 78 requiring medication (221 in 2019) and 53 lost time injuries (131 in 2019): compared to the previous year, the Astaldi Group recorded a sharp decrease (- 63%), which was also contributed to by the health emergency that forced the workers to make recourse to a different method of performing their duties.

The overall frequency rate for Astaldi is 10.75, while the severity rate is 0.20.
In detail, the severity rate showed a reduction (-47%) and the frequency rate showed a 30% decrease in the year compared to 2019.
In 2020, there are 778 direct employees at high risk of disease (334 less than in 2019), in Chile (59.5%), Italy (36.4%) and Sweden (4.1%).

The absenteeism rate by area (calculated as a percentage of days lost to days worked[25]) is: Italy 15.17%; Poland 5.73%; Romania 5.99%; Algeria 2.69%; Canada 13.22%; Chile 12.64%; Sweden 2.57%; Paraguay 0.34%. For third-party firms the absenteeism rate is: Italy 0.32%; Poland 0.05%; Romania 0.03%; Algeria 0.00%; Canada 0.09%; Chile 7.0%; Sweden 0.49%; Paraguay 0.60%.

Classification of injuries [26] — **GRI 403-2**

		Direct personnel			Third-party personnel		
	MU	2020	2019	2018	2020	2019	2018
Breakdown of injuries at work by type							
Work-related fatalities	no.	0	0	1	0	1	-
Lost time injuries	no.	53	131	81	65	65	281
Injuries - medications	no.	78	221	215	165	483	776
Total number of injuries[27]	**no.**	**131**	**352**	**297**	**230**	**548**	**1,057**
Restricted work cases							
Total restricted work cases	no.	1	1	25	3	1	-

Communication and analysis of serious injuries

Astaldi monitors serious injuries involving all project personnel, including those of independent contractors.

In the event of serious injuries, the production units promptly activate the flow of information to the relevant corporate services and the ethics committee of Astaldi S.p.A. to be forwarded on to the supervisory body, in order to proceed with analyses and activate any disciplinary measures. In more critical cases, the analysis of the injury and implementation of remedial actions are carried out by a team who, together with the project management, directly involve certain corporate functions. The same is performed at Group companies.

In order to provide a complete picture of injury rates along the entire value chain, Astaldi extended the monitoring of injuries using frequency indicators (the rate of the number of injuries against hours worked) and severity indicators (monitoring the number of days the injured person is absent from work) to all individuals working on projects, including third parties working for the Group in any capacity. The extension of the monitoring to third parties is also an important tool that enables the Group to take action should their performance fall short of Group objectives.

[25] Days works are calculated using total hours worked by direct and third-party personnel, assuming 10 man/hours per day.

[26] The data do not include the USA, since no sites are operating.

[27] The breakdown by gender is not provided as, due to the type of production activities carried out, the professional category most exposed to these risks is blue collars which are almost all men.

On the basis of a comparative analysis, compared to the indices of a representative sample consisting of companies comparable to Astaldi in terms of business volume and type, the Group's severity rate was in line in the reference period (2017-2020). The frequency rate also stood at average percentages: however, not all comparable companies make this index public, in application of the provisions of GRI 403 "Occupational health and safety" (2018).

Injury rates — **GRI - 403-2**

	Direct Group personnel			Direct Group personnel and third-party personnel		
	2020	2019	2018	2020	2019	2018
FREQUENCY RATE[28]						
Astaldi Group	**10.75**	**15.47**	**5.51**	**7.57**	**11.00**	**8.10**
Italy	33.28	46.01	17.57	21.42	27.54	19.02
Poland	4.04	11.24	5.69	7.32	12.31	2.55
Romania	1.90	3.95	2.06	0.55	1.62	1.88
Algeria	0.00	0.00	7.86	0.00	0.00	6.97
Canada	34.56	26.34	8.31	21.73	11.30	8.86
Chile	0.66	0.00	1.76	0.55	0.00	2.57
Sweden	0.00	20.90	0.00	20.49	20.90	11.72
Paraguay	8.34	-	-	10.84	-	-
SEVERITY RATE[29]						
Astaldi Group	**0.20**	**0.38**	**0.12**	**0.14**	**0.27**	**0.18**
Italy	0.52	1.12	0.56	0.39	0.72	0.84
Poland	0.16	0.37	0.11	0.07	0.19	0.03
Romania	0.14	0.10	0.11	0.05	0.06	0.11
Algeria	0.00	0.00	0.07	0.00	0.00	0.06
Canada	0.14	1.03	0.32	0.12	0.15	0.20
Chile	0.02	0.00	0.03	0.00	0.00	0.04
Sweden	0.00	0.31	0.00	0.25	0.31	0.01
Paraguay	0.03	-	-	0.37	-	-

Group employees are represented through Health and Safety Committees. These Committees meet periodically and participate in assessing risk, contributing to programmes to improve safety levels in projects and at Group production units. In Italy, in line with the Consolidated act on safety in the workplace (Legislative Decree no. 81/2008), these aspects are managed by designating worker safety representatives at each production unit.

In 2020, at local level, 100% of the formal agreements signed with trade unions for Group projects contain health and safety clauses. These agreements mainly refer to identifying risk factors, methods to prevent professional risks, injuries and occupational diseases, commitment of workers to health and safety issues, investigating incidents, site visits, recognition/awards to workers for their compliance with the safety procedures and standards in carrying out their work activities and organisation, health and safety training and the right to refuse to carry out dangerous work.

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[28] Frequency rate is defined as the ratio of the number of injuries with abstention from work of at least one day and restricted work cases to the hours worked. This rate is defined and calculated as follows:

Frequency rate = [(lost time injuries + work-related fatalities + restricted work cases) x 1000 000] / hours worked

where a restricted work case is defined as an on-the-job injury that involves restricted work or a change of job, but does not involve death or days away from work.

[29] Severity rate is defined as the ratio of actual days of injury with at least one day's disability or temporary change of job to hours worked. This rate is defined and calculated as follows:

Severity rate = [(days lost + restricted work days) x 1000] / hours worked

where restricted workdays are defined as the total number of days of restricted work or change of job (consecutive and non-consecutive), excluding the day on which the injury occurred. Lost and restricted work days are calculated as calendar days.

WORKSITE MANAGEMENT DURING EMERGENCIES

Astaldi has set up an Emergency and Crisis Committee in order to protect the safety and security of its personnel abroad, promptly and suitably dealing with any emergency situations deriving from natural and/or socio-political events that may occur in the countries where the Group operates.
Led by the chairman, the duty of the Committee is to detect and monitor any situation changes in the areas and countries at risk, providing necessary guidelines to the national security unit on how to prepare and respond to emergencies and ensure that the security management process is correctly implemented.
With the spread of the COVID-19 health emergency, Astaldi has further strengthened its safety procedures, with the aim of protecting with greater intensity the health and safety of all persons involved in the works. Firstly, the recommendation has been enhanced to opt for smart-working for all technical operations, which can be also managed remotely.

At the same time, for those activities for which physical presence is essential, measures have been put in place to restrict access to common areas and organise work on shifts, as well as to adopt appropriate personal protective equipment (PPE). Checks have been carried out in order to establish whether the Group's authorised personnel possess adequate PPE and to measure their body temperature (with consequent isolation and return to home if higher than 37.5°C). Common areas have been cleaned and sanitised on a daily basis. Specific training sessions on how to avoid contamination have also been provided to workers. The reorganisation of work has therefore provided for a rotation scheme to access and leave the site and during lunch breaks, as well as for specific routes with appropriate signage and signs in different languages and the performance of operations in autonomous and recognisable working groups and the rescheduling of work according to the new timetable.

GRI 404-1

PERSONNEL DEVELOPMENT

TRAINING

Training has always played a fundamental role in the management and development of the Astaldi Group's human resources. While the corporate and health crises did not reduce the level of attention to this area, they certainly forced a reshaping of the training programmes and the teaching methodology.

In terms of content, it was therefore preferred to act with targeted and customised actions based on the needs of the resources working in the Corporate structure, pursuing the objectives of developing fundamental skills to ensure organisational stability at this critical time, increasing the loyalty of resources and preparing them for the change that the Company is undergoing.

At the same time, for the resources working on the projects it was decided to focus the training on the young talents, who participated in the entire technical and management programme of the Astaldi Corporate Academy project.

The teaching methodology was completely revised due to the restrictions imposed by the pandemic and the necessary infection prevention measures. Therefore, only distance learning methods were used (seminars, webinars and e-learning courses).

The continued focus on the training and growth of employees, resulted in 71,415 hours of training in 2020 (52,931 fewer hours than in 2019, due to the shutdown of operations and the smart-working procedures adopted to cope with the pandemic emergency that is still in progress). Due to the greater presence of male blue-collar workers, which is typical in the Construction sector, and considering that the greatest number of training hours was delivered at operational level, the percentage of training delivered to the male gender was 90.6% (64,716 hours) against 9.4% of training provided to female staff (6,699 hours). The following table highlights the total pro-capita hours provided by the Group.

Training of Group employees				**GRI 404-1/ GRI 412-2**
	MU	**2020**	**2019**	**2018**
Total training hours	hours	71,415	120,743	227,765
Training hours per capita[30]	man/hours	12.8	20.1	19.5

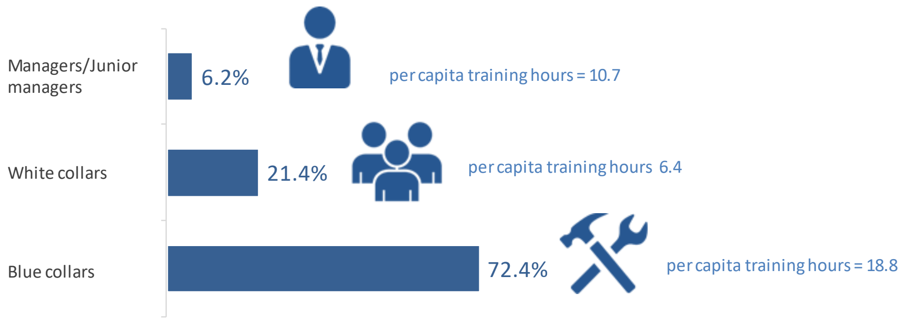

Figure 10: Training by category

Circulation of the group culture and enhancement of its human capital is a value transmitted to employees of its partners as well. Accordingly, Astaldi provided training courses to them and made them aware of its policies and standards for a total of 56,941 hours of training in 2020.

An analysis of training activities shows that the Group paid particular attention to topics linked to managing environmental and occupational health and safety aspects in 2020. This awareness is reflected in the relevant training hours provided on health and safety issues, which accounted for 65.87% of total training hours provided to direct group personnel and 64.19% of those provided to third-party employees.

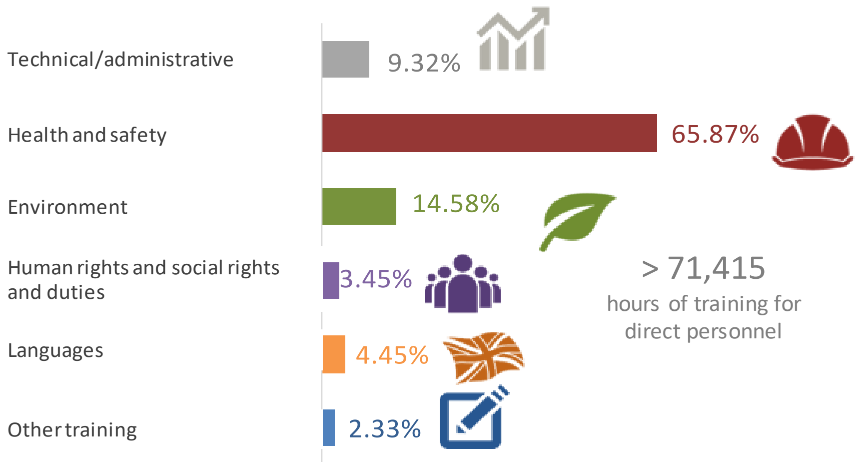

Figure 11: Training (by topic) provided to Astaldi Group employees

[30] Calculated considering average employees at in-scope areas in 2020.

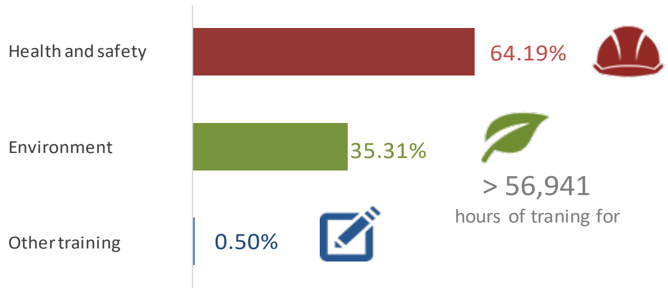

Figure 12: Training (by topic) provided to third-party employees

RECRUITMENT AND HIRING

The alignment with the composition with creditors plan and the consequent reduction in the geographical areas of interest to the Company made it possible to mainly meet the staffing requirements of corporate projects and departments through the transfer and/or retraining of the personnel already working for the Group. In the residual cases concerning the request for professional profiles with characteristics that cannot be found within the Group, selection processes from the market were carried out by mainly using company resources and tools and sometimes resorting to specialist third-party companies. However, the health emergency that arose from March 2020 has inevitably resulted in a downsizing of the recruitment and selection process, which was confined to head-hunting the resources necessary to cover certain positions.

GRI 401-1

Incoming and outgoing personnel (at 31/12/2020)

	Incoming		Outgoing	
	No.	**Rate (%)**	**No.**	**Rate (%)**
By country / Area				
Italy	166	13.1%	139	11.00%
Poland	32	14.2%	44	19.6%
Romania	172	24.9%	535	77.4%
Algeria	0	0.0%	42	85.7%
Canada	80	45.5%	35	19.9%
USA	1	16.7%	2	33.3%
Chile	824	143.1%	1,134	196.9%
Paraguay	-	0.0%	8	7.5%
Sweden	40	33.3%	46	38.3%
Total	**1,315**	**40.9%**	**1,985**	**61.7%**

Incoming and outgoing personnel (at 31/12/2019)

	Incoming		Outgoing	
	No.	**Rate (%)**	**No.**	**Rate (%)**
By country / Area				
Italy	345	20.3%	441	25.9%
Poland	43	17.8%	128	53.1%
Romania	413	39.7%	420	40.4%
Turkey	0	0%	24	114.3%
Algeria	-	-	47	43.9%
USA	1	12.5%	11	137.5%
Canada	65	49.2%	58	43.9%
Central America	19	22.4%	359	422.4%
Chile	1,789	199.9%	3,533	394.7%
Peru	-	-	-	-
Sweden	85	96.6%	16	18.2%
Georgia	-	-	-	-
Total	**2,760**	**64%**	**5,037**	**116.8%**

Incoming and outgoing personnel (at 31/12/2018)

	Incoming		Outgoing	
	No.	Rate (%)	No.	Rate (%)
By country / Area				
Italy	619	32.9%	193	10.3%
Poland	109	31.2%	146	41.8%
Romania	686	60.5%	343	30.3%
Turkey	394	50.1%	312	39.6%
Algeria	0	0.0%	63	32.3%
USA[31]	229	160.1%	203	142.0%
Canada	1,431	1460.2%	1,600	1632.7%
Central America	376	28.6%	517	39.3 %
Chile	1,660	58.6%	1,062	37.5%
Peru	0	0.0%	45	115.4%
Sweden	26	92.9%	0	0.0%
Georgia	22	81.5%	8	29.6%
Total	**5,552**	**62.9%**	**4,492**	**50.9%**

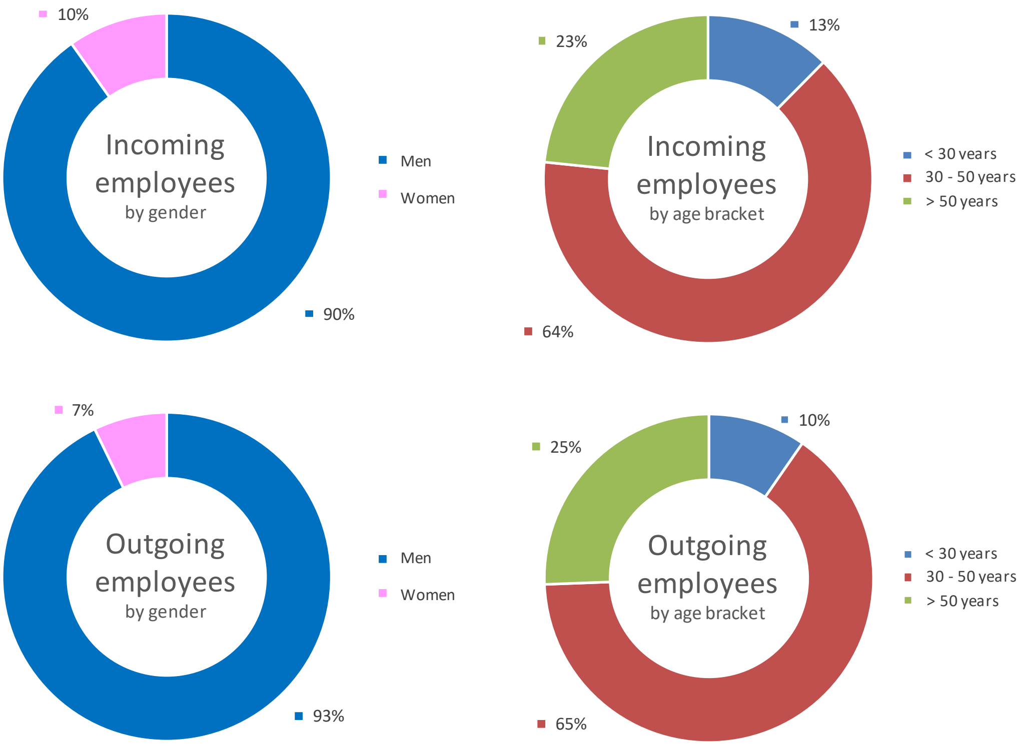

Figure 13: Incoming and outgoing personnel by gender and age bracket (at 13 December 2020)

[31] Figures do not include a breakdown of local personnel by age in accordance with the standards of the U.S. Equal Employment Opportunity Commission and the assessments supporting the published data were performed excluding such information. For the USA (2018-2019), the local personnel figures by age bracket cannot be mapped (pursuant to the Equal Employment Opportunity Commission)/the figures related to incoming local personnel are only available by gender.

WORKING TOGETHER FOR THE LOCAL AREA

Constructing and operating large public works requires building constructive and open relationships with the local communities throughout all stages of the value chain.

Despite bolstering the area's attractiveness, infrastructure may create temporary inconveniences and alter the surrounding landscape, especially during the construction phase. This requires the Group's utmost commitment to resolving any critical situations and constantly communicating the progress of works in order to fully share the value generated by the project with the community.

Therefore, creating a positive atmosphere of trust with local communities is vital for Astaldi. The Group acts as a steady, credible point of reference for the community, both at the planning stage of the works and during the construction and/or maintenance and operating phase.

During all construction stages, specific actions are implemented to deal with any inconveniences deriving from the presence of work sites in order to reduce the impact on the area and the local people. In this regard, the website and project communication plans are vital tools that are constantly updated to reflect local needs.

BODIES AND ASSOCIATIONS		**GRI 102-13**
Association	**Description**	**Involvement**
Confindustria	Italy's main association of manufacturing and service entities, with membership comprising over 150 thousand companies of all sizes	Member of the general council
Assonime	The association of Italian companies limited by shares. Its object is the study and discussion of issues that directly or indirectly affect the interests or development of the Italian economy.	Deputy chairperson
Bank of Italy (Rome office)	The central bank of the Italian Republic. It is a public institution regulated by Italian and EU regulations.	Member of the Council of regency
Società Italiana Gallerie (SIG)	A cultural association that promotes, coordinates and disseminates studies and research on the field and the art of constructing tunnels and large underground works.	Standing member of the Management board
UNI (Ente nazionale Italiano di Unificazione)	The private Italian National Unification association, recognised in Italy and in the European Union, which studies, develops, approves and publishes the voluntary technical "UNI standards" for all industrial, commercial and service sectors (except for electrical and electrotechnical sectors).	Member of the commission for new Eurocodes

GRI 102-29; GRI 203-2

Resulting impacts

Astaldi means to reinforce its role as springboard for growth and well-being, both in terms of its direct contribution to economic development in the areas involved, and via ventures aimed at improving the quality of life of the local people and areas where it operates.

With regard to education, Astaldi has helped young people breach the world of work by participating in career days organised by Italian universities, setting up work experience programmes, organising technical site visits, supporting university research programmes and establishing study grants.

Its commitment to creating well-being for the areas where it operates also, and above all, takes the form of indirect economical effects, i.e., not directly related to financial investments. In this regard, while there may be potential short-term social and environmental difficulties (e.g., noise, increased traffic) related to works, the main impacts generated by the Group on the local areas, broken down by type and location of their activities in the world, are:

- Creating jobs (hiring local people);
- Developing the professional skills of local employees;
- Facilitating direct foreign investments (e.g., building infrastructure that facilitates connections);
- Improving working or environmental conditions;
- Changing the productivity of the local organisations, sector and economy;
- Investments in infrastructure;
- Making products and services available to lower income individuals.

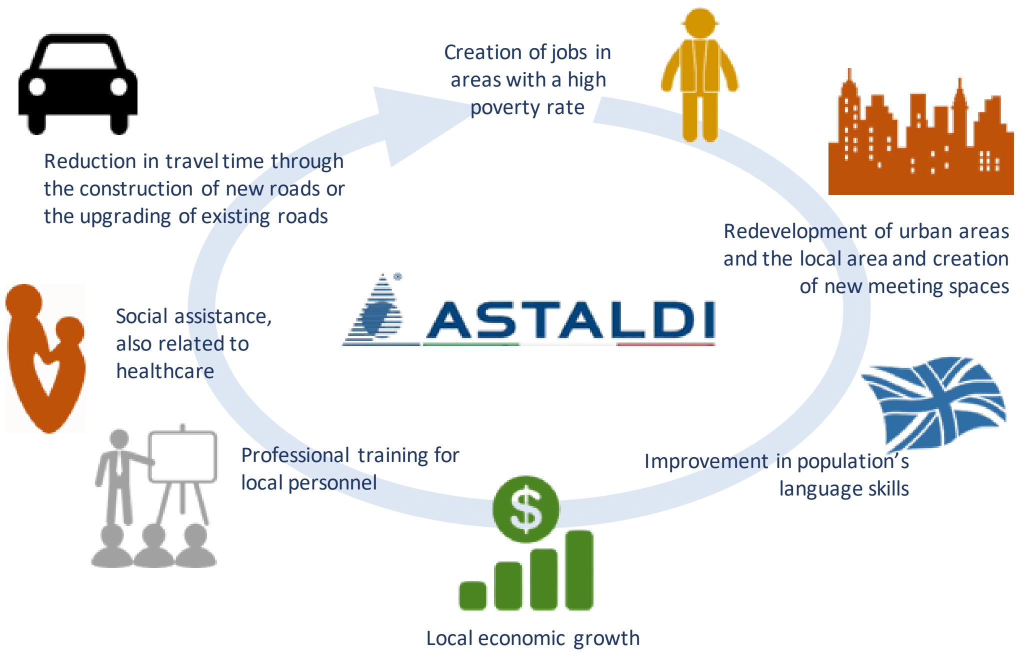

Figure 14: Positive impacts on the local communities

However, the Group's construction and operating activities can also generate significant negative effects. To tackle this, the Group assigns priority levels and identifies the best possible alternatives or actions to prevent and mitigate (real and potential) negative impacts on the local communities and on the surrounding area in general.

INNOVATION PROCESS

Innovation is a distinctive trait. Astaldi has always promoted research programmes, including as partnerships, aimed at fine-tuning and upgrading engineering and operating techniques, as well as group processes. Sharing the expertise that makes Astaldi and Italy points of reference in the field of engineering, in all of the countries where the Group operates, is a fundamental value, even if recent and well-known corporate events have reduced the scope of the action. Astaldi's engineering segment is the Group's promoter and point of reference in collecting and centralising know-how on the DB-SIN company platform operated by the engineering service office. This means it is able to identify potential technical or application methods, products and processes of interest, searching for innovative solutions to use in individual projects. Its collaborations with universities that were in place in the first months of the year are detailed below.

RESEARCH PROGRAMMES WITH UNIVERSITIES

Astaldi's activities with universities decreased during 2020 following the composition with creditors procedure applied for on a going-concern basis.

La Sapienza University, Rome (Structural and geotechnical engineering department)

The scope is researching and experimenting with conditioning agents in tunnelling with TBMs[32] with EPB[33] method. In tunnelling with the machine, the purpose of using foams to condition the ground is to facilitate tunnelling in soft, permeable ground, to avoid the earth turning into paste, keeping the shield and excavation chamber free. The research examines the main foam manufacturers, comparing them with the excavation earth to establish the best usage ratio and thus deduct the costs and benefits on the contract. In 2019, the scope of the collaboration was expanded by introducing strictly environmental issues, such as the foam's decomposition time in the tunnelling site and the environmental effects of the residues.

Tor Vergata University (Materials and concrete laboratory)

Through the SPE, Metro C, of which Astaldi is the main shareholder, the Group continued to work with the Tor Vergata university to acquire know-how about steel fibre or steel and glass fibre reinforced prefabricated segments for TBM tunnel cladding.

An essential part of the partnership is the deployment of the segments reinforced with either steel fibre or with additional glass fibre reinforcement bars in the last section of the T3 line, which is currently being excavated near Piazza Venezia in the centre of Rome.

Again with the aim of sharing and spreading know-how and expertise, the Group has agreed collaborations with top Italian universities (Federico II University, Naples and Milan Politecnico) providing internships for BIM management masters students at Astaldi.

BIM: PROJECT AND METHODOLOGY

Among the innovations already present on the market, the Building Information Modelling (BIM) project plays a strategically important role. BIM is a method used to manage the life cycle of a

[32] Tunnel Boring Machine.

[33] Earth Pressure Balance.

project, from design to construction to usage, which uses innovative IT tools for multidimensional modelling. The tool enables users to simulate the construction and operational stages, thus making adjustments and improvements in advance. It also gradually collects all the information relevant to the project in a single database as it progresses.

In 2020, even though there were fewer contracts, the remaining numerous contracts managed through the BIM method met the contractually-required levels. By implementing the BIM, Astaldi aims to innovate its organisation and relevant operational processes and make them highly efficient, like it did for the guide to implementing the BIM Execution Plan and the procedure containing criteria for measuring the progress of project designs made using the BIM method, in addition to constantly improving the procedure to create 4D simulations. Between 2019 and 2020, the engineering service's Corporate BIM Team put the finishing touches to the BIM training course, completing its content. The full course lasts 9 weeks, is made up of 28 training modules and made available to all Astaldi personnel within the BIM community and accessible via the DB-SIN engineering service's website. Lastly, in 2019, work will be in progress, for the entire 2020, on the implementation of a BIM model for the Brenner Base Tunnel, called LCB "Life Cycle BIM" under a contract that Astaldi has signed with BBT, through BTC.

Updates to the "as built" BIM models, integration of data and information gathered during the construction phase of the works, the 4D simulation of the construction and the integration of the BIM models in the GIS (Geographical Information System) for consultation purposes, are all planned; all the work has been structured so as to be used by the operator during the management phase of the rail link. In addition, the contract also provides for a training course for BBT's BIM staff, which has been developed by the BIM group of Astaldi's Engineering Service department that will last for the entire year 2020.

THE SMART PROJECT

The Astaldi's engineering service actively participates in the SMaRT project, a unique four-year training and interdisciplinary and cross-sector research programme that tackles the mitigation of sand around railway tracks in arid regions all over the world, specifically in arid areas of the Middle East, North Africa and the Arabian peninsula. The aim of the project is to develop standardised techniques for assessing the risks related to sand for railway tracks, conceive new and effective measures to mitigate sand and assess their performance by using innovative computerised simulations and field testing. This project has received funding from the European Union's Horizon 2020 research and innovation programme under the Marie Sklodowska-Curie Actions grant no. 721798.

A multidisciplinary and cross-sector team from two top research universities (Turin Politecnico and the University of Oxford) and a highly-qualified consultancy firm (Optiflow) are involved in the SMaRT project.

Other than Astaldi, which is responsible for aspects related to civil infrastructural works, the other partners include Salcef-Reco for the superstructure and Ansaldo STS for the signage.

Objectives

SMaRT aims to innovate the field of research on sand mitigation, by:

- developing knowledge in the main scientific sectors involved (fluid and granular mechanics, wind engineering and wind geomorphology) and blending it in a multidisciplinary approach for design and analysis;
- generating a computational engineering approach to planning sand mitigation measures;
- developing a new approach to modelling and simulating the multiphase wind-sand interaction system;
- designing operating procedures and standard skills for operating design, assessing sand mitigation measures and performing field tests thereon.

Progress

The main activities developed were those related to research and training and, at the same time, activities of different Working Projects, related to SMM (Sand Mitigation Measure) project calculations and the related models.

ENVIRONMENTAL ASPECTS

Constructions are inextricably tied to their surrounding environment. Through the design, implementation and management of its projects, Astaldi promotes the environmental sustainability and undertakes to contribute to reducing the impacts generated by climate change by increasing renewable energy generation and launching "green mobility" projects.

Astaldi has performed numerous projects worldwide in the field of renewable energy generation plants (hydroelectric power plants) and "green mobility" (railways and metros), contributing to clean energy generation and reducing local emissions.

The following table shows financial risks, opportunities and implications related to climate change.

Global climate change challenges — **GRI 201-2**

DRIVERS	RISKS	OPPORTUNITIES	FINANCIAL IMPLICATIONS
Regulations and legislation	The Group's business can be significantly influenced by changes in legislation on climate change. The uncertainty about such legislation is a risk that could lead to lower acquisitions. To tackle this issue, Astaldi breaks its business down into geographical segments (removing the risk of "depending" on certain areas) and constantly monitors the status of ruling legislation, including by being involved with trade committees and associations.	New possible legislation targeting the development of "low carbon" and "green energy" initiatives can represent a growth opportunity for the Group's business, especially in the field of energy generation plants and "green buildings". Therefore, it is vital to constantly monitor present and future initiatives, which the Group does via suitable organisational and managerial business development tools.	Higher or lower acquisitions of projects in the business segments linked to the fight against climate change: • renewable energy generation plants (hydroelectric power plants); • green mobility (railways and metros).
Changes to the climate and local area	Many countries where Astaldi operates are affected by extreme weather conditions (floods, hurricanes, etc.) which prompt uncertainty about business continuity, especially in certain periods of the year, leading to delays and spikes in energy consumption. Astaldi identifies the most adequate mitigation measures and develops suitable contingency plans through careful planning of operations and ongoing risk management activities.	Major climate change creates different needs in terms of new infrastructure and upgrading of existing structures. In addition, growing awareness of climate change issues among stakeholders has escalated the demand for "green" products. Astaldi intends to seize these opportunities via constant research focused on innovating current construction techniques and ongoing monitoring of stakeholder behaviour.	Climate change initiates extreme weather conditions that could lead to the suspension of operations, delays or damage to Group assets, thus raising operating costs. Astaldi's ability to execute "green" projects enables it to carve out a slice of the market, thus giving it the possibility to boost revenue.
Customer behaviour	Failure to meet market demands with regard to climate change can be a risk, especially in terms of a "negative perception" of the Group. Astaldi governs this risk through transparent communication with all of its stakeholders and ongoing investment and research in green technologies (e.g., LEED certification).	The current global attitude to the battle against climate change has notably heightened stakeholders' awareness of the topic, increasing the demand for "green" products. The main changes in consumer behaviour are constantly monitored and managed at local level and for corporate innovation and development projects.	Customers' pursuit of technical solutions with a lower environmental impact leads to a surge in the "green economy". The relevant impacts for Astaldi (in terms of opportunities or risk) could be: • Higher or lower acquisitions of projects; • Entering or exclusion from new markets.

The impacts generated can include the consumption of raw materials, water and energy resources and the generation of atmospheric emissions, discharge of wastewater, waste, noise and vibrations, in addition to effects related to transport to and from work sites.

The actual extent of impacts recorded - often temporary and limited to the construction stage - depends on numerous factors, including the geographical location of the work and the presence of particularly vulnerable areas nearby.

Based on the local characteristics, Astaldi carries out a process to analyse and assess the environmental impacts, also in compliance with ruling legislative requirements, at all its production units. The analysis considers all processes and activities, including the design stage. This process is repeated and updated at regular intervals whenever required by changes and modifications, including organisational.

Adopting emergency management systems, defining improvement goals and plans, as well as constantly monitoring production sites, are equally crucial aspects of Astaldi's approach to safeguarding the environment. These are also developed and implemented through discussions with national and local stakeholders actively involved in all processing stages.

In line with this overall approach, Astaldi has prepared an integrated management system, with its environmental component UNI EN ISO 14001 certified. The system is applied to contracts via Environmental management plans. The application of group environmental standards is checked periodically through audits. The purpose of these is also to verify that projects can ensure compliance with legislation, that stakeholders' viewpoints are properly considered in improvement plans and that the Group's commitment to preventing and mitigating pollution transforms into reality.

Energy and emissions

Climate change represents a real threat for future generations. The increase in greenhouse gas emissions regulated by the "United Nations Framework Convention on Climate Change" and the "Kyoto Protocol" is so clearly due to anthropogenic activities that it has influenced the economic and energy policies of countries, which are now looking to sustainable development.
In order to overcome this change, Europe has set out key short, medium and long-term targets related to the climate and energy, developing a series of laws and strategic actions, including:

European Green deal – EU's commitment to reaching climate neutrality by 2050

The European Union is committed to achieving climate neutrality by 2050. Achieving this goal will require a transformation of Europe's society and economy, which must be cost-effective and fair, as well as socially balanced.

2020 climate and energy package

The 20-20-20 climate and energy package contained in the Europe 2020 strategy is a set of binding legislation to ensure the EU meets its climate and energy targets for 2020.

The package sets three key targets:

- 20% cut in greenhouse gas emissions (from 1990 levels);
- 20% of EU energy to be obtained from renewables;
- 20% improvement in energy efficiency.

The targets were set by EU leaders in 2007 and enacted in member state legislation in 2009. They are also headline targets of the Europe 2020 strategy for smart, sustainable and inclusive growth and the EU is taking action in several areas to meet them.

COP25 Madrid - Uncertainties about climate

On 15 December 2019, the COP25, the UN's latest climate conference, held in Madrid, Spain, ended without a deal. Discussions about clear rules on carbon markets and funding mechanisms to support those most exposed to the consequences of global warming have been postponed to November 2021, when the COP26 will be held in Glasgow, Scotland, together with ambitious promises needed to contain emissions, in compliance with the objectives of the Paris agreements, i.e. to keep the global temperature increase to well below 2°C compared to pre-industrial levels and pursue efforts to keep it at 1.5°C in order to prevent more dangerous impacts of climate change.

Long-term strategy for 2050

In March 2018, the Commission had already adopted an action plan on sustainable finance, which aims to channel capital towards environmental sustainability. In June 2019, the European Commission's Technical Expert Group (TEG) created a taxonomy to determine which economic activities are environmentally sustainable. The taxonomy identified the activities which will be able to adapt to a net-zero emissions economy by 2050, pinpointing the sectors that are crucial to climate change mitigation and adaptation processes.

For Astaldi, as well as generating an environmental impact, energy consumption also has a direct effect on operating costs which are influenced by fluctuations in the energy supply market and the choices made in relation to the energy sources used.

In the Group's line of business, energy sources are mainly not renewable and their use generates direct emissions (from the use of fossil fuels, such as petrol, diesel, LPG, etc. at the work sites) and indirect emissions (primarily deriving from the consumption of electricity purchased from the grid).

Energy consumption for 2018-2020 is reported below.

GRI 302-1; GRI 302-2; GRI 302-3

Energy consumption				
	MU	**2020**	**2019**	**2018**
Energy consumption[34] by direct processes				
Total consumption of fuel (non-renewable sources)	GJ	378,958	573,889	919,596
Consumption of indirect - acquired energy (non-renewable sources)	GJ	466,699	535,362	520,167
Self-generated energy (renewable sources)	GJ	340	123	216
Total energy - direct processes	**GJ**	**845,997**	**1,109,374**	**1,439,979**
Energy consumption by indirect third-party processes				
Total consumption of fuel (non-renewable sources)	GJ	300,328	349,868	929,263
Consumption of indirect - acquired energy (non-renewable sources)	GJ	12,669	1,302	12,711
Total energy - third-party processes	**GJ**	**312,997**	**351,170**	**941,975**
Energy intensity[35]				
Energy intensity (per €m revenue)	**GJ/€M**	840	1,067	2,632
Energy intensity (per hour worked)	kWh/hour	19.48	22.42	13.81

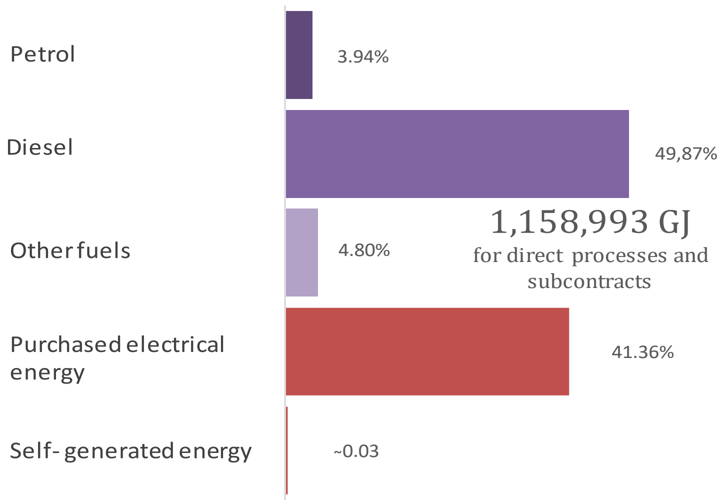

Figure 15: Energy consumption

During the three-year period there was a reduction of about 51% in energy consumption. In 2020 energy consumption decreased mainly due to direct processes (-23.7%) compared to the previous year, although consumption from third-party processes also showed a slight decrease (-10.9%): however, both of them were adversely affected by a reduction in productivity of the orders, due to the ongoing pandemic.

[34] Direct consumption is calculated by applying the Intergovernmental Panel on Climate Change (2006 IPCC Guidelines for National Greenhouse Gas Inventories) factors to convert the quantities of petrol, diesel, kerosene, LPG and natural gas into Gigajoules. Indirect energy consumption is standardised using a factor of 0.0036 that converts kWh of electricity into Gigajoules.

[35] The denominator chosen to calculate the Group's energy intensity ratio is total operating revenue for the year (in millions of Euros). Energy intensity was calculated considering internal and external consumption. It should be noted that the 2018 and 2019 data have been subject to restatement in order to update the underlying calculation.

In 2020, Astaldi generated total emissions equivalent to 96,939 ton $CO2_{eq.}$

GRI 305-1; GRI 305-2; GRI 305-3; GRI 305-4

Emissions of CO_2 equivalent [36]				
	MU	**2020**	**2019**	**2018**
Direct processes				
Direct emissions of CO_2 equivalent (Scope 1)	Ton	27,565	41,677	66,889
Indirect emissions of CO_2 equivalent (Scope 2)	Ton	69,374	63,543	67,407
Emissions of CO_2 equivalent (Scope 1 + Scope 2)	**Ton**	**96,939**	**105,220**	**134,296**
Third-party processes				
Direct emissions of CO_2 equivalent	Ton	21,802	25,472	67,893
Indirect emissions of CO_2 equivalent	Ton	1,808	267	1,977
Emissions of CO_2 equivalent (Scope 3)	**Ton**	**23,610**	**25,739**	**69,871**
GHG emission intensity				
Emissions of CO_2 equivalent per hours worked	**(kg/h)**	**7.30**	**7.24**	**4.26**

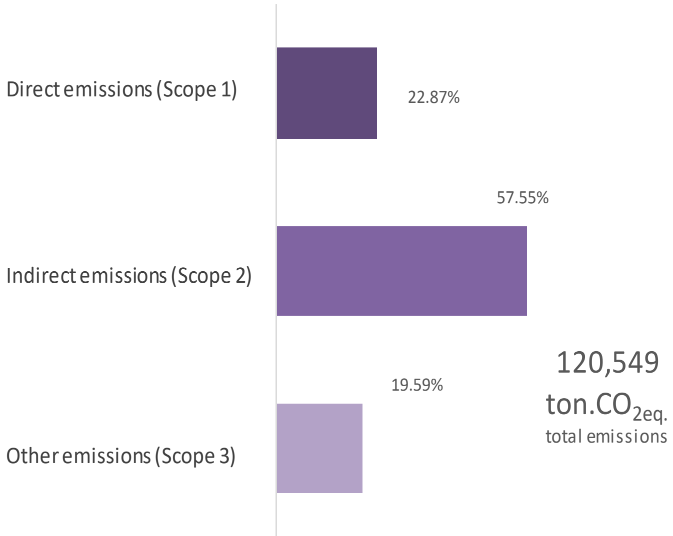

Figure 16: Emissions of CO2eq.

The trend showed a reduction of approximately 28% in direct CO2 emissions compared to 2018 and, with reference to the previous year, a decrease in both direct (-8.5%) and indirect (-9%) emissions, in line with EU energy transition goals.[37]

[36] For information on the classification of emissions (Scope 1, Scope 2 and Scope 3), reference should be made to "The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised edition)". The emission factors published by the International Panel on Climate Change (2006 IPCC Guidelines for National Greenhouse Gas Inventories – Energy Stationary Combustion) were applied to calculate direct emissions due to fossil fuel consumption. The Terna International Comparisons at 31 December 2020 were applied to calculate indirect emissions due to electricity consumption for each country.

[37] Given the diversity of specific parameters that GRI 302-3 and 305-4 standards allow organisations to use for determining energy intensity and GHG emissions intensity, comparative analysis with industry data does not provide significant data regarding the Group's performance.

USE OF RESOURCES[38]

Responsible consumption helps to create a more sustainable business from an environmental and social point of view, especially where specific resources are essential for the local communities. This is another goal of the 2030 Agenda integrated into Astaldi's business.

By reusing materials or operating in a way to minimise waste production or production scraps, the Group is reducing the effects of its operations in terms of the intensity of its use of materials. Such factors help create a more sustainable business from an environmental and social point of view, especially where specific resources are essential for the local communities.

First and foremost, water resources are considered absolute primary goods all over the globe. Monitoring water consumption is the basis of identifying and implementing efficient use.

In 2020, the Astaldi Group recorded a reduction in water consumption of approximately 2 million cubic metres, which was attributable to different operating activities.

In particular, there was a significant decrease, compared to 2019[1], in withdrawals from aqueducts that mainly relate to operations at the base camps and canteen services. Although the percentage distribution of withdrawals from underground water appears to have increased in 2020, the specific quantities of withdrawals in 2020 showed a slight decrease compared to 2019, but still in line with the values observed over the three-year period. With specific reference to the percentage of withdrawals from underground water, equal to 75.13% of the total, the percentage increase was only attributable to the simultaneous decrease, and relative lower incidence, of withdrawals from aqueducts.

GRI 303-1

Water withdrawal by source and reuse[39]

	MU	2020	2019	2018
Withdrawal by source				
Total consumption	**m^3**	**1,529,517**	3,469,881	1,459,419
from aqueduct and other services	%	19.15%	54.73%	38%
from surface water	%	5.72%	3.04%	26%
from underground water	%	75.13%	42.24%	37%
from other sources	%	0.00%	0.00%	0%
Reused water				
Total reused water (as a percentage of total consumption) of which:	**%**	**56.21%**	2.86%	2.9%
In closed circuit systems (as a percentage of total reused water)	%	96.27%	59.88%	27%
Other uses (as a percentage of total reused water)	%	3.73%	41.25%	73%

Given its business, most of the materials used by the Group come from non-renewable sources. Materials from renewable sources (only wood) comprise 0.04% of total raw materials used (excluding semi-finished products).

[38] The information reported make reference to GRI 303 (2016)

[1] The quantity of water withdrawn from the aqueduct was significantly reduced compared to the previous year due to the removal of the Metro Blu contract from the reporting scope, since the specific nature of the work implied a high withdrawal.

[39] The figures related to water withdrawal have been measured directly (through the use of accurate meters installed at procurement points - e.g., water withdrawn from water supply systems) estimated or modelled (i.e., calculated based on the capacity of the withdrawal systems used - e.g., pump capacity - or from production activities carried out during the reporting period).

GRI 301-1- GRI 301-2

Use and reuse of materials[40]

	MU	2020	2019	2018
Non-renewable materials				
Total non-renewable materials, of which:	**ton**	**5,763,528**	**6,133,389**	**5,322,691**
Cement	%	2.1%	2.8%	6.3%
Additives	%	0.1%	0.2%	0.5%
Asphalt	%	0.2%	1.2%	0.7%
Aggregates	%	96.2%	87.9%	84.4%
Metal materials	%	1.3%	6.9%	7.7%
Other materials	%	0.1%	1.0%	0.3%
Semi-finished products				
Total semi-finished products, of which:	**ton**	**2,672,012**	**2,619,828**	**3,510,408**
Concrete made on site	%	37.4%	45.6%	47.2%
Asphalt made on site	%	0.0%	11.3%	2.6%
Pre-made concrete	%	20.2%	14.1%	9.0%
Ready-mixed concrete	%	35.9%	27.0%	36.8%
Ready-mixed asphalt	%	3.7%	1.4%	2.8%
Other semi-finished products	%	2.7%	0.6%	1.5%
Excavated materials				
Produced	Ton	8,150,960	10,795,148	23,710,763
Reused	Ton	5,588,276	7,642,004	12,215,104
Reuse percentage	**%**	**68.6%**	**70.8%**	**51.5%**

Like for energy consumption (§ Energy and Emissions), rational use of resources allows cutting operating costs deriving from purchasing materials and waste management.

The consumption of non-renewable materials and semi-finished products, both in terms of quantity and percentage by type of material, remained almost stable during the three-year period; however, the change by type was attributable to the work performed at the construction sites operating in 2020. Particular attention is paid to the percentage of reuse of excavated materials which, compared to 2018, showed an increase of approximately 17%, while the quantities of reuse remained more or less in line with 2019, although slightly down, due to a slight reduction in operations due to the Covid-19 emergency.

In this regard, embracing basic circular economy principles, Astaldi promotes reusing materials or, alternatively, salvaging/recycling waste rather than sending it to disposal plants.

In the construction sector, excavated materials make up a significant portion of materials whose reuse is an important variable in terms of the Group's carbon footprint. Therefore, the Group projects apply a policy of reusing excavated materials, where necessary activating legislative tools that regulate such practice at local level right from the planning stage, as part of the contract environmental management system.

[40]The figures related to the consumption of materials were measured directly (based on changes in inventory or delivery notes), estimated or modelled (i.e., through indirect measurement - e.g., stage of completion of projects).

Waste Management[41]

A rational use of resources also allows a reduction in operating costs due to the purchase of materials and the management of waste produced, including through a careful selection of the subcontractors that provide their services for the job orders.

Waste is collected, sorted and stored in special restricted areas, from which it is subsequently taken for reuse or to be transferred to third parties that are authorised to recover and dispose of waste, with preference given to recovery. 94.1% of the quantities of waste produced were therefore sent to recovery plants.

The production of hazardous waste accounts for a marginal amount of the waste produced under the Group's contracts, which is equal to 2.2% of the waste disposed of by Astaldi and generally consists of additives and solvents, exhausted oils and oil filters from vehicle maintenance, batteries, accumulators and, in some cases, soil, sludge and other materials containing hazardous substances.

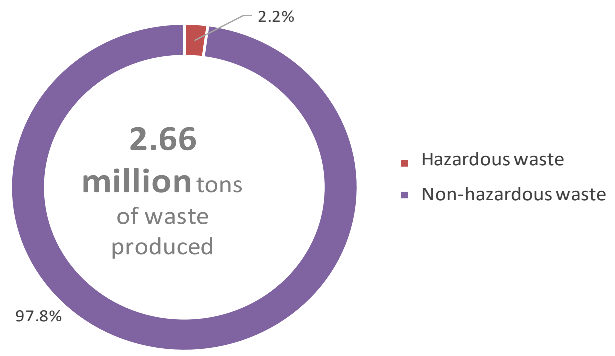

Figure 17 Waste produced by type

The amount of waste produced in 2020 totalled 2.66 million tons, 97.8% of which accounted for non-hazardous substances, showing an increase compared to 2019 (+26%).

In espousing the basic principles of circular economy, Astaldi promotes the reuse of materials, or alternatively the recovery and recycling of waste produced rather than sending it to disposal plants.

In the construction sector, a significant share of materials, the reuse of which is a key variable in terms of environmental footprint of operations, consists of excavated materials; therefore, the Group has adopted a policy of reuse of excavated material in its projects, applying, where necessary, the regulatory measures that govern this practice at local level, through the identification and assessment of legal requirements as part of the planning phase of the environmental management system of the contracts.

No significant accidental spills or discharges of wastewater containing chemicals, waste or fuels occurred in 2020, thus confirming the proper implementation of the procedures set out by the Environmental Management System scheme and of the awareness-raising, education and training programmes reserved for the staff members involved.

[41] New material topic for 2020.

Waste[42]				GRI 306-2
	MU	2020	2019	2018
Direct processes	**Ton**	**1,817,532**	**1,446,458**	**1,869,585**
Hazardous	Ton	57,921	106,449	28,850
Non-hazardous	Ton	1,759,611	1,340,009	1,840,735
Third-party processes	**Ton**	**842,772**	**765,742**	**5,819,908**
Hazardous	Ton	41	1,104	33,216
Non-hazardous	Ton	842,731	764,638	5,786,692
Direct and third-party processes	Ton	**2,660,304**	**2,212,200**	**7,689,493**

Waste				GRI 306-2
	MU	2020	2019	2018
Waste by type of treatment				
Direct processes	**Ton**	**1,817,302**	**1,446,458**	**1,869,585**
Recovery	%	94.9%	55.1%	94.9%
Disposal	%	5.1%	44.8%	5.1%
Subject to incineration	%	0.0%	0.1%	0.0%
Third-party processes	**Ton**	**842,772**	**765,742**	**5,819,908**
Recovery	**%**	92.4%	82.5%	36.3%
Disposal	%	7.6%	17.5%	63.7%
Subject to incineration	%	0.0%	0.0%	0.0%

Dust, Noise and Vibrations[43]

In being aware that the main activities it carries out generate the dispersion of dust, noise and vibrations, thus causing inconvenience to the community, Astaldi is committed to reducing noise and vibration pollution and the main emissions into the atmosphere, with the aim of improving its services and meeting the expectations and needs of its customers in the best possible way. In order to monitor and manage this issue in a proactive manner, in addition to complying with regulatory measures, ASTALDI has a sustainability policy that includes environmental commitments and puts in place a set of prevention systems and controls to limit the impacts arising from this issue, through an appropriate involvement of its workers. The implementation of the policy also ensures the responsibility for setting certain improvement targets such as:

- extraordinary environment-related awareness-raising and communication measures;
- investments in equipment and devices with greater environmental protection than those available;
- reorganisation of contract works in order to increase effectiveness and efficiency in the management of environmental issues and impact;

in order to increasingly reduce any adverse environmental impact (e.g. reduction in the concentration of pollutants emitted into the atmosphere, implementation of a control plan aimed at reducing noise etc.).

[42] For information on the classification of emissions (Scope 1, Scope 2 and Scope 3), reference should be made to "The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised edition)". The emission factors published by the International Panel on Climate Change (2006 IPCC Guidelines for National Greenhouse Gas Inventories – Energy Stationary Combustion) were applied to calculate direct emissions due to fossil fuel consumption. The emission factors published by the International Energy Agency IEA (CO_2 Emission from fuel combustion (2013) – CO_2 emissions per kWh from electricity generation (2011), International Energy Agency) were applied to calculate indirect emissions due to electricity consumption for each country.

[43] New material topic for 2020

GRI 304-1; GRI 304-2

PROTECTING HABITATS AND SAFEGUARDING BIODIVERSITY

As well as being among the 17 goals of the 2030 Agenda, conservation of life below water and life on land is a cornerstone of Astaldi's way of business. The Group operates in full respect of the environment and pays particular care in areas where the works being built are near or within protected areas or areas of high biodiversity value.

In these cases, the Group implements specific protection measures to maintain the habitats. Even though, given their nature, constructing large works leads to significant changes and alterations to the surrounding areas, the Group is committed to mitigating and minimising the impacts construction activities have on habitats, via constant environmental monitoring and appropriate actions to mitigate the impacts identified during the assessment stage with the participation and contribution of all bodies involved.

Monitoring activities carried out is the first step in detecting and then reducing the risk of generating negative effects within these ecosystems. In this way, Astaldi mitigates the risk of delays in its operations and pre-empts possible damage to its reputation.

Astaldi blends its efforts to monitor and mitigate impacts with its commitment to preserving and protecting biodiversity. Assessing environmental impact also includes analysing potential risks for the local flora and fauna, paying particular attention where these include protected species.

Some of the areas where the Group operates are home to protected species of wild flora and fauna. The prevention and protection measures applied include careful management of water resources and creating protection systems (e.g., protective barriers to cordon off areas at risk or prevent access by animals in places where work is carried out). Furthermore, the Group effects information and awareness campaigns for all personnel (employees and external consultants), both during their induction phase and at regular intervals so that everyone can contribute to safeguarding these protected species, even simply by reporting sights of them.

Figures for 2020 are as follows:

1. ITALY (2 vulnerable species)
2. POLAND (8 species at low risk of extinction)
3. ROMANIA (1 species at serious risk of extinction; 9 at risk of extinction; 75 vulnerable species; 14 species nearly at risk of extinction and 664 species at low risk of extinction)
4. PARAGUAY (1 species at serious risk of extinction; 3 vulnerable species; 3 species at risk of extinction and 6 species nearly at risk of extinction)
5. CHILE (2 species at low risk of extinction).

BIODIVERSITY		
	MU	
Total size of the Operating Site	km2	1,071,911.03
Size of the Operating Site located in protected areas	km2	64,004.79
Surface of affected areas	km2	4.81
Size of the Protected or Restored area	km2	3,503.89

Figure 19: Map of countries where the Group operates with protected habitats and biodiversity areas

Bridging Table – Legislative Decree 254/2016, Material topics– GRI Standards

The correlation between Legislative Decree no. 254 of 30 December 2016 and the GRI Standards guidelines has been preliminarily included in this section, as reported below.

Legislative Decree 254/2016 topics	Material topics	Topic-specific GRI Standards	SCOPE OF IMPACT	
			Impact within the Group	Impact outside the Group
Anti-corruption	Corruption prevention	Anti-corruption (GRI 205)	The whole Group	• Shareholders, lenders and banks.
	Transparency of governance	Governance structure (GRI 102-18)	The whole Group	• Shareholders, lenders and banks. • Certification bodies and rating agencies. • Customers, governments and Public Authorities.
	Ethics and compliance	Ethics and integrity (GRI 102-16, GRI 102-17)	The whole Group	• Shareholders, lenders and banks. • Customers, governments and Public Authorities.
Social topics	Customer satisfaction and service quality	Customer Health and Safety (GRI 416) Customer Privacy (GRI 418)	The whole Group	• Customers, governments and Public Authorities. • Project partners. • Suppliers and subcontractors. • Universities, schools and trade associations.
	Safety and quality of works	Customer Health and Safety (GRI 416)	The whole Group	• Customers, governments and Public Authorities. • Local communities and media. • Suppliers and subcontractors.
	Covid-19 emergency management	Occupational Health and Safety (GRI 403)	The whole Group	• Employees and trade unions. • Suppliers. • Project partners. • Local communities.
Personnel topics	Promoting safety, health and welfare	Occupational Health and Safety (GRI 403) Employment (GRI 401)	The whole Group	• Employees and trade unions.
Environmental topics	Management of materials	Materials (GRI 301)	The whole Group	• Suppliers and subcontractors.
	Dust, noise and vibrations	Environmental Compliance (GRI 307)	The whole Group	• Suppliers and subcontractors. • Local communities.
	Waste management	Effluents and Waste (GRI 306)	The whole Group	• Suppliers and subcontractors. • Local communities.
	Emissions and climate change	Emissions (GRI 305)	The whole Group	• Suppliers and subcontractors.
	Soil and subsoil	Biodiversity (GRI 304) Effluents and Waste (GRI 306)	The whole Group	• Suppliers and subcontractors.
Human Rights	Human Rights and protection of minorities	Non-Discrimination (GRI 406) Rights of Indigenous Peoples (GRI 411)	The whole Group	• Local communities. • Suppliers and subcontractors. • Employees and trade unions.

GRI CONTENT INDEX

The GRI Content Index provides an overview of the Group's performance through the indicators set out in the GRI Standards guidelines related to the in-scope companies.

GRI 102 – General Disclosures

GRI Standard	Description	Page	Notes and omissions
Organisational profile (2016)			
102-1	Name of the organization	1	Astaldi Società per Azioni, in short Astaldi S.p.A.
102-2	Activities, brands, products and services	9	
102-3	Location of headquarters	-	Registered office: Via Giulio Vincenzo Bona 65, 00156, Rome (Italy)
102-4	Location of operations	9	
102-5	Ownership and legal form	9	For more information, reference should be made to the "Report on corporate governance and ownership structure" available on the website www.astaldi.com
102-6	Markets served	9	
102-7	Scale of the organization	10; 23; 37	
102-8	Information on employees and other workers	37-39	In terms of type of employment, the number of self-employed workers or part-time employees is not significant at the Group as almost all employees have full-time contracts.
102-9	Supply chain	35;43	
102-10	Significant changes to the organization and its supply chain	13; 23	For more information, reference should be made to the "Report on corporate governance and ownership structure" available on the website www.astaldi.com There were no significant changes in the location of suppliers, the structure of the supply chain or in relationships with strategic suppliers.
102-11	Precautionary Principle or approach	12; 14	
102-12	External initiatives	22	
102-13	Membership of associations	51	
Strategy (2016)			
102-14	Statement from senior decision-maker	4	
102-15	Key impacts, risks, and opportunities	14	
Ethics and integrity (2016)			
102-16	Values, principles, standards, and norms of behaviour	12	
Governance (2016)			
102-18	Governance structure	10	For more information, reference should be made to the "Report on corporate governance and ownership structure" available on the website www.astaldi.com
102-19	Delegating authority	10	
102-22	Composition of the highest governance body and its committees	13	For more information, reference should be made to the "Report on corporate governance and ownership structure" available on the website www.astaldi.com
102-23	Chair of the highest governance body	10	Reference should be made to the "Report on corporate governance and ownership structure" available on the website www.astaldi.com
102-24	Nominating and selecting the highest governance body	10	For more information, reference should be made to the "Report on corporate governance and ownership structure" available on the website www.astaldi.com
102-25	Conflicts of interest	10	The organisational solutions adopted are shown in the "Report on corporate governance and ownership structure" available on the website www.astaldi.com
102-26	Role of highest governance body in setting purpose, values, and strategy	13	Reference should be made to the "Group's Code of Ethics" available on the website www.astaldi.com
102-27	Collective knowledge of highest governance body	13	
102-29	Identifying and managing economic, environmental, and social impacts	52	The Sustainability Committee and the Control and Risks Committee work in sync to analyse the risks and opportunities of the economic, environmental and social performance, in support of the Group's highest Governance Bodies. As part of planning sustainability initiatives, information on the different needs of the interested parties is

GRI Standard	Description	Page	Notes and omissions
			gathered through the various communication channels described in the report. Such information is used in assessing stakeholder interest for the materiality matrix.
102-35	Remuneration policies	-	For more information, reference should be made to the "Remuneration report" available on the website www.astaldi.com.
102-36	Process for determining remuneration	-	For more information, reference should be made to the "Remuneration report" available on the website www.astaldi.com.
102-37	Stakeholders' involvement in remuneration	-	For more information, reference should be made to the "Remuneration report" available on the website www.astaldi.com.
Stakeholders' engagement (2016)			
102-40	List of stakeholder groups	17	
102-41	Collective bargaining agreements	41	
102-42	Identifying and selecting stakeholders	17	
102-43	Approach to stakeholder engagement	17	The frequency and type of activities that are developed are closely related to the context in which the Group operates. Therefore, the specific engagement activities included in the different projects are defined (with regard to type and frequency) considering the tools that regulate this aspect in the management system applied to the project (Project management plan, Community relations plan, Communications management plan, etc.), which are periodically reviewed also to implement any requirements presented by the various stakeholders.
102-44	Key topics and concerns raised	19	
Reporting practices (2016)			
102-45	Entities included in the consolidated financial statements	-	For a list of companies included in the consolidated financial statements, reference should be made to the "2020 Annual Financial Report" available on the website www.astaldi.com For entities included in the consolidated financial statements but excluded from this statement, reference should be made to § METHODOLOGY FOR REPORTING NON-FINANCIAL INFORMATION and page 6.
102-46	Defining report content and topic Boundaries	7	
102-47	List of material topics	19	
102-48	Restatements of information	-	This is the Group's fourth statement to be externally published, dating back to July 2020.
102-49	Changes in reporting	7	This statement is the Group's fourth to be externally published. In any case, the reporting scope varies from year to year due to the completion and beginning of new contracts in the segments this was translated as areas earlier where the Group operates.
102-50	Reporting period	-	2020 (calendar year)
102-51	Date of most recent report	-	This is the Group's fourth statement to be externally published. The 2019 Non-financial Statement was published following its approval at the Board of Directors' meeting held on 16 June 2020.
102-52	Reporting cycle	-	Annual.
102-53	Contact point for questions regarding the report	-	sustainability@astaldi.com
102-54	Claims of reporting in accordance with the GRI Standards	6	The Group has chosen the "core" GRI option in preparing its 2020 sustainability profile.
102-55	GRI Content Index	i	The GRI Content Index is attached to the sustainability report.
102-56	External assurance	x	The independent auditors PricewaterhouseCoopers S.p.A. have been engaged by the Board of Directors to carry out the external assurance activities.

GRI 103 – Management Approach

GRI Standard	Description	Page	Notes and omissions
Economic performance (2016)			
103-1	Explanation of the material topic and its Boundary	7; 19;i	
103-2	The management approach and its components	23	

GRI Standard	Description	Page	Notes and omissions
103-3	Evaluation of the management approach	23	
Procurement practices (2016)			
103-1	Explanation of the material topic and its Boundary	7; 19; i	
103-2	The management approach and its components	35; 43	
103-3	Evaluation of the management approach	35; 43	
Anti-corruption (2016)			
103-1	Explanation of the material topic and its Boundary	7; 19; i	
103-2	The management approach and its components	12	
103-3	Evaluation of the management approach	12	
Materials (2016)			
103-1	Explanation of the material topic and its Boundary	7; 19; i	
103-2	The management approach and its components	61	
103-3	Evaluation of the management approach	61	
Energy (2016)			
103-1	Explanation of the material topic and its Boundary	7; 19; i	
103-2	The management approach and its components	55	
103-3	Evaluation of the management approach	55	
Water and effluents (2016)			
103-1	Explanation of the material topic and its Boundary	7; 19; i	
103-2	The management approach and its components	60	
103-3	Evaluation of the management approach	60	
Emissions (2016)			
103-1	Explanation of the material topic and its Boundary	7; 19; i	
103-2	The management approach and its components	59	
103-3	Evaluation of the management approach	59	
Waste (2016)			
103-1	Explanation of the material topic and its Boundary	62;i	
103-2	The management approach and its components	62	
103-3	Evaluation of the management approach	62	
Biodiversity (2016)			
103-1	Explanation of the material topic and its Boundary	7; 19; i	
103-2	The management approach and its components	64	
103-3	Evaluation of the management approach	64	
Employees (2016)			
103-1	Explanation of the material topic and its Boundary	7; 19; i	
103-2	The management approach and its components	39	
103-3	Evaluation of the management approach	39	
Health and Safety (2016)			
103-1	Explanation of the material topic and its Boundary	7; 19; i	
103-2	The management approach and its components	44	
103-3	Evaluation of the management approach	44	
Training and education (2016)			
103-1	Explanation of the material topic and its Boundary	7; 19; i	
103-2	The management approach and its components	47	
103-3	Evaluation of the management approach	47	
Diversity and equal opportunity (2016)			
103-1	Explanation of the material topic and its Boundary	7; 19; i	

GRI Standard	Description	Page	Notes and omissions
103-2	The management approach and its components	39	
103-3	Evaluation of the management approach	39	
Non-discrimination (2016)			
103-1	Explanation of the material topic and its Boundary	7; 19; i	
103-2	The management approach and its components	vii	
103-3	Evaluation of the management approach	vii	
Rights of Indigenous Peoples (2016)			
103-1	Explanation of the material topic and its Boundary	7; 19; i	
103-2	The management approach and its components	vii	
103-3	Evaluation of the management approach	vii	
Customer health and safety (2016)			
103-1	Explanation of the material topic and its Boundary	7; 19; i	
103-2	The management approach and its components	vii	
103-3	Evaluation of the management approach	vii	

TOPIC-SPECIFIC STANDARDS – GRI 200 ECONOMIC PERFORMANCE

GRI Standard	Description	Page	Notes and omissions
Economic performance (2016)			
201-2	Financial implications and other risks and opportunities due to climate change	23	
201-4	Financial assistance received from government	-	With respect to 2020 too, SIMEST received USD7.5 million from the US government for its 34.19% investment in Astaldi Construction Corporation in 2017 and valid until 2025.
Indirect economic impacts (2016)			
203-1	Infrastructure investments and services supported	-	In 2020 the Astaldi Group disbursed €19,621 for donations to education and research, relating to the University of Montreal "Sponsoring of the ETS (Engineering University in Montreal) - Research Chair in Digital Technology for Construction"; €7,265 for solidarity investments for humanitarian aid (Telethon) and €4,500 for sponsorship of sector associations: S.I.G. (Società Italiana Gallerie), SAIE (Salone Internazionale Edilizia), AIL (Associazione Italiana Leucemie).
203-2	Significant indirect economic impacts	52	
Procurement practices (2016)			
204-1	Proportion of spending on local suppliers	43	
Anti-corruption (2016)			
205-1	Operations assessed for risks related to corruption	12	
205-2	Communication and training about anti-corruption policies and procedures	12	
205-3	Confirmed incidents of corruption and actions taken	12	For more details on the information required in point d. on current proceedings, reference should be made to the section on "Criminal litigation" of the Report on Operations.
Tax (2019)			
207-1	Approach to tax	31	
207-2	Tax governance, control and risk management	31	
207-3	Stakeholder engagement and management of concerns related to tax	31	

ASTALDI

TOPIC-SPECIFIC STANDARDS – GRI 300 ENVIRONMENTAL PERFORMANCE

GRI Standard	Description	Page	Notes and omissions
Materials (2016)			
301-1	Materials used by weight or volume	61	The materials typical of the Group's business are reported.
301-2	Recycled input materials used	61	Due to the nature of the Group's business, in assessing recycled materials within Group projects, excavated materials are significant in terms of total quantities.
Energy (2016)			
302-1	Energy consumption within the organization	58	The conversion methods and factors used are reported in the text or as a footnote. The amount of consumption from renewable fuel sources as a percentage of total consumption is not significant. Electricity is the only significant indirect energy consumed. Consumption trends are influenced by the Group's operations. Fluctuations in data are mainly due to the variability of direct and indirect operating activities carried out in different years.
302-2	Energy consumption outside of the organization	58	The conversion methods and factors used are reported in the text or as a footnote. Energy consumption outside of the organisation refers to consumption deriving from the activities of third parties working on the Group's projects. Like for GRI 302-1, the amount of consumption from renewable fuel sources as a percentage of total consumption is not significant. Consumption trends are influenced by the Group's operations. Fluctuations in data are mainly due to the variability of direct and indirect operating activities carried out in different years.
302-3	Energy intensity	58	The ratio includes all consumption (inside and outside of the organisation). In order to obtain an energy intensity ratio that represents the business, consumption is calculated as a percentage of total operating revenue of the Astaldi Group.
Water (2016)			
303-1 (2016)	Water withdrawal by source	60	Water withdrawal was quantified at 30% of sites via direct measurements and 70% via estimates. With regard to areas of high water stress, an audit was carried out about the presence in the map on link, only taking into consideration those at extreme risk. To date there are no contracts which require surface and underground water withdrawals in areas at extreme risk. The Company has planned to report GRI 303 "Water and Effluents " (2018) during the next year.
Biodiversity (2016)			
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	64	
304-2	Significant impacts of activities, products, and services on biodiversity.	64	
Emissions (2016)			
305-1	Direct (Scope 1) GHG emissions	59	
305-2	Energy indirect (Scope 2) GHG emissions	59	
305-3	Other indirect (Scope 3) GHG emissions	59	
305-4	GHG emissions intensity	59	This ratio includes emissions from consumption both inside and outside of the organisation. Consumption is calculated as a percentage of total hours worked (direct and third-party personnel) by the entire Astaldi Group. Hours worked were used as the denominator as they best represent the impact on total revenue.

GRI Standard	Description	Page	Notes and omissions
Effluents and waste (2016)			
306-2	Waste by type and disposal method	62	
306-3	Significant spills	62	No environmental incidents due to significant spills occurred during 2020.
Environmental compliance (2016)			
307-1	Non-compliance with environmental laws and regulations	-	In 2020, an environmental fine of €1,006.80 was imposed at the Brenner Base Tunnel due to a pipe leak that caused a damage to the bank of the River Eisack.

TOPIC-SPECIFIC STANDARDS – GRI 400 SOCIAL PERFORMANCE

GRI Standard	Description	Page	Notes and omissions
Employees (2016)			
401-1	New employee hires and employee turnover	49	For a better understanding of the text and the dynamics related to this aspect, considering the information provided in the notes on page 39, rates by gender and age bracket are not based on all employees but on the total incoming and outgoing employees.
Health and Safety (2016)			
403-2 (2016)	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	44;45;46	The Company has planned to report GRI 403 "Occupational Health and Safety " (2018) during the next year.
403-3 (2016)	Workers with high incidence or high risk of diseases related to their occupation	45	
403-4 (2016)	Health and safety topics covered in formal agreements with trade unions	46	
Training and education (2016)			
404-1	Average hours of training per year per employee	47	Due to the type of production activities performed, the composition of personnel in Group projects is predominantly male. Accordingly, a breakdown by gender is not significant for this disclosure. Awareness in daily health and safety management is one of the prerequisites for implementing sustainability policies and it is achieved partly by ongoing information and training activities for personnel of all levels and contracts. Health and safety training (which comprises 65.87% of total training provided) is not differentiated in any way as it is part of the combined performance data used for the integrated management system.
Diversity and equal opportunity (2016)			
405-1	Diversity of governance bodies and employees	39	For more information, reference should be made to the “Report on corporate governance and ownership structure” available on the website www.astaldi.com
Non-discrimination (2016)			
406-1	Incidents of discrimination and corrective actions taken	-	No incidents of discrimination were reported during the reporting period.
Rights of Indigenous Peoples (2016)			
411-1	Incidents of violations involving rights of indigenous peoples	-	During the year, there were no reports of violations involving rights of indigenous peoples, in places where the Group operates either directly or in partnership.
Customer health and safety (2016)			
416-1	Assessment of the health and safety impacts of product and service categories	-	100% - All of the Group’s projects are designed (right from the planning stage) to ensure the health and safety of users.

GRI Standard	Description	Page	Notes and omissions
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	-	This indicator mostly refers to the Concessions segment. There were no cases of non-compliance related to health and safety impacts of products and services during the reporting period with specific reference to regulations and voluntary codes concerning the health and safety impacts of services during their life cycle.

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INDEPENDENT AUDITORS' REPORT

ASTALDI SPA

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

YEAR ENDED 31 DECEMBER 2020

Independent auditor's report on the consolidated non-financial statement

pursuant to article 3, paragraph 10, of Legislative Decree No. 254/2016 and article 5 of CONSOB Regulation No. 20267 of January 2018

To the Board of Directors of Astaldi SpA

Pursuant to article 3, paragraph 10, of Legislative Decree No. 254 of 30 December 2016 (the "Decree") and article 5 of CONSOB Regulation No. 20267/2018, we have undertaken a limited assurance engagement on the consolidated non-financial statement of Astaldi SpA and its subsidiaries (hereafter the "Group") for the year ended 31 December 2020 prepared in accordance with article 4 of the Decree, and approved by the Board of Directors on 17 March 2021 (hereafter the "NFS").

Responsibilities of the Directors and the Board of Statutory Auditors for the NFS

The Directors are responsible for the preparation of the NFS in accordance with articles 3 and 4 of the Decree and with the "Global Reporting Initiative Sustainability Reporting Standards" defined in 2016, and updated to 2019, by the GRI - Global Reporting Initiative (hereafter the "GRI Standards"), identified by them as the reporting standard.

The Directors are also responsible, in the terms prescribed by law, for such internal control as they determine is necessary to enable the preparation of a NFS that is free from material misstatement, whether due to fraud or error.

Moreover, the Directors are responsible for identifying the content of the NFS, within the matters mentioned in article 3, paragraph 1, of the Decree, considering the activities and characteristics of the Group and to the extent necessary to ensure an understanding of the Group's activities, its performance, its results and related impacts.

Finally, the Directors are responsible for defining the business and organisational model of the Group and, with reference to the matters identified and reported in the NFS, for the policies adopted by the Group and for the identification and management of risks generated or faced by the Group.

The Board of Statutory Auditors is responsible for overseeing, in the terms prescribed by law, compliance with the Decree.

Auditor's Independence and Quality Control

We are independent in accordance with the principles of ethics and independence set out in *the Code of Ethics for Professional Accountants* published by the *International Ethics Standards Board for Accountants*, which are based on the fundamental principles of integrity, objectivity, competence and professional diligence, confidentiality and professional behaviour. Our audit firm adopts *International Standard on Quality Control 1 (ISQC Italia 1)* and, accordingly, maintains an overall quality control system which includes processes and procedures for compliance with ethical and professional principles and with applicable laws and regulations.

Auditor's responsibilities

We are responsible for expressing a conclusion, on the basis of the work performed, regarding the compliance of the NFS with the Decree and the GRI Standards. We conducted our work in accordance with *International Standard on Assurance Engagements ISAE 3000* (Revised) – *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* (hereafter "ISAE 3000 Revised"), issued by the *International Auditing and Assurance Standards Board* (IAASB) for limited assurance engagements. The standard requires that we plan and apply procedures in order to obtain limited assurance that the NFS is free of material misstatement. The procedures performed in a limited assurance engagement are less in scope than those performed in a reasonable assurance engagement in accordance with ISAE 3000 Revised ("*reasonable assurance engagement*"), and, therefore, do not provide us with a sufficient level of assurance that we have become aware of all significant facts and circumstances that might be identified in a reasonable assurance engagement.

The procedures performed on the NFS were based on our professional judgement and consisted in interviews, primarily of company personnel responsible for the preparation of the information presented in the NFS, analyses of documents, recalculations and other procedures designed to obtain evidence considered useful.

In detail, we performed the following procedures:

1. analysis of the relevant matters reported in the NFS relating to the activities and characteristics of the Group, in order to assess the reasonableness of the selection process used, in accordance with article 3 of the Decree and with the reporting standard adopted;
2. analysis and assessment of the criteria used to identify the consolidation area, in order to assess their compliance with the Decree;
3. *c*omparison of the financial information reported in the NFS with the information reported in the Astaldi Group's consolidated financial statements;
4. understanding of the following matters:

    - business and organisational model of the Group with reference to the management of the matters specified by article 3 of the Decree;
    - policies adopted by the Group with reference to the matters specified in article 3 of the Decree, actual results and related key performance indicators;
    - key risks generated and/or faced by the Group with reference to the matters specified in article 3 of the Decree.

    With reference to those matters, we compared the information obtained with the information presented in the NFS and carried out the procedures described under point 5 a) below;
5. understanding of the processes underlying the preparation, collection and management of the significant qualitative and quantitative information included in the NFS.

    In detail, we held meetings and interviews with the management of Astaldi S.p.A. and with the personnel of Asocierea Astaldi - FCC - Salcef- Thales, Lot 2b, di Asocierea Astaldi SpA - Max Boegl Romania Srl - Astalrom Sa - Consitrans S.R.L. (Ogra-CampiaTurzii) and of Brennero Tunnel Construction Società Consortile a Responsabilità Limitata - BTC SCARL and we performed limited analyses of documentary evidence, to gather information about the processes and procedures for the collection, consolidation, processing and submission of the non-financial information to the function responsible for the preparation of the NFS.

Moreover, for material information, considering the activities and characteristics of the Group:

- at a group level:
  a) with reference to the qualitative information included in the NFS, and in particular to the business model, the policies adopted and the main risks, we carried out interviews and acquired supporting documentation to verify its consistency with available evidence;
  b) with reference to quantitative information, we performed analytical procedures as well as limited tests, in order to assess, on a sample basis, the accuracy of consolidation of the information;
- for the following companies, divisions and sites Asocierea Astaldi - FCC - Salcef- Thales, Lot ab, Asocierea Astaldi SpA - Max Boegl Romania Srl -Astalrom Sa - Consitrans S.R.L. (OgraCampiaTurzii) and Brennero Tunnel Construction Società Consortile a Responsabilità Limitata - BTC SCARL, which were selected on the basis of their activities, their contribution to the performance indicators at a consolidated level and their location, we carried out site visits during which we met local management and gathered supporting documentation regarding the correct application of the procedures and calculation methods used for the key performance indicators.

Conclusion

Based on the work performed, nothing has come to our attention that causes us to believe that the NFS of Astaldi Group as of 31 December 2020 has not been prepared, in all material respects, in compliance with articles 3 and 4 of the Decree and with the GRI Standards.

Other Matters

The NFS for the year ended on 31 December 2019, the information presented in which was used as comparative information in the NFS, was subjected to a limited assurance engagement by another auditor who expressed on it an unqualified conclusion on 10 July 2020.

Milan, 7 April 2021

PricewaterhouseCoopers SpA

Signed by	*Signed by*
Andrea Brivio (Partner)	Paolo Bersani (Authorised signatory)

This report has been translated from the Italian original solely for the convenience of international readers.

Astaldi S.p.A., DNF 2020 - intentionally blank page

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