

Integrated Report

Consolidated Non-Financial Statement
pursuant to the Italian D.Lgs. 254/2016

ATM Group

2021



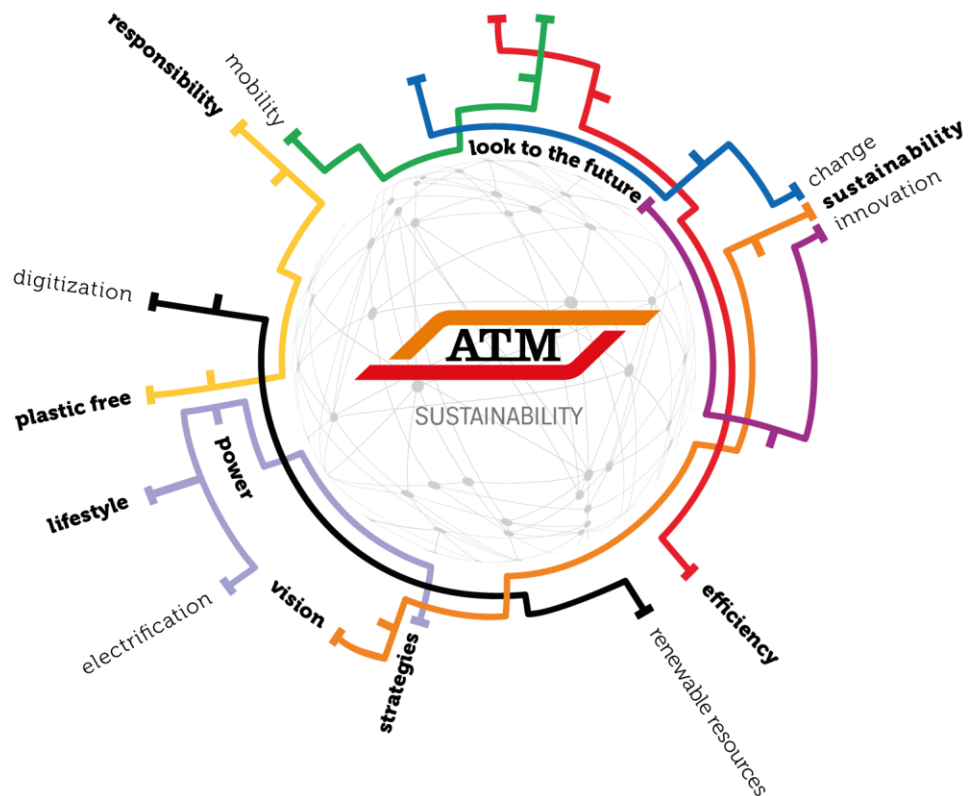


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ATM plays a key role in the region's integrated mobility, serving millions of passengers every day and the progressive development of the metropolitan city and its attractiveness.

The ATM Group's consolidated experience and investment and innovation capacity set a benchmark for economic, social and environmental responsibility.

A commitment to the Customer, Quality, Safety and Competitiveness of services are the values, which drive the Group's growth.



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LETTER TO STAKEHOLDERS

The mission of the ATM Group is based on the will to be recognized as an excellence at the national and international level for the sustainable management of integrated mobility, through a technologically advanced, efficient, resilient service characterized by the centrality of customers. In this way, we aspire to become a promoter of the change and revival of Milan, of its evolution in a more livable, sustainable, and inclusive city. This is why we support and value people through development projects and attraction of talent processes, promoting a culture that is always open to change.

During 2021, a year that saw a gradual - yet discontinuous - path toward normality, ATM continued to play a central role in the mobility system and the whole community, and strengthened relations with institutions, bodies, associations, and businesses.

The spirit of service and professionalism of our people have been crucial, to whom it is recognized the merit of always ensuring a safe transport for our customers and colleagues. Our heartfelt thanks go to them.

The level of experience gained during 2020 has allowed ATM to continue working on solid foundations and to improve itself in 2021, demonstrating the ability to adapt to changes promptly and dynamically. ATM has never stopped or slowed down its commitment to sustainability, either; it has increased its efforts by implementing concrete actions related to the environmental, social, and governance areas. Sustainability is in fact the strategic focus of the Industrial Plan 2021-2025, which we believe must guide and support operational efficiency and business expansion.

Particular attention has been given to the gender issue, in relation to which several actions were carried out to obtain concrete results: the reduction of the gender pay gap, the increase in the percentage of female colleagues, the trainings on gender-related topics and awareness-raising activities on respecting diversity at 360 degrees.

In the process of environmental transition, ATM has continued with determination in the development of the Full Electric Plan, which is helping to lead the city of Milan towards a mobility system with minimal environmental impacts. In particular, the project foresees the transition to a zero-impact fleet in 2030. As a proof of this, in 2021 more than 71% of the kilometers traveled were offered by means of electric power, entirely from renewable sources.

Thanks to a straightforward and structured governance, in 2021 ATM started an integrated assurance process involving the control and operational functions in a constructive process of identification, evaluation and monitoring of the main risks. This model is based on already consolidated foundations, such as the anti-corruption model, adopted on a voluntary basis. ATM operates daily with correctness, transparency and rejecting all forms of corruption.

During 2021 ATM continued to involve stakeholders in the process of defining the priority aspects in the field of sustainability. Through an online survey, stakeholders have highlighted an increasing attention to the environment, energy consumptions, resource management and environmental impacts. The perspectives and opinions expressed by stakeholders have served as a guidance in the preparation of this document and represent a strategic tool able to guide the Group's areas of intervention,

ATM presents the Consolidated Non-Financial Statement (NFS) 2021 in the form of the Integrated Report, according to the indications of the International Integrated Reporting Framework and to the reporting criteria of the GRI Standards, to communicate in an ever more complete way the value generated or transformed by the Group. This value is described and measured on the basis of the Group's ability to achieve its strategic objectives regarding the six capitals defined by the <IR> Framework (Financial, Manufactured, Intellectual, Human, Social and Relationship and Natural), each of which has been dedicated a chapter that highlights the related inputs, outputs and outcomes and how the Group has managed any impacts due to the health emergency.

Aware of the central role that the ATM Group plays for its stakeholders, these pages highlight the efforts, results and next steps identified to demonstrate the ability to accompany the local public transport system in the Milan area - the densest and most vital to the economic and social life of the country - towards the new frontier of an increasingly sustainable mobility, integrated and in line with the expectations of the entire metropolitan community.

Chairperson
Gioia Maria Ghezzi

METHODOLOGY

This report constitutes the Consolidated non-financial statement (the “NFS”) of ATM Group. It was drafted pursuant to Legislative Decree no. 254 of December 30, 2016 (the “Decree”), by the Parent Company Azienda Trasporti Milanesi S.p.A. (“ATM S.p.A.”) and reflects its wholly owned subsidiaries. As required by Art. 5 of Legislative Decree no. 254/16 this document constitutes a separate report, marked with a specific wording in order to correspond provisions required by law.

This report has been prepared in accordance with the GRI Standards: Core option and refers to the period between January 1 to December 31, 2021. In line with the provisions of the GRI Standards, the ATM Group was inspired by the Materiality principles, stakeholder inclusiveness, sustainability and completeness context for content definition; balance, clarity, accuracy, timeliness, comparability and reliability, to ensure the quality of the information and the adequacy of the presentation arrangements. The “GRI Content Index” is attached to this document, detailing the contents reported in accordance with the GRI.

As part of the process of progressive and continuous development of non-financial reporting, it should be noted that this NFS has been prepared in line with the International IR “Framework guiding principles of the International Integrated Reporting Council (IIRC), updated in January 2021.

In additions, this NFS covers the issues provided for in Art. 3 and 4 of Legislative Decree 254/16 and those deemed relevant by the Group and its stakeholders. In particular, the Group selected the sustainability performance indicators in line with the provisions of the guidelines used for reporting and materiality analysis which has been updated during 2021. The Materiality matrix, based on the result of the materiality analysis , was presented to the Board of Directors of ATM S.p.A. on December 13, 2021. The degree of depth with which the various topics are discussed in the report was determined based on their relative weight in relation to the Group's objectives and strategies as well as the relevance for the identified stakeholders. Thus, the structure and content of the document were prepared according to the results of the materiality analysis.

In line with the provisions of the Decree, in order to ensure a comprehensive understanding of the Group's business, performance, results and the impact it produces, the perimeter of the economic data is the same as that of the Group's Consolidated Financial Statement as December 31, 2021. The perimeter of the social and environmental information and data reported within the NFS refer to the parent company and the companies controlled and wholly consolidated by it as December 31, 2021. Any perimeter limitations with respect to what is reported are expressly indicated in the text.

Where possible, the information contained in NFS was provided with a comparison in relation to the two-year period 2020-2019, in order to allow an overall assessment of the Group's performance in the three-year period 2021-2019.

Where quantitative data were not possible to obtain with the reporting tools available to the Group, the report resorts to estimates, based on the best available methods to ensure the reliability of the information reported and appropriately indicated in the text.

In continuity with previous years, the Group worked to continuous strengthening of the non-financial reporting process through a greater involvement of the of Metro Service A/S structures which led to a further improvement in the definition of roles, responsibilities and information flows. ATM Group strives to further deepen its risk analysis in the context of Climate Change, in line with the priorities defined by the European Securities and Markets Authority (ESMA) and based on the evolution of the relevant legislation.

This NFS has been approved by the Board of Directors of ATM S.p.A. on March 31 , 2022.

The document is subject to a judgement of conformity (“Limited Assurance engagement” according to the criteria indicated by the principle ISAE 3000 revised) by the auditing company Deloitte & Touche S.p.A..The verification was carried out according to the procedures indicated in the “Independent Auditor’s Report” presented at the end of the document.

It should also be noted that starting from the publications made after January 1, 2022, the Group has the obligation to include in the NFS, the information required by the legislation on the so-called “EU Taxonomy” in relation to the environmental sustainability activities carried out by the Group, for which reference is made to the paragraph “European Taxonomy”.

According to Art. 10 of the EU Delegated Regulation 2021/2178 of 6 July 2021, this information for the financial year 2021 concerns the proportion, with respect to the total, of the Group's turnover, investments and Operating expenses relating to the activities eligible to the Taxonomy with reference to the objectives of mitigation and adaptation to climate change, in addition to some qualitative information.

In this connection, it is noted that the limited examination of this Consolidated Declaration of a non-financial nature carried out by the auditing firm are not reported to this disclosure.

The NFS is published on an annual basis together with the Group’s Consolidated Financial Statements, in accordance with the provisions of the Decree.

For further information on the publication of the Consolidated Non-Financial Statement, please write to ATMsostenibile@atm.it. The document is also available on the ATM Group website www.atm.it.

For more information on the initiatives developed by ATM Group, the main risks that it generates or is subjected to, including their management methods, and the objectives set in these areas, please refer to the relevant sections contained in this document.

The GROUP'S PROFILE

Mission and values

The ATM Group designs and provides services both in the field of public transportation and the commercial and leisure sectors through technologically advanced transport systems that promote sustainable mobility of the City of Milan and other 95 municipalities in Lombardy. The Group is responsible for the management and maintenance of the Copenhagen automated metro through Metro Service A/S since 2008.

Since its foundation in 1931, the Milanese Transport Company (the ATM Group from January 2007) seeks to be a reference point and decisive factor in the system of integrated mobility, and particularly from 2021:

- **To be nationally and internationally recognized** for excellence and sustainable management of integrated mobility, and for providing a service characterized by the centrality of the consumer, and that is technologically advanced, efficient and resilient;
- **To become a promoter of change and the rise of Milan**, of its evolution into a more livable, sustainable, safe and smart city;
- **To promote and value its people and assets** through the development of new skills and the attraction and growth of talent by promoting a culture open to diversity and inclusion.

The Group's daily activities are guided by its value system:

- **Quality of life for the community:** Our daily activities are always guided by an aspiration to improve the quality of life of people living and travelling within our territory;
- **Professional growth:** We strive to offer all of our employees the opportunity to fulfil their potential through a constant process of professional growth;
- **Ethics, transparency and loyalty:** All our activities are governed by respect for the principles of lawfulness, transparency, fairness and loyalty;
- **Continuous pursuit of excellence:** Each one of us remains open to change, ready to put ourselves on the line and think ahead in search of improved solutions.

The reference context and main services offered by ATM

ATM Group has always been committed to responding to the needs of the public transport sector by intercepting the demand of citizens by providing intermodal subway, bus, tram and trolleybus transportation services

The surface network is widespread and serves the whole city of Milan, the municipalities of the urban area and part of the Province. The underground railway network spans the city of Milan with 96,8 km of railway lines. Both transportation networks are integrated into the Trenord railway line, completing an integrated intermodal system that allows customers to easily move around the area by public transport.

The Group manages sophisticated control and maintenance systems to run the Copenhagen automated metro system, which operates continuously for 24 hours service from Monday to Sunday with 4 railway lines, spanning 38,7 km and 61 stations. ¹

In addition to managing public transit via the underground, buses, trams and trolley buses, the Group's services also include the following complementary services:

- Light rail, specially designed for patients, staff and students, connecting the Cascina Gobba station on Line 2 to the San Raffaele Hospital via automated underground train

¹ Of which 5 are still under construction. Compared to the previous edition of the document, the updated data reflects the total number of stops, calculated as the sum of stops per subway line, including interchange stations.

- Como-Brunate funicular which, since 1894, has been the fastest way to connect the two locations;
- BikeMi bike sharing service in the city of Milan;
- management of 25 parking lots available to the public in the city of Milan, with control of parking areas and payment systems, easing traffic within the city by promoting the use of public transport;
- On-call transportation services;
- ancillary activities: such as the circulation of travel tickets and dissemination of information to customers and the control of tariff evasion;
- management of Milan's Area C payment and control system, the congestion charge introduced in the city centre, which involves the management of purchase transactions and daily accesses;
- management of the control system and adaptation of the IT system for managing the transit of Area B, a restricted traffic area with a ban on access and circulation of the most polluting vehicles, since 25 February 2019.

Following the state of epidemiological emergency of COVID-19, the public transport service sector has been protected by the Italian Government through targeted measures aimed at ensuring the continuity of the service and the safeguarding of companies operating in the sector. With the Legal Decree no. 18 of 03.17.2020 (converted into Law no. 27 of 04.24.2020) Article 92, paragraph 4 b), it is established that *“until the end of the containment measures for the virus COVID-19, all ongoing procedures relating to the entrusts of local public transport services may be suspended, with the option to extend the tasks in place at February 23, 2020 until 12 months after the declaration of conclusion of the emergency; the public evidence procedures for local public transport services already defined by the award as at February 23, 2020 shall be excluded”*.

Subsequently, the Region of Lombardy has arranged (with Regional Law no 11, of 05.21.2020) the extension of the period of 18 months, referred to in article 60, paragraph 4 of Regional Law 6/2012 and subsequent amendments (deadline for the completion of the procedures for the custody of LPT services). Finally, with article 30, paragraph 1(c) of the Regional Law (L.R.) no. 8 of 05/25/2021, which amended art. 60, paragraph 4, of L.R. n. 6/2012, has been provided that local public transport agencies shall carry out the procedures for entrusting local public transport services pursuant to Article 22, paragraph 2, within two years of the end of the state of emergency, thus allowing a further extension of the LPT service contract. As a result, a further act of continuation was concluded on October 30, 2020, which provided for a first extension to December 31, 2021 of the existing contracts. Subsequently, the Municipality of Milan and ATM S.p.A. signed the follow-up acts relating to the following contracts:

- Local public transport services and those that are related and complementary: Until December 31, 2023 (concluded on December 31, 2021);
- Parking control, parking management and vehicle removal service: Until December 31, 2023 (signed on December 30, 2021);
- Service for the implementation and management of the Bike Sharing sustainable mobility system: Until December 31, 2023 (signed on December 30, 2021);
- Management service for payment systems for access to Area C (and Area B): Until December 31, 2023 (signed on December 31, 2021);
- Maintenance and management service of SCTT systems, technologies and installations: Until June 30, 2022, with the possibility of renewal in the Municipality of Milan for a further period of six months (stipulated on December 31, 2021).

More information on the impact of the COVID-19 emergency on the ATM Group is available in the paragraph of the same name in this document.

The value creation model

The role of ATM in the Milan public service, but also as a fundamental actor in the world of public transport in general, has an intrinsic importance, such that the Group's relations with all stakeholders create economic, social, and environmental value. The activities of ATM therefore create value for the metropolitan city in which it operates, for the various surrounding communities and also for the whole Country system.

Thanks to the conviction that the business strategy must be directed towards an increasingly sustainable future of public transport, ATM continues to create value with the precise objective of facilitating increasingly efficient and sustainable mobility for the people residing in the areas serviced and to improve the quality of life for all those who belong to local communities, both in the present and in the medium-long term. In addition to the economic value distributed, in fact, the Group creates value in the local community by engaging in projects, initiatives, partnerships and other activities that have the greatest positive impact possible on society and the environment. In the following pages, the value created by the Group is measured on the basis of ATM's ability to achieve its strategic objectives and the impact generated by the business activities on the six-capital defined by the International Integrated Reporting (<IR>) Framework, or on the basis of the increase or decrease in the value stocks of Financial, productive, intellectual, human, social relational and natural capital.

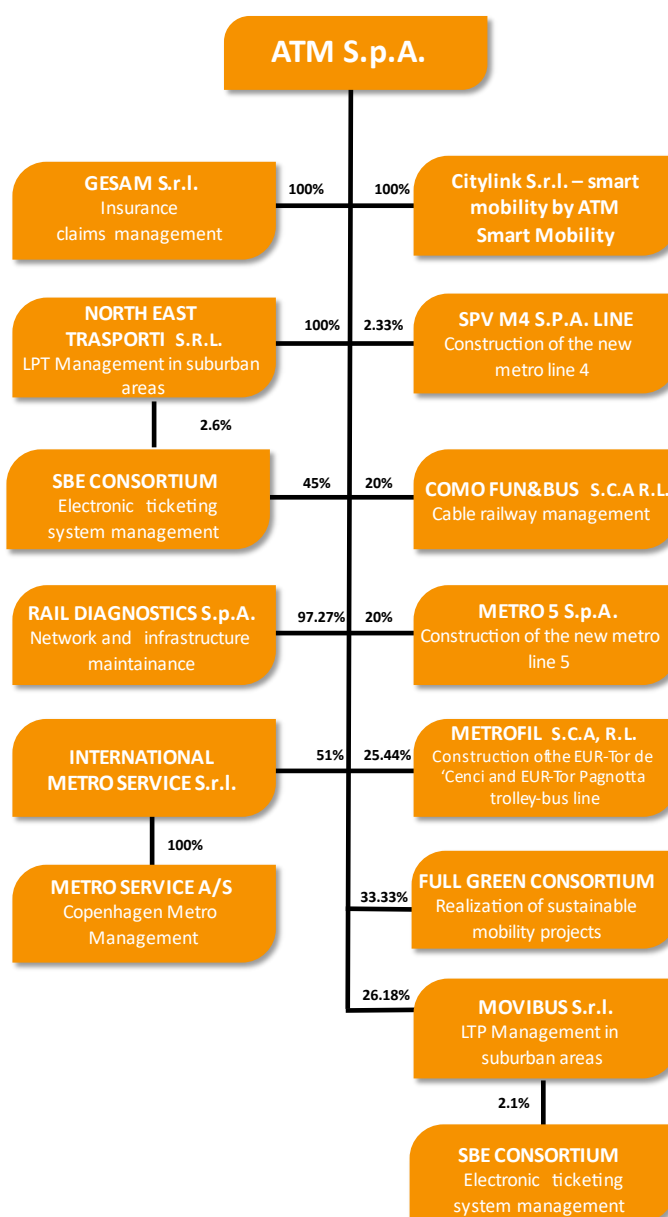
The processes that involve the transformation of capital are illustrated in ATM Group's value creation model in the following page. In conducting its business activities, the Group uses inputs – key elements for company operations (resources, skills, etc.) – to obtain outputs, i.e. the results of the activities (services, by-products, etc.) and outcomes, i.e. the impacts generated and perceived both within the Group and outside the context in which it operates.

Below is a representation that summarizes the various aspects of the ATM Group's value creation model. Further detailed information is given at the beginning of chapters 5,6,7,8,9 and 10 of this document.



The corporate structure of the Group

As December 31, 2021, the Group was structured as follows:



Structure of the share capital

The share capital of ATM S.p.A. of 700,000 thousand euros is composed of 70,000,000 shares with a unit value of 10 euros and is wholly owned by the Municipality of Milan.

Changes in the structure of the Group

On April 1, 2018, ATM S.p.A. took over from ATM Servizi S.p.A. as a result of the merger by incorporation. The second act of continuation was signed on April 24, 2018 until October 31, 2020.

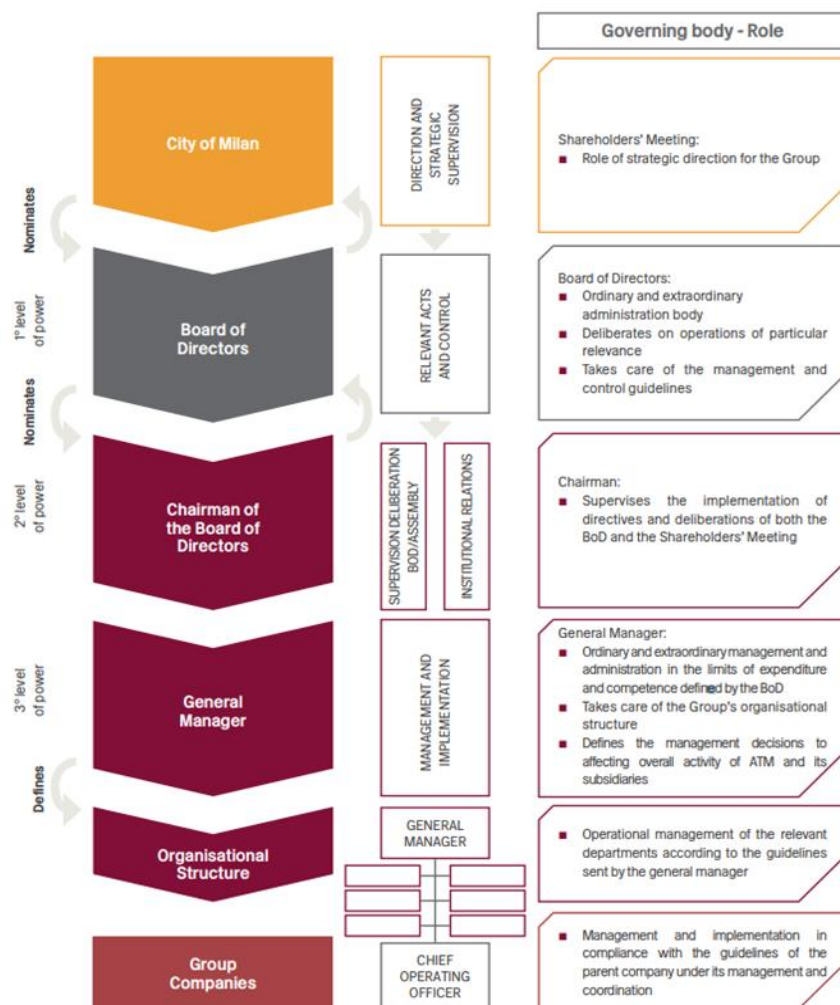
On July 29, 2021, ATM S.p.A., A.T.A.C. S.p.A. and e Azienda Napoletana Mobilità S.p.A. signed an agreement that provides for the collaboration in carrying out a common project of sustainable mobility on the transport networks managed respectively by them (Milan, Rome and Naples) allowing the transition from traditional diesel-fueled bus fleets to zero-emission fleets.

On August 5, 2021, the same companies constituted the “Full Green Consortium” whose purpose is to implement the collaboration project described above. The Consortium is set up with a consortium fund of 450,000 euros to which each company adheres equally for 150,000 euros. In addition to the three constituent companies, other local public transport operators who wish to join the project will be able to join the Consortium.

On October 12, 2021 the Shareholders’ Meeting of ATM Servizi diversified S.r.l. deliberated to change the company name into “CityLink S.r.l. - Smart mobility by ATM” and to modify the statutory purpose of the company in order to reflect the new activity addressed to the smart mobility sector. At the same time, the Governance changed passing from a single Director Governance, to one with a Board of Directors that has a Managing Director within it.

The Group Corporate Governance Model

As a company totally under public control ² and in light of the importance it holds for its stakeholders, ATM has adopted a governance structure in line with best market practices.



² The Parent Company ATM S.p.A. is 100% owned by the Municipality of Milan.

ATM's Corporate Governance System, based on the principles of integrity, transparency and fairness, is fundamental for the proper functioning of the Company. It allows for defining clear rules for the implementation of the strategic guidelines approved by the Shareholders and supports the relationship of trust with stakeholders contributing the achievement of the sustainable success.

The values that ATM recognizes as fundamental for carrying out business activity, and which it shares at all levels of the organization, are explained in its Code of Ethics, in the 231 models of ATM and of the directly controlled companies and in the anti-corruption model, time by time in force (Both the 231 and anti-corruption models were updated during 2021.) In this structure, the Parent Company coordinates activities - in full respect of the autonomy of the individual subsidiaries' management - pursuing a unitary management policy, through the application and integration of the rules, principles and values that characterize the Group.³

The model, which assumes the traditional form, attributes strategic management to the Board of Directors under the supervision of the shareholders

Table 1. *The Board of Directors of ATM S.p.A. at 12.31.2021* ⁴

Title	Name
Chairman	Gioia Maria Ghezzi
Directors	Oliviero Baccelli
	Elisabetta Pistis
	Fabio Spinelli

Table 2. *Composition (%) of the Board of Directors of ATM S.p.A. at 12.31.2021, divided by gender and age.*

Age Group	Men	Women	Total
30-50	25%	25%	50%
>50	25%	25%	50%
Total	50%	50%	100%

Internal control System and risk Management

ATM's Internal Control and Risk Management System (ICRMS) represents a fundamental element of Corporate Governance. The ICRMS is made up of the rules, procedures and organizational structures that enable the identification, measurement, management and monitoring of the main risks facing the Group, so as to contribute to its sustainable success.

The ICRMS constitutes a fundamental and essential element of the Governance of the ATM Group.

An effective ICRMS ensures the protection of the company's assets, the efficiency and effectiveness of corporate processes, the reliability of the information provided to the corporate bodies and the market, compliance with laws and regulations as well as the company by-laws and internal procedures.

This system is integrated into the most general organizational and corporate governance structures adopted and is divided into the following key elements:

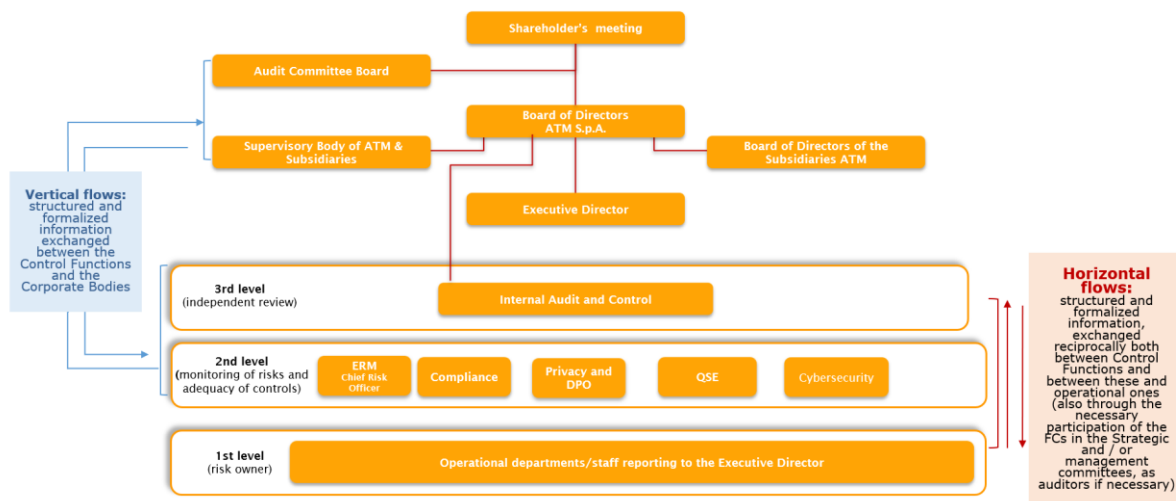
³ These topics are punctually regulated within the Group's Regulations.

⁴ The Board of Directors of five members was appointed by the Shareholders' Meeting of April 15, 2020 and remains in office until the approval of the 2022 Financial statements. On August 23, 2021, the Board of Directors, Stefano Pareglio, announced his immediate resignation from the position of member of the Board of Directors of ATM S.p.A.. In his replacement, on January 27, 2022, Arrigo Giana was appointed Director of the Board as Chief Executive Officer.

- Governance, including the design of the ICRMS, as well as the assessment of its adequacy, effectiveness and efficiency;
- The actions and, therefore, the definition, implementation and monitoring of the ICRMS, which include:
 - The implementation of the Board of Directors' guidelines;
 - The identification and management of business and process risks (including irregularities);
 - The definition and implementation of controls on the processes of competence of the various process Owners;
 - Updating over time the ICRMS in accordance with internal / external changes within the company;
 - Monitoring over time the effectiveness of the design and the proper functioning of the ICRMS;
- Assurance, i.e. the independent and professional analysis of ICRMS.

Each actor in the corporate governance structure has specific tasks and responsibilities relevant for the purposes of the ICRMS.

In line with current best practice and regulations, the system allocates a clear position, within three lines of defence, to all company functions, coordinating the various subjects involved in the ICRMS to maximize the efficiency of the system itself.



The Audit and Internal Control Department, Risk Management, all the departments that perform a specific control activity (called "assurance suppliers"), the Audit Firm and the Supervisory Body collaborate with each other for the performance of their respective tasks. These entities ensure adequate collaboration, including the sharing of information with the Board of Directors and the Board of Statutory Auditors, for the fulfilment of their respective duties and responsibilities.

In 2021, ATM continued on the path of progressive and continuous improvement of its ICRMS, including the assurance system, and also launched a combined Assurance project to which all the control functions and the top Management contributed.

Further information is reported in the ATM Group's 2021 Management Report.

Audit and Internal control

The process of verifying that the Internal control and risk Management System is functioning, adequate and consistent with the guidelines defined by the Board of Directors, is the responsibility of the Internal Audit and control Management (IACD).

The latter verifies, on ongoing basis and also in relation to specific needs and in compliance with international standards, the operation and suitability of the internal control and risk management system, through a risk-based audit plan approved by the Board of Directors of the Parent Company for the whole Group.

The audit plan developed by the IACD This risk-based audit plan is developed and submitted on an annual basis and updated, if necessary, during the year. It integrates the operational, security and reliability needs of the information and monitoring systems with respect to the Organizational Models ex Legislative Decree 231/2001 of the parent company and its direct subsidiaries as well as the Group's Anti-corruption and Transparency Model.

This plan, moreover, also presents a projection of activities of the medium term period, contributing to the realization of IACD's mission to "protect and increase the value of the organization, providing objective and risk-based assurance, advice and expertise" both for ATM S.p.A. and the Group's subsidiaries, through direct and continuous communication, and constructive and collaborative interaction with the General Manager and senior management.

SUSTAINABILITY IN THE ATM GROUP

For the Group, the sustainability of its services is founded on the Group's consideration of stakeholder needs and expectations, representing strategic leverage of fundamental importance in the positioning of ATM in the local public transport market (LPT). The Group's constant attention to environmental, social and governance aspects linked to its business makes ATM more attentive, and more inclined, to respond promptly to changes in the legislative context in which it operates and to changes in customer behaviour.

Thus, the Group has adopted a structured approach to management of sustainability issues, based on analyses carried out with respect to emerging trends in the sector and in the structured investigation of the areas deemed of greatest interest by its stakeholders.

The Group's stakeholders

Aware of the role that the Group plays in the areas in which it operates and the significant impacts its business activities have for those communities, ATM has mapped out the main stakeholders who are influenced, directly and indirectly, by its business, and which, in turn, may influence the Group's activities.

This process identified 9 categories of key stakeholders for the Group.

Stakeholders' map



In conducting its activities, the Group implements multiple engagement initiatives with stakeholders, establishing and maintaining relationships based on principles of transparency, listening and collaboration, better described in the table below.

Table 3. Main stakeholders and engagement activities

Stakeholders	Main Engagement Activities
Clients	Clients can interact with the Group by communicating suggestions and complaints through the multiple channels, both physical and digital. ATM monitors the clients' perception of quality through periodic customer satisfaction surveys and considers these to be an important tool for constantly improving service
Public Administration of the City of Milan	Multiple round tables ensure continuous discussion and collaboration between ATM Group, the City of Milan and the other PA institutions.
Employees of the ATM Group and their families	There are multiple channels available to ensure constant interaction between the Group and its employees, in order to analyse and resolve problems of the employees. Among these channels are a whistleblowing channel and boxes to signal SA8000 discrepancies for certified companies
Suppliers and Commercial Partners	ATM engages with suppliers through normal business relations and the procedures identified by the SA8000 management system.
Investors	Investor relations are managed through the normal channels, established by the Group for this purpose (e.g. conference call, website, periodic financial reports).
Representatives of Universities and Research Centres	ATM shares its LPT management know-how with the various research centres and universities it collaborates with, through educational partnerships, such as: the "Mobility: Infrastructures & Services" course, taught in collaboration with Politecnico di Milan; lectures and scholarships for the Master "Management of Local Public Transport" of the University of Bicocca; the Master Management of Local Public Transport at the La Sapienza University of Rome. In addition, ATM collaborates with various universities by sponsoring curricular internships and student internships within the company.
Media	ATM engages with the media through press conferences, corporate events and public and institutional meetings.
Union Group	The engagement of trade union representatives is continuous and is developed through the normal relations with the trade unions present within ATM Group.
Local Community and NGOs	Every year ATM organizes initiatives to include local communities in corporate activities, stimulating the discussion between the Group and the surrounding area. An example is the <i>ATM Porte Aperte</i> initiative, aimed at showing the community "behind the scenes" of public transport management and shining a spotlight on the people who dedicate themselves to providing the services offered every day.

Materiality analysis

The Materiality analysis is the process aimed at identifying and evaluating the most relevant environmental, social, and economic topics for a company from the point of view of its governance and its stakeholders. In this context, during 2021 ATM updated its Materiality in order to understand and address potential changes in stakeholders' needs expectations in relation to the events that transpired

during the year. In line with the reporting standards adopted, the methodology used to identify and prioritize material sustainability topics consisted of the following steps:

- **PHASE 1:** stakeholder engagement activities, including the Group Top Management and the Board of Directors;
- **PHASE 2:** strategic evaluation of the material topics and approval of the results by the Board of Directors.

PHASE 1: In the first phase, the previously mapped relevant sustainability issues were submitted to the evaluation of internal and external stakeholders, as well as Top Management members and Group Directors. In particular, the updating of the analysis involved more than 820 external stakeholders among clients, the Municipality of Milan and other public administration institutions, employees of the ATM Group and family members, suppliers and business partners, investors, representatives of research centers and universities, media, trade union representatives and territory, Local communities and NGOs, through the dissemination of specific questionnaires. In fact, all stakeholders have been asked to provide an assessment of the sustainability issues identified and reported in online surveys, in which it has also been proposed to suggest any further issues relevant to the Group if not previously mapped. The description of the 13 identified themes is reported in Table 4, below.

PHASE 2: The assessments were collected and analysed; the results were calibrated to identify the values to be used in the construction of the materiality matrix. In particular, the **relevance of the material topics for ATM Group and its stakeholders** were defined based on the results obtained from the surveys administered to Top Management and Directors, as well as to external stakeholders. The relevance of the sustainability topics in the matrix for the ATM Group's stakeholders was calculated taking into account the average of the votes received by each category of stakeholder for each topic and subsequently weighting the averages in order to give greater emphasis to the opinion of the category of stakeholder that could most influence and/or be influenced by the management of that specific topic. This analysis made it possible to position the 13 sustainability topics identified within the materiality matrix presented below. The Materiality matrix was approved by the Board of Directors of ATM S.p.A. during the session of December 13, 2021.

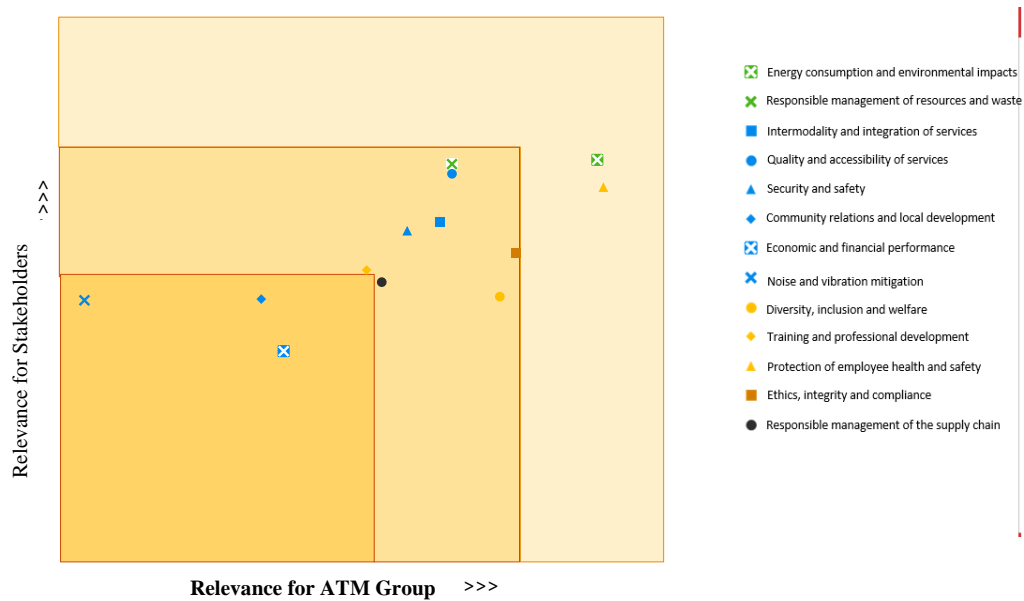
Other than dictating which issues the Group should give particular attention to in its approach to sustainability, the material topics identified through the analysis described above were also useful as a starting point for identifying the content of this document and the foundations on which the Group has drawn up its own sustainability plan.

Table 4. *The material Themes of the ATM Group*

Environmental issues	Energy consumption and environmental impacts	Responsible management of energy consumption through efficiency measures (e.g. technological innovation, fleet renewal) and the use of renewable sources, in order to reduce the greenhouse gas emissions generated and the level of fine dust, improving the quality of the air of local communities.
	Responsible management of resources and waste	Responsible withdrawal of water used for cleaning the fleet and other daily activities, as well as reduction of waste; monitoring of wastewater quality and responsible waste management.
Social Matters	Intermodality and integration of services	Initiatives aimed at making customers' transit more efficient and flexible through the integration of services offered both within the ATM Group and in partnership with other operators in the sector.

	Quality and accessibility of services	The Group's ability to engage customers and respond quickly to their needs, ensuring greater accessibility in economic and service terms, especially for the most vulnerable categories of users.
	Security & safety	Security, monitoring and surveillance systems that promote the physical safety of people in stations and on-board transit, and the prevention of vandalism.
	Community relations and local development	Community development and improvement of urban conditions through partnerships with local administrations and community members.
	Economic and financial performance	Transparency and effectiveness in the use of the economic resources generated by the supply of transportation services, according to the Service Contract, and distribution of value to the Group's stakeholders.
	Noise and vibration mitigation	Specific actions aimed at monitoring and mitigating noise and vibrations generated by public transportation services.
Employee-related Matters	Diversity, inclusion and welfare	Elimination of all forms of discrimination; promotion of diversity and inclusion of employees through welfare policies in favour of their well-being, in offices and on-board vehicles, while respecting the balance between private life and professional life.
	Training and professional development	Career development paths and training plans for employees, aimed at increasing and consolidating the technical, managerial and organizational skills of the staff and attracting and retaining talent.
	Protection of employee health and safety	Protection of the health and safety of employees while carrying out their work activities, both on board vehicles and at stations and in offices, through management systems, adequate tools for monitoring accidents and spreading a culture of prevention among employees.
Respect for human rights and anti-corruption	Ethics, integrity and compliance	Compliance with current regulations and with the principles of transparency, fairness, loyalty and good administration in conducting business and in managing relationships with stakeholders; respect for human rights and fight against active and passive corruption.
Transversal Matters	Responsible management of the supply chain	Fair and transparent selection of suppliers, collaborators and commercial partners, through qualification processes that include environmental, social and governance criteria, as well as respect for human rights.

The Materiality matrix of the ATM Group



The positioning of some of the Group's material topics has seen significant changes within the materiality matrix in comparison to the matrix published in 2019. For ATM Group, the importance of issues relating to business continuity has increased, such as “Responsible management of the supply chain” and “Economic and financial performance”, as well as issues relating to relations with local communities and institutions and issues relating to health and safety of both employees and passengers. There is a seemingly clear connection between these changes and recent developments related to the health emergency in the context in which the Group conducts its business activities.

With regard to changes in the assessments made by stakeholders, greater attention was paid to environmental issues, such as “Responsible management of resources and waste” and “Energy consumption and environmental impacts”, highlighting the growing sensibility and awareness regarding the environmental impacts of the Group.

Risks, opportunities, and Management Methods

Risk management is an integral part of the Internal control and risk Management (ICRMS) system and is part of the wider corporate governance process.

The Group's Enterprise risk Management (ERM) system contributes to improving the efficiency and effectiveness of business processes, with its main objective being the safeguarding of the Group's assets. Adequate identification and evaluation, even prospectively, as well as risk management and mitigation, in line with strategic guidelines, work to promote the pursuit of short and medium-long term objectives.

The ATM ERM Guidelines, extended for 2021 with appropriate adaptations to the subsidiaries GESAM, NET and Rail Diagnostics, identify as main objective the pursuit of a sustainable growth model respectful towards people, the environment, and the communities, aimed at creating value through three main levers: sustainability, investment, and operational and financial efficiency. ATM, with the objective of maintaining a limited risk profile, considers the governance of risks to be of primary importance, committing itself to promoting a structured and systematic approach based on the following principles:

- to promote and spread ethical values oriented to the culture of correct and transparent risk management to all ATM people;
- to conduct and manage all company activities to prevent risk, in compliance with the law, the Code of Ethics and company directives and procedures;
- to ensure effective, efficient and consistent risk management in all company processes, consistent with the strategic objectives of the company and with the guidelines of the Internal Control and Risk Management System ("ICRMS"), as approved by the Board of Directors;
- to guarantee that the risks are effectively identified, assessed, managed, periodically monitored and communicated through transparent reporting and through adequate organizational, management and procedural systems;
- to promote the continuous improvement of the risk governance system according to the evolution of the external context, company strategies, as well as the interests of stakeholders."

Also, during 2021, ATM continued to implement its Enterprise Risk management process, strengthening the process of identification of safeguards put in place for risk management and assessment of their adequacy, or the definition of further plans to improve the risk control system. The Group also continued its update of the risk register in relation to sustainability risks, and risks with "ESG" implications.

The classification "ESG" was attributed to the risks surveyed within the various classes (strategic, financial, external context, operational, legal and compliance risks), in consideration of the materiality matrix resulting from the stakeholder engagement activity.

The evolution of the climate environment and the scenarios that are envisaged in the use of energy sources involve potential risks, but also opportunities, for ATM directly and indirectly, which may influence the correct implementation of the strategic plan, with particular reference to the process of energy transition and total electrification of the integrated mobility system, as well as emission reduction.

Climate change could also cause physical risks related to extreme weather events, resulting in potential for more or less prolonged unavailability of assets and infrastructure, recovery costs, and customer discomfort.

The process of identifying and evaluating the risks and the associated scenarios, as well as mitigation actions, is fully integrated into the ERM model.

For each of the topics discussed in the Legislative Decree 254/2016, environmental matters, social matters, personnel-related matters, and matters related to human rights and the fight against active and passive corruption, the main risks are shown in the table below; As defined by Legislative Decree

254/2016, within the table the risk/opportunity areas, along with sustainability issues are correlated to the material issues and the related management methods.

As for the risk areas related to the Group's Economic and Financial Performance, please refer to the Management Report for further details.

Table 5. Correlation between areas of Legislative Decree 254/2016, material topics, main risk areas and summary of management

Summary of the main sustainability risks and opportunities - DNF				
Ex. Scope D.Lgs. 254/2016	Material topic	Risk area	Opportunities	Summary of management methods
Environmental matters	Energy consumption and environmental impacts	Air pollution: Atmospheric emissions from the performance of the Group's	Better standing of the corporate image in the field of effective energy management and environmental protection Reduction of costs associated with lower diesel consumption and energy efficiency	ATM Group's Integrated quality, environment Policy and safety (ISO 14001 and 45001) Action Plan for Sustainable Energy (PAES) Strategy for the environmental transition Energy efficiency operations
		Management of the environmental transition plan/implementation of the full electric project	Greater user satisfaction with regard to the environmental impacts associated with the Group's activities	Purchase of certified green energy from the free market in Italy
		Unavailability of assets and infrastructure	Continuity of service in the face of emerging regulatory requests	In Italy, appointment of an Energy Manager certified expert in Energy Management pursuant to UNI-CEI 11339
	Responsible management of resources and waste	Soil and water pollution from the Group's activities	Efficiency of production processes thanks to innovation Diffusion of green education among users	ATM Group's Integrated quality, environment policy and safety (ISO 14001) Action Plan for Sustainable Energy Strategy for the environmental transition
		Management of waste from the performance of the Group's activities		
		Maintenance of quality and environmental management systems certifications		
Employee-related matters	Diversity, inclusion and welfare	Welfare and industrial relations management	Improvement of reputation and corporate image in the field of Diversity & inclusion Greater well-being for its employees Improvement of the ability to exploit and attract resources	Welfare Policies Social Accountability policy (SA 8000) Whistleblowing channels Procedures for management of discrimination, harassment, Stalking and SA8000 violations

			Improvement of stakeholders' value	Diversity Manager
	Training and professional development	Finding human resources on the market that meet corporate needs	Improvement in employee performance Professional growth of personnel	Integrated toolkit for selection of personnel (interviews, tests/assessments based on specific qualities sought) Procedure for selection and hiring of Personnel
		Core skills in line with the strategic plan		Identification and definition of key competences and development of Talent Management programs
		Loss of key skills		Development plans with a view to both the continuous growth of skills and the retention of people with key skills Substitution Group's
	Protection of employee health and safety	Health and safety management: Accidents and/or occupational diseases occurring in the context of operational management	Improvement of the corporate reputation in terms of a protective and safeguarded work context Maintenance of high standards in the field of health and safety, as well as continuous improvement in the management of these aspects	ATM Group's Integrated quality, environment policy and safety(ISO 45001) Metro Service A/S " Health Policy " Training in Health and Safety Assessment and proactive management of health and safety risks, in line with legal requirements
		Health and Safety Management: Attacks on staff		Security staff and equipment Continuous collaboration with the Law and the Prefecture of Milan
		Health and Safety Management: Health emergency Covid-19		Incident Response Plan aziendale
Social matters	Noise and vibration mitigation	Management of vibrational and acoustic pollution from the performance of the Group's activities	-	Vibro-Acoustic Laboratory Rolling Stock Maintenance Plan Noise Mitigation Maintenance Plan for the M2 underground line

				Installation of friction moderating systems
	Economic and financial performance	For risks related to the Group's economic and financial performance, please consult the 2020 Annual Report - Risk factors and uncertainty - Financial Risks	-	Reference Annual Report 2021 - risk factors and uncertainty - Financial risks
	Quality and accessibility of services	Management of information flows to and from customers	Improvement of company reputation and image in the area of quality and accessibility of services Improvement of the quality and accessibility of the service Improvement of <i>stakeholders' value</i> Increase in the offer of innovative products	<p>Infoline service</p> <p>Official ATM app</p> <p>Website and social networks</p> <p>Stakeholder engagement surveys</p> <p>Reports, the Mobility Charter and other reference documents</p> <p>Procedure for handling complaints and reports received from customers</p>
Planning of the TPL service		<p>Sustainable Urban Mobility Plan (PUMS)</p> <p>Triennial Works Program</p> <p>Biennial Supply Program</p> <p>Service contract</p>		
Group's Customer Satisfaction		<p>Management procedure "Customer satisfaction survey" (monitoring the quality perceived by the customer)</p> <p>Stakeholder engagement surveys</p>		
<p>Obsolescence/reduced functionality of infrastructure and data systems entrusted by third parties/companies</p> <p>Obsolescence of ATM-owned infrastructure, plants and rolling stock</p>		<p>Constant monitoring of quality of infrastructure, plants and transportation services</p> <p>ATM Group's Integrated Quality, Safety and the Environment Policy (ISO 14001 and ISO 45001)</p>		

		Accessibility of the stations		
	Security & safety	Accidents made by third parties during events organized by the Company	Accident prevention Close coordination and collaboration with law enforcement and city realities	Sharing area-specific information on risks companies involved Engagement of location managers to ensure safety For events of more than 200 people, enactment of the procedure for obtaining the Public Entertainment License by the Municipality of Milan, which includes the Risk Assessment Document
		Derailment and/or collisions		Maintenance plans Personnel training, especially to vehicle operators and maintenance workers
		Functionality of electrical and/or mechanical safety systems		Redundancies and compensatory solutions such as the adoption of wheeled fire extinguishers and personnel controls
		Accidents made by people inside metro stations		Training for intervention at various levels ATM Group's Integrated Quality, Safety and the Environment Policy Security staff and equipment Service contract
		Fires		Rolling Stock Maintenance Plan
		Accidents along vehicle routes caused by personnel		Continuous monitoring of driver behavior during driving and in general during service Training pursuant to the Technical Operating

				Commission
		Terrorist attack		Implementation of cameras in stations and on vehicles
		Robbery/Pickpocketing		Security staff and equipment
				Continuous collaboration with law and the Prefecture of Milan
Matters related to human rights and the active and passive fight against corruption	Ethics, integrity and compliance	Compliance with the Code of Ethics, the body of legislative Decree D. 231 and HSE regulations	Continuous improvement of stakeholders' culture with respect to ethical and compliance issues	Anti-Corruption Model and Organizational Model ex D.Lgs. 231/2001
		Labor law compliance		Code of Ethics of Italian Companies and Metro Service A/S Code of Ethics
		Personal data management pursuant to the GDPR		Social Accountability policy (SA 8000)
		Data security management		ATM Group's Integrated Quality, Safety and the Environment Policy (ISO 14001 and ISO 45001)
				Personal Data Protection Officer
				Compliance Officer
				Anti-Money Laundering Representative
				Voluntary Tax Control Framework
Transversal matters	Responsible management of the supply chain	Suppliers' respect of the principles adopted by the Group regarding sustainability issues	Spread of the culture of sustainability along the supply chain	Regulation for the Awarding of Contracts
				Evaluation procedure for suppliers of works, goods and services

Further information regarding the management methods of the sustainability risks is presented later in the document.

The impact of the COVID-19 emergency on the ATM Group

In 2021, the COVID-19 continued to condition the public transport system. The affecting factors were the regulations that reduced transport capacity in order to respect social distance and the persisting of a strong fear to share the journey to the workplace with other people. The decline in the propensity to use local public transport has thus led to a significant transfer of flows to private mobility. In addition, other factors have also contributed to the contraction in demand for mobility: The digitization of economic, educational, and commercial activities (with the growth of remote working, the spread of distance learning, and the explosion of e-commerce).

For these reasons, ATM continues to operate by making specific investments in real-time detection and information platforms for crowding levels, supply planning systems to provide adequate transport capacity according to demand, solutions for monitoring and surveillance of distance compliance in metropolitan and surface stations.

In summary, ATM continued to operate on the following guidelines in 2021:

- ensure compliance with health measures in the area of social distance;
- to create confidence in the public transport system in users;
- offer greater digitization of ticketing and information services;
- efficiently manage the available resources.

ATM also participates actively in the coordination tables, chaired by the institutions, for the definition of the most suitable connection between the start and end times of the didactic activities and timetables of the local, urban, and extra-urban public transport services, depending on the availability of usable means of transport, the aim is to facilitate the flow of workers and students into public transport systems resulting from their return to schools.

The Internal crisis Management Committee within the Group (active until March 31, 2022) continued to exercise its role, analyzing promptly the provisions implemented by the authorities. In addition, the ATM Group continued to introduce new organizational measures and technological tools suitable to face the new needs that arose also during 2021.

In continuity with what was already prepared during 2020, during 2021 the ATM Group has followed up the initiatives for the protection of the health and safety of its employees.

With the resumption of schools and activities since January 2021, in alternating phases, and since September 2021, with greater continuity, public transport has had a gradual return of passengers. The government guidelines, which have confirmed the 80% limit on the filling of vehicles, no longer provide for one meter spacing between people on board, as well as in many indoor public places.

The Group has moved quickly with wide-ranging measures also thanks to a continuous and fruitful dialog with all the Institutions: Prefecture and Municipality of Milan, Ministry of Infrastructure and Transport, Trade Associations.

The “Pact for Milan” (“Patto per Milano”), led by the Prefecture, has enabled a strategy to be implemented for the scheduling of schools and activities, in order to lighten the flow of passengers during peak hours. In particular, for the customers, during the various stages of the recovery, the following were realized:

- upgrade of the service: 200 more vehicles, for a total of 25 thousand rides per day on the surface and 2,400 by subway. 120 shuttle buses are dedicated exclusively to students from 32 schools in Milan;
- Extraordinary sanitation of the structures, of the means, also of the BikeMi implants. Air treatment and 4,000 gel dispensers available on all surface vehicles and in metro stations.
- automatic counting of passengers at the subway turnstiles, with blocking of access in case of reaching the set threshold of 80%;
- campaigns and integrated communication plans on new rules for the safe use of public transport, new city timetables, service improvements, sanitation interventions and for inviting people to have a responsible collaboration; In order to spread campaign messages,

the Company has used all the tools and channels at its disposal, including sending direct-mails to 4,000 loyal customers;

- free renewal of the electronic card which expires for 12 months from the expiry date of the card simply by placing it on the totems by subway or going to an authorized resale;
- Integrations of new features on the ATM App to guarantee customers a minimum stay in the stations and optimize the flows;
- Customer Satisfaction and Mystery Client surveys to intercept new trends on mobility and new travel habits and needs;
- communications with all stakeholders, institutions, hospitals and health centers, to clearly share at 360-degrees the new travel methods and the new timetables of the city, especially to spread the message of avoiding traveling during peak hours.

The health emergency has caused an impact over all the capital of the ATM Group, which, as an essential service provider, has never suspended the provision of mobility services. Further information is available in the NFS and in *the 2021 Management Report*.

The Sustainability Strategy and the Environmental transition

Since the beginning, ATM has sought to contribute positively to the development of cities and play a central role in the communities where it operates, as well as for the entire country system as part of the development of local public transport, gradually positioning itself as a point of reference in terms of institutional, operational (mobility services), economic, social and environmental sustainability.

In fact, for several years, ATM has been integrating sustainability topics into its organizational model, showing its commitment to responding actively and effectively to the evolution of the context in which it operates. Given the vital role it plays within the communities in which it offers its services, ATM understands the importance of mobility in metropolitan cities and essential role it plays in contributing to sustainable development and urban planning that meets the needs and requirements of citizens.

In that regard, the Group defined a business strategy that incorporates the principles of sustainability, allowing for the creation of value for the Group and its stakeholders. The strategy is laid out in the 2021-2025 Strategic Business Plan, which was shared and approved by the parent company's Board of Directors and was developed in consideration of the specificities of the Group, as well as the evolution of market trends.

The business strategy is divided into three directions pursuing objectives related to the economic-financial performance, as well as the development of an increasingly sustainable mobility service, especially from the point of view of the protection of environmental resources.

Thus, the Group developed strategically important initiatives with the aim of making the Group a point of reference in the field of digital innovation, increasing the service for passengers, and becoming an industry leader in the operational management, extracting the full potential from all the non-core assets of the company and finally to attract, develop and enhance the company's human resources.

In addition to the Industrial Plan, and in line with the "Milano Mix" environmental transition promoted by the Municipality of Milan, the Group has followed up on the refinement of its sustainability strategy, which is implemented in the Sustainability Policy. The Policy outlines the sustainability commitments undertaken by the Group through five intervention pillars, summarized below:

1. Zero-emission transport - as the name suggests, this pillar has the goal of achieving net-zero emissions from transport activities and reducing local air pollutants;
2. Responsible consumption - the Responsible Consumption pillar provides for the use of the bare minimum in terms of materials and the efficiency of resource consumption;
3. Sustainable Supply Chain - this pillar aims to raise awareness and endorse the Group's commercial partners who share the same values in environmental, social and ethical terms;
4. Inclusive mobility - The purpose of this pillar is to ensure the social inclusion of all members of the community by offering sustainable, multimodal and innovative mobility services;

5. Great Workplace - “Excellent workplace” in Italian, this pillar aims to promote a positive work environment for all employees that attracts and enriches people and values diversity.

The Group concluded the activities for the elaboration of the specific objectives of the Sustainability Policy in the first months of 2021. Among the main objectives, to give examples: The reduction of CO2 emissions; the annual increase in the number of relevant initiatives in the field of inclusive mobility, such as the Maas instruments; the annual increase in the number of relevant initiatives to minimize resources used, such as water resources; the progressive gender equality and the reduction of the wage gap between different genders; a network of suppliers that are becoming increasingly responsible and sensitive towards environmental issues.

As a last step, in 2021 the Sustainability Pillars were fully inserted in the staff incentive system. As a matter of fact, for the first year in ATM's history, in addition to the objectives linked to the respect of the budget, one of the projects that define the MBOs (Management by Objective or result awards) of each business manager must contribute to achieving a sustainability target defined by the top level each year.

All initiatives are part of the broader project to strengthen the Group's policies in order to achieve the objectives of Agenda 2030 for Sustainable Development, “Sustainable Development Goals” (SDGs), defined in the context of the United Nations.

ATM and the Sustainable Development Goals





The SDGs (Sustainable Development Goals) consist of 17 objectives whose achievement contribute to sustainable global development. The targets were approved by the United Nations in 2015 as part of the 2030 Agenda for Sustainable Development. The 17 objectives are in turn divided into 169 targets to be reached by 2030.

Achievement of the SDGs requires the action of all parts of society: businesses, the public sector, civil society, non-profit institutions, universities and research centers as well as information and cultural drivers.



For this reason, ATM has identified which of the 17 SDGs are most aligned with its own strategy, thus, identifying the goals to which the Group can make a more significant contribution.

The identification and association of the SDGs identified with the strategic objectives of the Group makes it possible to further highlight the effort undertaken by ATM, through its strategy and business activities, in addressing the sustainability challenges in favor of the community it serves. The Group has refined the analyzes launched last year to arrive at a series of targets relating to 5 SDGs to which it provides or could provide a more significant contribution:

	Achieve gender equality and empower (greater strength, self-esteem and awareness) all women and girls
	Ensure access to affordable, reliable, sustainable and modern energy systems for all
	Promote sustained inclusive and sustainable economic growth, full and productive employment and decent work for all
	Make cities and human settlements inclusive, safe, resilient and sustainable
	Take urgent action to combat climate change and its impacts

The Group contributes to the achievement of the SDGs through initiatives and investments made according to its Strategic Industrial Plan, since they seek to enhance human resources through the development of new skills, to attract and grow talents, and to guarantee access to a safe and accessible public transport system, especially for the most vulnerable. These activities generate clear benefits in terms of employment and the creation of economic value at the direct level for the Group, indirect for suppliers and customers-citizens and induced for the local economy.

FINANCIAL CAPITAL

Main results related to financial capital

Table 6. Highlights of results obtained related to the Group's Financial Capital

€ 42.1 million Net financial position of ATM S.p.A.		€ 72.7 million Investments	
€ 1009.3 million Revenue and other operating income	€ 83.3 million Gross operating margin		€ 16.0 million Loss
€ 1019.3 million Value generated	€ 935.3 Value Distributed		€ 84.0 Value Retained

What is financial capital

Financial capital is the set of owned and third-party financial resources that are necessary and functional for the correct financial management and coverage of investments. It also consists of cash flows generated by ordinary operations, third-party resources disbursed in the form of public grants, financial debt, represented by bank loans (EIB, European Investment Bank and Cassa Depositi e Prestiti) and the use of the capital market.

Material topics related to financial capital

Climate Change, energy consumption and environmental impacts	Responsible management of resources and waste	Intermodality and integration of services	
Quality and accessibility of services	Security & safety	Community relations and local development	
Economic performance (Creation and distribution of economic value)	Noise and vibration mitigation	Diversity, inclusion and welfare	
Training and professional development	Protection of employee health and safety	Ethics, integrity and compliance	Responsible management of the supply chain

As provided for by the International <IR> Framework for the preparation of the Integrated Report, the following table shows the main inputs, outputs, and outcomes as well as the main business activities pertaining to the Financial Capital.

INPUT	BUSINESS ACTIVITIES	OUTPUT	OUTCOME
<ul style="list-style-type: none"> Capital structure (mix of equity and debt capital) 	<ul style="list-style-type: none"> Financial management 	<ul style="list-style-type: none"> Active Net Financial Position for euros Revenues Gross Operating Margin Profit Personnel costs Financial obligations Taxes Reclassified Operating expenses Donations, sponsorships and collaborations 	<ul style="list-style-type: none"> Financing dedicated to projects that increase the quality and regularity of service Distribution in the society of the economic value created

The financial capital of ATM Group

For ATM, the correct management of the financial capital is fundamental to guarantee continuity and sustainability of its business. The Group's economic sustainability depends on the effective management of financial capital and debt capital and provides the means through which to create value through other capitals, since choice of investment has a substantial impact on other capitals (such as through investments).

Through the use of financial capital inputs, such as government grants, liquidity reserves and bank loans, ATM provides continuity to the Group's operations, transforming financial capital into input elements for other capitals and ensuring financial stability in the short, medium and long term.

Investments

On the basis of the vision of the industrial plan, in 2021 the Group invested 72.7 million euros in activities aimed at improving the service offered with the objective of positioning itself as a best player in the sector of sustainable mobility. In fact, in order to follow up the Group's strategic commitment - which is included in this Report in the section dedicated to environmental transition - 62.5 million euros, or else about 86% of total investments, were allocated to infrastructure modernization and fleet renewal activities.

Table 7. Investments managed by ATM Group (in millions of euros)

MACRO CATEGORY	2021	2020	2019
<i>Upgrade of the fleet</i>	47.7	112.6	133.5
<i>Extraordinary building maintenance</i>	1.4	1.9	2.9
<i>Modernization and upgrade of plants and infrastructures</i>	14.8	19.5	11.2
<i>New technologies for payment and information mobility</i>	8.7	6.0	7.8
TOTAL	72.7	139.9	155.4

For more details on the Group's financial results, please refer to the Group's 2021 consolidated financial statements.

Economic performance

In 2021, due to a slow return to normality, ATM had an increase of about 5% in revenues and other operating income compared to 2020 and an increase in operating costs and expenses of 27.4 million euros compared to the previous year. Therefore, the operating result for 2021⁵ was approximately € - 13.7 million, with a loss of approximately € 16 million for the year.

Table 8. Main economic indicators (in millions of euros)

Main economic indicators	2021	2020	2019
Revenues and other operative income	1,009.3	957.9	980.7
Costs and other operating obligations	926.0	896.8	867.2
Gross Operating Margin	83.3	61.2	113.6
Operating income	-13.7	-47.4	6.3
Net income	16.0	-64.5	9.2

Revenues in 2021 were composed as follows: 84.04% for revenues attributable to local public transport activities, 1.61% for parking, parking spaces and removal activities and 14.35% from different sources (84.73%, 1.63% and 13.64% respectively in 2020).

For more details on the Group's economic results please refer to the 2021 consolidated financial statements.

Fees and contributions from the Public Administration

ATM and the Municipality of Milan have signed a Service Contract which regulates local public transport services as well as related and complementary services. As required by the Contract, the Municipality pays ATM Group a fee for the provision of LPT services, which constitutes approximately 66% of the Group's total revenues for the year 2021.

⁵ Please refer to the Management Report for more information.

In order to better manage the contractual and economic aspects relating to the Service Contract, ATM has established an internal Service Contract Unit, which manages all the documents relevant to the Contract. The unit is tasked with analyzing and reporting data relating to minimum quality standards and calculating any deviations between the services provided and what is required by the contract. To that end, the Group has adopted a specific procedure which ensures that:

- contractual relationships are correctly channelled;
- contract objectives are shared with the heads of the departments responsible for performing the contractual services;
- management problems with contractual interpretations are shared between the various ATM internal departments;
- flow of information to and from the Municipality are managed and archived correctly;
- any amendment to contractual commitments is approved;

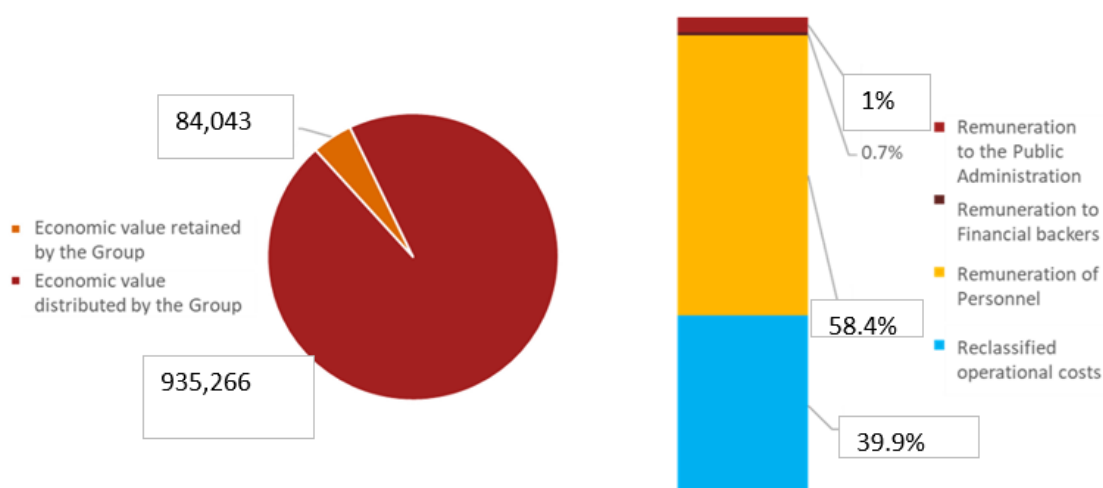
In addition, the Service Contract provides for the establishment of a Technical Committee composed of representatives from each of the parties involved for the regulation of various aspects, such as monitoring activities, the evaluation of contractual variations or the evaluation of the management of the system of any penalties and premiums paid.

Generation and distribution of value

The “economic value generated and distributed” - the wealth produced by the ATM Group and distributed among the various stakeholders in various forms - represents the impacts created by the Group’s provision of services, generating macroeconomic benefits.

In 2021, the economic value generated by the Group was € 1,019.3 million. The Group distributed €546.4 million to staff in the form of remuneration for the activities carried out during the year, while €372.8 million was allocated to suppliers to cover operating costs from the purchase of services, raw materials, consumables and goods. The Group distributed €16 million in the form of payment of financial charges, taxes and donations, sponsorships and collaborations. Lastly, €84 million was allocated by the Group⁶ to depreciation, write-downs and profits destined for reserves.

Figure 1 – Distribution of the economic value of the ATM Group in 2021 (thousands of euros, %)⁷



⁶ These values are to be considered gross of realized profit distributions. In 2021 dividends were distributed to third-party Hitachi Rail STS for € 1,715,000.

⁷ The value of the donations, sponsorships and collaborations, or the economic value distributed in the community, is equal to 0.05% of the economic value distributed by the ATM Group.

Fiscal transparency

The function that presides over corporate taxation provides for the correctness and compliance of the declaration form for the determination of taxes. From an organizational point of view, management of the corporate tax system is allocated to a specific organizational structure. The task of managing and monitoring tax risk resides with the departments of the individual business processes.

The Group has adopted regulations and procedures that govern tax compliance as part of the specific processes. In relation to the tax risk control system, ATM operates in compliance with the following objectives, to be pursued continuously, also applicable to companies subject to management and coordination:

- **Tax obligations:** properly manage the tax obligations related to its activities, in compliance not only formally but also substantially with all the laws and obligations required and with the principles and purposes of the tax system of the competent jurisdiction.
- **Risk management:** control and manage tax risks and protect the Company's reputation through adequate processes, procedures, organizational solutions and fully integrated tools at the Internal control and risk Management ("ICRMS") level;
- **Tax Compliance:** ensuring the integrity of tax compliance and the correct amount of taxes, in compliance with the timing and requirements associated with them, minimizing disputes with the tax authorities.
- **Sharing of values:** Promote awareness at all company levels of the importance attributed by the company to the values of transparency, honesty, fairness and compliance with the law.
- **Making the best use of resources:** Develop and strengthen the personal and professional skills of the resources involved in the tax process and in the management of the risks associated with them, ensuring the correct level of experience and understanding of the business in order to guarantee the appropriate professional diligence in reaching conclusions adequately motivated.

The company, as established by the Risk Appetite Statement approved by the Board of Directors, has an adverse propensity to tax risk and the assessment of tax risks also takes into account the potential ESG-related issues.

The approach to tax risks was adopted from the corporate Enterprise Risk Management model, adapted to the specificity of the subject, and is fully integrated in the framework of the ICRMS.

During 2020, ATM voluntarily adopted the Tax Control Framework ("TCF") as a corporate governance and supervision tool for the detection, measurement, management and control of tax risk, in line with the provisions of Legislative Decree 128/2015. The tool is jointly governed by the Risk Management function and Corporate Taxation department, the latter with the role of competence center and is widespread at all levels of the organization for the respective areas of competence.

ATM provides the whistleblowing process, which is also open to this type of reporting, as a mechanism for reporting critical issues related to unethical or illegal behavior and the integrity of the organization in tax matters.

The assurance on tax information is guaranteed by an external tax advisor in charge of verifying and checking compliance, as well as by an appointed auditor.

The Group interacts with its stakeholders on tax aspects thanks to the External Relations, Communication and Marketing Department, which coordinates activities at company level.

Table 9. Reporting of financial, economic and tax information for each jurisdiction in which ATM operates (Italy, Euro) – as at 31/12/2020⁸

Italy	Revenue from sales to third parties (including Related parties)	Revenue from intra-group transactions with other tax jurisdictions (Denmark)	Profit / loss before taxes	Tangible assets other than cash and cash equivalents	Corporate income tax paid on a cash basis	Corporate income tax accrued on profit/loss
Total Italy	841,382,000	-	(53,196,000)	1,294,845,000	2,700,053	17,700,000

The difference between the amount on the income of companies earned on profits/losses and the tax due is due to tax withholdings and different payment deadlines.

Table 10. Reporting of financial, economic and tax information for each jurisdiction in which ATM operates (Denmark, Euro) – as at 31/12/2020

Denmark	Revenue from sales to third parties (including Related parties)	Revenue from intra-group transactions with other tax jurisdictions (Denmark)	Profit / loss before taxes	Tangible assets other than cash and cash equivalents	Corporate income tax paid on a cash basis	Corporate income tax accrued on profit/loss
Total Denmark	116,565,000	-	9,934,000	4,364,000	1,644,425	3,531,000

The amount on the income of the companies accrued on the profits/losses refers to the advances paid in 2020, while the tax due is the total amount due for 2020. The difference between the two was paid in full balance in 2021.

⁸ Regarding the information reported in this table, it is specified that it is published annually in November of the year following the reference year.

MANUFACTURED CAPITAL⁹

Main results related to the Group's Manufactured Capital

Table 11. Highlights of results obtained related to the Group's Manufactured Capital

94.63% buses with video surveillance systems	More than 1,245 km² of territory served ¹⁰
More than 192 million kilometers traveled ¹¹	71.3% stations with elevators and/or stairlifts ¹²
More than 488 million passengers transported ¹³	

What is Manufactured capital

Manufactured Capital refers to the infrastructure, owned or leased, used to provide public transportation services. This includes the machinery related to rolling stock, plants used for operation of transportation services, land and buildings used as deposits for material, office buildings, industrial and commercial equipment for upkeep of auxiliary vehicles, as well as essential assets for the regular performance of the service.

In order to ensure that performance is adequate and constantly in line with the new needs of clients and citizens, ATM is committed to reaching ever higher levels of environmental sustainability, safety, accessibility and comfort, guaranteeing increasingly "smart" infrastructures.

Material Topics related to Manufactured Capital

Energy consumption and environmental impacts	Responsible management of resources and waste	Intermodality and integration of services	
Quality and accessibility of services	Security & safety	Community relations and local development	
Economic performance (Creation and distribution of economic value)	Noise and vibration mitigation	Diversity, inclusion and welfare	
Training and professional development	Protection of employee health and safety	Ethics, integrity and compliance	Responsible management of the supply chain

⁹ Unless otherwise specified, this chapter refers exclusively to the data of the Italian companies of the ATM Group.

¹⁰ This figure also includes Metro Service A/S.

¹¹ This figure also includes Metro Service A/S.

¹² This figure considers the M1, M2 and M3 metro lines as provided for in the Service Contract.

¹³ This figure also includes Metro Service A/S.




As provided for by the International <IR> Framework for the preparation of the Integrated Report, the following table shows the main inputs, outputs and outcomes as well as the main business activities pertaining to the Manufactured Capital.

INPUT	BUSINESS ACTIVITIES	OUTPUT	OUTCOME
<ul style="list-style-type: none"> Rolling stock Mobility infrastructure Infrastructure in support of integrated mobility 	<ul style="list-style-type: none"> Integrated mobility management Design, engineering and maintenance Management ICT systems, ticketing systems and advanced caring plans 	<ul style="list-style-type: none"> Thousands of square kilometers of served territory Implementation of new technologies Integrated service provided for the local area Accessible transportation for all 	<ul style="list-style-type: none"> Efficient, safe and sustainable mobility Social inclusion Satisfactory public service provision

Main sustainability objectives

The table below shows the main sustainability objectives pertaining to the Group's Manufactured Capital and the progress made in relation to those objectives as of December 31, 2021.

Table 12. Sustainability objectives related to the Manufactured capital of the ATM Group

Objectives	Status as December 31, 2021
<ul style="list-style-type: none"> Achieve 100%electric rolling stock. 	 <p>In 2021, 71.3% of the total kilometers traveled by the Group's rolling stock were powered electrically, compared to 28.7% powered by diesel.</p>
<ul style="list-style-type: none"> Gradual improvement of the main KPIs for quality and accessibility of the service, through the redevelopment and/or reconstruction of stops and stations, as well as the acquisition of new rolling stock and/or vehicle revamping Definition of a new security plan and progressive increase of dedicated resources and video surveillance systems installed on vehicles and infrastructures: <ul style="list-style-type: none"> Achievement of 100% of buses equipped with video surveillance systems (83.7% in 2017) 	 <p>94.63% of buses are equipped with video surveillance systems. To make service increasingly accessible, comfortable and sustainable, as part of the plan for upgrading the fleet, in the coming years, renewal plan include the supply of 80 new low-floor two-way trams, 60 new 18-meter trolleybuses, 21 M1 trains and 25 M3 trains, 150 hybrid 12 meter buses and about 400 electric buses.</p>
<ul style="list-style-type: none"> Reduction of the recorded noise level 	 <p>During 2021 no new friction moderating systems were installed, for 2022 there are</p>

		plans to install 4 friction moderating systems in “Porta Lodovica”.
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The Manufactured capital of the Group

As a local public transport service provider, the modernization and maintenance of production capital is a fundamental element for the ATM Group, in compliance with the regulatory requirements necessary to carry out the activities - maintenance of corporate assets, specifically in reference to the average age of the fleet, is subject to regulation by European directives and the provisions of the Service Contract stipulated with the Municipality of Milan for the provision of local public transport services – but above all, in order to guarantee a high level of service in a constant way over time, which is key to business sustainability.

Therefore, the Group is committed in upgrading the company fleet on an ongoing basis and developing a modern and efficient support infrastructure in order to achieve ever higher levels of performance in terms of the environment, accessibility and comfort.

Modernization of the fleet

During 2021, the ATM Group allocated about 47.7 million euros to the renewal of the company's fleet. With regard to the M1 and M3 metro lines, in 2021 the authorization procedure was initiated for the publication in September of the tender for a framework agreement aimed at the purchase of 46 new trains.

These are 21 trains for the M1 line, replacing the “revamping” trains (for restyling in the past) and 25 trains for the M3 metro line that can be used, with minimal modifications and with the upgrade of the on-board signaling system, also on the M2 line.

The Group makes these investments in order to generate positive repercussions for the performance of transport services and *in terms of customer experience* - thanks to the improvement of the quality of the service and the relative levels of comfort and accessibility - but also to improve environmental performance and vehicle safety levels.

Fleet renewal for improving environmental performance

In order to renew and improve the performance of the public transport network, the fleet renewal plan, which provides for the replacement of older equipment by more modern and efficient means, will allow the ATM Group to reduce emissions into the atmosphere resulting from the fleet.

Following the Full Electric Plan, the epochal change in surface vehicles toward a zero-emission bus fleet started in 2018, ATM continued with the introduction of hybrid buses, given that the market is not yet able to meet the wide requirements of electric buses and that the regulations provide for time limits on the use of older vehicles. Hybrid buses allow significant reductions in both fuel consumption and CO2 emissions. The race was awarded for a framework agreement of 150 hybrid buses, including full service maintenance extended to the life of the vehicle. When the framework agreement was signed, the first application contract for 129 buses was also signed with deliveries planned by 2022.

As part of the Full Electric renewal plan, the first 25 vehicles were purchased with two agreements, with deliveries completed at the beginning of 2019. At the same time, a framework agreement was signed for the supply of additional 250 buses, related to which three application agreements have been concluded: the first for 40 vehicles, the deliveries of which were completed in 2020, the second for 100 vehicles, the completion of which was completed in august 2021. On the basis of the evolution of the works for the adjustment of the deposits, the process for the signing of the third application agreement for 75 vehicles started in the second half of 2021 and was concluded in January 2022. At the conclusion of the framework agreement, 35 vehicles remain, to be requested according to the progression of the activity of laying the columns in the warehouses.

The framework agreement includes full-service maintenance, extended throughout the life of the vehicle, and replacement of traction batteries, which will replace those installed in the first system, which is expected to decline in performance at approximately half the life of the vehicle.

For the Full Electric project are also in progress the adjustments of the spaces for the shelter and the recharging of the vehicles. For this purpose, a 5-year framework agreement was signed for the installation of the columns in the warehouse of Sarca, Giambellino and San Donato and the installation of the opportunity charges at the main terminals of the car service.

In 2021, the activities for the laying of the columns in the Sarca warehouse were completed, and the preparation of 10 *opportunity chargers* (6+2+2) at the bus terminals of Zadar (6, whose work began in the second half of 2020), Central (2 installed and 2 more will follow in 2022) and Lambrate (4 to be installed in early 2022). In the second half of 2021 were initiated the activities for the installation of the columns in Giambellino's warehouse, the conclusion of which is expected at a first step by the spring of 2022 and at a second step by the spring of 2023. With regard to the other opportunity chargers will be continued in 2022 with the setting up of two additional plants at the end of Lambrate (Via Viotti) and then two more plants will be added at the terminal of Piazza Napoli.

It is necessary and appropriate to point out that, within the “ecological mission”, the energy needed to recharge the electric buses is completely eco-friendly, considering that ATM has signed an agreement for the supply of electricity produced from renewable sources, certified as Green Energy with origin guarantee.

Regarding the fleet of buses of the subsidiary NET, the renewal plan of 44 buses of 12 and 18 meters has been completed, divided between the extra-urban service lot 3 and Monza urban service. These investments, incurred in view of the tender for the award of the service, have allowed a rejuvenation of the NET fleet, consenting the disposal of obsolete vehicles, still with Euro 3 engines.

In the second half of 2020, the framework agreement was signed on the provision of 80 25-meter-long two-way trams, with a low floor only in the access door area, for use on the urban and long-distance network. Together with the agreement, the first application contract was also signed for 30 trams (10 interurban and 20 urban), with deliveries starting from 2022 and service starting from 2023.

At the end of 2021, application contracts were signed for a further 30 urban trams, completing the replacement program for 50 urban trams co-financed by the Ministry of Infrastructure and Sustainable Mobility (MIMS).

Under the framework agreement for the supply of 80 articulated trolleybuses of 18 meters, deliveries of 30 vehicles were completed in the first half of 2020, all in service as referred to in the first application contract.

In February 2021, the request for the conclusion of the second application contract was launched, for the next 50 trolleybuses, signed in November 2021.

With these investments the average seniority of the ATM trolleybus fleet will fall to about 4 years, thus allowing the disposal of all the old 12 and 18 meter vehicles, particularly dated. It is recalled that the new trams and new trolleybuses will offer customers a better quality of service, in terms of comfort and accessibility; they will be updated to the most modern safety requirements, will be equipped with anti-collision system for trams, will guarantee the mitigation of the noise emitted in the environment, they will be equipped with technology systems to enable customers to network once on board and will save energy with the braking energy recovery system.

Finally, in the context of the renewal of the fleet of vehicles and in the perspective of sustainability, the project for the replacement of diesel service cars by electric rental cars, to be used for the assistance of the vehicles in line, the control of the operation and for the maintenance of the underground and tramway systems, continues. Currently, there are 107 cars already on-board and, additional 9 cars already ordered (to check when closing this file if order done) will be delivered in 2022.

In 2021, 71.3% of all ATM public transport routes were powered electrically, particularly in 31.12. 2021 the ATM facilities include 166 electric buses and 126 trolleybuses, as well as underground trains and trams.

Safety and corporate security

The continuous modernization of the fleet also allows the improvement of subsidiary security activities carried out by the corporate sector *Corporate protection* and safeguarding of the staff, passengers and ATM assets, also thanks to the implementation of technological solutions aimed at monitoring the means on board and in the stations.

Is active, since 2019, the dedicated Control Room (Security Operations Center - SOC) at the Operations headquarters in close contact with the operational centers of the metropolitan and surface operation, maintaining disaster recovery in the previous location.

The SOC operates 24 hours a day, 7 days a week, and three specialized security operators operate, monitoring over 11.000 video surveillance cameras, 5.000 sensors, and over 4.000 alarms that are remotely controlled and managed in the field through more than 200 daily interventions by specialized personnel. With the possible support of the Law Enforcement when necessary.

New features of the enterprise security management software (PSIM) for the management corporate security tools are being designed, that consists in eliminating paper reporting and resulting in a reduced security KPI turnaround time, also the cartographic localization of all corporate assets and security tools and the connection between the center and the field through an APP installed on the devices of the security resources.

The video surveillance of the new ATM trolleybuses reached at 64.62%, for the new buses reached at 99.83% of the entire fleet, while for NET 100% of the fleet.

Metro Service A/S has also set up a management system for railway safety issues to ensure compliance with applicable laws, regulations, and contractual provisions. The company shall record and assess railway safety risks annually and set quantitative and qualitative targets subject to review during the annual management review. In 2021, Metro Service A/S upgraded its Security Management System to comply with Danish Executive order No. 712. Consequently, Metro Service A/S has obtained renewed certification and approval of safety by the National Safety Authority.

Management and development of the infrastructure and accessibility to transport services

In order to ensure the satisfaction of the citizens and of all those who use the service, it is essential to ensure that a modern and efficient infrastructure is maintained which ensures that everyone is highly accessible to the public transport service.

In particular, the infrastructures to support the service offered by ATM, from the metropolitan network, to the stations and to the headquarters of the Group, allow to guarantee an adequate performance of the service to which they are intended, allowing to offer services constantly in line with the needs of the customers-citizens, in compliance with their expectations.

Aware of its role in the relationship between the citizen and the city, the Group plans the routes of bus lines and plans the construction of new metropolitan lines so as to offer a higher level of accessibility to all citizens.

The urban plan for sustainable mobility (PUMS), which sets out the guidelines for infrastructure management strategies, as well as security, reliability and flexibility toward the customer and his needs, is the main focus of the planning of the metropolitan area of Milan. The three-year program of workings and the Biennial program of supplies also define the operational elements and the short -medium-term interventions that the municipality plans to develop for the realization of new infrastructures and the maintenance of existing ones.

In addition, ATM has implemented appropriate mobility survey tools that are updated periodically to evaluate the progress, demand and mobility flows for individual transport modes. The indications on

the interventions to be carried out - extraordinary maintenance, improvements, modifications - are also received through the other channels responsible for this scope (institutional channels, customers and maintainers).

Moreover, in order to guarantee the safety of the circulation of the surface means, devices are installed on board which allow a constant connection with its operating center for the whole duration of the service; these systems are kept efficient through the appropriate timely maintenance activities.

Instead, for the safe circulation and spacing of the trains of the metropolitan lines, signaling systems are present with different protection technologies and automation degrees and capable of sending and managing information related to the position of the trains and to the conditions of the line.

In the context of the renewal of the line M2, the signaling system is completely rebuilt. The new plant, fully financed by ministerial contributions and the Municipality of Milan, will ensure a safer and more efficient service management, allowing an increase in the frequency of train passage to accordingly increase the transport capacity. In close association with the intervention on signaling plants it will be necessary to implement the timely renewal of the armament. The interventions will be carried out on the sections of line in which the armament has suffered a performance decay of the mechanical components or had been realized with technical solutions that do not allow the expected increase from 70 km/h to 85 km/h of the driving speed.

In addition to the M2 signaling, the complete reconstruction of the signaling for the M3 is also scheduled, which will contribute to the modernization of the “yellow” line, together with the renewal of the train fleet, in the medium term; intervention entirely financed by the MIMS.

Accessibility of payment services

Of these types of projects, ATM is the leader in the ticketing revolution taking place in Local Public Transport, facilitating the digital transformation of the public transport in Milan, which today is at a turning point when it comes to ticketing practices. In fact, the Group is committed to guaranteeing accessibility to the services offered, through the implementation of new automatic ticket machines that facilitate ticket purchase, or through the offer of *smart* services that provide for ticket purchase through SMS or App. These *smart* services make it possible to use transportation services without printing tickets through the use of a QR code and, in the near future, NFC technology.

During 2020, the number of turnstiles updated with the new *smart* technology was increased while the catalog of types of tickets able to be sold without printing was extended to the entire range of tickets provided in the Integrated Tariff System of the Mobility Basin (STIBM).

Thanks to this *smart* technology, in 2018 ATM launched an experiment that allows the sale of the ticket directly at the metro turnstiles, implementing payment systems capable of detecting contactless bank cards of the EMV circuit (Europay Mastercard & Visa). This innovative payment system allows access all 4 lines of the entire metro network, guaranteeing the passenger the application of the most convenient rate (best-fare logic) based on the number and type of trips made within 24 hours of the first ticket validation of the day. After two years of operating in the underground, the contactless payment system also landed on the first bus lines 56, 70 and 73 and it is in the process of starting up in the paid parking areas Romolo, Bisceglie, Cascina Gobba, Caterina da Forlì, Famagosta, Lampugnano, Maciachini

Accessibility to people in vulnerable conditions

The Group is committed to ensuring full accessibility to the services offered to the highest possible number of users, paying particular attention to passengers with physical, visual and auditory disabilities. To this end, the Group is working to increase the percentage share of stops, stations and accessible means, putting in place specific initiatives, including:

- Installation of tactile routes and protective measures, such as Guidance and Safety Line routes and automatic doors that protect against the risk of falling, to ensure the accessibility of services to passengers with visual disabilities.
- Qualification or reconstruction of bus, tram and trolley bus stops;
- The new Leonardo trains, as well as all the trains of the underground fleet, have the seat reserved for passengers in wheelchairs;
- Acquisition of trams, buses and trolleybuses equipped with a low floor and *revamping* of some cars that provides for the installation of a lift for the entrance and exit of people in wheelchairs;
- Construction sites compatible with the operation of the line and consistent with the programming of the service started in 2020 for the installation of lifts and for the realization of access ramps in the stations of Cimiano, Vimodrone, Cassina de' Pecchi, Bussero, Gorgonzola and Gessate on the M2, for which the end of work is estimated in July 2022. At the end of January 2021 in the station of Assago Milanofiori Nord, the new lift was activated, placed in the hall of the structure at the end of the footbridge connecting the mezzanine with the area Cascina Bazzana of the municipality of Assago;
- In 2020, the replacement of the stairlift units was completed with models with greater load capacity and better functionality and reliability, which involved a total of 68 plants, of which 37 on the line 1 present in the stations of deception, Bande Nere, Gambara, Amendola, Pagano, Cairoli, Cordusio, Duomo, San Babila, P.ta Venezia, Palestro, Gorla and Sesto Marelli, 30 on line 2¹⁴ to P.TA Genova FS, S. Augustine, S. Ambrose, Garibaldi FS, Gioia, Piola, Lambrate FS, Udine, Crescenzago, Cascina Gobba and 1 on line 3 in Duomo; in 2021 the new stairlifts entered service in Rovereto station on line 1;
- With regard to the replacement plan for the escalators, which has allowed the renovation of more than 100 implants¹⁵ since 2012, during 2021 the installation of a further 14 stairs at the stations of Sesto 1° Maggio FS, San Babila, Pagano, Lampugnano, Uruguay, Bonola S. Leonardo on the M1 and Caiazzo and Loreto on the M2¹⁶; work is also underway to install a further 14 escalators: 6 in the railway station of Centrale FS, 2 in Cologno Sud, 4 in Cologno Nord and 2 in Cascina Gobba on the M2, which will end in August 2022; the final design for the replacement of the escalators and lifts present in the stations of the M3 is in progress; In addition, several projects are in progress for the renovation of further escalators and the installation of lifts in lines M1, M2 and M3.
- In 2021, was completed the adjustment of the trolley docks in order to make them safer and to give them dimensions that allow the exit from the vehicle of the platform useful for accessing to the car and for descending from it by the passengers in wheelchairs; The work, as part of the T-lines and Fast corridors project, involved the upgrading of several stops on lines 4, 9, 12, 24 and 27;

¹⁴ Except for those in the Precotto station that are newly installed.

¹⁵ The plan, which was launched in 2012, allowed the replacement of more than 100 installations at more than 34 stations in the M1 and M2, respectively 56 and 35; The stations involved were on the M1 Sesto 1° Maggio FS (2 plants), Sesto Marelli (2), Sesto Rondo (2), Villa San Giovanni (2), Prepotto (2), Gorla (2), Turro (2), Rovereto (2), Pasteur (2), Lima (2), Loreto (2), P.ta Venezia (4), Palestro (2), San Babila (2), Cairoli (3), Cordusio (3), Cadorna FN (4), Conciliation (2), Pagano (2), Buonarroti (2), Amendola (2), Lot (2), QT8 (2), Black bands (2), Molino Dorino (2); on the M2 the substitutions were carried out in the stations of Romolo (2 plants), Moscova (7), Lanza (6), Cadorna FN (4), S. Ambrose (3), S. Agostino (3), P.TA Genova FS (3), Cologno Centro (2), Gessate (5). The plan also provides for extraordinary maintenance to improve the functionality and reliability of the systems most prone to failure.

¹⁶ The contract provides for the replacement of 1 plant in the stations of Sesto 1° Maggio FS and Pagano, 2 in San Babila, Lampugnano, Uruguay, Bonola, S. Leonardo on the M1 and 1 in Caiazzo and Loreto stations on the M2.

The Municipality of Milan has planned the adjustment of 22 tram stops located along lines 2 and 16: In 2020 the works were carried out on 15 stops of line 2, in 2021 the redevelopment of the docks of line 16 was completed. In the context of these interventions the docks are also equipped with routes of orientation, guidance and safety and it is also foreseen the reconstruction of some pedestrian paths that lead to the stop;

- All the new vehicles that became part of the fleet in 2021 are equipped with a low floor and a passenger seat in wheelchairs. The investments made in recent years have consented to increase the number of vehicles equipped with a low floor, a seat reserved for the passenger in wheelchairs and a lift or manually operated tilting platform for entry and exit from the car: to date, the entire fleet of buses and 66% of trolleybuses circulate with this arrangement. In 2020 and 2021, the 30 new trolleybuses put into service on lines 90, 91 and 92 enabled the gradual elimination of old-generation vehicles. Within the tram fleet, 48.2% of the cars that circulate in the territory of the city of Milan are equipped with an electrically operated platform. As anticipated, during 2021 was completed the revamping project¹⁷ of 51 trams of the 4900 series which, as regards accessibility, allowed the installation on the cars of a lift with platform for the entry and exit of people in wheelchairs; the use of these means is making possible to make some tram lines, including 2, 3, 12 and 16, partially accessible;
- ATM carries out awareness raising and training actions for the management of the relationship with customers with disabilities for the front line staff and new staff¹⁸; training is provided to the newly hired personnel, in particular, concerning the devices with which the means for transporting passengers with mobility difficulties or in wheelchairs are provided;
- The site www.atm.it in the section called accessible means, recently updated, provides information on the accessibility of stations and surface lines; On the GiroMilano application, available directly from the home page, each stop of the four metro lines is provided with information about the presence of lifts and lifts and their position with respect to the surface. The accessible version of GiroMilano, characterized by an essential format to facilitate the visually impaired, offers the functionality of the calculation of the path; it works with the main screen reader to allow to reach the path results only listening to what elaborated by the program.

In order to improve information on the accessibility of subway and surface transport to people with disabilities and to provide it in real time, ATM is working on the creation of a web platform called barrier-free information; Together with a group of passengers with mobility disabilities and LEDHA¹⁹, the company has carried out an experiment for the development of the functionality of the system, starting from the customer's travel experience. The aim is to publish on the ATM site the new system currently under design, whose progress has slowed down due to the pandemic context. In order to guarantee the information of the customer during the journey, ATM constantly works both on the maintenance of the materials laid in the stations, on the surface stops, on board the cars, in the parking lots and in the ATM Points, and on revising, updating and adapting the signs in connection with, for example, the requalification of the stops. To the changes in the route of the lines as in the case of the 35 and 41 or in the occasion of the creation of new lines as in the case of the 927 Segrate (P.za S. Ambrose)-Vim drone M2 for which an ad hoc map was produced. The various phases of the health emergency and the measures taken from time to time required massive and continuous interventions both in 2020 and in 2021 for the adaptation of the messages of the campaigns spread on board the means, stations and stops to inform and direct customers on the move. During the first six months of 2021, the status of the stickers for interpersonal distance placed on the ground at all

¹⁷ The term revamping refers to the modernization of the old generation cars; regarding the revamping of the 51 cars of the 4900 series, refer to page 44.

¹⁸ New hired staff with the role of bus driver, trolley and tram driver, station operator, M5 line agent, driver.

¹⁹ LEDHA is a social promotion association that works for the protection of the rights of people with disabilities, offering information, free advice and legal assistance and making contact with the institutions of Lombardy; it represents over 180 organizations of people with disabilities and their families throughout Lombardy.

113 metro stops and for the entry/exit flows at 48 stations was monitored in order to replace the deteriorated material; On the occasion of the reopening of the high schools in January, a graphic was designed to facilitate the identification of the means and stops of the shuttle buses that ATM used to enhance the service for students; ad hoc material products and materials have also been designed for each line, for each stop and for each type of service.

In January, ATM published the new layout of the network layout present in the stations, on board the trains and on the company's digital channels: The suburban railway network, previously represented with a single blue section, has been differentiated by lines, allowing the customer an immediate visualization of the routes thanks to the chromatic diversification of each of the so-called "S" lines and of the relative stations inserted in the tariff zone Mi1-Mi3; The tariff areas have been made clearer and more legible, easily identifiable by the colors in shades defined by the Bacino Agency in contrast to the area of the tariff limit for white city subscriptions. Collaboration with M4 continued with particular reference to the signage design.

Table 13. KPI's for the accessibility of ATM transit²⁰

% of surface vehicles equipped with a folding platform				
Means of transport	Target 2021	2021	2020	2019
Surface lines	75	85.2	84.7	84.0

% Metro stations equipped with elevators and/or stairlifts				
Means of transport	Target 2021	2021	2020	2019
Metro stations	75	71.3	70.2	70.2

% Metro stations with sensitive floors in the center of the platform				
Means of transport	Target 2021	2021	2020	2019
Metro stations	100	95.7	95.7	95.7

Infoline and "Information without barriers"

The Company makes available to its customers the Infoline ATM 02.48.607.607, call center coordinated by the structure Relations with Customers, active every day from 7:30 to 19:30 for information on the hours of the service, the routes of the lines, the travel rates; The Infoline is in operation until 24 p.m. for assistance to passengers with disabilities by operators who can provide assistance in the planning of the journey with information on the accessibility of the stations and stops and on the real-time operation of lifts and stairlifts.

To improve information on accessibility to underground and surface transport and to provide it in real time, ATM is working on the development of a web platform called "Information Without Barriers" which aims to provide real-time information on the accessibility of underground and surface transport; For this project, the Company, together with a group of passengers with motor disabilities and with LEDHA "League for the rights of people with disabilities", has carried out an experiment to develop the

²⁰ These indicators do not include the vehicles managed by Nord Est Trasporti S.r.l.

functionality of the system from the customer's travel experience. The aim is to publish this new system on the ATM site, which is currently in the stage of advanced processing, after being slowed down by the pandemic.

Reduction of noise and vibration pollution

ATM Group has an internal structure, the Vibro-acoustic Laboratory, that is dedicated to measuring and evaluating noise and vibration disturbances from both the company's operating locations and from the public transport (tram, subway, bus and trolleybus) systems managed by the Group.

The measures put into place by the Group's team of technicians over the years have allowed for a more precise analysis of the indicators used to monitor of the vibrational and acoustic impact of the daily activity of the infrastructure, in compliance with the current legislative framework. Based on the results of the analysis, the team began an ongoing collaboration with other technical functions, starting programs to upgrade the fleet of rolling stock and of the components of network systems, as well as provide specific forms of maintenance for rolling stock and metro equipment, in order to prevent disturbance and improve the quality of life of the community.

To that end, in 2021 the Group :

- Has carried out grinding and routine maintenance work on tram tracks on 17 sections, with “Man Meccanica - Speno RLT16-EVO” road-rail edging machine by Rail Diagnostics S.p.A. and with “Vossloh HSG City” grinding trolley, for a total of about 17.000 meters. The results of the evaluation of the effectiveness of the measures carried out have demonstrated a satisfactory reduction in noise and vibrations produced by the operation of the tram lines;
- 6 of tracks have been renewed, including a complex intersection like Piazzale Cimitero Monumental, replacing the previous infrastructure with a floating slab with anti-vibration mattress and elastic attachment that mitigates the propagation of vibrations and reduces the production of rolling noise.

The team also continued to manage the structural processes from an environmental protection point of view, in observance of the specific obligations dictated by current legislation, as well as the company's own volition to continue improving its environmental performance.

Among these structural processes is the control of vibrations of train carriages through fixed systems in the underground tunnels. The data from the surveys of these systems are processed and classified, detecting the level of wear of the wheels of the trolleys, and scheduling any necessary maintenance work. Since this process of detection and maintenance allows considerable advantages in terms of reducing the vibro-acoustic disturbances perceived by buildings located near the layout of metropolitan lines, in 2021, the performance improvement plan of migrating the vehicle recognition mode from the barcode reading system to THE TAG-RFID system was completed.

Finally, it should be noted that the structure has started and will end at the beginning of 2022 the updating of the noise mapping of the M2 railway infrastructure relating to the surface sections. Consequently, based on the results of the mapping, the Action plan, already under development, could be updated, which provides for sound mitigation interventions through the installation of acoustic barriers along the road of propagation of the noise to be developed over a period of 12 years. In 2020, the infrastructure owner, the Municipality of Milan, approved the project for the first area of intervention on the M2 section along the via Palmanova and in 2021 transmitted the assignment specifics of the contract; at the moment the development of the executive project is currently underway with a schedule for the start of workings at the end of 2022 – beginning of 2023.

The main projects at a glance

During 2021, the following infrastructure maintenance activities, financed by the Municipality were launched and/or continued:

- Renovation of the tunnel between Piola and Lambrate (2nd phase)
- Extraordinary upgrading of tram equipment 5th bis, 6th, 7th and 8th phase;
- Implementation of the intervention T lines and fast corridors - adjustment of the stops of the lines 4,9,12,27;
- Supply on the site of platform stairlifts for the Milan subway;
- Redevelopment of M2 metro stations (Gessate branch);
- Extraordinary escalator maintenance;
- Modernization of the underground data network power supply;
- Escalator replacement;
- Renewal of M2 metro line equipment.

INTELLECTUAL CAPITAL

Main results related to the Group's intellectual capital

Table 14. Highlights of results obtained to the Group's intellectual capital.

<p>5</p> <p>Companies of the Group applying model 231</p>	<p>4</p> <p>The Group Companies are certified SA8000</p> <p>-----</p> <p>Over 450 hours of training On Human rights and SA8000</p>
<p>4</p> <p>The Group Companies certified ISO 9001</p>	<p>0 significant penalties environmental and social issues</p>

What is intellectual capital

Intellectual capital consists of the set of intangible assets that contribute to the creation of value. These skills translate into corporate functions dedicated to the development of ideas and innovations in the way of designing and delivering the services offered.

Material topics related to intellectual capital

Climate change, Energy consumption and environmental impacts	Responsible management of resources and waste	Intermodality and integration of services
Quality and accessibility of services	Security & safety	Community relations and local development
Economic performance (Creation and distribution of economic value)	Noise and vibration mitigation	Diversity, inclusion and welfare
Training and professional development	Protection of employee health and safety	Ethics, integrity and compliance
		Responsible management of the supply chain

As provided for by the International <IR> Framework for the preparation of the Integrated Report, the following table shows the main inputs, outputs and outcomes as well as the main business activities pertaining to the Intellectual Capital.

INPUT	BUSINESS ACTIVITIES	OUTPUT	OUTCOME
<ul style="list-style-type: none"> • Know-how in the management of complex mobility systems • <i>Competence centers</i> in process design and management 	<ul style="list-style-type: none"> • Development of innovative and smart systems for mobility management • Measurement of the level of customer satisfaction • Conduct internal climate surveys • Implementation of operational management and governance tools and systems 	<ul style="list-style-type: none"> • Certified management systems: ISO 9001, ISO 14001, OHSAS 18001, SA8000 • Ethical Business Management • Offer of innovative services 	<ul style="list-style-type: none"> • Quality of service provided • Process efficiency and control along the chain of value creation • Protection of rights for employees and customers

Main sustainability objectives

The table below shows the main sustainability objectives pertaining to the Group’s Intellectual Capital and the progress made in relation to those objectives as of December 31, 2021. The table also identifies new targets planned in 2022.

Table 15. Sustainability objectives related to the intellectual capital of the ATM Group

Objectives	Status as at December 31, 2021
<ul style="list-style-type: none"> • Integration of sustainability risks related to ATM activities and operations within the Group risk assessment process. 	<p>During 2019, ATM completed the implementation of the new enterprise risk management process, which involved revisiting the logic of identifying and evaluating risk scenarios and updating the metrics for assessing the probability, impacts and adequacy of controls. The first application of the new model and the updating of the risk register were completed, identifying and evaluating risks related to sustainability and having “ESG” implications (environmental, social and governance).</p> <p>With respect to the ESG objectives, for the “S” (“Social”) and “G” (“governance”) part, it is also specified that they have been integrated into the Group’s risk assessment process, through the timely reconciliation of ERM risk scenarios to specific risks 231 and Anti-corruption risks as well as the mapping of the related sensitive areas. Due to the above updates to the 231 models, the ERM risk register has been harmonized in order to be aligned with the update of the 231 models and the</p>

	<p>Group Anti-Corruption Model, that was adopted on a voluntary basis and as well updated in 2021.</p> <p>The ATM Group undertakes to further deepen its risk analysis in the context of Climate Change, in line with the priorities defined by the European Securities and Markets Authority (ESMA), and based on the evolution of the relevant legislation.</p>
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The intellectual capital of the Group

The Intellectual Capital, made up of the knowledge and skills that the Group has built and developed in nearly 90 years of service, is manifested via the Group’s regulations, procedures and systems for operational management and governance. These tools, in addition to ensuring compliance with the reference standards, optimize the value generated both in monetary terms, through performance of the service, and in terms of innovations and flexibility of the offering of services in response to the needs of stakeholders. These elements contribute to guaranteeing the integrity, transparency, loyalty, responsibility and virtue when the Group performs its business activities and promote ATM’s leadership in the local public transport sector.

Approach to service innovation

The pursuit of increasingly sustainable service offering is a fundamental principle of the Group's strategic plan, and thus necessarily involves all levels of the Group and all aspects of its business. In order to achieve the objectives laid out in the plan, the Group launched an internal program to find innovative and technological strategic solutions, including professional development programs for employees and actions to improve the quality of the working environment.

During 2021, the Group implemented a series of projects for technological innovation directed at both employees and customers:

- **Exclusion from printing O365 user coupons with multi-factor**, about 50% of enterprise domain users have switched to Office365 with second factor security authentication. All new users are created in this mode. As of July 2021, all employees with the second authentication factor activated will no longer receive the paper slip but will only access it digitally via the Employee Portal. This type of user will be gradually extended to all staff. The activity carried out allows a significant saving in the printing, enveloping and distribution of the coupons. In addition, it significantly protects confidentiality.
- **Application of “Attilio”**, development and implementation of the functionality of distribution for overtime services for traveling personnel, , for the population of DEMA and DEMAS directions. The application digitally allows you to propose an overtime shift to an agent and track the acceptance or rejection process. The introduction of the new feature prevents the printing of warning cards that were distributed and collected manually.
- **The Key Account Reimbursement process**, since July 2021 ATM has initiated a new reimbursement process for “Key Account” customers, i.e., customers that are personnel of public and/or private entities with which there is in place a commercial agreement for selling ATM services. The process provides for the insertion in total autonomy, of the reimbursement request by the customer, on the ATM Web Site (Reserved Area) following the indications of the application form implemented. The customer can then deactivate his contract, for which he has requested reimbursement, by approaching his card to any of the totems present in the stations of the subway lines. The claim is then handled by the ATM back-office. Thanks to this project, the presence of customers at the counter has been limited to requests for assistance only; paper waste has been considerably reduced, in full compliance with ATM's sustainability policies, and the working time of reimbursement practices.
- **Digitization of legal practices**, during 2021 ATM launched a project aiming the complete digitization of legal practices in collaboration with DALIS. It has been invested in the creation of

a platform for the management and sharing in an automated, fast and secure way of the process of acquisition, insertion, filing and consultation of the legal documents produced and received by the Legal Department, in line with the technological and normative evolution of the Telematic Civil Process (“PCT – Processo Civile Telematico”). The project, realized in the logic “Software as A Service” (SAAS) has allowed the Legal and Corporate Affairs Department to manage in a digitized way the files related to the disputes, the filing of the documents attached to them, the integration with the Telematic Civil Process (“PCT”). The new platform also manages procedural deadlines and working procedures, automatic synchronization with platforms activated by the courts, Document Management, the privacy of the files and the remote electronic signature in accordance with the law.

- **Adjustment of the “ZTL”(Limited traffic zone) Area C, Area B and stop for health emergency**, considering the continuing of the emergency state and on the basis of the various municipal resolutions has been managed the reopening of the ZTL Area C with the application of different time rules, In addition to the massive extension of the authorization licenses for free parking, access in preferential lanes, “ZTL” and pedestrian areas. It is recalled that the Municipality of Milan has decided on a series of precautionary measures for specific categories of users to allow exemption from the payment provided for daily access to Area C, the available and free stop in the parking spaces reserved for residents and in the parking spaces on payment throughout the city, the derogation from the entry into Area B. Particularly important are the activities of downgrading the rules to the environmental ban for access to the “ZTL” Area B in order to facilitate the movement on the territory.
- **Integration with the Lombardy Region for move-in Area B project**, in order to work to adopt more incisive measures for the protection of its territory, ATM as technological partner of the Municipality of Milan has collaborated to realize the integration of the “ZTL” AreaB management platform with what is defined at regional level. In particular, the Lombardy Region, with Regional Government Decree (“D.G.R.”) no. 2055/2019 launched the experimental project called “move-in” (monitoring of polluting vehicles) which consists in assigning to vehicles subject to traffic restrictions in relation to the pollutant emission class, a number of kilometers usable on portions of regional territory. The same derogation on mileage basis was also activated in the “ZTL” Area B discipline through integrations and data exchange with the platform of the Lombardy Region.
- **Business Intelligence Portal “Certification 13816”**, as part of the 13816 certification project for some LPT lines managed by ATM, the Information Systems Department has implemented a data analysis model developing the indicators defined in the certification process. In addition, a portal dedicated to publishing and consulting the KPI and data monitoring reporting has been implemented.

Compliance with relevant regulations

In line with ATM S.p.A.’s ICRMS Guidelines²¹, to encourage compliance with the regulations and relevant internal and external standards, as well as protect against risks related to judicial or administrative sanctions, potential loss or damage the Groups adopted a compliance system that includes a Code of Ethics and specific organizational tools that are described in the following pages. This system guards against potential losses or reputational damage as a result of the failure to comply with directly applicable European laws, regulations and standards, or provisions of supervisory authorities or elements of self-regulation such as statutes, codes of conduct or other self-regulating codes. In 2020, as part of its ICRMS, the ATM Group adopted, in addition to the existing specialist controls, at each relevant company level, a specific Compliance Function, which, in 2021, began to define its own guidelines and methodological framework, creating a real Compliance assessment.

This led to the detection of the main regulatory areas applicable to ATM processes and to the level of maturity of the individual devices.

Following the indications of the Company Summit, also in the course of 2021, new ICRMS guidelines of the ATM S.p.A. group were created, as well as all the documents related to them (guidelines on the

²¹ Appropriately implemented by subsidiaries if compatible.

management of GAPs, Internal regulations of the “coordinating Committee for Control functions” (“CCFC”), information flows, etc.).

This has enabled the cooperation between the control functions to be started, carried out through the Coordinating Committee for Control Functions which, with a view to a project of simplification and reduction of the impact on the operational functions, has launched the implementation of an agreed tool for internal audit planning and management of the detected GAP, allowing the activities of the individual functions to be shared.

All activities undertaken to supervise the corporate compliance management system constitute the annual Compliance Plan.

The protection of personal data

The right to the protection of personal data is a fundamental right of the individual under the Charter of Fundamental Rights of the European Union (art. 8) and is today protected, in first place, by EU Regulation No. 679/2016 which regulates the protection of individuals with regard to the processing of personal data and by Legislative Decree no. 101 of 2018, adapting the Code on the Protection of Personal Data (Legislative Decree no. 196, 2003) to the provisions of that Regulation.

The ATM Group has always considered the “data” as one of the most valuable assets owned by a company and for this reason has paid particular attention to the protection of personal data, not so much because it is a legal obligation, but because it is a competitive asset. In recent years, this view has been even more favored by people becoming increasingly aware of the importance of their data.

The approach of European legislation, aimed at the protection of the rights of individuals, has affected that ATM implemented a system of protection of personal data of an essentially preventive type, based on the minimization of the risk of infringement, through techniques of protection starting from the designing along with predefined settings, the accountability of the data controller (accountability principle) and the introduction of the impact assessment institute for data processing that presents a high risk to the rights and freedoms of individuals.

This system also provided for the creation of a new, very important figure, such as the Data Protection Officer. This figure, unique for all the companies of the Group, has as function the task of supporting the owner, the employees and the persons responsible for the data processing in order to deal with the data and manage the risks according to the principles and indications of the European regulation.

The Code of Ethics: Principles, values and social responsibility

Transparency, ethics/fairness, loyalty, quality of life of the communities and a continuous search for excellence are just some of the guiding principles of ATM as it adopts a governance structure appropriate to its nature, size and operational structure. These principles are laid out in value areas to guide the action of ATM’s people both on the internal and external front.

The values that ATM recognizes as fundamental in carrying out business activities, and which it shares at all organizational levels are explained in the Code of Ethics, introduced in 2007 and last updated on September 24, 2018, in alignment with the anti-corruption and transparency model adopted by ATM on a voluntary basis and which entered into force on September 15, 2018 and, last, updated on December 13, 2021.

The Code of Ethics summarizes the set of values and behavior that make up the identity of ATM and sets out the ethical and social responsibilities, engaging the corporate bodies, management, staff, external collaborators, suppliers and all those who have relationships with Group companies. The Code of Ethics applies to the parent company ATM S.p.A., to the Group companies subject to the direction and coordination of the parent company and, together with the Code of Conduct 231 and the Organizational, Management and Control models pursuant to Legislative Decree 231/01, forms an integral part of the general Internal Control and Risk Management System.

Certified management systems

In certifying the Group's ethical approach, ATM appoints independent and accredited third parties, which provide feedback on the compliance of the Group's companies with relevant standards, while suggesting improvements based on their periodic checks.

In line with the company's mission and the Sustainability Policy defined by the Board of Directors, ATM S.p.A. in 2021 certified some public transport lines with respect to the UNI EN 13816 standard "Quality of service in public transport": The tram line N.14, the car line N.54, the tram lines N.990/91 and the subway line M3, after a specific audit performed by the accredited body, have obtained the appropriate certificate of conformity to the standard.

As part of the management system for safety and health in the workplace, ATM S.p.A. has obtained the confirmation of ISO 45001:2018 certification, thus confirming the appropriate certification. During 2021, Rail Diagnostics S.p.A. began the certification process of its ISO 45001:2018 management system, which ended December 3 with positive results.

As regards the respect of the Group towards human and employee rights, as of 2021, companies ATM S.p.A., GESAM S.r.l., Nord Est Trasporti S.r.l. and Rail Diagnostics S.p.A. are certified SA8000.

As evidence of the Group's commitment to the proper management of environmental and social issues, it should be noted that no significant sanctions were found in 2021 in relation to environmental²² and socio-economic laws and regulations.

²² It should be noted that during 2021 the following non-conformities were found and reported to ATM:

- 03/30/2021, warehouse of via Messina regarding the concentration of zinc in the discharge into public sewerage;
- 04/29//2021, warehouse of Viale Molise concerning the concentration of surfactants in the discharge into public sewerage;
- 05/04/2021, warehouse of Via Impastato with regard to the concentration of chlorides in the discharge into public sewerage;
- 05/18/2021, warehouse of Via Cilea concerning the concentration of zinc in the discharge into public sewerage.

ATM has carried out, within the time limits, the measures aimed at ensuring compliance with the emission limit values for public drainage, in line with the requirements of the Area Office of the Metropolitan City of Milan ("ATO").

Table 16. Organizational models pursuant to Legislative Decree 231/01, Anti-corruption and Transparency Model and certified management systems

Company of the ATM Group	Ex D. model Lgs 231/01	Group Anti-Corruption and transparency Model ²³	SA8000 certified	ISO 14001 certified	ISO 9001 certified	ISO 45001 certified
ATM S.p.A.	X	X	X	X	X	X
Citylink S.r.l.	<i>Adoption by the first half of 2023, following change of Business Model</i>	X	-	-	-	-
GESAM S.r.l.	X	X	X	-	-	-
North East Transports S.r.l.	X	X	X	X	X	-
Rail Diagnostics S.p.A.	X	X	X	X	X	X
International Metro Service S.r.l.	X	X	-	-	-	-
Metro Service A/S	NO	NO	-	<i>Adoption of the management system by the first quarter of 2023</i>	X	<i>Adoption of the management system by the first quarter of 2023</i>

The Anti-Corruption and Transparency Model

ATM expects rigorous ethics of legality and transparency in all its operations. To this end, on September 15, 2018, it voluntarily adopted an Anti-corruption and Transparency Model (“ACT Model”). The parent company also delegated the role of Anti-corruption Contact Person (“RAC”), who works on behalf of the company and for all the subsidiaries of the Group, to the Internal Audit and Control Director.

The model that periodically revised and updated, last (with underlying risk assessment and gap analysis processes, in coordination with the contextual update of the Models 231 of Parent Company and directly controlled companies) in December 2021, is one of the pillars of the daily operation of the ATM Group in the whole system of company policies and procedures.

Allows you to know obligations (e.g. compliance with procedures) and prohibitions: In case of non-compliance with these obligations and/or prohibitions, the Group companies apply the prescribed disciplinary and sanction system, as shown in the model.

All employees are involved in the corruption risk management process, having to observe the measures and prescriptions contained in the ACT Model, reporting any type of offense and personal situations of conflict of interest. All employees, even if they do not have a management qualification, still maintain the level of responsibility for the occurrence of corruptions in relation to the actual tasks carried out.

The Audit and Internal control Director, who, as mentioned, was also appointed RAC of the Group, also through its own structure and specific organizational units:

- Monitors the adoption of the ACT model and monitors, on a risk-based basis, the effective implementation of corruption prevention measures;

²³ The anti-corruption and transparency model was adopted on a voluntary basis on September 15, 2018 and revised in 2021.

- Promotes and supervises the training of Group's staff regarding ACT and monitors the adequacy of specific training activities for employees working in areas particularly exposed to the risk of corruption. In particular, for the three-year period 2020-2022, this training is harmonized and coordinated with that of Model 231 and Business Ethics and is also based on ethical dilemmas, practical cases and role playing, in order to be more engaging and effective, in line with emerging leading practices in this context;
- Ensures, where necessary and in agreement with the Legal and Corporate Affairs Department and/or the Compliance function, the constant monitoring of anti-corruption legislation, the adoption of leading practices, promoting the adaptation, updating and improvement of the ACT model; with reference to the management of reports of suspected violations of the ACT model, facilitates the coordination with the Group's SB and/or with the Chairman and/or the General Manager and/or any other recipients, without prejudice to any exclusions for potential conflicts of interest in the reported case;
- Is the Focal Point for possible specialist assistance in anticorruption for the employees of the Company and of the subsidiaries;
- Submits a periodic report of their activities, also in the capacity of RAC, to the Board of Directors of ATM within the Internal auditors periodic Report;
- In line with the procedure for the collection of information flows to the SB, in which there is a specific reference to the flows that, on the basis of the ACT model, favor in practice the optimization of the information received from each other (This is already the case in substance, since the RAC is also the internal component of the Group companies' SB; the explicit traceability in this respect is also favored).

Organizational models pursuant to Legislative Decree 231/2001 (231 Models)

The 231 Model is an integral part of the ICRMS of ATM and its subsidiaries. The parent company ATM S.p.A. adopted a 231 Model starting from 2008 and, subsequently, the wholly controlled subsidiaries also gradually adopted 231 Models. Since 2019, all wholly controlled subsidiaries have adopted 231 Models.

The 231 Models, of Parent Company and directly controlled companies, with underlying risk assessment and gap analysis processes, were updated, in 2021, in coordination, as anticipated, with the contextual update of the Group ACT model; this is in the light of both regulatory and internal organizational developments. For the sole subsidiary CityLink S.r.l. (formerly ATM Servizi diversified S.r.l. until October 12, 2021), the 231 Model will be defined at the beginning of 2022 in response to the recent changes in governance and business of the company itself.

This update of the 231 models has been arranged to allow the achievement of some synthetically identifiable objectives as described below:

- To transpose the new regulations and organizational developments since the last updates of the 231 models in 2019;
- Introduce an integrated risk Assessment under Legal Decree 231/01 and Anticorruption, with description of the potential conduct at risk and relative prioritization of the various sensitive and instrumental activities. The risk Assessment has also been integrated into the Group ERM process;
- Simplify the model to make it more usable for recipients.

The 231 Model, which integrates with the ATM regulatory body and forms part of it, includes the following constitutional elements:

- Process of identifying the business activities in which the offenses referred to by Legal Decree No. 231/2001;

- provision of control standards in relation to identified sensitive activities;
- the process of identifying ways of managing financial resources to prevent the execution of crimes;
- Management of information flows to and from the supervisory body and specific information obligations to the supervisory body;
- disciplinary system to penalize the violation of the provisions contained in the model;
- training plan and communication to employees and other stakeholders who interact with their respective company;
- Criteria for updating and adapting the 231 Model itself to the evolution of regulations and in line with organizational changes.

The Supervisory Body (“SB”) of each Group Company (referred to as "OdV"), equipped with 231 Model, supervises the operation, update and compliance with the Model and defines the annual program of supervisory activities.

The supervisory body of ATM S.p.A. is composed of two external components, identified among academics and professionals of proven competence and experience in the areas of economy, business organization and corporate administrative responsibility and an independent internal component, identified, in compliance with the 231 Model, in the position of the Director of Audit and Internal control. For reasons of optimization of information flows and effectiveness of the supervisory action, given the effective operating model of the ATM Group, it was chosen by each administrative body of the directly controlled companies to appoint for each SB the same three components as identified above. The Audit and Internal control Directorate, also as the SB Secretariat, and in agreement with the structure for the formation of the ATM Group (Campus), has promoted the three-year compulsory training project (2020-2022) on the subject of 231, Anti-Corruption and Code of Ethics. As mentioned above, this project, in line with leading practices, has implemented innovative and engaging trainings based on practical cases, ethical dilemmas and role playing. The delivery process of the training sessions of the first year ended in March 2021 and the preparation of the training material and the organization of the second year of compulsory training is underway, and will have as its main focus, the updates to the models themselves. The second year of training will see among the innovations:

- Some very operational sessions, customized for Heads of Technical Units (who coordinate teams of maintenance technicians);
- some asynchronous training pillars, also on the management of the conflict of interest, for the entire employee’s population (about 2000 users).

The Audit and Internal Control Department supported (and will continue to support throughout the entire three-year plan) the teachers in all sessions to provide examples and answers to any questions from the participants, adjusted to the specificities and risk profile of ATM and its subsidiaries.

Training on the 231 Model in the ATM Group was therefore differentiated according to whether it was addressed to employees/middle management operating in specific risk areas, executives, corporate bodies and the technical secretariat of the SB / DACI. In the latter case, external specialist meetings were also held to be prepared while continuously managing the evolution of the "231 crime catalog" and the related jurisprudence, this was made possible also through participation in various professional associations.

The whistleblowing system

ATM has adopted an integrated and systematic approach to managing reports of suspected/alleged violations and/or offenses, governed by a specific "integrated report management" procedure, which is regularly updated. The procedure provides for the coordination of report management with the appropriate structures in charge of other reports excluded from the scope of application (e.g. SA8000, IT incidents, security incidents).

ATM has defined a process for tracing and managing all reports, understood as any information concerning alleged findings, irregularities, violations, behaviors and reprehensible facts. The system

detects behaviors that are not compliant with the provisions of the Anti-Corruption Model, the Code of Ethics and the 231 Models or which may cause damage to the company, or even the image of ATM. According to the whistleblowing system, these behaviors may be reported by employees, members of the corporate bodies, supervisory bodies, auditing companies and third parties (partners, customers, suppliers, consultants, collaborators).

ATM adopts suitable and effective measures so that confidentiality of the identity of the whistleblower that identified the behavior that differs from the provisions of the legislation and the Group's ICRMS is always guaranteed, without prejudice to legal obligations and the protection of rights of the parent company and its subsidiaries or persons accused erroneously and/or maliciously.

In this regard, the ATM Group has equipped itself with a specific IT tool for the management of reports in accordance with current legislation (Article 2 of Law 179/2017 and Article 6, paragraph 2-bis, letter b of Legislative Decree no. 231/01). This legislation establishes the obligation to manage reports through the use of at least one alternative digital channel in relation to the main channel in use, and that is suitable to guarantee the confidentiality and identity of the reporting party in accordance with the law.

Protection of human rights

The Group is committed to guaranteeing the protection of human rights, in full compliance with the requirements of the SA8000 standard. This rule was born as an aggregation of principles established by the declarations issued by the United Nations. It outlines the virtuous practices to be respected regarding freedom of expression, the abstention from the use of forced or child labor, equality of treatment and the fight against discrimination and harassment, both within the Group and through suppliers. The SA8000 standard defines the following 9 requirements:

- do not engage in or support the use of child labor;
- do not engage in or support the use of forced or compulsory labor, do not retain original identification papers and do not require personnel to pay 'deposits' to the organisation upon commencing employment;
- provide a safe and healthy workplace environment and take effective steps to prevent potential health and safety incidents and occupational injury or illness arising out of, associated with or occurring in the course of work;
- respect the right to form, join and organize trade union(s) of their choice and to bargain collectively on their behalf with the organisation. Effectively inform personnel that they are free to join a worker organisation of their choosing without any negative consequences or retaliation from the organisation;
- not engage in or support discrimination in hiring, remuneration, access to training, promotion, termination or retirement based on race, national or territorial or social origin, caste, birth, religion, disability, gender, sexual orientation, family responsibilities, marital status, union membership, political opinions, age or any other condition that could give rise to discrimination;
- treat all personnel with dignity and respect, do not engage in or tolerate the use of corporal punishment, mental or physical coercion or verbal abuse of personnel;
- comply with applicable laws, collective bargaining agreements (where applicable) and industry standards on working hours, breaks and public holidays;
- respect the right of personnel to a living wage and ensure that wages for a normal work week, not including overtime, always meet at least legal or industry minimum standards, or collective bargaining agreements (where applicable);
- establish and continuously improve the SA8000 Management System.

In order to continuously monitor the performance of SA8000 certified companies, the Group makes use of multiple tools to ensure ethical management of the business along the entire value chain. In addition to internal audits at its facilities, management systems have been adopted for the treatment of

any cases of discrimination, harassment and stalking. As far as suppliers are concerned, in addition, to conducting internal random audits along the supply chain the Group has implemented selection criteria on the basis of compliance with SA800 requirements, carrying out long-term internal audits the supply chain.

As regards of remaining in compliance with the standard and the monitoring of its internal climate, the SA 8000 Management System also makes use of some specific signaling channels, such as, for example, the boxes of the SA8000 mail where the staff of the Group and of third companies can deliver reports, suggestions or complaints. In the same way, possible reports can be communicated through the special online form on the Intranet or on the Internet site or sent to the dedicated corporate mail (sa8000@atm.it), or by posting mail, or finally in person, addressing directly to the members of the Social Performance Team.

In addition, training courses regarding the respect for human rights – or more generally on social responsibility issues – are carried out regularly for all professional categories. For the Group companies in Italy, the specific training hours about respect for human rights refer to the SA8000 certification, while for the Metro Service company, training courses are provided on *the issues of Corporate Social responsibility* which include issues related to rights. At the end of 2021, 91% of Metro Service employees completed the CSR e-learning program. CSR training is mandatory and has been updated in the last year to include topics related to *the WhistleBlowing system* and the auditing of Metro Service suppliers.

In 2021, more than 630 employees were trained on the subject of SA8000 and human rights. The increase in the number of training hours provided in relation to SA8000 and human rights is due to the easing of restrictions and the return of classroom training activities during the year.

Table 17. Hours of training provided and % of employees trained on SA8000 and human rights matters

ATM Group	2021			2020			2019		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Hours of training	406	50	456	213	54	267	673	88	761
% employees trained	6%	8%	6%	3%	9%	4%	8%	11%	8%

HUMAN CAPITAL

Main results related to the Group's human capital

Table 18. Highlights of results obtained related to the Group's Human Capital

10,468 employees as at December 31, 2021	737 new hires during 2021	308,751 Hours of training provided
7.0% incoming turnover		6.0% outgoing turnover

What is human capital

Human capital is made up of the people who contribute to the Group's activities every day, through their know-how, their expertise, loyalty and commitment to creating a collaborative atmosphere that optimizes organizational processes.

Material themes related to human capital

Energy consumption and environmental impacts	Responsible management of resources and waste	Intermodality and integration of services	
Quality and accessibility of services	Security & safety	Community relations and local development	
Economic performance (creating and distribution of economic value)	Noise and vibration mitigation	Diversity, inclusion and welfare	
Training and professional development	Protection of employee health and safety	Ethics, integrity and compliance	Responsible management of the supply chain




As foreseen by the International <IR> Framework for the drafting of the Integrated Report, in the following table are reported the main inputs, outputs and outcomes as well as the main business activities that act with reference to human capital.



INPUT	BUSINESS ACTIVITIES	OUTPUT	OUTCOME
<ul style="list-style-type: none"> The know-how of each person in the Group Investments in training plans Welfare and worklife balance projects and positive internal climate 	<ul style="list-style-type: none"> Staff selection and management Continuous training of staff at all levels Management of the health and safety of employees Employee career path management processes Skills assessment Climate analysis 	<ul style="list-style-type: none"> Support the personal needs of employees Hours of training provided Health and safety at working environments 	<ul style="list-style-type: none"> Consolidation of the culture of health and safety Employment Motivation and satisfaction of people

Main sustainability objectives

The table below shows the main sustainability objectives pertaining to the Group's Human Capital and the progress made in relation to those objectives as of December 31, 2021.

Table 19. Sustainability objectives related to the human capital of the ATM Group

Objectives	Status as at December 31, 2021
<ul style="list-style-type: none"> Progressive development and extension of the current diversity management policies 	 <p>In 2021, 5 new pink baths were built, thus reaching 66 bathrooms distributed in the warehouses, in the underground network and over the city.</p> <p>In 2021, 5 coaching projects were activated for maternity support and 4 in disability support.</p>
<ul style="list-style-type: none"> Gradual creation of co-working stations in the corporate offices and experimentation in the use of smart working. 	 <p>After the experience of the pilot project started in September 2019 and given the covid-19 emergency, smart working was introduced as a working tool for more than 1200 employees and continued throughout 2021 in accordance with the state of emergency.</p> <p>At the headquarters of Zadar, Monte Rosa and San Donato have been created the first 4 coworking sites in order to allow employees to work from there so as to attend meetings or other work-related activities, reducing home-work commutes and maximising time.</p>
<ul style="list-style-type: none"> Development and implementation of age management policies. 	 <p>In the context of active aging, a Report of skills was created as a project on employability and self-branding.</p> <p>This project supports people to develop their skills and enables them to respond effectively and proactively to current and future needs. It provides employees and the company with support in understanding change and guidance to respond to the needs that are generated and stimulates self-</p>

		awareness: skills possessed and put in practice, their potential and possible career paths.. In 2021, 20 managers over the age of 50 were involved.
<ul style="list-style-type: none"> Employee counseling service for support from a multidisciplinary team in both critical personal and business situations 		315 cases addressed in 2021 with 2.200 interviews.
<ul style="list-style-type: none"> Financial Support and Development Committee. 		In 2021, 1,142 scholarships were awarded for employees and children of deserving employees. There were 16 requests for severance pay (TFR) processed.

The Group's human capital

The growth and development of ATM's people have always been fundamental to achieving the Group's objectives. The Group is committed to offering its employees a work environment that favours inclusiveness and creates a sense of belonging to a large community of professionals. The Group realizes this commitment through implementation of procedures and policies in favour of meritocracy, leadership and inclusion, which effectively involve all levels of the Group's management in the development and management of human resources.

People in ATM

As of December 31, 2021, ATM's workforce consisted of 10,468 people, an increase of around 1% compared to that of 2020. Of these, 9,879 reside in Italy and 589 in Denmark²⁴. In Copenhagen, the number of employees increased by about 1% compared to the previous year. Nearly all the employees have established a stable working relationship with the Group. In fact, roughly 96% of the workforce is employed with open-ended contracts, slightly in decline in comparison to the previous year. The company population as at December 31, 2021 is composed as follows:

Table 20. Number of ATM Group employees as December 31, by gender and contract type (fixed-term/ open-ended)

Region	Contract type	12.31.2021			12.31.2020			12.31.2019		
		Men	Women	Total	Men	Women	Total	Men	Women	Total
ATM GROUP (WORLD)	Open-ended contract	9,108	937	10,045	9,114	909	10,023	8,978	847	9,825
	Fixed-term contract	389	34	423	294	47	341	385	65	450
	TOTAL	9,497	971	10,468	9,408	956	10,364	9,363	912	10,275
in ITALY	Open-ended contract	8,664	806	9,470	8,681	776	9,457	8,561	725	9,287
	Fixed-term contract	378	31	409	282	43	325	377	60	436
	Sub-total Italy	9,042	837	9,879	8,963	819	9,782	8,938	785	9,723
ABROAD ²⁵	Open-ended contract	444	131	575	433	133	566	417	122	539
	Fixed-term contract	11	3	14	12	4	16	8	5	13
	Sub-total abroad	455	134	589	445	137	582	425	127	552

²⁴ The data refers only to Group employees (expressed in head count). External collaborators represent a residual component in relation to the total number of employees.

²⁵ The data includes three male employees of ATM S.p.A. posted to Metro Service A/S.

Table 21. Number of employees of the ATM Group as December 31, by gender and contract (full-time/part-time)

ATM GROUP	12.31.2021			12.31.2020			12.31.2019		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Full-time employees	9,034	825	9,859	8,976	797	9,773	9,121	776	9,897
Part-time employees	463	146	609	432	159	591	242	136	378
TOTAL	9,497	971	10,468	9,408	956	10,364	9,363	912	10,275

With reference to full-time and part-time contracts, there was a significant increase in employees with part-time contracts, + 3% compared to 2020 (representing almost 6% of ATM's workforce). The increased number of part-time contracts was intended to allow employees to meet their needs in terms of work-life balance as well as the need for greater organisational flexibility and optimal coverage of planned services, especially during the phase of employee onboarding.

The large growth in ATM's workforce is due to 737 new hires which took place in 2021, of which 86 were women and 651 men, compared to 633 outgoing employees (562 men and 71 women). The incoming turnover rate for the entire Group is equal to 7% in 2021 while the outgoing turnover is 6%.

Table 22. Number of new hires and incoming employee turnover rates, divided by age range and gender

Age group	2021				2020				2019			
	Men	Women	Total	Turnover rate	Men	Women	Total	Turnover rate	Men	Women	Total	Turnover rate
<30	257	38	295	36.7%	216	32	248	33.1%	246	38	284	38.2%
30-50	346	42	388	6.7%	294	60	354	6.1%	396	82	478	8.2%
>50	48	6	54	1.4%	12	8	20	0.5%	45	9	54	1.5%
TOTAL	651	86	737	7.0%	522	100	622	6.0%	687	129	816	7.9%
Incoming turnover rate	6.9%	8.9%	7.0%		10.5%	5.5%	6.0%		7.3%	14.1%	7.9%	

Table 23. Number of terminations and outgoing turnover, divided by age range and gender

Age group	2021				2020				2019			
	Men	Women	Total	Turnover rate	Men	Women	Total	Rate Turnover	Men	Women	Total	Rate Turnover
<30	64	10	74	9.2%	55	14	69	9.2%	47	4	51	6.9%
30-50	189	27	216	3.7%	111	23	134	2.3%	123	25	148	2.5%
>50	309	34	343	8.9%	312	18	330	8.8%	215	18	233	6.3%
TOTAL	562	71	633	6.0%	478	55	533	5.1%	385	47	432	4.2%
Outgoing Turnover rate	5.9%	7.3%	6.0%		5.1%	5.8%	5.1%		4.1%	5.2%	4.2%	

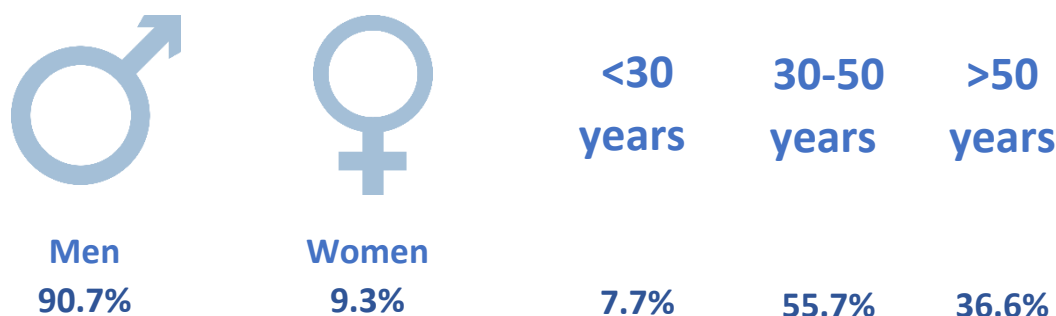
The diversity of ATM people

For ATM Group, the diversity of its employees represents is an element of strength. The Group works to promote employee diversity and inclusion, establishing a sense of belonging and organizational cohesion and a corporate culture in which the different individual experiences are enhanced.

The Group hosts managerial workshops covering diversity management and has appointed a Diversity Manager, in charge of supervising, coordinating and monitoring projects that promote these issues. In addition, ATM is a signatory of the Charter of Equal Opportunities and Equality in the workplace promoted by Assolombarda and the Sodalitas Foundation.

Analysis of the figures relating to the composition of the Group's strength confirms the prevalence of male workers in line with previous years (about 90.7%). The female presence for professional areas is on average constant compared to last year. However, there was an increase in the management levels (28.2% in 2021 compared to 24.3% in 2020). Employees aged between 30 and 50 represent the majority of the corporate population, about 55.7%, followed by over 50 (about 36.6%) and finally under 30, about 7.7%, in line with the year 2020.

Percentage Composition of the workforce as December 31, 2020, divided by gender and age



As of December 31, the Group's composition was made up as follows, divided by gender, professional category and age Group:

Table 24. *Percentage Composition of the workforce, divided per professional category and gender²⁶*

ATM GROUP	at 12.31.2021			at 12.31.2020			at 12.31.2019		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Top Line Management	71.8%	28.2%	0.4%	75.7 %	24.3 %	0.4 %	75.7%	24.3%	0.4%
Functional Management	78.1%	21.9%	4.0%	78.1 %	21.9 %	3.5 %	78.5%	21.5%	3.4%
Mobility operations	94.5%	5.5%	59.3%	94.5 %	5.5 %	59.6 %	95.0%	5.0%	59.0%
Administration and Services	66.2%	33.8%	9.0%	66.8 %	33.2 %	8.8 %	67.9%	32.1%	8.9%
Maintenance and repair	99.6%	0.4%	18.7%	99.7 %	0.3 %	18.7 %	99.7%	0.3%	19.4%
Auxiliary mobility services	77.7%	22.3%	8.6%	76.3 %	23.7 %	9.0 %	75.2%	24.8%	8.9%

Table 25. *Percentage Composition of the workforce, divided by professional category and age range²⁷*

ATM GROUP	at 12.31.2021				at 12.31.2020				at 12.31.2019			
	<30	30-50	>50	Total	<30	30-50	>50	Total	<30	30-50	>50	Total
Top Line Management	0.0%	38.5%	61.5%	0.4%	0.0%	40.5 %	59.5 %	0.4 %	0.0%	43.2%	56.8%	0.4%
Functional Management	0.7%	50.0%	49.3%	4.0%	0.3 %	46.0 %	53.7 %	3.5 %	0.3%	45.9%	53.8%	3.4%
Mobility operations	7.5%	60.1%	32.4%	59.3%	7.8 %	61.5 %	30.7 %	59.6 %	7.7%	62.1%	30.1%	59.0%
Administration and services	9.7%	50.2%	40.0%	9.0%	6.6 %	48.5 %	45.0 %	8.8 %	6.5%	48.2%	45.3%	8.9%

²⁶ The percentages of the staff composition by professional category, gender and age group were calculated in relation to the total by professional category.

²⁷ See note 26.

<i>Maintenance and repair</i>	10.4%	50.1%	39.6%	18.7%	8.0 %	51.1 %	40.9 %	18.7 %	7.8%	50.8%	41.5%	19.4%
<i>Auxiliary mobility services</i>	4.6%	46.3%	49.2%	8.6%	5.8 %	46.2 %	48.0 %	9.0 %	6.7%	45.5%	47.9%	8.9%

The Group pays particular attention to the needs of people with disabilities and other special needs, in addition to the legal requirements. In 2021, the number of people with disabilities and/or legally protected in the Group reached 219 people, of which 36 women e 183 men. Through continuous investments in its buildings, ATM seeks to give everyone access to the workplace, whether they are ATM workers or any visitors, regardless of any motor disability. Moreover, even in absence of uncovered positions, in 2020 an agreement was reached with the competent offices of Metropolitan City of Milan for hiring 12 workers with disabilities by 2027.

Table 26. *Number of legally protected employees and employees with disabilities*

ATM GROUP	12.31.2021			12.31.2020			12.31.2019		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Legally protected employees	4	3	7	8	3	11	6	3	9
Disabled employees	179	33	212	175	33	208	174	33	207
TOTAL	183	36	219	183	36	219	180	36	216

Employee Retribution

The Group pays attention to aspects of diversity also in terms of remuneration. ATM Group implements a management policy for guaranteeing that the remuneration system is sustainable, aligned to business goals, market context, and stakeholders' interests in the long run. Means and measures of remuneration are constantly monitored according to norms and contracts. Through these, the company is able to:

- Guarantee a fair remuneration for all workers, in relation to the everyday skills expressed in reaching professional goals;
- Attract, retain and motivate highly skilled employees, and able to offer relevant support to the maintenance and improvement of operative standards;
- Ensure sustainable performance in the long run;
- Create an inclusive working environment for all people, able to foster the expression of individual potential.

It follows the rate of remuneration of women over men by professional areas and relevant operational sites, those in Italy and abroad.

Table 27. Ratio of the basic salary of women to men for each professional area, by significant location of operation.

ATM GROUP	2021			2020		
	Italy	Abroad	Group ²⁸	Italy	Abroad	Group ²⁹
Top Line Management	88%	71%	84%	101%	80%	96%
Functional Management	91%	93%	91%	89%	101%	90%
Mobility operations	85%	98%	86%	79%	89%	80%
Administration and services	93%	92%	93%	91%	94%	91%
Maintenance and repair	93%	98%	94%	97%	105%	98%
Auxiliary mobility services	89%	N/A.	89%	89%	N/A.	89%

²⁸ The Group's ratio of man/woman's annual basic salary per professional area was calculated as a weighted average on the number of employees per professional area of the operating locations.

²⁹ The Group's ratio of man/woman's annual basic salary per professional area was calculated as a weighted average on the number of employees per professional area of the operating locations.

Table 28. Ratio of the average remuneration of women to men for each professional area, by significant location of operation.

ATM GROUP	2021			2020		
	Italy	Abroad	Group ³⁰	Italy	Abroad	Group ³¹
Top Line Management	88%	65%	83%	101%	72%	95%
Functional Management	87%	93%	89%	87%	101%	88%
Mobility operations	77%	97%	78%	71%	86%	72%
Administration and services	89%	94%	90%	85%	95%	86%
Maintenance and repair	82%	93%	83%	96%	104%	97%
Auxiliary mobility services	83%	N/A.	83%	80%	N/A.	80%

Welfare Programs

The Group has always been committed to investing in Welfare, Diversity & inclusion programs that promote positive work environments that generate well-being in people and in the organization. One of the main focus points have been corporate policies that value the person, with their diversity, within a cohesive and inclusive corporate community.

In fact, ATM activated a welfare system to promote employee satisfaction and establish an "internal climate" that is peaceful and participatory towards the resources and abilities of each person. There are many dimensions: motivation, collaboration, involvement, participation, circulation of information, flexibility and trust between people, conflict and dispute prevention, and health prevention.

The ATM Welfare system is for all employees with the goal of promoting their mental, physical and social well-being. The mission is to improve their quality of life and, in parallel, the quality of the environment in which they work. This system, promoted by the *Diversity, Inclusion and Welfare* Function of the Human Resources Department, offers concrete answers to the necessities and new needs generated by the pandemic for its employees who have to be able to guarantee the quality and safety of the services provided to the city every day.

³⁰ The Group's ratio of overall annual remuneration for men and women for professional areas was calculated as a weighted average of the number of employees per professional area of the operating locations.

³¹ The Group's ratio of overall annual remuneration for men and women for professional areas was calculated as a weighted average of the number of employees per professional area of the operating locations.

Structured in synergy with the ATM Foundation, the Welfare system works in four areas



During 2021, 694³² employees applied for parental leave, of which 88% men and 12% women. In 2021, additional tools for managing children in the epidemiological context remained alongside traditional ordinary parental leave, particularly during the suspension of teaching in the presence of children and in the case of child quarantine. Total parental leave (ordinary / extraordinary) decreased by about 15% compared to 2020.

The smart working remained in force for the whole year for staff workers according to the definitions linked to the state of emergency extended until December 31, 2021.

The main welfare activities and projects offered to employees and their families are listed below:

- **counseling service** (within which the 2020 #prontowelfare (instant welfare) service was integrated) for the employees to support them with a multidisciplinary team in personal and working criticalities. The employees who addressed were **no.315 in 2021 with about 2.200 interventions** and interviews carried out by the specialized team, of the company welfare (figure updated to 1/12/2021); in 2021 the counseling service procedure was also implemented in order to involve the line functions in the management of win-win results;
- **Support for disability at the time COVID-19** through *coaching* aimed at employees enrolled in the protected categories, their manager and colleagues (*peers*) **with the activation of 4 coaching**;
- In 2021, the Group continued to provide **support to employees in the field of preventing and managing discrimination, harassment and stalking**;

³² The value includes paid and unpaid parental leave with full and split day use. The data refers to ATM S.p.A. and NET S.r.l..

- **New webinar cycle “work and healthy brain”**, visible synchronously and asynchronously (intranet area “Wellness and *Smart working*”) on topics of well-being at work, resilience, stress management and active aging with 7 dedicated webinars. A total of 418 people attended the webinars;
- **Project and follow-up “skills budget”** dedicated to **20 managers** over 50 with the objective of empowerment and skills reinvigoration;
- **Regular reopening of company’s nurseries** for 87 children **and grandchildren of the employees**, reorganized according to specific Covid-19 procedures with “bubble” sections;
- Grants for children and student employees through a Support and Financial Development Committee which recognized **grants in 2021 and severance pay (TFR)**. The latter concerned socio-economic situations which, with the disbursement of the TFR, enabled a rebalancing of the financial exposure of the staff who requested it;
- **Support for motherhood** through the coaching journey with **the activation of 5 coaching**
- Activation of a **Marketplace platform with Corporate Benefits** for the purchase of goods at agreed prices dedicated to all employees and their families with more than 250 items of expenditure;
- **Housing for new hires and employees in situations of temporary need**: arrangement of accommodation at agreed prices with 3 structures to facilitate the insertion of new hires and of those who have temporary difficulties. There are 9 locations, distributed in Milan and hinterland with options of single, double, shared or self-contained rooms.
- **Time care**: realization of ad hoc times dedicated to the staff of surface exercise with specific family situations. In detail, time care is offered to single parents (sole custody or widowed) with minors under the age of 15, and allows to make shifts with start between 8:00 and 9:00 and end by 17:00, with fixed day off on Sunday. **In 2021 there were 8 “Time care”**;
- **Complex cases**: for the management of situations particularly multi-problematic at a personal and family level, and also in a preventive perspective, have been established 6 teams composed of line managers, management, occupational medicine and welfare that meet periodically for monitoring. Currently, the teams are: Surface operation, underground operation, maintenance of buildings and fixed installations, security GPG and security guards;
- **Training of complex cases**: ad hoc training for 25 line managers and management on the topic of complex cases provided by Prof. Rabboni, psychiatrist and head of psychiatry in Bergamo;
- **Complex cases Desk** Mediation Italian Center: Specific support paths have been activated for ad hoc situations of psychological intervention on the subject of trauma and management of aggressiveness. **In 2021, 15 support paths were activated**;
- **Service to accompany the achievement of civil disability and disability**
- **Pink keys**: in 2021, 5 new pink baths were realized for a total of **66 bathrooms**;
- **4WEEKS 4 INCLUSION initiative (4W4I)**: an initiative involving more than 200 companies, which during 4 weeks, have proposed a program rich of content webinars, particularly exploring issues related to diversity and inclusion at 360°. These events were opened to the 700.000 employees of the partners of the initiative.

Each year, the Group publishes all the welfare policies adopted, diversity & inclusion programs, the quantitative and qualitative data of the projects and activities performed, and analysis of emerging needs in the Welfare Report, intended for Group managers who manage relations with employee families in ATM.

Protecting Employee Health and Safety

In the year of the continuing health emergency, the protection of the health and safety of its employees is a priority for ATM. Not only to comply with legal obligations, but in order to ensure and guarantee the wellbeing of its employees, the Group is committed to spreading a culture of prevention in its workplaces and to increasing the quality of life at work. Full compliance with current regulations on safety and hygiene at work is an essential social commitment towards ATM workers and the territory in which the Group operates.

In 2021, the evolution of the pandemic linked to the spread of COVID-19 led to the constant and timely updating of the prevention protocols by the Internal Crisis Committee, established since the first phase of the pandemic with the aim of constantly defining and implementing rules to guarantee the protection of passengers and the safety of employees, collaborators and also the regular performance of the public transport service. Discussions with trade union organizations were continued through meetings with RSU Coordination and with the RLS, also in compliance with the regulations issued by the authorities.

In continuity with the previous year, in order to protect the health of its own people, the ATM Group in the area of local public transport management has put in place all the actions foreseen by the prevention protocols issued time to time. In particular:

- **Internal coordination:** management of working Groups aimed at minimizing the possibility of contagion;
- **Protection in the workplace:** cleaning and sanitizing of buildings and vehicles, prohibiting access to the front doors of surface vehicles, in order to guarantee the distancing for the drivers of the vehicles and supply to the latter of kits containing the individual protection aimed at minimizing the possibility of contagion;
- **Remote working:** promotion of smart working methods for all employees whose activities can be managed remotely, in order to reduce physical presence and consequently hinder the spread of the infection, and provide flexibility of access to services for employees at the company premises;
- **Guarantee insurance coverage:** stipulation of additional insurance coverage for all employees;
- **Support in management of out of the ordinary conditions:** implementation of emergency support services, such as psychological support desks, distance learning via e-learning and interactive webinars on topics such as health, parenting, physical activity and nutrition.

As the emerging situation continued to evolve, ATM adapted its Covid-19 infection Prevention Guidelines. During the financial year, they were formally updated on April 30, 2021 and confirmed several times by the RSU-RLS coordination table. Special press releases and service orders have regulated the issue of Covid-19 Green Certification first with the relative obligation of access to company canteens and then, with the publication of a special Group procedure, from October 15, 2021, with the obligation to possess and present the Green Certificate at the entrance or during work activities.

As every year, with regard to the services provided and integrated mobility in the area, ATM wants to be a point of reference, ensuring a quality, safety and competitiveness of service for all. During 2021 activities continued to confirm compliance with international voluntary standards ISO 9001:2015, ISO 14001:2015. The audits carried out by the certification body have found that ATM has been able to respond to the requests of the context and the interested parties, as well as at all the extraordinary corollary events, implementing strategic planning, timely monitoring and guaranteeing the planned quality parameters. The Certification Authority has verified the substantial alignment of the organization, processes and working environments with the requirements of the standards.

In line with the company's mission and the Sustainability Policy defined by the Board of Directors, ATM S.p.A. in 2021 certified some public transport lines with respect to the UNI EN 13816 standard "Quality of service in public transport": After specific audit by the accredited body, the tram line N.14, the car

line N.54, the tram lines N.990/91 and the metro line M3, have obtained the appropriate certificate of conformity to the standard.

Certification is a significant determining factor, which highlights the priority of pursuing defined objectives, placing attention to all interested parties, including the performance of its suppliers.

ATM constantly pays attention to identifying health and safety hazards, assessing residual risks, and implementing appropriate prevention measures. In October, ATM received the formal confirmation of the implementation of the ISO 45001 standard, while on December 3, the subsidiary Rail Diagnostics, after being audited by a certified entity, received the same attestation of compliance with the standard. The ISO 45001 standard covers about 92% of the ATM Group staff (ATM Spa and Rail Diagnostics Spa).³³

The Group acts to prevent accidents and occupational diseases of its personnel constantly and to ensure the effectiveness and efficiency in monitoring the processes. Therefore, the adequacy of risk management and opportunities in this regard is crucial for ATM.

The protection of employee health and safety and attention to environmental sustainability are in fact the focal point in the identification, design and implementation of each process or project carried out during the 2021 financial year, in continuity with previous years. In general terms, in the face of situations that are dangerous for the health and safety of workers, highlighted by injuries or accidents, an analysis is carried out based on four categories:

- Organization (e.g. working methods, shifts, operational sequences, etc.)
- Personnel (e.g. information, education and training)
- Environment (work environment, workstation layout, etc.)
- Equipment (equipment for personnel, departments, etc.)

In line with these principles and with attention to corporate responsibility for workplace and environmental safety offenses covered by Legislative Decree 231/2001, in 2021 ATM continued the process of continuous improvement of its quality, environmental and safety management systems, maintaining a high degree of social responsibility and pledging to guarantee all interested parties.

This was implemented in 2021, through the complex set of activities aimed at:

- identifying any health and safety hazards at work by assessing their degree of risk and related prevention and protection measures to be taken to mitigate their potential impact;
- strengthening safety training programs, with the involvement of all staff, from each of the various organizational levels, ensuring that responsibilities and operating procedures are precisely defined, and communicated appropriately and correctly applied;
- guaranteeing the constant and correct flow of information regarding health, safety at work and the environment, to internal and external stakeholders.

Metro Service has developed its own *health policy*, based on a model prescribed by the Danish National Health Service "Sundhedsstyrelsen". The model consists of five phases that focus on the following topics: diet, smoking, alcohol, exercise and stress.

In summary, accidents, occupational diseases and injury may be the outcomes of incomplete or inadequate assessments of health and safety risks. The Group pays the utmost attention to monitoring these risks, setting the reduction of the number of accidents and occupational diseases as its constant objective. This objective is achieved through the constant provision of training sessions in order to guarantee awareness and knowledge. The Company Health Service, guaranteed to all Group staff, is a fundamental element to ensure the achievement of the objective through management of Health Surveillance Activities. A special contract, stipulated with structures of the Italian National Health

³³The Group will further the analysis with respect to the significant non-employees, in order to assess the need to collect data from the employers of external collaborators and suppliers who operate at the Group's construction sites and/or under the control of the Group, evaluating the quality and accuracy of the data over which it does not exercise direct control.

Service, provides all the services of Occupational Medicine and the activities of Doctors required by the relevant legislation. Furthermore, the Group considers legislative compliance, the fulfillment of the requirements issued by the control bodies (such as ATS) and the succession/rotation of the figures or roles required by the OHS regulations to be fundamental.

The processes available to workers to report on issues related to safety at work are defined by a specific procedure. The various channels such as the computer tool “Whistleblowing” or the e-mail addresses of the SB guarantee the confidentiality of the subjects involved in different capacities.

BOX: Policy on quality, environment and safety

The Group's Policy on Quality, Environment and Safety confirms ATM's commitment to becoming a reference point for integrated mobility, guaranteeing quality, safety and competitiveness of services, with full respect of the environment and sustainability.

In 2021, the Group recorded 194 employee injuries.³⁴ In 2021, the number of accidents increased by about 28% compared to the previous year.

The applications for the opening of accidents by Italian companies in the workplace Covid-19 were 57 of which 40 were not recognized, 8 were recognized and 9 were being defined by INAIL, while 19 cases were recorded for the Danish company.

In the case of occupational diseases, two complaints were received during 2021 due to occupational diseases (malignant pleural mesothelioma). and two reports of professional disease case for herniated disks. These cases have been indicated as events for which ATM has filed a complaint to INAIL at the request of the Authority itself. The Group is not given evidence of any acceptance or other action taken by the Institution or of any other information regarding the employee's status.³⁵

As for those working in particularly tiresome and cumbersome positions - the so-called demanding jobs - in the work carried out by ATM Group, vehicle drivers with a total capacity of not less than 9 places used for public transport and night workers, as regulated by the Legislative Decree 67/2011 fall into this category. In addition, as part of the recognition of the benefit that most favors the accrual of the pension right, the INPS circular no. 99 of 16/6/2017 includes train drivers among the figures conducting particularly "onerous" activities. The positions of metropolitan train driver and tram driver were excluded (Inter-ministerial Decree 5 February 2018).

In terms of health and safety in the workplace, the involvement of staff at all levels in promotion of a health and safety culture, centered around the issues of prevention and protection from risks and increasing awareness of the influence their own behavior plays on their health and safety, resulted in a decrease in the number of accidents. Despite the health emergency, during the year, the Group continued with safety training for newly hired personnel, defined according to the job role of the individual employee. In addition, the provision of the five-year training update on workplace safety continued, lasting 6 hours, in which didactic modules relating to lifestyles, healthy eating, addictions and environmental sustainability were integrated.

The Prevention and Protection Service, in addition to staff training and the necessary support for the various corporate functions, conducted various improvement initiatives, such as:

- Drafting new work procedures and operating instructions for the safe performance of the activities carried out in company and citizen contexts;
- Verification of workplaces, with particular reference to VDT environments and workstations;

³⁴ For accidents involving employees of the Italian companies of the Group, cases were considered which were recognized by INAIL at the date of publication of this document. The data does not include any cases of infection at work with COVID-19.

³⁵ Data on occupational disease cases do not include Metro Service A/S as they are not available.

- Update of specific risk assessments.

Training initiatives

ATM has always been committed to supporting the continuous improvement of the quality of customer service through numerous training initiatives for each professional role.

The training is provided daily to enrich and enhance the skills of people both at a technical, behavioral and managerial level, as well as to fulfill obligations deriving from national regulations, contracts and/or company agreements. In addition, the development levers are managed with the aim of ensuring that people are empowered to fully express their potential by optimizing performance.

In order to ensure maximum transparency in training and development of its human capital, ATM has developed a site dedicated to training and has laid out specific internal procedures published on its corporate site.

The activities are carried out in the training center, the ATM Campus, accredited by the Region of Lombardy for its design and delivery of training and orientation activities. The campus is ISO 9001 certified and has recently been renovated with the most modern digital teaching tools.

In 2021, the ATM Group provided 308.751 hours of training, an increase of about 39% more than in 2020: the latter, particularly affected by the Covid-19 pandemic.

In the first half of 2021, the activity took place mainly in the presence, particularly for compulsory training and technical training, although with wide limitations on the use of spaces due to distance.

In March 2021, a further renewed training catalog was published compared to the previous 2020 edition and it offers the possibility, through the Campus site accessible from the company intranet, to directly apply for more than 20 training courses. Most of these can also be delivered in FAD mode. Among the many new features introduced in 2021 we would like to mention:

- THE challenge of TRUST that addresses an increasingly central theme in organizations today, also in the light of the uncertainties and discontinuities connected with the global health crisis. The course starts from a neuroscience approach based on the latest studies on the action of oxytocin, also known as the confidence hormone, to an analysis of the role that trust and delegation take in working groups as economic and realization drivers;
- Team Building Escape Room: An interactive course, designed to develop a sense of team membership and awareness of your role and delivered on the occasion of managerial paths or paths aimed at targeted groups.
- Service excellence: Customer orientation;
- 3 new training gyms dedicated to “time and Priority Management”, “Effective Communication and Listening”, “Emotion Management”. It is a consolidated format among the proposals of Campus that provides didactic paths based on the neuroscientific system of repetition, constancy, experience, and fun, aimed to reinforce the soft skills. A training with a total duration of approximately 2 months divided into micro-sessions, using active methodologies and alternating plenary sessions with other coaching and peer coaching sessions.

In 2021, the use of the eLearning platform atm.goodlearning.it continued successfully, which noticeably expanded the possibility of involving the company staff, both in remote work and in the remote connection of different classrooms and corporate offices. Also thanks to the introduction of digital platforms, both ATM and external suppliers, numerous highly qualified training courses have been implemented, among which we recall:

- Risk Intelligence - a development path between risk Management Models & Behavioral patterns. The course, realized in collaboration with LIUC Business School of Castellanza, has alternated external and internal teaching and involved 45 participants between Directors and officials in two editions of 12 hours of training, divided into 4 meetings. The activity has also been further strengthened by a micro-learning system that has proposed short stimuli repeated over time, realized in the form of digital thematic cards;

- Cyber security awareness: A two-year course dedicated to computer security awareness, prevention strategies against phishing and potentially risky keyboard behavior. The activity has been delivered starting from September 2021 through short asynchronous eLearning training modules, always available and usable in multi-platform mode on any multimedia device. In 2021, the total training hours for this project were over 1,900;
- Regulatory Training: 2021 continued and strengthened its commitment to regulatory training and the dissemination of best practice at all levels of the organization. More than 100 employees, officials and directors, involved in the management of contracts in various ways, took part in an FAD training called "Procedure 88" on the subjects:
 - Obligatory communications for the Regional Observatory Public Contracts;
 - New Observatory obligations: Comparison, phases and events, data collection sheets;
 - Work Execution Certificate: Request, data collection, insertion, CEL emission.

In addition to this is continuing the 231 three-year training plan, already started in 2019/2020. In the first half of 2021, the top figures of the ATM Group (Directors, members of the administrative bodies, supervisory bodies and the Boards of Statutory Auditors of the Parent Company and subsidiaries) participated in a training meeting dedicated to the presentation of the new training project mentioned in the three-year plan in question on the activity carried out in 2020, the main regulatory updates, the future implementation of the three-year plan and related actions.

Also in 2021 was initiated the 231 training dedicated to the Heads of Technical Units ("CUT - Capi Unità Tecnica"), which will continue in the first half of 2022, together with the training on the new 231 models for all executives. This training is therefore calibrated and differentiated according to whether it is addressed to employees/Middle Management who work in specific areas of risk, the Directors, the Social Bodies and the Technical Secretariat of the SB ("O.d.V.").

Throughout 2021, obligatory and non-obligatory training on health and safety at work continued in accordance with the regulations in force.

In particular, it should be noted that has been initiated a training course for all maintenance personnel operating in the subways during the suspension of the service. The aim of the course is to train the staff to perform the operational role and with a further training module, to qualify the staff for the role of accompanying third companies in the subway area during the suspension of the service.

Another important project started during the year 2021 was the start of **the ATM Technical School**. The aim of the project is to support training in the process of selecting young graduates to be included in the various maintenance areas. In fact, the newly identified students carried out a period of technical training, both theoretical and practical, of more than 140, before concluding the selection process. The result of the project was a significant increase in the success rate of the candidates. The School Project was attended by 28 young graduates, 22 of these passed the selection processes and were hired as maintenance workers.

The use of inter-professional training funds, "Fonservizi" and "Fondirigenti", through a rigorous internal discipline in the administrative field provided for the coverage of training costs also in 2021.

Table 29. Average hours of training provided per employee Group, divided by professional category and gender

ATM GROUP	2021			2020			2019		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Average Training Hours	29.6	28.5	29.5	17.6	25.8	18.4	28.0	38.1	28.9
<i>Top Line Management</i>	16.4	23.1	18.3	12.7	26.1	16.0	20.2	36.1	24.0

<i>Functional Management</i>	32.6	28.8	31.8	22.6	23.7	22.9	33.2	29.8	32.5
<i>Mobility Operations</i>	32.6	53.5	33.8	21.2	51.0	22.9	30.9	81.1	33.4
<i>Administration and Services</i>	15.1	14.9	15.0	9.6	11.8	10.3	27.0	15.8	23.4
<i>Maintenance and Repair</i>	32.0	76.9	32.2	12.8	30.9	12.8	25.4	14.5	25.3
<i>Auxiliary Mobility Services</i>	9.7	6.0	8.9	6.8	6.9	6.8	11.1	13.4	11.7

BOX: CUSTOMER RELATIONSHIP AND DISABILITY TRAINING

In 2021, despite the limitations provided by the management of the health emergency, for a correct and effective relationship with customers, training continued for ATM's front – line staff. Specifically, 400 employees, part of security personnel, subway operators and surface-operating personnel were involved.

Issues such as anger/aggression management, and more generally the management of potentially critical situations, were also addressed. The staff in the classroom were also trained on managing relations with disabled clients, also through informational brochures and an app with further information and videos.

Professional and personal development and training also play a central role in Metro Service. Although training and retraining related to safety-related activities and the specific work performed by each employee is a high priority, employees are encouraged to undertake training courses that are not directly related to the work they are currently doing but that may be relevant to future activities and personal development.

In Copenhagen, requirements were established to ensure compliance with the railway safety certification required by the Danish Transport, Building and Construction Agency. This requires that employees performing safety-related activities undergo training programs with periodic tests to ensure that relevant skills are maintained. To promote further professional and personal development of employees, Metro Service manages all administrative work in connection to education relevant to the business, including government training grants, and offering flexible working hours. In addition, the Company established three education committees, representing stewards, technicians and control room personnel. The purpose of the committees is to promote the development and training of this group of employees.

Finally, highlighting the central role that safety training plays for Metro Service, the Company dedicated a total of 37,512 to training activities in 2021, an increase of 22% compared to year 2020.

Professional development

ATM works with the constant objective of creating a work environment made up of valuable people, aware of their own value and role, who are motivated to contribute to the quality of the service and to the satisfaction of the internal and external clients.

Actions to achieve this goal are pursued at every stage of the career cycle and accompany ATM people as they move within the Group.

Such actions therefore start right from the selection process: the company works to ensure effective coverage of external turnover and the strengthening of key competence areas.

Great attention is paid to **mapping the skills** necessary for each individual role, which are then used to identify the best candidates. This is achieved through a well-structured **selection process**, which uses a set of integrated tools - from interviews, tests, assessment courses, and technical-practical tests, etc. These tools are composed and used according to the specific characteristics desired.

In 2021, more than **630 resources were recruited into the Italian LPT companies of the ATM Group**, particularly concentrated among the traveling staff, where entries are 70% of the new hires, followed by maintenance staff (13.5%) and personnel belonging to the administration and services area (11%). The recruitment was also necessary to meet the number of exits that have particularly affected some professional figures: 57% in the operating area, 14% among employees and in the maintenance sector. However, the number of recruits exceeded the total expenditure of 550, the majority of which were due to retirement (42%). As in the labor market, voluntary resignation has increased and represents 35% of the total.

The new recruitment plan has aimed above all at increasing the presence of young people and women. The recruitments particularly involved young people up to 30 years of age, who accounted for about 47% of entries. In general, 80% of the recruitment involved persons up to 40 years of age. Recruitment of female staff has also been 10% in order to help improve the gender balance in a sector that has for a long time had a purely male connotation. The transport sector has historically been characterized by a large gender gap in the public transport companies of the ATM Group, with 8.4% of women present.

Most of the entries were on fixed-term contracts (about 75%), but – even in the context of crisis – were stabilized no. 317 employment contracts.

The efforts for a correct exploitation of resources have therefore continued - once the resources have been inserted into the company structures - through an integrated model of development initiatives: **performance evaluation, skills evaluation, position weighing, benchmarks and payroll management, development of replacement boards**, as well as appropriate management of organizational developments and individual career paths.

In order to reduce the gender pay gap, a portion of extraordinary remuneration policy, divided over 3 years, was allocated for women who, in the face of positive performance, had a lower pay than the average of men in the same positions. The interventions carried out showed a positive impact in terms of reducing the gap by about one percentage point.

Finally, **the SAP SuccessFactors** platform was introduced as part of the process of **digitization plan** involving the Human Resources Department: A tool that allows to manage in a digital and integrated way the pay policy process, the MBO incentive system and the skills evaluation, favoring speed and efficiency in communication with the Line and almost completely eliminating the paper documentation.

SOCIAL AND RELATIONSHIP CAPITAL

Main results related to the Group's social and relationship capital

Table 30. Highlights of results obtained related to the Group's Social and Relationship Capital

99.3 The average regularity index ³⁶ of ATM transit	99.5 The average punctuality index ³⁷ of ATM transit
286 security employees	About 1,800 suppliers

What is social and relationship capital

Social and Relationship Capital is made up of the relations with all the entities involved in Group's operations (both shareholder and stakeholder), which are managed to maximize the quality of the service offered through a presence rooted in the territory

Material themes related to social and relational capital

Energy consumption and environmental impacts	Responsible management of resources and waste	Intermodality and integration of services	
Quality and accessibility of services	Security & safety		Community relations and local development
Economic performance (Creation and distribution of economic value)	Noise and vibration mitigation		Diversity, inclusion and welfare
Training and professional development	Protection of employee health and safety	Ethics, integrity and compliance	Responsible management of the supply chain

The following table shows the main inputs, outputs and outcomes as well as the main business activities pertaining to the Social and Relationship Capital, as provided for by the International <IR> Framework for the preparation of the Integrated Report.

³⁶ The service regularity indicator includes only the data relating ATM S.p.A. and represents the percentage ratio between the trips carried out and the trips scheduled in the day.



³⁷ The Punctuality of the Service indicator only includes data relating to ATM S.p.A. and represents the percentage of journeys arriving at the terminus (including subcontracted lines) with delays of less than 10 'for surface lines and 3' for underground lines

INPUT	BUSINESS ACTIVITIES	OUTPUT	OUTCOME
<ul style="list-style-type: none"> • Collaboration with public bodies, institutions, research bodies, citizens, media, associations and sector associations • Communication channels • Commitment to social communities 	<ul style="list-style-type: none"> • Constant dialogue with stakeholders • Focus groups and stakeholder engagement activities • Customer satisfaction survey • Information mobility, press office, social media and public relations activities 	<ul style="list-style-type: none"> • Constant interaction with local authorities • Partnership with stakeholders • Sponsorship of events and projects • Customer Satisfaction 	<ul style="list-style-type: none"> • Consolidation of relations with stakeholders. • Spread of sustainability culture

Main sustainability objectives

The table below shows the main sustainability objectives pertaining to the Group's Social and Relationship Capital and the progress made in relation to those objectives as of December 31, 2021.

Table 31. Sustainability objectives related to the Group's Social and Relationship Capital

Objectives	Status as at December 31, 2021
<ul style="list-style-type: none"> • Launch of Mobility as a Service (MaaS) in 2022. The MaaS will provide final users with an integrated and 'seamless' experience of the various mobility services (subway, bus, tram, train, sharing services, stop, parking, etc.) and added value services related to the city. MaaS will enable the following sustainability objectives: (A) dematerialization of tickets; (b) evolution of mobility habits (behavioral change) in favor of more sustainable forms of mobility. 	 <p>Define MaaS strategy and implementation plan. Selection of the strategic partner (Trenord) with which the MaaS service will be implemented. Selection of the technology platform implementation model that enables the MaaS service and estimate CAPEX and OPEX costs. Design of the high-level architecture, standards and guiding principles for the implementation of MaaS.</p>
<ul style="list-style-type: none"> • Reduction of the recorded noise level, the Group has given continuity to the installation plan of new friction moderators and updating of existing systems, aimed at eliminating the squeal produced by the rail wheel contact generated by the tramway cars on tight bends. A total of 6 new friction moderating systems have been installed. 	 <p>Implementation of a maintenance plan: In 2020 the following moderating systems were installed: 3 on Rozzano, 2 on Tivoli market and 1 on Sempione Angolo via Domodossola. In 2022, 4 additional moderating systems are planned to be installed.</p> <p>More information can be found in the paragraph "Reduction of noise and vibration pollution"</p>

The Social and Relationship Capital

The Group's Social and Relationship Capital refers to the relationships that ATM maintains with all the stakeholders involved or impacted through its business conduct including, customers/citizens, suppliers, employees and the local community in which it also operates, so as to spread a culture increasingly oriented towards integrated and sustainable mobility at all levels.

The relationship with customers and citizens

ATM manages relationships with customers and citizens through a variety of tools to promote the integration and intermodality of LPT services, guarantee the quality of the customer experience and ensure high levels of safety for all users of the vehicles.

As translated from the Group's Code of Ethics, *"relations with customers must be continuously strengthened through the quality, reliability and efficiency of the service provided, as well as through timely, precise, clear, easily accessible and truthful information. on the services and services offered."*

Intermodality and integration of services

The current environment is characterized by the need to face increasingly complex challenges with increasingly limited resources. We face challenges such as urbanization, population growth and aging, the need to carry out an ecological transition (carbon neutrality), the need to manage processes and infrastructure, and to ensure (physical and digital) security. One of the biggest challenges is and will continue to be to revolutionize the current mobility system, making infrastructure increasingly accessible both physically and through digital the use, by leveraging more and more the data and analytics to better understand final user needs and build an increasingly efficient and personalized mobility offer. To manage this challenge, it will be more and more necessary to create new partnerships and build integrated services, develop new business models, to enable an increasingly efficient, sustainable and user-centric mobility system. And as cities become more digitized and mobility grows, is becoming increasingly critical to manage their systems and the related services with the utmost respect for cyber security and privacy, which must be considered from the conceptual stages of each project and initiative of cyber security and privacy by design.

To better respond to the needs of customers and the communities in which it operates, ATM Group is committed to the development and innovation of transport services. Its intent is to make travel across the territory seamless and efficient in terms of intermodality and integration of services, regardless of the mode of transport chosen, thanks to the collaboration between the companies that provide the service. To this end, the integration of information and fares, as well as travel documents available to passengers, are essential.

In 2020, given the exceptionality of events that radically influenced the needs of ATM's service users and the operations of the LPT sector, particular attention was paid to ensuring transportations services in all emergency phases. At the beginning of phase 2, in the process toward the "new mobility", a working group was set up with other operators in the sector to coordinate control rooms and manage passenger flows.

Furthermore, with the aim of guarantee social distancing and avoiding gatherings, a project was undertaken to emit digital tickets (Smart Tickets) from third party Apps, namely web services offered by external supplier selling tickets also from other App (at the moment Trenord and AGI) in order to extend the number of users. In addition, experiments have been initiated with the intent to regulate access in the metro stations in order to avoid gatherings and providing in the app the filling status of the same.

The mobility market was strongly impacted by the Covid-19 crisis, the volumes of passengers were reduced by 35% in Italy and by 40% in Milan (with peaks of reduction up to 80-90% between March-April 2020). The forecasts predict a return to pre-crisis levels not before 2025, but with a different

composition of use of transport modalities (e.g., business segment expected structurally declining by 5-15% due to smart working).

On April 16, 2021, the Board of Directors of ATM approved the 2021-2025 Strategic Plan that defines the Company's strategies to face the future post-pandemic with new business models that focus on the expansion of the business perimeter and on innovative services. ATM, while maintaining sustainability, innovation and the enhancement of people at the center of the company guidelines, is projected on a new phase of development to respond to the challenges of the current and prospective scenario and to the new trends of demand.

Among the new strategic lines is that of Smart Mobility, which will deal with 'incubating' and implementing new concepts related to the development of mobility of the future, exploiting new strategies, methodologies and the most innovative and emerging technologies. The first project that the new Smart Mobility area will focus on is to implement Mobility as a Service (MaaS). ATM has decided to give the mandate to implement the MaaS project to its own subsidiary, called CityLink. Citylink will act as "MaaS Integrator" and "MaaS Operator". Although MaaS's concept arises from a desire to create an integrated, efficient, and sustainable mobility system, ATM's vision sees the implementation of MaaS as a starting point, not an end point, as it will enable new value-added services to be designed for the citizen. The MaaS project of ATM starts from the metropolitan area of Milan, with the vision of going far beyond the mobility and geographical boundaries in which ATM operates.

The MaaS service will be launched in the third quarter of 2022. The MaaS app will be subject to successive evolutions and iterations that will allow to carry more and more mobile operators or additional service providers on board, as well as to integrate new and more sophisticated functionalities with the aim of simplifying and enriching the integrated mobility experience.

Integrated mobility

The following initiations are included in the mobility system offered by the ATM Group.

In September the new velostation of Cordusio was inaugurated. The initiative is part of a wider project of ATM and the Municipality of Milan, which aims to create an increasingly integrated mobility system, promoting the use of two wheels and public transport for travel. The ATM information systems have taken care of equipping the room with all the necessary technology to enable the video surveillance systems, the anti-intrusion and alarm systems and the possibility to access the velostation using the ATM card during validity. Access to this new parking, which can accommodate up to 50 bicycles, is free of charge and is already prepared to be reserved for all holders of the electronic ATM card during validity, without necessarily containing a loaded travel card. To enter, soon, will be enough to approach the card to the appropriate reader installed right on the entrance door of the bike station.

The Group participated, also for the year 2021, in the largest event in Italy linked to the themes of electrical mobility, the "e_mob, the e-Mobility Festival", promoted by local authorities, companies and institutions with the aim of spreading the culture of sustainable mobility. The event that came back in attendance was held from 19 to 16 October at Palazzo Giureconsulti with an exhibition area set up in Piazza Duomo, Via Mercanti and Piazza Cordusio. ATM has made its contribution by promoting the fundamental role that public transport plays in the environmental transition and for the sustainable development of the city. During the institutional session on Monday, October 18, the General Manager of ATM Arrigo Giana spoke; on Tuesday, October 19, Miles Parisi, Director of Energy Policies, brought the public's attention to the latest developments and projects carried out within the framework of the "Full Electric Plan". In addition, an ATM electric bus with staff was displayed in Piazza Duomo to provide information on the vehicle's characteristics, charging modes and new driving style.

Informative offering

In order to ensure effective and complete communication with the client, it is essential to maintain and extend active communication channels with the various partners, in support of an even greater integration of services.

In 2021, in response to new mobility needs, the development of digital innovation projects that were already underway and many of which were finalized in 2020 was significantly accelerated. Making the information offer of ATM even wider and more diversified through updates and integrations of information channels.

Communication channels with the clients

ATM communicates to its clients through a wide and diverse variety of channels and tools, including:

- The **website** www.atm.it on which information relating to tickets, fares, timetables and service schedules, the state of circulation of the underground lines and ATM initiatives are published; it allows the client to plan the journey through a special application that indicates the presence of lifts or stairlifts at each metro stop, and their position with respect to the surface, with the “stazioni.atm.it” function, it allows the traffic to be checked at the metro stations on the basis of the different time intervals. On the site are also available the guides to the rates and the travel facilities aimed at specific targets of customers such as family, young, senior, companies, municipalities and schools and the guide on the transport of the bicycle and micromobility devices on board the ATM lines, publications that, as the map of the underground network, are distributed free of charge to ATM Point counters. From the Reserved area, the customer can quickly purchase a subscription or card, see the status of their subscription or the expiration of their card and download their payment receipts, see the purchase history and the details of the trips paid with contactless bank cards or payment of a penalty relating to travel licenses; from July 2021, the possibility of requesting reimbursement from the site with the relative credit of the remaining subscription not used has been made available to customers of companies affiliated with ATM. The site has a version accessible to people with visual disabilities that works with the main screen readers;
- Through the ATM Milano app which in 2020 became even more central to organizational processes, proposing new features for the client, how the customer can consult the information on the service such as, such as the possibility of purchasing any type of ticket for all areas of the fare system, information relating to the state of circulation of the subway lines, to the changes of the route of the surface lines, to the rate system, moreover, it is possible to purchase travel tickets without necessarily having to go to the vending machines or ATM points, to book a turn at the ATM points and check in real time turnout in the underground stations according to the different time slots, features introduced both to improve the customer experience and to implement interpersonal spacing measures and to avoid the creation of crowds;
- As far as the development of digital services is concerned, during the year 2021 both the site and the app were equipped with two further payment methods for travel licenses such as Satispay and Bancomat Pay;
- **The communication campaigns and integrated communication plans** through which ATM ensures to customers complete and timely information, spreads promotional initiatives linked to its services, enhances the knowledge of the Company and its history. Also in 2021, the campaigns continued to play a key role in the health emergency to ensure that stakeholders receive complete and timely information on new travel arrangements, rules to be respected, such as, among others, the mandatory use of the mask; They also intended to make everyone aware of the Company's commitment to guarantee a safe service in compliance with the measures imposed by the authorities, to inform about service improvements and sanitation interventions and to invite people to having a responsible collaboration to avoid traveling during peak hours in order to reduce the risk of crowds and gatherings. In order to spread the messages in a capillary way, the Company has realized, on the occasion of each campaign, integrated communication plans using all the instruments at its disposal including digital channels and social channels, posters at surface stops, pendants, signs at stops, on board of the means and in the subway stations, voice announcements on the cars and stations, through the contact channels of the structure Customer Relations (call center and mail) active for information and signaling, through the relations with the

press. In the course of the year, with ad hoc campaigns, it has spread promotional initiatives linked to the renewal of the electronic card; Moreover, with dedicated campaigns, was celebrated its 90th years anniversary, was presented the site of ATM's online historical archive, made known to the public as "ATM uncovered", the series about the ATM world told by his people that was transmitted in streaming;

- **The signs** in the station, in the stop and on board of the vehicles, in the ATM Points, in the parking lots managed by ATM are the subject of constant updating and revision interventions; In particular, in 2021, during the different stages of the emergency and the changes in the prevention measures adopted during the year, it saw massive and continuous interventions to be adapted in accordance with the provisions of the authorities from time to time in order to inform the customers fully during their movements;
- Communication via social network, which has evolved to form a set of headmasters with a diversified planning, integrated and coherent with the communication strategy: Twitter is the real-time service, Instagram is the travel diary of the Group and its passengers, LinkedIn is a window on the future that presents the projects that make the Group attractive as a leading player of the Industry and values its professionalism through the employer branding;
- The real-time information activity, carried out in synergy with the surface and metro operating rooms, is declined through the site, the app, the Twitter account @atm_informa, the announcements in the stations and on board the means, the variable message panels at the surface stops; During the first half of 2021, ATM worked on the revision, in terms of content and tone of voice, according to criteria of comprehensibility and report, of the automatic announcements of the next stop and of the arrival in stop on board the trains of the subway, the review of the layout and organization of the contents of alerts on scheduled changes to lines sent through mail;
- In the event of network interventions, the Company produces brochures and/or flyers to inform passengers about the changes in the service and to provide them with directions for the journey, material that is distributed at the surface stops and at the related stations;
- "Lineadiretta", the online magazine of ATM on the Medium platform, in which guides on travel rules have been published this year and have become pivotal to the communication linked to COVID-19;
- **Guides to fares and travel facilities** aimed at specific targets of customers such as families, young people, senior citizens, companies, municipalities and schools, and the guide on the transport of bicycles and micromobility devices on board of ATM lines; They can be consulted and downloaded from www.atm.it and, like the map of the subway network, they are distributed free of charge at ATM Point counters;
- The **Mobility Charter**, published annually, where are explained the factors on which depends the quality of the services entrusted to ATM and where are stated the results achieved in the past year and, according to the main quality indicators provided for in the service contracts in force are made known the objectives for the current year; The card is also a useful tool to know the Company, the schedule, the timetables and frequencies of the local public transport service, to consult information about the transport by call, about BikeMi, how to submit a complaint, on other services managed by ATM such as interchange parking and parking at the road in the municipal territory, removal and storage of vehicles.

Quality and Accessibility of Services

ATM Group, by nature of its business, places the client at the centre of all its activities. To this end, to ensure an ever-higher level of service quality and a comfortable travel experience, the Group is committed to actively listening to its clients, their needs and their expectations, in order to understand

emerging issues and consequently, offer increasingly efficient, effective, technologically advanced and sustainable solutions.

Since the beginning of the health emergency and even more in the recovery phase, the ATM Group, through the structure of Relations with Customers, has maintained a constant presence in the relationship with passengers, through the timely *response strategy* to their requests and reports, the targeted management of the call center and the massive sending of Direct-mail to loyal customers (4,000); in particular thanks to this activity a new modality of relationship has been established to consolidate their trust in the Group and to favor a responsible and safe return on the means.

Customer experience

The Municipality of Milan, by way of the Service Contract and transportation policies, defines and plans the public transport service in the City and in the hinterland by establishing precise quantitative and qualitative standards that ATM's performance must meet. These standards are measured through a series of indicators³⁸ selected on the basis of their relevance from the client's point of view.

Table 32. Regularity of ATM transit (tram, trolley bus, bus, metro)

REGULARITY³⁹				
Transit line	Target 2021	2021	2020	2019
Tram	97.5	99.1	99.1	98.9
Trolley bus	97.7	98.9	98.7	98.4
Bus	98.2	99.4	99.5	99.4
Metro	99.6	99.9	99.7	99.6

Table 33. Punctuality of ATM transit (trams, buses, trolley buses, metro)

³⁸ Unless otherwise specified, the quantitative data relating to the quality of the metro service in the Municipality of Milan refer to lines M1, M2 and M3.

³⁹ The regularity indicator of the service includes only the data relating to ATM S.p.A. and represents the percentage ratio between the journeys carried out and the scheduled journeys during the day, in line with the requirements of the Service Contract concluded with the Municipality of Milan. The parameter is calculated monthly on a daily basis.

PUNCTUALITY⁴⁰				
Transit line	Target 2021	2021	2020	2019
Tram	97.6	99.2	99.5	98.4
Trolley bus	97.8	98.9	99.4	98.0
Bus	97.2	99.2	99.6	98.8
Metro	99.5	99.8	99.8	99.7

Table 34. Overcrowding of ATM transit (above ground, underground)

OVERCROWDING⁴¹				
Transit Line	Target 2021	2021	2020	2019
Above ground	70%	28.2%	26.9%	42.7%
Underground	80%	November 29.9%	October 17.1%	April 49.3%; November 50.9%

To best meet the needs of clients and other stakeholders, ATM Group has adapted its corporate management system according to the highest international standards. Through its managerial procedure "Survey of customer satisfaction", ATM constantly monitors the level of quality perceived and the relative level of customer satisfaction.

The ATM Group, in fact, believes that the monitoring of perceived (Customer Satisfaction) and delivered (Mystery Client) quality is an important lever for listening to its customers for a constant improvement of the service.

The annual survey was conducted in October 2021 on a sample of 3,484 passengers, with face to face interviews near surface stops and metro stations. In accordance with a specific health safety protocol, this year too, the activity did not take place on board the means.

The survey clearly improves the positive result of the 2020 survey: Overall satisfaction for the ATM service was expressed with an average rating of 7.4 (on a rating scale from 1 to 10), higher than the rate 7.3 of 2020. The area of satisfaction also improves, going from 95% to 97% of those who declare themselves very or quite satisfied with the service (the percentage of those who express a judgment is between 6 and 10). Overall, the assessment represents the highest result in the last 10 years.

This year, a section of the interviews was dedicated to intercepting new mobility trends, i.e. new travel habits and needs during the period of resumption of post-emergency health activities (new city timetables). As part of the UNI EN13816 certification on some lines of the network, Mystery Client surveys were also carried out on the main aspects of the service of interest of the passengers.

⁴⁰ The punctuality indicator of the Service includes only the data relating to ATM S.p.A. and represents the percentage of runs arriving at the terminal (also subcontracted lines) with delays of less than 10' for the surface lines and 3' for the subway lines, in line with the requirements of the Service Contract with the Municipality of Milan. The parameter is calculated monthly on a daily basis.

⁴¹ The service crowding indicator includes only data relating to ATM S.p.A. and represents the relationship between passengers transported and seats offered per line. It is obtained both for surface lines and for subway lines 1, 2 and 3, in line with the requirements of the Service Contract concluded with the Municipality of Milan.

Complaints and complaints received from customers are managed through a special procedure, by the Customer Relations office which in 2021 guaranteed an average annual response time of approximately 4.10 days. The standard required by the "Public Relations - Complaints" indicator provides for a response time of 10 days, as established in the Service Contract with the Municipality of Milan.

The procedures for submitting complaints are available to passengers on the website www.atm.it and on the Mobility Charter.

Safety and security of personnel and passengers

The issue of passenger health and safety is of fundamental importance for ATM Group, being a solid and necessary basis for creating and maintaining with clients a relationship built on trust, it is an essential element for the management of public transport services.

ATM has a corporate protection structure committed to guaranteeing access control and the protection of its infrastructures as well as the carrying out of all subsidiary security services taken on progressively with the application of what is foreseen in DM 154/09 since 2015.

For the latter, it employs more than 150 particular Guards certified at Milan's Police headquarters ("Questura di Milano") to carry out services that normally consist in: monitoring of the main subwat stations, control and prevention on board trains and vehicles along the surface lines, with particular attention to those considered sensitive, as well as in the business locations.

The continuous turn-over of this specialized staff also involved new entries in 2021 (21 resources) and the provision of theoretical and practical training courses for the whole group of personnel for subsidiary safety. As regards the KPIs of the safety factors historically analyzed by the Group, from the comparison of the data relating to the period January-November 2019 with those of the same period of 2021, it can be said that the number of attacks on ATM's staff has remained almost in line (44 in 2021 vs. 47 in 2019), subway train soiling recorded a decline of 43% (45 in 2021 vs. 79 in 2019) while vandalism in the subway and surface increased sharply (+56%, 1797 in 2021 vs. 1150 in 2019).

During the first 10 months of 2021, 166 complaints were also made for offenses committed against ATM, of which 83% in the subway area and 11% in the area of surface transportation and were deposited at the local offices of the Law Enforcement authorities responsible for each area, by intensifying the attention of Public Safety Authorities to a service that is essential to the community.

ATM corporate protection has established intense and daily collaboration with the bodies managed by the Public Safety Authorities (Prefecture and Police) and with all the institutional components involved in the territory: Local police, State police, Carabinieri. Through the exchanges of information, is made the analysis of problems that emerge from different experiences and from the reports that come from various business sectors, also are programmed joint activities aimed to solve repeated criticalities or to monitor potentially critical phenomena and to have a concrete and rapid support in their resolution.

Since December 2020, the Corporate Protection Department has also acquired the process of managing criminal complaints in the property sector of the ATM group, further intensifying relations with the Police forces of the area to be able to guarantee greater timeliness of their prevention and control actions and repression of illegal phenomena to the detriment of ATM.

In addition, the benchmark activity of the ATM corporate protection structure among the main public transport companies in the world continues through the participation in remote meetings along with the business leaders of the sector, by principle all characterized by the sharing of practices adopted during the pandemic.

Over the past few years, ATM has kept the staff of security officers almost consistent until reaching the number of 286 operating units in December 2021.

Table 35. Security personnel

SECURITY PERSONNEL⁴²			
Type	at 12.31.2021	at 12.31.2020	at 12.31.2019
Armed	135	119	129
Unarmed	151	149	132
TOTAL	286	268	261

Mitigation of noise and vibrations ATM Group is aware of the impact that the noise and vibrations generated by its vehicles has on the community and on its relationship with citizens. It is actively committed to reducing vibrational and noise pollution, improving services and responding in the best way possible to the needs of clients/citizens exposed to this type of pollution in order to improve the quality of life of those residing in the areas where the Group operates.

To this end, various actions have been implemented to monitor and manage this issue, both through active collaboration with the operational technical functions of the Municipality of Milan and through the Group's dedicated internal structure (Vibro-acoustic Laboratory).

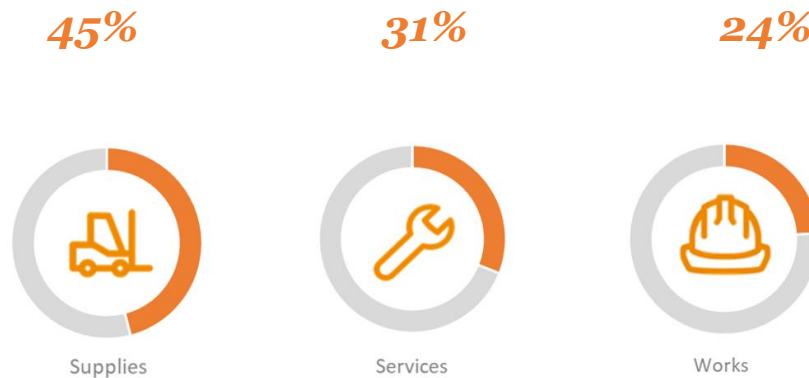
For further information, see the chapter dedicated to the Group's Manufactured Capital.

ATM's relationship with its suppliers

The ATM Group maintains relationships with a wide supply chain, made up of around 1,800 suppliers, mainly divided into the categories of supplies, services and works. The expenses for "supplies" represent approximately 45% of total supplier expenditure and are mainly related to the purchase of rolling stock, spare parts for maintenance and energy. The "services" category represents approximately 31% of total supplier expenditure, and mainly includes the maintenance of vehicles and plants, as well as maintenance services related to Information Technology (IT). Finally, approximately 24% of the expenditure relates to the "works" category with particular reference to extraordinary interventions on the network and infrastructure.

⁴² This data refers to the security personnel of ATM S.p.A. and NET S.r.l..

Composition of ATM Group's supply chain and % expenditure



The management of relations with suppliers is an important issue for the Group. . The supply chain expenditure spent in Italy is characterized by a majority of Italian suppliers (around 96%), which translates to nearly 62% of the value of total expenses from local suppliers⁴³, compared with last year. With reference to Metro Service, the percentage of local expenditure out of total supply chain expenses is 84%.

Responsible management of the supply chain, sanctioned by the Group's Code of Ethics and its Quality, Safety and Environment Policy, is an essential component of the Group's strategy. It represents a means of guaranteeing the highest quality of the products and services purchased, in compliance with the technical, environmental and social criteria established by the tender documents, contractual provisions and ATM Group regulations.

For these reasons, the company's Regulation for the Awarding of Contracts governs the authorization process for expenses, signing of orders and contracts and, for procedures under a certain defined purchasing threshold, the methods of assignment.

Equally essential, in order to guarantee the pursuit of the above principles, is the continuous commitment of ATM in the training process addressed to all the subjects involved in the purchase process.

Finally, it should be noted that ATM S.p.A. is active in the process of evaluating the suppliers of works, of goods and services aiming to promote and support them in actions to improve the service and environmental impact and to assess their performance globally in relation to the Group Policy on Quality, Environment and Safety. In line with the indications contained in the ATM strategic plan, with particular reference to the chapter on the sustainable supply chain, ATM S.p.A. has placed even more attention on the sustainable management of its suppliers, by increasingly using environmental criteria as elements of rewarding evaluation in the tenders assigned to the most economically advantageous offer, thus rewarding the virtuous enterprises in these aspects.

In compliance with the requirements of the SA8000 Standard, the ATM Group companies collaborate exclusively with suppliers and partners who adopt and practice the same operating logic of respect for the employee and the customer: the suppliers, in fact, before receiving an order from the SA8000 certified companies of the Group, must produce the same certification or a self-certification in which they subscribe to fulfil the obligations established by the standard.

It should be noted that 2021 has been characterized at global and national level in particular by two factors which have affected, and still affect, supply policies: The difficulty in obtaining materials and the

⁴³ Local suppliers are suppliers who have their registered offices in Italy and Denmark, respectively for the Italian companies of the ATM Group and for Metro Service.

consequent exponential increase in prices. ATM is obviously also suffering the shocks of this crisis, even if, thanks to multi-annual contracts currently active, and to consolidated partnerships with strategic suppliers, the impact of the same has not caused consequences such as to compromise the level of service and the correct maintenance of the vehicles.

Labour relations

The pandemic due to COVID has obviously also influenced relations with the trade unions, not only as regards how they could be carried out (meetings only by videoconference) but also in determining the priority objects addressed.

In such a peculiar context, however, the relational model was fully realized, marked by the involvement and participation of the workers, provided for by the existing RI protocols. In addition, in implementation of the various emerging regulatory provisions, has been ensured joint comparison and verification of the prevention measures taken to contain the spread of the infection.

With the OO.SS., the coordination of the RSW and the involvement of the workers' representatives for security (RLS) were followed by regular checks and the adaptation of the above measures introduced in 2020 in the occasion of the evolution of the general context (e.g. extension of the emergency state) and regulations that have been followed over time.

In several agreed minutes periodically signed (for example: 1.27.2021-4.30.2021-7.27.2021-11.29.2021), the conclusions reached jointly were formalized, which concerned, in the first place, the updating of the safety guidelines but also the confirmation of the employment protection measures adopted by the 2020 Covid Framework Agreement.

As for contractual issues other than emergency management, is worth mentioning the agreement of 8.6.2021 with which indicators and criteria for quantifying the 2021 result Award model (linked to the company's results in terms of efficiency-productivity – customer satisfaction and reduction of absenteeism) have been defined. A particularly important element is the introduction, for the first time, of the possibility that the entire prize (or part of it), which is individually entitled, can be, at the employee's choice, used through the so-called “flexible benefits”, thus accessing the tax and contribution benefits provided by law.

To be noticed is also the agreement of 10.20.2021, signed with the coordination RSU, related to the sector of the guardian, because through a revisiting of the models of the shift models makes it possible to internalize a part of the evening services so far entrusted to third parties, and consequently, it strengthens the opportunities for safeguarding the employment of staff who becomes unsuitable for the recruitment that is normally relocated within the concierge.

In 2021, the proportion of workers enrolled in a trade union compared with the previous year remained substantially unchanged compared to the total number of employees by force, remaining at around 65 %.

The conflict related to corporate disputes was limited to a strike action, while further abstentions from work were national (renewal of the CCDL) or were proclaimed in adherence to general strikes.

Relations with the community and the territory

The ATM Group, as an integral part of the community in which it operates, encourages local development also through adherence to social and cultural initiatives.

To this end, ATM adopted specific regulations governing the adherence of the Group companies to these types of projects. The regulations define the purposes of the initiatives in which ATM can participate, making sure they are consistent with and functional to the pursuit of the Group's mission.

These initiatives include projects, activities or events, promoted or implemented by the Municipality of Milan or implemented with its patronage, as well as activities that enhance the local communities of

Milan and the metropolitan city. The means of collaboration are also governed by an internal procedure that governs the management of the entire process.

In 2021, activities addressed to the community and the territory were restarted progressively even though gradually and with the necessary limitations linked to the continuing health emergency situation due to the Covid-19 pandemic.

Also, in 2021 ATM set at first place the commitment towards the territory with integrated communication plans and initiatives aimed at spreading knowledge of prevention measures and awareness regarding the correct ways to travel in safety. In particular, within the framework of the “Milan School Pact” established between the Prefecture of Milan and the Municipality of Milan and shared by all the social partners (public institutions, transport managers, trade, companies and professional orders), ATM has designed and implemented integrated communication activities aimed at students, schools and other stakeholders, with all the information related to the reorganization of the city’s timetables and the plan to upgrade the public transport service.

While continuing with an emerging situation in continuous evolution, the Group has continued to promote in public debate the issues of sustainable mobility, while at the same time enhancing its commitment during all phases of the health emergency, with participation in events, both in digital mode, and in presence. These include:

- European Transport Conference 2021;
- Citytech 2021;
- ExpoFerroviaria 2021;
- E_mobb - Fourth National Conference of Electric Mobility;
- Genoa Smart Week.

ATM actively participated in the Pre-COP26 initiatives, the preparatory meeting for the Glasgow Conference that took place in Milan from 30 September to 2 October. In particular, the Company was one of the protagonists of the Global Campaign “Changemakers”, an initiative of Climate Investment Funds dedicated to the enhancement of people and organizations committed to climate action worldwide. ATM has contributed with the history of Giusy, driver of electric bus, in the framework of the renewal plan of the fleet of buses that will bring the public transport of Milan to be fully electric by 2030.

2021 was the 90th anniversary of the foundation of ATM. In order to share this important goal with those who have accompanied the growth and development of the city, an institutional communication campaign was carried out entitled “**for 90 years our mission is Milan**”: A photographic journey through the city’s iconic sites to illustrate ATM’s bond to the territory. A “**special ticket**” was also issued to celebrate this occasion and special pins were created for stakeholders and employees.

Moreover, in 2021, the Company carried out an important company storytelling project, “**ATM uncovered**”, a five-part docu-series to reveal the usually inaccessible places, the professionalism and the behind-the-scenes of Milan’s public transport.

Guided by the people of ATM, the spectators were able to embark on a journey dedicated to various business themes: From the historic tram depot of via Messina to the maintenance workshops, from the control rooms to the galleries and to the places where the night works are carried out, to the new green fleet of ATM. The miniseries was streamed over YouTube (Milan Transport Company) and Instagram (ATM_Milano) channels.

Another very important area of activity in 2021 was **that of the enhancement of the historical patrimony of the company**. The Company has decided to open to the public its **online Historical Archive, at the site <https://archivistorico.atm.it>**, starting from the photographic section: A selection of 3,000 images that documents the various aspects of ATM activity offering visitors a journey into the history not only of ATM, but also of the city of Milan.

Always in order to enhance its historical heritage, ATM has joined high-profile institutional collaborations, among which the one with **ADI Design Museum Compasso d’Oro**, providing original furniture components, company news of the period, technical drawings, period maps, photos

and projects related to the subway line 1. He has also collaborated with **MM Spa** for the “Che impresa fare città!” exhibition, providing historical images and historical news.

In the context of corporate social responsibility, the initiatives that the ATM Group supported during 2021 are also various:

- **Campaign against violence towards Women:** on the occasion of the International Day against violence towards Women, messages to raise awareness of violence against women have been broadcast on video circuits and social channels of ATM spots;
- **Behavioral campaigns:** the Group has been particularly committed to community awareness with specific campaigns focused on limiting the spread of the Covid-19 virus, including:
 - “the school resumes but the appeal is for everyone”: Campaign for the resumption of didactic activities held in the presence for the high schools, launched by ATM in January in accordance with the Milan Pact for the school (“il Patto Milano”, to encourage clients who do not need to travel at pre-defined times to avoid moving to the most critical time slots to reduce congestion in public transport.
 - “We strengthen our commitment, we ask you to lighten the peak hours”: Campaign launched in September on the occasion of the restart of the schools with the aim of inviting those who have the opportunity to travel after 9.30, always to help lighten the peak morning time.
 - “the mask is compulsory”: Campaign launched in September to remind passengers of the rules of conduct laid down on board public transport, metro stations and surface transport stops;
- **Recruitment campaign:** in February ATM launched the recruitment campaign entitled “Mobility of the future needs you. Join ATM” aimed at the search for 600 new resources, spread on all institutional channels and accompanied by a dedicated editorial plan on social channels (storytelling with videos, articles, stories). The campaign has used images of professionals from ATM as subjects, supporting one of the priority objectives of the recruitment plan that is to contribute to improving the “gender balance” within the Company with the increase of the presence of women.

Finally, since interaction with the local area is increasingly influenced by the use of digital tools even in 2021, the Group has a special commitment to encourage digital literacy, introducing citizens to the opportunities offered by technological innovation, also as a preventive measure during the health emergency, such as the “Reload subscription from app” campaign organized to promote the renewal of the weekly, monthly and annual subscription through the ATM app.

NATURAL CAPITAL

Main results related to the Group's Natural Capital

Table 36. Highlights of results achieved related to the Group's Natural Capital

About 84.000 tCO ₂ avoided (scope 2 – market based) ⁴⁴	Approximately 60% of recovered waste	A reduction of approximately 7.5% in direct emissions from 2019 to 2021
100% of purchased electricity from the Free Market in Italy is certified green		

What is Natural Capital

Natural capital is the set of natural resources (e.g. water and sand) and energy sources (e.g. electricity, methane, gasoline) that the Group uses to carry out its activities.

Material themes related to the Natural Capital

Energy consumption and environmental impacts	Responsible management of resources and waste		Intermodality and integration of services
Quality and accessibility of services	Security & safety		Community relations and local development
Economic performance (Creation and distribution of economic value)	Noise and vibration mitigation		Diversity, inclusion and welfare
Training and professional development	Protection of employee health and safety	Ethics, integrity and compliance	Responsible management of the supply chain

The following table shows the main inputs, outputs and outcomes as well as the main business activities pertaining to the Natural Capital, as provided for by the International <IR> Framework for the preparation of the Integrated Report.


⁴⁴ Thanks to the purchase in Italy of only Green certified electricity with Guarantee of origin.

INPUT	BUSINESS ACTIVITIES	OUTPUT	OUTCOME
<ul style="list-style-type: none"> Set of natural resources (e.g. water, sand) Set of energy sources such as electricity, diesel, methane and petrol 	<ul style="list-style-type: none"> Energy management Vehicle washing and sanitation Sandblasting of tram rails Application of energy efficiency measures to the heating system Fleet management and renewal Services Digitalization Discouraging the use of single-use plastic (Italy) 	<ul style="list-style-type: none"> CO2 emissions generated Waste produced Waste water produced Use of polluting materials reduced 	<ul style="list-style-type: none"> Higher quality of local air Lower impact on environmental quality, locally and not locally

Sustainability objectives related to the Group's Natural Capital

The table below shows the main sustainability objectives pertaining to the Group's Natural Capital and the progress made in relation to those objectives as of December 31, 2021.

Table 37. Sustainability objectives related to the Natural Capital of the ATM Group

Objectives	Status as of December 31, 2021
<ul style="list-style-type: none"> Reaching the following composition of the car fleet: 60% of diesel buses; 25% of hybrid buses; 15% of electric buses 	<div style="display: flex; align-items: center;">  <p>At the end of 2021 the composition of the car fleet was as follows⁴⁵:</p> <ul style="list-style-type: none"> Diesel: 76.6% Hybrids: 11.1% Electrical: 12.2% Hydrogen: 0.2% <p>It is specified that hydrogen buses are part of an EU-funded test project.</p> </div>

The Natural Capital of the Group

ATM has always sought to position itself as a reference point in the field of integrated and sustainable mobility. In fact, the provision of a zero-impact mobility service is a guiding thread in the Group's sustainability strategy, which is divided into the "Zero-Emission Transport" and "responsible consumption" pillars. In order to follow up the objectives proposed by these pillars, the Group designs and develops various initiatives aimed at reducing the impact of its activities, among which are mentioned the following:

⁴⁵ The data reported refers to the totality of the public transport offered by the ATM Group.

- The urban forest: To be more and more sustainable and green: With this objective ATM, thanks to the active contribution of a group of colleagues from the same site, planted on Monday 13, December 2021 330 trees in the warehouse of San Donato. The company has thus wanted to create a small urban forest within its own spaces, in order to continue the process of environmental redevelopment through ecological compensation works. Several autochthonous species have been chosen, capable of recreating, over time, a true oasis of biodiversity: Thirty high-trunk trees have been placed at the entrance of the structure, while three hundred young forest plants have been planted in a space at the back of the resort. The San Donato initiative, which also involved the Resilience Directorate “Direzione Resilienza” of the Municipality of Milan and ForestaMi, is part of the great sustainability plan that ATM has been conducting for years in terms of environmental transition.
- The Green Wall in Giambellino: In the larger project “Full Electric” are concretized the initiatives of the renewal of the fleet of vehicles and the interventions that have the objective of contributing to the green transformation not only of the Company, but of the whole city of Milan. In this perspective are included two of the most recent initiatives of ATM: The planting of the urban forest in the headquarters of San Donato and the creation of a green wall at the Giambellino warehouse. The project under construction includes 350 square meters of vertical garden on the entire facade of the historic bus warehouse in Via Giambellino, with important results in terms of energy saving. In fact, it is expected to reduce the internal temperature of the building to 4,5 degrees, with a consequent energy saving of up to 40% for cooling and about 5% for heating the building. The wall will also be equipped with automated systems for irrigation and fertilization, and detectors for measuring pm10 absorption. The project is co-financed by the Municipality of Milan in the context of the BE2 call and the European project H2020 CLEVER Cities.

With regard to the Group's environmental impact management system, as anticipated in the intellectual capital, ATM S.p.A., Rail Diagnostics S.p.A. and NET S.r.l. use an environmental management system that complies with the environmental standard UNI EN ISO 14001:2015. In order to maintain this certification, companies adopt specific organizational documents (e.g. manuals, work instructions and procedures) relating to practices for the good management of environmental resources, the management of environmental emergencies and the assessment of the significance of environmental impacts.

Management of energy consumption and environmental impacts

By following the objectives set in relation to the management of energy consumption and the resulting environmental impacts, ATM achieves its commitment to reduce the adverse effects that its activities may have on the environment through initiatives for improving efficiency and upgrading its bus fleet to entirely electric vehicles, reducing greenhouse gas emissions. In that regard, the Group is committed to progressively upgrading the fleet, aiming to achieve a fleet of 100% full-electric buses by 2030, and consequently eliminating related emissions.

ATM Group involves its employees, as well as external stakeholders, in carrying out these initiatives. Pursuant to law 10/91, and for the purpose of periodic control and monitoring of energy consumption and emissions, the Group has appointed an Energy Manager, certified as an Expert in Energy Management pursuant to the UNI-CEI 11339 standard. The Energy Manager is responsible for spreading good practices for efficient use of energy, as well as carrying out periodic checks on consumption, monitoring and data collection regarding energy consumption and production (electricity, diesel, gas, etc.). Timely communication of energy consumption through primary sources is sent to FIRE (Italian Federation for Energy Efficiency) for all Italian Group companies. In the same way, ATM sends an Energy Diagnosis both for the "Public Transport" service and for the Group's production sites to ENEA (National Agency for new technologies, energy and sustainable economic development).

During 2021, energy consumption was recorded for a total of approximately 4,288 TJ, with a small increase in comparison to the previous year. The gradual replacement of diesel vehicles and implications of the pandemic emergency led to a lower consumption of diesel used for transportation.

With regards to electricity and district heating, the higher consumptions registered are mainly due to the opening of Metro Service's new metro lines, which came into operation in the first quarter in Copenhagen.

Table 38. ATM Group's total energy consumption in TJ⁴⁶ for 2021

Energy consumption sources	2021	2020	2019
Total energy consumption from renewable sources	2,539	2,437	2,630
Electrical energy purchased from the free market (Italy)	2,523	2,423	2,616
Electrical energy purchased from photovoltaics	13	11	13
Electrical energy self-produced from photovoltaics and consumed	3	3	1
Total energy consumption from non-renewable sources	1,749	1,700	1,531
Electrical energy purchased from the free market (Denmark)	551	502	235
Energy purchased from co-generation plants	142	150	159
<i>electricity</i>	83	85	94
<i>heating</i>	59	65	64
Diesel	858	868	983
<i>used for transportation</i>	857	868	980
<i>used for heating</i>	0.6	0.4	2
Methane	181	165	144
LPG	0.3	0,3	0,3
District heating	17	14	11
Total energy consumption	4,288	4,137	4,161

As for the emissions that result directly from the Group's activities, ATM undertakes to carefully monitor the greenhouse gas emissions released into the atmosphere. With regards to the indirect emissions generated by the consumption of the Group's garages and storage depots, ATM ensures that its authorizations are kept up to date, and monitors the parameters laid out by the authorities through external laboratories, such as total dust and nitrogen and carbon oxides produced.

The emissions deriving from the vehicle fleet are monitored according to the legislation on combustion efficiency and anti-pollution devices. In 2021, the Group continued several projects for reduction of energy consumption and GHG emissions, described in detail in the chapter on Manufactured Capital:

⁴⁶ The energy consumption expressed in TJ was calculated using the conversion factors indicated by the Ministry of Economic Development (MISE) Circular of 18 December 2014, which corresponds to that presented to FIRE through annual communication: 1 kWh electric = 0.000187 toe; 1 M liters diesel = 858.3 toe; 1Sm³ methane = 0.000836 toe; 1 GWht - district heating = 103 toe; 1 M liters LPG = 549.5 toe; toe / TJ = 0.042. (except for heating from co-generation plants. The conversion factors used were specific for each plant considered).

- Replacement of lamps with LED technology in the stations and along the sections of the underground network. In particular, during 2020, the replacement of lights with LED was completed in all metro stations and operative places of M1 metro line.
- Upgrade of the fleet with less polluting buses (electric buses).
- Continuation of the train braking energy recovery project: fulfilment of the new underground Gramsci that, operating since 2020, reinforces the architecture of energy conduction for M1 metro line and gives the possibility to recover train braking energy, unless it is used by accelerating trains in the same line, introducing it into the underground auxiliary circuits and, if in surplus, into the power grid of the metro line auxiliary systems, in order to supply energy to the gallery and/or station operations.
- Renewed and reinforced underground station through the implementation of a voltage regulating system for metro line M2, allowing lower energy loss and impacts from breakdowns.

As for the consumption of electricity supplied from free market and consumed in Italy, all of it is produced from renewable sources and is certified "Green Energy" with a Guarantee of Origin (pursuant to AEEGSI ARG/elt resolution no. 104/11). Thanks to the purchase of such "Green Energy" with Guarantee of origin, the Group managed to avoid the emission of approximately 84,000 tons of CO₂ in 2021 (Scope 2 – Market based).

The Group's goal is to power 100% of rolling stock with electricity by 2030, with the consequent reduction of CO₂ and atmospheric particulate matter (PM10).

In this regard, direct emissions (Scope 1), attributable to the energy consumption of methane, diesel and LPG, decreased by approximately 0.8% compared to the previous year.

Table 39. Direct Emissions (Scope 1) – ATM Group – tonnes of CO₂ equivalent⁴⁷

ATM GROUP	2021	2020	2019
Co ₂ Emissions	70,501	71,065	76,186

Indirect emissions (Scope 2), attributable to the Group's electricity and district heating consumption, decreased by approximately 5% according to the location-based calculation method, as reported in detail in the table below. As it regards indirect emissions (Scope 2), calculated according to *the market-based calculation method*, there is a decrease in generated emissions by about 0.2%.

Table 40. Indirect Emissions (Scope 2) – ATM Group – tonnes of CO₂⁴⁸

ATM GROUP	2021	2020	2019
Location based CO ₂ emissions	110,912	116,939	127,254
Co ₂ Emissions (market based)	38,443	38,501	24,593

⁴⁷ For the purposes of calculating scope 1 emissions in 2021, were used the conversion factors reported in 2020 UK Government GHG Conversion factors for Company Reporting. See previous footnote for further information on the data update carried out.

⁴⁸ For the purpose of calculating scope 2 emissions in 2021, the emission factors reported in the specially marked table contained on the following page were used. Scope 2 (location based) emissions are expressed in tons of CO₂ however the percentage of methane and nitrous oxide has a negligible effect on total greenhouse gas emissions (CO₂equivalents) as can be deduced from the technical reference literature.

Table 41. Emission factors used (2021)

<i>Electricity (Location based) Italy</i>	<i>GCO₂ /kWh</i>	<i>259.8.0</i>	<i>Source: ISPRA 2021</i>
<i>Electricity (market based) Italy</i>	<i>GCO₂ /kWh</i>	<i>459.0</i>	<i>Source: AIB, European residual Mixes 2020 (version 1.0 2021)</i>
<i>Electricity (Location based) Denmark</i>	<i>GCO₂ /kWh</i>	<i>292.0</i>	<i>Source: Terna International comparisons 2019</i>
<i>Electricity (market based) Denmark</i>	<i>GCO₂ /kWh</i>	<i>428.0</i>	<i>Source: AIB, European residual Mixes 2020 (version 1.0 2021)</i>
<i>Diesel fuel for automotive use</i>	<i>KgCO₂e/L</i>	<i>2.512</i>	<i>Source: DEFRA 2021</i>
<i>Diesel fuel for heating</i>	<i>KgCO₂e/L</i>	<i>2.759</i>	<i>Source: DEFRA 2021</i>
<i>Natural gas</i>	<i>KgCO₂e/m³</i>	<i>2.021</i>	<i>Source: DEFRA 2021</i>
<i>Heat from cogeneration</i>	<i>KgCO₂/kWh</i>	<i>0.171</i>	<i>Source: DEFRA 2021</i>
<i>District heating</i>	<i>KgCO₂/kWh</i>	<i>0.171</i>	<i>Source: DEFRA 2021</i>
<i>LPG</i>	<i>KgCO₂e/L</i>	<i>1.557</i>	<i>Source: DEFRA 2021</i>

Eco compactors

During 2021, ATM started a trial that includes the installation of the first two eco-compactors, for the recycling of PET plastic, inside company spaces. The collection of plastic by the use of the eco-compactors began in October 2021 and during the year 70 kg were collected in the area of Monterosa and 110 kg at the underground station of Cascina Gobba. The operation of the eco-compactor is very simple: By inserting a plastic bottle of any size that has contained alimentary liquids, it will be recycled and destined to the production of new bottles (bottle to bottle). One machine has already been installed in the premises of Monte Rosa (ground floor, near the lifts), the other one has been placed in the station M2 Cascina Gobba, before the turnstiles. In addition to the environmental benefits, this also brings personal benefits. By logging in through the Coripet App, in fact, for each recycled bottle you can earn points. For example, for every 100 bottles one of the following discounts is available:

- Libraccio: 5 euro discount for the purchase of used books (minimum expense 39 euro with online purchase only);
- the fork: 5% discount for the purchase of a gift card;
- Martha's Cottage: 100 bottles 20% discount online purchase for parties and ceremonies;
- I-mask: 30% discount for masks and filters;

The prize list is constantly updated. The initiative is in collaboration with CORIPET, a voluntary non-profit consortium, recognized by the Ministry of the Environment.

Responsible management of water resources

The Group is committed to manage the use of water resources efficiently and responsibly, in full compliance with current sector regulations. The use of water is monitored and managed through the Ecology Department, a structure specialized in the analysis and management of environmental processes.

Water resources are used by the Group mainly for civil and industrial purposes, i.e. for normal use in the Group offices, changing rooms and canteens and for the washing of the vehicles and plants. The trend in water consumption is related to operational needs and depends directly on the number of vehicles, plants and employees of the Group.

Approach to responsible consumption of water sources

The water used is sourced directly from the public aqueduct of the municipalities where the various company plants are located. In addition to industrial and civil water, there is also rainwater runoff from the first and second rain yards for most of the company plants, in particular the automotive ones.

The Group carries out periodic controls on water discharge, monitoring the main parameters indicated by the regulations, which mainly refer to the activities carried out on site. With respect to the limits established by law, if the concentration of contaminant exceeds the threshold of 80% of the legal limit, prevention measures and monitoring controls are implemented in order to intercept possible source "pollutants" and solve the problem by bringing the concentration below this threshold. These checks, in addition to assessing the quality of the water, allow to establish the effectiveness and efficiency of the purification processes.

Monitoring and impacts prevention on water resources

All types of water (civil, industrial and rainwater) are drained into public sewer systems, except in the case of the Famagosta depot, where they are discharged into a surface water body (Southern Lambro-Olona River), after being treated. ATM has water treatment plants to guarantee that the quality of water discharge into surface water is in line with the receiving body of water.

These plants are the subject of maintenance and control activities, as well as periodic analysis of the quality of the waste water, in full compliance with the regulations (part III, Legislative Decree no. 152/06 and s.i.m.).

Should conditions arise in which the discharge requirements are not met, the water is conveyed to special tanks (through the sewer line inside the plant) and instead of being discharged, in the absence of the necessary authorizations, they are removed and disposed of as waste by means of companies authorized to transport waste to plants for treatment.

Water consumption as of December 31, 2021 may be subject to adjustments communicated after the date of publication of this document. The trend of water discharge volumes is directly related to that of withdrawals.

Table 42. Water withdrawal from municipal water supply by type and supply area.

ATM GROUP Water withdrawal	UM	2021⁴⁹	2020	2019
–Water withdrawal from third party	ML	2,795	2,784	2,244
<i>of which fresh water</i>	ML	2,795	2,784	2,244
<i>of which coming from areas with water stress⁵⁰</i>	ML	0	0	0
TOTAL WATER WITHDRAWALS	ML	2,795	2,784	2,244

⁴⁹ The data for 2021 were calculated on the basis of estimates of water withdrawals carried out during 2020.

⁵⁰ The Aqueduct tool was used to identify water stress sites and found that none of the Group sites are in water stress areas.

Table 43. Water drainage by type and destination ⁵¹

ATM GROUP Discharge destination	UM	2021⁵²	2020	2019
Water discharge destination	ML	3	6	7
Total surface water	ML	3	6	7
<i>freshwater</i>	<i>ML</i>	<i>3</i>	<i>6</i>	<i>7</i>
<i>to areas of water stress⁵³</i>	<i>ML</i>	<i>0</i>	<i>0</i>	<i>0</i>
Water discharge to third-party	ML	2,224	2,767	2,229
freshwater	<i>ML</i>	<i>2,224</i>	<i>2,767</i>	<i>2,229</i>
<i>To areas of water stress</i>	<i>ML</i>	<i>0</i>	<i>0</i>	<i>0</i>
<i>Total water discharge⁵⁴</i>	ML	2,227	2,773	2,236

To improve the quality of the wastewater, ATM is launching a revamping campaign of the existing plants, starting from the tram stations. The campaign will integrate ion-exchange resin systems to remove heavy metals. These systems will be added to the chemical and physical filtration systems as well as the pre-existing final filtration system. Volanization tanks will be added to these at the end of the treatment process to accumulate water before being discharged into the receiving body of water, in order to check its quality more precisely and the verify possibility of reusing purified water for cleaning cars.

There are also ongoing campaigns to reduce water consumption for air conditioning, replacing the machines that require the use of disposable water where possible.

Responsible management of sand use

To improve the safety and adhesion of rail surface transportation during adverse weather conditions, the Group sandblasts the tracks. This operation is considered strictly necessary for the safety of passengers onboard, though it inevitably generates dust pollution.

Starting from its 2020 Integrated Report, the amount of sand used also includes the sand consumed by Metro Service for the new operating metro lines in Copenhagen, M3 (since the end of 2019) and M4 (since the beginning of 2020). Metro Service also uses sand for safe functioning of the braking systems in the vehicles. Over the past 3 years, the sand used has amounted to:

⁵¹ The figure does not include water discharges from Metro Service A/S.

⁵² Data for 2021 were calculated on the basis of estimates from water discharges in 2020.

⁵³ See note 44.

⁵⁴ See note 44.

Table 44. Tons of sand used⁵⁵

Year	Tons of sand used
2019	1,243
2020	1,126
2021	1,282

During the year 2021, in line with the reported figure in 2019, the consumption of sand has returned to standard levels, also due to the reduction of restrictions related to the Covid-19 pandemic.

Responsible waste management

As for the management of waste, ATM Group strictly complies with the current legislation on the matter ensuring transparency, efficiency and tracking in the registration and issuance of Waste Identification Forms. To this end, the Group prepares the Single Environmental Declaration Model (MUD) with which it reports its production of waste in the calendar year.

Waste produced through operational activities can generate various environmental impacts if not properly managed. In the specific case of ATM, impacts from waste production are characterized as follows:

- *Actual impact:* operational activities generate waste, up to their transportation offsite: any type of waste generation has an impact on the environment when it is produced;
- *Potential impact:* any type of waste generation has a “potential pollution risk” impact, in the case of negligence in waste management;
- *Direct impact:* the generation of industrial waste has this impact on the production site and surrounding area. Such an impact is perceived in the short term, especially when waste is stored onsite, from a minimum of three months to a maximum of one year (according Legislative Decree 152/06 and subsequent integrations);
- *Indirect impacts:* such impact is perceived when waste is directed to disposal and/or recovery operations in authorized sites, generating indirect impacts to the environment as a consequence those activities. This type of indirect impacts can be perceived in the long term.

In general, ATM is committed to purchasing eco-friendly, biodegradable and/or low-impact products, in order to improve the waste separation and collection process as much as possible. In addition, the Group works to recover as much waste as possible rather than sending it for disposal.

As for ordinary waste (e.g. paper, cardboard, wood, food waste, plastic and mixed waste), ATM disposes of waste via municipal differentiated waste collection services.

Solid and liquid industrial waste (special hazardous or non-hazardous) is managed through a contract with companies authorized to treat waste, renewed through a tender.

Other special types of waste, including metal waste (Fe, Al, Cu, etc.), batteries, oils and tires, are mainly processed through recovery activities at authorized centers.

The table below shows the total waste generated in 2021. The net total waste produced by the Group in 2021 was 6,365.4 tons, down from the 8,208.5 tons recorded in 2020.

⁵⁵ Figures for 2019 does not include Metro Service A/S.

Table 45. Breakdown of waste produced by type and method of disposal (ATM Group)

Type	2021			2020 ⁵⁶		
	Produced (t)	Recovered (t)	Disposed (t)	Produced (t)	Recovered (t)	Disposed (t)
Hazardous	1,196.4	965.2	231.2	3,401.7	3,204.0	197.9
Non-hazardous	5,221.2	2,917.8	2,303.5	4,806.8	2,305.7	2,501.1
TOTAL	6,417.6	3,883.0	2,534.7	8,208.5	5,509.7	2,699.0

Table 46. Breakdown of waste produced by recovery operations (ATM Group)

Recovery operation	2021	2020 ⁵⁷
	Total waste recovered from third parties (t)	Total waste recovered from third parties (t)
Hazardous waste	965.2	3,204.2
<i>Recycled</i>	14.1	8.7
<i>Sent to storage facility prior to landfilling</i>	951.1	3,195.3
Non-hazardous waste	2,917.8	2,305.7
<i>Recycled</i>	83.7	132.6
<i>Sent to storage facility prior to landfilling</i>	2,834.1	2,173.1
TOTAL	3,883.0	5,509.7

Table 47. Breakdown of waste produced for disposal operations (ATM Group)

Disposal operation	2021			2020 ⁵⁸		
	Onsite (t)	Offsite (t)	Total	Onsite	Offsite (t)	Total
Hazardous waste	0	231.2	231.2	0	197.9	197.9
<i>Sent to storage facility prior to landfilling</i>	0	231.2	231.2	0	197.9	197.9
Non-hazardous waste	0	2,303.5	2,303.5	1,550.0	950.9	2,500.9
<i>Incineration with energy recovery</i>	0	283.1	283.1	0	224.2	224.2
<i>Sent to storage facility prior to landfilling</i>	0	2,020.4	2,020.4	1,550.0	726.7	2,276.7
TOTAL	0	2,534.7	2,534.7	1,550.0	1,148.8	2,698.8

⁵⁶ With a view to continuous improvement, the values for the year 2020 have been revised and refined in the light of the further measurement activities carried out. Therefore, the data for 2020 were rediscovered with the new values, even though there were no significant changes.

⁵⁷ See footnote 56.

⁵⁸ See footnote 56.

The European Taxonomy

In the light of the provisions of Regulation (EU) 2020/852 (hereinafter also the “Taxonomy Regulation”), and of the additional related legislation, the ATM Group reports for the financial year 2021 the share of turnover, Capital expenditure and operating expenditure associated with economic activities considered to be eco-sustainable in accordance with articles 3 and 9 of the Taxonomy Regulation.

In particular, the related legislation provides that for the reporting period 2021, a series of information should be provided on the economic activities considered eligible⁵⁹ or ineligible⁶⁰ for the European Taxonomy (hereinafter also “eligible activities” and “non-eligible activities”).

The ATM Group has examined the list of economic activities included in the reference documentation, which at the date of publication of this document is available exclusively for two of the six environmental objectives defined by Art. 9 of the Taxonomic Regulation: Mitigation of climate change and adaptation to climate change. This process of analysis was carried out by comparing the activities carried out by the Group with those defined by the reference technical documentation available to date.

On the date of publication of this document and on the basis of its interpretation, the operations that characterize the work of the Group are mainly related to the economic activities of “*Transport of urban and extra-urban passengers by road*” and “*Operational management of personal mobility devices*” defined by the technical documentation in the context of the European Taxonomy available to date.

On the basis of this interpretation, and as described in detail below, the Group has calculated the proportion of turnover, capital expenditure and operational expenditure related to economic activities currently considered eligible or ineligible with reference to the objectives defined for the climate change Mitigation and climate change Adaptation, with the following values: ⁶¹

KPIs	2021	
	Allowable / eligible	Not permissible / not eligible
Revenue	89.99%	10.01%
CAPEX	98.17%	1.83%
OPEX	97.98%	2.02%

⁵⁹ Economic activity described in delegated acts adopted pursuant to Article 10(3) of Article 11(3) of Article 12, article 13(2), article 14(2), and Article 15(2) of Regulation (EU) 2020/852, whether or not such economic activity meets one or all of the technical screening criteria set out in such delegated acts.

⁶⁰ Economic activity not described in delegated acts adopted pursuant to Article 10(3) of Article 11(3) of Article 12, article 13(2), article 14(2), And Article 15(2) of Regulation (EU) 2020/852.

⁶¹ The KPI analysis and reporting were carried out in the light of the interpretation gained by the Information Group as defined in Annex I of the “European Commission Regulation (EU) 2021/2178 of July 6, 2021 integrating Article 8 of Regulation (EU) 2020/852) and the document “Draft Commission notice on the interpretation of certain legal propositions of the Disclosures delegated Act under Article 8 of the EU Taxonomy Regulation on the reporting of eligible economic activities and assets” of February 2, 2022. The potential double counting in the allocation to the turnover numerator, CapEx and OpEx, was avoided for the calculation of the KPIs through the use of financial information as accounted for in the consolidated financial statements at December 31, 2021, subsequently linked to the economic activities recalled by the Climate Delegate Act.

References to calculation methodology

Revenue

The denominator was considered to be consolidated net sales in accordance with IAS 1.82(a). As far as the numerator is concerned, on the basis of the interpretation of the Taxonomy Regulation, have been removed revenues related to parking and removal, advertising and renting of spaces, rent of vending machines in action at the subway stations, management of the B-C area, sale of materials, contributions from the National collective Contract, Deductions for employee services (e.g. nursery), capital gains on assets as well as EU contributions for training courses. The financial data included in this KPI is reflected in note 31 to the consolidated financial statements, in relation to revenues and other operating income.

CAPEX

In the denominator, were taken into account additions in tangible and intangible assets for the financial year 2021, before depreciation, amortisation and any revaluations, including those arising from reductions in value, excluding changes in fair value. The denominator includes all investments in tangible and intangible assets and rights of use.

For the calculation of the numerator, additions in fixed assets were considered eligible in line with the adopted interpretation of the Taxonomic Regulation and the additional regulatory references. In fact, increases in fixed assets linked to the purchase of output from economic activities eligible for taxonomy and/or related to measures taken to reduce emissions to the atmosphere were considered eligible. For this reason, in line with the turnover numerator, investments in parking and removal, advertising and renting of spaces, B-C AREA and SCTT, and nurseries were excluded. The financial data included in this KPI reflects the investments reported in the consolidated financial statements, in the section Notes to the financial and economic results of the ATM Group – Statement of financial position.

OPEX

In the denominator, were taken into account the non-capitalized direct costs related to Research and development, measures for the renovation of buildings, short-term lease and variable lease, maintenance and repair, as well as any other direct expenditure related to the daily maintenance of Property, plant, and equipment. The expenses related to the daily operation of Property, plant, and equipment were not included.

To the numerator, the costs included in the denominator relating to the acquisition of output from economic activities eligible for taxonomy and/or measures taken to reduce emissions to the atmosphere were considered eligible: In particular, the Group's maintenance labor costs, material consumption costs and services costs related to maintenance and short-term leasing/rental were included. Consequently, the remaining part of the costs included in the denominator were considered ineligible. The data included in this KPI reflect the non-capitalized direct costs reported in the consolidated financial statements, in the section Notes to the financial and economic results of the ATM Group - Costs and other operating charges.

GRI - TYPE AND SCOPE OF IMPACTS

Material Topic	GRI Standards	Scope of Impact	ATM Group Role
Quality and accessibility of services	GRI 103 (2016): Management Approach GRI 203 (2016): Indirect economic impacts	ATM Group	Direct – Caused by ATM Group
Economic and financial performance	GRI 103 (2016): Management Approach GRI 201 (2016): Economic performance GRI 207 (2019): Tax	ATM Group	Direct – Caused by ATM Group
Community relations and local development	GRI 103 (2016): Management Approach GRI 203 (2016): Indirect economic impacts	ATM Group	Direct – Caused by ATM Group
Security & Safety	GRI 103 (2016): Management Approach	ATM Group	Direct – Caused by ATM Group
		Law Enforcement	Indirect – ATM Group contributes to this impact
Intermodality and integration of services	GRI 103 (2016): Management Approach	ATM Group	Direct – Caused by ATM Group
		Other public transportation and mobility companies	Indirect – Connected to the activities of the Group through its business relations
Noise and vibration mitigation	GRI 103 (2016): Management Approach	ATM Group	Direct – Caused by ATM Group
Energy consumption and environmental impacts	GRI 103 (2016): Management Approach GRI 302 (2016): Energy	ATM Group	Direct – Caused by ATM Group
	GRI 305 (2016): Emissions	Electrical energy supplier	Indirect – Connected to the activities of the Group through its business relations

Responsible management of resources and waste	GRI 103 (2016): Management Approach	ATM Group	Direct – Caused by ATM Group
	GRI 303 (2018): Water and Effluents		
	GRI 306 (2020): Waste	Water and waste disposal suppliers	Indirect – Connected to the activities of the Group through its business relations
Ethics, integrity and compliance	GRI 103 (2016): Management Approach GRI 412 (2016): Human Rights assessment GRI 205 (2016): Anti-corruption GRI 307 (2016): Environmental Compliance GRI 419 (2016): Socioeconomic Compliance	ATM Group	Direct – Caused by ATM Group
Diversity, inclusion and welfare	GRI 103 (2016): Management Approach GRI 405 (2016): Diversity and equal opportunity GRI 401 (2016): Employment	ATM Group	Direct – Caused by ATM Group
Training and professional development	GRI 103 (2016): Management Approach GRI 404 (2016): Training and education	ATM Group	Direct – Caused by ATM Group
Protection of employee health and safety	GRI 103 (2016): Management Approach GRI 403 (2018): Occupational Health and Safety	ATM Group	Direct – Caused by ATM Group
Responsible management of the supply chain	GRI 103 (2016): Management Approach GRI 204 (2016): Procurement practices	ATM Group	Direct – Caused by ATM Group

GRI CONTENT INDEX

The following is a table of GRI indicators, in accordance with GRI Standards: Core option. Any omissions are reported as notes for the individual disclosures.

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	102-4 Location of operations	13-14
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	102-6 Markets served	13-14
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	102-8 Information on employees and other workers	70-71
	102-9 Supply chain	94-96
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	102-11 Precautionary Principle or approach	19-21, 28-33
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	102-13 Membership of associations	UITP International Public Transportation association AGENS Confederal Transport and Services Agency
Strategy		
GRI 102: General Disclosures (2016)	102-14 Statement from senior decision-maker	9-10
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GRI 102: General Disclosures (2016)	102-16 Values, principles, standards and norms of behaviour	13
Governance		
GRI 102: General Disclosures (2016)	102-18 Government structure	18-19
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GRI 102: General Disclosures (2016)	102-40 List of stakeholder Group's	23-25
	102-41 Collective bargaining agreements	In 2021, nearly 99% ATM Group employees were covered by collective bargaining contracts. Of these, 100 % in Italy and roughly 79 % in Denmark.
	102-42 Identifying and selecting stakeholders	23-25

	102-43 Approach to stakeholder engagement	23-25
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GRI 103: Management approach (2016)	103-1 Explanation of the material topic and its boundary	24-26, 111-112
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GRI 203: Indirect economic impacts (2016)	203-1 Infrastructure investments and services supported	39-40
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GRI 103: Management Approach (2016)	103-1 Explanation of the material topic and its boundary	24-26, 111-112
	103-2 The management approach and its components	94-96
	103-3 Evaluation of the management approach	11-12, 94-96
GRI 204: Procurement practices (2016)	204-1: Portion of spending on local suppliers	95
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GRI 103: Management approach (2016)	103-1 Explanation of the material topic and its boundary	24-26, 111-112
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GRI 103: Management approach (2016)	103-1 Explanation of the material topic and its boundary	24-26, 111-112
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INDEPENDENT AUDITOR'S REPORT

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

**To the Board of Directors of
Azienda Trasporti Milanesi S.p.A.**

Pursuant to article 3, paragraph 10, of the Legislative Decree no. 254 of December 30, 2016 (hereinafter "Decree") and to article 5 of the CONSOB Regulation n. 20267/2018, we have carried out a limited assurance engagement on the Consolidated Non-Financial Statement of Azienda Trasporti Milanesi S.p.A. and its subsidiaries (hereinafter "Group") as of December 31, 2021 prepared on the basis of art. 4 of the Decree, and approved by the Board of Directors on March 31, 2022 (hereinafter "NFS").

Our limited assurance engagement does not extend to the information required by art. 8 of the European Regulation 2020/852 included in the paragraph "*The European Taxonomy*".

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

The Directors are responsible for the preparation of the NFS in accordance with articles 3 and 4 of the Decree and the *Global Reporting Initiative Sustainability Reporting Standards* established by GRI – Global Reporting Initiative (hereinafter "GRI Standards"), which they have identified as reporting framework.

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

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

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

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

Auditor's Independence and quality control

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

Auditor's responsibility

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

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

Specifically, we carried out the following procedures:

1. analysis of relevant topics with reference to the Group's activities and characteristics disclosed in the NFS, in order to assess the reasonableness of the selection process in place in light of the provisions of article 3 of the Decree and taking into account the adopted reporting standard;
2. analysis and assessment of the identification criteria of the consolidation area, in order to assess its compliance with the Decree;
3. comparison between the financial data and information included in the NFS with those included in the consolidated financial statements of the Group;
4. understanding of the following matters:
 - business management model of the Group's activities, with reference to the management of the topics specified by article 3 of the Decree;

- policies adopted by the entity in connection with the topics specified by article 3 of the Decree, achieved results and related fundamental performance indicators;
- main risks, generated and/or undertaken, in connection with the topics specified by article 3 of the Decree.

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

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

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

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

- at the parent company's and subsidiaries' level:
 - a) with regards to qualitative information included in the NFS, and specifically with reference to the business management model, policies applied and main risks, we carried out interviews and gathered supporting documentation in order to verify its consistency with the available evidence;
 - b) with regards to quantitative information, we carried out both analytical procedures and limited verifications in order to ensure, on a sample basis, the correct aggregation of data.
- for Azienda Trasporti Milanesi S.p.A. and Metro Service A/S, which we selected based on their activities, their contribution to the performance indicators at the consolidated level and their location, we carried out remote meetings, during which we have met their management and have gathered supporting documentation with reference to the correct application of procedures and calculation methods used for the indicators.

Conclusion

Based on the work performed, nothing has come to our attention that causes us to believe that the NFS of the Group as of December 31, 2021 is not prepared, in all material aspects, in accordance with article 3 and 4 of the Decree and the GRI Standards.

Our conclusion on the NFS does not extend to the information required by art. 8 of the European Regulation 2020/852 included in the paragraph "*The European Taxonomy*".

DELOITTE & TOUCHE S.p.A.

Signed by

Matteo Bresciani

Partner

Milan, Italy

April 15, 2022

*This report has been translated into the English language solely
for the convenience of international readers.*

