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Letter to Stakeholders

For ATM, - and for the whole nation, - 2020 began with an emergency situation which, in addition to forcing everyone to challenge their certainties and habits, has once again called the Company to play its role as mobility provider, now more than ever essential for people who need to move for work or health.

In accordance with the provisions set forth by public institutions, our employees guarantee public transport services every day, for the benefit of the entire Milanese metropolitan community. The delicate and extraordinary occurrence of the COVID-19 pandemic, which we hope will soon be overcome, must not, however, make us forget the great changes and progress made by the Group in 2019:

a year during which the Group committed to develop and promote various initiatives in order to offer an integrated and sustainable mobility service that is increasingly able to respond to the needs and expectations of all its stakeholders.

The Group has strengthened the strategic planning associated with sustainability related topics thanks to extensive stakeholder engagement. Such an activity involved more than 700 customers, employees, suppliers, representatives of Public Administrations, local media and universities in an online survey, in which expectations regarding the sustainability topics relevant to the ATM Group were investigated. This was the basis for the update of the materiality matrix available in this document (see "Materiality Analysis").

The Group's engagement with stakeholders highlights the evergrowing attention it pays to listening to customers. This is a fundamental lever for improving service experience and quality, as well as for achieving ever higher levels of performance, safety, security, accessibility and comfort.

ATM, aware of the role that the Group plays in the creation of an integrated and sustainable mobility system, and of its numerous relationships with the local community, has re-interpreted the objectives of its business plan according to the SDGs of the United Nations. In particular, the Group identified 7 major objectives to which it is actively contributing through its business strategies. The objectives and actions put in place to achieve its goals are discussed in detail in the dedicated section of this document.

As described in the 2018 Consolidated Non-Financial Statement, the Group's growing commitment to sustainability has led us to modify the structure of the document, with the aim not only of meeting the provisions of Legislative Decree 254/2016, but also of breaking free of the silos that typically divide the different areas of corporate reporting in order to more effectively represent the company activities. To that end, the Group decided to structure this document as an initial Integrated Report that the ATM Group will continue to develop according to the International Integrated Reporting Council's Framework for Integrated Reports.

The Integrated Report's purpose is to reconfigure the Group's strategies, risks, and social and environmental initiatives based on the six stocks of "capital": financial, productive, intellectual, human, social and relationship and natural. The different stocks are increased, decreased and transformed into outputs and impacts.

As to its Enterprise Risk Management model (ERM), ATM has implemented a new architecture for the company-wide risk management process, in line with best practices in the field, integrating appropriate provisions for identifying, assessing and aggregating risks with environmental, social and governance (ESG) relevance as well as the definition of action plans aimed at mitigating such risks. The integration enabled to link the Group's Enterprise Risk Management model with the materiality matrix construction process.

In publishing this document, ATM intends to demonstrate how

the creation of "value" is not only to be measured economically or financially, but also by considering all the other impacts it has on the stakeholders affected by the Group's activities. For ATM, shared value is thus an integral and distinctive part of its actions.

In 2019, the Group committed to actively providing a corporate environment that promotes employee motivation, inclusiveness and mutual trust, as well as a rewarding work environment for each one of the 10,275 people that work with us. At the same time, the Group worked to guarantee health protection, safety and security of workers and customers, in order to reduce the number of accidents and strengthen the training of staff.

The Group also carried out several initiatives promoting community development and environmental protection, which are described in detail below.

ATM pays close attention to the environmental sustainability of its activities, which led to develop its Environmental Transition Plan with the purpose of reducing the impacts generated by public transport. The *Full Electric* project, a central pillar of the Plan, aims to decommission all diesel buses from the Group's fleet by 2030, converting the fleet entirely to electric powered vehicles, thanks to significant investments in financial capital. Moreover, since 2018, the electricity purchased and consumed by the Group in Italy is certified as entirely produced from renewable resources.

Aware of the importance of the role that ATM plays in the community – made even clearer in these difficult weeks for our entire territory - we engage in constant dialogue with shareholders, institutions, customers, suppliers, employees and all stakeholders in order to achieve our goals and continue to offer a service that is in line with the expectations, needs and ambitions of the entire community.

Milan, 30 March 2020

For the Board of Directors The Chairman

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Luca Bianchi

Methodology

This document constitutes the Consolidated Non-Financial Statement (the "NFS") of ATM Group. It was drafted pursuant to Legislative Decree 254 of 30 December 2016 (the "Decree") by 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 254/16, this document constitutes a separate report, marked with a specific wording in order to correspond provisions required by law.

The NFS refers to the period between 1 January and 31 December 2019 and was prepared in accordance with the option "in accordance-core" of the internationally recognized guidelines Global Reporting Initiative (GRI) Sustainability Reporting Standards, published in 2016 by the GRI. In accordance with the provisions set forth by the GRI Sustainability Reporting Standards, ATM Group defined the content of the NFS based on the principles of materiality, stakeholder inclusiveness, context of sustainability and completeness. To ensure the quality of information and the adequacy of the presentation methods, ATM Group strove to observe the principles of balance, clarity, accuracy, timeliness, comparability and reliability in reporting. The appendix of the NFS contains the "GRI Content Index" which details the contents reported in accordance with the GRI.

In addition, this NFS covers the issues provided for in Articles 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 accordance with the provisions of the guidelines used for reporting and materiality analysis, which has been updated during 2019. The materiality matrix, based on the result of the materiality analysis, was approved by the Board of Directors of ATM S.p.A. on 16 December 2019. 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.

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 Statements at 31 December 2019. It should also be noted that 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 at December 31, 2019. Any perimeter limitations with respect to what is reported are expressly indicated in the text.

Where possible, the information within the NFS presents a comparison to the 2017-2018 two-year period to provide an overall assessment of the Group's performance in the three-year period 2017-2019. Furthermore, as part of the process of progressive and continuous development of non-financial reporting, this NFS is also inspired by the guiding principles of the International <IR>Framework, published in December 2013 by the International Integrated Reporting Council (IIRC), and has been integrated with new performance indicators relating to the following areas: health and safety and water discharges. The data relating to previous years are not available at the time of reporting for the new performance indicators. In addition, any re-statements of the data published within the previous NFS are appropriately explained in this document.

Where analytical detail of the indicators is lacking for some of the subsidiaries, the relative data are reported separately, for each request of the guidelines mentioned above. 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 continuously strengthen the non-financial reporting process through application of dedicated internal procedures, which define clear roles, responsibilities and information flows in the process. In addition, the strengthening of the process also provided for the expansion of the sample of stakeholders outside the organization involved in more accurately updating the materiality matrix, as well as greater completeness of the information contained within the NFS in relation to the consolidation perimeter established pursuant to Legislative Decree 254/2016. In the future editions of this report, the Group will integrate further analyses on the impact it generates and is subjected to, with regards to Climate Change,

in keeping up with evolving legislation on the matter.

This NFS has been approved by the Board of Directors of ATM S.p.A. on 30 March 2020.

The document is subject to a judgment 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.

NFS is published on an annual basis together with the Group's

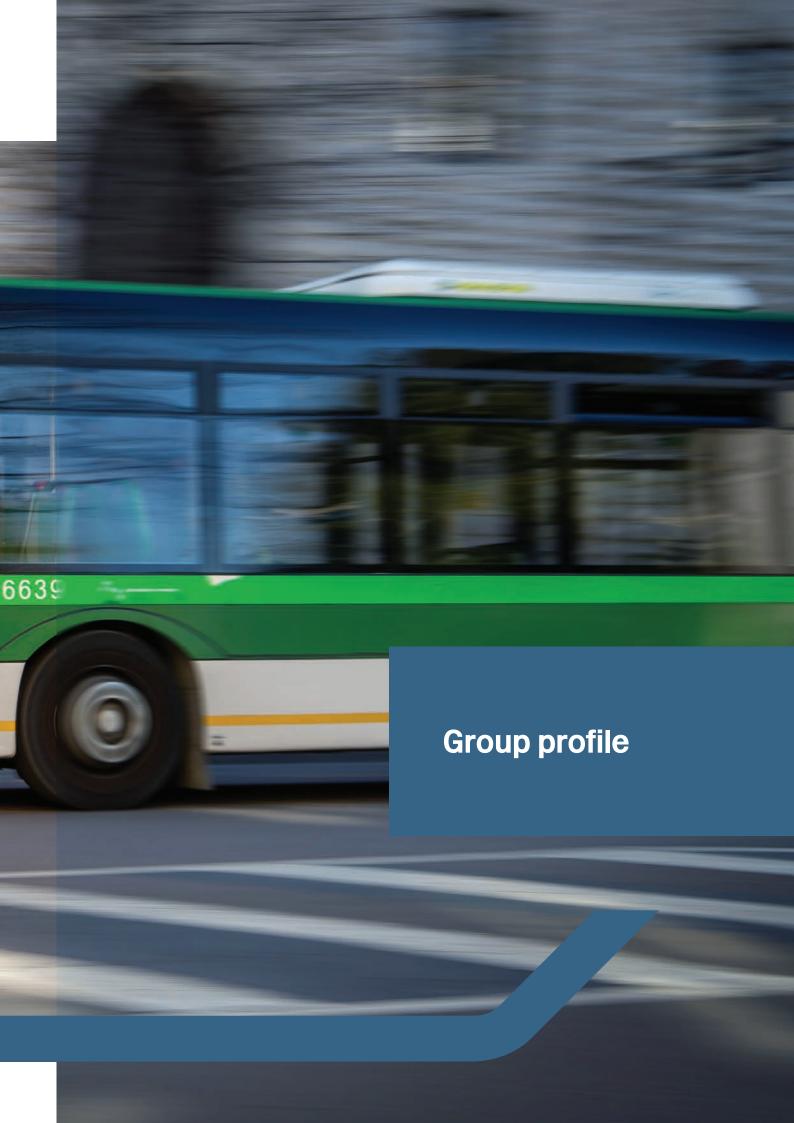
Consolidated Financial Statements, in accordance with the provisions of the Decree.

For further information on the publication of the consolidated non-financial statement, 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.









1. Group 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 Lombardy municipalities. The Group is responsible for the management and maintenance of the Copenhagen automatic 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 **decisive factor** in the system of integrated mobility and a point of reference for quality, safety and competitiveness, that fully respects the environment and is up to date with the constant socio-territorial changes.

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 aim 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 internal and external activities are governed by respect for the principles of lawfulness, transparency, fairness and loyalty.
- Constant Pursuit of Excellence: We wish each one of us to remain open to change, ready to put themselves on the line and think ahead in search of improved solutions.

The reference context and main services offered by ATM

The urban mobility sector is undergoing a profound transformation, brought about by trends like growing urbanization of the population and digitization of metropolitan areas. These phenomena guide the evolution of the political context in various way, such as in the definition of new territorial policies favoring

development of sustainable and accessible mobility solutions. In this context, the Local Public Transport sector assumes a strategic role in the sustainable development of urban areas.

In fact, the technological evolution has played a significant role

in transforming the habits of customers in the Milan area and the demand for mobility solutions, as can be seen from the trends of recent years.

Trends like electrification of transportation and *shared mobility* have become increasingly relevant factors that push service providers in the sector to promptly organize themselves so that they are increasingly prepared to respond to these trends and seize the opportunities that arise from these technological changes.

Likewise, the increase in tourism in the Metropolitan City of Milan, the increase in the student and youth population, and the consequent increase in the commercial activity related to nightlife, all have a significant impact on the demand for sustainable mobility solutions!

The Group responds to these changes, increasing the flexibility of its overall offering to intercept the growing demand. To that end, ATM offers modes of four public transportation: subway, buses, trams and trolley buses.

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 line. Both transportation networks are integrated into the Trenord railway lines, completing an intermodal system that allows customers to easily move around the area by public transport.

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;
- 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 24 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.

Thanks to the development of novel technologies, starting from January 2012, ATM was entrusted with managing the Area C payment and control system, daily access to the area and the congestion charge, introduced in the center of Milan to manage purchase transactions.

In addition, the Municipality of Milan has recently entrusted ATM with the management of the Area B control system and adaptation of the IT management system for transit in the area. The area is restricted to traffic, with a ban on access for the most polluting vehicles, since February 25, 2019.

Due to the sophisticated control and maintenance systems at its disposal, the Group manages the Copenhagen automated metro which operates continuously for 24-hour service from Monday to Sunday with 3 railway lines, spanning 36.5 km and 37 stations.

With reference to the Coronavirus epidemic (Covid-19), which has been spreading throughout Europe since February 2020, the Group has put in place emergency plans in order to protect the health and safety of its people and passengers. These plans provide for the adoption of preventive measures, such as the use of personal protective equipment (for drivers on board the vehicles) and the adoption of flexible working methods, such as "smart working", designed to prevent contagion of non-traveling staff.

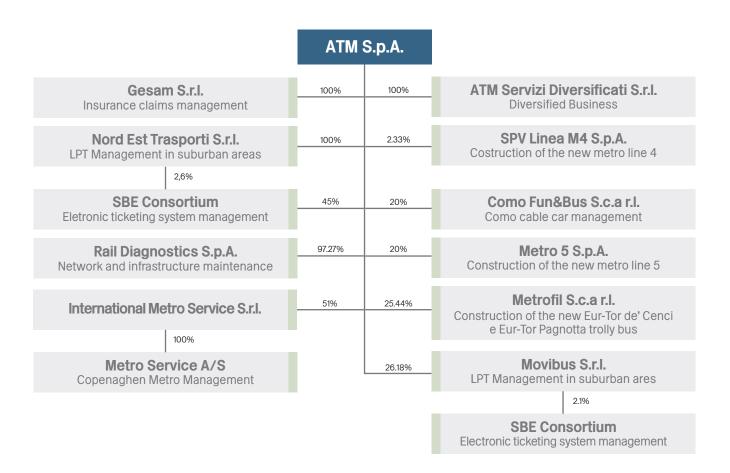
As for passenger safety, following the decree issued by the Prime Minister on 16 March 2020, the Group has decided to remodel the programming of the transportation service to further regulate the flow of passengers on board the vehicles and to protect the health of passengers residing in the area, contributing to the containment of the spread of the virus. To that end, the Group also carried out additional cleaning of all the contact surfaces of the vehicles in circulation on a daily basis.

Granted that at the time of publication of this document, the situation pertaining to the spread of the epidemic is still ongoing, it is not possible to fully predict with certainty any future repercussions. Nonetheless, the Group is on the front lines, collaborating with the institutions to better support the positive outcome of the actions put in place.

¹ Source: Milan Chamber of Commerce; Milan Tourism website; Milan Observatory, Associazione Meglio Milano; Milan Plan for Sustainable Urban Mobility; Urbi car sharing data; Istat; National Sharing Mobility Observatory.

Corporate Structure of ATM Group

At 31 December 2019, the Group is structured as follows:

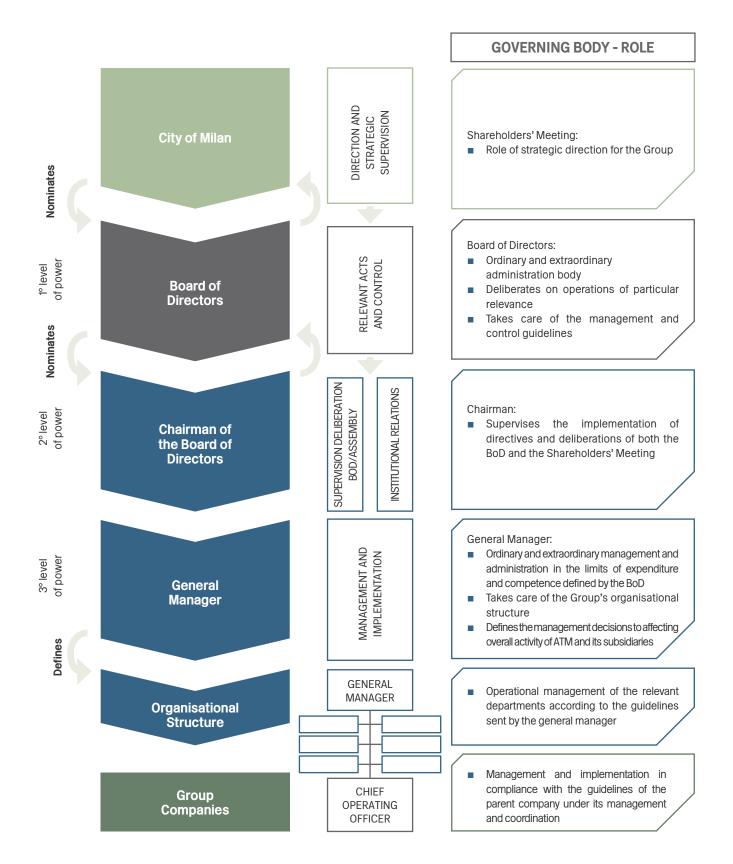


The Corporate Governance Model

Through the incorporation of ATM Servizi into ATM S.p.A. in 2018, the Group sought to strengthen its competitiveness, in view of the tender for the service contract.

The merger also made it possible to simplify the governance of the Group, making management processes more fluid for the benefit of a better quality of service for citizens.

As a company totally under pubic control², and in light of the importance it holds for its stakeholders, ATM has adopted a governance structure in line with best market practices.



 $^{^{\}rm 2}$ Parent Company ATM S.p.A. is controlled 100% by the Municipality of Milan.

ATM's Corporate Governance system, based on 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 to the achievement of medium-long term business results...

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, introduced in 2007 and last updated on 24 September 2018. The values laid out

in the Group's Code of Ethics are coherent with the Anti-corruption and Transparency Model, which was voluntarily adopted by ATM and entered into force on 15 September 2018, as well as its Model 231. In this structure, the Parent Company coordinates activities - in full respect of the autonomy of the individual companies' management - pursuing a unitary management policy, through the application and integration of the rules, principles and values that characterize the Group³.

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

Table 1. Composition of the Board of Directors of ATM S.p.A. at 31.12.2019

Title	Name
Chairman	Luca Bianchi
	Oliviero Baccelli
Directors	Clara de Braud
Directors	Stefano Pareglio
	Elisabetta Pistis

Table 2. Composition % of the Board of Directors of ATM S.p.A. at 31.12.2019, divided by gender and age

Age Group	Men	Women	Total
30-50	20%	20%	40%
>50	40%	20%	60%
Total	60%	40%	100%

³These topics are discussed at length in the Group's Regulations

The Governance Model Internal Control and Risk Management System

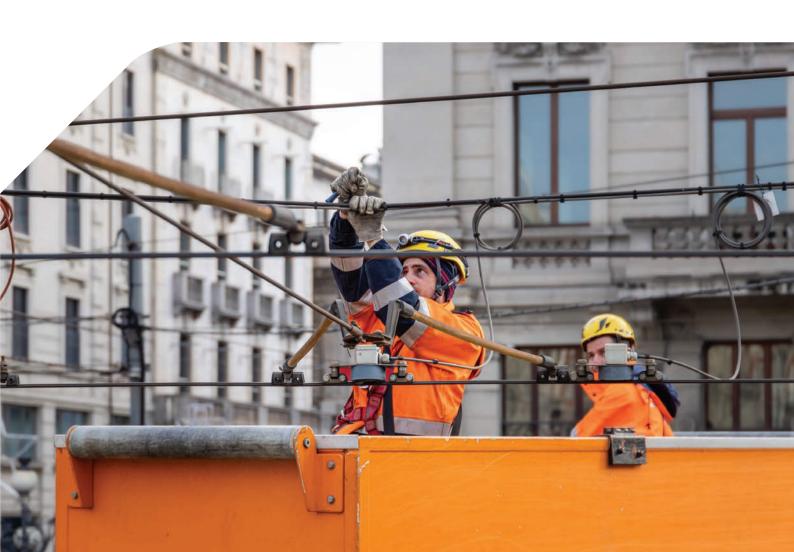
ATM's Internal Control and Risk Management System (ICRMS) represents a fundamental element of Corporate Governance. The ICRMS is made up of the rules, procedures and organizational structures that enable the identification, measurement, management and monitoring of the main risks in relation to their ability to influence the achievement of the strategic corporate objectives defined by the Board of Administration.

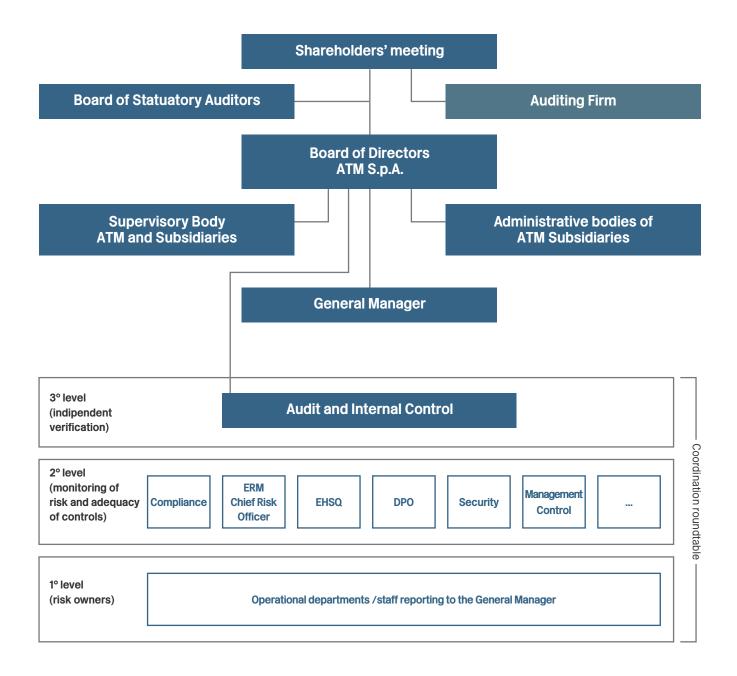
An effective ICRMS ensures the protection of the company's assets, the efficiency and effectiveness of corporate processes, the reliability of the information provided to the corporate bodies and the market, compliance with laws and regulations as well as the company bylaws and internal procedures.

ATM also has adopted an operational ICRMS to guarantee reliable and accurate financial and non-financial reporting. It functions to

protect corporate values of the Group and ensure the pursuit of the objectives defined by the Board of Directors, which is the entity responsible for this system.

The ICRMS is an integrated system that engages the entire organizational structure. Both corporate bodies and corporate structures are called upon to contribute in a coordinated manner, to ensure that the Company and its subsidiaries' main risks are correctly identified, and adequately measured, managed and monitored according to the Group's strategic objectives. 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 defense, 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 fulfillment of their respective duties and responsibilities.

The components of ATM's Internal Control and Risk Management System are coordinated and interdependent, while the System as a whole involves the administrative bodies, the supervisory and control bodies, corporate management, with different roles according to collaboration and coordination logic. The assignment of roles and responsibilities in coherence with functional segregation, the procedural body, the information systems and flows, the monitoring activities regulate ATM's Internal Control and Risk Management System are all aimed at ensuring compliance with laws, regulations, the Group's articles of association and internal disciplines, and criteria of efficiency and effectiveness, as well as the reliability, accuracy, and timeliness of financial reporting.

interaction with the General Manager and Senior Management.

Audit and Internal Control

The process of checking the suitability and operation of the ICRMS is the responsibility of the Internal Audit and Control Department (IACD), which - for the Parent Company and its direct subsidiaries - proposes an annual, risk-based audit plan that accounts operational, security and reliability of information systems requirements as well as compliance with Legislative Decree 231/2001 and the Anti-corruption and Transparency Model. Shared with the management bodies of the directly controlled companies, the Audit Plan has been approved by the Parent Company's Board of Directors for the entire Group. IACD's mission is 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

IACD's main objectives are:

- assess the adequacy of the ICRMS with regards to specific assurance interventions;
- provide support to the President and the General Manager of ATM S.p.A., through "on call" consultancy activities and/or to specific projects;
- manage compliance activities in the context of Legislative Decree 231/01 and Anti-corruption, and as defined in the ICRMS Guidelines; manage activities of the Coordination Table;
- manage activities of the Coordination Table;
- manage the reception, analysis and treatment of reports concerning suspicious conduct (whistleblowing).

Top Management in support of Sustainability

During 2019, the Group started a process of progressively strengthening its governance structure, in relation to sustainability. Inspired by industry best practice, the Group established the Strategies, Innovation and Sustainability unit to facilitate more structured and continuous management of the Group's sustainability initiatives over time.

The "Sustainability" area has the objective of implementing internal and external initiatives aimed at strengthening the Group's policies that contribute to the achievement of the United Nation's objectives

of the 2030 Agenda for sustainable development, the Sustainable Development Goals, discussed further in the paragraph titled "ATM and the Sustainable Development Goals".

The projects developed and implemented by this unit must promote fair and sustainable well-being (FSW), that is to say, they ensure a balance between safeguarding the planet, social well-being, positive institutional relations, and corporate profit.







2. Sustainability in ATM Group

For the Group, the sustainability of its services represents strategic leverage of fundamental importance in the positioning of ATM in the local public transport market (LPT). The Group's constant attention to integrating elements of sustainability into the 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 behavior habits.

Therefore, 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.

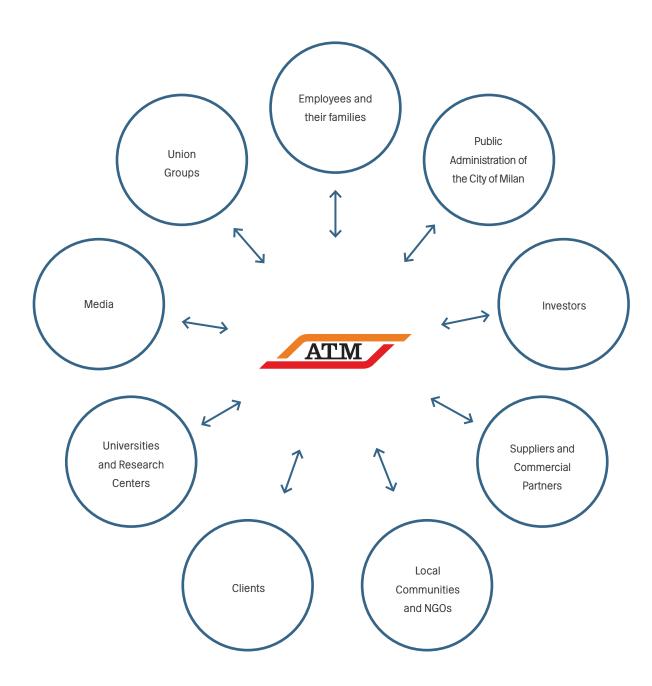
The Group's Stakeholders

Aware of the role that the Group plays within the territories in which it operates and the significant impacts for the community entailed in its business activities, ATM has deemed it appropriate to map the main stakeholders who are influenced, directly and indirectly, by its

business, and which, in turn, may influence the Group's activities.

This process led to the identification of 9 categories of key stakeholders for the Group.

Stakeholder 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 corresponding engagement activities

Stakeholder	Engagement Activities
Employees and their families	There are multiple channels available to ensure constant interaction between the Group and its employees, in order to analyze and resolve problems of the employees. Among these channels are a whistleblowing channel and boxes to signal SA8000 discrepancies for certified companies.
Public Administration of the City of Milan	Multiple round tables ensure continuous discussion and collaboration between the ATM Group, the Municipality of Milan and the other PA institutions.
Investors	Investor relations are managed through the normal channels, established by the Group for this purpose (e.g. conference call, website, periodic financial reports).
Suppliers and Commercial Partners	ATM engages with suppliers through normal business relations and the procedures identified by the SA8000 management system.
Local Community and NGOs	Every year ATM organizes initiatives aimed at involving local communities in corporate life, stimulating the discussion between the Group and the surrounding area. An example is the ATM <i>Porte Aperte</i> initiative, aimed at showing the community "behind the scenes" of public transport and putting people who dedicate themselves every day to guaranteeing the services offered into the spotlight.
Clients	Customers can interact with the Group by communicating suggestions and complaints through the multiple channels, both physical and digital. ATM considers monitoring the perceived quality, through periodic customer satisfaction surveys, an important listening tool for constantly improving service.
Universities and Research Centers	During 2019, ATM continued its collaboration with the Milan Polytechnic University, participating in a three-year project course called "Mobility: Infrastructures & Services", as well as through the creation of two scholarships within the same course of study. In addition, ATM has collaborated with Bicocca University via lectures within the Master in "Management of Local Public Transport" (MTPL) and with La Sapienza University of Rome for the Master in "Management of Local Public Transport". Finally, Atm continued its collaboration with various universities, hosting curricular apprenticeships and student internships within the company.
Media	ATM engages with the media through press conferences, corporate events and public and institutional meetings.
Union Groups	Trade union representatives are engaged through establishment and maintenance of continuous dialogue with the unions present within the ATM Group.

Materiality Analysis

During 2019, ATM strengthened its materiality analysis process. The process is aimed at identifying and evaluating topics of strategic importance for the Group and its stakeholders. In line with the reporting standards adopted, the methodology used to identify and prioritize the material sustainability topics consisted of the following phases:

- PHASE 1: identification of the topics;
- PHASE 2: stakeholder engagement;
- PHASE 3: strategic evaluation and approval of the Board of Directors.

PHASE 1 In the first phase, potentially relevant topics were mapped by reviewing the results of the materiality analysis conducted in 2018, developing a new set of more streamlined material topics, which focuses on the topics of greatest relevance for the Group and its stakeholders. To this end, some of the previously identified issues were renamed or refocused, updating the descriptions of the material topics to facilitate their assessment (phase 2 and phase 3) in a manner that is more consistent with the reality of the Group. The definitions of the material topics are reported, together with the materiality matrix, in the following pages of this document.

PHASE 2 In this second phase, the sustainability topics identified were subjected to internal and external evaluation, facilitated through the dissemination of surveys to the Group's Top

Management, as well as employees, customers, suppliers and commercial partners, representatives of research centers and universities, the media and the Municipality of Milan and other public administration institutions. During 2019, over 720 external stakeholders were surveyed, many of whom participated in the ATM *Porte Aperte* event.

PHASE 3 The assessments were collected, analyzed and re-elaborated in order to identify the values to be used in the construction of the materiality matrix, shown below. The relevance for the ATM Group and the relevance for stakeholders of each topic were defined based on the results obtained from the surveys administered. The relevance of the sustainability topics for the ATM Group's stakeholders was calculated taking into account the average of the votes received by category of stakeholder, attributing a weighting to the results of the assessments of each topic 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.

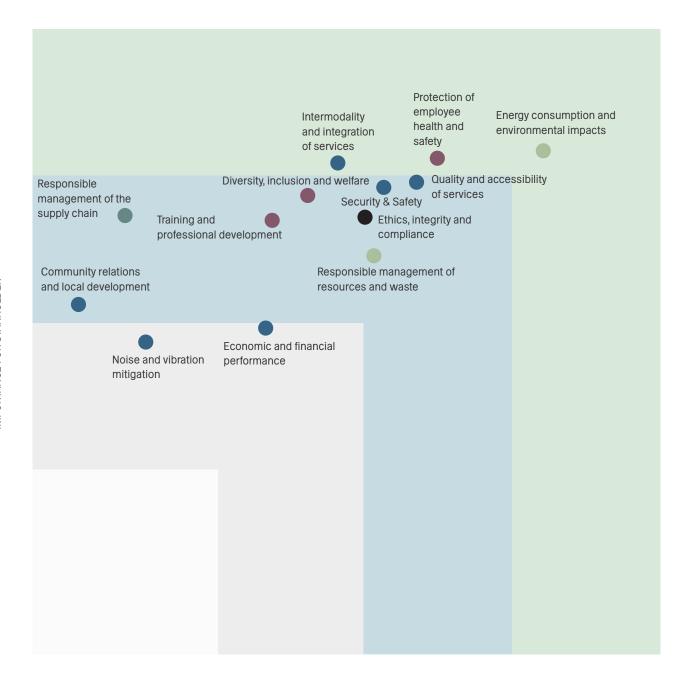
This analysis made it possible to position the 13 sustainability topics within the materiality matrix. The result was submitted for approval by the Board of Directors of ATM S.p.A. on December 16, 2019.



Table 4. ATM Group's Material Topics

Topic Area pursuant to D.Lgs 254/2016	Material Topic	Description	
Coviron montal Matters	Energy consumption and environmental impacts	Responsible management of energy consumption to decrease greenhouse gas emissions generated, through energy efficiency measures (including technological innovation, fleet upgrading, use of renewable sources).	
Environmental Matters	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.	
	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.	
Social Matters	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 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.	
	Diversity, inclusion and welfare	Elimination of all forms of discrimination; promotion of diversity and inclusion of employees through welfare policies in favor of their well-being, in offices and on-board vehicles, while respecting the balance between private life and professional life.	
Employee-related Matters	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, fairnes loyalty and good administration in conducting business and in managing relationship 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 partner through qualification processes that include environmental, social and governanc criteria, as well as respect for human rights.	

ATM Group's Materiality Matrix



IMPORTANCE FOR ATM GROUP

Legend

- RESPECT FOR HUMAN RIGHTS AND ANTI-CORRUPTION
- TRANSVERSAL MATTERS
- SOCIAL MATTERS
- EMPLOYEE-RELATED MATTERS
- ENVIRONMENTAL MATTERS

Compared to the materiality matrix published last year, the positioning of some material topics has undergone significant changes. There has been a general increase in the relevance of environmental issues, both from the Stakeholders' point of view and from the Group's point of view. In particular, "Energy consumption and environmental impacts" was evaluated as the most important topic.

For the topics "Intermodality and integration of services" and "Responsible

management of the supply chain", there has been a significant increase in the Stakeholders' assessment of their importance, while the Group's assessment has remained constant. On the other hand, staff-related topics, such as "Diversity, inclusion and welfare" and "Protection of employee health and safety", however, recorded only slight increases in assessments made by Stakeholders.

Risks, opportunities, and management methods

Risk management is an integral part of the Internal Control and Risk Management System ("ICRMS") 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.

As established by the ERM Guidelines, updated during 2019 in accordance with the evolution of the governance process for corporate risk management, and approved by the Board of Directors on January 27, 2020, and which are also applicable to subsidiaries when suitably adapted to the context of each: "ATM SpA pursues a model of sustainable growth that respects people, the environment and communities, which aims at creating value through three main levers: sustainability, investments, and operational and financial efficiency. With the aim of maintaining a limited risk profile, ATM considers the management of risks of primary importance, undertaking to promote 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."

In 2019, ATM implemented its new Enterprise Risk management process, which entailed a re-visitation of the logic used to identify and assess risk scenarios, updating the metrics for assessing probability, impact and adequacy of controls. The first application of the new model was completed, together with an update of the risk register, identifying and assessing the risks related to sustainability, having "ESG" implications (Environmental, Social and Governance).

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.

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. Within the table, the risk areas associated with material topics are related to the areas defined by Legislative Decree 254/2016 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 methods.

Area of D.Lgs. 254/2016	Material Topic	Risk Area	Summary of management methods
	Energy consumption and environmental impacts	Air pollution: atmospheric emissions from the performance of the Group's activities	ATM Group's Integrated Quality, Safety and the Environment Policy (ISO 14001 and OHSAS 18001)
			- Action Plan for Sustainable Energy
		Management of the environmental transition plan/implementation of the full electric project	Strategy for the Environmental Transition
Environmental matters			Energy efficiency operations
			Purchase of certified green energy from the free market in Italy
			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	
			ATM Group's Integrated Quality, Safety and the
		Management of waste from the performance of the Group's activities	Environment Policy (ISO 14001) Action Plan for Sustainable Energy
		Maintenance of quality and environmental management systems certifications	Strategy for the Environmental Transition

Area of D.Lgs. 254/2016	Material Topic	Risk Area	Summary of management methods
	Diversity, inclusion and welfare	Welfare and industrial relations management	Welfare Policies
			Social Accountability Policy (SA 8000)
			Whistleblowing Channels
			Procedures for management of Discrimination, Harassment, stalking, and SA8000 violations
			Diversity Manager
Employee-related matters	Training and professional development	Finding human resources on the market that meet corporate needs	Integrated toolkit for selection of personnel (interviews, tests/ assessments based on specific qualities sought)
			Procedure for Selection and Hiring of Personnel
		Loss of key skills	Welfare programs for improving employee quality of life
		Core skills in line with the strategic plan	Structured training programs for the development of skills and competencies of personnel
	Protection of employee health and safety	Health and safety management: accidents and/or occupational diseases occurring in the context of operational management	ATM Group's Integrated Quality, Safety and the Environment Policy (OHSAS 18001)
			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	Staff and instruments for security
			Continuous collaboration with Law and the Prefecture of Milan

Area of D.Lgs. 254/2016	Material Topic	Risk Area	Summary of management methods
			Vibro-acoustic Laboratory
	Noise and vibration mitigation	Management of vibrational and acoustic pollution form the performance of the Group's activities	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 2019 Annual Report - Risk factors and uncertainty - Financial Risks	Ref. Annual report 2019 - Risk factors and uncertainty - Financial risks
			Infoline service
Social matters			Official ATM App
		Management of information flourte and	Website and social networks
		Management of information flow to and from customers	Stakeholder engagement surveys
			Reports, Mobility Charter and other reference document
			Procedure for handling complaints and reports received from customers
			Sustainable Urban Mobility Plan (PUMS)
	Quality and accessibility of services	Planning of the TPL service	Triennial Works Program
			Biennial Supply Program
			Service Contract
		Group's Customer Satisfaction	Management procedure "Customer satisfaction survey" (monitoring the quality perceived by the customer)
			Stakeholder engagement surveys
		Obsolescence/reduced functionality of infrastructures and data systems entrusted by third parties/companies	Constant monitoring of quality of infrastructure, plants and transportation services
		Obsolescence of ATM-owned infrastructure, plants and rolling stock	ATM Group's Integrated Quality, Safety and the Environment Policy (ISO 14001 e OHSAS 18001)
		Accessibility of the stations	

Area of D.Lgs. 254/2016	Material Topic	Risk Area	Summary of management methods
		Accidents made by third parties during events organized by the Company	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
			Maintenance Plans
	Derailment and/or collisions	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
Social matters Security &		Accidents made by people inside metro	Training for intervention at various levels
	Security & safety		ATM Group's Integrated Quality, Safety and the Environment Policy
		stations	Staff and instruments for security
			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 the service
			Training pursuant to the Technical Operating Commission
		Terrorist attack	Implementation of cameras in stations and on vehicles
			Staff and instruments for security
		Robbery/Pickpocketing	Continuous collaboration with Law and the Prefecture of Milan

Area of D.Lgs. 254/2016	Material Topic	Risk Area	Summary of management methods
		Compliance with the Code of Ethics, the body of Legislative Decree 231 and HSE regulations	Anti-corruption Model and Organizational Model ex D.Lgs. 231/2001
Matters related to Human Rights and the active and passive fight against corruption	Ethics, integrity and compliance	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 OHSAS 18001)
			Personal Data Protection Officer
Transversal matters	Responsible management of the supply chain	Suppliers' respect of the principles adopted by the Group regarding sustainability issues	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 Sustainability Strategy and ATM's Environmental Transition

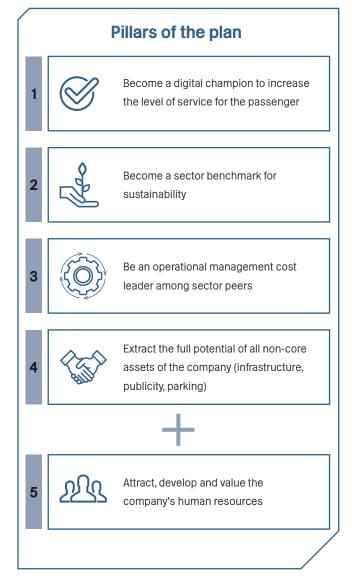
Since the beginning, ATM has sought to contribute positively to the development of cities and play a central role in the communities where it operates, gradually positioning itself as a point of reference in terms of institutional, operational (mobility services), economic, social and environmental sustainability.

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 2019-2021 Industrial Strategic 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 five pillars and provides for the pursuit of economic and financial objectives, as well as the development of an increasingly sustainable mobility service from an environmental point of view.

Over 40 projects of strategic importance were developed, with the aim of making the Group a point of reference in the field of digital innovation, increasing the level of service to the passenger, and becoming an industry benchmark in the field of sustainability. Through the execution of its strategic initiatives, the Group also aims to become a cost leader in the operational management of the sector, to extract the full potential from all the Company's non-core assets and finally to attract, and to develop and enhance the Company's human resources.



The Environmental Transition

In coherence with the objectives and initiatives set out in the Group's Business Plan, ATM has developed a series of specific interventions aimed at enhancing its sustainability performance.

These interventions are laid out in the Group's Environmental Transition, a Road Map structured by ATM to achieve its strategic sustainability goals.

The Road Map is divided into four macro-areas, each of which pursues a specific purpose:

- Carbon Neutrality initiatives of this area work toward the progressive elimination of direct and indirect CO₂ emissions. It provides for the implementation of initiatives that encourage the transition to the use of electrical energy only, as well as to make energy consumption more efficient, and to compensate for the emissions produced.
- Circular Economy this area seeks to guarantee more responsible consumption of resources. These initiatives include

- activities regarding reuse and recovery of materials, as well as the adoption of Green Public Procurement principles.
- Social Responsibility through this macro area the Group works
 to create social value. The Social Responsibility area involves
 carrying out initiatives that protect and develop the Group's
 human capital, as well as improving the quality and accessibility
 of services for customers.
- Plastic Free this area provides for the progressive abandonment
 of the use of plastic. These initiatives include the promotion of
 the sale of digital tickets, as well as the creation of biodegradable
 cards and recyclable tickets.

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.

SUSTAINABLE GALS DEVELOPMENT GALS





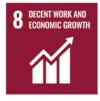
































For this reason, ATM has identified which of the 17 SDGs are most aligned with its own strategy, thus, identifying the goals to which the Group can make a more significant contribution.

The identification and correlation of the SDGs to the Group's strategic objectives allows it to further highlight the effort made

by ATM, through its strategy and business activities, in addressing the sustainability challenges that the community it serves is facing. Among all the 169 targets analyzed, the Group has identified a series of targets relating to 7 SDGs to which it provides or could provide a significant contribution:



Achieve gender equality and empower all women and girls



Ensure access to affordable, reliable, sustainable and modern energy for all



Promote sustained inclusive and sustainable economic growth, full and productive employment and decent work for all



Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation



Make cities and human settlements inclusive, safe, resilient and sustainable



Take urgent action to combat climate change and its impacts



Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective accountable and inclusive institutions at all levels

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.

ATM'S Value Creation Model

The interconnectivity of the Metropolitan City of Milan with the surrounding communities makes it easier for people residing in the area to access economic opportunities. By facilitating access to economic opportunity through sustainable mobility solutions, ATM creates value for its stakeholders.

To create greater value for its stakeholders, the Group collaborates with other operators in the sector to provide intermodal services, integrating its service offering to provide local public transport services in the most efficient and effective way possible.

ATM's goal is not only to facilitate more efficient and sustainable mobility for people living in the area it serves, but also to improve

the quality of life of the local communities. In addition to the economic value generated, the Group creates value in the area by investing in social activities related to the Group's objectives.

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 business activities on the six capitals defined by the International <IR> Framework - in other words, based on the increase or decrease in the value stocks of Financial, Manufactured, Intellectual, Human, Social & Relational and Natural Capital.

The Group's value creation model, implemented through the conduct of its business, can be summarized as follows:



Manufactured Capital

- Rolling stock
- Mobility infrastructure
- Infrastructures to support integrated mobility

200 Human Capital

- The know-how of each person in the Group
- Investment in training
- Welfare and work-life balance projects

Natural Capital

- Set of natural resources
- Set of energy sources

Risk Analysis and Management

Governance

Business strategies

ATM

Design, Engineering and Maintenance

Management of

Retail and Advertising

tourist activities and sharing mobility

ticketing systems and advanced caring plans

Business Model

Constant Monitoring of Performance

Setting Goals for the Future



- Active Net Financial Position for euros
- Revenues
- **Gross Operating Margin**
- Profits



Manufactured Capital

- Passengers transported
- Thousands of Km traveled
- Thousands of Km2 territory served

Intellectual Capital

Certification systems: ISO 9001, ISO 14001, OHSAS 18001,

2002 Human Capital

- Hired staff
- Training hours provided
- Turnover
- **Fewer Accidents**



Social/Relationship Capital

- Constant interaction with the local authorities
- University partnerships on specific projects
- Event sponsorships and development projects
- Porte Aperte Event

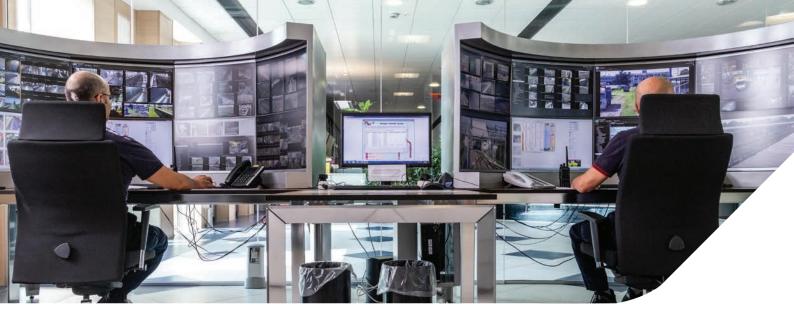
Natural Capital

- Electricity supply from only certified renewable sources
- Low environmental impact of bus fleet
- Reuse of wastewater for washing vehicles

External Environment







3. Financial Capital

Main results related to the Group's Financial Capital

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

Net Financial Position	Investments			
€ 133.1 million	€ 155.4 million			
Revenue	Gross Operating Margin	Profits		
€ 980.7 million	€ 113.6 million	€ 9.2 million		
Value Generated	Value Distributed	Value Retained		
€ 994.8 million	€ 878.3 million	€ 116.5 million		

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

Energy consumption and environmental impacts		Responsible management of resources and waste		Intermodality and integration of services		
Quality and accessibility of se	Quality and accessibility of services		Security & safety Co		Community relations and local development	
Economic and financial perfor	Economic and financial performance		Noise and vibration mitigation		Diversity, inclusion and welfare	
Training and professional development	Protectio	n of employee health and safety	Ethics, integrity and compliar		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 Financial

Capital, as provided for by the International <IR> Framework for the preparation of the Integrated Report.

INPUT	BUSINESS ACTIVITY	OUTPUT	OUTCOME
Capital structure (mix of equity and debt capital).	■ Financial management	 Active Net Financial Position for euros Revenues Gross Operating Margin Profits 	Financing dedicated to projects that increase the quality and regularity of the service

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.

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

Based on the long-term vision of the business plan, in 2019 the Group invested \in 155.4 million in activities to improve its service, with the aim of positioning itself as the best-player in the sustainable mobility sector. In fact, in following with the Group's strategic commitment, outlined in this Report within the section dedicated to the Environmental Transition, \in 144.7 million, or 93% of the total investments, were destined for modernization activities of the infrastructure and upgrade of the fleet.

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

MACRO CATEGORY	2019	2018	2017
Upgrade of the fleet	133.5	152.3	120.9
Extraordinary building maintenance	2.9	2.6	2.6
Modernization and upgrading of plants and infrastructures	11.2	10.1	9.9
New technologies for payment and information mobility	7.8	8.1	6.5
TOTAL	155.4	173.1	139.9

For more details on the Group's financial results, refer to the Group's 2019 Consolidated Financial Statements.

Economic Performance

2019 was a decisive year in terms of fulfillment of the commitments

that the Group set itself. Despite a national economic stagnation, ATM reached +1.9% in revenues and other operating income compared to 2018, despite rising costs and fees, up 28.6 million compared to 2018.⁴ Therefore, the operating result for 2019 was \in 6.3 million with an operating profit of \in 9.2 million.

Table 8. Main economic indicators (millions of euros)

	2019	2018	2017 ⁵
Revenues and other operating income	980.7	962.7	924.4
Costs and other operating obligations	867.2	838.6	902.5
Gross Operating Margin	113.6	124.1	121.9
Operating income	6.3	36.9	30.5
Net income	9.2	18.5	38.7

Revenues for 2019 are made up as follows: 82.38% for revenue attributable to local public transport activities, 3.03% for parking, parking and removal activities and 14.59% from different sources

(82.04%, 3.07% and 14.89% respectively in 2018).

For more details regarding the Group's economic results, refer to the Group's 2019 Consolidated Financial Statements.

 $^{^{\}mbox{\tiny 4}}$ For more information, consult the Management Report.

⁵ During 2018, the Group opted for the re-evaluation of the land and buildings owned at fair value by changing the method of evaluation. Following the modification of the evaluation criteria, in accordance with the provisions of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, the 2017 comparative data have been restated, with the transition date 1 January 2017.

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 68% of the Group's total revenues for the year 2019.

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 that ensures:

- contractual relationships are correctly channeled;
- 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 changes to contractual commitments are approved.

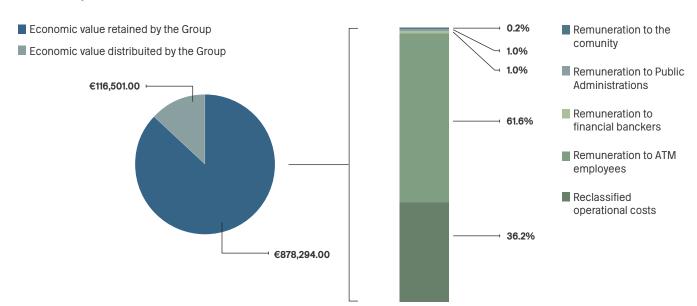
In addition, the Service Contract provides for the establishment of a Technical Committee composed of representatives from each of the parties involved for the regulation of various aspects, such as monitoring activities, the evaluation of contractual variations or the evaluation of the management of 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 2019, the economic value generated by the Group was \in 994.8 million⁶, an increase of 2.5% compared to 2018. The Group distributed \in 541.3 million to staff in the form of remuneration for the activities carried out during the year, while \in 318.1 million was allocated to suppliers to cover operating costs from the purchase of services, raw materials, consumables and goods. The Group distributed \in 18.9 million in the form of payment of financial charges, taxes and donations, sponsorships and collaborations. Lastly, \in 116.5 million was allocated by the Group⁷ to depreciation, write-downs and profits destined for reserves.

ATM Group's distribution of economic value in 2019



⁶In 2019, IFRS 16 Leases entered into force and the Group made use of the option to adopt the modified retrospective method which provides for the possibility of recognizing the right of use for an amount at 1 January 2019 equal to the residual financial liability on that date, without restating the data of the previous year. Please refer to the Notes to the 2019 Consolidated Financial Statements for more information.

⁷These values are to be considered gross of the distributions of the profits made. Dividends distributed to third parties during 2019 amounted to € 12,980,000, of which € 12,000,000 to the Municipality of Milan and € 980,000 to Hitachi Rail STS S.p.A.







4. Manufactured Capital⁸

Main results related to the Group's Manufactured Capital

Table 9. Highlights of results obtained related to the Group's Manufactured Capital

Buses with video surveillance systems	New friction moderating systems implemented along the network
93.6%	2
Kilometers travelled ⁹	Territory served
More than 183 million	More than 1,245 km ²
Passengers transported ⁹	Stations elevators and/or stairlifts ¹⁰
More than 899.2 million	70.2%

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.

 $^{^8}$ Unless otherwise specified, this chapter refers exclusively to the data of the Italian companies of the ATM Group

⁹This figure includes Metro Service A/S.

¹⁰This figure considers the M1, M2 and M3 metro lines, as required by the Service Contract

Material Topics related to Manufactured Capital

Energy consumption and enviro	onmental	,	sible management of resources and waste		ality and integration of services
Quality and accessibility of se	ality and accessibility of services Security		y & safety	Community relations and local developme	
Economic and financial perfo	Economic and financial performance Noise and vibr		ration mitigation	Diversity, inclusion and welfare	
Training and professional development	Protectio	on of employee health and safety Ethics, integrity and c		ompliance	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

Manufactured Capital, as provided for by the International <IR> Framework for the preparation of the Integrated Report.

INPUT	BUSINESS ACTIVITY	OUTPUT	OUTCOME
Rolling stockMobility infrastructure	 Integrated mobility management 	Passengers transportedKm traveled	 Integrated and innovative mobility
 Infrastructures to support integrated mobility 	 Design, engineering and maintenance 	Territory served	Smart mobilitySustainability
eg.accaob.iity	 Management of complex ICT systems for mobility 		Customer Satisfaction

Sustainability objectives related to the Group's Manufactured Capital

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 31 December 2019. The table also identifies new targets planned in 2019.

Table 10. Sustainability objectives related to the Group's Manufactured Capital

Objectives	Status at 31 December 2019		
 Achieve 100% electric rolling stock by 2030 	In 2019, 67.6% of the total kilometers covered by the Group's rolling stock were powered by electricity, compared to 32.4% traction by diesel.		

Objectives Status at 31 December 2019 At the end of 2019, the composition of the automotive¹¹ fleet is as follows: Diesel-powered: 87.1% Achieve the following automotive fleet composition by 2020: Hybrids-powered: 10.7% 60% of diesel buses; 25% of hybrid buses; 15% of electric Electricity-powered: 2.0% buses Hydrogen-powered: 0.2%* *Hydrogen-powered buses are part of an EU-funded testing project. Gradual improvement of the main KPIs for quality and 93.6% of buses are equipped with video surveillance accessibility of the service, through the redevelopment systems. and/or reconstruction of stops and stations, as well as the acquisition of new rolling stock and/or vehicle revamping To make service increasingly accessible, comfortable and sustainable, in the coming years the plan for upgrading of Definition of a new security plan and progressive increase of the fleet will provide 100 new bidirectional low-floor trams, dedicated resources and video surveillance systems installed 71 new 18-meter trolley buses, 21 M1 trains, 8 M2 and 25 M3 on vehicles and infrastructures: trains, 150 12-meter hybrid buses, 250 electric buses and Achievement of 100% of buses equipped with video 20 minibuses. surveillance systems (85.5% in 2018) The following sound mitigation measures have been implemented: Installation of 2 new friction moderating systems and upgrading of 2 existing systems, with the purpose of eliminating screeching of tram vehicles traveling on Reduction of the recorded noise level tight radius curves;

The Manufactured Capital of ATM Group

As a public transportation service provider, the modernization and maintenance of production capital represents a fundamental element for ATM Group - 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. However, it is a key factor in the sustainability of the business for the Group not only because it ensures compliance with the regulatory requirements but also because it guarantees a consistently high level of service over time.

Implementation of a maintenance plan, limiting the noise of the underground line 2. More information can be found in the paragraph "Reduction of vibro-acoustic

pollution"

 $^{^{11}} The\ data\ refer\ to\ ATM\ S.p.A.,\ Nord\ Est\ Trasporti\ S.r.l.\ e\ ATM\ Servizi\ Diversificati\ S.r.l.$

For that reason, the Group upgrades the company fleet on an ongoing basis and to develop a modern and efficient support infrastructure to achieve ever higher levels of performance in terms of the environment, accessibility and comfort.

Modernization of the fleet

During 2019, ATM allocated approximately 133.5 million euros to upgrade the corporate fleet. The investment generated a positive impact on the Group's overall performance, not only 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 in terms of improvement of environmental performance and safety levels of public transit.

Upgrading transportation as a means for improving environmental performance

The Group's plan to upgrade the fleet of public transportation vehicles, replacement of the older equipment with more modern and efficient vehicles, will lower the atmospheric emissions generated by the fleet as well as to improve the overall performance of the public transportation network.

In July 2019, two tenders were awarded for the provision of 250 electric buses from company Solaris Bus & Coach S.A and 80 new trams from the company Stadler, for a total investment of 365 million euros. In the following months, the first bus application contract was implemented which will bring 40 new electric vehicles to the streets of Milan. As for the trams, one of the companies participating in the tender has filed an appeal with the TAR, which was rejected with a clear sentence in favor of the work of the tender commission but now an appeal is pending with the same reasons before the State Council by the same company.

The new electric buses will be equipped with air conditioning, video surveillance, LED lights, USB sockets for passenger use and a designated space for transport of the disabled without a lift, thanks to the fully lowered floor. The new buses will be powered by NMC (Nickel-Manganese-Cobalt) batteries with a total capacity of 240 kWh, which guarantees travel of approximately 180 km and avoids producing polluting emissions. The batteries will be charged when they return to the depot, thanks to a charging column, or at the terminal stops of the routes via overhead wires (with the opportunity charging mode).

The new trams, on the other hand, will gradually replace the older

ones, increasing the transport capacity and improving travel comfort through technological advancement. The new trams are also designed to be more silent and efficient in terms of energy and environmental impact. The new vehicles will consist of dual-direction trams that can reverse gears, reducing the urban and road impact of the terminus. They will have a maximum length of 26 meters and will be equipped with a platform in the center to make getting on and off easier, not to mention video surveillance systems and energy systems that recover energy used in breaking. They will also be equipped with technologies that will make them quieter, and active and passive safety systems to improve impact resistance and prevent collisions.

The Group's goal is to make the fleet 100% electric by 2030 in accordance with the Full Electric plan. Through the plan, ATM is promoting the change in Milan and evolution towards an increasingly sustainable and smart city.

In 2019, 67.6% of the distance covered by all ATM public transport was electrically powered. The "total green" fleet in circulation consists of 27 electric buses, 115 trolleybuses, in addition to subway trains and trams.

Thanks to ATM's investments, in 2019, 123 diesel buses (+143 considering Nord Est Trasporti S.r.l.) were replaced with electric and hybrid buses in circulation on some lines including 54, 56, 73, 84 and 94.

As for the trams in service, the Group continued revamping the vehicles of the "4900" series: these are extraordinary maintenance interventions aimed at restoring the integrity of the mechanical parts of the tram cars and introducing significant changes to the systems to bring functionality, comfort, safety and energy consumption to levels comparable to those of a new tram.

As far as the company service vehicles are concerned, since 2014, Metro Service A/S has been replacing service automobiles to electric cars. This program continued during 2019, reaching 63% of the electric service car fleet. The long-term goal is to replace the remaining diesel cars with electric cars in order to reach 100% of electric cars within the fleet.

Continuous improvement of security

In order to improve the levels of security experienced by the passengers, ATM maintains a constant presence, both in the stations and on board its vehicles, offering safer and better quality of services, thanks to a close collaboration with the police and

city authorities of Milan and the implementation of technological solutions for monitoring activities on board vehicles and in stations. The continuous modernization of the fleet also allows for continuous improvement of the security of passengers on board the vehicles.

In 2019, the Group continued to improve its video surveillance, equipping buses with video cameras, reaching 93.6% of the entire fleet. Consequently, in 2019 there was a significant reduction in the number of attacks on ATM staff (-15% compared to 2018). However, there has been an increase in the number of graffiti on the metro trains and an increase in vandalism on the underground and on the surface in the areas where video surveillance has yet to be effectively implemented.

The fight against vandalism constitutes a significant area of action for the Group. Effective managing cases of vandalism protects the integrity of public transit and corporate assets, decreasing costs incurred for the removal of graffiti, while increasing the level of quality offered.

During 2019, the Group also finished improving the technology used by the Security Operations Center (SOC), which was moved to the Operations headquarters. There, it works in synergy with the Operations Centers for metropolitan and surface operations, maintaining the disaster recovery in the previous location. SOC is active 24 hours a day, 7 days a week, operated by three specialized Security operators responsible for monitoring and managing over 6,000 cameras and over 4,000 alarms to guarantee remote support to ATM Security staff.

Management and development of infrastructure

The infrastructure that supports the services offered by ATM, from the underground network, to the Group's stations and offices, allow us to guarantee an adequate performance of the service that is constantly in line with client-citizens' needs and expectations. To ensure the satisfaction and high accessibility of our public transportation services to all citizens, maintenance and upkeep of modern and efficient infrastructure is essential.

Guaranteeing accessibility of transportation services

In light of the impact ATM has on the relationship between the citizen and the city, the Group plans the routes of the bus lines and plans the construction of new metro lines, offering a greater level of

accessibility to all citizens, especially the vulnerable.

Planning of mobility services in the metropolitan area of Milan is directed by the Urban Plan of Sustainable Mobility (PUMS), which sets the guidelines of the strategies for infrastructure management, as well as safety, reliability and flexibility towards the customer and his needs. The Triennial Construction Program and the Biennial Supply Program define the short-medium term operational elements of the Municipality for the development of interventions.

In addition, ATM has implemented specific tools which are periodically updated to evaluate the progress, the request and the mobility flows for each means of transportation. Directions for the operations to be carried out - extraordinary maintenance, improvements, modifications - are also implemented through the additional channels set up for this purpose (institutional channels, customers and maintainers).

Safe movement and distancing of trains on the four metro lines operating in Milan are managed via signaling systems capable of sending and managing information on the position of the trains and the conditions of the line. These systems are equipped with a variety of protection technology with different degrees of automation. Safety in circulation of surface vehicles is mainly managed through punctual implementation and maintenance of the technology installed in the vehicles to ensure they continue to function correctly.

Accessibility of purchase for services

The Group is committed to guaranteeing full accessibility of its services to the highest possible number of users, implementing automated ticket machines that facilitate the purchase of tickets via SMS, QR code, NFC system and contactless bank card readers at the turnstiles of the stations.

To that end, in 2018, and renewed in 2019, ATM launched an experiment allowing the sale of the tickets directly at the subway turnstiles, integrating payment systems capable of reading contactless bank cards of the EMV circuit (Europay Mastercard & Visa).

This innovative payment system allows access to all 4 lines of the underground rail network, guaranteeing the passenger the application of the most convenient fare (best-fare logic) based on the number and type of trips made within 24 hours from first validation of the day. The system, which was started experimentally on June 28, 2018, has been extended to the entire urban and interurban surface network.

Accessibility of services for people with disabilities

The Group works to guarantee full accessibility to the services offered to the highest possible number of users, paying particular attention to passengers with motor, visual and hearing impairments. To this end, the Group is working to increase the percentage share of stops, stations and accessible means of transport, putting in place specific initiatives:

 Implementation of Infoline, a program that updates the accessibility status of surface and underground lines in real time and provides tools to support people with visual or hearing difficulties;

- Installation of elevators and stairlifts as well as tactile routes and protective measures, like LOGES (Guidance and Safety Orientation Line) routes inside Metro 5 and automatic doors that protect against the risk of falling, ensuring accessibility of services to passengers with visual impairments;
- Redevelopment or reconstruction of bus, tram and trolleybus stops:
- Acquisition of trams, buses and trolleybuses equipped with a lowering platforms, and revamping of some cars which involves the installation of an elevator for the entry and exit of people in wheelchairs;
- Installation of 2 new lifts in M2 and 25 lifts in M1 and M2 lines with systems compliant with the new regulations in force.

Table 11. KPI's for the Accessibility of ATM transit¹²

% surface vehicles equipped with a folding platform						
Means of transport Target 2019 2019 2018 2017						
Surface lines	75	84.0	86.2	82.7		
% Metro stations equipped with elevators and/or stairlifts						
Means of transport	Target 2019	2019	2018	2017		
Metro stations	100	70.2	69.2	69.2		
	% Metro stations	with sensitive floors	n the center of the platforn	1		
Means of transport	Target 2019	2019	2018	2017		
Metro stations	100	95.7	95.7	95.7		

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 2019 the Laboratory concluded monitoring the acoustic disturbances generated by the sections of the M2 line that are most exposed to the risk of noise pollution. This phase lasted three years and allowed the team to determine data useful for drafting a maintenance plan to mitigate the noise of the underground line 2 equipment, maintaining optimal conditions of the tracks for these sections, and timing the track grinding at appropriate and specific times.

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. This detection and maintenance process creates significant advantages in terms of reduction of the vibro-acoustic disturbances perceived by the buildings located near the layout of the metropolitan lines. In this regard, a maintenance plan was defined for the rolling stock to mitigate the noise of the underground line 2, maintaining the condition of the wheels of the M2 vehicle fleet within the parameters defined by the automatic vibration detection system. The plan is implemented through a wheel turning program calibrated on the outcome of the data produced periodically by the fixed vibration detection system.

Finally, during 2019 the Group continued installing new friction moderating systems and updating the existing systems that eliminate the screech of the tram wheels against the rails when going around tight corners. In total, 2 new friction moderating systems were installed and 2 were updated.

Energy efficiency

During 2019, the Group continued with its project for harnessing the energy lost from train braking, upgrading of the Gramsci M1 power substation. The project started in 2017 with the installation of the reversible HESOP substation (Harmonic and Energy Saving Optimizer) in the Rogoredo M3 substation. Construction ended in the second half of 2019 with the installation of an IGBT converter, which will also make the Gramsci substation reversible, similarly to that of Rogoredo. At the end of 2019, 97% of trains were able to recover energy from their braking.

In line with the Group's plan to improve efficiency of energy consumption, the Group continued its initiative of installing LED lamps in metro tunnels, stations, warehouses and corporate offices. In 2019, 33,952 fluorescent lamps were replaced with LED lamps in all 21 M3 stations and in all tunnel sections, whereas 14,086 lamps were replaced in all 38 M1 stations, and 537 in the Centrale M2 station. Upon completion of this project, the Group will achieve an energy savings of around 10,000,000 kWh per year, avoiding the emission of around 3,000 tons of CO₂.

As established in the Group's Environmental Transition Plan, 15 charging stations for Alternative Current buses were installed during 201 in the San Donato depot, in addition to the 10 columns already installed last year, to coincide with the arrival of 15 new buses. In the second half of 2019, an additional 10 direct current charging stations were installed in the San Donato depot for the new type of bus, set to arrive beginning from 2020. The project also included the installation of electric charging stations for ATM service cars, and construction was completed in February 2019. In total, 55 charging columns were installed in the company's plants in Monterosa, Zara, Teodosio, Cascina Gobba, Precotto, Rogoredo, Sarca, Bignami, Trezzo d'Adda, Monza, Molise, Novara, San Donato, Baggio, Ticinese, Giambellino, Messina, Loreto and Palmanova. Each column is equipped with two 22 kW sockets, for a total of 110 charging points. In addition, the columns have a data collection system to check if the cars are being charged, recording the consumption of each of them.

The main projects at a glance

During 2019, the following infrastructure maintenance activities, financed by the Municipality of Milan, were started and/or continued:

- upgrading of the Gramsci electrical substation (SSE);
- renovation of the tunnel between Piola and Lambrate (2nd phase);
- modernization of the underground data network power supply;
- renewal of tramway equipment (4th phase);
- extraordinary upgrading of tram equipment (6th phase);
- T lines and fast lines

- T lines and fast lines adaptation of tram stops and traffic light technologies of line 24;
- expansion of the Bisceglie parking interchange for an additional 500 parking spaces;
- extraordinary maintenance of the San Carlo car park;
- M2 technological enhancement: refurbishment of power and traction systems and overcoming architectural barriers (2nd SF - PHASES 1 and 2);
- extraordinary maintenance of escalators lots 11, 12, 13 and 14
- provision of underground platform stairlifts
- overcoming architectural barriers at Villa Fiorita underground station (Lot 2).









5. Intellectual Capital

Main results related to the Group's Intellectual Capital

Table 12. Highlights of results obtained related to the Group's Intellectual Capital

Group Companies adopted the 231 Organizational Model	Training provided regarding human rights and SA8000
6	761 hours
Group Companies ISO 9001 certified	Significant sanctions in the environmental and social fields
1	0

What is Intellectual Capital?

Intellectual capital consists of the set of the Group's intangible assets that

contribute to the creation of value. These skills translate into corporate functions dedicated to the development of ideas and innovation in the way the Group designs and delivers the services it offers.

Material Topics related to Intellectual Capital

Energy consumption and enviro	Energy consumption and environmental impacts		Responsible management of resources and waste		lality and integration of services
Quality and accessibility of se	ervices	Security & safety		Community relations and local developm	
Economic and financial perfor	rmance	Noise and vibration mitigation		Diversity, inclusion and welfare	
Training and professional development	Protectio	n of employee health and safety	Ethics, integrity and c	ompliance	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 Intellectual

Capital, as provided for by the International <IR> Framework for the preparation of the Integrated Report.

BUSINESS ACTIVITY	OUTPUT	OUTCOME
Development of innovative	Certification systems: ISO 9001,	Quality of the service provided
management	150 14001, 0HSAS 18001, SA8000	Greater process efficiency and control along the chain of value
Improvement and innovation of		creation
	Development of innovative and smart systems for mobility management	Development of innovative Certification systems: ISO 9001, and smart systems for mobility management Improvement and innovation of

Sustainability objectives related to the Group's Intellectual Capital

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 31 December 2019. The table also identifies new targets planned in 2019.

as well as the update of the risk register, identifying and assessing the risks related to sustainability with "ESG" implications (Environmental, Social and Governance).

Table 13. Sustainability objectives related to the Group's Intellectual Capital

Objectives	Status at 31 December 2019					
By 2019, update and first adoption of the Organization, Management and Control models pursuant to Legislative Decree 231/01 ("231 Models") of the companies directly controlled by ATM, following the implementation of risk assessment activities in consideration of the most recent regulatory and organizational changes.	Following the update of Model 231 of ATM S.p.A.: ATM Servizi Diversificati S.r.I. and International Metro Service S.r.I. drafted their own 231 model which was respectively adopted on 26 June 2019 and 14 October 2019 with the respective appointment of the Supervisory Body. Rail Diagnostics S.p.A., GESAM S.p.A. e Nord Est Trasporti S.r.I. updated their 231 Models (approved on June 25, 2019 for the first two and on June 26, 2019 for the last).					
 Integration of sustainability risks related to ATM's activities and operations within the Group risk assessment process. 	In 2019, ATM implemented the new Enterprise Risk management process, which revisited the logic used to identify and assess risk scenarios, update the metrics for assessing probability, impacts and adequacy of controls. The first application of the new model was completed.					

The Intellectual Capital of ATM Group

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 of operational management and governance. These tools, in addition to ensuring compliance with relevant standards, optimize the value generated both in monetary terms, through the performance of the service, and in terms of innovation and flexibility of the offering of services in response to the needs of stakeholders. These elements contribute to guaranteeing integrity, transparency, loyalty, responsibility and virtue when the Group performs its business activities and promote ATM's leadership in the local public transport sector.

The Group's 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.

Compliance with Relevant Regulations

In line with the ATM S.p.A.'s ICRMS Guidelines¹³, in order to encourage compliance with the spirit of the regulations and the relevant internal and external standards, as well as protect against risks relating to judicial or administrative sanctions, the Group has adopted a compliance system that includes a Code of Ethics and specific organizational tools that are descried in the next 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 the Supervisory Authorities or self-regulation rules, such as statutes, codes of conduct or self-regulatory codes.

Internal Organization of the Compliance System

The corporate compliance process, partially decentralized thanks to the system of specialized compliance controls headed by various functions and business units, is divided according to the following:

- the first line of defense, the Legal and Corporate Affairs Department, which includes professional lawyers, provides technical advice to all the functions involved, including the internal Compliance unit within the Audit and Internal Control Department, and proactively identifies new rules and applicable secondary regulations;
- the Compliance unit in the Audit and Internal Control Department and Legal and Corporate Affairs Departments systematically collaborate to ensure that first and second level compliance risk owners (e.g. EHSQ, DPO, Security, etc.) are informed on the needs of (new) implementations for specific applicable regulations;
- first and second level compliance risk owners (e.g. EHSQ, DPO, Security, etc.) define risk-based plans for monitoring compliance with the relevant external and internal regulations and periodically provide declarations of compliance with said regulations to the Audit and Internal Control Department and to the relative organizational unit of Compliance, as well as the key results of the respective monitoring activities. Each first and second level Compliance Risk Owner proactively participates in the "Table for coordination of information flow and control bodies and functions" as well as the coordination meetings between the Anti-corruption Representative, the Directors of the companies directly controlled by ATM SpA and affected Management.

¹³Appropriately implemented by subsidiaries if compatible.

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 operating structure. These principles are laid out in value areas to guide the actions of ATM's people.

The values that ATM recognizes as fundamental in carrying out its business activities, and which it shares at all organizational levels, are explained in the Code of Ethics, introduced in 2007 and last updated on 24 September 2018, in alignment with the Anticorruption and Transparency Model adopted by ATM on a voluntary basis and which entered into force on 15 September 2018.

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 SpA, 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.

As for Quality and Environmental certifications, all the processes of ATM S.p.A., ATM Servizi DIVERSIFICATI S.r.I., Nord Est Trasporti S.r.I., and Rail Diagnostics S.p.A. have obtained confirmation of their continued adequacy in relation to the international technical standards UNI EN ISO 9001 and 14001 of 2015. As shown in the table, ATM S.p.A. has completed the process for the recognition of the Health and Safety Management System in the workplace, pursuant to the BS OHSAS 18001 standard (now ISO 45001), thus obtaining the appropriate certificate. In addition, at the end of 2019, the ATM S.p.A., GESAM S.r.I., Nord Est Trasporti S.r.I. and Rail Diagnostics S.p.A. were also SA8000 certified.

As evidence of the Group's commitment to proper management of environmental and social issues, no significant sanctions were filed for non-compliance to environmental and socio-economic laws and regulations during 2019.

Table 14. Organizational models pursuant to Legislative Decree 231/01, Anti-corruption and Transparency Model and certified management systems

ATM Group Company	Organizational Model ex D.Lgs. 231/01	Group Anti- corruption and Transparency Model voluntarily adopted	SA8000 Certification	ISO 14001 Certification	ISO 9001 Certification	OHSAS 18001 Certification	
ATM S.p.A.	X (last updated in 2018)	х	Х	х	Х	Х	

ATM Group Company	Organizational Model ex D.Lgs. 231/01	Group Anti- corruption and Transparency Model voluntarily adopted	SA8000 Certification	ISO 14001 Certification	ISO 9001 Certification	OHSAS 18001 Certification
ATM Servizi Diversificati S.r.l.	X (Adoption of the first 231 Model in 26 June 2019)	X	The certification has not been renewed as the activities have been moved within the Commercial and Marketing Department of ATM S.p.A. with a small number of employees. It was considered appropriate to extend the SA8000 certification of the Parent Company to this branch of activity rather than renewing the certification for ATM Servizi Diversificati S.r.l	X	X	-
Gesam S.r.I.	X (update of the 231 Model in 25 June 2019)	х	х	-		
Nord Est Trasporti S.r.l.	X (update of the 231 Model in 26 June 2019)	х	х	х	х	
Rail Diagnostics S.p.A.	X (update of the 231 Model in 25 June 2019)	Х	Х	х	х	
International Metro Service S.r.l.	X (Adoption of the first 231 Model in 14 October 2019)	х	-	-	-	
Metro Service A/S	NA	NA	-	-	Adoption expected in 2020	Adoption expected in 2021

The Anti-Corruption and Transparency Model

ATM expects rigorous ethics of legality and transparency in all its operations. Thus, on 15 September 2018, it voluntarily adopted an Anti-Corruption and Transparency Model ("ACT Model").

The ATM ACT Model seeks to the imprint the Company's work and relationships on the principles and norms regarding transparency and anti-corruption (including Legislative Decree no. 33/2013 and Law no. 190 / 2012) and thus ensures, as far as compatible, their substantial implementation. The Company has also identified an Anti-Corruption Representative, the Internal Audit and Control Director, who works on behalf of the Company and for all the Group's subsidiaries.

In 2019, the Anti-Corruption Representative has performed the following, in line with the tasks attributed to him and as defined in the ACT Model:

- Monitored the adoption of the ACT Model and the implementation of its principles and contents in the internal anti-corruption regulatory instruments.
- Promoted and supervised the training of Group personnel in ACT matters.
- Promoted the review and possible update of the ACT Model (activity planned for 2020).
- Submitted the annual report on its activities to ATM's BoD within its periodic Internal Audit Report (also prepared as the Audit and Internal Control Director).

The Organizational Models pursuant to Legislative Decree 231/2001 (Model 231)

One of the main internal control tools implemented by ATM is the 231 Organizational Model, which was adopted by the parent company ATM S.p.A. starting from 2008, followed by the directly controlled companies.

In 2019, the process for update or first adoption of the 231 models of the companies directly controlled by ATM S.p.A was completed:

- Gesam S.r.I., Nord Est Trasporti S.r.I. and Rail Diagnostics S.p.A. have updated their organizational models.
- ATM Servizi Diversified S.r.l. and International Metro Service S.r.l. have adopted their first 231 Organizational Models.

The Group 231 Models have implemented regulatory updates related to Law 199/2016 "Illicit brokering and labor exploitation", Legislative Decree 38/2017 "Incitement to corruption between private individuals", Law 161/2017 "Strengthening of sanctions relating to the employment of third-country nationals whose stay is irregular" and "Racism and xenophobia" and Law 179/2017 on the subject of Whistleblowing.

In the period 2018-2019, further internal organizational changes have taken place as well as further updates of Decree 231/2001, which will be duly analyzed, evaluated and considered in the next update of the 231 Models, and underlying risk assessments, both of the Parent Company and of the directly controlled companies. These activities will be launched in 2020.

The 231 Model is constantly updated on the basis of regulatory changes, which from occasionally introduce new types of crime to be sanctioned, as approved by the Boards of Directors of each company. It includes the following elements:

- process of identifying corporate activities in which the crimes referred to in Legislative Decree no. 231/2001 could be committed;
- provision of control standards in relation to the sensitive activities identified;
- process of identifying the methods for managing financial resources suitable for preventing the perpetration of crimes;
- management of the flow of information to and from the Supervisory Body and specific informational obligations in that regard;
- disciplinary system to sanction the violation of the provisions contained in the model;
- training and communication plan for employees and other subjects who interact with the company;
- updating and adapting criteria of the 231 Model for the evolution of regulations and in line with organizational changes;
- the Code of Ethics;
- Code of Conduct 231.

The Supervisory Body ("SB") of each Group Company, 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 made up of two external components, selected from among academics and professionals of proven competence and experience in the fields of economics, business organization and corporate responsibility and an independent internal component, selected in compliance with the 231 Model to be the Audit Director and Internal control. For the sake of optimizing the flow of information and the effectiveness of the supervisory action, considering ATM Group's operating model, each administrative body of the directly controlled companies has chosen to appoint the same three components for each SB as identified above.

Following the update of the 231 Organizational Model, the Audit and Internal Control Department, encouraged by the SB and in consultation with the structure responsible for training ATM Group (Campus), ensured the provision of adequate training sessions to staff, top managers and members of corporate bodies. The training and educational initiatives carried out are summarized below:

- E-learning of the basic course "The Administrative Responsibility of Entities pursuant to Legislative Decree 231/2001", addressed to about 850 employees. Over 720 have already completed following the update at 31 December 2019.
- E-learning of the basic course "Anticorruption and Transparency", addressed to about 850 employees. Over 650 have already completed it following the update at 31 December 2019.
- Provision of 11 classroom refresher sessions (of which the first in December 2018) of the course "Anticorruption - Prevention of corruption", all with the participation of the Internal Audit and Control Director, to 124 employees between Executives and Officials in 2019 (to whom 132 employees were added in 2018).
- Provision of 6 classroom training sessions (April 1, April 8, June 17, July 16, September 10 and September 24, 2019), all with the participation of the Audit and Internal Control Director, regarding updates to the 231 Models (approved and/or in the course of being approved/adopted) and to the main changes pursuant to Legislative Decree 231/2001 which occurred during the period. This training was provided to 127 people among members of corporate bodies and other governance bodies, Executives and Officials.
- As of April 1, 2019, following the update of the Parent Company's 231 Model and at the same time as the final stages of updating the Model 231 of the subsidiaries, an educational booklet was distributed to all participants in the course referred to in the previous point entitled: "231: what you need to know".

The Whistleblowing System

ATM has adopted an integrated and systematic approach to managing reports of suspected/alleged violations.

In its approach to whistleblowing, 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 ACT Model, the Code of Ethics and the 231 Models or which may cause damage to the company, or even to the image of ATM. According to the whistleblowing system, these behaviors may be reported by employees, components of 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 ICRMS¹⁴ 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, in 2019 the ATM Group selected and implemented a specific IT tool for the management of whistleblower reports, pursuant to current legislation (art.2 L. 179/2017 and art.6 co. 2-bis, letter b of Legislative Decree no. 231/01). The tool requires that reports be managed also through the use of at least one additional channel which is IT based and suitable for guaranteeing the confidentiality of the identity of the whistleblower according to the law.

In addition, ATM Group has updated the procedure for the integrated management of reports (drafted in 2018) in order to implement the use of the new IT tool, among other things. The document calls for coordination with the appropriate structures charged with managing other reports other than that described in this section (e.g. SA8000, IT incidents, security incidents).

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. Management systems have been adopted for the treatment of any cases of discrimination, harassment and stalking. As far as suppliers are concerned, the Group has implemented selection criteria on the basis of compliance with SA800 requirements, carrying out long-term internal audits the supply chain.

As for respect of human rights within the bounds of the Company, ATM uses specific reporting mechanisms such as the SA8000 boxes where reports and complaints may be submitted. Similarly, any reports can be communicated through the appropriate Online Form and sent to the corporate email (sa8000@atm.it), by physical mail, or in person, directly addressing the members of the Social Performance Team.

In addition, training courses are held periodically for all professional categories on the respect for human rights. For the Group companies in Italy, specific training hours on the issue of respect for human rights refer to the SA8000 certification, while for the company Metro Service, training courses are provided on Corporate Social Responsibility issues, which include related issues to human rights.

Over 800 employees have been trained on matters pertaining to SA8000 and human rights in 2019.

Table 15. Hours of training provided and % of employees trained on SA8000 and human rights matters

ATM Group		2019			2018		2017			
	Men	Women	Total	Men	Women	Total	Men	Women	Total	
Hours of training	673	88	761	482	46	528	299	27	326	
% employees trained	8%	11%	8%	7%	8%	7%	4%	5%	4%	







6. Human Capital

Main results related to the Group's Human Capital

Table 16. Highlights of results obtained related to the Group's Human Capital

Employees	New hires	Hours of training provided
10,275	816	297,120
Incoming turnover		Outgoing turnover
7.9%		4.2%
Increase in female managers		Work-related injuries in Italy
+12.5%15		-5.4% ¹⁵

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 in favor of a collaborative atmosphere aimed at optimizing organizational processes.

Material Topics related to Human Capital

Energy consumption and enviro	nmental		gement of resources waste	Intermodality and integration of services			
Quality and accessibility of se	rvices	Security	& safety	Community relations and local development			
Economic and financial perfor	mance	Noise and vibra	ation mitigation	Diversity, inclusion and welfare			
Training and professional development	Protection of employee health and safety		Ethics, integrity and compliand		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 Human

Capital, as provided for by the International <IR> Framework for the preparation of the Integrated Report.

INPUT	BUSINESS ACTIVITY	ОИТРИТ	OUTCOME
The know-how of each person in the Group	Staff selection and management	Hired staff	Motivation and satisfaction of people
·	Continuous training of staff at	Training hours provided	
Investment in training	all levels	Turnover	Enhancement of skills
Welfare and worklife balance	Management of employee		Consolidation of the culture of
projects	health and safety	Accidents	safety
	Employee career path		Internal cohesion and
	management processes		empowerment
	Assessment of skills		
	Climate analysis		

Sustainability objectives related to the Group's Human Capital

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 31 December 2019. The table also identifies new targets planned in 2019.

Table 17. Sustainability objectives related to the Group's Human Capital

Objectives Status at 31 December 2019 In 2019, 4 new "pink" bathrooms were created, reaching 59 bathrooms spanning warehouses, the underground network and all over the city. A communication campaign is planned for 2020 as well as the realization of at least 2 Progressive spread and expansion of the current Diversity other bathrooms. management policies 3 maternity coaching were carried out to support women employees in post-maternity return to their previous context with all the tools needed to deal with corporate changes. ATM is part of the Conciliation Network promoted by the Region of Lombardy, ASST and the Municipality of Milan and is at the working table for "Smart-Lab. Milano Concilia 4.0". The Group continued with its commitment to organizational flexibility. For a week in October, it participated in the work from home initiative promoted by the Municipality of Milan and started setting up of 4 co-working company workstations (Management, Monte Rosa, San Donato and Molise). Gradual creation of co-working stations in the various corporate offices and experiments for the use of smart As for smart-working, the Group began experimenting with working 16 people, employees and middle manager in September, deciding in December to implement wider action. A Smart team consisting of managers and middle managers was then set up and a policy day, dedicated to the definition of regulations and operational decisions was instituted. For 2020, a survey on the topic is expected to involve around 600 people, a second policy day and the launch of the trial will include another experimental group. In 2019, the actions of the Age team continued, completing the Age management dashboard (which monitors the Development and implementation of Age management trend of data for life cycles) and promoted many initiatives policies aimed at preventing health, including a communication campaign and courses on posture for workers and stress management for front line figures. Employee counseling service for support 302 cases addressed in 2019 with more than 2,100 multidisciplinary team in both critical personal and business interviews. situations In 2019, 1,069 scholarships were awarded for employees Financial Support and Development Committee and deserving children of employees and 36 TFR requests were processed.

The Human Capital of ATM Group

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 favors inclusiveness and creates a sense of belonging to its large community of professionals. The Group enacts this commitment through implementation of procedures and policies in favor of meritocracy, leadership and inclusion, which effectively involve all levels of management in the development and management of human resources.

As of 31 December 2019, ATM's workforce consisted of 10,275 people, an increase of 4% compared to that of 2018. Of these 10,275 people, 9,723 of them work in Italy and 552 in Denmark¹⁶. In Copenhagen, the number of employees increased by about 80% over the three-year period. 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 down on the previous year. The company population is made up as follows:

Table 18. Number of ATM Group employees at 31 December, by gender and contract type (fixed term/open-ended)

Danian	O and the ad Tom a		31.12.2019			31.12.2018			31.12.2017	
Region	Contract Type	Men	Women	Total	Men	Women	Total	Men	Women	Total
	Fixed term contract	384	65	449	210	21	231	591	38	629
ATM GROUP (WORLD)	Open-ended contract	8,979	847	9,826	8,849	804	9,653	8,426	743	9,169
(WORLD)	TOTAL	9,363	912	10,275	9,059	825	9,884	9,017	781	9,798
	Fixed term contract	376	60	436	210	21	231	591	38	629
In ITALY	Open-ended contract	8,562	725	9,287	8,525	708	9,233	8,192	669	8,861
	Sub-total Italy	8,938	785	9,723	8,735	729	9,464	8,783	707	9,490
	Fixed term contract	8	5	13	0	0	0	0	0	0
Abroad ¹⁷	Open-ended contract	417	122	539	324	96	420	234	74	308
	Sub-total Abroad	425	127	552	324	96	420	234	74	308

¹⁶The data refers only to Group employees (expressed in head count). External collaborators represent a residual component in relation to the total number of employees

¹⁷In line with the continuous improvement of the data monitoring and collection systems, the number of employees of Metro Service A/S at 31.12.2019 includes 13 employees with the "Ansættelseskontrakt" and "Ansættelseskontrakt for funktionærer" contracts. The application of this improvement does not entail significant changes in relation to the data as at 31.12.2018. In addition, the figure includes two male employees from ATM S.p.A. transferred to Metro Service A/S.

Table 19. Number of ATM Group employees at 31 December, by gender and contract (full-time/part-time)

ATM GROUP		31.12.2019			31.12.2018		31.12.2017			
ATM GROOP	Men	Women	Total	Men	Women	Total	Men	Women	Total	
Full-time employees	9,121	776	9,897	8,827	694	9,521	8,733	663	9,396	
Part-time employees	242	136	378	232	131	363	284	118	402	
TOTAL	9,363	912	10,275	9,059	825	9,884	9,017	781	9,798	

As can be seen in the table there is a slight growth in employees with part-time contracts, (+ 4% compared to 2018), making up approximately 4% of ATM's total workforce.

The growth in ATM's workforce is thanks to the 816 new hires

taken place in 2019, of which 129 were women and 687 men, compared to 432 outgoing employees (385 men and 47 women). The incoming turnover rate for the entire Group is equal to 7.9% in 2019 while the outgoing turnover is 4.2%.

Table 20. Number of new hires and incoming employee turnover rates, divided by age range and gender

	2019				2018				2017 18			
Age Range	Men	Women	Total	Turnover rate	Men	Women	Total	Turnover rate	Men	Women	Total	Turnover rate
<30	246	38	284	38.2%	188	21	209	32.1%	226	8	234	39.1%
30-50	396	82	478	8.2%	285	37	322	5.7%	275	20	295	5.3%
>50	45	9	54	1.5%	34	13	47	1.3%	5	0	5	0.2%
TOTAL	687	129	816	7.9%	507	71	578	5.9%	506	28	534	5.6%
Turnover rate	7.3%	14.1%	7.9%		5.6%	8.6%	5.9%		5.8%	4.0%	5.6%	

¹⁸ The figure does not include Metro Service A/S, this reporting perimeter represents approximately 97% of the employees of the ATM Group at 31.12.2017.

		2019				20)18		2017			
Age Range	Men	Women	Total	Turnover rate	Men	Women	Total	Turnover rate	Men	Women	Total	Turnover rate
<30	47	4	51	6.9%	38	1	39	6.0%	30	0	30	5.0%
30-50	123	25	148	2.5%	122	16	138	2.4%	74	5	79	1.4%
>50	215	18	233	6.3%	305	10	315	8.9%	227	11	238	7.2%
TOTAL	385	47	432	4.2%	465	27	492	5.0%	331	16	347	3.7%
Turnover rate	4.1%	5.2%	4.2%		5.1%	3.3%	5.0%		3.8%	2.3%	3.7%	

The Diversity of ATM's People

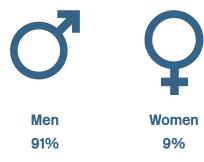
For ATM Group, the diversity of its employees represents is an element of strength. The Group works to promote employee diversity and inclusion, establishing a sense of belonging and organizational cohesion and a corporate culture in which the different individual experiences are enhanced.

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 data regarding the Group's composition of reveals a prevalence of male workers, in line with previous years (approximately 91.1%). The number of female workers is increasing in the operator area (5% in 2019 compared to 4.5% recorded in 2018) and among the auxiliary mobility services (24.8% in 2019 compared to 22.8% in 2018). Employees aged between 30 and 50 represent the majority of the company population, approximately 56.6%, followed by those over 50 (approximately 36.2%) and finally by under 30, approximately 7.2%, in line with 2018.

Percentage Composition of the workforce at 31 December, divided by gender and age range



<30	30-50	>50		
years	years	years		
7%	57%	36%		

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

Table 22. Percentage Composition of the workforce, divided per professional category and gender

ATM GROUP		31.12.2019			31.12.2018		31.12.2017			
	Men	Women	Total	Men	Women	Total	Men	Women	Total	
Top Line Management	0.3%	1.0%	0.4%	0.3%	1.0%	0.4%	0.3%	0.5%	0.3%	
Functional Management	3.0%	8.3%	3.4%	3.1%	8.6%	3.6%	2.9%	8.6%	3.4%	
Mobility operations	61.5%	33.0%	59.0%	60.9%	31.9%	58.5%	61.8%	31.2%	59.4%	
Administration and services	6.6%	32.1%	8.9%	6.5%	33.5%	8.7%	6.3%	33.9%	8.5%	
Maintenance and repair	21.2%	0.7%	19.4%	21.7%	0.7%	19.9%	21.3%	0.8%	19.7%	
Auxiliary mobility services	7.4%	24.9%	8.9%	7.5%	24.4%	8.9%	7.3%	25.1%	8.7%	

Table 23. Percentage Composition of the workforce, divided by professional category and age range

ATM GROUP	31.12.2019				31.12.2018				31.12.2017			
	<30	30-50	>50	Total	<30	30-50	>50	Total	<30	30-50	>50	Total
Top Line Management	0.0%	0.3%	0.6%	0.4%	0.0%	0.2%	0.6%	0.4%	0.0%	0.2%	0.6%	0.3%
Functional Management	0.1%	2.8%	5.1%	3.4%	0.2%	2.9%	5.2%	3.6%	0.0%	3.0%	4.6%	3.4%
Mobility operations	62.9%	64.8%	49.1%	59.0%	62.4%	64.7%	48.0%	58.5%	67.7%	64.7%	48.8%	59.4%
Administration and services	7.9%	7.6%	11.1%	8.9%	7.5%	7.4%	11.1%	8.7%	5.5%	7.4%	11.0%	8.5%
Maintenance and repair	20.9%	17.4%	22.3%	19.4%	22.7%	17.8%	22.8%	19.9%	21.0%	17.9%	22.4%	19.7%
Auxiliary mobility services	8.2%	7.1%	11.8%	8.9%	7.2%	7.0%	12.3%	8.9%	5.8%	6.8%	12.5%	8.7%

As for the top management of the Group, the Top Line Management Area includes the Executives of the Italian companies and the Senior Levels of the Metro Service A/S. Between 2019 and 2017 the number of female executives more than doubled from 4 to 9 (+1 in Metro Service and + 4 in ATM S.p.A. compared to 2017).

The Group pays particular attention to the needs of people

with disabilities and special needs, in addition to the legal requirements. In 2019, the number of people with disabilities and/or legally protected in the Group reached 216 people, including 36 women. Through continuous investments in its structures, ATM also wants to allow everyone access to the workplace, whether they are ATM workers or any visitors with motor disabilities.

Table 24. Number of employees with disabilities or legally protected

ATM CDOUD		31.12.2019		31.12.2018		31.12.2017			
ATM GROUP	Men	Women	Total	Men	Women	Total	Men	Women	Total
Legally protected employees	6	3	9	7	4	11	7	5	12
Disabled employees	174	33	207	166	30	196	157	27	184
TOTAL	180	36	216	173	34	207	164	32	196

Welfare Programs and Employee Retribution

The Group has always been committed to investing in welfare programs that promote a good quality of life and work environment. In fact, ATM has activated a welfare system aimed at promoting employee satisfaction and establishing a peaceful and participatory "internal climate". 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 work environment in which they operate. This system, promoted by the Human Resources Department's Welfare function, offers concrete answers to the needs of its employees who guarantee the quality and safety of the service provided by ATM every day.



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









WORK LIFE BALANCE	WELL-BEING E WORK ABILITY	AGE MANAGEMENT	DIVERSITY INCLUSION
Balance between private and professional life	Promotion of psychological and physical well-being and work environment quality	Corporate action dedicated to those over 55 and active aging	Corporate action and initiatives dedicated to appreciation of differences and quality of relationships
■ Flexible working hours	■ Promotion of health	 Information sharing 	
Workspace	Quality work environmentMotivation	Work organisationSafety culture	Managerial culture
Good use of spaceFamily services	Responsibility	Job rotation	Quality of relationshipsProfessional identity
Flexible benefits	Professional AutonomyRecognition	Career balanceCompetency development	

In the course of 2019, 579^{19} employees requested parental leave. Of these, 85.8% were men and 14.2% were women.

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

- Company nursery school: there are three nursery schools with 70 seats for ATM employees who are new parents or grandparents;
- Installation of 4 new "pink" bathrooms, reaching 59 for all ATM women who work around the city.

Other outstanding initiatives of particular relevance include:

Smart and co-working staff project (for a sample group);

- Health and empowerment training project aimed at drivers and station agents;
- Healthy eating courses for canteen cooks;
- "Cantiere Salute" health project;
- "Bring your kid to work day" project in collaboration with the Municipality of Milan;
- School for parents.

Each year, the Group publishes all the welfare policies adopted, 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 the employee families in ATM.

¹⁹The value includes paid and unpaid parental leave with full and split day use. The data refers to the companies ATM S.p.A., ATM Servizi Diversified S.r.I. and NET S.r.I.

Protecting Employee Health and Safety

The protection of the health and safety of its employees is of fundamental importance for ATM. In order to protect the well-being 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, not only in order to comply with the increasingly numerous legal obligations. 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.

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. The Group acts to constantly prevent accidents and occupational diseases of its staff and to guarantee efficiency and effectiveness in its monitoring processes. Therefore, the adequacy of management of risks and opportunities in this regard is fundamental for ATM.

ATM pays constant attention to identifying health and safety hazards, assessing any residual risks and implementing adequate prevention measures. Therefore, ATM S.p.A. has decided to certify its safety management system according to the standards of OHSAS 18001, successfully concluded in 2018. Certification is a determining and significant factor, since it highlights the Group's priority in pursuing its objectives, as well as to all affected parties, including the performance of their suppliers. During 2019, the compliance status with the voluntary international standards ISO 9001: 2015, ISO 14001: 2015 and BS OHSAS 18001 was confirmed. The audits carried out by the certifying entity found that ATM was able to respond to the requests from the context and stakeholders, as well as extenuating events, implementing strategic planning, timely monitoring and guaranteeing the soundness of the parameters planned. The third-party certifying entity verified the substantial alignment of the organization, processes and work environments with the requirements of the standards.

The protection of employee safety and health and attention to environmental sustainability are in fact a focal point in the identification, design and implementation of each process or work carried out during the year 2019 in continuity with previous years.

In line with these principles and with attention to corporate responsibility for workplace and environmental safety offenses covered by Legislative Decree 231/2001, in 2019 ATM continued the

process of continuous improvement of its quality, environmental and safety management systems, maintaining a high degree of environmental and social responsibility and undertaking to guarantee all interested parties.

This has also been implemented, in 2019, in 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;
- optimizing the consumption of resources in order to prevent pollution by monitoring and minimizing the environmental impact of the processes.

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.

Accidents, occupational diseases and injury are just some of the results 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 illnesses as its constant objective. This objective is achieved through the provision of training to personnel, guaranteeing a healthy and safe working environment. In addition, the Group believes that legislative compliance, the fulfillment of the requirements issued by control bodies (such as ATS) and the succession/rotation of the figures or roles required by HSE regulations are fundamental. The National Institute for Occupational Accident Insurance (INAIL) establishes insurance premiums against accidents based on the nature, methods of performance and specific circumstances relating to the activities carried out by employees of ATM Group in Italy.

POLICY ON QUALITY, SAFETY AND THE ENVIRONMENT

The Group's Policy on Quality, Safety and the Environment confirms its commitment to becoming a reference point for integrated

mobility, guaranteeing quality, safety and competitiveness of services, in full respect of the Environment and Sustainability.

During 2019, ATM Group reported 327 accident reports, 292 of male employees and 35 of female employees. Of these, 222 occurred in the workplace while 105 took place to or from work. In Italy, in 2019 the number of accidents decreased by about 6% compared to 2017, with a decrease of about 14% in accidents at work, demonstrating the continuous commitment to the protection of workers, spread across all levels and in all Group companies, through the multiple forms of prevention and protection implemented over the past five years, with a significant "profit" in terms of availability, productivity and efficiency of resources involved in the various processes. During 2019, two deaths occurred along the home-work journey of two male employees of the ATM S.p.A. company, which were reported and, at the date of publication of this document, are still being verified by INAIL.

The injury rate²⁰ of ATM Group is equal to 3.9 for 2019 (5.4 for women and 3.8 for men), down compared to that of 2017 for male employees (4.9 for women and e 4.2 for men). The lost day rate²¹ for the Italian companies of the Group is equal to 86.7 (103.9 for women and 85.4 for men) down 10% compared to 2017. Lastly, the Group recorded an absentee rate²² equal to 7.4% (7.0% for men, in line with the trend recorded over the last three years and 10.9% for women, down from the rates recorded over 2018-2017).

During 2019, 8 complaints were received relating to occupational disease cases. The events for which ATM filed a complaint with INAIL at the request of the Authority were indicated. There is no evidence of any acceptances or other actions undertaken by the Authority or of any other information relating to the employee's status.

As for those working in particularly tiring and heavy positions - the so-called demanding jobs - in the work carried out by ATM Group, drivers of vehicles 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

professional figures of metropolitan train driver and tram convoy 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 in individuals of the influence of their own behavior on their health and safety resulted in a decrease in the number of accidents.

In 2019, the Group continued with providing its five-year update of workplace safety training, lasting 6 hours. In addition to the regulatory update and the company organization of safety, the Group decided to address two issues in particular: 1.) ergonomic posture in conducting activities, preventing musculoskeletal pathologies, in particular of the spine and nutrition education and correct lifestyles, and 2.) prevention of risk factors for heart and overweight diseases. Both issues also fall within the Age Management project, linked to the extension of life expectancy and the societal and social security changes taking place.

In 2019, the Group followed up on activities consolidated in previous years, introducing some initiatives to improve on issues relating to Occupational Safety and Health Surveillance. The Prevention and Protection Service, in addition to staff training and the necessary support for the various corporate functions, has engaged in 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;
- Collaboration with the corporate occupational health service for the implementation of the integrated SAP-EHS platform for the management of monitoring workers' health;
- Verification of workplaces, with particular reference to VDT environments and workstations;

²⁰The injury rate is calculated as follows: [(total number of injuries/ hours worked) * 200,000]. The hours worked are estimated to be around 16,700,000.

²The lost day rate is calculated as follows: [(total number of lost days/ hours worked) * 200,000]. For the company Metro Service A/S, it was not possible to calculate the lost day rate, since the number of lost days was not available. Lost days are not required to be reported by current legislature in Denmark.

²²The absentee rate is calculated as follows: total number of hours of absence/ hours scheduled to be worked.

Update of specific risk assessments for physical agents,

electromagnetic fields and artificial optical radiation.

In 2019, initiatives were held on the theme of health and healthy nutrition, also for canteen cooks, a workshop on correct lifestyles and active aging and online and classroom courses.

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 2019, the Group provided approximately 297,120 hours of training, recording a decrease of approximately 16% compared to 2018. This decrease is due to the fall of the amount of CQC (Driver Qualification Card) training for tram and bus drivers in the year (this training has a five-year cyclical trend).

Net of this figure, average per capita training across the ATM group for 2019 grew by around 42% compared to 2017. This increase in per capita training hours focuses on operating staff, in particular on the staff that operate the transportation, on auxiliary staff and maintenance workers, the increase in staff hours was more contained.

During 2019, numerous training courses of various types were carried out, often with innovative teaching methods (experiential, outdoors, formats based on the "flipped classroom" model and provided via e-learning) to involve the participants more closely and make training more effective.

Training activities have begun for technical staff on lean organization methods, in order to make work processes more efficient and training courses have been created both in the classroom and online to inform and sensitize staff on the regulations and good practices regarding 231, transparency and anti-corruption, such as on the new data protection regulations.

Furthermore, compulsory and non-compulsory training on health and safety at work continued throughout the year in compliance with current regulations.

The managerial population was involved in training programs aimed at establishing increasingly effective management and motivation of collaborators. These programs included a Leadership Storytelling program and new experiential team building methods through themed escape rooms, followed by punctual debriefing on group dynamics led by the Campus trainers. The managers also participated, together with the staff populations, in the change management course "Neuroscience for change", aimed at understanding, also through classroom experiments, the mental processes that favor change by improving work practices and methods.

The induction training course dedicated to 32 graduates who, throughout 2019, periodically accompanied potential young people through meetings with top company management, group work and projects, and training modules on the main relational skills and management was particularly innovative and engaging. The activity culminated in late 2019 with the HOGAN assessment followed by an individual restitution and will continue in 2020 with peer coaching and the potential for further mentorship by a group of senior managers.

The use of inter-professional funds for "Fonservizi" and "Fondirigenti" training, through rigorous internal administrative regulations, ensured, also in 2019, the coverage of training costs.

Table 25. Average hours of training provided per employee group, divided by professional category and gender²³

ATM ODOUD		2019		2018 ²⁴			2017		
ATM GROUP	Men	Women	Total	Men	Women	Total	Men	Women	Total
Average Training Hours	28.0	38.1	28.9	35.4	30.0	34.9	20.4	18.5	20.2
Top Line Management	20.2	36.1	24.0	28.0	23.8	27.0	32.4	45.2	34.0
Functional Management	33.2	29.8	32.5	35.6	31.6	34.8	26.7	23.9	26.1
Mobility Operations	30.9	81.1	33.4	46.7	65.9	47.6	24.5	28.2	24.6
Administration and Services	27.0	15.8	23.4	16.9	15.7	16.5	13.7	18.9	15.4
Maintenance and Repair	25.4	14.5	25.3	17.3	10.0	17.3	13.3	26.4	13.4
Auxiliary Mobility Services	11.1	13.4	11.7	11.6	3.1	9.7	9.3	3.3	7.9

TRAINING FOR RELATIONS WITH THE CUSTOMER AND DISABILITY

Front-line ATM staff training for a correct and effective relationship with customers has been provided for many years. In 2019, it was intensified, involving more than 1,000 employees including Security staff, Station Operators, Automatic metro line agents, line tutors and auxiliaries of the park, customer support staff, Operators, Operators, ATM point staff and Como-Brunate funicular staff, in addition to all the newly hired front-line staff. Issues such as anger/aggression management and m management of potentially critical situations were also addressed. All the staff in the classroom was also made aware of the issue of disabled customers, also through informational brochures and an app with additional information and videos.

Furthermore, during 2019 the initiative of "The Customer at the center" continued, which involved 398 employees, including Group managers and officers, who carried out up to two cases of side-by-side support on different days to front-line staff involved in performance of their duties (Graduates of exercise, customer relations staff, "OPI" metro station operators, M5 line agents, line tutors, customer assistants, Security, ATM Point employees). This approach brought the managerial staff closer to the operational staff, allowing them to get to know more closely the people engaged in customer relations activities, the daily service offered and the related problems, with the aim of guaranteeing even greater efficiency and effectiveness of the public transport service.

Metro Service also provides education, training and requalification courses on safety-related activities and the specific work performed. The employees in Copenhagen are also supported in conducting further studies not directly related to the job they

currently hold, but which may be relevant for future work and personal development.

In Copenhagen, requirements have been established to ensure

²³To improve the collection and calculation process, the 2017 data has been restated compared to that published within the DNF 2017.

²⁴Data include courses that started in 2017 and ended in 2018, courses that started and ended in 2018 and courses that started in 2018 and ended in 2019.

compliance with the railway safety certification required by the Danish Transport, Building and Construction Agency "Trafik-, Byggeog Boligstyrelsen". This requires that employees who perform 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 related to business-relevant education, including management of state training contributions, offering flexible working hours to complete the training program. In addition, the Company has set up three education committees representing stewards, technicians and control room staff. The purpose of the committees is to ensure, maintain and continue the development of education and retraining of these groups of employees.

Finally, Metro Service continued to invest in the training of its stewards, thanks to the use of the simulator designed in 2017, arriving in the course of 2019 to form 69 new stewards.

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 internal and external customers.

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 phases: 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 used according to the specific characteristics desired.

In 2019, this process led to the selection and onboarding of 617 people in Italy. The search was conducted mainly for professionals to be inserted in operations: namely drivers of buses, trams and trolleybuses, station agents, security staff, other support figures for operational management. These hires were made both with full-time contracts and - in specific areas of the organization - with part-time contracts, due to the need for organizational flexibility and optimal coverage of the scheduled services.

In parallel, new hires were added to the maintenance departments, in the Information Technology area, and specific staff roles.

Efforts appreciate the value of these resources ensued once they were inserted into the company structures. This was achieved through an integrated model of development initiatives: performance evaluation, skill evaluation, position weighing, benchmark and remuneration management, development of substitution tables, as well as appropriate management of organizational changes and individual career paths.

To better target the company's development programs and enhance the self-development capacity of individuals, a program was launched to analyze professional and personality profiles of a wide range of Group resources, based on the use of advanced assessment tools and one-to-one return meetings.









7. Social and Relationship Capital

Main results related to the Group's Social and Relationship Capital

Table 26. Highlights of results obtained related to the Group's Social and Relationship Capital

The average regularity index of ATM trans	it The average punc	The average punctuality index of ATM transit		
99.1	98.7	98.7		
Security employees	Suppliers	Local initiatives supported by ATM		
261 More than 1,800		20		

What is Social and Relationship Capital?

Social and Relationship Capital is made up of the relations with all

the groups involved in the Group's operations (both shareholder and stakeholder) and aims to maximize the quality of the service offered through a presence rooted in the territory.

Material Topics related to Social and Relationship Capital

Energy consumption and environmental impacts			ement of resources waste	Intermodality and integration of services		
Quality and accessibility of services		Security & safety		Community relations and local developmen		
Economic and financial perfor	Economic and financial performance		Noise and vibration mitigation		Diversity, inclusion and welfare	
Training and professional development	Protectio	n of employee health and safety	Ethics, integrity and co	ompliance	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.

INPUT	BUSINESS ACTIVITY	OUTPUT	OUTCOME
Long-term partnership with stakeholders	Constant dialogue with stakeholders	Constant interaction with the local authorities	Improvement of the perception of the Company's image, in line with the Group's vision, values
Collaboration with public bodies, institutions, research	Focus group and stakeholder engagement activities	Partnership with universities on specific projects	and mission.
bodies, citizens, media and sector associations	Customer satisfaction survey	Sponsorship of events and local development projects	Consolidation of relations with stakeholders.
Communication channels	Information mobility, press office, social media and public relations activities	Porte Aperte Event	Spread of sustainability culture

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

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 31 December 2019. The table also identifies new targets planned in 2019.

Table 27. Sustainability objectives related to the Group's Social and Relationship Capital

Currently the ecosystem consists of SE DriveNOW, Share'nGO, UBEEQ, Car2GO, Er Conclusion of the project related to the new MaaS ecosystem Trenord and Nugo (integrated operator of

 Conclusion of the project related to the new MaaS ecosystem (Mobility as a service), allowing timely exchange of service information with stakeholders while gradually including all mobility operators

Objectives



Status at 31 December 2019

Currently the ecosystem consists of SEA, Fiera, Trenitalia, DriveNOW, Share'nGO, UBEEQ, Car2GO, Enjoy, Clear Channel, Trenord and Nugo (integrated operator of the FS group) and Agi for the sale of tickets. Bike sharing has been integrated not only at the information level but also for reservations with the itinero card. A test was also conducted with the Veneranda Fabbrica del Duomo, resulting in a positive outcome.

Objectives

Status at 31 December 2019

Reduction of the recorded noise level



Implementation of a maintenance plan aimed at limiting the noise of the underground line 2. More information can be found in the section "Reduction of noise and vibration pollution".

 Progressive review of the purchasing procedures, assigning specific scores for the evaluation of suppliers based on SA8000 requirements



In July 2019, a new revision of the "REGULATION FOR THE AWARDING OF CONTRACTS" was published.

Point 10.2 of this document refers to the SA8000 requirement for suppliers.

The Social and Relationship Capital of ATM Group

The Group's Social and Relationship Capital refers to the relationships that ATM undertakes with all the stakeholders involved in the conduct of business activities including, customers/citizens, suppliers, employees and the local community in which it also operates, spreading 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

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.

Integration of hours of operation

Within the technical and economic confines of the Service Contract²⁵, the Group coordinates the timetables and connections between the various vehicles and services among its own transit lines and that of different companies, so as to minimize wait times for customers, making the service more efficient.

A significant example, implemented in 2019, is the management of the interruption of the M2 between the stations of Loreto and Udine, implemented throughout the month of August 2019 to allow the execution of the first tranche of renovation work of the tunnels between Lambrate and Piola. ATM reconfigured the M2 service on the Abbiategrasso/Assago - Loreto and Udine - Cologno/Gessate sections, preparing substitute services via road transit to cover the interrupted section, so as to minimize inconvenience to customers and the number of interchanges. The reconfiguration of the offer of

services took into account existing constraints, such as those in the underground system that conditioned the maximum frequency with which the service could be supplied, or the availability of additional vehicles and men on the surface. The substitution service sought to optimize routes and schedules, based on the analysis of historical data regarding the number and itineraries of clients each day of the month and in specific times of the day. This has led, for example, to the creation of two different replacement lines (Gobba-Loreto express and Udine-Lambrate-Piola-Loreto) with 60 buses in service, and to the strengthening of various other ordinary lines in order to offer a range of possibilities more closely related to the different client needs. Furthermore, widespread presence of Clientele Assistants and Operations Control personnel at the service of the passengers was provided in the area. Special attention was paid to the hourly coordination of the substitute bus routes with those offered by the M2 trains in the two sections in operation, especially in the early morning and evening hours.

Integration of fares

On 15 July 2019, the new Integrated Tariff System of the Mobility Basin (STIBM) came into force, approved by the Regional TPL Agency, which led to a new regulation on the level of transport tariffs for the Metropolitan City of Milan and resulted in tariff integration between LPT services and regional rail services, establishing a new revenue sharing system.

The new Integrated Tariff System replaced the Milan Area Integrated Tariff System known as SITAM, which had been in force for thirty years, as well as other local ticketing systems such as that NET, already in force in the urban area of Monza. The STIBM considers the city of Milan as the reference center, the starting point from which the surrounding area has been divided into concentric rings, each representing a tariff zone, extending to all the Municipalities that are part of the Metropolitan City of Milan and the Province of Monza and Brianza. The new travel tickets are therefore valid in the entire network managed by ATM and other private operators, as well as the sections of railway network managed by Trenord, included in the STIBM basin area, with tariffs that depend on the itinerary rather than the operator chosen by the clients. The integration with Trenord railway service was first started on a partial and provisional basis, then became fully operational from October 1, 2019. The integration

of different carriers, that had previously been characterized by a lack of homogeneity in procedures, equipment and technology, led to the foundation of coordination meetings aimed at establishing rules, support and operating methods so that they are as homogeneous as possible, as well as to ensure the interoperability of tickets and memberships and a passenger travel experience without any technical or regulatory obstacles, to the greatest extent possible.

The new system has therefore led to a complete reform of the rules and tariff levels also in the Milan area where ATM operates, with significant impacts on the administrative, IT and operating procedures, and more generally in the sales network and in relations with clients. Once fully operational, the new system will also be the basis for future assignment of Local Public Transport services.

As for the integration of the network of ticket sales, which are not integrated across the network, tickets for regional rail transport are sold, on the basis of a specific commercial agreement which also regulates the distribution of the revenue, directly through ATM channels.

Finally, thanks to regional and municipal funding, ATM is developing the new SBE electronic ticketing system at the regional level, together with the other transportation carriers. The control center - installed at ATM branch in Via Monterosa, Milan - will allow increasingly effective interoperability and integration of the tariff and ticketing systems between the various LPT providers, including the regional railway operator.

The Group's IT 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.

ATM achieves this through the data and information published on the various portals it has available, including the "Muoversi" portal of mobility of the Municipality of Milan -, "E015" - digital ecosystem for cooperation of the Region of Lombardy - as well as on the Group's traditional channels - website, mini-site dedicated to STIBM and the ATM APP - which also include the data of other operators, including the Trenord S lines.

CLIENT COMMUNICATION CHANNELS

ATM interacts with its clients through a wide and diverse range of channels and tools, including:

- the www.atm.it website and dedicated mini-site https://nuovosistematariffario.atm.it/ where information regarding travel documents, tariffs, timetables and service calendars, status of circulation of the subway lines and ATM initiatives are published. The site also offers the possibility of renewing subscriptions and to plan travel through GiroMilano;
- the ATM Milano App, updated in 2019 with various functions like booking the neighborhood Radiobus, the display of stops and areas covered by the on-call transport service and, in the ATM POINT section, the display of the last number called at the counters in real-time;
- ad hoc communication campaigns for changes that are significant for the customer (e.g. interventions on the transport network, establishment of new lines, changes in timetables and routes, news on tariffs and services offered). In 2019, these included the introduction of the new Integrated Tariff System of the Mobility Basin (STIBM), the works for the renewal of the M2 and the establishment of two new neighborhood Radiobus lines. For the launch of the STIBM, the Group created a dedicated website through which it made available all information relating to the function of the system and travel documents;
- signs in stations and at stops at the center of the constant work to renew and adapt, which in 2019, included the Lima and Palestro stations on the M1 and Villa Fiorita, Cassina de 'Pecchi and P.zza Abbiategrasso on M2.

Among the most significant initiatives of 2019, the creation of the mini-site dedicated to the new STIBM tariff system, the activation of alternative sales channels, such as the CAF, for subsidized subscriptions according to ISEE income and marketing of annual subscription that can be purchased in installments through the commercial support of an external partner (Telepass).

To facilitate access to TPL subscriptions and membership cards, the process of requesting and issuing cards online was refined through the website www.atm.it. This, together with a specific communication campaign, led to doubling the number of subscriptions through the channel.

Additional initiatives undertaken include the elaboration and distribution of transportation access cards for the network managed by ATM for children under 11 and under 14, as well as an increase in promotional activity among companies for subsidized rates for employees, as defined by the Municipality of Milan.

Quality and Accessibility of Services

ATM Group, by nature of its business, places the client at the center 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.

In order to further shorten distances and strengthen relationships between ATM and its passengers, in 2019, the Group adopted increasingly participatory customer relations methods, promoting empathetic language, direct contact with clients, corporate involvement in public events and sending personalized documents on sustainability, such as the 2018 "ATM for sustainability" report and a questionnaire on the topic. Finally, in response to specific situations reported by clients, inter-company initiatives for indepth study and monitoring were increased.

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 indicators²⁶ selected on the basis of their relevance from the client's point of view.

Table 28. Regularity of ATM transit (trams, buses, trolley buses, metro)

REGULARITY 27							
Transit line	Target 2019	2019	2018	2017			
Tram	97.5	98.9	99.0	98.9			
Trolley bus	97.7	98.4	98.7	98.8			
Bus	98.2	99.4	99.2	99.1			
Metro	99.6	99.6	99.8	99.8			

Table 29. Punctuality of ATM transit (trams, buses, trolley buses, metro)

PUNCTUALITY ²⁸							
Transit line	Target 2019	2019	2018	2017			
Tram	97.6	98.4	98.9	99.2			
Trolley bus	97.8	98.0	98.9	99.2			
Bus	97.2	98.8	99.1	99.3			
Metro	99.5	99.7	99.8	99.7			

Table 30. Overcrowding of ATM transit (above ground, underground)

OVERCROWDING ²⁹						
Transit Line	Target 2019	2019	2018	2017		
Above ground	70%	42.7%	42.4%	40.3%		
Underground	80%	April 49.3%; November 50.9%	April 46.8% November 54.9%	May 43.2%; November 46.3%		

²⁷The Regularity of Service indicator represents the percentage ratio between the trips made and the trips scheduled per day by ATM S.p.A., in line with the requirements of the Service Contract stipulated with the Municipality of Milan. The parameter is calculated monthly based on the values registered each day.

²⁸The Punctuality of Service indicator represents the percentage of journeys that reach the end of the line with delays of less than 10' for the ground transportation network and 3' for the underground transportation network, in line with the requirements of the Service Contract stipulated with the Municipality of Milan. The parameter is calculated monthly based on the values registered each day.

²⁹The Overcrowding of Service indicator represents the ratio between the number of passengers carried and the number seats offered per line. It is obtained both for the surface lines and for the underground lines 1, 2 and 3, in line with the requirements of the Service Contract stipulated with the Municipality of Milan.

In order 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 Group believes that monitoring the level of quality perceived - that is, customer satisfaction - is an important factor in listening to its clients and constantly improving its services. The annual survey, carried out in April 2019 on a sample of 3,444 people through face-to-face interviews on board vehicles, at stops and in subway stations, confirms the positive result of the 2018 survey: a general satisfaction with the ATM service maintains an average score of 7.2 (on a rating scale from 1 to 10), as well as the area of satisfaction, i.e. those who declare themselves to be very or fairly satisfied (the percentage of those who express a rating between 6 and 10) is consolidated at 97%.

Complaints and reports received from customers are managed through a special procedure by the Customer Relations office, which in 2019, guaranteed an average annual response time of approximately 6 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.

Security and Safety

The issue of passenger health and safety is of fundamental importance for ATM Group. It is essential for maintaining a relationship built on trust with clients, as well as for the conduct of the business.

Since 2018, ATM has achieved the important goal of hiring 130 certified sworn security guards, to be used in subsidiary security services including: surveillance of the main subway stations, on board trains and vehicles along the surface lines, especially those considered sensitive, and in company locations. During 2019, 23 new Sworn Private Guards who have obtained the certification to work in security by the Milan Police Headquarters, in response to the turnover and keeping the number of employees in the department unchanged.

In 2019, the ATM Security Committee met all the locally active institutional components on a monthly basis: Local Police, State Police, and Carabinieri. The Committee analyzed the problems expressed in the reports that come from the various company sectors, planning joint activities to solve repeating, critical issues or monitoring potentially critical cases. From the experience and constant comparison with the representatives of the Police Force, in 2018 a project for sharing operational procedures was started laying out the foundations for joint surveillance, training and exercise activities, and was continued in 2019 and will continue in 2020.

The security benchmarking activity continued in 2019, involving the main public transportation providers around the globe, through the participation in work groups on specific projects and meetings between company managers in the sector. In November 2019 ATM organized and hosted the 28th Security Committee, which was attended by over 30 Security Managers from as many European companies. The representatives were joined by the provincial command of the Carabinieri.

Over the past few years, ATM has increased the number of security staff, reaching 261 operating units (+12.5% compared to 2017). In particular, there is a 50% increase in armed personnel compared to 2017.

Table 31. Security Personnel

SECURITY PERSONNEL ³⁰					
Туре	at 31.12.2019	at 31.12.2018	at 31.12.2017		
Armed	129	128	86		
Unarmed	132	132	146		
TOTAL	261	260	232		

Metro Service A/S also set up a management system for safety issues to guarantee compliance with applicable laws, regulations and contractual provisions. The company records and assesses

risks related to security and annually defines quantitative and qualitative objectives subject to review during the annual management review.

MITIGATION OF NOISE AND VIBRATIONS

ATM Group is aware of the impact of 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 so that the quality of life of those residing in affect areas improves.

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 (Vibroacoustic Laboratory).

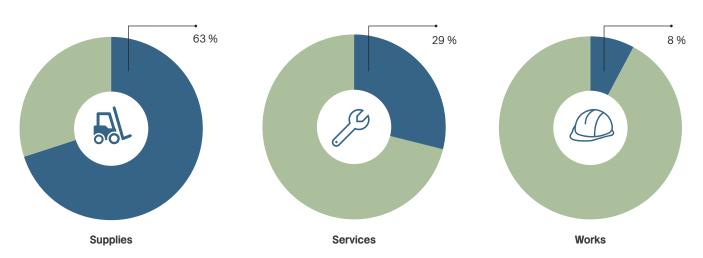
For further information, see the chapter dedicated to the Group's Manufactured Capital.

ATM's relationships with its suppliers

The ATM Group maintains relationships with a wide supply chain, made up of over 1,800 suppliers, mainly divided into the categories of supplies, services and works. The expenses for "supplies" represent approximately 63% 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 29% 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 8% of the expenditure relates to the "works" category with particular reference to extraordinary interventions on the network and infrastructure.

Composition of ATM Group's supply chain and % expenditure



The management of relations with suppliers is an important issue for the Group. ATM prefers local suppliers: in relation to the percentage of supply chain expenditure spent in Italy from Italian suppliers, this value stands at 91%, an increase of approximately 8 percentage points compared to 2018. With reference to Metro Service, the percentage of local expenditure (Copenhagen) out of total supply chain expenses is 88%.

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.

ATM's ongoing commitment in the training process for those involved in the purchase process is equally essential for ensuring the pursuit of responsible procurement principles.

In 2019, an important training course was created for those who hold the role of DEC (Director of Contract Execution). The course will be resumed at the end of 2020 and extended to all company personnel involved in purchasing.

In ATM S.p.A., the procedure for evaluating suppliers of works, goods and services promotes and supports the suppliers by suggesting actions to improve their service and environmental impact and evaluate their overall performance with respect to the Group Policy for the Quality, Safety and the Environment.

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 fulfill the obligations established by the Standard.

Labor Relations

Relations with union representatives were developed in compliance with the provisions of the CCNL and with the specific agreements/company protocols which outline a model for labor relations. The model is based on ensuring the involvement, dialogue and participation of workers through mutual agreement, in achieving the Group's objectives, thereby preventing the emergence of conflicts.

With this in mind - and in line with the areas and competences of the various levels of trade union representation – the Group engages in constant dialogue with local trade union representatives on local and sector management issues, and with the trade union representative Coordination, on matters of general interest. With the latter, the Group was able to reach various agreements during the year, including some relating to the regulation of specific sectors (e.g. Area C/B) and/or in relation to specific events (e.g. National Assembly of the Alpini).

During 2019, approximately 65% of workers in Italy were registered with a union, with a slight increase in the union rate compared to the previous year, further confirming that the freedom of union membership is fully guaranteed in ATM.

Relations with the Local Community

The ATM Group, as an integral part of the community in which it operates, intends to encourage 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.

The following are some projects that the Group supported during 2019:

Milano da Leggere: initiative promoted by the Library System

of the Municipality of Milan to spread digital reading, with offer of free e-books, downloadable in the advertising spaces made available by ATM;

- Milan Book City: on the occasion of the eighth edition of the cultural event in Milan dedicated to reading and publishing, a historic tram hosted "Stories of Milan from Duomo to Gratosoglio". The initiative sought to highlight some of the most popular neighborhoods in Milan through special routes. Through theatrical representation, the participants were told about the unedited face of the tramway number 3 that connects Duomo to Gratosoglio.
- E_mob Third National Conference on Electric Mobility: ATM joined the initiative among the members of the Promoting Committee, promoting sustainable mobility through the display of the electric-powered fleet and the presentation of its "Full Electric Plan" within a conference session and in a workshop reserved for students and dedicated to the history of electric transportation in Milan.
- Piano City Milano: the eighth edition of the musical event of the Municipality of Milan, which promotes piano concerts in unusual places in the city, three concerts were hosted at the ATM headquarters in Foro Buonaparte 61.
- Milano Bike City: initiative focused on the key issues for the future of cycling and mobility: integration, intermodality, sustainability. ATM's participation was part of a strategy that promotes the excellence of the city of Milan and actively contributes to the laboratory of ideas for the development of innovative mobility solutions.

In addition, the Group implemented **corporate initiatives** to promote knowledge of services, its reputation and the main projects in the field of sustainable mobility and technological innovation.

- ATM Porte Aperte: large event open to citizens, organized in 2019 at the San Donato depot, dedicated to the presentation of the ambitious Full Electric Plan and the innovative projects that the Group has put into place in support of increasingly "green" mobility.
- Milano Full Electric The evolution of public transport: a publication dedicated to the project of electrification of the surface fleet, created in collaboration with AIM Associazione Interessi Metropolitani and presented to an audience of institutional interlocutors, as part of the editorial series "Report Milan".

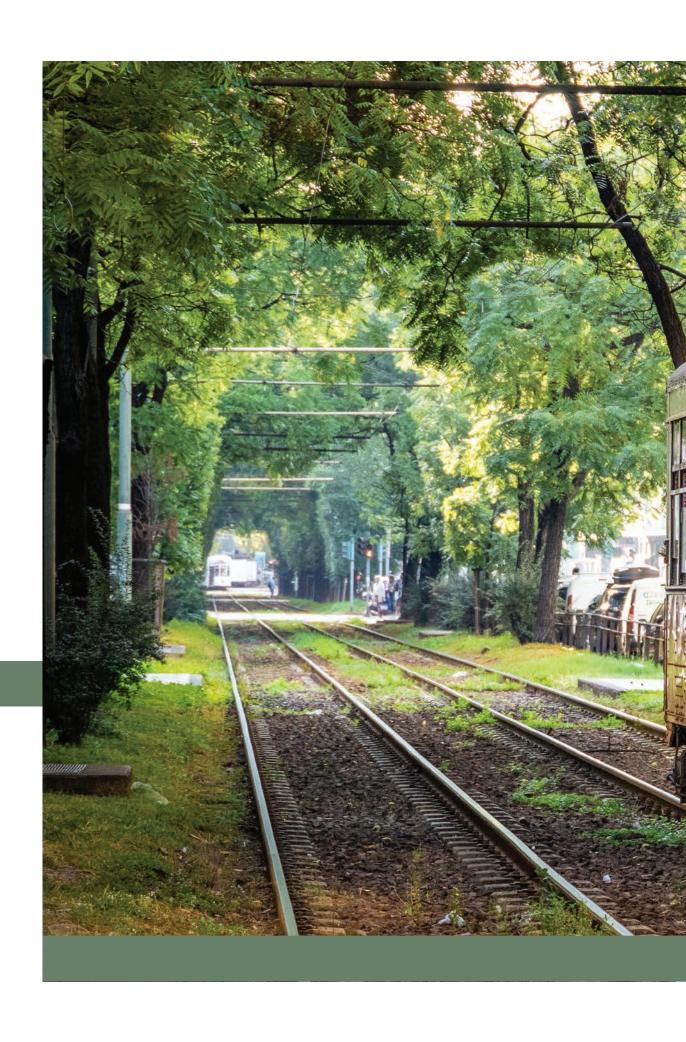
There are also several initiatives that the ATM Group supported during 2019 in the context of Corporate Social Responsibility:

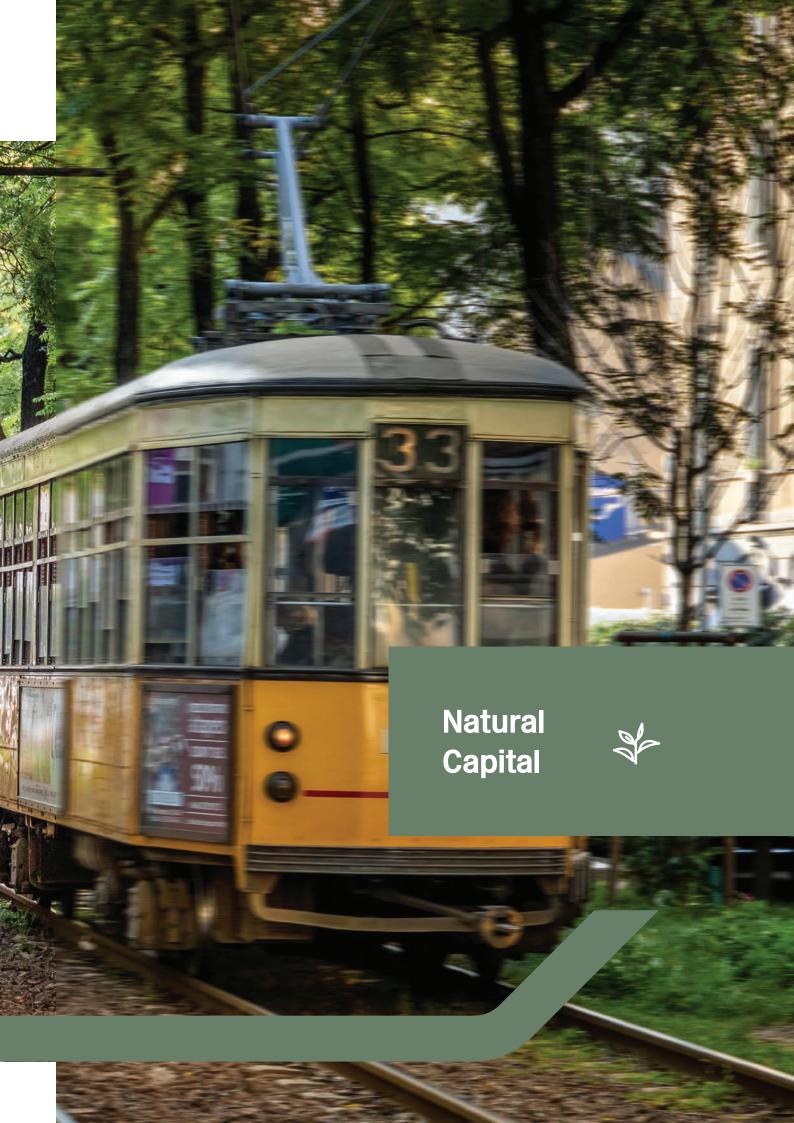
- Bus degli Angeli: for the ninth consecutive year, ATM continued its collaboration with the "Bus degli Angeli" project promoted by the City Angels Volunteer Association, aimed at providing assistance to the homeless of Milan during the winter months.
- Etiquette campaigns: in 2019 the Group continued to raise awareness on issues of social relevance:
 - "The rules for pleasant travel": in reference to the proper etiquette to observe while on our vehicles, a video campaign "The rules for pleasant travel " is displayed in all the metro stations to inform, educate and raise awareness among passengers about respect for the rules of travel, including the correct use of escalators and carrying backpacks on board the vehicles. Audio announcements on board the vehicles also support the initiative.
 - "Would you give me your seat, please?": The campaign designed to make all passengers who may need to travel sitting down to be immediately recognizable and asking that clients give up their seats. The initiative has been relaunched for the second year.

Finally, since interaction with the community is increasingly influenced by the use of digital tools, a special commitment by the Group has been encouraging digital literacy and introducing citizens to the opportunities offered by technological innovation.

Among the most significant initiatives of 2019:

- STEMinthecity: ATM took part in the project of the Municipality of Milan to promote the diffusion of technical and scientific fields of study and use of new digital technologies, opening the doors of its control rooms to students of some of the city's higher institutes;
- ATM Digital: on occasion of Digital Week, 30 students, alternating between school and work, turned into "digital angels", supporting citizens in the main metropolitan stations by providing assistance and showing them how digital technologies can facilitate public mobility in an intelligent, practical and sustainable way.







8. Natural Capital

Main results related to the Group's Natural Capital

Table 32. Highlights of results obtained related to the Group's Natural Capital

(Scope 2 - market based) ³¹	Of waste reco	overed in Italy Scope 2 emissions - location based ³²		
160,881 tCO ₂ avoided	72%	9.5% reduction		
In Italy, purchased electricity from green certifi	ed free market	Consumption of diesel fuel ³²		
100%		3.4% reduction		

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 ATM uses to carry out its activities.

Material Topics related to 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 and financial performance		Noise and vibration mitigation		Diversity, inclusion and welfare		
Training and professional development	Protectio	n of employee health and safety	Ethics, integrity and co	ompliance	Responsible management of the supply chain	

 $^{^{31}}$ Thanks to the purchase in Italy of only Green certified electricity with guarantee of origin.

 $^{^{\}rm 32} Comparison$ with the data as of 31.12.2018

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.

INPUT	BUSINESS ACTIVITY	ОИТРИТ	OUTCOME
Set of natural resources	Energy management	Certified electricity supply from	102,478t of CO ₂ emissions
Set of energy sources	Mitigation actions of the	exclusively renewable sources	Reduction of CO ₂ and NOx
0,5	impacts of activities on the	70% of the mobility service	emissions
	environment	provided is powered by electricity	10,233,154 kg ³⁵ of waste
	Reuse of resources	electricity	produced, 72% of which is
		Low environmental impact of bus fleet	recovered
		Launch of the Full electric plan	
		for vehicles and depots	
		Reuse of wastewater for	
		washing vehicles	
		Recovery of energy from braking	

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 31 December 2019. The table also identifies new targets planned in 2019.

Table 33. Sustainability objectives related to the Group's Natural Capital

Ob	Objectives		Status at 31 December 2019		
•	By 2020, achieve a 20% reduction in ${\rm CO_2}$ emissions generated, (compared to 2005 baseline values), following adhesion to the Sustainable Energy Action Plan (SEAP), also thanks to the progressive increase in use of systems for generating energy from renewable sources		With regards to the activities carried out by the Group in Italy, direct emissions (Scope 1), attributable to the energy consumption of Methane, Diesel, LPG, recorded a decrease of approximately 8% compared to the previous year.		
•	Obtain the "Svanemærket" environmental certificate for the machinery used by Metro/Service for washing trains		In September 2019, Metro Service obtained the environmental certificate "Svanemærket" for its train washing machinery.		

The Natural Capital of ATM Group

ATM has always sought to position itself as a point of reference when it comes to integrated and sustainable mobility. To that end, the Group does not limit itself to mere compliance with current regulations regarding respect for the environment. Rather, the move towards offering a low/zero-impact mobility service on the environment is an integral part of the Group's strategy, as described in the Environmental Transition and detailed in the chapter on Manufactured Capital in terms of upgrading the bus fleet with entirely electric vehicles, the replacement of lights with low-consumption LED solutions and the dematerialization of service. To follow up on this objective, the Group designs and develops various initiatives to reduce its impact on the environment.

As discussed in the chapter on Intellectual Capital, companies ATM S.p.A., ATM Servizi DIVERSIFICATI S.r.I., Rail Diagnostics S.p.A., NET S.r.I. possess an environmental management system that complies with the UNI EN ISO 14001: 2015 environmental standard. In addition, the companies adopt specific organizational documents (e.g. manuals, work instructions and procedures) that cover practices for good management of environmental resources, and specifically, the management of environmental emergencies and assessment of the significance of environmental impacts.

Management of energy consumption and environmental impacts

ATM achieves its commitment to reduce the adverse effects that its activities may have on the environment through initiatives aimed at improving efficiency and reducing its energy consumption, the use of renewable energy sources and consequently greenhouse gas emissions. The Group involves its employees, as well as external stakeholders, sharing the responsibility with them 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 relating to 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 communicates to ENEA (National Agency for new technologies, energy and sustainable economic development) the Energy Diagnosis both for the "Public Transport" service and for the Group's production sites.



During 2019, energy consumption was recorded for a total of approximately 4,140 TJ, as shown in the table below.

Table 34. ATM Group's total energy consumption in TJ³⁴ for 2019

Туре	2019	2018	201735
Electrical Energy purchased from the Free Market	2,851	2,996	2,831
Electrical energy self-produced through photovoltaics	14	13	13
Diesel Fuel	982	1,015	1,047
used for transportation	980	1,012	1,041
used for heating	2	3	6
Methane ³⁶	282	296	224
LPG	0.3	0.1	0.1
District heating	11	11	5
TOTAL	4,140	4,331	4,183

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 antipollution devices. 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.

In 2019, the Group continued several projects for reduction of energy consumption and GHG emissions, described in detail in the chapter on Manufactured Capital:

 Replacement of lamps with LED lamps in the stations and along the sections of the underground network

- Upgrade of the fleet with less polluting buses
- Continuation of the train braking energy recovery project
- Improvement of substations
- Creation of an office that deals with sustainability issues

As for the consumption of electricity supplied 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 only "Green Energy" with Guarantee of origin, the Group managed to avoid the emission of approximately 160,881 tons of ${\rm CO_2}$ in 2019. The tender for the purchase of all "Green Energy" for 2019 was already accomplished in 2018. In fact, the Group's goal is to reach 100% of electrically powered rolling stock by 2030, with the consequent reduction of ${\rm CO_2}$ 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 8% compared to the previous year.

³⁴The 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; 1 MNm³ natural gas = 820 toe; 1 GWht - district heating = 103 toe; 1 t vegetable oil = 0.88 toe; 1 M liters LPG = 549.5 toe; toe / TJ = 0.042.

³⁵The figure does not include the energy consumption of Metro Service A/S. For the consumption of electricity only, the consumption of approximately 241 TJ of electricity for the Metro Service A/S company for 2017 is reported.

³⁶Methane gas consumption figures are estimated. To facilitate comparability of information, the 2018 methane consumption has been restated in line with the refinement of the representation model used for the 2019 financial year.

Table 35. Direct Emissions (Scope 1) – ATM Group – tonnes of ${\rm CO_2}$ equivalent³⁷

ATM GROUP	2019	2018 ³⁸
CO ₂ e Emissions	87,010	91,215

Indirect emissions (Scope 2), attributable to the Group's electricity and district heating consumption, decreased by approximately 9.5%, according to the location-based calculation method, as

reported in detail in the table below. According to the market-based calculation method, the Group registered a decrease of approximately 3.5% of emissions.

Table 36³⁹. Indirect Emissions (Scope 2) - ATM Group - tonnes of CO₂

ATM GROUP	2019	2018
Location-based CO ₂ Emissions	116,616	128,791
Market-based CO ₂ Emissions	15,468	16,007 ⁴⁰

Table 37. Emission factors

Emission factors			
Electrical Energy (location-based) Italy	gCO ₂ /kWh	316.4	Source: ISPRA 2019
Electrical Energy (location-based) Denmark	gCO ₂ /kWh	361.0	Source: Terna_Confronti internazionali 2017
Electrical Energy (market-based) Denmark	gCO ₂ /kWh	509.0	Source: AIB, European Residual Mixes 2018 (version 1.2 2019)
Diesel for transportation (Italy)	KgCO ₂ e/L	2.59411	Source: DEFRA 2019
Diesel for heating (Italy)	KgCO ₂ e/L	2.75821	Source: DEFRA 2019
Diesel (Denmark)	KgCO ₂ e/L	2. 59411	Source: DEFRA 2019
Natural Gas	KgCO ₂ e/m³	2.03053	Source: DEFRA 2019
LPG	KgCO ₂ e/L	1.5226	Source: DEFRA 2019

³⁷To calculate Scope 1 emissions for 2019, the Group used the conversion factors reported in the 2018 UK Government GHG Conversion Factors for Company Reporting. To ensure comparability with the 2019 data, the values for the 2018 and 2017 financial years have been restated using the same source. For data relating to 2017, calculated previously and which do not include Metro Service A/S, please refer to the document published on the Group website www.atm.it.

³⁸To facilitate comparability of information, the data relating to the Scope 1 emissions has been restated in line with the refinement of the representation model used for the 2019 financial year.

³⁹To calculate Scope 2 emissions for 2019, the Group used the emission factors reported in the table. 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 (CO₂ equivalent) as deduced from the technical literature of reference. For data relating to 2017, calculated previously and which do not include Metro Service A/S, please refer to the document published on the Group's website www.atm.it.

⁴⁰To facilitate the comparability of information, the data relating to Scope 2 (market-based) emissions have been restated in line with the refinement of the representation model used for the 2019 financial year.

Responsible management of resource consumption and waste production

Responsible use of water resources

The Group manages 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.

The water used is sourced directly from the public aqueduct of the Municipalities where the various company plants are located and is used for both civil (cafeterias and dressing rooms) and industrial (washing company vehicles) purposes. The most important impact is the possible introduction of polluting substances into the receiving water body. To mitigate this possibility, water treatment

plants are present at all sites, removing polluting substances and providing maintenance and control activities, including periodic analyses of the quality of the wastewater, in full compliance with regulations (Part III, Legislative Decree 152/06 and subsequent amendments).

In addition to the industrial and civil water, rainwater runoff from the yards of most of the company plants, especially those housing the Group's automotive vehicles, are treated before being drained into the public sewerage. All types of water (civil, industrial and rainwater) are drained into public sewer systems, except in the case of the Famagosta deposit, where they are discharged into a surface water body (Southern Lambro-Olona River).

Table 38. Water withdrawal by source

ATM GROUP	UM	2019	2018	2017
Total withdrawal from municipal	m³	2,243,696	1.548.410	1,972,392
water supply	III	2,243,090	1,540,410	1,912,392

Table 39. Water drainage by quality and destination⁴¹

			2019	2018	
ATM GROUP	UM	Treated Wastewater	Untreated Wastewater	Treated Wastewater	Untreated Wastewater
Body of surface water	m³	7,000	-	4,467	-
Public Sewer System	m³	60,229	2,168,828	46,662	1,498,444
Total	m³	67,229	2,168,828	51,129	1,498,444

Water is mainly used for washing vehicles and systems, as well as for regular use in offices. The trend in water consumption is linked to operational needs and the number of vehicles, plants and employees of the Group. Consumption recorded at 31 December 2019 may be subject to any adjustments communicated after the

date of publication of this document. The trend of water discharge volumes is directly related to that of withdrawals.

To improve the quality of the wastewater, ATM is launching a revamping campaign of the existing plants, starting from the tram

⁴The data does not include Metro Service A/S. The data related to water discharge of Italian companies are available for the two-year period 2019-2018. Starting from the next DNF, a three-year comparison will be available.

stations. The campaign will integrate ion-exchange resin systems to remove heavy metals that 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. There are also ongoing campaigns to reduce water consumption for air conditioning, replacing the machines that require the use of disposable water where possible.

All company offices have discharge requirements, since without them the water cannot be discharged into the various receiving bodies. Industrial discharge must be authorized by the competent local authorities in order to be performed. In the event that 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.

The Group carries out periodic checks on the discharge of water in which it monitors the main parameters indicated by the regulations, which mainly refer to the activities carried out on site. These checks, in addition to assessing the quality of the water, allow to establish the effectiveness and efficiency of the purification processes. 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 the possible source "pollutant "and solve the problem by bringing the concentration below this threshold.

Responsible management of sand use

To improve the safety and adhesion of rail surface transportation during adverse weather conditions, the Group performs measures of sandblasting on the tracks. This operation is considered strictly necessary for the safety of passengers on board the vehicles, though inevitably generates dust pollution. Over the past 3 years, the sand used has been equal to:

Table 40. Tonnes of sand used⁴²

Year	Tonnes of Sand Used
2017	1,189
2018	1,144
2019	1,243

The increase in sand consumption that occurred during 2019 is due to the operational needs of the tramways, the kilometers traveled and the temperatures of the winter season.

Responsible waste management

As for the management of waste, ATM Group strictly complies with the current legislation on the matter and guarantees transparency and efficiency in the registration and issue of related disclosures. To this end, the Group prepares the Single Environmental Declaration Model (MUD) with which it reports the production of waste in the calendar year.

In general, ATM is committed to reducing its production of waste and promoting the recovery of materials rather than disposing of them. As for ordinary waste (e.g. paper, cardboard, wood, food waste, plastic and mixed waste), which in turn can be assimilated to municipal waste, ATM uses the municipal collection service on site, by AMSA. Unlike ordinary waste, industrial waste, divided in hazardous and non-hazardous solid waste, is managed through a three-year contract, renewed through a tender. Other special types of waste, including metal waste (Fe, Al, Cu, etc.), batteries, oils and tires, are recovered by authorized specialist operators. Otherwise, used goods are registered and resold through special tenders (RSA or Request for Sale Authorization).

⁴²The data does not include Metro Service A/S

The table below shows the total waste produced in 2019. However, the net total waste produced in Italy in 2019 is equal to 8,377,989 kg, excluding 1,855,165 kg of non-hazardous self-disposed wastewater

(D9) discharged into sewers following chemical-physical treatment at the Precotto plant.

Table 41. Breakdown of waste produced by type and method of disposal (ATM Group - Italy)43

	2019			2018				2017				
Туре	Quantity in kg	Recov- ered	Dis- posed	Autono- mously Dispose	Quantity in kg	Recov- ered	Dis- posed	Autono- mously Dispose	Quantity in kg	Recov- ered	Dis- posed	Autono- mously Dispose
Hazardous	4,730,131	99%	1%	0%	3,747,563	96%	4%	0%	969,911	92%	8%	0%
Non Hazardous	5,503,023	49%	19%	32%	4,729,332	33%	27%	40%	3,082,105	33%	30%	37%
TOTAL (Gross)	10,233,154	72%	10%	18%	8,476,895	61%	16%	23%	4,052,016	47%	25%	28%

During 2019, there was an increase in special hazardous waste produced, due mainly to the decommission and disposal of trains and buses, as part of the fleet renewal plan, in line with the Group's full-electric goal. The increase in non-hazardous waste is due to the processing of sludge generated by the chemical and physical treatment of wastewater in various closed cycle plants.

The main disposal methods used by the Group are divided into:

- Recovery: waste sent to an authorized center for reserve before recovery (R13);
- Disposal: waste sent to an authorized center for preliminary storage before disposal (D15);
- Autonomous disposal: this method refers to non-hazardous wastewater generated from cleaning the Group's vehicles, treated internally at the Precotto plant (D9).

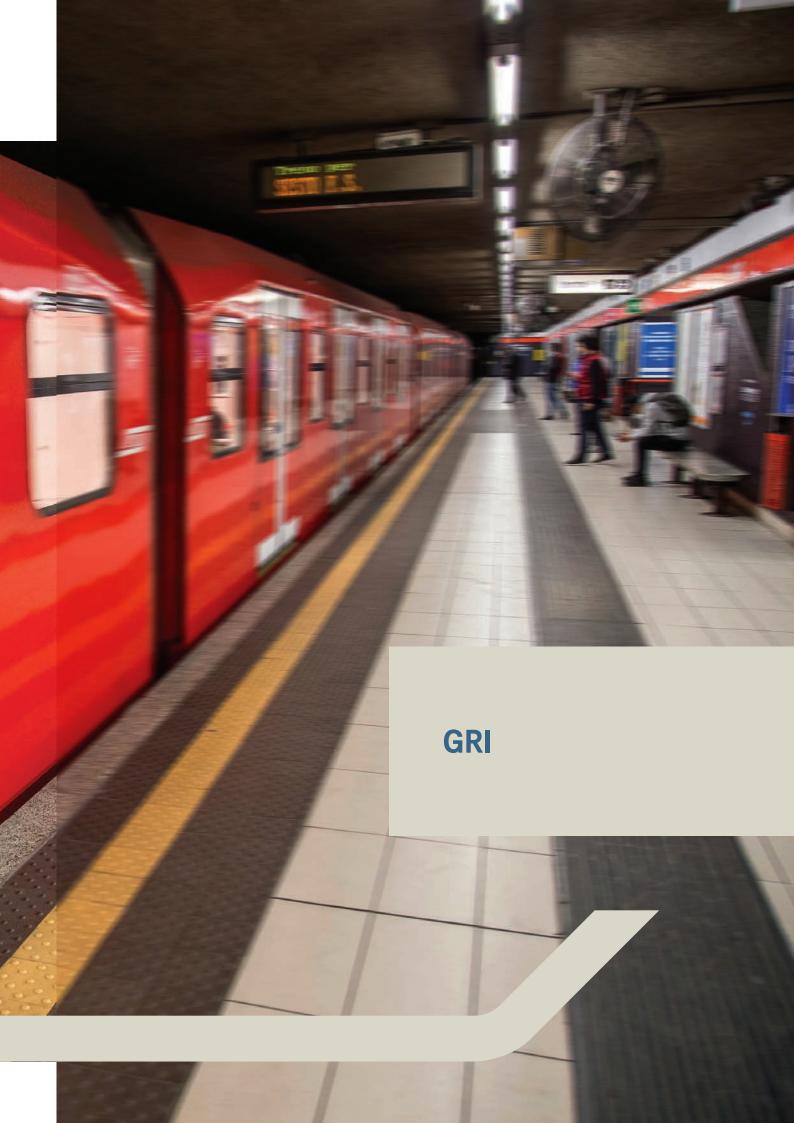
In addition, in 2018 a new contract was awarded for the removal of 10,000 linear meters of insulation and about 650 square meters of asbestos-containing panels at the company headquarters over the three-year period. In 2019, over 2,900 meters of pipes and over 330 square meters of asbestos cement panels were removed.

The problems related to disposal of the ballast present in the deposits and along the rail line, to be carried out in conjunction with the rail renewal interventions, has yet to be unresolved.

As far as Metro Service is concerned, whenever possible, the Company sells or reuses obsolete parts, minimizing the quantity of waste it produces and disposes. However, in consideration of the addition of the new M3 line of the Danish metro network, the Company has produced a total of 277,405 kg of waste, an increase of 18% since last year, of which 19,912 dangerous (7% of the total) and 257,493 non-hazardous (93%).

⁴³The figure does not include Metro Service A/S, this reporting perimeter represents approximately 94% of the employees of the ATM Group at 31 December 2019.





GRI - Type and scope of impacts

Material Topic	GRI Standards (2016)	Scope of Impact	ATM Group Role
Quality and accessibility of	GRI 103: Management Approach	ATM Group	Direct – Caused by ATM Group
services	GRI 203: Indirect economic impacts	ATMIGIOUP	Direct - Caused by Arivi Group
Economic and financial	GRI 103: Management Approach	ATM Group	Direct – Caused by ATM Group
performance	GRI 201: Economic performance	A TWI Group	Direct - Caused by ATM Group
Community relations and local	GRI 103: Management Approach	ATM Group	Direct - Caused by ATM Group
development	GRI 203: Indirect economic impacts	ATMIGIOUP	Direct - Caused by ATM Group
Security & Safety	GRI 103: Management Approach	ATM Group Law Enforcement	Direct – Caused by ATM Group Indirect – ATM Group contributes to this impact
Intermodality and integration of services	GRI 103: Management Approach	ATM Group Other public transportation and mobility companies	Direct – Caused by ATM Group Indirect – Connected to the activities of the Group through its business relations
Noise and vibration mitigation	GRI 103: Management Approach	ATM Group	Direct - Caused by ATM Group
Energy consumption and environmental impacts	GRI 103: Management Approach GRI 302: Energy GRI 305: Emissions	ATM Group Electrical energy supplier	Direct – Caused by ATM Group Indirect – Connected to the activities of the Group through its business relations
Responsible management of resources and waste	GRI 103: Management Approach GRI 303: Water GRI 306: Effluents and waste	ATM Group Water and waste disposal suppliers	Direct – Caused by ATM Group Indirect – Connected to the activities of the Group through its business relations
Ethics, integrity and compliance	GRI 103: Management Approach GRI 412: Human Rights assessment GRI 205: Anti-corruption GRI 307: Environmental Compliance GRI 419: Socioeconomic Compliance	ATM Group	Direct – Caused by ATM Group
Diversity, inclusion and welfare	GRI 103: Management Approach GRI 405: Diversity and equal opportunity GRI 401: Employment	ATM Group	Direct – Caused by ATM Group
Training and professional development	GRI 103: Management Approach GRI 404: Training and education	ATM Group	Direct – Caused by ATM Group
Protection of employee health and safety	GRI 103: Management Approach GRI 403: Occupational Health and Safety	ATM Group	Direct - Caused by ATM Group
Responsible management of the supply chain	GRI 103: Management Approach GRI 204: Procurement practices	ATM Group	Direct – Caused by ATM Group

GRI Content Index

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

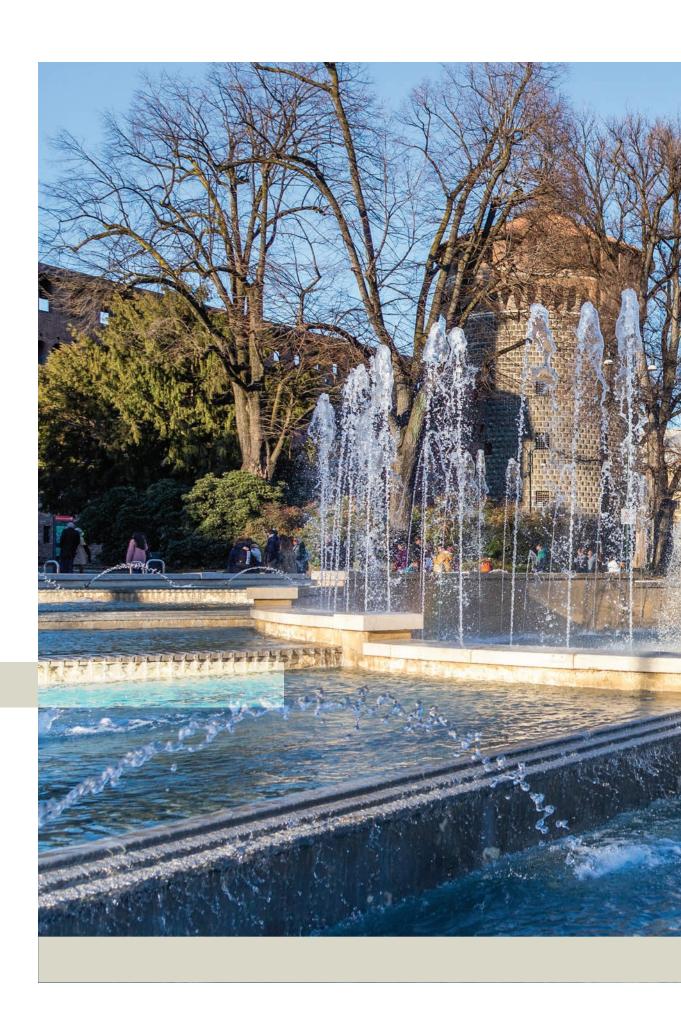
GRI Standard	Disclosure	Page number and notes
GRI 101 FOUNDATION (2016)		
GRI 102 GENERAL DISCLOSURE	(2016)	
Organizational profile		
	102-1 Name of the organization	6
	102-2 Activities, brands, products and services	10-11
	102-3 Location of headquarters	10
	102-4 Location of operations	10-11
	102-5 Ownership and legal form	12-13
	102-6 Markets served	11
	102-7 Scale of the organization	38, 44, 64
	102-8 Information on employees and other workers	67-68
	102-9 Supply chain	87-88
GRI 102: General Disclosures	102-10 Significant changes to the organization and its supply chain	6-7, 87-88
(2016)	102-11 Precautionary Principle or approach	15-17, 26-31
	100 10 External initiatives	33-35, 69,
	102-12 External initiatives	88-89
		UITP Internationa
		Public
		Transportation
	102-13 Membership of associations	association
	·	AGENS
		Confederal
		Transport and
Strategy		Services Agency
GRI 102: General Disclosures		
(2016)	102-14 Statement from senior decision-maker	4-5
Ethics and integrity		
GRI 102: General Disclosures		
(2016)	102-16 Values, principles, standards, and norms of behavior	10
Governance		
GRI 102: General Disclosures	102 19 Covernance etructure	12
(2016)	102-18 Governance structure	13

GRI Standard	Disclosure	Page number and notes	
Stakeholder engagement			
	102-40 List of stakeholder groups	21	
		In 2019,	
		nearly 99%	
		ATM Group	
		employees	
		were covered	
	102-41 Collective bargaining agreements	by collective	
GRI 102: General Disclosures		bargaining	
(2016)		contracts. Of	
		these, 100%	
		in Italy and	
		roughly 80% in	
	400 40 Hamifitian and salesting status haldens	Denmark.	
	102-42 Identifying and selecting stakeholders	20	
	102-43 Approach to stakeholder engagement	20-22	
	102-44 Key topics and concerns raised	23-26	
Reporting practice			
	102-45 Entities included in the consolidated financial statements	6-7	
	102-46 Defining report content and topic Boundaries	6-7	
	102-47 List of material topics	24-25	
	102-48 Restatement of information	6-7	
	102-49 Changes in reporting	6-7	
GRI 102: General Disclosures	102-50 Reporting period	6-7	
(2016)	102-51 Date of most recent report	6-7	
	102-52 Reporting cycle	6-7	
	102-53 Contact point for questions regarding the report	6-7	
	102-54 Claims of reporting in accordance with the GRI Standards	6-7	
	102-55 GRI content index	103-107	
	102-56 External assurance	110-112	
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GRI 201: Economic	3		
performance (2016)	201-4 Financial assistance received from the government		

GRI Standard	Disclosure		
Quality and accessibility of serv	ices		
001400-14	103-1 Explanation of the material topic and its Boundary	44-51, 84-86, 102	
GRI 103: Management	103-2 The management approach and its components		
Approach (2016)	103-3 Evaluation of the management approach		
GRI 203: Indirect economic impacts (2016)	203-1 Infrastructure investments and services supported		
Responsible management of the	supply chain		
	103-1 Explanation of the material topic and its Boundary	87-88, 102	
GRI 103: Management	103-2 The management approach and its components	87-88	
Approach (2016)	103-3 Evaluation of the management approach	7, 87-88	
GRI 204: Procurement practices	204-1: Proportion of spending on local suppliers		
Ethics, integrity and compliance			
ODI 100: Managament	103-1 Explanation of the material topic and its Boundary	54-61, 102	
GRI 103: Management Approach (2016)	103-2 The management approach and its components	54-61	
Approach (2010)	103-3 Evaluation of the management approach	7, 54-61	
GRI 205: Anti-corruption (2016)	205-3 Confirmed incidents of corruption and actions taken	No cases of corruption occurred during 2019	
GRI 412: Human Rights assessment (2016)	412-2 Employee training on human rights policies or procedures		
GRI 307: Environmental Compliance (2016)	307-1 Non-compliance with environmental laws and regulations	57	
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Energy consumption and enviro	nmental impacts		
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GRI 103: Management Approach (2016)	103-2 The management approach and its components	92-98	
Approuon (2010)	103-3 Evaluation of the management approach	7, 92-98	
GRI 302: Energy (2016)	302-1 Energy consumption within the organization	95	
	305-1 Direct (Scope 1) GHG emissions	96	
GRI 305: Emissions (2016)	305-2 Energy indirect (Scope 2) GHG emissions	96	
	305-5 Reduction of GHG emissions	50, 92, 95-96	

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GRI 103: Management	103-2 The management approach and its components	64-72
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	103-3 Evaluation of the management approach	7, 73-75
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and Safety (2016)	occupation	74
Training and professional devel	opment	
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GRI 103: Management Approach (2016)	103-2 The management approach and its components	75-77
πρρισαστι (2010)	103-3 Evaluation of the management approach	7, 75-77
GRI 404: Training and education (2016)	404-1 Average hours of training per year per employee	76

GRI Standard	Disclosure	Page number and notes
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ODI 400: Managaman	103-1 Explanation of the material topic and its Boundary	88-89, 102
GRI 103: Management	103-2 The management approach and its components	88-89
Approach (2016)	103-3 Evaluation of the management approach	7, 88-89
GRI 203: Indirect economic	203-2 Significant indirect economic impacts	34-35, 41, 47-
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Security & Safety		
ODI 400 Maria a maria di	103-1 Explanation of the material topic and its Boundary	86-87, 102
GRI 103: Management Approach (2016)	103-2 The management approach and its components	86-87
	103-3 Evaluation of the management approach	7, 86-87
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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 "ATM Group" or "Group") as of December 31, 2019 prepared on the basis of art. 4 of the Decree, and approved by the Board of Directors on March 30, 2020 (hereinafter "NFS").

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

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

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

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

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

Auditor's Independence and quality control

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

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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:

- 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;
- analysis and assessment of the identification criteria of the consolidation area, in order to assess its compliance with the Decree;
- comparison between the financial data and information included in the NFS with those included in the consolidated financial statements of the ATM 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.

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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., which we selected based on its activities, its contribution to the
 performance indicators at the consolidated level and its location, we carried out site visits, during
 which we have met its 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 ATM Group as of December 31, 2019 is not prepared, in all material aspects, in accordance with article 3 and 4 of the Decree and the GRI Standards.

DELOITTE & TOUCHE S.p.A.

Signed by
Matteo Bresciani
Partner

Milan, Italy April 6, 2020

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

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