Moody's ESG Solutions

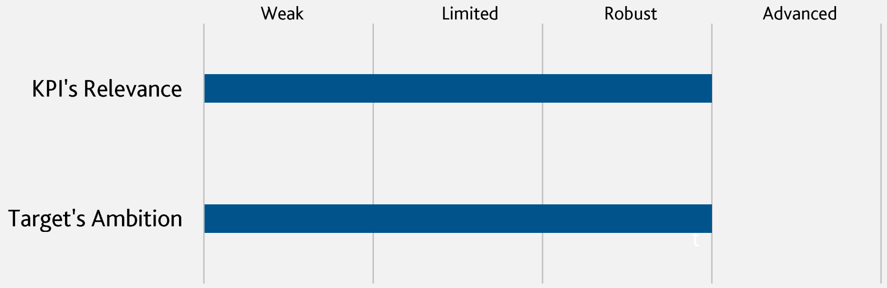
30 November 2022

SECOND PARTY OPINION

On Autostrade per l'Italia's Sustainability-Linked Financing Framework

Moody's ESG Solutions considers that ASPI's Sustainability-Linked Financing Framework is aligned with the five core components of ICMA's Sustainability-Linked Bond Principles (SLBP) 2020, LMA/APLMA/LSTA's Sustainability-Linked Loan Principles (SLLP) 2022.

Framework



SDG Mapping

Characteristics of the Framework

Audit of the Data	Yes
Three-year Historical Data	No
Nature of the Impacts on the Instrument's Characteristics	Financial (coupon/margin adjustment or premium payment)
Disclosure of Measures to achieve the SPTs	Yes

Sustainability Performance Targets (SPTs)

KPI 1: Absolute Scope 1 and 2 GHG emissions, calculated in tonnes of carbon dioxide equivalent (tCO_2e)

- 40% reduction of absolute Scope 1 and 2 GHG emissions in 2025 from a 2019 base year
- 50% reduction of absolute Scope 1 and 2 GHG emissions in 2027 from a 2019 base year
- 68% reduction of absolute Scope 1 and 2 GHG emissions in 2030 from a 2019 base year

KPI 2a.: Scope 3 GHG emission intensity from capital goods per Euro million of Capital Expenditure linked to infrastructural development under concession (tCO_2e /€M)

- 7% reduction of Scope 3 GHG emissions per €M Capex by 2025 from a 2019 base year
- 27% reduction of Scope 3 GHG emissions per €M Capex by 2027 from a 2019 base year
- 52% reduction of Scope 3 GHG emissions per €M Capex by 2030 from a 2019 base year

KPI 2b.: Scope 3 GHG emissions from purchased goods and services linked to extra captive infrastructural development works divided by operating profit linked to extra captive infrastructural development works (in € millions). (tCO_2e /€M)

- 7% reduction of Scope 3 GHG emissions per €M operating profit by 2025 from a 2019 base year
- 27% reduction of Scope 3 GHG emissions per €M operating profit by 2027 from a 2019 base year
- 55% reduction of Scope 3 GHG emissions per €M operating profit by 2030 from a 2019 base year

KPI 3: Absolute number of Electric Vehicles Charging Points (EVCPs) installed

- 627 EVCP installed by 2025 from a 2021 base year

	2019 (Baseline)	2021 (Baseline)	2025*	2027*	2030*
KPI 1	**126,926 (tCO_2e)**	**N/A**	**76,156 (tCO_2e)**	**63,463 (tCO_2e)**	**40,714 (tCO_2e)**
KPI 2a.	831 (tCO_2e /€M)	N/A	773 (tCO_2e /€M)	606 (tCO_2e /€M)	395 (tCO_2e /€M)
KP2b.	2,190 (tCO_2e /€M)	N/A	1,752 (tCO_2e /€M)	1,598 (tCO_2e /€M)	985 (tCO_2e /€M)
KPI 3	N/A	18 EVCPs	627 EVCPs	N/A	N/A

*Trigger event

Issuer

Involvement in Controversial Activities

The Issuer appears to not be involved in any of the 17 controversial activities screened under our methodology:

☐ Animal welfare
☐ Cannabis
☐ Chemicals of concern
☐ Civilian firearms
☐ Alcohol
☐ Fossil Fuels industry
☐ Coal
☐ Gambling
☐ Genetic engineering
☐ High interest rate lending
☐ Human Embryonic Stem Cells
☐ Military
☐ Nuclear power
☐ Pornography
☐ Reproductive medicine
☐ Tobacco
☐ Unconventional oil and gas

ESG Controversies

Number of Controversies	2
Frequency	Isolated
Severity	Critical
Responsiveness	Proactive

Key Findings

Note on the score of the relevance of KPIs:

The Issuer reserves the right to use each KPI and trigger events independently. ASPI has committed to systematically link KPI#1 to KPI#2a and KPI#2b in any future sustainability-linked issuance.

Alignment with the SLBP and SLLP

Moody's ESG Solutions considers that ASPI's Sustainability-Linked Financing Framework is aligned with the five core components of the SLLP and SLBP.

Selection of the Key Performance Indicators (KPIs) – aligned with the SLBP & SLLP

- The KPIs are clearly defined, including the unit of measurement, the rationale and process to select the KPI, the calculation methodology and the scope. They are publicly disclosed in in the Framework and the herewith SPO.
- The KPIs are measurable and are externally verifiable.
- The calculation methodology is consistent and in case of any methodology change, the Issuer commits to post-issuance external review of the relevant changes
- The KPIs definition relies on external references allowing their benchmark
- ASPI has committed to systematically link KPI 1 to KPI 2a and KPI 2b in any future sustainability-linked issuance. Together, KPI 1, KPI 2a and KPI 2b represent 88% of emissions, and reflect one of the most material sustainability issues for the Issuer's current and future operations, as well as one of the most relevant sustainability challenges for its sector.

Calibration of the Sustainability Performance Targets (SPTs) – aligned with the SLBP & SLLP

- The SPTs are consistent with the Issuer's existing targets set in its sustainability strategy.
- The SPTs demonstrate a robust level of ambition.
- The timeline, baseline and trigger event(s) are clearly disclosed, and the Issuer has set relevant intermediary targets allowing sufficient visibility on the KPIs' performance
- The means for achieving the SPTs are disclosed and are considered credible.

Instrument's Characteristics – aligned with the SLBP & SLLP

- The potential variation of the Instrument financial depending on whether the selected KPIs would reach (or not) the predefined SPTs is clearly defined in Framework and the herewith SPO and is disclosed to investors and/or lenders in documentation of the specific transaction.
- The meaningfulness of the variation of the SLB's structural and/or financial characteristics of the Instrument cannot be assessed due to lack of comparison data.

Reporting – aligned with the SLBP & SLLP

- The Issuer has committed to disclose all relevant information in public documentation in its website and sustainability report (including information on the performance of KPIs, information enabling investors to monitor the level of ambition of the SPTs and baselines). The reporting on the KPIs will be published annually until maturity of the Instrument.
- The intended scope and granularity of the reporting is clear and exhaustive, covering all the required and recommended elements.
- The selected KPIs related data are covered by an internal verification but the process/tools are not considered satisfactory.

Verification – aligned with the SLBP & SLLP and best practices identified by Moody's ESG Solutions

- The performance of each KPI against each SPT will covered by an external verification, on an annual basis and in case of material changes impacting the SLB's financial characteristics (such as a trigger event), until the maturity of the Bond.
- The verification assurance report will be publicly available on the website and sustainability report.

SCOPE

Moody's ESG Solutions was commissioned to provide an independent Second Party Opinion ("SPO") on the integration of three environmental factors to the Sustainability-Linked Instruments (the "Instruments") issued and/or structured by Autostrade per l'Italia SpA ("Issuer" or "ASPI") in compliance with the Sustainability-Linked Financing Framework (the "Framework") created to govern their issuances.

Of note, Sustainability-linked debt instruments are intended to finance general corporate purposes. As opposed to other sustainable financial instruments such as green bonds or loans, these instruments are agnostic on how funds are used. The main feature of this type of financing is the variation of the Instrument's financial and/or structural characteristics, depending on whether the Issuer achieves predefined sustainability / ESG objectives.

Our opinion is established using our Environmental, Social and Governance ("ESG") assessment methodology and the International Capital Market Association's (ICMA) Sustainability-Linked Bond Principles ("SLBP"), voluntary guidelines, published in June 2020 and the Loan Market Association, Asia Pacific Loan Market Association, Loan Syndications & Trading Association's (LMA/APLMA/LSTA) Sustainability-Linked Loan Principles ("SLLP"), voluntary guidelines, published in March 2022. This opinion is strictly limited to the integration of three environmental factors to the Instruments. This opinion does not cover the integration of broader sustainability factors (i.e., social and governance), or the labelling of the Instruments where the final decision is left to ASPI. This opinion does not constitute a verification or certification.

Our opinion is built on the review of the following components:

1. Framework: we assessed the Framework, including the coherence between the Framework and the Issuer's environmental commitments, and the Framework's alignment with the five core components of the SLBP 2020 and the SLLP 2022.

2. Issuer[1]: we assessed the Issuer's management of potential stakeholder-related ESG controversies and its involvement in controversial activities[2].

Our sources of information are multichannel, combining data (i) gathered from public sources, press content providers and stakeholders, (ii) from Moody's ESG Solutions' exclusive ESG rating database, and (iii) information provided from the Issuer, through documents.

Our opinion and work have been carried out in good faith. Moody's ESG Solutions has not performed any audit, site visit, inspection, nor other tests to establish the accuracy of the information provided by the Issuer. The Issuer is solely responsible for the correctness of the information it has provided and its compliance with, and implementation of, its commitments.

We carried out our due diligence assessment from July 4th, 2022 to November 30th, 2022. We consider that we were provided access to all documents and interviewees we solicited. To this purpose, we made reasonable efforts to verify the accuracy of all data used as part of the assessment.

Type of External Reviews supporting this Framework

☒	Pre-issuance Second Party Opinion	☒	Independent verification of KPI(s) reported data
☒	Independent verification of SPT(s) achievement		

Contact

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[1] The Issuer Is not part of our ESG performance rating universe.
[2] The 17 controversial activities screened by Moody's ESG Solutions are: Alcohol, Animal welfare, Cannabis, Chemicals of concern, Civilian firearms, Fossil Fuels industry, Coal, Gambling, Genetic engineering, High interest rate lending, Human Embryonic Stem Cells, Military, Nuclear power, Pornography, Reproductive medicine, Tar sands and oil shale, and Tobacco.

COHERENCE

Coherent
Partially coherent
Not coherent

Moody's ESG Solutions considers that the selected KPIs are partially coherent with ASPI's strategic sustainability priorities and sector issues and that they partially contribute to achieving the Issuer's sustainability commitments.

The motorway operators sector plays an important role in terms of climate change and energy efficiency. Most of the sector's production processes consume a lot of energy and emit significant amounts of greenhouse gases (GHG).

The construction of roads and large infrastructure, and construction projects have a significant impact on climate change, particularly by generating large volumes of harmful GHG emissions directly through fossil fuel consumption, transportation, paving works, etc., and indirectly through the purchase of raw materials and emissions coming from the increase of vehicles on the road. In this sense, construction companies, including road toll operators, must define a comprehensive environmental strategy that minimizes their impact on the climate and the environment through various sustainable practices that lead to a reduction in GHG emissions.

ASPI seems to acknowledge that being a sustainable organization represents a significant challenge and appears to demonstrate awareness around the impact that its activities have on the communities and surrounding territories where it is operational. The Group has made a commitment to building and managing its infrastructure in line with the objectives of sustainability and resilience identified at the international level, creating the transport of the future, reviewing its internal processes, redesigning governance, and pursuing responsible consumption as well as a circular use of resources.

The sustainable use of resources and the reduction of GHG emissions are two important pledges toward environmental protection which appear to be integrated into ASPI's business model and decarbonization strategy. The Group has committed to a "Net Zero" target aimed at limiting global warming to 1.5°C compared to pre-industrial levels by 2050. According to ASPI, the Group joined the SBTi in 2021, which conducted an assessment against its Net-Zero Standard and has formally validated ASPI's targets.

The Group has identified that climate change and the consequences on its economic activities will represent a potential risk factor for the resilience of the infrastructure managed by ASPI, at the same time identifying that the energy and technology transition currently in place could create important opportunities for growth and development. In this context, the risk assessment process of the organization considers both physical and transition risks while appearing to adopt a specific strategy to address ESG issues and identifies how the firm's inability to effectively manage issues relating to risk could impact the achievement of its objectives.

Scope 1, 2 and 3 GHG emissions reduction initiatives and projects to neutralize emissions (e.g., green interventions) have been identified in ASPI's 2021 Sustainability Report[3] as two of three key areas, in which the Group will consider reducing its carbon footprint. To mitigate the impact on the Group's other indirect emissions, ASPI has launched a series of technical studies to verify the possibility of using "green" construction materials with lower emission factors. The studies consider materials that account for about 84% of the Group's total Scope 3 emissions.

ASPI has a large infrastructure investment plan, which envisages 14.1 billion Euros of new investments up to 2038 (end of the concession) in major works to remove congestion and modernize the network. The plan, approved by the Regulator, includes activities related to new lanes, bypasses (Genoa and Bologna), network modernization, and reduction of noise. ASPI also plans to make an initial investment of over 45 million Euros in sustainable mobility related to the installation of high-power charging stations in the network. In addition, emissions from vehicles using the roads is not part of ASPI's scope 3 emissions (please see further details below). Although ASPI has shared information on its strategy to use construction materials with lower CO2 emissions, it is not clear how much this would represent as part of the overall investments. The Issuer has shared that the planned capital expenditures is required by the Grantor (the Italian State) through the concession's grant for construction and management of toll motorways in Italy and therefore it is not up for discretionary choice of the concessionaire. Although ASPI mentions in its Framework that one project of lane expansion has cut CO2 emissions, research has demonstrated that over time increasing highway capacity does not decrease congestion,[4] through the phenomenon of induced demand or "generated traffic"[5].

Against this background, Moody's ESG Solutions considers that the KPIs and associated SPTs chosen for ASPI's Sustainability-Linked Financing Framework are partially consistent with the Issuer's sustainability commitments and sector issues.

[3] https://www.autostrade.it/documents/10279/49045784/220701_ASPI_DNF_2021_ENG.pdf
[4] https://ncst.ucdavis.edu/research-product/increasing-highway-capacity-unlikely-relieve-traffic-congestion
[5] https://www.vtpi.org/gentraf.pdf

FRAMEWORK

The Issuer has described the main characteristics of the Instruments within a formalized Framework which covers the five core components of the SLBP 2020 and the SLLP 2022 (the last updated version was provided to us on November 30th, 2022). The Issuer has committed to make this document publicly accessible on its website[6] at the first issuance date, in line with good market practices.

Alignment with Sustainability-Linked Bond Principles and Sustainability-Linked Loan Principles

Selection of the Key Performance Indicators (KPIs)

Not Aligned	Partially Aligned	**Aligned**	Best Practices

Table 1. Analysis of the KPIs selected by the Issuer

KPI 1: ABSOLUTE SCOPE 1 AND 2 GHG EMISSIONS	KPI 2A AND B: SCOPE 3 GHG EMISSION INTENSITY
Definition: Clarity and Disclosure	
The KPIs are clearly defined, including the unit of measurement, the rationale and process to select the KPI, the calculation methodology and the scope. They are publicly disclosed in the Framework and this SPO. The rationale for the selection of the KPIs is reflected in the Issuer's commitment towards climate action to meet the Paris Agreement goals. The KPIs' calculation methodologies are presented below:	
Absolute Scope 1 and 2 GHG emissions are intended to be reduced by 68% in 2030, versus 2019 levels. The Issuer applies the absolute contraction method for setting its absolute emission reduction targets as defined by the SBTi.[7] The unit of measurement used is tonnes of carbon dioxide equivalent (tCO_2e). Scope 1 emissions cover direct emissions from owned or controlled sources. This includes fuel combustion on-site such as gas boilers, fleet vehicles, Amplia plants consumption and air-conditioning leaks. Scope 2 emissions include indirect emissions from the generation of purchased energy. Emissions are created during the production of the energy and eventually used by the organisation. Direct (Scope 1) and indirect (Scope 2) GHG emissions are calculated in accordance with (i) the Global Reporting Initiative Sustainability Reporting Standards issued by GRI - Global Reporting Initiative (the GRI Standards) and (ii) the Greenhouse Gas Protocol (GHG Protocol).	KPI2a.: Scope 3 GHG emission intensity from capital goods linked to infrastructural development under concession, calculated as tonnes of carbon dioxide equivalent (tCO_2e) per Euro million of Capital Expenditure linked to infrastructural development under concession (€M) (tCO_2e /€M) are intended to be reduced by 52% in 2030 versus a 2019 base year. KPI2b.: Scope 3 GHG emission intensity from purchased goods and services linked to extra captive infra-structural development works, calculated as tonnes of carbon dioxide equivalent (tCO2eq) per euro million of operating profit linked to extra captive infrastructural development works[9] (€M) (tCO2eq /€M) are intended to be reduced by 55% in 2030 versus a 2019 base year. Scope 3 GHG emissions stem from sources that are not directly under ASPI's control but are indirectly related to the Group's activity. They include all indirect emissions generated by the Group's value chain such as those linked to the supply chain and employee travel. ASPI has reported in particular that Scope 3 GHG emissions are mainly

[6] https://www.autostrade.it/en/investor-relations/bilanci
[7] https://sciencebasedtargets.org/resources/legacy/2017/04/SBTi-manual.pdf
[9] These emissions originate from one of the company's subsidiary: Pavimental

For Scope 2 emission ASPI will apply the market-based methodology in tracking the Group's performance towards its Scope 2 targets. The market-based methodology calculates GHG emissions from electricity purchases by considering specific emission factors reported by suppliers. The market-based method allows an organisation to report Scope 2 emissions on the basis of a financial transaction that does not change its physical energy consumption or emissions physically associated with its operations or facilities.[8] An area for improvement consists in using the location-based method that represents emissions that are physically associated with the company's electricity consumption or using an emission factor reflecting the life cycle emissions of the renewable energy operators the Issuer is contracting with.

related to the use of steel and concrete by the Group company Amplia Infrastructures (formerly Pavimental).

ASPI has highlighted the rationale for choosing an intensity-based reduction target for Scope 3 emissions; this is linked to the fact that capital goods are mainly driven by construction materials while purchased goods and services are driven by operating profit. ASPI has pledged to shift away from "traditional" construction materials in order to embrace more sustainable alternatives. Cradle-to-gate emissions linked to major infrastructural projects requiring capital expenditure and property, plant, and equipment purchased or acquired in that year, accounted for ca. 64% of total scope 3 emissions in 2019. ASPI shared in internal documentation that scope 3 capital goods and purchased goods represented 59% of total GHG emissions (scope 1, 2 and 3) in 2019. GHG emissions associated with circulating vehicles in the operated road networks are not covered by KPI2.

ASPI applies the economic intensity method for setting its economic intensity emission reduction targets. The GEVA approach (reducing GHG emissions per value added, see SBTi[10]) carries uncertainties concerning absolute emission reductions (e.g., economic value grows faster than absolute emissions). The standard GEVA[11] method is using value-added as the normalizer. As described above, the Issuer has selected Capex as a normalizer for KPI2a. which is not commonly used and may prove difficult to assess because of several methodological issues, for instance: variability of Capex accounting rules, high variety between industries, it suggests a focus on carbon intensity of new investments inducing volatility issues and inducing a rather short-term approach. For KPI2b., operating profit has been selected as a normalizer, the same GEVA-like limitations are expected.

Measurability, Benchmark and Verifiability

The KPIs are measurable are externally verifiable.

Historical data for KPI 1 confirming the direct and indirect Scope 1 and 2 GHG emissions is published in ASPI's most recent Consolidated Non-Financial Statement (2021)[12] available on its website,[13] which was audited and subject to a limited assurance engagement. Historical data for Scope 1 and 2 GHG emissions prior to the 2019 base year is not available and ASPI has confirmed that it did not report a Non-Financial Statement prior to 2020.

ASPI has confirmed that Scope 3 GHG emissions relating to KPI 2 are the result of calculations based on the best available estimates concerning the emissions from the material used in the construction of toll roads. In addition, the Issuer informs that for Scope 3 GHG emissions an ad hoc estimate for the baseline year (2019) has been performed, but no data and/or calculations for the previous years are available. ASPI has committed to conducting an actual measurement which be implemented starting from the reporting year 2025.

An area for improvement consists in selecting KPIs which were previously disclosed by the Issuer and externally verified.

The calculation methodology is consistent and in case of any methodology change, the Issuer commits to post-issuance external review of the relevant changes.

The KPIs' definition relies on external references allowing their benchmark. Direct (Scope 1) and indirect (Scope 2) GHG emissions are calculated in accordance with (i) the Global Reporting Initiative Sustainability Reporting Standards issued by GRI - Global Reporting Initiative (the GRI Standards) and (ii) the Greenhouse Gas Protocol (GHG Protocol). ASPI's

[8] https://www.offsetguide.org/green-power-faq/should-i-use-the-location-based-or-market-based-method-to-estimate-my-corporate-scope-2-ghg-emissions/
[10] Ibid
[11] Greenhouse gas Emissions per unit of Value Added
[12] https://www.autostrade.it/documents/10279/49045784/220701_ASPI_DNF_2021_ENG.pdf
[13] https://www.autostrade.it/en/investor-relations/bilanci

Scope 3 GHG emissions are calculated in accordance with (i) the Global Reporting Initiative Sustainability Reporting Standards issued by GRI - Global Reporting Initiative (the GRI Standards) and (ii) the Greenhouse Gas Protocol (GHG Protocol).

Relevance and Materiality

KPI 1 partially reflects material sustainability issues for the Issuer's current and future operations and partially reflects relevant sustainability challenges for its industry sector. This is because KPI 1 covered only 16% of the Issuer's total GHG emissions in 2019 base year. Moody's ESG Solutions considers that the 16% GHG emissions covered by KPI 1 represent only a marginal part of the company's carbon footprint.

The KPI 1 perimeter covers 100% of total Scope 1 and Scope 2 GHG emissions.[14]

Therefore, according to Moody's ESG Solutions, KPI 1 is only relevant to a weak extent for the contribution to the reduction of GHG emissions.

In the internal documentation, the Issuer additionally confirms that to ensure the highest possible level of relevance and materiality, the KPIs will be selected and combined on a case-by-case basis for a particular transaction. An area for improvement is to systematically link KPI 1 to a more robust KPI, since Scope 1 and 2 GHG emissions represented by KPI 1 are responsible for a minor portion of company's GHG emissions.

KPI 2 reflects one of the most material sustainability issues for the Issuer's current and future operations, as well as one of the most relevant sustainability challenges for its sector, however as it is an intensity KPI there are uncertainties on the associated absolute emissions and thus coverage of the company's carbon footprint.

According to the Issuer, its Scope 3 emissions covered by KPI 2a and 2b are linked to (i) major infrastructural projects requiring Capital Expenditure and (ii) infrastructural development linked to Amplia extra-captive business. Together, the two sub-targets accounted in 2019 for 70% of scope 3 mandatory emissions. The GHG emissions associated with the vehicles travelling on the motorway are excluded. ASPI has reported that its own SBTi validation is based on two sub-targets (KPI2a. and KPI2b.) for Scope 3 and confirmed in internal documentation that both KPIs will systematically be used simultaneously under this Framework, although this commitment is not explicit in the Framework.

Total Scope 3 emissions represented 84% of the company's total GHG activities in 2019 base year and even more in the following years due to capital investments increase.

ASPI has committed to systematically link KPI 1 to KPI 2a and KPI 2b in any future sustainability-linked issuance. Together, KPI 1, KPI 2a and KPI 2b represent 88% of emissions, and reflect one of the most material sustainability issues for the Issuer's current and future operations, as well as one of the most relevant sustainability challenges for its sector.

ASPI is a toll road operator classified under the SBTi's "Ground Transportation - Highways and Railtracks" category.[15] A transport sector report published by the SBTi highlights that transportation represents 23% of all energy-related global emissions and it is one of the fastest growing sectors. The analysis of sectoral transformations implied by current Nationally Determined Contributions (NDCs) shows that transport is one of the sectors where climate action ambition is particularly insufficient in the light of the requirements of mid-century Paris-compatible transformations.[16] Decarbonizing the transport sector is feasible only through disruptive technological innovation, land-use planning and transport demand management, modal shift and shifting to electric mobility.

A UN report from the most recent Global Sustainable Transport Conference highlights that building the resilience of transport systems and infrastructure has become more challenging due to increasingly frequent and more intense extreme weather events and that providing services and infrastructure for the mobility of people and goods is a cross-cutting accelerator, that can fast-track progress towards other crucial goals such as eradicating poverty in all its dimensions whilst reducing inequality, empowering women, and combatting climate change. As such, it is vital for achieving the 2030 Agenda for Sustainable Development, and the Paris Climate Change Agreement.[17]

It is particularly relevant that companies set science-based targets for Scope 1, 2 and 3 GHG emissions to help meet the goals of the Paris Agreement and to be externally assessed such as by the Science Based Target initiative in order to demonstrate the target's alignment with the latest climate science. Additionally, it is worth noting that companies have been focusing on reducing emissions under their direct ownership or operational control (Scope 1) and from their purchase

[14] The Issuer reports that in terms of consolidation perimeter, ASPI's GHG emissions inventory includes emissions from all the Group's subsidiaries that are consolidated.
[15] https://sciencebasedtargets.org/resources/files/SBT-transport-guidance-Final.pdf
[16] https://ndcpartnership.org/transport-and-climate-change-how-nationally-determined-contributions-can-accelerate-transport#:~:text=Accelerate%20Transport%20Decarbonization-,Transport%20and%20Climate%20Change%3A%20How%20Nationally%20Determined%20Contributions%20Can%20Accelerate,made%20global%20economy%2Dwide%20emissions.
[17] https://sdgs.un.org/sites/default/files/2021-10/Transportation%20Report%202021_FullReport_Digital.pdf

of electricity, heat and steam (Scope 2).[18] However, emissions from companies' value chains (Scope 3) often represent the largest portion of companies' GHG inventories, although these are often left unabated.[19]

Therefore, one of the major concerns of the industry is their impact on climate change and through its direct activities but also the activities the industry is enabling. Toll operators should aim at reducing Scope 1, 2 and 3 GHG emissions, thereby addressing emissions from their own sources, and the material purchased as well as circulating vehicles in the operated road networks.

[18] https://sciencebasedtargets.org/resources/files/SBT_Value_Chain_Report-1.pdf
[19] Ibid

KPI 3: ELECTRIC VEHICLE CHARGING POINTS (EVCPS) INSTALLED

Definition: Clarity and Disclosure

The KPI is clearly defined, including the unit of measurement, the rationale and process to select the KPI, the calculation methodology and the scope. It is publicly disclosed in the Framework and this SPO.

The KPI 3 is defined as the absolute number of charging points for Electric Vehicles (EV) installed by Free To X[20] and operated throughout the entire toll road network under management as well as in other areas. The Issuer specifies that the term "charging point" in its Framework refers to the number of EVs that can be charged simultaneously from a single charging device/column installed in the service area/station and in other areas such as ASPI's operational offices.

The KPI 3 is calculated as the cumulated number of new EVCPs installed during the period from the baseline year (2021) to the relevant target observation date (2025), regardless of the fact that the toll road concession, for which the EVCPs were installed, is still managed by ASPI at the target observation date.

The number of EVCPs considered in this KPI includes 100% of the EVCPs installed by the Issuer.

The rationale for selecting KPI 3 consists in the Issuer's commitment to contribute to the development of a sustainable mobility infrastructure by increasing the availability of EVCPs, which in turn facilitates the uptake of the EV technology, supporting the goal of decarbonizing the transportation system in line with the Paris Agreement goals.

Measurability, Benchmark and Verifiability

The KPIs is measurable and are externally verifiable. Information on KPI 3, confirming the installation of EVCPs, is included in ASPI's latest Consolidated Non-Financial Statement (2021),[21] which is available on the company's website[22] and forms part of the annual assurance statement. The Issuer confirms that it will continue to externally verify its Consolidated Non-Financial Statement, which covers the disclosure of the KPI.

The calculation methodology is consistent and in case of any methodology change, the Issuer commits to post-issuance external review of the relevant changes.

Historical data on the number of EVCPs installed prior to the base year 2021 for KPI 3 is not available, as the first EVCPs were commissioned in 2021.

An area for improvement consists in selecting KPIs which were previously disclosed by the Issuer and verified. Another area for improvement consists in providing historical KPI values covering at least 3 years.

The KPI's definition relies on external references allowing its benchmark. The definition follows ICMA's KPI registry,[23] which refers to the GHG Protocol, the GRI and the Vienna Declaration 2021. However, ICMA suggests using the percentage (%) of charging stations installed instead of absolute numbers. As of note, although sustainable mobility plays an important role in ensuring GHG emissions reduction, installation of EVCPs is of secondary importance as classified in ICMA's KPI registry.

Relevance and Materiality

The selected KPI reflects one of the most material sustainability issues for the Issuer's current and future operations, as well as one of the most relevant sustainability challenges for its sector. In addition, the KPI has also been identified by the Issuer in its materiality matrix and it covers 100% of the activities.

Combating climate change as well as activities related to contributions to road infrastructure and traffic safety represent two of the most relevant issues for the company as defined per ASPI's materiality matrix.

As a toll road operator, ASPI is part of the ground transportation sector (concessionary for the construction and management of toll motorways), which plays an important role in addressing the key challenges of combating climate change and creating appropriate road infrastructure by offering low environmental impact products and services. Most production processes of the sector have a high consumption of energy and emit significant amounts of GHG.

Transportation sector is responsible for 18% of the man-made global economy-wide CO_2 emissions from fuel

[20] Free to X is an operator fully controlled by ASPI involved in the development of advanced services for sustainable mobility and is committed to the creation of a European high-powered charging network for electric vehicles on the ASPI network. Free to X was incorporated by ASPI in 2021. Website: https://www.freeto-x.it/

[21] https://www.autostrade.it/documents/10279/49045784/220701_ASPI_DNF_2021_ENG.pdf

[22] https://www.autostrade.it/en/investor-relations/bilanci

[23] https://www.icmagroup.org/News/news-in-brief/the-principles-announce-key-publications-and-resources-in-support-of-market-transparency-and-development/

combustion.[24] About 25% of all GHG emissions in the EU come from transport, predominantly (72%) through road transport.[25] Thus, decarbonization through electrification of the transportation sector is one of the most important elements on the way to net zero emissions. According to the IEA Net Zero Emissions by 2050 Scenario,[26] speeding the transition to electric vehicles and thus minimizing impacts from energy use is crucial to achieving the net zero commitments.

As stated in the latest edition of the annual Global Electric Vehicle Outlook,[27] global sales of electric cars (including fully electric and plug-in hybrids) doubled to 6.6 million from 2020 to 2021. However, a successful use of EV's is linked to a sufficient and reliable charging infrastructure, making installation of EVCPs an enabling activity that contributes to climate change mitigation. On the EU level, the importance of promoting EV charging infrastructure is reflected in the EU's target of 1 million publicly accessible charging points by 2025, which is already at risk of being missed if deployment continues to follow current trends.[28] The European Electric Vehicle Charging Infrastructure Masterplan shows that in the EU alone, even up to 6.8 million public charging points will be required by 2030 in order to reach the proposed 55% CO_2 reduction for passenger cars in the EU's 'Fit for 55' package.[29]

A report by the European Automobile Manufacturers' Association (ACEA) shows that about 50% of all charging points for EV in the EU can be found in the Netherlands and Germany. Italy ranks fifth among EU countries with the most charging stations.[30] An analysis by the International Council on Clean Transportation (ICCT) indicates that Italy will need nine times more charging by 2025 (vs. 2020), and 29 times more charging will be needed in 2030 to meet the climate goals.[31] In addition, ICCT notes that metropolitan areas have a larger coverage gap than non-metropolitan areas. Charging must increase by 50% per year in metropolitan areas and 38% per year in non-metropolitan areas by 2025. ASPI's plan for the deployment of EVCPs roughly covers the areas in focus, except for Cagliari, which has one of the largest gaps.

In addition, the construction of electric charging stations throughout the country is one of the key elements of Italy's Recovery and Resilience Plan,[32] which aims, among other things, to support climate targets through sustainable mobility initiatives. By expanding the Italian EV charging infrastructure and, thereby, accelerating the electrification of the transportation sector, ASPI is contributing to the country's green transformation.

Considering that installation of EVCPs is an enabling activity, which is a sub-category of environmentally sustainable economic activities under the EU Taxonomy that do not substantially contribute to climate change mitigation through their own performance, Moody's ESG Solutions considers the relevance of KPI 3 to be robust in terms of its contribution to the sector's challenges and the Issuer's climate change mitigation activities.

BEST PRACTICES

⇒ The KPIs calculation methodology is consistent, and the Issuer commits to conduct a post-issuance review (which will be made available to bondholders/lenders) in case of material changes to the KPI's coverage, calculation methodology, and in particular the SPT calibration.

⇒ The KPIs definition relies on external references allowing their benchmark.

[24] https://www.iea.org/reports/policy-brief-on-public-charging-infrastructure/executive-summary
[25] https://www.reuters.com/article/us-eu-autos-electric-charging-idUSKBN2C023C
[26] https://www.iea.org/reports/net-zero-by-2050
[27] https://www.iea.org/reports/global-ev-outlook-2022
[28] https://www.eca.europa.eu/Lists/ECADocuments/SR21_05/SR_Electrical_charging_infrastructure_EN.pdf
[29] https://www.acea.auto/files/Research-Whitepaper-A-European-EV-Charging-Infrastructure-Masterplan.pdf
[30] https://www.acea.auto/press-release/electric-cars-half-of-all-chargers-in-eu-concentrated-in-just-two-countries/
[31] https://theicct.org/wp-content/uploads/2022/03/Italy-working-paper-16-A4-v3.pdf
[32] https://ec.europa.eu/info/system/files/italy-recovery-resilience-factsheet_en.pdf

SDG Contribution

The selected KPIs are likely to contribute to 3 of the United Nations' Sustainable Development Goals ("SDGs"), namely:

KPI	SDG	SDG TARGETS
KPI 1: Absolute Scope 1 and 2 GHG emissions KPI 2a and b: Scope 3 GHG emission intensity KPI 3: Absolute number of EVCPs	9 Industry, Innovation and Infrastructure	9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities.
KPI 1: Absolute Scope 1 and 2 GHG emissions KPI 2a and b: Scope 3 GHG emission intensity KPI 3: Absolute number of EVCPs	11 Sustainable Cities and Communities	11.2 By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons.
KPI 1: Absolute Scope 1 and 2 GHG emissions KPI 2a and b: Scope 3 GHG emission intensity KPI 3: Absolute number of EVCPs	13 Climate Action	UN SDG 13 consists of taking urgent action to combat climate change and its impacts. Corporates can contribute to this goal by investing in reducing greenhouse gas emissions from their operations and value chains.

Calibration of the Sustainability Performance Target (SPT)

Not Aligned	Partially Aligned	Aligned	Best Practices

Ambition

KPI 1: ABSOLUTE SCOPE 1 AND 2 GHG EMISSIONS

By using the absolute value of Scope 1 and 2 GHG emissions per year, the data set should show positive or negative KPI trends, reflecting the Issuer's commitment to fighting climate change, thus enabling investors/lenders to make an appropriate assessment of the overall environmental performance.

Table 2 – Absolute Scope 1 and 2 GHG emissions, calculated in tonnes of carbon dioxide equivalent (tCO_2e)

<table>
<tr><th rowspan="3">KPI</th><th colspan="3">REPORTED DATA</th><th colspan="3">OBJECTIVE</th></tr>
<tr><th>2019 (Baseline)</th><th>2020</th><th>2021</th><th>2025*</th><th>2027*</th><th>2030*</th></tr>
<tr><td>126,926</td><td>127,504</td><td>65,457</td><td>76,156</td><td>63,463</td><td>40,714</td></tr>
<tr><td>Annual variation (%)</td><td>N/A</td><td>+0.5%</td><td>-48.7%</td><td colspan="3">N/A</td></tr>
<tr><td>Total Variation (2019-2021) (%)</td><td colspan="3">-48.4%</td><td colspan="3">N/A</td></tr>
<tr><td>Average Annual Variation (2019-2021) (%)</td><td colspan="3">-28.2%</td><td colspan="3">N/A</td></tr>
<tr><td>Total Variation compared to baseline (2019-2025) (%)</td><td>N/A</td><td colspan="3">-40%</td><td colspan="2">N/A</td></tr>
<tr><td>Average annual variation compared to baseline (2019-2025) (%)</td><td>N/A</td><td colspan="3">-8.2%</td><td colspan="2">N/A</td></tr>
<tr><td>Total Variation compared to baseline (2019-2027) (%)</td><td>N/A</td><td colspan="4">-50%</td><td>N/A</td></tr>
<tr><td>Average annual variation compared to baseline (2019-2027) (%)</td><td>N/A</td><td colspan="4">-8.3%</td><td>N/A</td></tr>
<tr><td>Total Variation compared to baseline (2019-2030) (%)</td><td>N/A</td><td colspan="5">-68%</td></tr>
<tr><td>Average annual variation compared to baseline (2019-2030) (%)</td><td>N/A</td><td colspan="5">-9.8%</td></tr>
</table>

* Observation dates and trigger events

The SPTs are consistent with the Issuer's existing targets set in its sustainability strategy. The objective is to reach 40,714 tCO_2e of absolute Scope 1 and 2 GHG emissions by 2030, compared to the 2019 baseline, which is 126,926 tCO_2e. This represents a 68% reduction of Scope 1 and 2 GHG emissions.[33]

Based on several points of comparison, Moody's ESG Solutions considers that SPTs demonstrate an advanced level of ambition.

The timeline, baseline and trigger events are clearly disclosed and the Issuer has set relevant intermediary targets allowing sufficient visibility on the KPI's performance.

Business-as-usual Trajectory Benchmark Analysis

The SPT demonstrates a trend aligned with the company's BaU.

The selected targets demonstrate an overall (68%) reduction of Scope 1 and 2 GHG emissions compared to a 2019 baseline with an average annual reduction of (9.8 %) for the period 2019-2030. In addition, ASPI has selected interim SPTs for the years 2025 and 2027, which represents a reduction of absolute Scope 1 and 2 GHG emissions by 40% and 50% respectively, compared to the performance of the 2019 base year. The 2025 SPT demonstrates an average annual reduction of (8.2%) whilst the 2027 SPT demonstrates an average annual reduction[2] of (8.3%) on a CAGR basis compared to 2019 levels. These SPTs demonstrate a coherent alignment with the 2030 SPT. ASPI has provided 3 years of historical data for the period between 2019 (baseline) and 2021 which demonstrates a (-48.4%) total variation for the period which equates to a business-as-usual trajectory with an average annual variation of (-28.2%) on a CAGR basis.

ASPI has reported that historical data relating to the Scope 1 GHG emissions provided were affected by the unusual workloads of the company as a result of COVID-19, which saw a significant reduction and then increase compared to the 2019 baseline. The significant reduction of Scope 2 GHG emissions from the 2019 baseline to 2021 has been attributed to the change in the organization's procurement contractualisation[34]. ASPI has recently expanded its Group's consolidation perimeter following the acquisition of Tecne (2020) and Pavimental/Amplia Infrastructures (2021), and the incorporation of Free to X (2021). The KPI 1 perimeter will still cover 100% of total Scope 1 and Scope 2 emissions. In this context, the selected targets still demonstrate a positive trend compared to ASPI's past performance even though this is below the historical BaU performance of (-28.2%). Therefore, the SPTs can be considered to show a trend still aligned with ASPI's Business-as-usual.

Sector Peers Benchmark

The SPT shows an advanced level of ambition compared to sector peers' performances.

Toll road operators are classified under the SBTi' "Ground Transportation - Highways and Railtracks" category. ASPI's ambition to reduce Scope 1 and 2 GHG emissions by 68% in 2030 versus a 2019 baseline and appears to be in line with the sector's best performers.

For example, ASPI's SPT to lower Scope 1 and 2 GHG emissions by 68% in 2030 compared to a 2019 baseline appears to be more ambitious than that of the global industrial Group ASTM who are also involved in the sectors of motorway management, large infrastructure engineering and construction projects and technology. ASTM have committed to reducing absolute Scope 1 and 2 GHG emissions 25% by 2030 from a 2020 base year. ASTM have also had their targets validated by the SBTi with a near term trajectory aligned to a "Well-below 2°C".[35] ASPI's SPT appears to have a superior level of ambition with that of Abertis who have committed to reducing aggregated Scope 1 and 2 GHG emissions by 40% by 2027 compared to a 2019 baseline and reducing aggregated Scope 1 and 2 GHG emissions by 50% by 2030 compared to a 2019 baseline. ASPI's SPTs share the same baseline and two target observation dates with Abertis (2027 & 2030) making this peer comparison more applicable.[36] Transurban Group is also a peer that has had their targets validated by the SBTi with a near term trajectory aligned to a "1.5°C" Scenario.

Official International Targets and Scenarios Benchmark Analysis

The SPT shows an advanced level of ambition compared to sector standards.

Being aligned with the SBTi is considered as a best market practice as companies carbon reduction targets are in line with climate science. In 2021, ASPI joined the SBTi by submitting its GHG emission reduction targets and becoming a Business Ambition for 1.5°C campaign member.

The SBTi carried out an assessment against its Net-Zero Standard and has formally validated ASPI's Net-Zero targets. In 2022 ASPI obtained the validation of its GHG emissions reduction targets and established that the 2030 SPT is fully aligned with

[33] https://www.autostrade.it/documents/10279/49045784/220701_ASPI_DNF_2021_ENG.pdf
[34] As indicated on page 6 of this SPO: the Issuer has stated using an emission factor equal to zero which is not in line with best market practices.
[35] https://www.astm.it/wp-content/uploads/2021/10/2021.10.14-SBTi-release.Final_.3.pdf
[36] According to a SPO that was very recently published based on Abertis's Sustainability-Linked Financing Framework, it is noted that Abertis has submitted their SPT to SBTi as of April 2022. The SPT(s) show an advanced level of ambition compared to sector standard and is pending approval as of June 2022.

the Paris Agreement and the relevant SBTi published methodology (1.5° C scenario).[37] 1.5°C aligned target submissions to the SBTi represent commitment to the highest alignment ambition through the SBTi's "Business Ambition for 1.5°C" campaign since it launched in June 2019. For ASPI to achieve their SPTs they must realize an annual average reduction of Scopes 1 and 2 GHG emissions of at least 4.2% between 2019 and 2030.

MEASURES TO ACHIEVE THE SPT

The means for achieving the SPT are disclosed as well as any other key factors beyond the issuer's direct control that may affect the achievement of the SPT. The means for achieving the SPT are credible.

The Group is implementing the following actions and initiatives to achieve the SPTs:

Scope 1

- Progressive replacement of company fleet with models that have lower environmental impact; in particular introduction of hybrid/ electric. Installation of EV charging stations at the central and peripheral offices.
- Diesel-free project: progressive replacement of diesel-powered boilers with new systems that use heat pumps and/or low environmental impacts energy carriers, such as methane or LPG;
- LNG pilot project: replacement of fuel with low Sulphur content (BTZ) with LNG (Liquified Natural Gas) to power Amplia infrastructures conglomerate production plant.

Scope 2

- Energy efficiency initiatives:
    - Initiatives on the network lighting systems. In particularly, implementation of LED lighting systems in 450 tunnels and lighting dynamic regulation at the entrance of the tunnels. The expected save amounts to around 10 GWh/year
    - Strengthen of the Energy management system (ISO 5001 certification)
    - Initiatives to reduce the energy consumption of plants and buildings
- All the Group's electricity supply contracts will be sourced by renewable energy plants by 2023.
    - in 2021, ca. 87% of ASPI's electricity requirements were covered by certified renewable sources.
- Establishment of photovoltaic systems aimed at producing all the energy needed for the operations of the network;

In addition, the Issuer is aware of risk factors that could affect its ability to meet SPTs. Such risks maybe beyond ASPI's control. The most relevant risks are as follows:[38]

- Lack of availability of electric, hybrid, LPG/CNG fueled vehicles, or limited accessibility to the category due to expensive prices;
- Technical barriers to energy consumption reduction initiatives on the road network and/or at the Group's offices;
- Inability to secure the relevant permissions for the installation of renewable energy equipment;
- Inability to source electricity from renewable energy.

[37] SBTi Criteria and Recommendations TWG-INF-002 Version 5.0 October 2021 https://sciencebasedtargets.org/resources/files/SBTi-criteria.pdf
[38] Additional general risks related to the business which may also undermine ASPI's ability to meet SPT 1 will be detailed within the offering documentation as required under the applicable regulation.

KPI 2A: SCOPE 3 GHG EMISSION INTENSITY (FROM CAPITAL GOODS)

By using Scope 3 GHG emission intensity per year, the data set should show positive or negative KPI trends, reflecting the Issuer's commitment to fighting climate change, thus enabling investors/lenders to make an appropriate assessment of the overall environmental performance.

Table 3 – Scope 3 GHG emission intensity from capital goods linked to infrastructural development under concession (tCO_2e/€M)

KPI	REPORTED DATA	OBJECTIVES		
	2019 (Baseline)	2025*	2027*	2030*
	831	773	606	395
Total variation compared to baseline (2019-2025) (%)	N/A	-7%	N/A	N/A
Average annual variation compared to baseline (2019-2025) (%)	N/A	-1.2%	N/A	N/A
Total variation compared to baseline (2019-2027) (%)	N/A	-27.1%		N/A
Average annual variation compared to baseline (2019-2027) (%)	N/A	-3.9%		N/A
Total variation compared to baseline (2019-2030) (%)	N/A	-52.4%		
Average annual variation compared to baseline (2019-2030) (%)	N/A	-6.5%		

* Observation dates and trigger events

The SPTs are consistent with the Issuer's existing targets set in its sustainability strategy. The objective is to reach 395 tCO_2e/€M of intensity-based Scope 3 GHG emissions by 2030, compared to the 2019 baseline, which is 831 tCO_2e/€M. This represents a ca. 52.4% reduction of Scope 3 GHG emissions.[39]

Based on several points of comparison, Moody's ESG Solutions considers that SPTs demonstrate a limited level of ambition.

The timeline, baseline and trigger events are clearly disclosed, and the Issuer has set relevant intermediary targets allowing sufficient visibility on the KPI's performance.

Business-as-usual Trajectory Benchmark Analysis

ASPI has not been able to provide historical data to determine its Business-as-usual Trajectory Benchmark Analysis. As a result, this benchmark analysis has been deactivated.

The selected targets demonstrate an overall 52% reduction of Scope 3 GHG emissions compared to a 2019 baseline with an average annual reduction of 6.5% for the period 2019-2030. In addition, ASPI has selected interim SPTs for 2025 and 2027, which represents a reduction of intensity-based Scope 3 GHG emissions by 7% and 27% respectively, compared to the

[39] https://www.autostrade.it/documents/10279/49045784/220701_ASPI_DNF_2021_ENG.pdf

performance of the 2019 base year. The 2025 SPT demonstrates an average annual reduction of 1.2% whilst the 2027 SPT demonstrates an average annual reduction of 3.9% on a CAGR basis. These SPTs demonstrate a coherent alignment with the 2030 SPT.

ASPI reports that Scope 3 GHG emissions stemming from capital goods linked to infrastructural development under concession are paired with its relevant activity growth projections of +4 CAGR 2019-2030 for Capex, without resulting in absolute growth of GHG emissions linked to capital goods (Capex for own infrastructures). The emission factor per €M of Capex is reported to decrease by 6.5% on a CAGR basis for 2019-2030 whilst Capex expected growth (+4% CAGR 2019-2030), which ASPI attributes to more sustainable sourcing of construction materials.

An area for improvement consists in setting SPTs which represent a material improvement compared to the company's Business-as-usual.

Sector Peers Benchmark

Only one comparable company in the sector has been identified having disclosed a similarly constructed target. Transurban Group commits to reduce Scope 3 GHG emissions from capital goods by 55% per $M capital expenditure by 2030-2019 levels, a target whose ambition seems comparable to the Issuer's. The Metropolitan Transportation Authority[40] discloses the following target: reduce Scope 3 emissions by 22% per dollar spent by 2030 from a 2019 base year, however, this is not a pure toll operator. Other companies disclose physical intensity targets: Transurban Group[41] has committed to reduce Scope 3 GHG emissions from purchased goods and services associated with road infrastructure maintenance and operation by 22% per vehicle kilometer travelled by customers by 2030 from a 2019 base year; Albertis[42] has committed to reduce Scope 3 GHG emissions intensity associated with purchased goods and services normalized by millions of kilometers travelled by customers by 22% by 2030 compared to a 2019 baseline, and by 16% by 2027. Other companies have disclosed absolute reduction targets: A2A[43] has committed to reducing absolute Scope 3 GHG emissions from purchased goods and services and use of sold products by 20% by 2030 from a 2017 base year; ASTM[44] has committed to reducing absolute Scope 3 GHG emissions from purchased goods and services by 13% from 2019 to 2030.

Due to limited visibility in peers' comparable data and/or their respective forecasting assumptions and company-specific adjustments inherent in this approach, Moody's ESG Solutions does not have sufficient data to conduct a comprehensive peer analysis under the economic intensity approach. As a result, the sector peers benchmark analysis has been deactivated.

Official International Targets and Scenarios Benchmark Analysis

The SPT shows a limited level of ambition compared to sector standards.

ASPI obtained SBTi validation for its SPTs. To achieve validation, companies must set one or more emission reduction targets and/or supplier or customer engagement targets that collectively cover at least two-thirds of total Scope 3 emissions considering the minimum boundary of each Scope 3 category in conformance with the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard. ASPI has reported that its own SBTi validation is based on two sub-targets (KPI2a. and KPI2b.) for Scope 3 that combined account for 70% of total scope 3 mandatory emissions in 2019. ASPI has confirmed in internal documentation that both KPIs will systematically be used simultaneously under this Framework, however this commitment is not explicit in the Framework. As part of the validation process, SBTi reviewed ASPI's KPI 2a and 2b and confirmed that they match the requirements for scope 3 targets.

While intensity targets for scope 3 emissions are currently accepted by SBTi, recognising the difficulty of measuring and reducing such emissions, SBTi highlights that they are considered less robust then absolute and intensity methods due to volatility of economic metrics.[45] Additionally, according to the ICMA[46], "[...] it is recommended to use SDA where available; in any case, intensity targets are recommended to be set if they lead to absolute reductions in line with climate science and targets should, to the extent feasible, be formulated both in intensity and absolute terms".

It has to be noted that ASPI's absolute emissions are expected to increase for the first two SPTs to 1,315,646 tCO_{2eq} in 2025, which represents a 239% increase from 2019 to 2025 (more than threefold), and to 770,801 tCO_{2eq} in 2027, which represents a 98% increase from 2019 to 2027. If only considering the start and end dates, the 2030 SPT displays a 27% decrease compared to 2019. However, when considering the overall carbon budget, the SPTs represent an increased carbon budget over the period of the SPTs. In addition, according to Moody's ESG solutions internal methodology, the increasing absolute emissions for the next decade will lead to a temperature overshoot above 2.7 degrees. Against this backdrop and given the partial covering of scope 3 emissions and the shortcomings of intensity KPIs (including capex calculation uncertainties), Moody's ESG Solutions estimates the SPTs' ambition to be limited.

[40] https://sciencebasedtargets.org/companies-taking-action
[41] ibid
[42] Abertis Sustainability-Linked Financing Framework
[43] https://a2a-be.s3.eu-west-1.amazonaws.com/a2a/debito/A2A-Sustainable-Finance-Framework.pdf
[44] https://sciencebasedtargets.org/companies-taking-action
[45] https://sciencebasedtargets.org/resources/files/SBTi-Corporate-Manual.pdf
[46] ICMA 2022, Sustainability-Linked Bond Principles Related Questions

MEASURES TO ACHIEVE THE SPT

Please note that this section refers to the measures to achieve the SPTs for both KPI 2a and 2b.

The means for achieving the SPT are disclosed as well as any other key factors beyond the Issuer's direct control that may affect the achievement of the SPT. The means for achieving the SPT are credible.

The Group is implementing the following actions and initiatives to achieve the SPTs:

- The Group intends to switch from "traditional" construction materials to "green" construction materials for all its infrastructural development projects (both under concession and extra captive projects).
- Plans to employ a more sustainable option of concrete that leverage recycled content, fuel switch production process efficiency, and technology advancement.

In addition, the Issuer is aware of risk factors that could affect its ability to meet SPTs. Such risks may be beyond ASPI's control.[47] The most relevant risks are as follows:

- Evolution of the legal or technical framework in a way that hampers the achievement of targets.
- Scope 3 decarbonization target achievement is subject to Ministerial approval of the introduction of Green Procurement protocols in public tenders and to the availability of decarbonization technology in Italy, in particular for the abatement of concrete emissions.
- Failure of the market in delivering technological innovation (e.g., CCU/S) as planned.

KPI 2B: SCOPE 3 GHG EMISSION INTENSITY (FROM PURCHASED GOODS AND SERVICES)

By using Scope 3 GHG emission intensity per year, the data set should show positive or negative KPI trends, reflecting the Issuer's commitment to fighting climate change, thus enabling investors/lenders to make an appropriate assessment of the overall environmental performance.

Table 3 – Scope 3 GHG emission intensity from purchased goods and services linked to extra captive infra-structural development works, calculated as tonnes of carbon dioxide equivalent (tCO_2eq) per euro million of operating profit linked to extra captive infrastructural development works (€M) (tCO_2e/€M)

KPI	REPORTED DATA	OBJECTIVES		
	2019 (Baseline)	2025*	2027*	2030*
	2,190	2,036	1,598	985
Total variation compared to baseline (2019 -2025) (%)	N/A	-7%	N/A	N/A
Average annual variation compared to baseline (2019 -2025) (%)	N/A	-1.2%	N/A	N/A
Total variation compared to baseline (2019 -2027) (%)	N/A	-27%		N/A

[47] Additional general risks related to the business which may also undermine ASPI's ability to meet the SPT 2 will be detailed within the offering documentation as required under the applicable regulation.

Average annual variation compared to baseline (2019 -2027) (%)	N/A	-3.9%	N/A
Total variation compared to baseline (2019 -2030) (%)	N/A	-55%	
Average annual variation compared to baseline (2019 -2030) (%)	N/A	-7%	

* Observation dates and trigger events

The SPTs are consistent with the Issuer's existing targets set in its sustainability strategy. The objective is to reach 985tCO_2e/€M of intensity-based Scope 3 GHG emissions (Pavimental operating Profit linked to Extra-captive business) by 2030, compared to the 2019 baseline, which is 2,190 tCO_2e/€M. This represents a 55% reduction of Scope 3 GHG emissions.[48]

Based on several points of comparison, Moody's ESG Solutions considers that SPTs demonstrate a limited level of ambition.

The timeline, baseline and trigger events are clearly disclosed, and the Issuer has set relevant intermediary targets allowing sufficient visibility on the KPI's performance.

Business-as-usual Trajectory Benchmark Analysis

ASPI has not been able to provide historical data to determine its Business-as-usual Trajectory Benchmark Analysis. As a result, this benchmark analysis has been deactivated.

The selected targets demonstrate an overall 55% reduction of Scope 3 GHG emissions compared to a 2019 baseline with an average annual reduction of 7% for the period 2019-2030. In addition, ASPI has selected interim SPTs for 2025 and 2027, which represents a reduction of intensity-based Scope 3 GHG emissions by 7% and 27% respectively, compared to the performance of the 2019 base year. The 2025 SPT demonstrates an average annual reduction of 1.2% whilst the 2027 SPT demonstrates an average annual reduction of 3.9% on a CAGR basis. These SPTs demonstrate a coherent alignment with the 2030 SPT.

An area for improvement consists in setting SPTs which represent a material improvement compared to the company's Business-as-usual.

Sector Peers Benchmark

There is no company having disclosed a similarly constructed target using Scope 3 GHG emissions from purchased goods and services linked to extra captive infrastructural development works divided by operating profit linked to extra captive infrastructural development works. As described in the peers' comparison for KPI2a., some companies have disclosed physical intensity indicators, absolute reduction indicators. It has to be noted that ASPI's absolute emissions are expected to increase for all three targets by 95% from 2019 to 2025, by 124% from 2019 to 2027 and by 75,3% from 2019 to 2030. The trend represents an increasing carbon budget over the period.

Due to limited visibility in peers' comparable data and/or their respective forecasting assumptions and company-specific adjustments inherent in this approach, Moody's ESG Solutions does not have sufficient data to conduct a comprehensive peer analysis under the economic intensity approach. As a result, the sector peers benchmark analysis has been deactivated.

Official International Targets and Scenarios Benchmark Analysis

The SPT shows a limited level of ambition compared to sector standards.

Please refer to the corresponding section for KPI 2a above for the detailed analysis.

MEASURES TO ACHIEVE THE SPT

Please refer to the corresponding section for KPI 2a above.

[48] https://www.autostrade.it/documents/10279/49045784/220701_ASPI_DNF_2021_ENG.pdf

KPI 3: ABSOLUTE NUMBER OF ELECTRIC VEHICLE CHARGING POINTS (EVCP)

By using the absolute number of EVCPs installed, the data set should show positive or negative KPI trends, reflecting the Issuer's commitment to fighting climate change, thus enabling investors/lenders to make an appropriate assessment of the overall environmental performance.

Table 3 – Absolute number of EVCPs installed

KPI	REPORTED DATA	OBJECTIVE	
	2021 (Baseline)	2025*	(2027) **
	18 units	627 units	(1,500 units)
Absolute accumulated growth (units installed)	N/A	609 units	(873 units)
CAGR[49] compared to baseline (2021 -2025) (%)	N/A	143%	N/A
CAGR compared to baseline (2021 -2027) (%)	N/A	(142%)	

* Observation date and trigger event.

** According to the Issuer, Free to X aims to implement a plan with approximately 1,500 EVPCs installed by 2027. The year 2027 is neither an observation date nor a trigger event under the Issuer's Framework and this SPO.

The SPT is consistent with the Issuer's existing targets set in its sustainability strategy. The objective is to build EVCPs on the highway network through the Free to X company.[50] Installation of EVCPs is part of the "Green Solutions" projects aimed at accompanying the energy transition through the widespread roll out of high-intensity electric charging stations. As the initiative was only launched in 2021, numerical targets were not previously disclosed.

Based on several points of comparison, Moody's ESG Solutions considers that the SPT demonstrates a robust level of ambition.

The timeline, baseline and trigger events are clearly disclosed.

Business-as-usual Trajectory Benchmark Analysis

ASPI has not been able to provide historical data to determine its Business-as-usual Trajectory Benchmark Analysis. The Issuer declared that this is due to the fact that Free to X is a start-up. As a result, this benchmark analysis has been deactivated.

An area for improvement consists in setting SPTs which represent a material improvement compared to the company's Business-as-Usual.

[49] Compound Annual Growth Rate
[50] https://www.autostrade.it/documents/10279/49045784/220701_ASPI_DNF_2021_ENG.pdf

Sector Peers Benchmark

The SPT shows a robust level of ambition compared to sector peers' performances.

The following European companies were identified as peers for the comparison.

Company name	Country / Region	Baseline year	Baseline level	Timeframe	Targeted number of EVCPs installed	Absolute growth	CAGR
A2A[51]	Italy	2021	900	5	10,000	9,100	62%
ENEL X[52]	Italy	2021	40	3	150	110	55%
Ubitricity (Shell)[53]	UK	2021	3,600	4	50,000	46,400	93%
Connected Kerb[54]	UK	2021	1,000	9	190,000	189,000	79%
Fastned[55]	Europe[56]	2021	188	9	1,000	812	20%
Ionity[57]	Europe[58]	2021	1,500	4	7,000	5,500	47%
Abertis[59]	Europe[60] and LATAM	2021	85	6	633	548	40%

Looking at the CAGR, ASPI's target of a 143% increase in installed EVCPs compared to the 2021 baseline appears to be beyond the ambition of the peers in scope. It should be noted that in the absence of comparable timeframes as defined by ASPI (2021-2025), the timeframes of the company's peers in scope vary between two and nine years. Thus, the informative value of the CAGR is slightly distorted.

In absolute terms, ASPI's ambition to have installed 627 EVCPs by 2025 starting from the baseline of 18 EVCPs in 2021 shows mixed performance when compared to the targets set by the peers operating in the sector. The direct Italian competitor ENEL X shows weaker performance in terms of the EVCPs installed (110 vs. 609 EVCP units to be installed). On the European level, only Abertis' target is below the ASPI's one (548 vs. 609 EVCP units to be installed). The remaining European and Italy-specific competitors outperform ASPI to different degrees - from 812 to 189,000 EVCPs – when looking at the absolute numbers of the EVCPs to be installed.

Taking into account the two different analytical approaches outlined above, MESG considers the ambition of SPT 3 to be robust. Although the ASPI's CAGR appears to extremely outperform the targets defined by its peers, it must be mentioned that on a country-level comparison, some European peer countries of Italy already have better-developed EV charging networks, such as Germany, the UK, and the Netherlands.[61, 62] Consequently, the CAGR of peer companies in these countries is less ambitious because of the already existing infrastructure. Following the same idea, the absolute growth of EVCPs in other countries but also in Italy faces a much more solid baseline level of the EVCP units already installed by the company's peers. Nevertheless, the targeted number of EVCPs to be installed is enormously higher than that envisaged by ASPI, which underlines the high ambition of the competitors. The mixed view on the performance of SPT 3 leads to a robust assessment.

It has to be noted that other utilities that are not pure or direct toll operators have set more ambitious targets in Europe, this is the case for a certain number of car manufacturers.

[51] https://www.a2a.eu/en/investors/strategy; Annex: https://view.officeapps.live.com/op/view.aspx?src=https%3A%2F%2Fa2a-be.s3.eu-west-1.amazonaws.com%2Fa2a%2FA2A_NEW_BP%25402030_Annexes.xlsx&wdOrigin=BROWSELINK
[52] https://www.enel.com/investors/strategy
[53] https://www.shell.com/energy-and-innovation/mobility/electric-vehicle-charging.html; https://www.electrive.com/2021/09/01/shell-to-finance-ubitricity-charge-points-in-the-uk/
[54] https://www.connectedkerb.com/stories/connected-kerb-to-level-up-ev-charging-across-the-uk-with-190000-new-public-on-street-chargers-by-2030
[55] https://fastnedcharging.com/hq/investor-relations/; https://fastnedcharging.com/hq/reports-presentations/
[56] Belgium, France, Germany, the Netherlands, Switzerland, UK
[57] https://ionity.eu/en/weareonit
[58] Austria, Belgium, Croatia, Czech Republic, Denmark, Estonia, Finland, France, Germany, Hungary, Ireland, Italy, Latvia, Lithuania, The Netherlands, Norway, Poland, Portugal, Slovakia, Slovenia, Spain, Sweden, Switzerland, UK
[59] https://www.abertis.com/media/uploads/2022/06/13/abertis-sustainability-linked-financing-framework_kbffQkx.pdf
[60] France, Spain, Italy
[61] https://theicct.org/publication/europe-ldv-preparing-italys-charging-infrastructure-rapid-vehicle-electrification-mar22/
[62] https://www.transportenvironment.org/wp-content/uploads/2021/07/01%202020%20Draft%20TE%20Infrastructure%20Report%20Final.pdf

Official International Targets and Scenarios Benchmark Analysis

There is no applicable sector standard or scenarios benchmark for the specific SPT. As a result, this benchmark analysis has been deactivated.

Italy's contribution to the European decarbonization and electrification targets is set out in the 2022 Working Paper by the International Council on Clean Transportation (ICCT), which identifies the need for charging infrastructure in Italy up to 2030, including 2025 as an intermediate target, compared to the installed stock at the end of 2020.[63]

ICCT indicates that total chargers in Italy must increase from 14,000 in 2020 to 123,000 by 2025. The national average charging in place in 2020 is 11% of what is needed in 2025.

In 2025, the Italian government has estimated that 1,800,000 electric vehicles[64] will be circulating in Italy. It has been estimated that highway fast charger should be added at a rate of one fast charger for every 1,500 BEVs in metropolitan areas and one fast charger for every 1,000 vehicles in nonmetropolitan areas[65]. ASPI is responsible for 49% of the toll road network, hence we could estimate that ASPI should be responsible for installing 705 charging stations by 2025. This is slightly above ASPI target especially considering the fact that the Issuer is also accounting for charging stations installed in other areas such as ASPI's operational offices.

MEASURES TO ACHIEVE THE SPT

The means for achieving the SPT are disclosed as well as any other key factors beyond the Issuer's direct control that may affect the achievement of the SPT. The means for achieving the SPT are credible.

The Issuer reports it is deploying a range of activities to achieve SPT 3:

- Installation of 100 high-power EV charging stations on the network, which have been approved by the Ministry of infrastructure ("MIMS"). The average distance of the stations is about 50 km. Four to six multi-client charging points will be installed at each station with an average charging time of 15-20 minutes.
- The Group's industrial strategy, which is reflected in its CAPEX plan and is in line with the objectives of the National Recovery and Resilience Plan (PNRR), envisages an initial investment of over 45 million Euros in sustainable mobility.

In addition, the Issuer discloses risk factors that could affect its ability to meet SPT 3. Such risks may be beyond ASPI's control.[66] The most relevant ones are as follows:

- Failure to achieve required permissions from the relevant Authorities;
- EVCPs cannot be provided by the suppliers in the quantity and/or at the point in time required;
- The relevant power utility/power grid managers are not able to offer connections and electrical energy capacity in the timeframe required to meet the targets;
- If the penetration of the vehicle fleet with EVs does not continue as forecasted, the demand for charging infrastructure for EV could decrease;
- Due to the insufficient definition of the regulatory requirements related to EVCPs, the implementation of the EVCPs could be limited.

BEST PRACTICES
⇒ The means for achieving the SPTs are disclosed as well as any other key factors beyond the Issuer's direct control that may affect the achievement of the SPTs.

[63] https://theicct.org/wp-content/uploads/2022/03/Italy-working-paper-16-A4-v3.pdf
[64] ibid
[65] P. Jochem, E. Szimbac, and M. Reuter-Oppermann, "How Many Fast-Charging Stations Do We Need along European Highways?" Transportation Research Part D., 2019, 120–29
[66] Additional general risks related to the business which may also undermine ASPI's ability to meet SPT 3 will be detailed within the offering documentation as required under the applicable regulation.

Instruments' Characteristics

Not Aligned	Partially Aligned	**Aligned**	Best Practices*

The potential variation of the Instruments' financial characteristics depending on whether the selected KPIs would reach (or not) the predefined SPTs is clearly defined in the Framework as well as in this SPO and is disclosed to investors/lenders in the relevant documentation of the specific transaction.

ASPI confirms that the Instruments issued under this Framework will be subject to variations in their financial characteristics depending on the achievement of the defined trigger events. The exact mechanism relates to a sustainability-linked feature embedded in the cost of debt that will result in either a coupon or margin adjustment or a premium payment at maturity.

If the SPTs are not met on the target dates (i.e., the date on which the respective target should be achieved), it will trigger a coupon or margin step-up, as applicable, leading to an increase in the interest rate for the interest periods following such reference date. This will be specified in the relevant Final Terms of any Sustainability-Linked Bond or the Facility Agreement of any Sustainability-Linked Loan.

The Issuer has indicated that KPIs could be used separately and that it reserves the right to set any of the observation dates as trigger events, depending on market conditions, investors' appetite and final maturity of each issuance.

The Issuer further advises that the company may, in good faith, recalculate the levels of the baselines, SPTs and/or KPIs to reflect any material impact on the original levels of the SPTs, baselines and/or KPIs. The Issuer confirms that in the event of any future adjustments to the KPIs, SPTs or baseline, the proposed level of ambition of the SPTs set out in the Framework and this SPO will be maintained or increased. Any reviews will be reflected in an updated version of the Framework and, if deemed material, will be reviewed by the relevant SPO provider. Any revised Framework will be published on the company's website.

In addition, the Issuer informs that failure to meet SPTs due to factors outside the company's direct control may not result in any adjustment to a financing Instruments' characteristics being triggered.

The meaningfulness of the variation of the Sustainability-Linked Instruments' financial characteristics cannot be assessed due to lack of comparison data.

*Moody's ESG Solutions considers that, as of today, there is insufficient information and market precedent to appropriately assess the potential best practices regarding the Instrument characteristics' variation. In this sense, the "Aligned" level is currently considered to be the highest level to be achieved by Issuer on this pillar.

Reporting

Not Aligned	Partially Aligned	**Aligned**	Best Practices

KPI 1: ABSOLUTE SCOPE 1 AND 2 GHG EMISSIONS
KPI 2A AND B: SCOPE 3 GHG EMISSION INTENSITY
KPI 3: ABSOLUTE NUMBER OF ELECTRIC VEHICLE CHARGING POINTS (EVCP)

Reporting Accessibility and Frequency

The Issuer has committed to disclose all relevant information in public documentation (on website and sustainability reports), including information on the performance of KPIs, information enabling investors to monitor the level of ambition of the SPTs and baselines.

The reporting on the KPIs will be published annually until maturity of any Sustainability-Linked Financing Instrument.

The intended scope and granularity of the reporting is clear and exhaustive, covering all the required and recommended elements.

The content of the reporting is considered exhaustive because it covers all required and recommended elements:

Required:

- Information on the performance of the KPIs (and baselines)
- Information on the level of ambition of the SPT (issuer's strategy etc.)
- Related impact on the Instruments financial characteristics

Recommended:

- Qualitative or quantitative explanation of the contribution of the main factors, including M&A activities, behind the evolution of the KPIs' performance on an annual basis
- Illustration of the positive sustainability impacts of the performance improvement
- Any re-assessments of KPIs and/or restatement of the SPT and/or pro-forma adjustments of baselines or KPI scope, if relevant

Reporting Process, Monitoring and Control

Moody's ESG Solutions has no visibility on the selected KPIs related data internal control.

The Issuers reports that Scope 1 and 2 are regularly monitored through a specific reporting system (Tagetik). As far as Scope 3 is concerned, a new reporting methodology will be implemented. Moody's ESG Solutions lacks information on KPI 3 and the associated SPT related to the internal process for data monitoring, collection, and reporting.

An area for improvement consists in ensuring that the KPI-related data are appropriately monitored and controlled through a formal internal process, supported by an external verification of the data.

BEST PRACTICES

⇒ All relevant information is publicly disclosed by the company in public documentation.

⇒ The reporting on the KPIs will be published annually until maturity of the Sustainability-Linked financing Instrument.

⇒ The intended scope and granularity of the reporting is clear and exhaustive, covering all the required and recommended elements.

Verification

Not Aligned	Partially Aligned	Aligned	**Best Practices**

The performance of each KPI against each SPT will be covered by an external verification, on an annual basis and in case of material changes impacting the SLB's/SLL'S financial characteristics (such as a trigger event), until the maturity of the Bond.

The verification assurance report will be publicly available on ASPI's website.[67]

BEST PRACTICES
⇒ Verification will be conducted until maturity of the Bond.

[67] https://www.autostrade.it/en/investor-relations/bilanci

ISSUER

Management of ESG Controversies

As of today, ASPI faces two stakeholder-related ESG controversies, linked to two of the six domains we analyze:

- Corporate Governance, in the criteria of "Board of Directors" and "Audit and Internal Controls".
- Business Behavior, in the criteria of "Logistics safety /Passengers' safety" and "Customer relations".

Frequency: The controversies faced are considered "isolated"[68]; in line with the sector.

Severity: The severity of the cases, based on the analysis of the impact on both the Issuer and its stakeholders, is considered "critical"[69]; below the sector average.

Responsiveness: ASPI is considered overall "proactive"[70]; above the sector average.

Involvement in Controversial Activities

The Issuer appears to be not involved in any of the 17 controversial activities screened under our methodology, namely: Alcohol, Animal welfare, Cannabis, Chemicals of Concern, Civilian firearms, Coal, Fossil Fuels industry, Unconventional oil and gas, Gambling, Genetic engineering, Human embryonic stem cells, High-interest rate lending, Military, Nuclear Power, Pornography, Reproductive Medicine and Tobacco.

The controversial activities research provides screening of companies to identify involvement in business activities that are subject to philosophical or moral beliefs. The information does not suggest any approval or disapproval on their content from Moody's ESG Solutions.

[68] MESG scale of assessment: Isolated / Occasional / Frequent / Persistent.
[69] MESG scale of assessment: Minor / Significant / High / Critical.
[70] MESG scale of assessment: Non-communicative / Reactive / Remediative / Proactive.

METHODOLOGY

In Moody's ESG Solutions' view, Environmental, Social and Governance (ESG) factors are intertwined and complementary. As such they cannot be separated in the assessment of ESG management in any organization, activity or transaction. In this sense, Moody's ESG Solutions provides an opinion on the Issuer's ESG performance as an organization, and on the processes and commitments applicable to the intended issuance.

Our Second Party Opinions (SPOs) are subject to internal quality control at three levels (Analyst, Project Manager and Quality Reviewer). If necessary, this process is complemented by a final review and validation by the Expertise Committee and Supervisor. A right of complaint and recourse is guaranteed to all companies under our review.

Framework

Alignment with the Sustainability-Linked Bond Principles and Sustainability-Linked Loan Principles

Scale of assessment: Not aligned, Partially aligned, Aligned, Best Practices

The Framework/Bond has been evaluated by Moody's ESG Solutions according to the LMA/APLMA/LSTA's Sustainability-Linked Loan Principles – March 2022 ("SLLP") and the ICMA's Sustainability-Linked Bond Principles - June 2020 ("SLBP") and on our methodology based on international standards and sector guidelines applicable in terms of ESG management and assessment.

Selection of Key Performance Indicators (KPIs)

KPI's materiality and coherence with the Issuer's overall sustainability strategy and with the Issuer sector's main sustainability challenges. KPI's measurability and clarity, internal and external control over the KPI's data, exhaustiveness of the KPI's coverage.

Calibration of Sustainability Performance Targets (SPTs)

Coherence of the SPTs with the overall sustainability strategy, ambition of the SPTs (compared the Issuer's own performance, sector peers and relevant international standards), trigger events' disclosure, disclosure and credibility of the means for achievement (including scope and geographical coverage of the means).

Sustainability-Linked financing Instruments' Characteristics

Disclosure of the bond/loan characteristics' variation, the meaningfulness of these variations (for alignment with SLBP only).

Reporting

Reporting process formalization and verification, data's accessibility.

Verification

Verification of the performance against the SPTs and disclosure of the assurance reports.

Issuer

Management of Stakeholder-Related ESG Controversies

Moody's ESG Solutions defines a controversy as public information or contradictory opinions from reliable[71] sources that incriminate or make allegations against an Issuer regarding how it handles ESG issues as defined in our ESG framework. Each controversy may relate to several facts or events, to their conflicting interpretations, legal procedures or non-proven claims.

Moody's ESG Solutions reviewed the information provided by the Issuer, press content providers and stakeholders (partnership with Factiva Dow Jones: access to the content of 28,500 publications worldwide from reference financial newspapers to sector-focused magazines, local publications or Non-Government Organizations). Information gathered from these sources is considered as long as it is public, documented and traceable.

Moody's ESG Solutions provides an opinion on companies' controversies risks mitigation based on the analysis of 3 factors:

- Frequency: reflects for each ESG challenge the number of controversies that the Issuer has faced. At corporate level, this factor reflects on the overall number of controversies that the Issuer has faced and the scope of ESG issues impacted (scale: Isolated, Occasional, Frequent, Persistent).
- Severity: the more a controversy is related to stakeholders' fundamental interests, proves actual corporate responsibility in its occurrence, and have caused adverse impacts for stakeholders and the Issuer, the higher its severity is. Severity assigned at the corporate level will reflect the highest severity of all cases faced by the Issuer (scale: Minor, Significant, High, Critical).
- Responsiveness: ability demonstrated by an Issuer to dialogue with its stakeholders in a risk management perspective and based on explanatory, preventative, remediating or corrective measures. At corporate level, this factor will reflect the overall responsiveness of the Issuer for all cases faced (scale: Proactive, Remediate, Reactive, Non- Communicative).

The impact of a controversy on an Issuer's reputation reduces with time, depending on the severity of the event and the Issuer's responsiveness to this event. Conventionally, our controversy database covers any controversy with Minor or Significant severity during 24 months after the last event registered and during 48 months for High and Critical controversies.

Involvement in Controversial Activities

17 controversial activities have been analyzed following 30 parameters to screen the Issuer's involvement in any of them. The Issuer's level of involvement (Major, Minor, No) in a controversial activity is based on:

- An estimation of the revenues derived from controversial products or services.
- The specific nature of the controversial products or services provided by the Issuer.

[71] 'Reliable' means that there are sufficient details to substantiate claims made, with due attention paid to the political dimension of news and the danger of misinformation. Moody's ESG Solutions draws on investigative journalism, the business press, NGO and trade union reports which focus on corporate behavior relating to ESG issues. It is neither possible nor advisable to create a prescriptive fixed list of sources as new, valid sources arise all the time and it is necessary to investigate these as and when they are retrieved in order to comprehensively cover evolving issues and media.

Moody's ESG Solutions' Assessment Scales

Scale of assessment of the Issuer's KPIs materiality and the associated SPTs ambition.	
Advanced	Advanced commitment; strong evidence of command over the issues dedicated to achieving the sustainability objective.
	The selected KPI(s) reflects the most material issues for the Issuer's core sustainability and business strategy and address the most relevant environmental, social and/or governance challenges of the industry sector.
	An advanced ambition is achieved when the SPT(s) can demonstrate the following: (i) alignment with the 2D scenario/recognized sector standards (when available) (ii) a top performance in comparison to sector peers, and (iii) an improvement of the company's performance.
Robust	Convincing commitment; significant and consistent evidence of command over the issues.
	The selected KPI(s) reflects material issues for the Issuer's core sustainability and business strategy and address relevant environmental, social and/or governance challenges of the industry sector.
	A robust ambition is achieved when the SPT(s) can demonstrate at least two out of three of the following items: (i) alignment with the 2D scenario/recognized sector standards (ii) a performance in line with the average performance of sector peers, and (iii) an improvement of the company's performance.
Limited	Commitment to the objective of sustainability has been initiated or partially achieved; fragmentary evidence of command over the issues.
	The selected KPI(s) does not appropriately reflect material issues for the Issuer's core sustainability and business strategy and partially address relevant environmental, social and/or governance challenges of the industry sector.
	A limited ambition is achieved when the SPT(s) can demonstrate only one out of three of the following: (i) alignment with the 2D scenario/recognized sector standards (ii) a performance in line with the average performance of sector peers, and (iii) an improvement of the company's performance.
Weak	Commitment to environmental responsibility is non-tangible; no evidence of command over the issues.
	The selected KPI(s) does not reflect material issues for the Issuer's core sustainability and business strategy and do not address relevant environmental, social and/or governance challenges of the industry sector.
	A weak ambition is achieved when the SPT(s) (i) is not aligned the 2D scenario/recognized sector standards (ii) is below the average performance of its sector peers, and (iii) shows a negative trend in the company's performance.

Scale of assessment of financial instrument's alignment with Sustainability-Linked Bond and Loan Principles	
Best Practices	The Instrument's practices go beyond the core practices of the ICMA's Sustainability-Linked Bond Principles and/or of the LMA/APLMA/LSTA's Sustainability-Linked Loan Principles by adopting recommended and best practices.
Aligned	The Instrument has adopted all the core practices of the ICMA's Sustainability-Linked Bond Principles and/or of the LMA/APLMA/LSTA's Sustainability-Linked Loan Principles.
Partially Aligned	The Instrument has adopted a majority of the core practices of the ICMA's Sustainability-Linked Bond Principles and/or of the LMA/APLMA/LSTA's Sustainability-Linked Loan Principles, but not all of them.
Not Aligned	The Instrument has adopted only a minority of the core practices of the ICMA's Sustainability-Linked Bond Principles and/or of the LMA/APLMA/LSTA's Sustainability-Linked Loan Principles.

STATEMENT ON MOODY'S ESG SOLUTIONS' INDEPENDENCE AND CONFLICT-OF-INTEREST POLICY

Transparency on the relation between MOODY'S ESG and the Issuer: MOODY'S ESG has not carried out any audit mission or consultancy activity for ASPI. No established relation (financial or commercial) exists between MOODY'S ESG and ASPI. Independence, transparency, quality and integrity requirements are all formalized within our Moody's Code of Conduct.

This opinion aims at providing an independent opinion on the sustainability credentials and management of the Instruments, based on the information which has been made available to MOODY'S ESG. MOODY'S ESG has not performed an on-site audit nor other tests to check the accuracy of the information provided by the Issuer. The accuracy, comprehensiveness and trustworthiness of the information collected are a responsibility of the Issuer. The Issuer is fully responsible for attesting the compliance with its commitments defined in its policies, for their implementation and their monitoring. The opinion delivered by MOODY'S ESG neither focuses on the financial performance of the Instruments, nor on the effective allocation of its proceeds. MOODY'S ESG is not liable for the induced consequences when third parties use this opinion either to make investments decisions or to make any kind of business transaction. Restriction on distribution and use of this opinion: The deliverables remain the property of MOODY'S ESG. MOODY'S ESG grants the Issuer all rights to use the final version of the Second Party Opinion delivered for external use via any media that the Issuer shall determine in a worldwide perimeter. The Issuer has the right to communicate to the outside only the Second Party Opinion complete and without any modification, that is to say without making selection, withdrawal or addition, without altering it in any way, either in substance or in the form and shall only be used in the frame of the contemplated concerned issuance. The Issuer acknowledges and agrees that MOODY'S ESG reserves the right to publish the final version of the Second Party Opinion on MOODY'S ESG's website and on MOODY'S ESG's internal and external communication supporting documents.