



ALEATICA

Smart & Sustainable Infrastructure

2023 Climate Change Report

Management of **Climate Related Risks and Opportunities** under the **TCFD** Recommendations

Sustainability and Customer Care Executive Office

GOVERNANCE

Disclose the organization's governance in terms of climate-related risks and opportunities.

a. Describe how the Board of Directors oversees climate-related risks and opportunities.

Our **Board of Directors** is responsible for overseeing the operation of the company and consists of nine members as of December 31, 2023. Among these nine members, one of them holds the position of president, four of them hold the position of vice president, and three are executive directors.

Four specialized Committees have been created within the Board: **Human Resources Committee, Audit and Risk Committee, ESG Committee and the Security Steering Committee.**

During 2023, topics related to the company's Climate Strategy were reviewed, as well as other topics related to the Social and Environmental Sustainability Strategy, such as training on risk management, specifically:

- **Five workshops** of three hours each, related to the Management of Physical and Transitional Risks Associated with Climate Change.
- **Training for Directors** in relation to Risk Management and identification of Emerging Risks.

Additionally, since 2021, the **ESG Committee** was constituted with the purpose of committing the company in the long term to generating value for our shareholders, recognizing the importance of aligning performance with our objectives and responsible practices in Environmental, Social and Corporate Governance areas.

The main objective of this ESG Committee is **to establish an operational process that facilitates the achievement of the company's ESG goals and objectives**, in addition to complying with the Sustainable Development Goals (SDGs) of the 2030 Agenda, which we have adopted in the organization.

ESG Committee Composition			
<i>President</i>	<i>Committee Members</i>	<i>Observers</i>	<i>Secretary</i>
David Díaz	Kitt Zuk Xu Ling Zhang	Vanessa Silveyra Marco Padilla Diego de Lapuerta	Cristina Santos

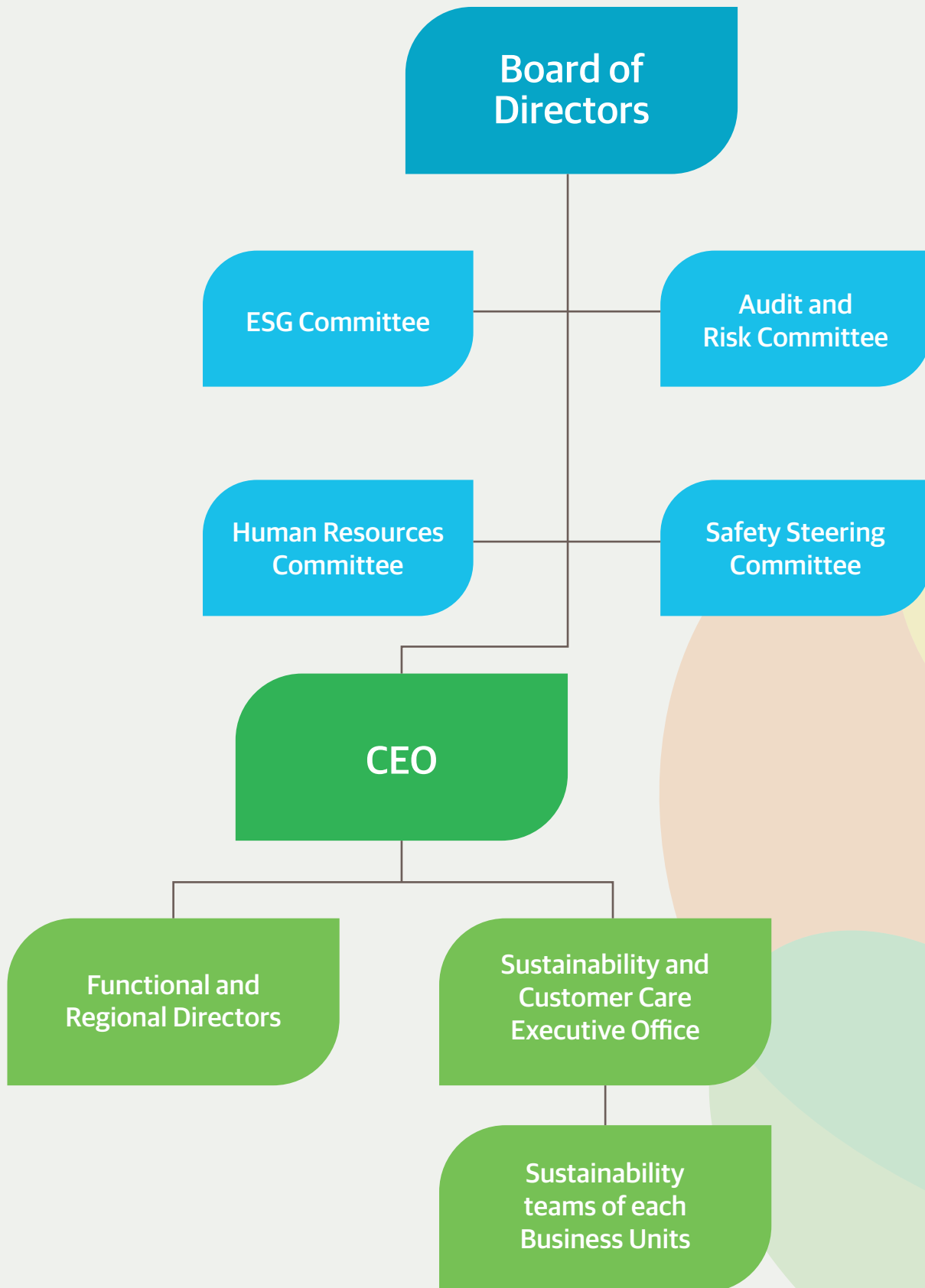
In 2023, in accordance with the provisions of the **Statutes of ALEATICA's ESG Committee**, two ordinary sessions were held, the first on May 24, 2023, and the second session on November 14, 2023. As a follow-up to the Report Plan, the progress, and results of the main projects of ALEATICA and its Business Units, the Mitigation and Adaptation Strategy, the Human Rights Diagnosis, Biodiversity Diagnosis, Implementation of Social and Environmental Projects and Actions, Environmental Regulatory Compliance, as well as the relevant issues of the Sustainability strategy were reported.

In addition to the ESG Committee, **the Sustainability and Customer Care Executive Office** is structured with an executive director, a sustainability manager, and an environmental and social sustainability specialist, supported by a sustainability or environmental representative in each Business Unit, who periodically report on the performance of the sustainability strategy to the Executive Office and its Board.

b. Describe the role of management in assessing and managing climate-related risks and opportunities.

The main **functions and responsibilities** of the ESG Committee consist of:

- **Establishing, agreeing, and reviewing the company's ESG strategies**, ensuring that they are implemented and remain an integral part of the overall strategy, and making sure that social, environmental, and economic activities are aligned.
- **Promoting dialogue** with the company's various stakeholders to understand their expectations and learn about their knowledge of ESG issues.
- **Ensuring that the company recognizes the impact** of its activities, and how they affect its shareholders, customers, employees, suppliers, and the community in general, and that such activities are carried out in a responsible manner, within its operations and its business growth and development plans.
- **Reviewing social and environmental impacts**, as well as potential ESG-related climate change and human rights risks to the business and making decisions that will shape the operation and communities.
- **Keeping the Board up-to-date and fully informed** of strategic issues and business changes that may affect the company and the market in which it operates.
- **Developing and supporting the necessary activities** to translate ESG policies into an effective plan for implementation and agreeing on a program of specific ESG activities supported by appropriate targets and key performance indicators.
- **Supervising compliance with ESG policies** in the Company and reviewing the results with respect to the agreed objectives.



STRATEGY

Disclose on the actual and potential impacts of climate-related risks and opportunities on the organization's business, strategy, and financial planning for all cases where such information is relevant.

a. Increase in the frequency and intensity of extreme precipitation.

Region	Risk Type	Description
South America	River floods	Increased intensity and frequency of river flooding and puddling on the roadway
	Exacerbated landslides Extreme rainfall	Increased intensity of landslides on the roadway
	Rain floods	Increased rainfall flooding and puddling in communities near the roadway
	Forest fires	Increased forest fires reaching the roadway
Mexico	Heat waves	Increased and decreased intensity and frequency of high temperatures
	Rain floods	Increased intensity and frequency of torrential rains along and below the roadway
	Heat waves	Increased frequency of days with temperatures above 40°C over the roadway
United Kingdom	Variations in precipitation and temperature patterns	Polarization of meteorological events of greater rainfall intensity alternating with long drought periods
	Forest fires	Increased roadside forest fires
Europe	Weakening of the trade winds due to warming of the sea surface	Increased frequency and intensity of winds and haze
	Heat waves	Increased frequency and intensity of high temperatures
Ports*	Variations in precipitation and temperature patterns	Increased frequency and intensity of extreme rainfall
	River floods	Increased intensity and frequency of river flooding and puddling on the roadway

¹ Due to the ports' specific operations, a separate analysis is considered.

b. Describe the impact that climate-related risks and opportunities have on the organization's business, strategy, and financial planning.

As a result of **climate change**, risks associated with increased coastal, rainfall and river flooding, landslides, heat waves, droughts, extreme temperatures, and fires have been identified. The increase in these phenomena could cause damage to our infrastructure, disrupt our operations, increase maintenance costs, and cause risks to the physical integrity and health of our employees.

With the aim of mitigating the risks associated with Climate Change, we have implemented a **Global Strategy for Climate Change Mitigation, Adaptation and Resilience**. Through the awareness and training of key personnel on Climate Change issues, we have made progress in the management of mitigation measures and the monitoring of climate risks.

Each Business Unit has developed its specific mitigation model, considering its main sources of emissions and the mitigation measures to be implemented to achieve its reduction goals year after year in line with the **global goal of reducing our scope 1 and 2 emissions by 42% by 2030**. Each mitigation measure is considered within the annual budget of each Business Unit to ensure its implementation.

On the other hand, the transition to a low-carbon economy would be associated with other risk factors that are managed entirely by the **Risk and Opportunity Management System**. Within this category of transitional risks, changes in public policies, technological advances, and market trends are considered.

c. Describe the resilience of the organization's strategy, considering different climate-related scenarios, including a scenario at 2°C or below.

During 2023, we developed an analysis to identify climate, physical and transitional risks for all our Business Units; However, **during 2024 we will strengthen the methodology used** to include different scenarios and horizons for the identification of applicable risks.

Risk Management

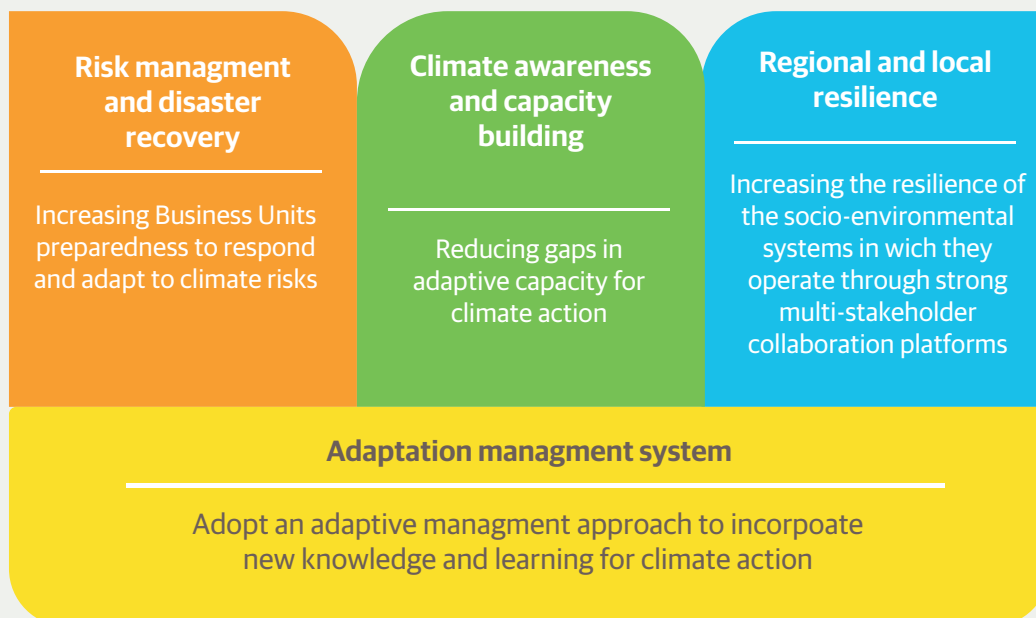
a. Describe the organization's processes for identifying and assessing climate-related risks.

To ensure the survival and sustainable success of our organization, we understand the need to embrace a robust climate change adaptation and resilience strategy that is proactive and prepares us for unexpected challenges in the face of extreme weather changes and shifts in climate patterns.

We do this based on our **Adaptation and Resilience Strategy**, which is composed of three main aspects:



In 2023, we implemented the **Learning Networks** project, which aimed to establish the foundations for Business Units to have the capacity to analyze the physical and transitional risks associated with Climate Change and implement action measures to prevent, reduce and address them. The stages of this project were:



b. Describe the organization's processes for managing climate-related risks.

Today, the world is facing significant environmental, social, geopolitical, and technological challenges, such as climate change, deforestation, water scarcity, pollution, human rights violations, the spread of armed conflicts and the development of new forms of artificial intelligence (AI). Failure to adequately address these issues could result in significant risks for both society in general and organizations in particular.

In the particular case of **ALEATICA**, we are exposed to a wide range of risks inherent to our operations and the countries in which we operate. These risks have the potential to impact our performance and make it difficult or even impossible to achieve our goals. In this context, **Risk Management** plays a crucial role in our organization. This practice allows us to effectively address risks and opportunities, managing uncertainty appropriately in all our activities and projects. The objective is to prevent or reduce unwanted effects (risks) and enhance or increase desirable effects (opportunities), thus contributing to the achievement of planned results.

Risk Management at ALEATICA is an institutional process driven by the Board of Directors, supervised by it through its Audit and Risk Committee, and supported by Senior Management, forming part of the corporate culture through the Corporate Integrity pillar.

Based on the active management of risks at all levels of the organization, it is intended for it to be integrated and applied in all activities and projects developed by ALEATICA, serving as a basis for the decision-making process.

ALEATICA has a Risk Management Policy and Standard approved by the Board of Directors, which has undergone subsequent updates. These documents establish the global principles, guidelines, and methodology for consistently identifying, evaluating, answering, supervising and reporting the most significant risks to which each Business Unit is exposed in the course of its operations. Similarly, they define the roles and responsibilities of all participants within this Risk Management framework, as well as the reporting mechanisms.

c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.

During the 2023 financial year, ALEATICA has provided training in risk management through face-to-face courses and our corporate training tool. Specifically, the training provided has been:

- **Physical and Transitional Risks Associated with Climate Change:** Five workshops of three hours each, held in 2023, with the participation of employees and some independent directors (100 participants in total).
- **Introduction to Risk Management:** Individual in-person training sessions lasting between one and three hours for 57 employees, and individual training through the corporate application for 170 employees.
- **Emerging Risks, Key Risks and Key Risk Indicators (KRIs):** 14 face-to-face workshops with a total participation of 118 employees.

In addition, internal communication channels including emails and fixed screens are used to disseminate messages related to risk management, as well as a permanent section in the **One ALEATICA monthly newsletter**, which is distributed to all employees globally.

Specifically, in 2023, six articles on risk management were published in our internal ALEATICA magazine, four informative messages on screens and an informative pill.

METRICS & GOALS

a. Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its risk management strategy and process.

The main metrics used in climate-related risk management are:

<i>Emissions</i> Scope 1	<i>Emissions</i> Scope 2	<i>Emissions</i> Scope 3	Variations <i>in emission factors by region</i>	Emissions intensity by revenue generated
Fuel consumption Refrigerant consumption	Electrical energy consumption Certified renewable electricity consumption Consumption of renewable electricity self-generation	Traffic and kilometers traveled by customers Material consumption Waste disposal		

b. Disclose Scope 1, Scope 2 and, if applicable, Scope 3 greenhouse gas (GHG) emissions and their related risks.

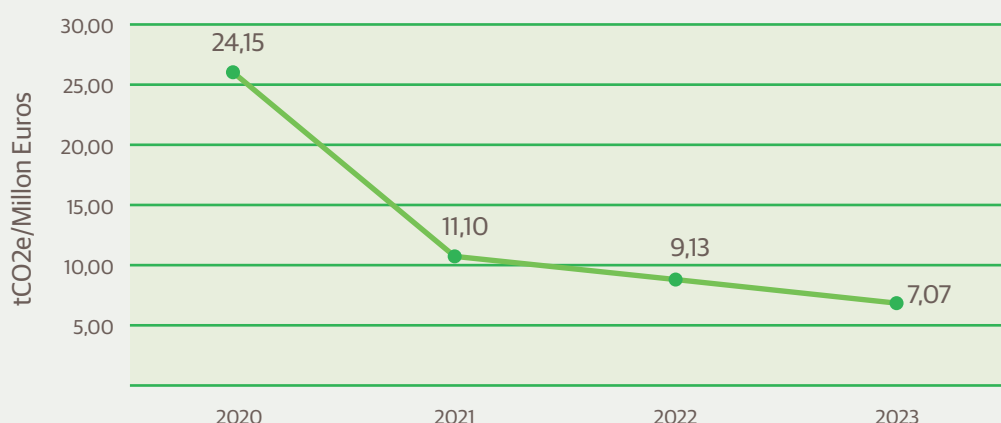
We know that having a GHG mitigation strategy is crucial to lessen the effects of Climate Change. For this reason, we work on integrating the Mitigation Strategy in all our Business Units, starting with the measurement of GHG emissions and implementing specific emission mitigation measures according to their viability.

Currently, we base the measurement of our carbon footprint on international protocols such as the **GHG Protocol and ISO 14064-1:2018**. We measure our Scope 1 and 2 emissions on an ongoing basis and assess Scope 3 emissions for the most relevant sources related to our operation, which include emissions from road customers, the use of materials for road maintenance and operation, and the disposal of waste produced.

As part of this important work, we recognize the good work of the Autopista Río Magdalena and Autopista del Norte Business Units in certifying their emission measurement in compliance with ISO 14064-1:2018 standards.

Scope	2019 (tCO ₂ e)	2020 (tCO ₂ e)	2021 (tCO ₂ e)	2022 (tCO ₂ e)	2023 (tCO ₂ e)	Difference 2023/2022 (tCO ₂ e)
Scope 1 ²	5.671	4.953	5.528	6.114	6.292	2,90%
Scope 2	7.860	7.013	3.737	4.100	3.864	-5,76%
Scope 1 y 2	13.532	11.966	9.265 ³	10.214	10.156	-0,57%
Emissions Intensity (Scopes 1 y 2) (tCO ₂ e/M€ revenue)		26,15	11,10	9,13	7,07	-22,56%
Scope 3	1.511.321	1.177.374	1.436.073	1.591.025	1.602.753	0,73%

Scope 1&2 Emissions Intensity per Total Earnings



c. Disclose the climate-related quantitative and qualitative goals you have set to monitor progress toward achieving your strategic goals.

At ALEATICA we are committed to reducing our GHG emissions gradually and continuously in order to meet the global reduction goals for 2030 and 2050 that we have set ourselves. We work together in each of our Business Units with the goal of progressively reducing our emissions by 2030 and eliminating the use of fossil fuels or energy in our operations by 2050.

² Emissions expressed in terms of CO₂ equivalent, those other than CO₂e (NO_x, SO_x, CO, etc.) are not considered in the emissions inventory as they are not material for the purpose of this report because only emissions derived from the combustion process are considered based on fuel consumption by vehicle type.

³ The global downsizing measures taken in response to the COVID-19 pandemic led to a significant decline in the activities of our Business Units, resulting in a significant reduction in emissions in both 2020 and 2021. However, there was evidence of a gradual return to pre-pandemic levels of activity in 2022 and 2023, resulting in an increase in emissions during this period.

Global reduction target of 42% by 2030 vs 2019 and Net Zero by 2050 of our scope 1 and 2 GHG emissions.

As part of our Mitigation Strategy, in 2023 we consolidated the mitigation models of each of our Business Units that are in operation, which allow us to analyze and identify the mitigation measures that generate a greater reduction in emissions and energy efficiency, as well as replicate success stories throughout ALEATICA..

The actions to mitigate our scope 1 and 2 emissions focus on **reducing fuel consumption** by replacing the fleet of vehicles with hybrids or electric vehicles where the market allows it, the use of renewable energy sources, the integration of energy efficiency systems, the inclusion of energy efficiency criteria in the purchase of products and the incorporation of new technologies in pavements and green materials.

d. Disclose the approach to setting and reviewing each goal, and how you monitor progress against each goal.

In line with our commitment to minimize our impact on Climate Change, during 2023 we continued the implementation of the Mitigation Strategy. Based on the constant monitoring of the emissions of the Business Units, a series of specific mitigation measures are established for each one, considering the viability and maximization of impact in line with the emission reduction objective.

Based on this information, the mitigation model of each Business Unit was constructed, which establishes the mitigation measures to be implemented each year in line with the fulfillment of the goal of **reducing emissions by 42% by 2030**.

Compliance with these mitigation measures, as well as progress in the percentage of emission reductions, are considered within the shared objectives that determine the variable remuneration of the company's executives. The evaluation of compliance and setting of objectives is carried out year after year.

Monthly reports are systematically generated internally with the analysis of emissions and compliance with the annual goal of each Business Unit, with which we seek to identify the progress of the organization in its commitment to reducing emissions.

e. Describe the results in relation to each climate-related objective and an analysis of trends or changes in the entity's results.

For this year, we had a **0.57% reduction** in our scope 1 and 2 emissions compared to 2022, having a consistent reduction behavior since 2019 and reaching an overall reduction since that date of 23% in line with our goal of reducing our scope 1 and 2 emissions by 42% by 2030.

It is important to point out that, due to the inclusion of new Business Units, the start of operation of Nogales-Puchuncaví, the expansion of the operation of the Río Magdalena Highway, as well as the progress in the construction of the Industrial Bridge and Atizapán-Atlacomulco, there is not a reduction as significant as that seen in past periods, presenting at least two Business Units with an increase of more than 70% in their emissions and two Business Units with a reduction in their emissions of at least 30%.