



Partner for a Sustainable Future

Sustainability-Linked Financing Framework

November 2021

1. Introduction to Webuild

1.1 Overview

Webuild, the new group born in 2020 from Salini Impregilo, is a global construction player specialized in building large works and complex infrastructure for the sustainable mobility, hydroelectric energy, water, green buildings and the tunnelling sectors.

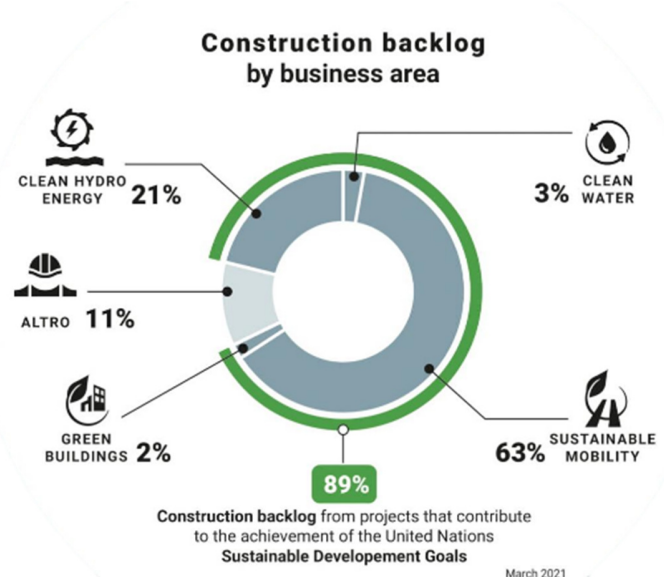
We are leaders in the Italian market, competing globally with the main players in the sector. Webuild is the expression of 115 years of applied engineering experience in five continents thanks to the talent of 70,000 people from over 100 nationalities. The works built, both in Italy and in the world, tell the story of a group guided by a passion for building and the pursuit of excellence, which renewed its commitment to building a sustainable future by applying its know-how to build innovative and valuable works.

Recognized for 5 years by the Engineering News Record (ENR) as the world leader in water infrastructure (such as dams, hydraulic tunnels, water and wastewater management, and water treatment and desalination plants), the Group ranks since 2018 among the top 10 in the environment sector and is also a global leader in sustainable mobility (metros and railways, roads, motorways, bridges, ports and sea works).

At the end of 2020, total backlog reached €41.7 billion, with 89% of the backlog of construction orders involving projects that support the SDGs set by the United Nations.

A signatory of the United Nations Global Compact, the Group also ranks among the leaders of the main international ESG ratings, such as MSCI ESG, CDP (former Carbon Disclosure Project)'s Climate Change program, VigeoEiris, ISS ESG and EcoVadis. It pursues sustainable development goals in every work it builds, supporting clients in strategic areas like the production of clean water and energy, building sustainable mobility systems and buildings with a low environmental impact.

Our works contribute to creating growth and well-being for current and future generations. We work according to environmental, ethical and professional principles that comply with the highest international governance and citizenship criteria.



1.2 Webuild's Business Model

The Group has developed its business model to optimize results in terms of quality, to comply with the customer's budget and timeline and to be economically, socially and environmentally sustainable. Its model is designed to support customers build complex infrastructure in response to the ongoing megatrends, leveraging three distinctive strategic pillars: expertise and innovation, centralized governance and sustainability.

Thanks to this business model, we create shared value for our shareholders, investors, customers, employees, suppliers and other stakeholders and contribute to achievement of 11 of the main SDGs.



1.3 Webuild's Sustainability Strategy

Our sustainability strategy identifies Contributing to Global Challenges and Acting Responsibly as the two pillars upon which Webuild's commitment and reputation are fully based.

Pillar 1:
Contribute to global challenges

Pillar 2:
Act responsibly

We assist our clients with issues such as sustainability, mobility, water, hydropower and green buildings. We build infrastructure that contributes to communities' development and well-being.



We contribute to the economic and social development of the areas in which we operate, guaranteeing the well-being of individuals and respect for the environment.



Webuild's business is strongly oriented towards developing and building infrastructure that directly contributes to advancing the main Sustainable Development Goals (SDG-oriented) and transitioning to a low-carbon economy.

The main current global megatrends, like population growth, urbanization, resource scarcity and climate change, find in infrastructure a tangible answer to improving people's quality of life.

Besides being part of Webuild's business, sustainable development principles are also fully part of the Group, both in core business and corporate processes terms.

What we build is important to us, but even more important is how we build our works. We, in fact, create infrastructure that contributes to the growth and well-being of communities, by helping to tangibly respond to global challenges. We also act responsibly, contributing to the economic and social development of the territories where we work, ensuring people's well-being and environmental respect.

In fact, we daily invest in three well-defined sustainability "sites", with clear and declared ESG programs and targets for the next three years, as defined in our 2021-2023 ESG Plan.

Our sustainability goals



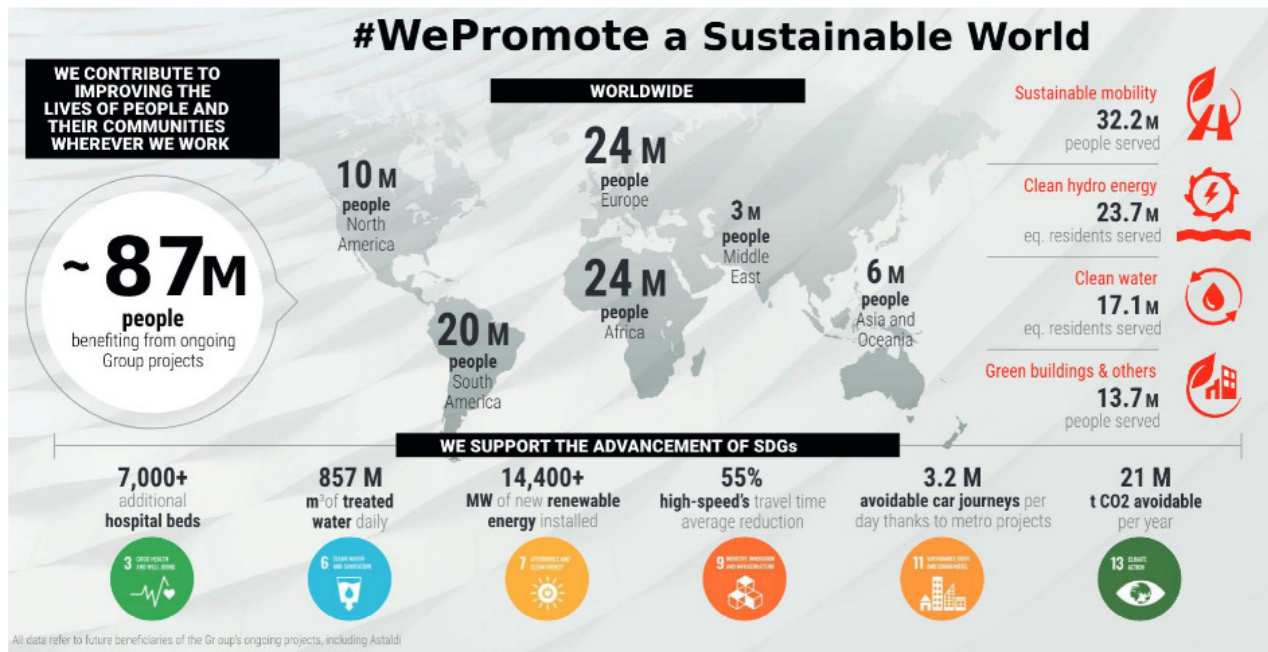
1.3.1. Contributing to Global Challenges

We believe that major infrastructure projects contribute to improving the world for current and future generations, encouraging a balance between man and nature.

Infrastructure projects play a fundamental role in the economic and social development of people, territories and cities. A role also recognized by the United Nations when defining the Sustainable Development Goals (SDG).

Our goal is to develop top quality, reliable, resilient, long-lasting infrastructure projects: energy, transport, civil and industrial construction projects. Solutions accessible to all which improve territorial accessibility act as the driving force for economic growth and for the development of public services.

Our ongoing projects will benefit about 87 million people in terms of improved access to mobility, renewable energy, water and other infrastructures, healthcare included. Moreover, our ongoing hydro, metro and railways projects will avoid about 21 million tons of CO₂ to be emitted per year.



1.3.1.1. Boosting Sustainable Mobility and Transport

Transport infrastructure is an extraordinary means by which people can access what counts most for them: work, education, healthcare, loved ones, relaxation, markets and a whole series of services which contribute to their wellbeing.

The transport sector is, however, responsible for 2/3 of the global consumption of oil and continues to be the sector with the highest increase in greenhouse gas emissions.

Road accidents are the main cause of death in numerous areas of the world, with 1.25 million deaths per year, without taking into account permanent invalidity and other injuries, which represent significant costs for the health services.

By 2030, it is predicted that passenger traffic alone will rise by 50%. In the meantime, only 16% of global urban movement takes place on public transport.

Efficient transport infrastructure is therefore fundamental for connecting people and improving the circulation of goods. It can reduce the social and environmental impact of the sector and improve access to services, employment and business opportunities.

Rail transport is pivotal to government plans to counter climate change. The Sustainable and Smart Mobility Strategy announced by the European Commission at the end of 2020 includes doubling the high-speed rail traffic by 2030; while high speed railway lines could double by 2035, to span 100,000 km worldwide.

The role played by the metro systems in urban centres is equally important in terms of a reliable, accessible service to all population brackets, safety and reduced pollution. Metro systems exist in around 180 cities, transporting billions of people a year and keeping the equivalent of 133 million vehicles off the roads each day.

Webuild is one of the key global operators in the urban (metros and light rail) and non-urban (high speed railways) sustainable mobility sectors as well as in the land transport infrastructure (roads and motorways), sea (ports and navigable channels) and air (airports) sectors.

We have built 13,637 km of metros and railway lines, 80,291 km of roads, 946 km of bridges and viaducts and 2,373 km of tunnels and underground works.

We have constructed some of the largest metros in the world like the ones in Riyadh, Doha, Copenhagen, Paris, Milan and Rome, high-speed railways in Italy, Austria, Norway, Sweden, Turkey and the US, unique works like the new Panama Canal, which - since 2016 - has enabled post-Panamax ships to cross the American continent rather than going around it, leading to an approximate 16 million tons reduction in CO2 emissions a year.

The metro projects under construction alone will allow the fast, efficient and sustainable transportation of roughly 4.1 million people a day on state-of-the-art infrastructure, avoiding emissions of around 1.8 million tonnes of CO2 a year. The high-speed railway projects will shorten travel times by an average of 50%, providing about 25 million people with safe, rapid and low-carbon services. In fact, rail transportation services generate emissions up to one eighth of those of the most environmentally-friendly cars and up to one ninth of the most efficient aircraft. The ongoing railway projects will allow less annual emissions of about 6 million tons of CO2.

Road infrastructure works will continue to be fundamental to move goods and people both in the developed economies (where the focus is mainly on modernisation, traffic decongestion, and transition to low-carbon vehicles) and low-income countries (where around one billion people still lack access to an all-weather road).

We contribute to advancing the SDGs with our mobility infrastructure projects:



1.3.1.2. Helping to Spread Renewable and Reliable Energy

The fight against climate change involves the energy sector, responsible for two thirds of the world's greenhouse gas emissions.

Hydroelectric power is the first source of renewable energy in the world, and provides 71% of all global renewable electricity. Unlike other renewable sources, such as wind and solar power, which are intermittent and, therefore, unable to guarantee the constant provision of energy, hydroelectric power is the most reliable and constant source and is an all-important element in the global transition towards renewable energy systems.

Furthermore, hydroelectric power is one of the renewable sources with the lowest unit cost, which makes this technology particularly suitable for extending access to energy in areas of the world where the majority of the population continues to remain without, such as the developing countries.

The active hydropower plants make it possible to avoid emitting four billion tonnes of GHG and 150 million tonnes of atmospheric pollutants (e.g., PM) a year. IRENA (the International Renewable Energy Agency) estimates that the installed hydropower capacity needs to be increased by 25% by 2030 and by 60% by 2050 to keep the increase in the global temperature to below 2°C. This could create up to 600 thousand new jobs over the next decade.

The Group is one of the main players in the hydropower sector with a track record of 313 plants built in five continents for installed capacity of 52,900 MW (completed and ongoing projects).

Webuild has strong experience in the various construction methods (concrete, RCC and loose materials) and environmental contexts as it has carried out projects at all latitudes in Europe, North and South America, Africa, Asia and Oceania. It always complies fully with the applicable environmental and social standards.

The ongoing hydropower projects will have capacity of more than 14,400 MW and will provide low-cost clean energy to the equivalent of over 23 million residents around the world, especially in the Horn of Africa (Ethiopia and surrounding countries), Central Asia (Tajikistan and adjacent countries) and Australia. This should avoid emissions of roughly 13 million tonnes of CO₂ a year.

We contribute to advancing the SDGs with our hydroelectric projects:



1.3.1.3. Improving Water Resource Management

The efficient management of water is one of the principal global challenges, especially given that the effects of climate change are happening faster than expected.

More than two billion people live in areas subject to water stress, 2.2 billion people do not have access to drinking water, 4.2 billion to modern sanitation services and 80% of the water discharges are released into the environment without proper treatment and the resulting water pollution contributes to the water shortage.

The increase in torrential rain linked to climate change is an additional factor of difficulty in numerous areas of the planet, where often obsolete water collection infrastructure is unable to guarantee adequate treatment, contributing to the degradation of the environment.

The Group is a global leader in the water infrastructure sector and active in the entire water cycle, from supply to drinking water to irrigation and the final treatment of wastewater.

Thanks to the group company Fisia Italmimpianti, which leads the desalination, drinking water and water treatment sector, the Group is a strategic partner for public and private sector customers in areas subject to water stress like the Middle East where it builds essential water infrastructure for millions of people.

Webuild also has immense experience in building water storage for drinking water and/or irrigation, environmental recovery projects and works to upgrade urban wastewater management infrastructure to make it more resilient to the increasingly frequent extreme weather events, protecting areas affected by flooding and preventing the pollution of the receiving water bodies.

Every day, more than 20 million people are served by just the plants built by Fisia Italmimpianti while another approximate 17 million people will benefit from the hydraulic infrastructures currently being built by the Group.

We contribute to advancing the SDGs with our projects covering the entire water cycle, from potabilization and supply drinking water to the final treatment of wastewater:



1.3.1.4. Contributing to the sustainability of buildings

The sustainability of buildings is key to the future of urban areas, where 70% of the world's population will live by 2050 and which are already highly polluted and subject to environmental stress with the related fall-out on the health of residents and public finances.

Estimates indicate that 90% of the global urban population breathes air of a quality below the standards set by the World Health Organisation.

The construction of green buildings, i.e., buildings with adoption of sustainable practices allows both a reduction in the environment footprint during construction, thanks to the use of low-environmental impact raw materials and optimisation of production and logistics processes, and maximisation of the building's environmental performance during its lifetime as a result of lower energy and water consumption and less emissions.

The Group has built dozens of civil, institutional, commercial, industrial, cultural, public health, sporting and religious buildings. It has gained extensive experience in Eco-design & Construction systems (e.g., LEED, GSAS, IS, Envision, ...), which allow a reduction in the works' environmental footprint over their life cycle.

Its projects include iconic works such as the Stravos Niarchos Foundation Cultural Centre in Athens (Greece), the Al Bayt Stadium in Doha (Qatar), the new ENI offices under construction in San Donato Milanese (Italy) and many hospitals and residential buildings being built in Europe and Americas according to the most advanced environmental and sustainability criteria.

We contribute to advancing the SDGs with the adoption of eco-design & sustainable construction criteria to our projects:

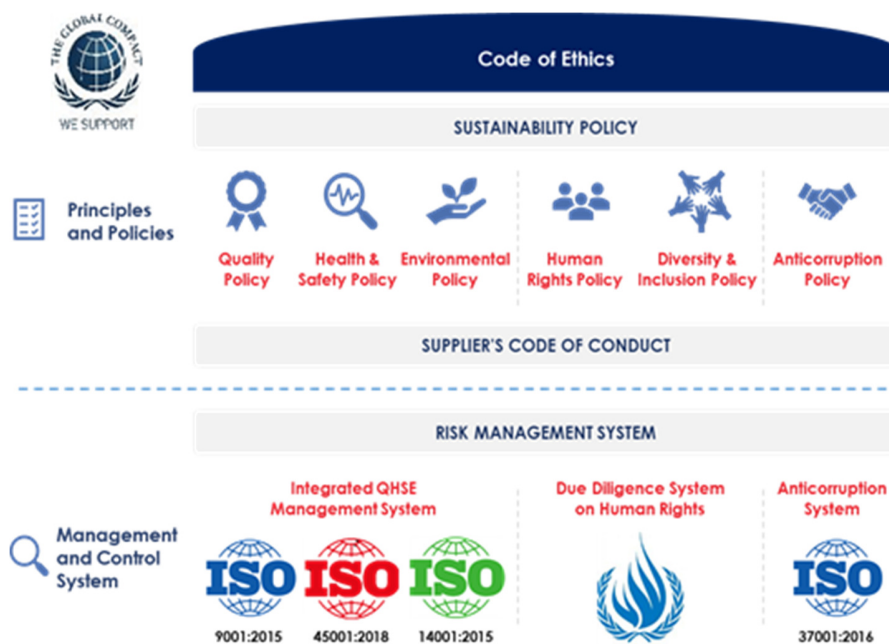


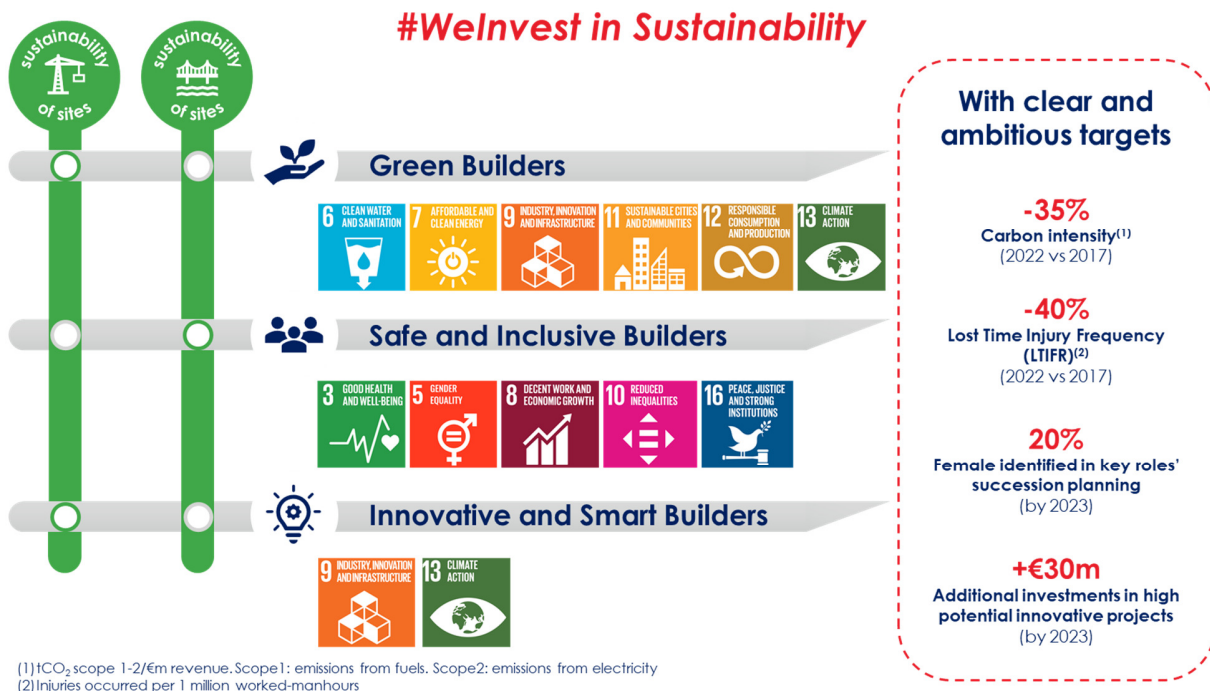
1.3.2. Acting Responsibly

In addition to developing works that contribute to the sustainable development of the communities where they are built, Webuild adopts the principles of sustainable development throughout the Group, both at core business and internal process level.

Our daily activity is based on the highest ethical and integrity principles. We also confirmed our commitment to sustainable development by subscribing to the United Nations Global Compact, the largest global sustainability initiative for companies committed to aligning their strategies and operations with ten universally-recognized principles on human rights, labour practices, the environment and anti-corruption.

We have substantiated such commitment in a coordinated framework of management policies and systems designed to ensure compliance with the highest ethical, integrity, social and environmental international standards.





As indicated in our ESG Plan, the Group's priorities include:

- Accelerating the climate transition and promoting the circular economy and environmental sustainability of our projects and construction sites (Green Builders)
- Continue investing in health and safety, skill development, diversity and inclusion (Safe and Inclusive Builders)
- Leveraging on innovation and digitalization as strategic drivers for sustainability and the improvement of business efficiency (Innovative and Smart Builders)

All that while guaranteeing high governance, integrity, transparency, and stakeholder engagement standards.

Such priorities are put in practice through dedicated programs, targets and KPIs.

Our first pillar is focused on "Green Builders". Webuild has a very long tradition of commitment for the environment. Our first Environmental Policy dates back to 2002. We were one of the first European construction companies to formalize our commitment in this respect and were among the first ones to introduce an environmental management system which is ISO 14001 certified since 2007.

We adopt an environmental life-cycle perspective in all our industrial processes, managing the different environmental components significant to our operations, such as:

- natural and energy resources;
- atmosphere and climate (emissions);
- soil, subsoil and water environment;
- waste and use of hazardous substances/preparations;
- traffic, atmospheric, light and electromagnetic pollution;
- noise and vibrations;
- ecosystem, cultural heritage and environmental restoration.

We are committed to the optimal use of resources and reduction of our environmental footprint, by investing in the efficiency of our production processes, maximizing the use of local materials, while reducing the intensity of water resources and raw materials. In line with the circular economy principles, the Group limits its waste production by maximizing its reuse and recycling and minimizing the use of landfills.

We are also committed to protect and preserve the ecosystem, flora and fauna, biodiversity and cultural/landscape and archaeological heritage of the areas around the work sites, also using new technologies, such as satellite monitoring to control and calibrate our management practices.

Our commitment on climate is described in the section 1.4.

Our second pillar is focused on “Safe and Inclusive Builders”. Our Vision for Health and Safety was created from an internal, shared culture, in which Webuild management and employees have together endorsed.

Our commitment to these guiding principles goes beyond a correct application of Health and Safety procedures and takes a responsible, wider approach of prevention and protection in the professional and personal lives of our employees. In this respect, we have set various initiatives such as implementation of our Safety Builders Program progressively to all our construction sites, and adoption of new technologies to improve safety at our sites through smart tags capable of monitoring access to hazardous areas, plants and equipment.

This for us is exemplified in our internal focus on reducing our Lost Time Injury Frequency. We monitor this closely to ensure that we continue to strive for as safe as possible an environment for our workers and contractors. We are proud to have already reduced this by 56% between 2014 and 2017, and have internal goals to reduce this by a further 55% by 2030.

To continue leading our industry, we need to keep not only our people safe, but also ensure they have the proper skills and conditions to express their full potential. Our priorities in such respect entail investing in development and leadership programs, such as our Global Managerial Academy and technical schools for specialized workers. Alongside this we are investing in championing diversity and inclusiveness among our workforce, by broadening development programs for employees (female mentoring, inclusion senior manager coaching, cultural diversity training) and increasing women presence in the key role succession planning's pipeline.

Our third pillar is focused on “Innovative and Smart Builders” as a cross-cutting area aimed at supporting our environmental, social and operational priorities.

The Group has identified four main innovation programs for the 2021-2023 period for a total investment of more than €30m:

- Connected Webuild, a digital roadmap for the development of a Group's integrated IT technological infrastructure, comprised of 10 elements to support all core processes
- QHSE Technologies, which entails the study and implementation of innovative solutions that improve environmental, safety and quality performance of our construction sites
- Open Innovation, a series of initiatives for scouting and partnering with innovative and sustainable technology developers
- Smart communication, which entails increasing transparency and engagement of our local and international stakeholders to our operations through dedicated initiatives, such as connecting our construction sites via webcams, live streaming, dedicated websites, apps, etc.

1.3.3. Creating shared value

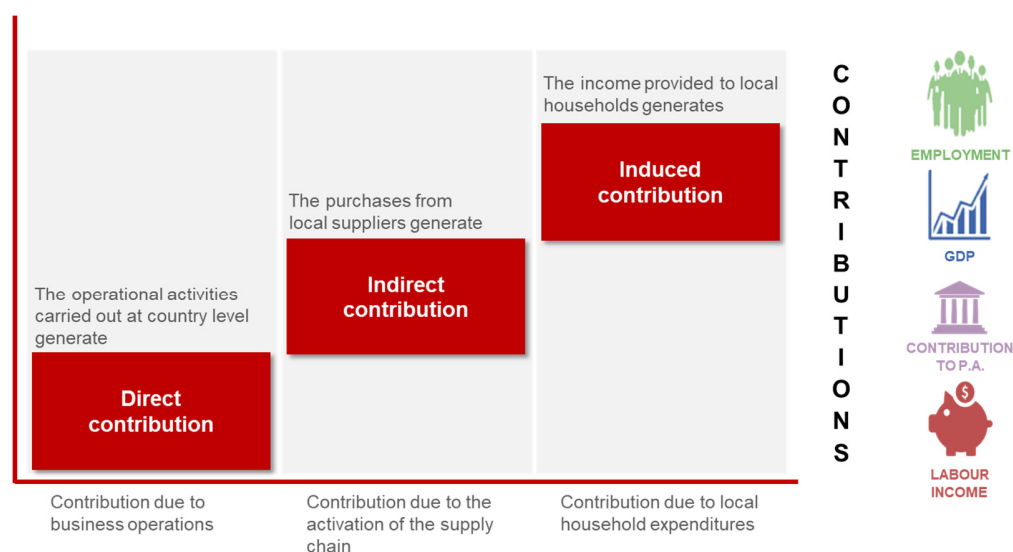
Webuild operates in one of the most important industries for what concerns economic growth, and this factor is particularly important in current times with all the world's governmental and intergovernmental authorities committed to increase investments in infrastructure to resume the global economy from the pandemic.

We have always been committed to contributing to the social and economic development of the areas where we operate by adopting suitable internal policies designed to maximize the utilization and enhancement of local workforce and supply chain, while ensuring the highest working standards and respecting the rights and culture of the local communities which do business.

The Group's direct workforce hired from local communities is greater than 80%, while local supplies exceed 90%. We pay great attention to the development of both direct and indirect workforce, with about 390,000 training hours provided in 2020.

Wages and supplies paid to workers and suppliers represent only the direct benefits to local economies as they do not include the additional indirect and induced effect of the Group's activities in the countries where it operates.

We have developed a proprietary calculation tool, SEED (Socio-Economic Effects Determination) model, to calculate our total contribution (direct, indirect and induced) to a country's economic and social growth in terms of employment, GDP, tax revenues and work income distributed to families.



In 2020 we generated the following contributions, expressed as a multiple, to local economies of our main markets:

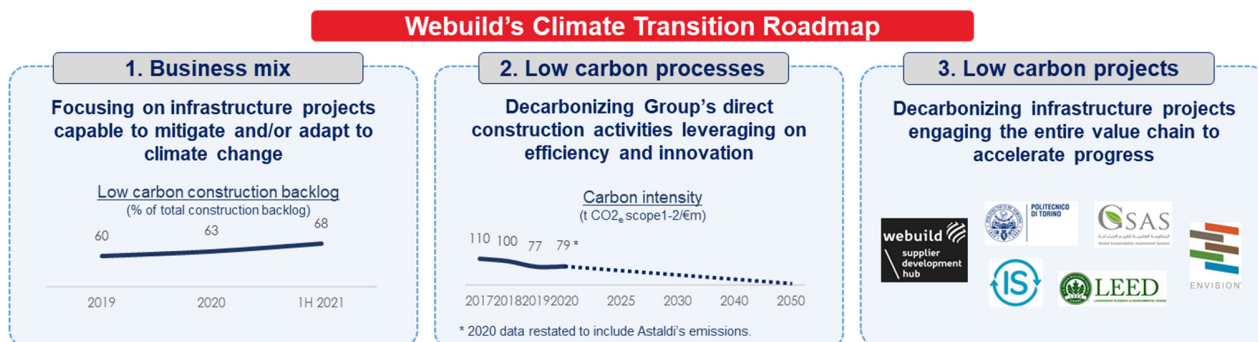
- eight jobs created for each direct Webuild employee;
- €2.9 of work income distributed for each Euro paid by the Group;
- €3.5 of GDP for each Euro of added value generated by Webuild;
- €7.8 of tax revenues for each Euro paid by the Group to the public administration.

These figures confirm that the Group's local investment policies have a significant knock-on effect on the economies of the countries where we operates.

1.4 Webuild's Climate Transition Roadmap

Webuild has a clear commitment to being a key player in the infrastructure industry with the capacity to support clients in their climate mitigation and adaptation efforts.

In this respect, we have defined a comprehensive Climate Transition Roadmap built around three priority areas.



Through our Climate Transition Roadmap, we aim at contributing to the SDG 12 and 13 while advancing other relevant SDGs linked to our areas of expertise (SDG 6, 7, 9, and 11).



1.4.1. Business mix

Besides having a core business strongly oriented towards SDGs, with 89% of the backlog of construction orders at the end of 2020 involving projects that support the goals set by the United Nations¹, we are also strongly focusing on low carbon and resilient infrastructure projects.

Such projects will be key to meet the global challenge of transitioning the economy to a low-carbon and sustainable model. In this respect, we have already reached important results, by increasing our share of construction backlog on low-carbon projects², i.e. railways and metro projects, hydropower plants, and green buildings, from 60% in 2019 to 68% in the first half of 2021.

We expect to see such trend continuing in the next years, also sustained by increasing public and private funds channeled on infrastructure capable to mitigate and adapt to climate change.

1.4.2. Low carbon processes

Reducing Webuild's energy and carbon footprint is another core area of our decarbonization strategy, as they represent our direct contribution to the climate challenge.

¹ Based on an internal methodology developed to account the Group's backlog related to projects which make specific contributions to at least one of the 169 SDG targets.

² Based on Sustainability Accounting Standards Board (SASB) methodology, Engineering & Construction Services standard

Since 2014, when Salini and Impregilo merged, we have constantly reduced our energy consumption and GHG scope 1 & 2 emissions year after year, while our business has steadily grown. Such result has been possible thanks to constant investments on energy efficiency measures taken at our sites all around the world.

In 2018 we constituted an internal inter-functional team, CLEF (Climate and Energy Efficiency), dedicated to scouting, testing and implementing new solutions and technologies for reducing the Group's carbon footprint. Between 2018 and 2020 CLEF mainly worked on testing potential solutions to reduce GHG emissions for tunneling activities, which are among the highest emitters in our industry. Reduction initiatives identified allowed the Group to go beyond business-as-usual, started setting new ambitious reduction targets. Such reduction initiatives are listed in the Action Plan provided in the next section.

As already described before, Webuild has set a GHG reduction target in the ESG Plan 2021-2023, including it also in its long-term variable incentive plan (LTI 2020-2022 plan).

We have also set a longer-term strategy aimed at investing increasing resources to continue improving our performance. Key steps of our strategy are:

- Reducing our Carbon Intensity (Scope 1 & 2) by at least 55% by 2030
- Setting absolute reduction targets to 2030 for both Scope 1 & 2, and Scope 3, validated by the Science-based Target Initiative (SBTi) by 2022
- Continuing raise our ambition towards net-zero emissions by around mid-century.

Webuild commits to update this Framework as its science-based targets are validated by SBTi.

Section 2.2. describes in detail our Action Plan for reducing our carbon intensity ratio.

1.4.3. Low carbon projects

Decarbonizing the infrastructure projects we work on is the ultimate target for addressing the climate challenge in the long run; to reach such a target, the entire infrastructure value chain needs to be fully engaged and committed, from investors to project owners, designers, public authorities, and supply chain.

As a construction company, we have already developed specific skills and experience in delivering infrastructure projects adopting eco-design and construction schemes recognized in the main market we work on (e.g., LEED, GSAS, IS, Envision, etc³). Such schemes allow projects to be evaluated and assessed with a life-cycle perspective to reduce their overall environmental and climate footprint from the design stage.

Our aim is to standardize such practices in our projects irrespective whether they adopt certification schemes or not, as working to reduce our projects' footprint (the so called "embodied" emissions of the infrastructure we realize) will allow us to provide lower-carbon infrastructure to our clients, while reducing our own Scope 3 GHG emissions.

In this respect, we are working on the following key areas:

- Optimizing design activities to develop viable solutions for reducing/replacing the use of high-intensive materials such as cement, concrete and steel

³ Leadership in Energy and Environmental Design, Global Sustainability Assessment System, Infrastructure Sustainability

- Partnering with the supply chain to develop low-carbon materials and/or solutions with high-recycled content.

However, an obstacle for progressing in such areas which is seldom represented by local and/or technical requirements, is that they may not allow the use of innovative materials and construction techniques. We expect such hurdle will be progressively reduced as countries put into practice their pledges to lower GHG emissions, translating them in new green regulations and procurement policies.

We have also ongoing research programs with technical universities to develop tailor-made life cycle GHG calculation tools to be embedded both in our commercial and operational processes.

2. Sustainability-Linked Financing Framework

Rationale for Issuing Sustainability-Linked Financing Instruments

We believe that Sustainability-Linked Bonds / Loans financing our activities will highlight our climate objectives very effectively and provide fixed income investors and lenders with a further tool to assess our progress in contributing to climate change mitigation.

The instruments will leverage ambitious timelines to achieve climate performance that is relevant, core and material to our business. Aligning financing to Webuild's sustainability performance signals a strong commitment to implement the Group's sustainability agenda. We hope the issuance of our Sustainability-Linked Financing Instruments will inspire other similar companies to do the same.

Through the instruments issued under this Framework, Webuild will be able to align its financing with its broader sustainability targets and ambitions. The Framework and any potential issuance will underline Webuild's commitment to these objectives and engage existing and future stakeholders on its path towards a more sustainable future

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

This Framework has been established in accordance with the recommendations of the Sustainability-Linked Bond Principles (SLBP), as administered by the International Capital Markets Association (ICMA) in June 2020⁴ and Sustainability-Linked Loan Principles (SLLP)⁵. Webuild has also taken note of the European Leveraged Finance Association's (ELFA) Best Practice Guide to Sustainability-Linked Leveraged Loans, published in July, 2021 when preparing this framework.⁶

The issuer may under this Sustainability-Linked Financing Framework issue debt securities including Sustainability-Linked Bonds (SLB) and Loans (SLL).

For each Sustainability Linked Financing Instrument issued, Webuild will adopt the following as set out in this Framework:

1. Selection of Key Performance Indicators (KPIs)
2. Calibration of Sustainability Performance Targets (SPTs)
3. Financing characteristics
4. Reporting
5. Verification / External Review

Update / future amendment of the framework

Webuild will review this Framework from time to time, including its alignment to updated versions of the relevant principles as and when they are released, with the aim of adhering to best practices in the market. Webuild will also review this Framework in case of material changes in the perimeter, methodology, and in particular the definition of KPIs and/or the calibration of SPTs.

Such review may result in this Framework being updated and amended. The updates, if significant, will be subject to the prior approval of a qualified provider of Second Party Opinions. Any future



⁴ <https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/sustainability-linked-bond-principles-slb/>

⁵ <https://www.lma.eu.com/documents-guidelines/documents/category/green--sustainable-finance#sustainability-linked-loan-principles140>

⁶ https://www.lma.eu.com/application/files/5416/2745/5555/LMA_ELFA_Best_Practice_Guide_to_Sustainability_Linked_Leveraged_Loans.pdf

updated version of this Framework that may exist will either keep or improve the current levels of transparency and reporting disclosures, including the corresponding review by an External Verifier. The updated Framework, if any, will be published on Webuild's website and will replace this Framework.

2.1 Selection of Key Performance Indicators (KPIs)

Key Performance Indicator 1: Carbon Intensity (Scope 1 & 2)																
	<p>Definition of the metric: Carbon intensity across Webuild's direct operations (Scope 1&2) Unit: Tons of carbon dioxide equivalents per million euros of revenue (tCO2-eq/€M)</p>															
	<p>Perimeter: Emissions generated by Webuild S.p.A. and its operations over which it (or one of its subsidiaries) has operational control⁷.</p> <p>Scope: Scope 1 emissions include those deriving from the consumption of fuels (i.e. diesel, gasoline, natural gas, LPG, kerosene) used for powering plants, equipment, vehicles and temporary buildings, fugitive emissions deriving from the refilling activities of conditioning systems, as well as emissions deriving from explosives used at construction sites for excavation/demolition activities. Scope 2 emissions include those deriving from the purchased electricity. Carbon sinks and offsets are not included in the calculation.</p> <p>Methodology: The Corporate GHG footprint is calculated in accordance with the WRI/WBCSD GHG Protocol Corporate Accounting and Reporting Standard. Primary data (i.e. fuels, electricity, refrigerant gases, explosives) are collected through a dedicated reporting system which covers the entire perimeter. GHG emissions are calculated using specific emissions factors for each emission source, and are expressed in terms of CO2 equivalent (CO2e). Emission factors used comes from recognized international sources and cover all the GHG categories covered by the Kyoto Protocol (CO2, CH4, N2O, HFCs, PFCs, SF6 and NF3). Such methodology is fully consistent with the criteria and recommendations set by the Science-Based Target Initiative (SBTi).</p> <p>Historical evolution:</p> <table border="1" data-bbox="405 1563 1294 1709"> <thead> <tr> <th>(tCO2-eq/€M)</th> <th>2017</th> <th>2018</th> <th>2019</th> <th>2020</th> </tr> </thead> <tbody> <tr> <td>Carbon Intensity</td> <td>110</td> <td>100</td> <td>77</td> <td>79⁸</td> </tr> <tr> <td>% change (decrease)</td> <td>n/a</td> <td>(9%)</td> <td>(23%)</td> <td>3%</td> </tr> </tbody> </table>	(tCO2-eq/€M)	2017	2018	2019	2020	Carbon Intensity	110	100	77	79 ⁸	% change (decrease)	n/a	(9%)	(23%)	3%
(tCO2-eq/€M)	2017	2018	2019	2020												
Carbon Intensity	110	100	77	79 ⁸												
% change (decrease)	n/a	(9%)	(23%)	3%												

⁷ Perimeter is consistent with the boundary of the Group's Annual Non-Financial Statement, which details the full list of subsidiaries included. Operational control means the full authority to introduce and implement the Company's operating policies at the operation, as per the WRI/WBCSD GHG Protocol Corporate Accounting and Reporting Standard.

⁸ Figure restated to include Astaldi's GHG emissions, which entered Webuild Group in 2020. Previous figure was equal to 72 tCO2-eq/€M (6.5% reduction vs. 2019), as reported in the 2020 Non-Financial Statement.

	<p>Rationale: As a traditionally high carbon industry, Webuild recognize that accelerating climate transition and developing innovative solutions that will improve environmental sustainability of the Group and its projects is of vital importance.</p> <p>This KPI is material to Webuild’s business as it clearly ties into our strategy to improve the carbon intensity of our operations.</p> <p>Webuild further believes that the focus this KPI brings, will improve resilience to potential future physical and transition risks. Physical risks will be further mitigated by the improvement in the efficiency of operations. Transition risks will be mitigated as we strive to maintain our best-in-class approach to ESG to make our processes more and more carbon efficient while providing green construction for the benefit of clients.</p> <p>For the purpose of this framework, Webuild has chosen to focus on relative Scope 1 and 2 emissions in order to demonstrate the Group’s ambitions. Indeed, carbon intensity expressed as tCO₂-eq/€M is a common KPI in the construction industry, as it represents a useful metric to normalize performance among companies with different footprints and evaluate their carbon efficiency trends.</p> <p>Intensity KPIs based on physical parameters are not viable as construction companies like Webuild do not produce standardized products, but each infrastructure project (e.g., road, railway, dam, building) has unique features linked to the environmental, social, legal and technical context.</p> <p>Moreover, focusing on Scope 1 & 2 emissions is fully consistent with the approach set by the international expert community. Indeed, although the whole Scope 3 accounts for around 70-80% of total GHG emissions for building companies (mainly related to the production of permanent materials used at sites such as cement, concrete, steel), the World Green Buildings Council (WGBC) and the World Business Council for Sustainable Development (WBCSD) assigns the greatest responsibilities to policymakers, investors, developers, designers and material manufacturers to address Scope 3 emissions reduction⁹, while assigning to contractors mainly responsibility over their scope 1 & 2 emissions (over which they have full control).</p> <p>However, Webuild is already tackling its Scope 3 emissions and it is committed to develop specific targets on that. In this regard, the Company has planned to go through the SBTi certification process for the validation of its long-term GHG emissions reduction targets which will cover both Scope 1 & 2, and Scope 3 GHG emissions.</p> <p>Webuild commits to update this Framework as its science-based targets are validated by SBTi to include scope 3 emissions KPI.</p>
--	---

⁹ "Bringing embodied carbon upfront", World Green Building Council (2019); "Decarbonizing construction - Guidance for investors and developers to reduce embodied carbon", World Business Council for Sustainable Development (2021). Both reports define expectations and a roadmap to decarbonize the industry

2.2 Calibration of Sustainability Performance Targets (SPTs)

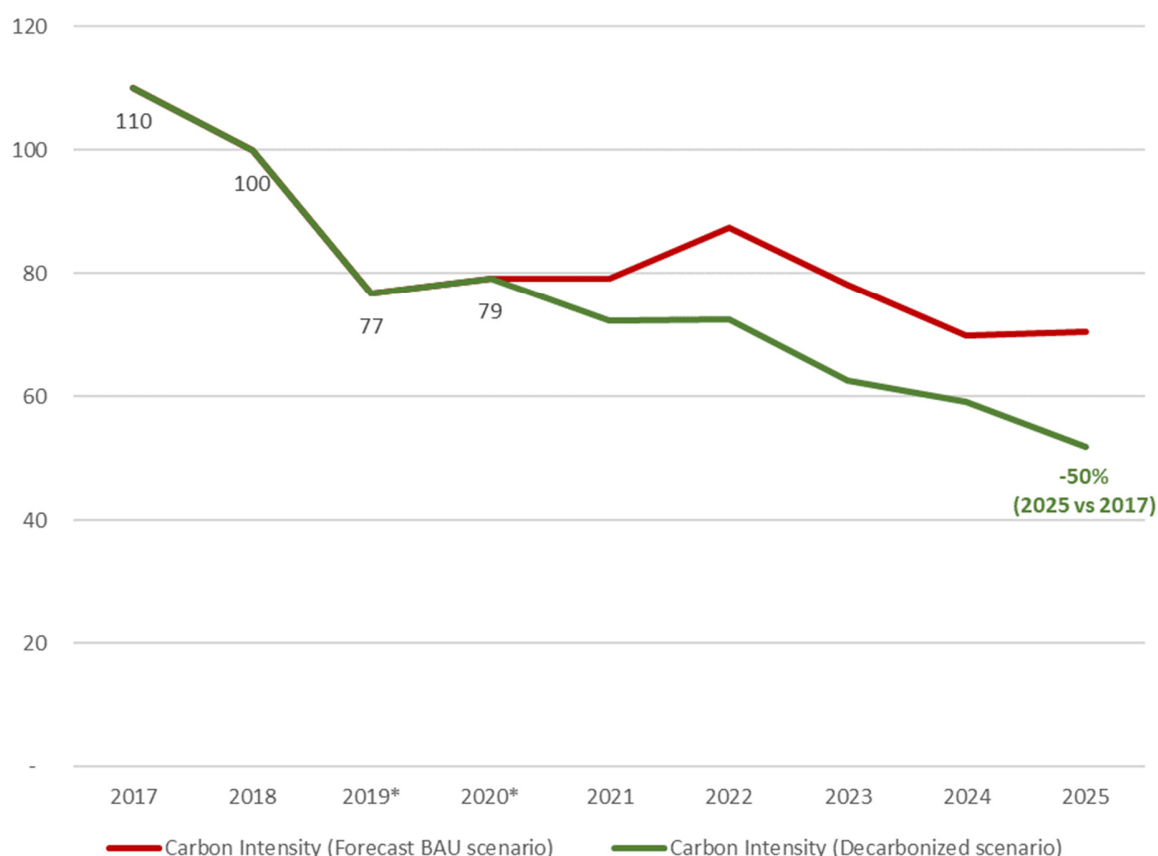
SPT: Reduce Carbon Intensity (Scope 1 & 2) by 50% by 2025

SPT: Reduce tons of carbon dioxide equivalents per million euros of revenue (Scope 1 & 2) by 50% by 2025

The SPT represents a material improvement and goes beyond the business-as-usual (BAU) trajectory as Webuild has already made material efforts and investments to reach a “best in class” carbon footprint in its peer group. Such acceleration follows the creation of a dedicated inter-functional team working on scouting, testing and implementing new solutions and technologies for carbon reduction. Improvements achieved so far are also demonstrated by the strength of Webuild’s external ESG scores including a B from CDP Climate Score, A from MSCI, Prime from ISS, Advanced from VigeoEiris, and Gold from Ecovadis.

Moreover, Webuild has been ranked among the Europe’s Climate Leaders 2021 by the Financial Times and Statista as one of the 300 European companies with revenues greater than €40 million that have reduced the intensity of their greenhouse gas emissions relative to revenues between 2014 and 2019 the most.

In particular, BAU GHG scope 1 & 2 emissions until 2025 can be estimated applying the past carbon intensity figures reported in each geographical area to the projected revenue in such areas. In comparison, based on the planned and foreseeable GHG reduction levers and initiatives, Webuild has defined its decarbonized forecast scenario, reflecting the SPT and consistent with the SBTi well-below 2°C trajectory for absolute emissions projection (-15% absolute reduction between 2019 and 2025, i.e., -2.5% per year).



Webuild has arrived at this level for the KPI based on a science-based contraction approach. The 50% reduction by 2025 is expected to be in line with verified science-based targets the Company is working on for its approval by SBTi – the level which is deemed to be consistent with reductions required to limit warming to at least well-below 2°C.

This is in the context of a longer term strategy aimed at:

- Reducing Carbon Intensity (Scope 1 & 2) by at least 55% by 2030
- Introducing absolute SBTi-validated targets to 2030 for both Scope 1 & 2, and Scope 3
- Continuing raise ambition to reach net-zero around mid-century.

Baseline: 110 tCO₂-eq/€M in 2017, to ensure consistency with the Group's current ESG Plan 2021-2023

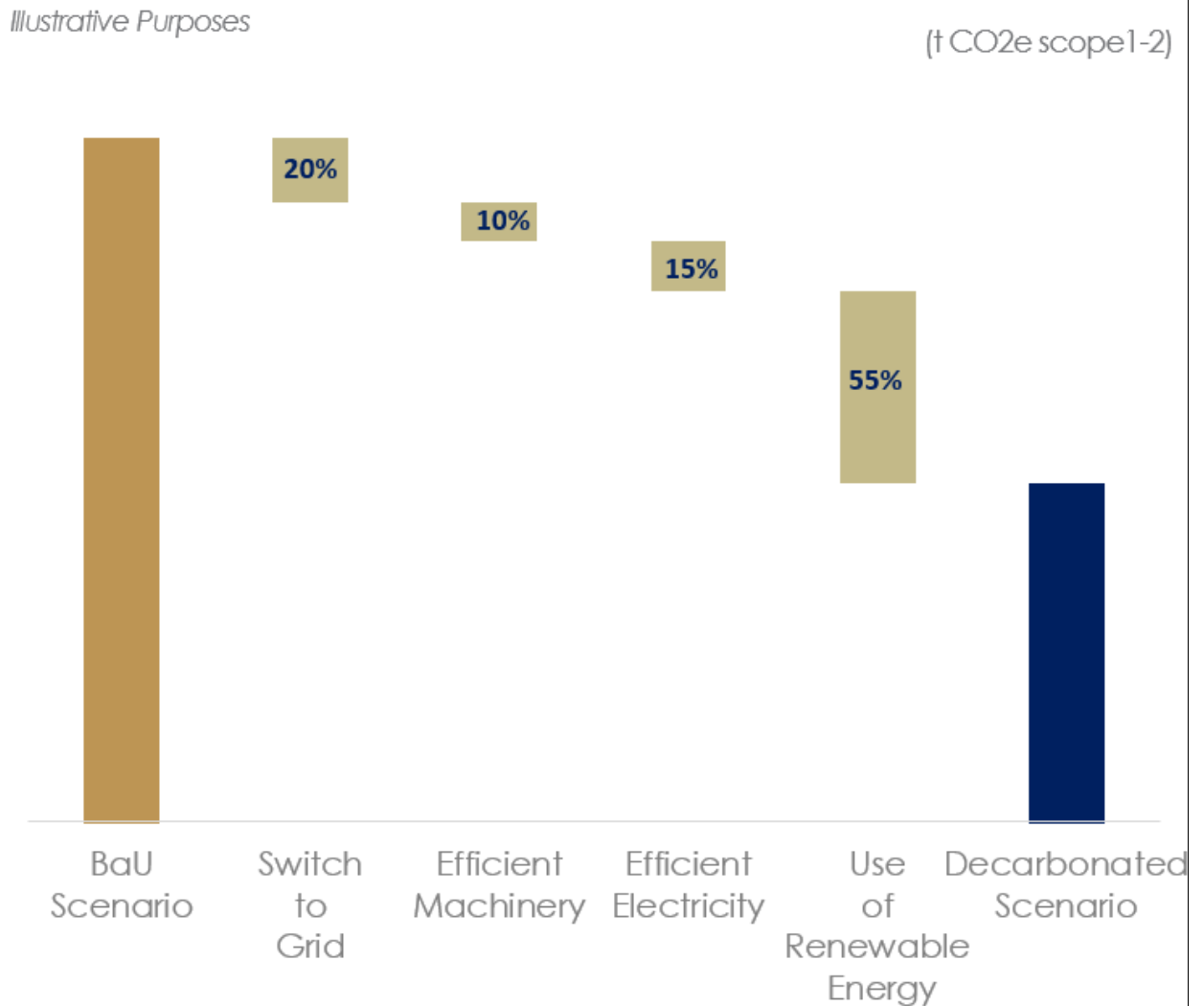
Action Plan related to the reduction of the carbon intensity ratio:

Webuild has identified four main levers to filling the gap between BAU and Decarbonized scenario:

- Switch to grid electricity** – In construction sites, the electricity needed to power plants and equipment is often produced directly on-site using diesel generators that are high carbon emitters. GHG emissions from diesel generators represent on average a quarter of total Scope 1 & 2 Group's emissions. We have planned to progressively switch to grid electricity wherever available and viable, using it as a default option for all new projects.
- Efficient machinery** – GHG emissions from fuels used to power machinery, equipment and vehicles represent on average half of total Scope 1 & 2 Group's emissions. We have identified a suite of actions to tackle such emissions:
 - Regular fleet renovation** with lower-carbon models, progressively introducing hybrid and/or electric alternatives as they become available on the market
 - Automated conveyor belts** for materials transport, eliminating the need for trucks to move earth on construction sites, resulting in the elimination of the associated GHG emissions and pollution
 - Highly efficient catalytic systems** to be progressively introduced at our projects and that have already resulted in reduced fuel consumption and reduced pollution levels
 - Real-time monitoring systems** for trucks, machinery and vehicles equipped with special sensor systems aimed at optimizing their use and energy consumption
- Efficient electricity systems** – GHG emissions from purchased electricity accounts for 15% on average, but this share is expected to increase as we progressively switch from fuel-powered plants and equipment to electricity. For such reason, we have identified, tested and started to implement a series of initiatives to reduce such emissions, mainly in our tunneling operations which are energy intensive:
 - Power quality systems** developed to supervise and stabilize electricity supply within the construction sites resulting in reduced electricity consumption
 - Highly efficient tunnel ventilation systems** capable to control ventilation flows in tunnels based on air quality sensors, resulting in reduced energy consumption, but also improved comfort for workers
 - Green TBMs** designed to increase both energy and water efficiency of tunnel boring machines compared to standard TBMs available on the market
 - Robotic green precast factories** capable of automating the precast process carried out at construction sites, while leveraging on circular economy principles to create closed-loop cycles to increase efficiency in the use of energy (also through renewable on-site systems), water and materials
 - Predictive maintenance systems** powered by sensors installed on site equipment and plants and capable to detect early signs of inefficient working conditions and improve maintenance activities, reducing in this way energy consumption while preventing damages and related costs

- f. **Renewable energy systems** directly installed at sites to exploit locally available renewable sources, such as photovoltaic, mini-hydro, etc., autonomously satisfying part of the energy needs of the site
- iv. **Use of renewable energy** – Further actions to reduce our GHG emissions from fuels and electricity include making an increasing recourse to the purchase of fuel blends with renewable content (e.g. biodiesel) and to renewable electricity.

Illustration of Webuild's reduction initiatives to achieve the SPT (2021-2025)



The above-mentioned actions relate to levers already identified by Webuild to be implemented through the decade until 2030 and beyond. In addition, the Group will continue working on scouting and developing new efficiency initiatives and innovative technologies to further reduce its carbon footprint. For scope 1 & 2 emissions, the Company expects the following levers will become more and more available on the market in next decades:

- Hybrid / full electric / hydrogen-powered machinery and equipment
- Hybrid / hydrogen-powered generators.

Of note, because of its carbon-efficient profile, the marginal incremental improvements are expected to get more and more difficult and costly after 2025 – explaining the reason for the lower improvement vs. previous years. However, Webuild expects to leverage on technologies and innovations not yet available in the market to continue its pathway towards full decarbonization.

As scope 3 emissions will be included in the Company's future SBTi targets, a specific action plan will be formalized to tackle such emissions. Webuild is already working on it, by developing viable solutions to work with the entire value chain (i.e., projects' owners, designers, manufacturers) to reduce GHG emissions related to permanent materials (e.g., cement, concrete, steel) which represent most of the entire scope 3 emissions. Such solutions include:

- engineering optimization activities aimed at reducing the quantity of high-emission materials in the Group's projects
- procurement practices aimed at supplying lower carbon materials.

Webuild commits to update this Framework as its science-based targets are validated by SBTi to include scope 3 emissions reduction SPT.

The inability to achieve a decoupling of business growth from emissions required to meet the SPT may result from:

- New projects in countries and/or regions where electricity and/or renewable energy is not easily accessible
- Climate change supply / sourcing chains issues

2.3 Financing Characteristics

- The financial characteristics of the instrument will be impacted depending on the achievement or failure of the SPT(s) indicated in the previous section of this Framework. Performance against the SPT(s), representing the instrument's trigger events, will be observed at each observation date
- The exact mechanism and impacts of the achievement or failure to reach the pre-defined SPT(s) will be detailed for each financing in the relevant financing specific documentation as applicable

The issuer will notify the investors of the achievement or not of the SPT(s) within the terms defined in the instrument's documentation). If, for any reason, the KPI cannot be calculated, observed or reported in a timely and satisfactory manner (as defined in the instrument's documentation), the defined financing characteristic change will be triggered as if the target was not met (with effective dates aligned with the original SPT(s)).

2.3.1 Recalculation policy

Webuild will recalculate its KPI baselines and/or SPTs in case of any change that significantly affects positively or negatively the value of the KPI(s) to reflect any material or structural changes to the Group and/or any external parameters (such as company structure, methodology update for calculating the KPI, officially published updates to standards¹⁰, methodology update for calculating the target, drastic changes in the regulatory environment, any discovery of significant errors).

To account for potential future structural changes in the perimeter, the SPT/baseline should be recalculated in good faith by Webuild, on the condition that Webuild's Second Party Opinion provider has independently confirmed to Webuild in writing that the proposed revision:

- is consistent with Webuild's sustainability strategy; and
- is in line or more ambitious than the initial target, and shows an improvement of Webuild commitment.

The calculation methodology of any change to the baseline and/or SPTs will be communicated within the annual report and will be independently verified by a third party, in the context of the annual verification of the reporting.

Any future Sustainability-Linked Financing with the same KPI and Observation Date must utilize an SPT of equal or greater sustainability ambition. In addition, at the issuance of such instrument, any outstanding Sustainability-Linked Financing would have their equivalent SPT adjusted to reflect the greater ambition.

2.4 Reporting

¹⁰ Such as GHG protocol, SBTi standard, Sustainability-Linked Bond Principles, the Sustainability-Linked Loan Principles, the future EU Taxonomy delegated acts, any relevant industry guidelines or other key external inputs as from the adoption by the Group of such updates to the extent that these updates are relevant and have been adopted by the Group in its corporate strategy as communicated to investors.

For each Sustainability-Linked Instrument, Webuild commits to publish annually, and in any case for any date/period relevant for assessing the trigger of the SPT performance leading to potential adjustments (such as a coupon step-up or premium payment of an instrument issued under the Sustainability-Linked Financing Framework) until the maturity of any instrument issued under this Framework:

- Up-to-date information on the performance of the selected KPI, including the baseline where relevant
- A verification assurance statement (“Limited Assurance”) relative to the SPT outlining the performance of the KPI against the SPT; and any other relevant information which may enable investors to monitor the progress of the selected KPI
- This will be made available and easily accessible on Webuild’s website (<https://www.webuildgroup.com/en/investor-relations/debt-rating/sustainable-finance>)

Information may also include when feasible and possible:

- A qualitative or quantitative explanation of the contribution of the main factors, the evolution of the performance/KPI on an annual basis;
- Illustration of the positive sustainability impacts of the performance improvement; and/or
- Any re-assessments of KPIs and/or restatement of the SPT and/or adjustments of baselines or KPI scope, where applicable

2.5 Verification / External Review

Pre-issuance:

Webuild has retained V.E to provide a Second Party opinion on the Sustainability-Linked Financing Framework. The objective of the Second Party Opinion is to provide an independent assessment of the Sustainability-Linked Financing Framework’s transparency and governance as well as its alignment with the Sustainability-linked Bond Principles 2020, published by ICMA, and Sustainability-Linked Loan Principles.

The Second Party Opinion will be available at: <https://www.webuildgroup.com/en/investor-relations/debt-rating/sustainable-finance>

Post-issuance:

Annually, and in any case for any date/ period relevant for assessing the KPI performance against the SPT leading to a potential financial adjustment, such as a step-up coupon or a premium payment on the instrument, until after the KPI trigger event of a bond has been reached, Webuild will seek independent and external verification of the performance level for the stated KPI by the Assurance Provider.

The Assurance Provider will always be a leading qualified / competent provider of third party assurance or attestation services appointed by Webuild, who will provide a verification assurance report in the form of a “Limited Assurance”. The verification of the performance of the KPI, along with the Assurance Provider’s verification statement, will be made publicly available on the issuer’s website <https://www.webuildgroup.com/en/investor-relations/debt-rating/sustainable-finance>.

Webuild's disclaimer

This Framework contains certain forward-looking statements that reflect the Webuild's management's current views with respect to future events and financial and operational performance of Webuild and its subsidiaries. These forward-looking statements are based on Webuild's current expectations and projections about future events. Because these forward-looking statements are subject to risks and uncertainties, actual future results or performance may differ materially from those expressed in or implied by these statements due to any number of different factors, many of which are beyond the ability of Webuild to control or estimate precisely including but not limited to, future market development, changes in the regulatory environment. You are cautioned not to place undue reliance on the forward-looking statements as well as information and opinions contained herein, which are made only as of the date of this Framework and could be subject to change. Webuild does not undertake any obligation or responsibility to release any updates or revisions to any forward-looking statements and/or information contained herein to reflect events or circumstances after the date of publication of this Framework and does not give any guarantee as to the continuing correctness and completeness of such information. The information contained in this Framework does not purport to be comprehensive and, unless differently specified in this Framework, has not been independently verified by any independent third party.

This document is not intended to be and should not be construed as providing legal or financial advice. This Framework does not constitute a recommendation, advice, offer or solicitation to buy or sell any securities of Webuild or any of its subsidiary nor it should be interpreted as, or form part of, any offer or invitation to underwrite, subscribe for or otherwise acquire or dispose of, any solicitation of any offer to underwrite, subscribe for or otherwise acquire or dispose of, any securities issued or to be issued by Webuild or any of its subsidiaries in any jurisdiction. Any decision to buy or invest in securities shall be made solely and exclusively on the basis of the information set out in the pertinent prospectus or equivalent or related documentation filed or otherwise made available to prospective investors by Webuild or its subsidiaries. Thus, this Framework does not constitute a prospectus or other offering document and no securities have been or will be registered under the U.S. Securities Act of 1933, as amended, or the securities laws of any state of the U.S. or any other jurisdiction.

This Framework may not be distributed or published in any jurisdiction in which it is unlawful to do so, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession such Framework may come must inform themselves about, and observe, any applicable restrictions on distribution. This Framework may not be reproduced, distributed or published by any person, in whole or in part, for any purpose.

Under no circumstances will Webuild or its subsidiaries, representatives, directors, officers and employees have any liability whatsoever (in negligence or otherwise) for any direct, indirect or consequential loss, damage or expenses howsoever arising from any use of this Framework or its contents or otherwise arising in connection with the Framework. This Framework may not be reproduced or published, in whole or in part, for any purpose.