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## Second Party Opinion

# Mota-Engil Sustainability-Linked Financing Framework

July 31, 2024

Editor's note: This SPO report is based on S&P Global Ratings' "[Analytical Approach: Second Party Opinions and Transaction Evaluations](#)," published Dec. 7, 2022, which was partly superseded by S&P Global Ratings' "[Analytical Approach: Second Party Opinions: Use of Proceeds](#)," published July 27, 2023, following the launch of our integrated use-of-proceeds SPOs.

Mota-Engil Group (Mota-Engil), headquartered in Portugal, is a multinational engineering and construction (E&C) group operating mainly in the infrastructure sector. In 2023, the group derived its €5.7 billion of revenue from its five main business segments: Europe - E&C; Africa - E&C; Latin America - E&C; Environment; and Capital. Mota-Engil operates in 21 countries across Europe, Africa, and Latin America, and has more than 53,340 employees.

Mota-Engil has ongoing projects in Latin America, where its main markets are Mexico, Brazil, Peru, and Colombia. The group also operates in Africa, mainly in Angola, Mozambique, Ivory Coast, Rwanda, Uganda, South Africa, Guinea, and Nigeria. In Europe, Mota-Engil has projects in Portugal and Poland.

Mota-Engil is a public company that has been listed on the Lisbon Stock Exchange since 1987 and the PSI-20, the main Euronext Lisbon index, since 2005. Shareholders include Mota Gestão e Participações, SGPS, S.A. (40.11% of the shares) and China Communications Construction Group (32.41%).

References to the "issuer" in this document should be understood as Mota-Engil, SGPS, S.A., the holding company of Mota-Engil Group, as the issuer of sustainability-linked bonds and/or the borrower of sustainability-linked loans under the Sustainability-Linked Financing Framework.

In our view, Mota-Engil's Sustainability-Linked Financing Framework (the Framework), published on July 31, 2024, is aligned with:



Sustainability-Linked Bond Principles, ICMA, 2024 (SLBP)



Sustainability-Linked Loan Principles, LMA/LSTA/APLMA, 2023 (SLLP, and together with SLBP, the Principles)

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## Issuer’s Sustainability Objectives

Mota-Engil's strategic plan for 2022-2026 includes sustainability and innovation as one of its five objectives, which aligns with the U.N.'s 2030 Agenda for Sustainable Development and Sustainable Development Goals. In May 2023, Mota-Engil concluded a double materiality exercise, which indicated the areas with the most significant financial and nonfinancial impact on the group, including local employment creation and skills development; health and safety at work; energy and climate change; product and service safety and diversity; and equity and inclusion.

In 2023, in line with these areas, Mota-Engil revised its strategic sustainability goals by adding three new targets to achieve by 2026:

- 75% of local talent in managerial positions;
- Global certification of 100% of the Mota-Engil Group according to ISO 9001, 14001, and 45001, based on turnover; and
- 10% of group entities measuring the impact of the group's corporate social responsibility against the Sustainable Development Goals.

In our view, these targets complement the ones Mota-Engil established previously on health and safety, gender diversity, and carbon emission reductions, and address some of the group's most relevant exposures to social and environmental risks.


Mota-Engil aims to further align its funding strategy with its commitment to improve workplace safety at a group level, as well as to recruit or promote women to managerial positions and increase the amount of local talent in managerial positions. The issuance of bonds or a loan under the Framework will occur at the level of the holding company, Mota-Engil, SGPS, S.A.

### Selected Key Performance Indicators (KPIs) And Sustainability Performance Targets (SPTs)

KPI	SPT	Baseline	2023 performance
Lost-Time Injury Frequency Rate (LTIFR)	Reduce the group-level LTIFR to five by the end of 2030	8.23 (2023)	8.23
Women in managerial positions (%)	Increase the proportion of women in managerial positions to 31% across the group by 2030	21.1 (2023)	21.1
Local talent in managerial positions (%)	Increase the proportion of local talent in managerial positions to 79% by 2030	71.4 (2023)	71.4


# Second Party Opinion Summary

## Selection of key performance indicators (KPIs)

**Alignment**  Mota-Engil's Sustainability-Linked Financing Framework is aligned with this component of the SLBP and SLLP.

<b>KPI 1</b>	Lost-Time Injury Frequency Rate (LTIFR)	Not aligned	Aligned	<b>Strong</b>	Advanced
<b>KPI 2</b>	Women in managerial positions (%)	Not aligned	Aligned	<b>Strong</b>	Advanced
<b>KPI 3</b>	Local talent in managerial positions (%)	Not aligned	Aligned	<b>Strong</b>	Advanced


## Calibration of sustainability performance targets (SPTs)

**Alignment**  Mota-Engil's Sustainability-Linked Financing Framework is aligned with this component of the SLBP and SLLP.

<b>SPT 1</b>	Reduce group-level LTIFRs to five by the end of 2030	Not aligned	<b>Aligned</b>	Strong	Advanced
<b>SPT 2</b>	Increase the proportion of women in managerial positions to 31% across the group by 2030	Not aligned	Aligned	<b>Strong</b>	Advanced
<b>SPT 3</b>	Increase the proportion of local talent in managerial roles to 79% by 2030	Not aligned	<b>Aligned</b>	Strong	Advanced


Mota-Engil has set interim targets for 2026 and 2028 for all SPTs. In the case of a sustainability-linked loan, as part of the discussions with a loan counterparty or counterparties to establish the terms and conditions of a given loan agreement over a specific term, Mota-Engil commits to establishing an annual SPT before the maturity of the relevant loan.

## Instrument characteristics

**Alignment**  Mota-Engil Sustainability-Linked Financing Framework is aligned with this component of the SLBP and SLLP.

Instruments issued under the framework include any type of debt (such as bond issuances or loans), with financial and/or structural characteristics that vary depending on whether the issuer achieves its predefined SPTs. Such variations may include coupon step-ups, margin adjustments, and/or additional remuneration payable at maturity. The specific variations will be detailed in the instruments' terms and conditions in the transaction documentation. We view positively that Mota-Engil's framework includes a fallback mechanism for when the SPTs cannot be calculated or observed in a satisfactory manner. In this situation, the SPTs will be considered not achieved and the related trigger events will take place.


## Reporting

**Alignment**  Mota-Engil's Sustainability-Linked Financing Framework is aligned with this component of the SLBP and SLLP.

**Score** Not aligned Aligned **Strong** Advanced

Mota-Engil commits to disclose the relevant KPIs against the respective SPTs, as well as any relevant information for the assessment of the KPIs, in its annual reporting until the maturity of any of the outstanding sustainability-linked financing instruments. The annual reporting will also include information on the impact of the progress against the SPTs on the financial and/or structural characteristics of the financing instrument, and the timing of such impact.

## Post-issuance review

**Alignment**  Mota-Engil's Sustainability-Linked Financing Framework is aligned with this component of the SLBP and SLLP.

Mota-Engil commits to obtaining independent verification of its performance against each SPT for each KPI annually, with a minimum level of limited assurance. The issuer has set interim targets for 2026 and 2028.

# Framework Assessment

## Selection of key performance indicators (KPIs)

The Principles make optional recommendations for stronger structuring practices, which inform our relevancy opinion as aligned, strong, or advanced. For each KPI, we consider how relevant the KPI is for sustainability by exploring the clarity and characteristics of the defined KPI; its significance for the issuer's sustainability disclosures; and how material it is to the issuer's industry and strategy.

 Mota-Engil's Sustainability-Linked Financing Framework is aligned with this component of the SLBP and SLLP.

**KPI 1** Lost-Time Injury Frequency Rate (LTIFR) Not aligned Aligned **Strong** Advanced

We consider this KPI to be strong, since the framework clearly articulates the scope, objective, and calculation methodology. The KPI addresses a highly relevant matter for the E&C sector, workplace safety, which Mota-Engil also embeds in its sustainability strategy.

We view favorably that in 2024, Mota-Engil widened the scope of the KPI, which previously included only the E&C segment. This year, the KPI covers all business units globally, including the most material in terms of accident rates, the Environment and E&C segments. Mota-Engil aims at increasing workforce well-being, productivity, motivation, and involvement, while reducing work-related injuries and illnesses, as well as absenteeism rates. We note that the KPI does not include accidents that happen during the commute to or from work.

In 2023, this KPI covered a significant proportion of the total hours worked on Mota-Engil's projects, only excluding those worked by subcontractors or part-time workers. We view this as a strong feature of the framework. Mota-Engil has started tracking and refining the subcontractor data and has committed to reporting it using its new ESG reporting system. Furthermore, all safety initiatives, policies, and certifications apply to subcontractors, which we see as positive, as safety standards tend to be well developed among large companies, but this is not always the case among subcontractors.

The LTIFR per 1 million hours worked is an International Labour Organization indicator, which we view positively because it allows for external benchmarking. While the E&C segment accounted

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for most of Mota-Engil's revenue in 2023 (89%), the Environment segment is responsible for the majority of lost-time injuries, with roughly 70% of reported cases.

Additionally, the KPI excludes fatal accidents, and in 2023, ten fatal accidents occurred at the group level, compared to four in 2022. While no deaths were recorded in E&C Europe, E&C Latin America, E&C Africa, and the Environment segment registered four, three, and three fatal accidents in 2023, respectively.

Moreover, unlike other safety metrics, the LTIFR is an indicator of loss of productivity and cannot therefore consistently indicate the extent of harm caused by an incident and its consequences for the workforce.

The International Capital Market Association's (ICMA's) KPI registry includes LTIFR as a core metric for the construction industry. However, in the registry, the scope of the KPI includes subcontractors and temporary workers, while these types of workers are excluded from Mota-Engil's metric.

Finally, the KPI is linked to safety management, one of the most relevant and pressing sustainability issues facing the E&C industry (see "ESG Materiality Map Engineering And Construction," published Oct. 6, 2022, on RatingsDirect).

### KPI 2 Women in managerial positions (%)

Not aligned

Aligned

**Strong**

Advanced

We assess this KPI as strong because of its clarity, rationale, objective, and scope. It aligns directly with Mota-Engil's sustainability strategy and contributes to enhancing gender diversity in the workforce, which we view as a key issue for the E&C sector.

We view this KPI one of the most material for the sector since diversity gaps are much wider across senior positions in the E&C sector. Women represent only 10% of the senior and middle-management positions in the construction sector, according to the International Labour Organization. Mota-Engil's strong presence and growth in emerging markets enhances the importance of this KPI, as in some of the regions where it operates, cultural and social norms can challenge female participation in the workforce, particularly in the science, technology, engineering, and math sectors.

Mota-Engil identifies diversity, equity, and inclusion as one of the six structural areas in its latest double materiality assessment, which means that this area is material from both a financial and nonfinancial perspective for the issuer. We view positively that this KPI focuses on the representation of women in managerial positions as opposed to in the workforce generally, as it captures female representation across different hierarchical levels, an important consideration for gender diversity within corporations.

While we acknowledge the challenges around benchmarking diversity data due to the different definitions of managerial positions across entities, we believe that Mota-Engil has a clear definition of the managerial positions it includes in this KPI, specifically, employees in grades 1 to 9 of its employee grid. This corresponds to Executive and Technical Direction, including the CEO (Grades 1-6) and Specialization and Management (Grades 7-9). We also view favorably that Mota-Engil has been monitoring and publishing its progress relative to this KPI since 2022, in accordance with Global Reporting Initiative Standards.

### KPI 3 Local talent in managerial roles (%)

Not aligned

Aligned

**Strong**

Advanced

We consider this KPI to be strong, since the framework clearly articulates the scope, objective, and calculation methodology. The KPI covers all business units and aims to track the proportion of local talent in managerial positions across all three continents where Mota-Engil operates. The managerial positions, as per the issuer's definition, encompass senior management and technical directors across all geographies and business units, while local talent includes employees who are national citizens in the countries of operation.

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This KPI links directly to Mota-Engil's sustainability strategy and contributes to the global effort to promote local employment, protect workers' rights, and support the economic development of local communities, which we consider particularly material for developing countries.

Mota-Engil cites local employment creation and skills development as one of the six structural areas in its latest double materiality assessment, which means that this area is material from both a financial and nonfinancial perspective for the issuer. Employment practices are also one of the most pressing sustainability issues facing the E&C industry (see "ESG Materiality Map Engineering And Construction," published Oct. 6, 2022). Creating local employment enables Mota-Engil to meet its talent needs in the future, and helps create and maintain its social license to operate within the community. However, this KPI is not part of the International Capital Market Association's KPI registry for the sector.

We view positively that this KPI is one of Mota-Engil's new strategic goals and enables it to meet the demanding requirements of local regulations and employment laws in developing economies in terms of local talent participation. We observe regulations emerging in certain countries that require specific percentages of national citizens to participate in the workforce (for example, 70% of employee hires in Angola must be national citizens, while the remaining 30% can be foreigners). However, we note that Mota-Engil's KPI is more stringent because it focuses specifically on local employees in managerial positions.

This KPI is particularly material because of Mota-Engil's growing presence in Latin America and Africa, which in 2023, experienced strong growth of 81.2% and 28.4%, respectively, based on year-on-year annual turnover. In our view, this KPI will enhance human capital in these regions, while increasing the economic benefit to the local community and improving the issuer's ability to understand local needs. This metric is based on Global Reporting Initiative Standards and therefore allows for external benchmarking.

### Calibration of sustainability performance targets (SPTs)

The Principles make optional recommendations for stronger structuring practices, which inform our ambition opinion as aligned, strong, or advanced. We consider the level of ambition for each target by assessing its clarity and characteristics, how the issuer defines the target with reference either to its past performance, or to external or competitor benchmarks, and how it explains what factors could influence future performance.

 Mota-Engil's Sustainability-Linked Financing Framework is aligned with this component of the SLBP and SLLP.

**SPT 1** Reduce the group-level LTIFR to five by the end of 2030

Not aligned

**Aligned**

Strong

Advanced

We assess the ambition, clarity, and characteristics of SPT 1 as aligned. The framework outlines Mota-Engil's strategy to reach the target, as well as the relevant observation date and trigger events. The SPT's observation date is Dec. 31 of a specific year within the life of the particular sustainability-linked financing instrument. The issuer aims for a 39% reduction of the group-level LTIFR by the end of 2030. The framework provides historical performance data for 2021-2023, in line with the Principles' three-year requirement. Furthermore, the issuer identifies external factors beyond its control that may affect the SPT, such as local regulatory challenges, inherently hazardous activities, and global complexity due to the issuer's broad organizational structure and its exposure to different geographies, languages, and regulations. In the case of a sustainability-linked loan, as part of the discussions with a loan counterparty or counterparties to establish the terms and conditions of a given loan agreement over a specific term, the issuer commits to establishing an annual SPT before the maturity of the relevant loan.

We note positively that in April 2024, an external third party conducted a benchmarking exercise to set the level of ambition for this SPT. The exercise uses publicly disclosed data for a sample group of 16 companies. It compares the issuer's target with those of peers and measures peers' historical performance against the metric. In our view, the peers selected for the benchmarking exercise compare well with Mota-Engil as they have similar business models and geographical

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footprints. Out of the 16 peers selected, 14 were part of Deloitte's Global Powers of Construction 2022 study.

The peer benchmarking exercise indicates that the issuer's SPT, with its improvement rate of 39%, is ambitious and near the top of its peer group in terms of level of ambition. Out of 16 peers, only four have set targets that are relevant, quantifiable, achievable, and time-bound, and as such, comparable with Mota-Engil's target. As Mota-Engil's exposure to developing markets is growing, it will require additional effort for it to improve its LTIFR, since the safety culture in these regions is not as strong and regulated as that in Europe. While the benchmarking exercise includes a broad group of peers that have E&C as a key activity, they include other businesses and differ in scope. This may affect the direct comparability of LTIFR figures among peers.

The SPT is also benchmarked against three years of Mota-Engil's performance, from 2021 to 2023. In 2023, the frequency of nonfatal occupational accidents involving sick leave (the LTIFR) at the group level decreased by 29% compared to 2022. Mota-Engil has achieved this by implementing various safety-related initiatives across the organization, such as increasing the scope of global safety certifications and enhancing the monitoring of management systems through internal audits. Compared to the baseline, we expect the absolute target to fall 39.2% from the baseline, but over a period of seven years, versus a reduction of 32.2% in the past three years. The average annual rate of improvement for 2021-2023 (16.7%) is considerably higher than for 2023-2030 (5.6%). Therefore, the target is less ambitious than Mota-Engil's past performance, which supports an assessment of aligned.

It is positive that the historical data, including the baseline year, has been externally verified. Mota-Engil has been publicizing its performance on this KPI in its sustainability report since 2020.

To meet its target, Mota-Engil established a global Safety, Health, Environment and Quality (SHEQ) committee and undertook a series of safety-related initiatives in 2023. These initiatives involved raising awareness and facilitating discussions among the directors of all business divisions about employee safety, health, environment, and quality, taking into account annual performance, emerging regulatory requirements, and internal priorities. Other initiatives include improving employees' working conditions, assessing their performance, and identifying and addressing psychosocial risks, among others. Positively, in 2023, 87% of workers were covered by an occupational health and safety management system certified under standard ISO 45001: 2018. The new strategic objective includes obtaining global certification of 100% of the Mota-Engil Group according to ISO 9001, 14001, and 45001, based on turnover.

### Baseline

2023	2026	2028	2030
8.23 LTIFR	6.07 LTIFR	5.35 LTIFR	5.00 LTIFR
	Equivalent to a 26% reduction	Equivalent to a 35% reduction	Equivalent to a 39% reduction

**SPT 2** Increase the proportion of women in managerial positions to 31% across the group by 2030

Not aligned

Aligned

**Strong**

Advanced

We assess the ambition, clarity, and characteristics of this SPT as strong. The framework outlines Mota-Engil's strategy to reach the target, as well as the relevant observation date and trigger events. The SPT's observation date is Dec. 31 of a specific year within the life of the particular sustainability-linked financing instrument. The issuer has conducted a benchmarking exercise, including both its own past performance on gender balance, and a comparison of its target with those of global peers in the E&C industry. Mota-Engil has also outlined its strategy for achieving the target. In the case of a sustainability-linked loan, as part of the discussions with a loan counterparty or counterparties to establish the terms and conditions of a given loan agreement over a specific term, Mota-Engil commits to establishing an annual SPT before the maturity of the relevant loan.

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Mota-Engil's target is to increase the proportion of women in managerial positions to 31% by 2030 from a 2023 base year. To demonstrate the SPT's level of ambition, the issuer has provided three years of verified historical data, in line with the Principles' requirement. This will require an average annual rate of improvement of 6.7% in 2023-2030, compared with 4.7% in 2021-2023, which supports the ambitiousness of the target. As of 2023, 21.1% of managers were women, which accounts for approximately 357 individuals. Therefore, for the group to meet its target, assuming the workforce remains constant at year-end 2023 levels, the number of women in managerial positions would need to increase by 152 between 2023 and 2030 to a total of 509. According to Mota-Engil, the workforce will increase in tandem with the group's growth, and therefore the figures linked to the increase in women in managerial positions in absolute terms are conservative.

We note positively that in April 2024, a third party conducted a benchmarking exercise to set the level of ambition for this SPT. The exercise used the same peers as those for SPT 1 and SPT 3 and indicates that this SPT is in line with those of Mota-Engil's peers.

Mota-Engil has identified factors outside its control that may affect this SPT. These include talent shortages, as Mota-Engil finds it challenging to attract and retain qualified staff who are available to work in the sector and have geographical mobility. The fact that the group is expanding into new geographic markets is another challenge, as the training of young female engineers is still at a nascent phase in these markets. This makes it difficult for the group to hire qualified and experienced women to work in its operations and subsequently promote them to managerial positions.

We view positively that the framework outlines Mota-Engil's strategy to meet the SPT. This strategy includes, among others, "WoMEn Leaders", a program providing training to women who have the potential to take on leadership or managerial positions within two-to-three years, and "MentorME", a mentorship program targeting former trainees and participants in the WoMEn Leaders initiative. Near-term initiatives also include the launch and development of the Mota-Engil Female Leadership Program (2023–2026). We view Mota-Engil's strategy to meet this SPT as in line with best market practices.

### Baseline

2023	2026	2028	2030
21.1	30	30.5	31
Equivalent to a 42.2% increase    Equivalent to a 44.6% increase    Equivalent to a 47% increase			

**SPT 3** Increase the proportion of local talent in managerial positions to 79% by 2030

Not aligned

**Aligned**

Strong

Advanced

We consider the ambition, clarity, and characteristics of this SPT to be aligned with the requirements of the Principles. Mota-Engil has outlined a timeframe and strategy to achieve the target, as well as trigger events. Specifically, the issuer targets an increase in the proportion of local talent in management to 79% across the entire organization by 2030. In the case of a sustainability-linked loan, as part of the discussions with a loan counterparty or counterparties to establish the terms and conditions of a given loan agreement over a specific term, Mota-Engil commits to establishing an annual SPT before the maturity of the relevant loan.

To demonstrate the SPT's level of ambition, the issuer has provided three years of verified historical data, in line with the Principles' requirement. The average annual rate of improvement for this SPT until 2030 (1.5%) is higher than the average rate over 2021-2023 (-0.3%), which demonstrates the ambitiousness of the target. As of 2023, 71.4% of managers were local talent, which accounts for approximately 1,210 individuals. Therefore, for the group to meet its target, assuming the workforce remains constant at year-end 2023 levels, the number of local talent individuals in managerial positions would need to increase by 129 between 2023 and 2030 to a total of 1,339. According to Mota-Engil, the workforce will increase in tandem with the group's growth, and therefore the figures linked to the increase in local talent in managerial positions in absolute terms are conservative.



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Mota-Engil provides historical performance data as of 2021, in line with the Principles' three-year requirement. The figure in 2023 increased by 1.0% compared to 2022, while it decreased slightly by 0.6% compared to 2021, primarily due to the limited availability of local talent for managerial positions in developing countries. This challenge is the result of the inability of local education systems to provide sufficient numbers of qualified people to satisfy demand, especially in the E&C sector. In response, when Mota-Engil enters new markets, it launches projects with a higher proportion of nonlocal experts to support project development and execute critical operations. This, however, affects the performance figures in those years. Over time, as the contract progresses, Mota-Engil increases the participation of local talent as its internal policy requires. When expanding into new markets, Mota-Engil facilitates the movement of employees across regions to leverage its expertise worldwide. We see it as a strength that the group's historical performance, including the baseline, has been externally verified.

Mota-Engil has also conducted a benchmarking exercise to set the level of ambition for this SPT. As none of its peers have set a target that is comparable to the SPT, we cannot determine the ambitiousness of the target based on this benchmarking exercise. Mota-Engil's presence in a variety of jurisdictions presents a challenge when it comes to comparing this target to local regulations.

To reach the SPT over the next six years, Mota-Engil has invested a considerable amount of financial and organizational resources and implemented various policies and initiatives. Policies include a global human resources policy that establishes principles and guidelines for equal access to opportunities and nondiscrimination, as well as the abolition of discriminatory practices, and a salary policy encompassing guidelines and tools to promote fair pay for local employees. Other initiatives include setting up local working groups that draw up their own action plans to empower and promote local staff, as well as a trainee program with a special focus on local trainees. Under this program, Mota-Engil integrates over 200 young people worldwide per year, with the aim of preparing a new generation of leaders within five years. Furthermore, under the digital MBA program, Mota-Engil is committed to providing five annual MBA scholarships and to integrating local staff that may have the potential to hold managerial positions. Positively, these initiatives are not restricted to a specific region or country, and they benefit all of the issuer's business units across all of the geographies and communities where it operates.

### Baseline

2023	2026	2028	2030
71.4%	75%	76.8%	79%
	Equivalent to a 5% increase	Equivalent to a 7.6% Increase	Equivalent to a 10.6 % increase

## Instrument characteristics

The Principles require disclosure of the type of financial and/or structural impact involving trigger event(s), as well as the potential variation of the instrument's financial and/or structural characteristics.

✔ Mota-Engil's Sustainability-Linked Financing Framework is aligned with this component of the SLBP and SLLP.

Mota-Engil discloses that instruments under its sustainability-linked framework will be subject to a coupon step-up or step-down, margin adjustment, or additional remuneration at maturity triggered by performance against the stated SPTs. The specific amounts, timing, and payment mechanism will be detailed in the documentation for each specific transaction.

Mota-Engil's framework includes a reference to a fallback mechanism for when the SPTs cannot be calculated or observed in a satisfactory manner. In this situation, the SPTs will be considered not achieved and the related trigger events will take place.

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### Reporting

The Principles make optional recommendations for stronger disclosure practices, which inform our disclosure opinion as aligned, strong, or advanced. We consider plans for updates on the sustainability performance of the issuer for general purpose funding, or the sustainability performance of the financed projects over the lifetime of any dedicated funding, including any commitments to post-issuance reporting.

✓ Mota-Engil's Sustainability-Linked Financing Framework is aligned with this component of the SLBP and SLLP.

### Disclosure score

Not aligned

Aligned

**Strong**

Advanced

We consider Mota-Engil's overall reporting practices to be strong.

Mota-Engil will publish updates on KPIs and SPTs on an annual basis, including relevant information to allow investors and lenders to monitor the progress toward the SPTs. Mota-Engil will also report annually on its performance against the SPTs by the target observation dates, as well as on the corresponding impact and the timing of such impact on the instrument's economic characteristics. This information will be made available in Mota-Engil's sustainability report, available on the group's website.

Mota-Engil will report annually any adjustments made to the SPTs in the event of significant or structural changes within the group, including acquisitions, divestures, mergers, insourcing or outsourcing, KPI methodology changes, or changes in reported data to improve calculation methodologies or accessibility. Positively, according to the issuer, any adjustments to the KPI or baseline will maintain or increase the proposed level of ambition.

We view as a strong practice that Mota Engil's reporting will include explanations regarding the key drivers affecting KPI performance, such as new or proposed regulations relating to the KPIs. We view positively that the group will also provide illustrations of the positive sustainability impact of the performance improvement, and report on any reassessment of the KPIs or adjustments of the baselines or KPI scopes, if relevant.

### Post-issuance review

The Principles require post-issuance review commitments including the type of post-issuance third-party verification, periodicity and how this will be made available to key stakeholders. Our opinion describes whether the documentation is aligned or not aligned with these requirements. Please note, our second party opinion is not itself a post-issuance review.




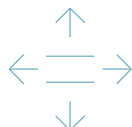
✓ Mota-Engil's Sustainability-Linked Financing Framework is aligned with this component of the SLBP and SLLP.

Mota-Engil commits to obtain independent and external annual verification of its performance against each SPT for each KPI on an annual basis, following the Principles' guidelines for external reviews. This verification will be at least of limited assurance and will be available on Mota-Engil's website.

## Mapping To The U.N.'s Sustainable Development Goals

The Sustainable Development Goals (SDGs), which the United Nations (U.N.) set up in 2015, form an agenda for achieving sustainable development by 2030.

Mota-Engil's Sustainability-Linked Framework intends to contribute to the following SDGs:

KPI	SDGs
Lost-Time Injury Frequency Rate (LTIFR)	 <p data-bbox="462 556 633 640"><b>8. Decent work and economic growth</b></p>
Women in managerial positions	 <p data-bbox="438 871 657 903"><b>5. Gender equality*</b></p>
Local talent in managerial positions	  <p data-bbox="462 1144 633 1228"><b>8. Decent work and economic growth*</b></p> <p data-bbox="698 1144 836 1207"><b>10. Reduced inequalities*</b></p>

\*The KPI is likely to contribute to the SDGs.

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