SUSTAINABILITY ADJUSTMENT EVENT MEMO

JUNE 2025

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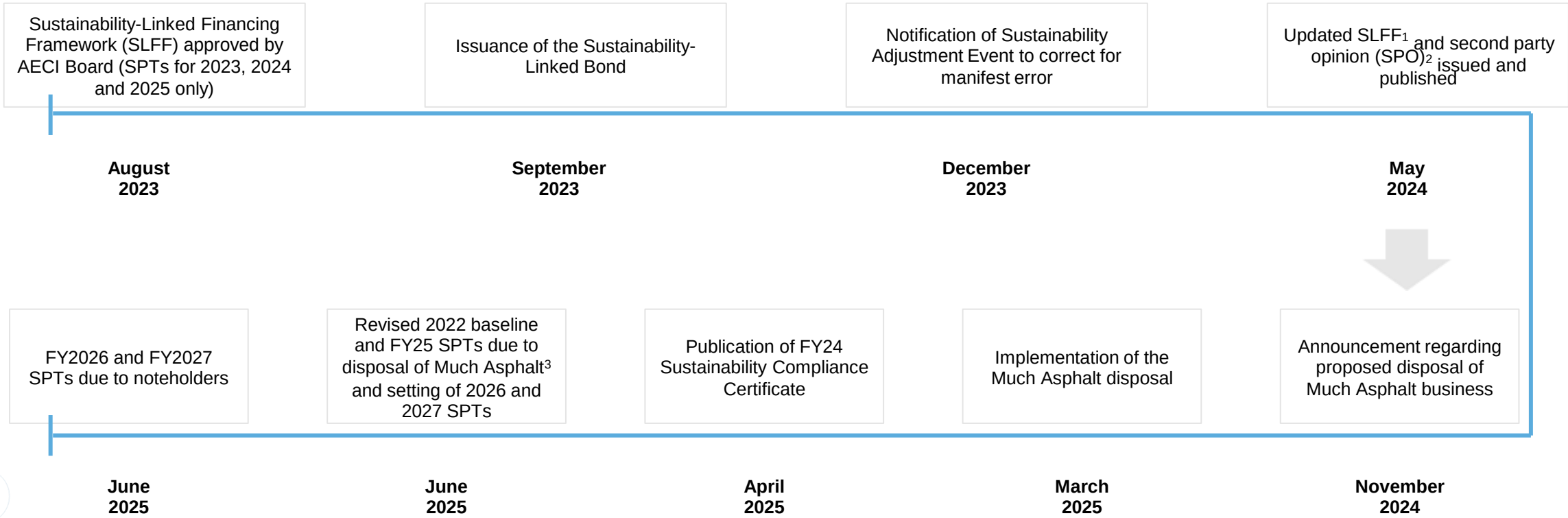
BACKGROUND AND CONTEXT

Overview of adjustment event



Sustainability Adjustment Event as contemplated in section 5.3.1 in the SLFF:

- AECI concluded a disposal of their Much Asphalt business which resulted in a material change in the 2022 baseline and the 2025 – 2027 SPTs for KPI 1 and 2. For avoidance of doubt, the exclusion of Much Asphalt does not result in an impact to the baseline value and SPTs for KPI 3.
- In addition, AECI intends to conclude further disposals in 2025. The intention is to dispose of additional assets ("AECI Managed Businesses"), which include AECI Schirm, Animal Health, SANS Fibers, Public Water and Food and Beverage. For this reason and to maintain consistency, AECI Managed Businesses has also been excluded from the scope of measurement in the 2022 baseline and the 2025 – 2027 SPTs for KPI 1 and 2. For avoidance of doubt, the exclusion of AECI Managed Businesses does not result in an impact to the baseline value and SPTs for KPI 3.

1. Source: AECI Sustainability-Linked Financing Framework
2. Source: AECI Second Party Opinion
3. Following the disposal of Much Asphalt and contemplating the intended disposals of the AECI Managed Businesses

Current performance-linked structure

Applicable to the 5-year instrument								
	Unit of measurement	Baseline	Baseline Year	Target observation period 1	Target observation period 2	Target observation period 3	Target observation period 4	Target observation period 5
				31-Dec-23	31-Dec-24	31-Dec-25	31-Dec-26	31-Dec-27
KPI 1: Effluent discharge per volume of production								
Sustainability Performance Target (SPT)	m^3/tonne	0.2616	2022	0.2379	0.2241	0.2024	< SPT in Target observation period 3	< SPT in Target observation period 4
Actual performance				**0.2339**	**0.2154**	Not applicable		
KPI 2: Carbon emissions per volume of production								
Sustainability Performance Target (SPT)	tCO_2e/tonne	0.1718	2022	0.1567	0.1432	0.1320	< SPT in Target observation period 3	< SPT in Target observation period 4
Actual performance				**0.1577**	**0.1458**	Not applicable		
KPI 3: Gender diversity								
Sustainability Performance Target (SPT)	%	27.68	2022	29	30	31	> SPT in Target observation period 3	> SPT in Target observation period 4
Actual performance				**28**	**28.9**	Not applicable		

	SPT Achieved
	SPT Not Achieved

FY2025 RESTATED SPTs

Proposed changes to the baseline and FY2025 SPTs

The table below outlines the adjustments to the SPTs for 2025 for the noteholders' consideration. The completed and earmarked disposals have been excluded from the scope for the baseline and 2025 SPTs. Please refer to the section 5.2 in the updated SLFF for detail on the updated calibration of the SPTs.

Current performance-linked structure and proposed adjustments

KPI	Unit of measurement	Baseline data (original)	**Baseline data (normalized for concluded and planned disposals)**	Current SPT 3	**New SPT 3**
		31 Dec 2022	**31 Dec 2022**	31 Dec 2025	**31 Dec 2025**
KPI 1: Effluent discharge intensity	m_3 / tonne	0.2616	**0.5439**	0.2024	**0.4426**
KPI 2: Carbon emissions intensity	tCO_2e / tonne	0.1718	**0.3017**	0.1320	**0.2417**
KPI 3: Female representation at middle management and above	Percentage	27.68	**27.68**	31	**31**

As shown above, the concluded disposal of Much Asphalt and earmarked disposal of AECI Managed Businesses results in a material difference in the baseline intensity values for KPI 1 and KPI 2. When stripping out the data for the concluded and planned disposals for FY2022, effluent discharge intensity increases from **0.2616 m_3/t** to **0.5439 m^3/t** and carbon emissions intensity increases from **0.1718 tCO_2e/t** to **0.3017 tCO_2e/t.**

FY2026 & FY2027 SPTs

Summary of updated SPTs for 2026 and 2027

As contemplated in paragraph 1.11 in the APSs (AECI05 and AECI06), the SPTs for 2026 and 2027 have been determined and summarised below for noteholders' consideration. Please refer to the section 5.2 in the updated SLFF for detail on the updated calibration of the SPTs.

Summary of KPIs					
	Unit of measurement	Baseline	Baseline Year	Target observation period 4	Target observation period 5
				31-Dec-26	31-Dec-27
KPI 1: Effluent discharge per volume of production					
Sustainability Performance Target (SPT)	m^3/tonne	0.5439	2022	0.4415	0.3963
KPI 2: Carbon emissions per volume of production					
Sustainability Performance Target (SPT)	tCO_2e/tonne	0.3017	2022	0.2378	0.2153
KPI 3: Gender diversity					
Sustainability Performance Target (SPT)	%	27.68	2022	32	35

For avoidance of doubt, the margin adjustments will remain in line with paragraph 3.2 in the APSs for AECI05 and AECI06.