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## ESG Policy & Committee Charter

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2020

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## Overview

American Roads has made a formal commitment to Environmental, Social, and Governance (ESG) matters to become more sustainably responsible stewards of its assets. This commitment aligns with American Roads' core values and is part of its strategy to maintain high-quality infrastructure assets that provide sustainable returns.

## Guiding Principles

American Roads has agreed upon five guiding principles that are integrated into all aspects of its business. With each principle, key performance indicators (KPIs) have been set and monitored to ensure compliance with our commitment. The following principles drive our ESG strategy:

- Safety - Including the health & safety of workers, customers and surrounding communities
- Human Capital & Community - Including issues of training, diversity, labor rights, local employment, and charitable giving
- Environment - Including energy savings, waste, biodiversity, and water
- Governance - Including issues of board independence and conflicts of interest, management of ESG, bribery and corruption, and cybersecurity and related privacy protection
- Climate Resilience - Including climate risk management and preparation for extreme weather events

## Implementation Framework

American Roads will implement this ESG policy across all of its assets, and complete the following procedures to assist with the governance of the policy:

- Assess compliance with applicable environmental, social and governance laws and regulations, and where possible, benchmarking ESG performance against relevant best practice standards
- Seek to share ESG best practices inside and outside our asset portfolio and engage with stakeholders reasonably across all of American Roads' assets
- Encourage our offices to reduce, reuse and recycle waste and to implement energy-saving initiatives. Staff are also encouraged to volunteer their own time to support the transition to a low carbon economy
- Utilize the American Roads ESG indicator tracking tool to ensure company-wide compliance with ESG initiatives and KPIs governing American Roads and its assets
- Furthermore, American Roads is measuring its carbon footprint and offsetting it in order to reduce our carbon footprint where possible

## ESG Committee

A cross-functional ESG Committee has been set-up to promote and oversee American Roads' ESG initiatives and ensure reporting requirement compliance. The ESG Committee is accountable for American Roads' ESG strategy, ensuring that ESG matters are addressed with key stakeholders and ESG is accounted for as a core value across all of its assets.

## Stakeholder Communication

At American Roads, we focus on enhancing our companies' competitive advantage, while safeguarding stakeholder interests. We are committed to reporting ESG risks to our key stakeholders and ensuring they are actively involved in the implementation of the ESG policy through appropriate training and information sharing.

## Continuous Improvement

At American Roads, we offer ESG understanding and accountability throughout our entire portfolio. To ensure that we continue to conduct our due diligence and provide services at the highest level possible, American Roads is committed to reviewing the efficacy of its ESG Policy and strategy and being an industry leader in all ESG matters.

## Mission

To provide guidance to American Roads' management team about Environmental, Social and Governance (ESG) matters and identify climate related risks and adaptation and mitigation strategies.

## Composition

The ESG Committee shall consist of the following members:

- Director of Internal Audit and Financial Planning;
- Senior Manager of Risk, Health and Safety;
- Engineering Project Analyst; and
- Marketing Associate

## Major Roles and Functions

- Assist the American Roads' management team in setting the Company's general strategy with respect to ESG matters, and to consider and recommend policies, practices, and disclosures that conform with the strategy;
- To review the ESG Initiative;
- To consider and bring to the attention of the American Roads' management team, and the Board as appropriate, current and emerging ESG and climate matters that may impact the business, operations, performance or public image of the Company or are otherwise pertinent to the Company and its stakeholders, and to make recommendations on how the Company's policies, practices and disclosures can be adjusted to or address current ESG matters.
- To monitor the implementation of the ESG strategy and policy into practice within the different American Roads business areas;
- To pursue initiatives to promote ESG internally and externally;
- To set American Roads ESG objectives, targets and KPIs for American Roads' staff;
- To complete, review and approve the annual ESG Survey and Report; and
- To review and monitor ESG training for American Roads' staff.
- To monitor the Company's Ethics and Compliance hotline.

## Governance

- ESG Committee has decision making capacity;
- Department heads implement ESG policy in its own area; and
- ESG Committee reports to the American Roads' management team about its activities.

## Operating Mode

Meet at least once every quarter with additional meetings as needed.

## ESG Reporting

The work done during each financial quarter is summarized in Board package which is presented to the Board on a quarterly basis. Presentations displaying best practices and initiatives are communicated industry-wide and to key stakeholders. In addition, the work done during each financial year is summarized in the ESG Survey.