



# Mundys Sustainability-Linked Financing Framework update 2023

*Overview of key features*

# Overview

1

## Mundys Framework update

- Mundys' Sustainability-Linked Financing Framework has been updated following the validation of Mundys' targets by the Science Based Target Initiative (August 2023)
- It represents an overarching tool to be applied to Sustainability-Linked financing instruments (mainly bonds, loans and derivatives)

2

## Selected KPIs/SPTs

- 5 KPIs, and related SPTs for 2027, 2028 and 2030
- KPIs consistent with Mundys' Climate Action Plan and Sustainability Strategy, also reflecting commitments taken in the already published Sustainability-Linked Financing Frameworks by Abertis and Aeroporti di Roma
- Publicly available annual reporting, providing the realized performance on the KPIs covered by the Framework

3

## External assessment

- Sustainalytics reviewed the framework and assessed the strength of KPIs and the ambitiousness of SPTs: 3 out of 5 KPIs assessed as Strong, 1 as Very Strong and 1 as Adequate; related SPTs assessed 2 out of 5 as Very Ambitious, 2 as Ambitious and 1 as Moderately Ambitious

# Rationale for establishing a framework for sustainable finance

The establishment of a Sustainability-Linked Financing Framework (SLFF) represented an important step in the Mundys' effort to **align its financing strategy with its mission, objectives and sustainability targets towards 2030 and beyond**, to ensure that future investments contribute to the transition to a lower carbon economy, generate a positive social impact and support the development of the sustainable finance market.


The first Mundys' SLFF was released in November 2022 and it has been updated following the validation of Mundys' targets by the Science Based Target Initiative<sup>1</sup> (SBTi) achieved in August 2023.

It represents an **overarching tool** that can be applicable to Sustainability-Linked Financing (SLF) instruments Mundys may issue going forward, including, but not limited to, bonds, loans as well as, other financial instruments (e.g. derivatives instruments or any other debt instruments), whose characteristics are linked with sustainability performance targets, as described in the framework.

# Selection of KPIs and Second Party Opinion (SPO)

Mundys has selected five relevant **Key Performance Indicators (KPIs)**, and related ambitious **Sustainability Performance Targets (SPTs)**, with observation dates in 2027, 2028 and 2030.

The framework was assessed by **Sustainalytics** as the Second Party Opinion Provider.



KPI Strength	SPT Ambitiousness
Very Strong	Highly Ambitious
	Highly Ambitious
Strong	Ambitious
	Ambitious
Strong	Highly Ambitious
Strong	Ambitious
	Ambitious
Adequate	Moderately Ambitious

CATEGORY	KPI	Baseline	SPT
CO2 emissions under direct control (scope 1 and 2)	KPI 1: Absolute scope 1 and 2 GHG emissions	2019	SPT 1.1: Reduce absolute scope 1 and 2 emissions by 38% by 2027
			SPT 1.2: Reduce absolute scope 1 and 2 emissions by 50% by 2030
CO2 emissions along the value chain	KPI 2: Percentage of Abertis' and ADR's scope 3-related commitments having reached their SPTs	As per each relevant KPI/SPT	SPT 2.1: Achieve 100% of SPTs associated with the relevant KPIs of the two main operating subsidiaries, by 2027
			SPT 2.2: Achieve 100% of SPTs associated with the relevant KPIs of the two main operating subsidiaries, by 2030
	KPI 3: Percentage of LTO emissions generated by airlines having set a SBTi target within a target date	2019	SPT 3.1: Achieve 60% of aircraft emissions during landing, take-off and taxiing phases (LTO) generated by airlines having set a SBTi target by 2028
Equal gender opportunity	KPI 4: Percentage of women in senior and middle management roles	2021	SPT 4.1: Increase the percentage of women in senior and middle management roles to 33% by 2027
			SPT 4.2: Increase the percentage of women in senior and middle management roles to 35% by 2030
Share of electricity consumption from renewable sources	KPI 5: Share of renewable electricity sourcing	2020	SPT 5.1: Increase the share of renewables in electricity sourcing to 77% by 2030

# Action plan and progress to achieve the SPTs

Mundys and Group subsidiaries are implementing a variety of **initiatives and long-term actions** to meet SPTs related to KPIs:

KPI	SPT	ACTION PLAN
#1	SPT 1.1: Reduce absolute scope 1 and 2 emissions by 38% by 2027	<ul style="list-style-type: none"> <li>Scope 1: fleet migration to lower-carbon emissions vehicles, use of alternative high-quality biofuel (HVO), aerothermal heating systems and high efficiency heat pumps, phase-out of methane cogeneration plant (ADR) and use of bio-methane for boilers</li> <li>Scope 2: production of renewable energy, installation of electric storage systems, procurement of high-quality certified green electricity, implementation of LED lighting, energy efficiency projects for buildings</li> </ul>
	SPT 1.2: Reduce absolute scope 1 and 2 emissions by 50% by 2030	
#2	SPT 2.1: Achieve 100% of SPTs associated with the relevant KPIs of the two main operating subsidiaries, by 2027	<ul style="list-style-type: none"> <li>Involvement of the value chain actors to promote transition to low carbon activities</li> <li>Recycled materials usage in construction and maintenance; procurement of goods/services with a lower environmental impact</li> <li>Installation of Electric Vehicles Charging stations and improvement of transport intermodality</li> </ul>
	SPT 2.2: Achieve 100% of SPTs associated with the relevant KPIs of the two main operating subsidiaries, by 2030	
#3	SPT 3.1: Achieve 60% of aircraft emissions during landing, take-off and taxiing phases (LTO) generated by airlines having set a SBTi target by 2028	<ul style="list-style-type: none"> <li>Engagement of airlines via airport management companies</li> <li>Incentives schemes for airlines to implement decarbonization pathways (i.e., the schemes will aim at adopting SAF fuels and/or any equivalent measure that will be promoted by airport management companies)</li> <li>Participation to key strategic partnerships to enable a sustainable and innovative airport mobility</li> </ul>
#4	SPT 4.1: Increase the percentage of women in senior and middle management roles to 33% by 2027	<ul style="list-style-type: none"> <li>Ensuring a gender balanced approach in human capital management processes (e.g. recruitment, promotion, compensation closing the gender pay gap, integrating in collective agreements measures to foster equality)</li> <li>Incentivize equal access of women in executive and management positions, and provide assistance and support programs to foster both career development and parenthood</li> <li>Raising staff awareness of equality and diversity issues, educating on unconscious biases and promoting external communication campaigns to attract female candidates</li> </ul>
	SPT 4.2: Increase the percentage of women in senior and middle management roles to 35% by 2030	
#5	SPT 5.1: Increase the share of renewables in electricity sourcing to 77% by 2030	<ul style="list-style-type: none"> <li>Construction and realization of photovoltaic power plants or production of energy from other renewable sources</li> <li>Procurement of high-quality green energy (with Guarantees of Origin certificates)</li> <li>Installation of electric storage systems</li> </ul>

# Recalculation policy

- **For all KPI(s), except KPI 2:**

The KPI(s) and/or baseline(s) and/or SPT(s) set out in the SLFF **may be amended and/or recalculated** by Mundys and applied to existing SLF instruments at the occurrence of any change or other potential **events** that have a **material impact on the calculation** of a baseline, SPT and/or KPI realized score (each, a **“Recalculation Event”**), such as, without limitation:

- (i) a **change in sustainability reporting or sustainability regulations**, including updated emission factors, improved data access or updated calculation methods; or
- (ii) a **correction of a data error** or a correction of a number of cumulative errors; or
- (iii) **any change of the Mundys’ activity scope or the Group’s perimeter** as a result of acquisitions, mergers or divestments, any acquisition, expiration or loss of concessions or the outsourcing or insourcing of business activities, any change in a law or regulation which is relevant to the determination of any KPI; or
- (iv) for KPI 3, any other event such that the baseline and the SPT may be recalculated in good faith by Mundys in line with the **recalculation policy required or recommended by SBTi** (or by any replacement or successor of the SBTi).

- **For KPI 2:**

KPI 2 **may be amended** by Mundys and applied to existing SLF instruments at the **occurrence of a Recalculation Event on any of ADR’s and/or Abertis’ Scope 3 Related Commitments** as described in their respective SLFFs.

For all KPI(s), such amendments and/or recalculation mechanisms may be performed, provided that:

- (a) in the opinion of Mundys, such change is **not materially prejudicial** to the **interests of the bondholders or lenders**; and
- (b) an external verifier has **independently confirmed** that the proposed revision, when relevant:
  - (i) is **consistent** with **Mundys’ sustainable strategy**; and
  - (ii) is **in line** with the **initial level of ambition**, or **more ambitious** than the initial KPI(s) and/or baseline(s) and/or SPT(s).

