

# Second-Party Opinion

## Mundys' Sustainability-Linked Financing Framework

Second-Party  
Opinion



Reviewed by:

MORNINGSTAR

SUSTAINALYTICS

### Evaluation Summary

Sustainalytics is of the opinion that the Mundys' Sustainability-Linked Financing Framework aligns with the Sustainability-Linked Bond Principles 2023 and the Sustainability-Linked Loan Principles 2023. This assessment is based on the following:

- Selection of Key Performance Indicators** The Mundys' Sustainability-Linked Financing Framework includes five KPIs: i) Absolute scope 1 and 2 emissions; ii) Percentage of Abertis' and ADR's "scope 3 related" commitments having reached their SPTs; iii) Percentage of LTO emissions generated by airlines having set a SBTi target within a target date; iv) Equal gender opportunity in the senior and middle management positions in Mundys Group; and v) Percentage of electricity consumption from renewable sources (see Table 1). Sustainalytics considers KPI 1 to be very strong, KPIs 2, 3 and 4 to be strong, and KPI 5 to be adequate based on their materiality, relevance and scope of applicability.
- Calibration of Sustainability Performance Targets** Sustainalytics considers the SPTs to be aligned with Mundys' sustainability strategy. Sustainalytics considers SPTs 1.1, 1.2 and 3 to be highly ambitious, SPTs 2.1, 2.2, 4.1 and 4.2 to be ambitious and SPT 5 to be moderately ambitious based on their past performance, peer performance and alignment with science.
- Financial Instrument Characteristics** Mundys' will link the financial or structural characteristics of its sustainability-linked debt instruments to the achievement of the SPTs. A change in the financial or structural characteristics of each instrument will trigger a coupon or margin adjustment, change in the redemption premium or premium payment, as applicable.
- Reporting** Mundys commits to report on its progress on the KPIs in its Integrated Annual Report or a similar report on an annual basis. Mundys also intends to disclose relevant information that affects the progress on the KPIs, such as a recalculation of the baselines for the KPIs, reassessments of the KPIs, a restatement of the SPTs and pro-forma adjustments of baselines or KPI scope. The report will be made available on Mundys' website. These reporting commitments are aligned with the SLBP and SLLP.
- Verification** Mundys commits to have external limited assurance conducted against each SPT for each KPI and published at least once a year. The verification commitments are aligned with the SLBP and SLLP.

<b>Evaluation Date</b>	December 22, 2023 <sup>1</sup>
<b>Issuer Location</b>	Rome, Italy

The SPTs contribute to the following SDGs:



<sup>1</sup> This document updates the Second-Party Opinion originally provided by Sustainalytics in November 2022 on the Atlantia Sustainability-Linked Finance Framework.

## Overview of KPIs and SPTs

KPI	Baseline	Strength of KPI	SPT	Ambitiousness of SPT
KPI 1: Absolute scope 1 and 2 GHG emissions	2019	Very Strong	SPT 1.1: Reduce absolute scope 1 and 2 emissions by 38% by 2027	Highly Ambitious
			SPT 1.2: Reduce absolute scope 1 and 2 emissions by 50% by 2030	Highly Ambitious
KPI 2: Percentage of Abertis' and ADR's scope 3-related commitments having reached their SPTs	As per the baseline of each relevant KPI/SPT	Strong	SPT 2.1: Achieve 100% of SPTs associated with the relevant KPIs of the two main operating subsidiaries, by 2027	Ambitious
			SPT 2.2: Achieve 100% of SPTs associated with the relevant KPIs of the two main operating subsidiaries, by 2030	Ambitious
KPI 3: Percentage of LTO emissions generated by airlines having set a SBTi target within a target date	2019	Strong	SPT 3: Achieve 60% of aircraft emissions from landing, take-off and taxiing phases (LTO) generated by airlines having set a SBTi target by 2028	Highly Ambitious
KPI 4: Percentage of women in senior and middle management roles	2021	Strong	SPT 4.1: Increase the percentage of women in senior and middle management roles to 33% by 2027	Ambitious
			SPT 4.2: Increase the percentage of women in senior and middle management roles to 35% by 2030	Ambitious
KPI 5: Share of renewable electricity sourcing	2020	Adequate	SPT 5: Increase the share of renewables in electricity sourcing to 77% by 2030	Moderately Ambitious

## Table of Contents

<b>Evaluation Summary</b> .....	<b>1</b>
<b>Overview of KPIs and SPTs</b> .....	<b>2</b>
<b>Table of Contents</b> .....	<b>3</b>
<b>Scope of Work and Limitations</b> .....	<b>4</b>
<b>Introduction</b> .....	<b>5</b>
<b>Table 1: KPI Definitions</b> .....	<b>5</b>
<b>Table 2: SPTs and Past Performance</b> .....	<b>6</b>
<b>Sustainalytics’ Opinion</b> .....	<b>7</b>
<b>Section 1: Sustainalytics’ Opinion on the Alignment of the Mundys’ Sustainability-Linked Financing Framework with the Sustainability-Linked Bond Principles and Sustainability-Linked Loan Principles</b> .....	<b>7</b>
<b>Selection of Key Performance Indicators</b> .....	<b>8</b>
<b>Calibration of Sustainability Performance Targets</b> .....	<b>11</b>
<b>Bond Characteristics</b> .....	<b>15</b>
<b>Reporting</b> .....	<b>16</b>
<b>Verification</b> .....	<b>16</b>
<b>Section 2: Assessment of Mundys’ Sustainability Strategy</b> .....	<b>17</b>
<b>Section 3: Impact of the SPTs</b> .....	<b>19</b>
<b>Conclusion</b> .....	<b>21</b>
<b>Disclaimer</b> .....	<b>23</b>
<b>About Sustainalytics, a Morningstar Company</b> .....	<b>24</b>

## Scope of Work and Limitations

Mundys has engaged Sustainalytics to review the Mundys' Sustainability-Linked Financing Framework dated December 2023 (the "Framework") and provide an opinion on its alignment with the Sustainability-Linked Bond Principles 2023 (SLBP)<sup>2</sup> and Sustainability-Linked Loan Principles 2023 (SLLP).<sup>3</sup>

Sustainalytics' Second-Party Opinion reflects Sustainalytics' independent<sup>4</sup> opinion on the alignment of the Framework with the SLBP, as administered by ICMA.

As part of this engagement, Sustainalytics exchanged information with various members of Mundys' management team to understand the sustainability impact of their business processes and SPTs, as well as the reporting and verification processes of aspects of the Framework. Mundys' representatives have confirmed that:

- (1) They understand it is the sole responsibility of the issuer to ensure that the information provided is complete, accurate and up to date;
- (2) They have provided Sustainalytics with all relevant information; and
- (3) Any provided material information has been duly disclosed in a timely manner.

Sustainalytics also reviewed relevant public documents and non-public information. This document contains Sustainalytics' opinion of the Framework and should be read in conjunction with the Framework. Any update of the present Second-Party Opinion will be conducted according to the agreed engagement conditions between Sustainalytics and Mundys. Sustainalytics' Second-Party Opinion, while reflecting on the alignment of the Framework with market standards, is no guarantee of alignment nor warrants any alignment with future versions of relevant market standards. Furthermore, Sustainalytics' Second-Party Opinion addresses the anticipated SPTs of KPIs but does not measure KPI performance.<sup>5</sup> The measurement and reporting of the KPIs is the responsibility of the issuer. No information provided by Sustainalytics under the present Second-Party Opinion shall be considered as being a statement, representation, warrant or argument either in favour or against, the truthfulness, reliability or completeness of any facts or statements and related surrounding circumstances that Mundys has made available to Sustainalytics for the purpose of this Second-Party Opinion.

The Second-Party Opinion is valid for issuances aligned with the Framework until one of the following occurs:

- (1) A material change to the external benchmarks<sup>6</sup> against which targets were set;
- (2) A material corporate action (such as a material M&A or change in business activity) that has a bearing on the achievement of the SPTs or the materiality of the KPIs.

For inquiries, contact the Corporate Solutions project team:

**Taylor Whitfield (Toronto)**  
Project Support  
taylor.whitfield@sustainalytics.com  
(+1) 437 637 0430

**Aakanksha Jain (Toronto)**  
Project Support

**Enrico Tessadro (Amsterdam)**  
Client Relations  
susfinance.emea@sustainalytics.com  
(+44) 20 3880 0193

**Manali Vaidya (Toronto)**  
Project Support

<sup>2</sup> The Sustainability-Linked Bond Principles are administered by the International Capital Market Association and are available at: <https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/sustainability-linked-bond-principles-slbp/>

<sup>3</sup> The Sustainability-Linked Loan Principles are administered by the Loan Market Association, Asia Pacific Loan Market Association and Loan Syndications and Trading Association and are available at: <https://www.lsta.org/content/sustainability-linked-loan-principles-sllp/>

<sup>4</sup> When operating multiple lines of business that serve a variety of client types, objective research is a cornerstone of Sustainalytics and ensuring analyst independence is paramount to producing objective, actionable research. Sustainalytics has therefore put in place a robust conflict management framework that specifically addresses the need for analyst independence, consistency of process, structural separation of commercial and research (and engagement) teams, data protection and systems separation. Last but not the least, analyst compensation is not directly tied to specific commercial outcomes. One of Sustainalytics' hallmarks is integrity, another is transparency.

<sup>5</sup> Sustainalytics has provided an opinion based on the understanding that the financial characteristics of instruments issued under the Framework will be tied to the achievement of SPTs corresponding to each of the KPIs included in the Framework.

<sup>6</sup> Benchmarks refer to science-based benchmarks.

## Introduction

Mundys (formerly "Atlantia" S.p.A., hereinafter "Mundys" or the "Company") is a diversified global infrastructure group (together with its consolidated subsidiaries, the "Group") that manages motorway and airport concessions, offers mobility services, transport systems and digital service platforms.

It operates 44 concessions and five airports in 11 countries and provides tolling and mobility services in 22 countries, where it employed more than 20,000 people as of December 2022.<sup>7</sup>

Mundys has developed the Framework, under which it intends to issue sustainability-linked bonds, loans and derivatives, as well as other debt instruments,<sup>8</sup> whose financial and structural characteristics are tied to the achievement of sustainability performance targets for up to five key performance indicators. KPIs 1, 2, 3 and 5 are related to the Group's GHG emissions while KPI 4 addresses the Group's diversity and inclusion.

Mundys has engaged Sustainalytics to review the Framework and provide an opinion on the alignment of the Framework with the SLBP 2023 and SLLP 2023. The Framework will be published in a separate document.<sup>9</sup>

Sustainalytics has reviewed the Framework's alignment with ICMA's SLBP and LMA's SLLP only in the context of Mundys issuing direct debt financing. The considerations for other transactions noted in the Framework, particularly derivatives, may be different and the Issuer will provide more details on the same in the offer documents of such issuances.

Mundys has defined the following KPIs and SPTs:

**Table 1: KPI Definitions**

KPI	Definition
KPI 1: Absolute GHG emissions from scope 1 and 2 (in tCO <sub>2</sub> e)	<p>This KPI is defined as the absolute amount of scope 1 and 2 GHG emissions measured in tonnes of CO<sub>2</sub> equivalent (tCO<sub>2</sub>e).</p> <p>Scope 1 emissions are direct emissions from the Group's operations resulting from the burning of fossil fuels. Scope 2 emissions are indirect emissions stemming from purchased electricity, and thermal energy. The Group calculates its scope 1 and 2 emissions in accordance with the GHG Protocol Standards.<sup>10</sup> The KPI's boundary excludes toll road operations that ceased in 2019-21 and emissions from Autostrade per l'Italia, which was divested by the Group in May 2022, as well as emissions from some of Abertis' mobility services business, which constitute an insignificant portion of the Group's total emissions.</p>
KPI 2: Percentage of Abertis' and ADR's scope 3-related commitments having reached their SPTs	<p>This KPI measures the achievement rate, as of the applicable target observation dates, of SPTs associated with KPIs targeting reductions in scope 3 emissions of the Group's main subsidiaries Abertis and ADR, as set out in each of the subsidiaries' sustainable financing frameworks.<sup>11</sup> The KPIs of Abertis and ADR that are covered by this KPI are as follows:</p> <p>Abertis:</p> <p>(i) Abertis-KPI 2: Scope 3 GHG emissions intensity associated with purchased goods and services</p> <p>The KPI measures the scope 3 GHG emissions intensity related to Abertis' purchased goods and services. It is calculated by dividing the scope 3 GHG emissions associated with</p>

<sup>7</sup> Mundys, "Integrated Annual Report", (2022), at: [https://www.mundys.com/documents/37344/798825/RAI\\_MUNDYS\\_2022\\_WEB\\_ENG.pdf/95788beb-7341-bbfe-e8ab-928f141829b9?t=1683629559599](https://www.mundys.com/documents/37344/798825/RAI_MUNDYS_2022_WEB_ENG.pdf/95788beb-7341-bbfe-e8ab-928f141829b9?t=1683629559599)

<sup>8</sup> Sustainalytics notes that the considerations for other financial instruments noted in the Framework, including derivatives, may be different and outside of the scope of Sustainalytics' Second-Party Opinion.

<sup>9</sup> Mundys Sustainability-Linked Financing Framework will be available on its website, at: <https://www.mundys.com/en/sustainability>

<sup>10</sup> The Greenhouse Gas Protocol, "A Corporate Accounting and Reporting Standard", at: <https://ghgprotocol.org/sites/default/files/standards/ghg-protocol-revised.pdf>

<sup>11</sup> Abertis, "Abertis Sustainability-Linked Financing Framework" (2022), at [https://abertis.com/media/web\\_abertis/Abertis%20Sustainability-Linked%20Financial%20Framework\\_20230223140543.pdf](https://abertis.com/media/web_abertis/Abertis%20Sustainability-Linked%20Financial%20Framework_20230223140543.pdf)

Aeroporti di Roma, "Aeroporti di Roma Sustainability-Linked Financing Framework" (2022), at:

<https://www.adr.it/documents/17615/20916850/2022%2B04%2B07%2BSustainability-Linked%2BFinancing%2BFramework%2B2022.pdf/b8cfc81e-672b-0148-5c81-7ffbc794745d?t=1649331043765>

	<p>purchased goods and services (in tCO<sub>2</sub>e) by the distance (in millions of kilometers) travelled by customers using Abertis-managed infrastructure.</p> <p>(ii) Abertis-KPI 3: Number of electric-vehicle charging points (EVCPs) installed</p> <p>The KPI measures the number of EVCPs installed in countries where Abertis has toll road management operations.</p> <p>ADR:</p> <p>(iii) ADR-KPI 2: Airport Carbon Accreditation (ACA) Level 4+</p> <p>The KPI reflects ADR's intention to maintain its Level 4+ (Transition) certification by the ACA<sup>12</sup>, a global carbon management certification programme for airports. ACA independently assesses the efforts made by airports to manage and reduce their carbon emissions through six levels of certifications: Level 1 (Mapping), Level 2 (Reduction), Level 3 (Optimization), Level 3+ (Neutrality), Level 4 (Transformation) and Level 4+ (Transition).</p> <p>(iv) ADR-KPI 3: Scope 3 CO<sub>2</sub> emissions per passenger (excluding aircraft sources)</p> <p>The KPI is defined as scope 3 emissions calculated according to the ACA rules for Level 4+ defined by ACI Europe in line with the guidance under ISO 14064-1<sup>13</sup>, divided by the number of passengers using the Fiumicino Airport. The KPI is expressed in kilograms of CO<sub>2</sub> per passenger (kgCO<sub>2</sub>/passenger). The KPI excludes emissions related to aircraft movements.</p>
KPI 3: Percentage of LTO emissions generated by airlines having set a SBTi target within a target date	<p>This KPI is the percentage of LTO emissions originating at Mundys' Airport Companies from airlines that have set SBTi targets with respect to Mundys' LTO emissions in the baseline year of 2019.</p> <p>The KPI is calculated as the sum of absolute emissions of aircraft during landing, take-off and taxiing (LTO) phases from airlines having set science-based targets as of the target year divided by the total absolute emissions of aircraft during LTO phases in the baseline year.</p> <p>An airline has set a SBTi target if the target has been defined in line with a temperature scenario pathway aligned with the Paris Agreement as validated by the SBTi.</p>
KPI 4: Equal gender opportunity in senior and middle management positions in Mundys Group	<p>This KPI is the number of women in senior and middle management roles divided by the number of all senior and middle management roles, as reported in Mundys' Annual Integrated Report.</p>
KPI 5: Percentage of electricity consumption from renewable sources	<p>This KPI is calculated by dividing the total amount of electricity (in kWh) from renewable sources consumed in a given year by the total electricity (in kWh) from renewable and non-renewable sources consumed by the Group in that same year. The renewable energy sources are from solar, wind and other sources operating at life cycle emissions lower than 100gCO<sub>2</sub>e/kWh. The Group has confirmed that nuclear energy and natural gas are excluded from these sources.</p>

**Table 2: SPTs and Past Performance**

KPI 1	2019 (baseline)	2020	2021	2022	SPTs 2027 and 2030
KPI 1: Absolute scope 1 and 2 GHG emissions	245,128	216,113	184,058	175,235	SPT 1.1: Reduce absolute scope 1 and 2 emissions by 38% by 2027 from a 2019 baseline
					SPT 1.2: Reduce absolute scope 1 and 2 emissions by 50% by 2030 from a 2019 baseline
KPI 2	2019	2020	2021	2022	SPTs 2027 and 2030

<sup>12</sup> The ACA is a certification programme aimed at reducing the carbon footprint of airports in line with the IPCC's 1.5°C or 2°C pathways. Airport Carbon Accreditation, "What is it?": <https://www.airportcarbonaccreditation.org/about/what-is-it.html>

<sup>13</sup> Ibid.

KPI 2: Percentage of Abertis' and ADR's scope 3-related commitments having reached their SPTs	-	-	-	-	SPT 2.1: Achieve 100% of SPTs associated with the relevant KPIs of the two main operating subsidiaries, by 2027 <sup>14</sup>
	-	-	-	-	SPT 2.2: Achieve 100% of SPTs associated with the relevant KPIs of the two main operating subsidiaries, by 2030 <sup>15</sup>
<b>KPI 3</b>	<b>2019 (Baseline)</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>SPT 2028</b>
KPI 3: Percentage of LTO emissions generated by airlines having set a SBTi target within a target date	0%	0%	0%	15%	SPT 3: Achieve 60% of aircraft emissions from landing, take-off and taxiing phases (LTO) generated by airlines having set a SBTi targets by 2028
<b>KPI 4</b>	<b>2019</b>	<b>2020</b>	<b>2021 (baseline)</b>	<b>2022</b>	<b>SPTs 2027 and 2030</b>
KPI 4: Percentage of women in senior and middle management roles	27%	27%	29%	29.6%	SPT 4.1: Increase the percentage of women in senior and middle management roles to 33% by 2027 from a 2021 baseline
					SPT 4.2: Increase the percentage of women in senior and middle management roles to 35% by 2030 from a 2021 baseline
<b>KPI 5</b>	<b>2019</b>	<b>2020 (baseline)</b>	<b>2021</b>	<b>2022</b>	<b>SPTs 2030</b>
KPI 5: Percentage of electricity consumption from renewable sources	15% <sup>16</sup>	13%	32%	67%	SPT 5: Increase the share of renewables in electricity sourcing to 77% by 2030 from a 2020 baseline

## Sustainalytics' Opinion

### Section 1: Sustainalytics' Opinion on the Alignment of Mundys' Sustainability-Linked Financing Framework with the Sustainability-Linked Bond Principles and Sustainability-Linked Loan Principles

Sustainalytics is of the opinion that the Mundys' Sustainability-Linked Financing Framework aligns with the five core components of the Sustainability-Linked Bond Principles 2023 and the Sustainability-Linked Loan Principles 2023.

<sup>14</sup> Under SPT 2.1, the relevant KPIs and SPTs, which are set out in the respective sustainable financing frameworks of Abertis and ADR, are as follows:

- Abertis to achieve its: (i) SPT 2.1, reduce scope 3 GHG emissions intensity associated with purchased goods and services by 16% by 2027 from a 2019 baseline; and (ii) SPT 3, increase the number of EVCPs installed to 633 by 2027 from a 2019 baseline.
- ADR to achieve its: (i) SPT 2, maintain its Level 4+ certification by ACA, by 2027 from a 2021 baseline; and (ii) SPT 3.A, reduce scope 3 emissions intensity (excluding aircraft sources) by 10% by 2027 from a 2019 baseline.

<sup>15</sup> Under SPT 2.2, the relevant KPIs and SPTs, which are set out in the respective sustainable financing frameworks of Abertis and ADR, are as follows:

- Abertis to achieve its: (i) SPT 2.2, reduce scope 3 GHG emissions intensity associated with purchased goods and services by 22% by 2030 from a 2019 baseline.
- ADR to achieve its: (i) SPT 2, maintain its Level 4+ certification by ACA by 2030 from a 2021 baseline; and (ii) SPT 3.B, reduce scope 3 emissions intensity (excluding aircraft sources) by 30% by 2030 from a 2019 baseline.

<sup>16</sup> Mundys has disclosed that it started tracking data on electricity consumption sourcing in 2020, hence data for 2019 is an estimate.



## Selection of Key Performance Indicators

### Relevance and Materiality of KPIs

In its assessment of materiality and relevance, Sustainalytics considers: i) whether an indicator speaks to a material impact of the issuer's business on environmental or social issues, and ii) to what extent the KPI is applicable.

KPI 1: Absolute scope 1 and 2 GHG emissions

KPI 2: Percentage of Abertis' and ADR's scope 3-related commitments having reached their SPTs

KPI 3: Percentage of LTO emissions generated by airlines having set a SBTi target within a target date

Mundys' materiality matrix identifies climate change and energy transition as highly material ESG issues (MEIs) based on the Global Reporting Initiative (GRI) Standards.<sup>17,18</sup> Hence, the materiality of KPI 1, which targets scope 1 and 2 GHG emissions, is linked to its two core businesses i.e., airports and motorways. KPI 2 is linked to the environmental performance of Mundys' two major subsidiaries in relation to their scope 3 emissions, and KPI 3 is connected to all airlines that utilize its airports.

Transport infrastructure, including highways and airports, produces GHG emissions largely during the phases of construction, operation, maintenance and disposal.<sup>19</sup> For Mundys' motorway business (Abertis), the materiality relates to decarbonizing the road transport sector, which accounts for approximately 15% of total CO<sub>2</sub>.<sup>20</sup> For Mundys' airport companies (ADR and Aéroports de la Côte d'Azur), the materiality relates to the importance of reducing GHG emissions from the global aviation sector, which accounts for approximately 3-4% of global emissions and could rise to 22% by 2050.<sup>21</sup> Therefore, Sustainalytics considers the materiality to be high for KPIs 1 and 2, as well as for KPI 3 since it includes scope 3 emissions, the most significant component of the Group's GHG emissions.

In terms of applicability, KPIs 1, 2 and 3 cover 11%, 49% and 27% of the Group's total emissions in 2019, respectively. When assessed in combination, the applicability covers 87% of Mundys' 2019 emissions profile, including all relevant sources.<sup>22,23</sup> Regarding the scope of KPI 3, Sustainalytics notes that, given the regulations present in the jurisdictions where Mundys' Airport Companies carry out operations,<sup>24</sup> Mundys is not able to directly control its scope 3 LTO emissions.

KPI 4: Percentage of women in senior and middle management roles

KPI 4 addresses the issue of participation of women in leadership positions. Sustainalytics considers KPI 4 to be material and relevant in the context of closing the gender gap in the transportation infrastructure industry.<sup>25,26</sup> Sustainalytics' ESG Risk Rating identifies Human Capital as an MEI for the transportation infrastructure sub-

<sup>17</sup> Mundys, "Integrated Annual Report 2022", at:

<https://www.mundys.com/documents/37344/790891/Integrated+Annual+Report+2022.pdf/9143e662-0c74-bd00-a159-89ed87d13e2e?t=1699352045428>

<sup>18</sup> GRI, "Continuous improvement", at: <https://www.globalreporting.org/standards>

<sup>19</sup> IPCC, "Transport", at: [https://www.ipcc.ch/site/assets/uploads/2018/02/ipcc\\_wg3\\_ar5\\_chapter8.pdf](https://www.ipcc.ch/site/assets/uploads/2018/02/ipcc_wg3_ar5_chapter8.pdf)

<sup>20</sup> Boin, R. et al. (2022), "Mapping the way: Decarbonizing roads", McKinsey & Company, at:

<https://www.mckinsey.com/capabilities/operations/our-insights/global-infrastructure-initiative/voices/mapping-the-way-decarbonizing-roads>

<sup>21</sup> Vigeveno, H. (2021), "Aviation's flight path to a net-zero future", World Economic Forum, at:

<https://www.weforum.org/agenda/2021/09/aviation-flight-path-to-net-zero-future/>

<sup>22</sup> Mundys, "Climate Action Plan", at: <https://www.Mundys.com/documents/37344/195725/Climate+Action+Plan+EN.pdf/4ea8cb8a-45e0-5f38-754d-6098068f685a?t=1648145703598>

<sup>23</sup> KPI 2 effectively covers 49% of Mundys' carbon footprint. In addition, KPI 1 covers scope 1 and 2 emissions, which account for 11% of total emissions, and KPI 3 covers 27% of total emissions. Hence, KPI 1, KPI 2 and KPI 3 cover 87% of total emissions when assessed on a combined basis. The applicability was based on the Group's emissions inventory in 2019, which represents a normal operating year prior to COVID-19 that significantly impacted Mundys airport operations.

<sup>24</sup> As of 2023, Mundys operates airports in France and Italy.

<sup>25</sup> OECD, "Selected stocktaking of good practices for inclusion of women in infrastructure", at: <https://www.oecd.org/gov/infrastructure-governance/gender-in-infrastructure/OECD-Selected-stocktaking-of-good-practices-for-inclusion-of-women-in-infrastructure.pdf>

<sup>26</sup> Aviation: Benefits Beyond Borders, "SDG 5: Gender Equality", at: <https://aviationbenefits.org/un-sustainable-development-goals/sdg-5-gender-equality/>



industry.<sup>27</sup> Additionally, Mundys identifies diversity, equality and inclusion as a material topic for the Group based on the GRI Standards.<sup>28</sup> In terms of applicability, while KPI 4 accounts for approximately 8% of Mundys' headcount, Sustainalytics considers that increasing the participation of women in leadership roles may contribute to providing more opportunities for women and closing the gender gap. Moreover, Sustainalytics considers that increasing the percentage of women in leadership positions has the potential to generate a positive impact across Mundys' operations and, therefore, assesses this KPI to be highly applicable in scope.

#### KPI 5: Percentage of electricity consumption from renewable sources

Sustainalytics considers KPI 5 to be material and relevant for Mundys, since the KPI is linked to the electricity consumption from renewable sources in relation to the Group's scope 2 emissions. Mundys' materiality matrix indicates combatting climate change as an MEI based on the GRI Standards. Sustainalytics notes that KPI 5 has low applicability with respect to the Group's total emissions.

#### **KPI Characteristics**

In its assessment of the KPI's characteristics, Sustainalytics considers: i) whether it uses a clear and consistent methodology, ii) whether it follows an externally recognized definition, iii) whether the KPI is a direct measure of the issuer's performance on a material environmental or social issue, and iv) if applicable, whether the methodology can be benchmarked against an external contextual benchmark.<sup>29</sup>

#### KPI 1: Absolute scope 1 and 2 GHG emissions

Sustainalytics considers Mundys' definition and methodology to calculate KPI 1 to be clear and consistent with the Group's historical disclosures on scope 1 and 2 emissions. KPI 1 follows the GHG Protocol's Corporate Reporting Standards.<sup>30</sup> Additionally, the KPI supports benchmarking against external emissions reduction trajectories, such as the SBTi. Sustainalytics considers KPI 1 to be directly linked to the Group's environmental performance on the material issue of GHG emissions.

#### KPI 2: Percentage of Abertis' and ADR's scope 3-related commitments having reached their SPTs

Sustainalytics considers Mundys' definition and methodology to calculate KPI 2 to be clear and consistent with Abertis' and ADR's historical disclosures on the relevant KPIs in accordance with the GHG Protocol and based on the ease of calculation of the total EVCPs installed by Abertis.

Sustainalytics notes that KPI 2 does not follow an externally defined methodology and is of the opinion that it does not lend itself to be benchmarked in the absence of an external science-based contextual benchmark. Sustainalytics further notes that in relation to the underlying KPIs, ADR's KPI 2 supports benchmarking against an external contextual benchmark while Abertis' KPIs 2 and 3 and ADR's KPI 3 do not.<sup>31</sup> Regarding material sustainability issues, Sustainalytics considers KPI 2 to be an indirect measure of the Group's sustainability performance since it measures the percentage of underlying SPTs achieved by its subsidiaries. However, Sustainalytics notes that as Mundys is a holding company, the sustainability performance of its operating subsidiaries has a material impact on the Group's overall sustainability performance. As a result, Sustainalytics recognizes that the underlying KPIs related to Abertis' and ADR's environmental performance have quantifiable outcomes and a definable impact. Hence, Sustainalytics considers that the underlying KPIs related to Abertis' and ADR's scope 3 emissions are direct, while ADR's KPI on its ACA certification is regarded as an indirect measure, as the impact of achieving this certification does not necessarily have a quantifiable outcome for the environmental issue that the KPI is addressing.

#### KPI 3: Percentage of LTO emissions generated by airlines having set a SBTi target within a target date

Sustainalytics considers Mundys' definition and methodology to calculate KPI 3 to be clear and consistent with its historical reporting on its supply chain engagement, since tracking of such figures began in 2021. Further,

<sup>27</sup> Sustainalytics' Human Capital MEI includes management of risks related to scarcity of skilled labour, as well as labour relations, such as non-discrimination, working hours and minimum wage.

<sup>28</sup> Mundys, "Integrated Annual Report 2022", at:

[https://www.mundys.com/documents/37344/798825/RAI\\_MUNDYS\\_2022\\_WEB\\_ENG.pdf/95788beb-7341-bbfe-e8ab-928f141829b9?t=1682668420788](https://www.mundys.com/documents/37344/798825/RAI_MUNDYS_2022_WEB_ENG.pdf/95788beb-7341-bbfe-e8ab-928f141829b9?t=1682668420788)

<sup>29</sup> External contextual benchmarks provide guidance on alignment with ecological system boundaries. This criterion is not applied to social KPIs or impact areas for which such contextual benchmarks are not available.

<sup>30</sup> The Greenhouse Gas Protocol, "A Corporate Accounting and Reporting Standard revised edition", at:

<https://ghgprotocol.org/sites/default/files/standards/ghg-protocol-revised.pdf>

<sup>31</sup> Abertis' KPI 2 and ADR's KPI 3 do not lend themselves well to be benchmarked as they relate to emissions intensity for which there are no available benchmarkable pathways for their respective industries. For Abertis' KPI 3, Sustainalytics also notes the unavailability of an external contextual benchmark against which the KPI can be compared.

Sustainalytics notes that KPI 3 is aligned with the SBTi’s guidance on supplier engagement, and as such considers it to be externally benchmarkable.<sup>32</sup>

**KPI 4: Percentage of women in senior and middle management roles**

Sustainalytics considers Mundys’ definition and methodology to calculate KPI 4 to be clear and consistent with its historical reporting on the percentage of women in leadership positions. Mundys measures and reports KPI 4 in line with GRI Standard 405-1 on Diversity and Equal Opportunity, which is directly related to the Group’s sustainability performance. Sustainalytics further considers that KPI 4 cannot be benchmarked in the absence of an external contextual benchmark but recognizes that it enables comparability across various industry players.

**KPI 5: Share of renewable electricity sourcing**

Sustainalytics considers KPI 5 to have a clear definition given the ease of calculation and interpretation using a consistent methodology with historically reported KPIs. Mundys has identified the sources of renewable electricity as solar, wind and other sources with a life cycle carbon emissions threshold below 100 gCO<sub>2</sub>e/kWh, excluding nuclear energy and natural gas. This approach is considered an industry standard and supports benchmarking against an external reference, such as the SBTi. Additionally, Sustainalytics considers KPI 5 as an indirect measure of Mundys’ environmental performance given that it does not directly address GHG emissions.

**Overall Assessment**

Sustainalytics considers KPI 1 to be very strong given that it: i) directly measures Mundys’ performance relating to a material environmental issue; ii) has a high scope of applicability in conjunction with KPI 2; iii) follows a clear and consistent methodology; and iv) supports benchmarking against external science-based emissions reduction trajectories.

Sustainalytics considers KPI 2 to be strong given that: i) the underlying KPIs that are related to Abertis’ and ADR’s environmental performance cover material ESG issues and have quantifiable outcomes and a definable impact; ii) it has a high scope of applicability; and iii) it follows a clear and consistent methodology; but iv) it is neither externally defined nor lends itself to be benchmarked against external contextual benchmarks. Sustainalytics considers KPI 3 to be strong given that it i) represents an indirect measure of Mundys’ scope 3 emissions; ii) has a high scope of applicability when considered in combination with KPIs 1 and 2; iii) follows a clear and consistent methodology and has an externally defined methodology; and iv) lends itself to be benchmarked against external contextual benchmarks.

Sustainalytics considers KPI 4 to be strong given that it: i) is directly related to the Group’s performance on a material social issue; ii) has a high scope of applicability; and iii) follows a clear and consistent methodology. Sustainalytics notes that there are no applicable externally recognized benchmarks for this KPI, but it enables comparability across various industry players.

Sustainalytics considers KPI 5 to be adequate given that it: i) is an indirect measure of a relevant and material environmental issue; ii) has a low applicability when assessed on a standalone basis; iii) follows a clear and consistent methodology; and iv) supports benchmarking against external contextual benchmarks.

KPIs	Strength of KPIs			
	Not Aligned	Adequate	Strong	Very strong
<b>KPI 1: Absolute scope 1 and 2 GHG emissions</b>	Not Aligned	Adequate	Strong	Very strong
<b>KPI 2: Percentage of Abertis and ADR “Scope 3 related” commitments having reached their SPTs</b>	Not Aligned	Adequate	Strong	Very strong
<b>KPI 3: Percentage of LTO emissions generated by airlines having set a SBTi target within a target date</b>	Not Aligned	Adequate	Strong	Very strong
<b>KPI 4: Percentage of women in senior and middle management roles</b>	Not Aligned	Adequate	Strong	Very strong
<b>KPI 5: Share of renewable electricity sourcing</b>	Not Aligned	Adequate	Strong	Very strong

<sup>32</sup> SBTi, “Engaging Supply Chains on the Decarbonization Trajectory” (2023), at: <https://sciencebasedtargets.org/resources/files/Supplier-Engagement-Guidance.pdf>



## Calibration of Sustainability Performance Targets

### Alignment with Mundys' Sustainability Strategy

Mundys has set the following SPTs for its KPIs:

- SPT 1.1: Reduce absolute scope 1 and 2 emissions by 38% by 2027 from a 2019 baseline
- SPT 1.2: Reduce absolute scope 1 and 2 emissions by 50% by 2030 from a 2019 baseline
- 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
- SPT 3: Achieve 60% of aircraft emissions during landing, take-off and taxiing phases (LTO) generated by airlines having set a SBTi target by 2028
- SPT 4.1: Increase the percentage of women in senior and middle management roles to 33% by 2027 from a 2021 baseline
- SPT 4.2: Increase the percentage of women in senior and middle management roles to 35% by 2030 from a 2021 baseline
- SPT 5: Increase the share of renewables in electricity sourcing to 77% by 2030 from a 2020 baseline

Sustainalytics considers the SPTs to be aligned with Mundys' sustainability strategy. Please refer to Section 2 for an analysis of the credibility of Mundys' sustainability strategy.

- SPTs 1, 3 and 5 are aligned with Mundys' decarbonization targets to achieve net zero for its scope 1 and 2 GHG emissions by 2040 in line with the SBTi's 1.5°C scenario and to cut indirect GHG emissions across its value chain by 2050.<sup>33</sup>
- Regarding SPT 2, Mundys has communicated to Sustainalytics that its structure as an investment holding company implies that its emissions are mainly related to the emissions of its subsidiaries. Hence, the decarbonization of Mundys' subsidiaries is integral to Mundys' own decarbonization strategy. In the motorways segment, Mundys' main subsidiary Abertis aims to reduce its scopes 1 and 2 emissions by 50% and its scope 3 emissions intensity associated with purchased goods and services by 22% by 2030, compared to a 2019 baseline.<sup>34</sup> Regarding its airport operations, ADR has participated in ACA, the global carbon management certification programme that encourages airports to reduce their emissions in line with the objectives of the Paris Agreement to limit the increase of global average temperature to 2°C above pre-industrial levels and aim to not exceed 1.5°C.<sup>35</sup> ACA Level 4+ certification requires airports to offset scope 1, 2 and 3 emissions and from all sources over which airports have control.<sup>36</sup> ADR has already achieved ACA Level 4+ certification and intends to maintain this level.<sup>37</sup>
- Regarding SPTs 4.1 and 4.2, Mundys' Diversity, Equality and Inclusion Policy outlines its commitment to ensuring an inclusive and representative workforce.<sup>38</sup> Mundys has implemented a strategy to promote diversity, create equal opportunities for all and increase women participation in employment at all levels

<sup>33</sup> Mundys, "Climate Action Plan", at: <https://www.mundys.com/documents/37344/195725/Climate+Action+Plan+EN.pdf/4ea8cb8a-45e0-5f38-754d-6098068f685a?t=1648145703598>

<sup>34</sup> Abertis, "Science Based Targets Initiative validates Abertis' emission reduction targets", (2023), at: [https://abertis.com/media/web\\_abertis/Pry23-0115%20NP%20Abertis%20valida%20sus%20objetivos%20de%20reduccion%20de%20emisiones%20por%20Science%20Based%20Targets%20v2\\_20231126201351.pdf](https://abertis.com/media/web_abertis/Pry23-0115%20NP%20Abertis%20valida%20sus%20objetivos%20de%20reduccion%20de%20emisiones%20por%20Science%20Based%20Targets%20v2_20231126201351.pdf)

<sup>35</sup> Airport Carbon Accreditation, "How does it work?", at: <https://www.airportcarbonaccreditation.org/about/how-does-it-work.html>

<sup>36</sup> Airport Carbon Accreditation, "7 levels of accreditation?", at: <https://www.airportcarbonaccreditation.org/about/6-levels-of-accreditation.html>

<sup>37</sup> Mundys, "Integrated Annual Report 2022", at: [https://www.mundys.com/documents/37344/798825/RAI\\_MUNDYS\\_2022\\_WEB\\_ENG.pdf/95788beb-7341-bbfe-e8ab-928f141829b9?t=1682668420788](https://www.mundys.com/documents/37344/798825/RAI_MUNDYS_2022_WEB_ENG.pdf/95788beb-7341-bbfe-e8ab-928f141829b9?t=1682668420788)

<sup>38</sup> Mundys, "Diversity, Equality and Inclusion Policy" (2021), at: <https://www.mundys.com/sustainability/sustainability-governance>

of the organization, without economic disparities in the remuneration of work.<sup>39</sup> In 2022, women held 29.6% of middle and senior management roles.<sup>40</sup>

### **Strategy to Achieve the SPTs**

SPT 1.1: Reduce absolute scope 1 and 2 emissions by 38% by 2027 from a 2019 baseline

SPT 1.2: Reduce absolute scope 1 and 2 emissions by 50% by 2030 from a 2019 baseline

SPT 3: Achieve 60% of aircraft emissions from landing, take-off and taxiing phases (LTO) generated by airlines having set a SBTi target by 2028

SPT 5: Increase the share of renewables in electricity sourcing to 77% by 2030 from a 2020 baseline

Mundys intends to achieve the SPTs through the following strategy:

- To achieve SPTs 1 and 5, the Group has implemented a decarbonization roadmap under its Climate Action Plan to address its operational emissions and those of its value chain by increasing the use of renewable energy, improving energy efficiency and leveraging infrastructure to support low-carbon operations.<sup>41</sup> Measures to increase the use of renewable energy include: i) increasing solar energy self-generation from the construction of photovoltaic power plants or the production of energy from other renewable sources; ii) procuring green energy with guarantees of origin certificates; and iii) installing electric storage systems.
- To improve the energy efficiency in its operations, the Group plans to i) install energy-efficient LED lighting systems; and ii) apply AI advanced algorithms in building management systems. Mundys has communicated to Sustainalytics that it commits to transitioning to low-carbon operations by 2030 using lower-carbon emissions vehicles; ii) replacing the conventional combustion heating systems with high-efficient systems; iii) phasing out the existing methane-powered cogeneration plant at the Rome airport; and iv) abandoning the use of biomethane for boilers.
- Mundys has identified a path to achieving SPT 3 by i) engaging with airlines via its airport management companies, where possible, ii) providing incentive schemes for airlines to implement decarbonization pathways, such as adopting use of sustainable aviation fuel, and iii) participating in key strategic partnerships to enable sustainable innovative in airports.

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

Mundys intends to achieve the SPTs through the following strategy:

- Mundys' strategy is to engage with its portfolio companies to embed sustainability into their governance and to support their transition to low carbon mobility.
- Through its subsidiaries, Mundys aims to reduce its demand for goods and services by optimizing material usage and intends to procure materials and services with a lower environmental impact, including those that are externally accredited through certifications or Environmental Product Declarations.
- As part of its KPIs related to scope 3 emissions, ADR continuously improves passenger accessibility to its airports through an increase in the number of trains, reduction in tariffs, construction of cycle lanes for employees and facilitation of electric car sharing. Additionally, through ADR's KPI to maintain the ACA Level 4+ certification, Mundys aims to reduce its scope 3 GHG emissions by making sustainable aviation fuels available by 2024 and installing 500 charging stations for EVs by 2025 (approximately 100 airside and 400 landside).
- Through Abertis, Mundys intends to increase technological innovation to improve road maintenance, procure materials with a lower environmental impact and improve awareness on green technologies by

<sup>39</sup> Mundys, "–Governance of sustainability", at: <https://www.mundys.com/en/sustainability>

<sup>40</sup> Mundys, "Integrated Annual Report 2022", at: [https://www.mundys.com/documents/37344/798825/RAI\\_MUNDYS\\_2022\\_WEB\\_ENG.pdf/95788beb-7341-bbfe-e8ab-928f141829b9?t=1682668420788](https://www.mundys.com/documents/37344/798825/RAI_MUNDYS_2022_WEB_ENG.pdf/95788beb-7341-bbfe-e8ab-928f141829b9?t=1682668420788)

<sup>41</sup> Mundys, "Mundys Sustainability-Linked Financing Framework", (2023), at: <https://www.mundys.com/en/sustainability>

involving supply chain partners. Through Abertis, Mundys develops collaboration plans with stakeholders to promote the use of less-polluting vehicles.

SPT 4.1: Increase the percentage of women in senior and middle management roles to 33% by 2027 from a 2021 baseline

SPT 4.2: Increase the percentage of women in senior and middle management roles to 35% by 2030 from a 2021 baseline

Mundys intends to achieve the SPTs through the following strategy:

- Mundys aims to ensure a gender-balanced approach in human capital management processes, including through recruitment practices, promotion and compensation.
- In accordance with the principles set out in International Labour Organization (ILO) Convention No. 190 of 2019 and the EU's Gender Equality Strategy 2020-2025, Mundys commits to supporting diversity and closing the gender pay gap.
- Mundys aims to incentivize equal access of women in executive and management positions.
- Mundys aims to implement initiatives to create awareness of unconscious bias and raise awareness of equality and diversity issues among its employees.
- As part of its human capital management processes, the Group focuses on promoting external communication campaigns on women role models in order to encourage women to apply for open job opportunities at Mundys. Mundys implements specific measures to support women during pregnancy and return to work, and the Group provides assistance and support programmes to foster career development and parenthood.
- The Group aims to monitor various diversity KPIs related to women in its workforce, such as salaries, recruitment processes and promotions.
- The Group implements several measures, including flexible working conditions and working from home to promote good work-life balance.

### **Ambitiousness, Baseline and Benchmarks**

To determine the ambitiousness of the SPTs, Sustainalytics considers: i) whether the SPTs go beyond a business-as-usual trajectory; ii) how the SPTs compare to targets set by peers; and iii) how the SPTs compare with science.<sup>42</sup>

Mundys has set the baseline for SPTs 1.1, 1.2 and 3 at 2019 as it represents the most recent representative year for the Group's business and associated GHG emissions without impact from the COVID-19 pandemic. For SPTs 2.1 and 2.2, Sustainalytics used the relevant baseline years for Abertis' and ADR's KPIs. Mundys has set the baseline for SPTs 4.1 and 4.2 at 2021, which represents the most recent data for their associated KPIs. The Group has set the baseline for SPT 5 at 2020 as it represents the most recent data for the KPI before Mundys implemented decarbonization initiatives in 2021, which contributed to a significant increase in the share of renewables in the Group's energy mix.

**SPTs 1.1 and 1.2:** Sustainalytics used the following benchmarks to assess ambitiousness: past performance, peer performance and alignment with science.

Mundys' absolute scope 1 and 2 GHG emissions has an annual average reduction of 8.97% between 2019 and 2022 mainly due to the COVID-19 pandemic, which affected the Group's toll ways and airport operations. To achieve SPT 1.1, the Group must reduce its scope 1 and 2 GHG emissions by 38% by 2027. This represents an average annual reduction of 4.8% by 2027 compared to 2019, denoting continued reduction in Mundys' scope 1 and 2 emissions. To achieve SPT 1.2, the Group must reduce its scope 1 and 2 GHG emissions by 50% by 2030, implying an average annual reduction of 4.5% which reflects a continued reduction in Mundys' scope 1 and 2 emissions.

Based on the assessment of Mundys' peers, which included five transport infrastructure companies, Mundys' targets are above those of three peers since two of the peers have set lower targets for reducing scope 1 and 2

<sup>42</sup> We refer here to contextual benchmarks that indicate the alignment of targets with ecosystem boundaries.

GHG emissions by 2030, and another peer is aligned with a less-stringent 2°C trajectory. Mundys is aligned with the other two peers, whose targets are consistent with the 1.5°C scenario.

For comparison against science, Sustainalytics notes that Mundys' scope 1 and 2 GHG emissions reduction target is aligned with the SBTi's 1.5°C decarbonization trajectory for SPTs 1.1 and 1.2.

**SPTs 2.1 and 2.2:** Sustainalytics was able to use the following benchmarks to assess ambitiousness: past performance and peer performance and alignment with science.

To achieve SPTs 2.1 and 2.2, Mundys would need to focus on achieving all relevant underlying SPTs in the sustainable finance frameworks of Abertis and ADR. Hence, Sustainalytics assessed SPTs 2.1 and 2.2 on the basis of the characteristics of the underlying SPTs by Abertis and ADR, noting that these are generally aligned with Abertis' and ADR's historical performance on these targets. In terms of peer performance, Sustainalytics analyzed the targets of Abertis' and ADR's respective peers, noting that the underlying SPTs of Abertis and ADR are generally above the targets set by their peers in their respective sectors.

**SPT 3:** Sustainalytics was able to use the following benchmarks to assess ambitiousness: past performance and peer performance.

Sustainalytics considers this SPT to be beyond a business-as-usual trajectory and significantly above historical performance given that the target represents a 300% improvement over the 2022 performance data. Sustainalytics notes that this is a newly set target and that in 2022, Mundys initiated efforts towards achieving the target. In addition, Sustainalytics assessed the targets of six industry peers and noted that only one had set a comparable scope 3 target, while five had not set comparable scope 3 targets. Furthermore, SPT 3 in its addressing of scope 3 LTO emissions is noted to be aligned with the SBTi's supplier engagement target setting criteria.<sup>43</sup> Sustainalytics further notes that only 16% of companies across all sectors with SBTi-validated scope 3 targets have set supplier engagement targets.<sup>44</sup> In this context, SPT 3 is viewed as exceeding the targets of Mundys' peers and being best in class.

**SPTs 4.1 and 4.2:** Sustainalytics was able to use the following benchmarks to assess ambitiousness: past performance and peer performance.

Mundys increased the share of women in middle and senior management by an annual rate of one percentage point between 2019 and 2021. To achieve SPTs 4.1 and 4.2, Mundys would need to increase the proportion of women in middle and senior management positions to 33% by 2027 and 35% by 2030, which translates to an average annual increase of 0.67 percentage points from 2021 to 2030.

Sustainalytics considers the SPTs to represent a continued improvement in Mundys' historical performance on gender diversity in middle and senior management roles. Additionally, based on peer analysis, the SPTs are above gender diversity targets set by many of the Group's peers, some of which have not yet established publicly available targets to increase the representation of women in leadership positions.

**SPT 5:** Sustainalytics was able to use the following benchmarks to assess ambitiousness: past performance, peer performance and science.

To achieve SPT 5, the Group will need to increase the share of renewables in its electricity consumption to 77% by 2030 from 13% in the baseline year. This increase corresponds to an implied annual linear increase of 6.4 percentage points in the share of renewables in the Group's total electricity consumption from 2020 to 2030. Sustainalytics notes that the share of renewables in the Group's electricity consumption mix increased significantly from 13% in 2020 to 67% in 2022 in relation to the rollout of the Group's carbon reduction initiatives in 2021, which included a shift towards renewables.

For comparison with science-based trajectories, Sustainalytics considers the SBTi's criteria, according to which the minimum acceptable renewable energy-related target is acceptable only if it is in line with procuring 80% of electricity from renewable sources by 2025 and 100% by 2030.<sup>45</sup> Mundys' SPTs are not aligned with this trajectory.

<sup>43</sup> SBTi, "SBTi Criteria And Recommendations For Near-Term Targets version 5.1", (2023), at: <https://sciencebasedtargets.org/resources/files/SBTi-criteria.pdf>

<sup>44</sup> SBTi, "SBTi Monitoring Report 2022", at: <https://sciencebasedtargets.org/resources/files/SBTiMonitoringReport2022.pdf>

<sup>45</sup> SBTi, "SBTi Corporate Manual", (2023), at: <https://sciencebasedtargets.org/resources/files/SBTi-Corporate-Manual.pdf>

**Overall Assessment**

Sustainalytics considers SPTs 1.1 and 1.2 to be highly ambitious given that they: i) reflect continued improvement over past performance; ii) are above the targets of industry peers; and iii) are aligned with the SBTi's 1.5°C scenario.

Sustainalytics considers SPTs 2.1 and 2.2 to be ambitious given that the underlying SPTs of Abertis and ADR i) are generally aligned with Abertis' and ADR's historical performance on these SPTs; and ii) are generally above the targets set by Abertis' and ADR's sectoral peers.

Sustainalytics considers Mundys' SPT 3 to be highly ambitious given that it: i) presents a significant material improvement over past performance; ii) is best in class as it is above the targets of industry peers and is in line with SBTi's recommendations and guidance related to supplier and customer engagement.

Sustainalytics considers SPTs 4.1 and 4.2 to be ambitious given that they i) represent a material improvement compared to the Group's past performance on gender diversity in management positions; and ii) are above Mundys' industry peers.

Sustainalytics considers SPT 5 to be moderately ambitious given that it is: i) below past performance; ii) aligned with the targets of industry peers; and iii) not aligned with the SBTi's thresholds for renewable electricity sourcing consistent with a 1.5°C scenario.

SPT(s)	Ambitiousness of SPT(s)			
SPT 1.1: Reduce absolute scope 1 and 2 emissions by 38% by 2027 from a 2019 baseline SPT 1.2: Reduce absolute scope 1 and 2 emissions by 50% by 2030 from a 2019 baseline	Not Aligned	Moderately Ambitious	Ambitious	Highly Ambitious
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	Not Aligned	Moderately Ambitious	Ambitious	Highly Ambitious
SPT 3: Achieve 60% of aircraft emissions from landing, take-off and taxiing phases (LTO) generated by airlines having set a SBTi target by 2028	Not Aligned	Moderately Ambitious	Ambitious	Highly Ambitious
SPT 4.1: Increase the percentage of women in senior and middle management roles to 33% by 2027 from a 2021 baseline SPT 4.2: Increase the percentage of women in senior and middle management roles to 35% by 2030 from a 2021 baseline	Not Aligned	Moderately Ambitious	Ambitious	Highly Ambitious
SPT 5: Increase the share of renewables in electricity sourcing to 77% by 2030 from a 2020 baseline	Not Aligned	Moderately Ambitious	Ambitious	Highly Ambitious



**Bond Characteristics**

Mundys has disclosed that the financial and structural characteristics of the instruments issued under the Framework, which may include bonds, loans or derivatives, will be tied to the achievement or non-achievement of the selected SPTs and compliance with its reporting and verification commitments. A trigger event will occur if Mundys fails to achieve the SPTs at the target observation date or fails to meet the reporting and verification commitments as defined in the specific instrument documentation, resulting in: i) a step-up in the coupon rate or margin, or an increase in the redemption premium, as applicable, for bonds and loans; or ii) an adjustment in the interest rate, spread or other hedging costs, or charitable donations for derivatives.

Sustainalytics notes that specific details on the changes or adjustments in the financial characteristics will be set out in the specific transaction documentation, which may also include KPI definition and calculation methodologies, SPTs and fallback mechanisms in case the SPTs cannot be calculated or observed. Sustainalytics recognizes that the relevant financial characteristics of the sustainability-linked bonds and loans are aligned with the SLBP and the SLLP.

Sustainalytics recognizes that Mundys can issue multiple sustainability-linked instruments under the Framework. Additionally, Mundys has disclosed that the selected KPIs for each issuance may be assigned relative weights in determining the aggregate coupon or margin step-up or change in the redemption premium. For each issuance, Sustainalytics encourages Mundys to select a set of KPIs that collectively reflects relevant and material sustainability issues for the Group.



### Reporting

---

Mundys commits to report on its progress on the KPIs on an annual basis and expects to include the relevant figures in its Integrated Annual Report or a similar report to be published on its website on an annual basis. Mundys further commits to disclose relevant information that enables investors to monitor the level of ambition of the SPTs. Mundys also intends to include in its report updates on its sustainability strategy and ESG governance, reassessments of the KPIs, restatements of the SPTs and pro-forma adjustments of KPI scope. The reporting commitments are aligned with the SLBP and SLLP.



### Verification

---

Mundys commits to have an independent external verifier provide a limited assurance against each SPT for each KPI at least once a year. The Group also commits to provide a limited verification assurance certificate to confirm whether the progress on the KPIs meet the relevant SPTs following a target observation date. The verification commitments are aligned with the SLBP and SLLP.



## Section 2: Assessment of Mundys' Sustainability Strategy

### Credibility of Mundys' Sustainability Strategy

Mundys has been reporting on sustainability issues for more than 10 years and issued its first Annual Integrated Report in 2012.<sup>46</sup> Mundys has been a UN Global Compact (UNGC) signatory since 2004<sup>47</sup> and as part of the implementation of UNGC principles, the Group has committed to measuring and reporting its sustainability progress. The Group also adopted the GRI Standards in its sustainability reports, conducting its first materiality assessment in 2012 based on the GRI framework,<sup>48</sup> and updating it through the years.<sup>49</sup> In 2020, Mundys included the TCFD recommendations and SASB standards mapping into its sustainability report to enhance its communication with its stakeholders. In 2022, Mundys established a sustainable growth roadmap that lays out the Group's environmental and social commitments as well as short- to long-term targets.<sup>50</sup>

In 2022, Mundys published its Climate Action Plan (CAP) which includes a multi-year sustainability strategy to: i) achieve science-based GHG emissions reduction targets; ii) manage climate-related risks and iii) leverage opportunities accompanied with the transition to a low-carbon economy.<sup>51</sup> The Group's board of directors oversees the implementation of Mundys' sustainability strategy and the Control, Risks and Sustainability Committee is responsible for coordinating and implementing Mundys' sustainability strategy.<sup>52</sup> As part of its decarbonization strategy, Mundys aims to reduce its GHG emissions by focusing on the following: i) developing innovative products and services such as sustainable aviation fuels, electronic toll services and EVs to accelerate decarbonization of its mobility services; ii) identifying businesses that can positively contribute to Mundy's 2030 decarbonization plans, such as Yunex Traffic; and iii) investing in innovative emerging sustainable mobility services and systems that will contribute to decarbonization after 2030.<sup>53</sup> As part of Mundy's CAP, the Group has established the following goals: i) net zero emissions by 2040 and a 50% reduction of direct scope 1 and scope 2 GHG emissions by 2030; ii) 100% electricity consumption from renewable sources by 2040; and iii) 22% reduction in the intensity of indirect scope 3 emissions from purchased goods and services and downstream transportation, relative to a 2019 baseline.<sup>54</sup> Mundys' decarbonization targets to reduce scope 1 and 2 emissions by 50% have been validated by SBTi for its alignment with a 1.5-degree trajectory. In addition, the Company's scope 3 emission targets, including those related to purchased goods and services, investments, use of sold products have been reviewed by the SBTi in the same year.<sup>55</sup> In order to increase the share of renewable energy in its energy mix, Mundys aims to build its own renewable energy generation plants to serve motorway and airport assets.<sup>56</sup>

In terms of fostering an inclusive work culture, Mundys is focusing its efforts on enhancing the diversity of its management team and board. As part of its sustainable growth roadmap, Mundys has set a short-term target of having women represent 30% of senior and middle management positions by the end of 2023. Moreover, Mundys aims to increase the presence of women in the management and oversight bodies of Mundys' investee companies by increasing the number of women directors and statutory auditors to at least 30% over the 2021-23 period.<sup>57</sup> Furthermore, as part of the Group's gender equality efforts, Mundys has implemented more inclusive hiring practices. In 2022, the Group was also included in Bloomberg's Gender Equality Index, thereby measuring its performance on gender equality issues and the quality and transparency of public reporting based on several indicators, such as female leadership and internal talent pipelines, gender pay equity, inclusive work culture and anti-discrimination policies.<sup>58</sup>

Sustainalytics considers Mundys to have a strong sustainability strategy and considers that the instruments issued under the Framework will further support Mundys' sustainability efforts.

<sup>46</sup> Mundys, "Integrated Reports", at: [https://www.Mundys.com/download-center/sustainability/integrated-reports?p\\_p\\_id=com\\_liferay\\_asset\\_categories\\_navigation\\_web\\_portlet\\_AssetCategoriesNavigationPortlet\\_INSTANCE\\_fqccqJ1RkMR2T&p\\_p\\_lifecycle=0&p\\_p\\_state=normal&p\\_p\\_mode=view&p\\_r\\_p\\_resetCur=false&p\\_r\\_p\\_categoryId=180593](https://www.Mundys.com/download-center/sustainability/integrated-reports?p_p_id=com_liferay_asset_categories_navigation_web_portlet_AssetCategoriesNavigationPortlet_INSTANCE_fqccqJ1RkMR2T&p_p_lifecycle=0&p_p_state=normal&p_p_mode=view&p_r_p_resetCur=false&p_r_p_categoryId=180593)

<sup>47</sup> UNGC, "Company Information - Mundys S.p.A", at: <https://www.unglobalcompact.org/what-is-gc/participants/1021-Mundys-S-p-A->

<sup>48</sup> Mundys, "2012 Integrated Report", at: <https://www.Mundys.com/documents/37344/180864/SustainabilityReport2012.pdf/81f46fff-a9ea-d3d2-48e9-46cc24b564dd?t=1630498957016>

<sup>49</sup> Mundys, "Integrated Annual Report 2022", at: [https://www.mundys.com/documents/37344/798825/RAI\\_MUNDYS\\_2022\\_WEB\\_ENG.pdf/95788beb-7341-bbfe-e8ab-928f141829b9?t=1682668420788](https://www.mundys.com/documents/37344/798825/RAI_MUNDYS_2022_WEB_ENG.pdf/95788beb-7341-bbfe-e8ab-928f141829b9?t=1682668420788)

<sup>50</sup> Ibid.

<sup>51</sup> Mundys, "Climate Action Plan", at: <https://www.mundys.com/documents/37344/180864/Climate+Action+Plan+EN.pdf>

<sup>52</sup> Mundys, "Governance of sustainability", at: <https://www.Mundys.com/en/sustainability/sustainability-governance>

<sup>53</sup> Mundys, "Climate Action Plan", at: <https://www.mundys.com/documents/37344/180864/Climate+Action+Plan+EN.pdf>

<sup>54</sup> Ibid.

<sup>55</sup> SBTi, "Companies taking action: Target Dashboard", at: <https://sciencebasedtargets.org/companies-taking-action#dashboard>

<sup>56</sup> Mundys, "Integrated Annual Report 2022", at: [https://www.mundys.com/documents/37344/798825/RAI\\_MUNDYS\\_2022\\_WEB\\_ENG.pdf/95788beb-7341-bbfe-e8ab-928f141829b9?t=1682668420788](https://www.mundys.com/documents/37344/798825/RAI_MUNDYS_2022_WEB_ENG.pdf/95788beb-7341-bbfe-e8ab-928f141829b9?t=1682668420788)

<sup>57</sup> Ibid.

<sup>58</sup> Ibid.

### Mundys' Environmental and Social Risk Management

Sustainalytics recognizes that Mundys' defined targets are impactful, however, achieving the SPTs may bear environmental and social risks. In this context, Sustainalytics' ESG Risk Rating methodology identifies occupational health and safety, product governance, community relations and human capital as key material ESG issues.

Sustainalytics comments below on Mundys' ability to mitigate such potential risks:

- Regarding occupational health and safety, Mundys' has a Code of Ethics in place that includes its commitments to the protection of the physical and mental well-being of its staff.<sup>59</sup> Mundys complies with the laws and international regulations in the countries where the Group operates.<sup>60</sup> Additionally, 32% of Mundys' business has adopted health and safety management systems based on ISO 45001.<sup>61</sup>
- In order to prevent risks related to products and services, Mundys has defined a system of processes and procedures and an organizational model that define specific roles and responsibilities, and adhere to applicable sectoral regulations in different countries.<sup>62</sup> Mundys' product and services safety management system is certified under ISO 9001 on quality management and ISO 39001 on road traffic safety management.<sup>63</sup> Moreover, Mundys has a noise pollution monitoring system and noise abatement plans to reduce the impact of its airport operations, such as changes made to flight paths to reduce noise pollution for local residents, soundproofing buildings in the vicinity, maximizing maritime overflight and limiting night flying based on aircraft noise certificates.
- Mundys mitigates the impact of its operations on the communities and areas where its subsidiaries operate by engaging with relevant stakeholders on an ongoing basis. The Group has regular dialogue with stakeholders, such as employees, shareholders, civil societies, labour unions, suppliers, contractors, local communities, regulators, media and customers. Mundys uses communication channels, such as interviews, surveys, publications, press meetings and social media to engage with various stakeholders. The Group is also in the process of establishing a stakeholder engagement policy.<sup>64</sup>
- In accordance with the principles set out in ILO Convention No. 190 of 2019 and the EU's Gender Equality Strategy 2020-2025, Mundys commits to boosting diversity by adopting all the measures necessary to eliminate the gender pay gap. Additionally, Mundys publishes an annual externally assured report to deal with identified pay gaps.<sup>65</sup> Aligned with the Universal Declaration of Human Rights, UN Guiding Principles on Business and Human Rights and the Declaration on Fundamental Principles and Rights at Work, Mundys commits to protecting human rights by avoiding financing of any projects or parties that do not follow these human rights standards. Additionally, as a signatory to the UNGC, Mundys commits to protecting human rights and combatting abuse involving discrimination and harassment in the form of child or forced labour.<sup>66</sup>

In addition to the above, Sustainalytics notes that it has found no evidence of any major environmental or social controversies related to Mundys. Overall, Sustainalytics is of the opinion that Mundys has strong management programmes and policies to mitigate risks that could arise in achieving the SPTs.

<sup>59</sup> Mundys, "Code of Ethics", at: <https://www.Mundys.com/documents/37344/116906/Mundys-CodiceEtico-EN.pdf>

<sup>60</sup> Ibid.

<sup>61</sup> Mundys, "Integrated Annual Report 2022", at: [https://www.mundys.com/documents/37344/798825/RAI\\_MUNDYS\\_2022\\_WEB\\_ENG.pdf/95788beb-7341-bbfe-e8ab-928f141829b9?t=1682668420788](https://www.mundys.com/documents/37344/798825/RAI_MUNDYS_2022_WEB_ENG.pdf/95788beb-7341-bbfe-e8ab-928f141829b9?t=1682668420788)

<sup>62</sup> Ibid.

<sup>63</sup> Ibid.

<sup>64</sup> Ibid.

<sup>65</sup> Mundys, "Mundys enters 'We Economy': new remuneration model launched with aim of fully engaging employees in company's challenges and performance", (2021), at: <https://www.Mundys.com/en/media/press-release/-/press/view/Mundys-enters-we-economy-new-remuneration-model-launched-with-aim-of-fully-engaging-employees-in-company-s-challenges-and-performance>

<sup>66</sup> Ibid.

## Section 3: Impact of the SPTs

### Importance of reducing GHG emissions in the road transport and aviation sectors

From 1990 to 2022, emissions from the transport sector have increased at an annual average rate of 1.17%, a growth rate that is faster than all other sectors and comparable only to the industrial sector.<sup>67</sup> The road transport sector is the largest contributor of global transport emissions, which accounted for 73% of total CO<sub>2</sub> emissions from the transport sector in 2022.<sup>68</sup> The overall transport volumes are expected to double and the CO<sub>2</sub> emissions from the transport sector are expected to increase by 20% by 2050 from 2015 baseline levels.<sup>69</sup> According to the IEA, the transport sector must reduce emissions by at least 3% per year until 2030 to achieve net zero emissions by 2050.<sup>70</sup>

The aviation sector accounted for approximately 10% of the emissions from the transport sector.<sup>71</sup> The global aviation industry was responsible for approximately 2% of global CO<sub>2</sub> emissions in 2022, thereby reaching almost 80% of the pre-pandemic peak in emissions recorded in 2019.<sup>72</sup> Emissions from the aviation industry are expected to increase rapidly and surpass their 2019 level by 2025.<sup>73</sup> The aviation sector has recognized the need to reduce its GHG emissions and has committed to cutting its net CO<sub>2</sub> emissions by 50% by 2050 from 2005 levels.<sup>74</sup> Over the past decade, airport operators across the world have established plans to reduce their CO<sub>2</sub> emissions through ACA, an independent carbon management programme for airports.<sup>75</sup> The programme provides airports with a common framework for active and measurable carbon management to enable the industry to effectively reduce its carbon footprint and benefit from increased efficiency through lower energy consumption.<sup>76</sup>

The transport sector accounts for more than 25% of the EU's total GHG emissions, with road transport making up approximately 75% of the EU's transport emissions.<sup>77</sup> In line with the climate-neutral goal by 2050 set under the EU Green Deal,<sup>78</sup> the EU has implemented various strategies and targets focused on decarbonizing the transport sector, including the EU White Paper on Transport, under which it has set a target of reducing its emissions by 20% by 2030 relative to 2008 levels.<sup>79</sup> The EU has also established a 2050 target of reducing transport-related emissions by 90% from 1990 levels.<sup>80</sup> For the aviation sector, various European airports have implemented decarbonization strategies, which is evident from the increased participation in the ACA accreditation scheme in the region. As of November 2023, there were 84 ACA-accredited European airports, out of the total 184 ACA-accredited airports worldwide, that have committed to reducing their CO<sub>2</sub> emissions.<sup>81</sup>

In this context, Sustainalytics is of the opinion that Mundys' efforts to decarbonize its operations and those of its major subsidiaries are expected to have positive impacts on the reduction of the overall GHG emissions from the road transport and aviation sectors in the countries where Mundys' portfolio companies operate, particularly in the EU, thereby supporting the transition to a decarbonized economy.

### Importance of gender diversity and inclusion in leadership roles in the workplace

Gender diversity and inclusion in the workforce, particularly in leadership roles, are expected to contribute to better decision-making and improved organizational performance for businesses.<sup>82</sup> Companies with more diversity in their leadership teams, in

<sup>67</sup> IEA, "Transport", (2023), at: <https://www.iea.org/energy-system/transport>

<sup>68</sup> Ibid.

<sup>69</sup> World Economic Forum, "7 reasons why global transport is so hard to decarbonize", (2021), at: <https://www.weforum.org/agenda/2021/11/global-transport-carbon-emissions-decarbonise/>

<sup>70</sup> IEA, "Transport", (2023), at: <https://www.iea.org/energy-system/transport>

<sup>71</sup> Ibid.

<sup>72</sup> IEA, "Aviation", (2023), at: <https://www.iea.org/energy-system/transport/aviation>

<sup>73</sup> Ibid.

<sup>74</sup> Air Transport Action Group, "Waypoint 2050", (2020), at: [https://aviationbenefits.org/media/167187/w2050\\_full.pdf](https://aviationbenefits.org/media/167187/w2050_full.pdf)

<sup>75</sup> ACA is owned and governed by the Airports Council International (ACI) in close co-operation with four regional ACIs and is administered by environmental consultant WSP Global. ACA independently assesses and recognizes the efforts of airports to manage and reduce their carbon emissions through six levels of certification: Mapping, Reduction, Optimization, Neutrality, Transformation and Transition.

<sup>76</sup> Airport Carbon Accreditation, "What is it?", at: <https://www.airportcarbonaccreditation.org/about/what-is-it.html>

<sup>77</sup> Statista, "Transportation emissions in the European Union - Statistics & Facts", (2023), at: [https://www.statista.com/topics/7968/transportation-emissions-in-the-eu/#topicHeader\\_wrapper](https://www.statista.com/topics/7968/transportation-emissions-in-the-eu/#topicHeader_wrapper)

<sup>78</sup> European Commission, "Stepping up Europe's 2030 climate ambition: Investing in a climate-neutral future for the benefit of our people", (2020), at: <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020DC0562&from=EN>

<sup>79</sup> European Commission, Directorate-General for Mobility and Transport, "White Paper on Transport", (2011), at: <https://op.europa.eu/en/publication-detail/-/publication/bfaa7afd-7d56-4a8d-b44d-2d1630448855/language-en>

<sup>80</sup> European Commission, "Transport and the Green Deal", at: [https://commission.europa.eu/strategy-and-policy/priorities-2019-2024/european-green-deal/transport-and-green-deal\\_en](https://commission.europa.eu/strategy-and-policy/priorities-2019-2024/european-green-deal/transport-and-green-deal_en)

<sup>81</sup> Airport Carbon Accreditation, "Accredited airports across the world", at: <https://www.airportcarbonaccreditation.org/accredited-airports/>

<sup>82</sup> Rohwerder, B. (2017), "Impact of diversity and inclusion within organisations", Institute of Development Studies, at: [https://assets.publishing.service.gov.uk/media/5ba51175e5274a54d5c39c19/109\\_Diversity\\_and\\_inclusion\\_within\\_organisations.pdf](https://assets.publishing.service.gov.uk/media/5ba51175e5274a54d5c39c19/109_Diversity_and_inclusion_within_organisations.pdf)

general, report greater returns in innovation and earnings.<sup>83</sup> Companies in the top quartile of gender diversity in their boards are 25% more likely to outperform their peers financially.<sup>84</sup>

In 2023, the World Economic Forum found the global gender gap to be at 68.4% closed and estimated that it will take 131 years to reach full gender parity.<sup>85</sup> While the percentage of women in leadership roles worldwide has slowly increased over the years to reach 32.2%, the share of women in leadership roles in the supply and transportation industry was only 23% in 2023.<sup>86</sup> Moreover, the global average proportion of women on boards in 2021 was only 20%, an increase of just 2.8 percentage points from 2019.<sup>87</sup> In 2021, the Generation Equality Forum held in Paris announced a global five-year action plan to accelerate gender equality globally by 2026,<sup>88</sup> driven by EUR 36 billion in policy and programme commitments from governments, multilateral bodies and the private sector.<sup>89</sup>

In the context of the EU, in 2023, women occupied 38% of the board seats of the largest listed companies in countries with gender quotas. In contrast, women occupied only 33% board seats in those EU countries where only soft measures have been applied and only 19% in the EU countries that have taken no gender balancing action.<sup>90</sup> In 2021, the European Commission launched the Citizens, Equality, Rights and Values programme for the 2021-27 financing period to support its member states in promoting equal and inclusive societies, including gender balance in management and leadership positions.<sup>91</sup>

Based on the above, Sustainalytics is of the opinion that Mundys’ efforts to increase women’s representation in leadership roles are expected to contribute to improving gender diversity and inclusion in the workplace in the countries where Mundys’ portfolio companies operate, particularly in the EU.

**Alignment with/contribution to SDGs**

The Sustainable Development Goals were adopted by the United Nations General Assembly in September 2015 and form part of an agenda for achieving sustainable development by 2030. The sustainability-linked financing associated with the selected KPIs and SPTs is expected to help advance the following SDGs and targets:

KPI	SDG	SDG Target
KPI 1: Absolute scope 1 and 2 GHG emissions	7. Affordable and Clean Energy	7.2 By 2030, increase substantially the share of renewable energy in the global energy mix  7.3 By 2030, double the global rate of improvement in energy efficiency
KPI 2: Percentage of Abertis and ADR “Scope 3 related” commitments having reached their SPTs	9. Industry, Innovation and Infrastructure  11. Sustainable Cities and Communities	9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities  11.2 By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in

<sup>83</sup> Lorenzo, R. et al. (2018), “How Diverse Leadership Teams Boost Innovation”, Boston Consulting Group, at: <https://www.bcg.com/en-us/publications/2018/how-diverse-leadership-teams-boost-innovation>

<sup>84</sup> Dixon-Fyle, S. et al. (2020), “Diversity wins: How inclusion matters”, McKinsey & Company, at: <https://www.mckinsey.com/featured-insights/diversity-and-inclusion/diversity-wins-how-inclusion-matters>.

<sup>85</sup> World Economic Forum, “Global Gender Gap Report”, (2023), at: [https://www3.weforum.org/docs/WEF\\_GGGR\\_2023.pdf](https://www3.weforum.org/docs/WEF_GGGR_2023.pdf)

<sup>86</sup> Ibid.

<sup>87</sup> Konigsburg, D. and Thorne, S. (2022), “Women in the boardroom, 2022 update”, Deloitte Insights, at: <https://www2.deloitte.com/us/en/insights/topics/leadership/women-in-the-boardroom.html>

<sup>88</sup> Generation Equality, “Generation Equality Forum concludes in Paris with Announcement of Revolutionary Commitments and Global Acceleration Plan to Advance Gender Equality by 2026”, (2021), at: <https://forum.generationequality.org/news/generation-equality-forum-concludes-paris-announcement-revolutionary-commitments-and-global>

<sup>89</sup> Ibid.

<sup>90</sup> EIGE, “Gender Equality Index 2023”, at: <https://eige.europa.eu/sites/default/files/documents/Gender%20Equality%20Index%202023.pdf>

<sup>91</sup> European Commission, “Citizens, Equality, Rights and Values programme”, at: [https://ec.europa.eu/info/departments/justice-and-consumers/justice-and-consumers-funding-tenders/funding-programmes/citizens-equality-rights-and-values-programme\\_en](https://ec.europa.eu/info/departments/justice-and-consumers/justice-and-consumers-funding-tenders/funding-programmes/citizens-equality-rights-and-values-programme_en)

		vulnerable situations, women, children, persons with disabilities and older persons
KPI 3: Percentage of LTO emissions generated by airlines having set a SBTi target within a target date	9. Industry, Innovation and Infrastructure	9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities
KPI 4: Percentage of women in senior and middle management roles	5. Gender Equality	5.5 Ensure women’s full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life
KPI 5: Share of renewable electricity sourcing	7. Affordable and Clean Energy	7.2 By 2030, increase substantially the share of renewable energy in the global energy mix

## Conclusion

Mundys intends to issue sustainability-linked bonds tying certain financial characteristics to achievement of the following SPTs:

- SPT 1.1: Reduce absolute scope 1 and scope 2 by 38% by 2027
- SPT 1.2: Reduce absolute scope 1 and scope 2 by 50% by 2030
- 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
- SPT 3: Achieve 60% of aircraft emissions from landing, take-off and taxiing phases (LTO) generated by airlines having set a SBTi target by 2028
- 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
- SPT 5: Increase the share of renewables in electricity sourcing to 77% by 2030

Sustainalytics considers KPI 1: Absolute scope 1 and 2 GHG emissions, to be very strong given that it: i) directly measures Mundys’ performance relating to a material environmental issue; ii) has a high scope of applicability in conjunction with KPI 2; iii) follows a clear and consistent methodology; and iv) supports benchmarking against external science-based emissions reduction trajectories.

Sustainalytics considers KPI 2 to be strong given that: i) the underlying KPIs that are related to Abertis’ and ADR’s environmental performance cover material ESG issues and have quantifiable outcomes and a definable impact; ii) it has a high scope of applicability; and iii) it follows a clear and consistent methodology; but iv) it is neither externally defined nor lends itself to be benchmarked against external contextual benchmarks. Sustainalytics considers KPI 3 to be strong given that it i) represents an indirect measure of Mundys’ scope 3 emissions; ii) has a high scope of applicability when considered in combination with KPIs 1 and 2; iii) follows a clear and consistent methodology and has an externally defined methodology; and iv) lends itself to be benchmarked against external contextual benchmarks.

Sustainalytics considers KPI 4 to be strong given that it: i) is directly related to the Group’s performance on a material social issue; ii) has a high scope of applicability; and iii) follows a clear and consistent methodology. Sustainalytics notes that there are no applicable externally recognized benchmarks for this KPI, but it enables comparability across various industry players.

Sustainalytics considers KPI 5 to be adequate given that it: i) is an indirect measure of a relevant and material environmental issue; ii) has low applicability when assessed on a standalone basis; iii) follows a clear and consistent methodology; and iv) supports benchmarking against external contextual benchmarks.

Sustainalytics considers SPTs 1.1, 1.2, and 3 to be highly ambitious, and SPT 5 to be moderately ambitious based on their past performance, peer performance and alignment with science. Sustainalytics further considers SPTs 2.1, 2.2, 4.1 and 4.2 to be ambitious based on past performance and peer performance.

Sustainalytics considers the reporting and verification commitments to be aligned with the Sustainability-Linked Bond Principles and Sustainability-Linked Loan Principles.

Based on the above, Sustainalytics considers the Mundys' Sustainability-Linked Financing Framework to be in alignment with the five core components of the Sustainability-Linked Bond Principles 2023 and Sustainability-Linked Loan Principles 2023 and the prospective achievement of the SPTs to be impactful.

## Disclaimer

**Copyright ©2023 Sustainalytics. All rights reserved.**

The information, methodologies and opinions contained or reflected herein are proprietary of Sustainalytics and/or its third party suppliers (Third Party Data), and may be made available to third parties only in the form and format disclosed by Sustainalytics, or provided that appropriate citation and acknowledgement is ensured. They are provided for informational purposes only and (1) do not constitute an endorsement of any product or project; (2) do not constitute investment advice, financial advice or a prospectus; (3) cannot be interpreted as an offer or indication to buy or sell securities, to select a project or make any kind of business transactions; (4) do not represent an assessment of the issuer's economic performance, financial obligations nor of its creditworthiness; and/or (5) have not and cannot be incorporated into any offering disclosure.

These are based on information made available by the issuer and therefore are not warranted as to their merchantability, completeness, accuracy, up-to-dateness or fitness for a particular purpose. The information and data are provided "as is" and reflect Sustainalytics' opinion at the date of their elaboration and publication. Sustainalytics accepts no liability for damage arising from the use of the information, data or opinions contained herein, in any manner whatsoever, except where explicitly required by law. Any reference to third party names or Third Party Data is for appropriate acknowledgement of their ownership and does not constitute a sponsorship or endorsement by such owner. A list of our third-party data providers and their respective terms of use is available on our website. For more information, visit <http://www.sustainalytics.com/legal-disclaimers>.

The issuer is fully responsible for certifying and ensuring the compliance with its commitments, for their implementation and monitoring.

In case of discrepancies between the English language and translated versions, the English language version shall prevail.

## About Sustainalytics, a Morningstar Company

Sustainalytics, a Morningstar Company, is a leading ESG research, ratings and data firm that supports investors around the world with the development and implementation of responsible investment strategies. For more than 30 years, the firm has been at the forefront of developing high-quality, innovative solutions to meet the evolving needs of global investors. Today, Sustainalytics works with hundreds of the world's leading asset managers and pension funds who incorporate ESG and corporate governance information and assessments into their investment processes. Sustainalytics also works with hundreds of companies and their financial intermediaries to help them consider sustainability in policies, practices and capital projects. With 17 offices globally, Sustainalytics has more than 1500 staff members, including more than 500 analysts with varied multidisciplinary expertise across more than 40 industry groups.

For more information, visit [www.sustainalytics.com](http://www.sustainalytics.com)

Or contact us [contact@sustainalytics.com](mailto:contact@sustainalytics.com)

