

Second-Party Opinion

Grupo Aeroportuario del Pacífico Sustainability-Linked Financing Framework



Evaluation Summary

Sustainalytics is of the opinion that Grupo Aeroportuario del Pacífico Sustainability-Linked Financing Framework is aligned with the Sustainability-Linked Bond Principles 2020 and Sustainability-Linked Loan Principles 2022. This assessment is based on the following:

- Selection of Key Performance Indicator (KPI)** The Grupo Aeroportuario del Pacífico Sustainability-Linked Financing Framework includes one KPI, absolute scope 1 and 2 GHG emissions (see Table 1). Sustainalytics considers the KPI to be adequate based on its relevance to Grupo Aeroportuario del Pacífico's business, its scope and applicability, its clear and consistent methodology, which is externally defined, and on its ability to be externally benchmarked.
- Calibration of Sustainability Performance Target (SPT)** Sustainalytics considers the SPT to be aligned with Grupo Aeroportuario del Pacífico's sustainability strategy. Sustainalytics considers the SPT to be highly ambitious based on a comparison with past performance, peer performance and science-based trajectories.
- Bond and Loan Characteristics** Grupo Aeroportuario del Pacífico will link the financial characteristics of the instruments issued under the framework to the achievement or non-achievement of the SPT. For sustainability-linked bonds and loans issued or obtained, a coupon or interest rate step-up will apply when: (i) the relevant SPT has not been achieved on its observation date; (ii) the progress of the KPI cannot be calculated or observed; or (iii) a verification assurance certificate cannot be provided.
- Reporting** Grupo Aeroportuario del Pacífico commits to report, on an annual basis, on its KPI progress in its sustainability report published on its website. Grupo Aeroportuario del Pacífico commits to disclose relevant information enabling investors to monitor the progress towards the SPT. The reporting commitments are aligned with market expectations.
- Verification** Grupo Aeroportuario del Pacífico commits to have external limited assurance conducted on the KPI information published annually and on the progress of the KPI towards the SPT on the relevant observation dates. The verification commitments are aligned with market expectations.

Evaluation Date	August 23, 2022
Issuer Location	Guadalajara, Mexico

The SPT contributes to the following SDGs:



Overview of KPI and SPT

KPI	Strength of the KPI	Baseline	SPT	Ambitiousness of the SPT
Absolute scope 1 and 2 GHG emissions (tCO ₂ e)	Adequate	2019	Reduce absolute scope 1 and 2 GHG emissions by 25% by 2025 relative to a 2019 baseline	Highly Ambitious

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Scope of Work and Limitations

Grupo Aeroportuario del Pacífico SAB (“GAP”, the “Company” or the “Issuer”) has engaged Sustainalytics to review the Grupo Aeroportuario del Pacífico Sustainability-Linked Financing Framework (the “Framework”) and provide an opinion on the alignment of the linked instruments with the Sustainability-Linked Bond Principles (SLBP)¹ and Sustainability-Linked Loan Principles (SLLP).²

Sustainalytics’ Second-Party Opinion reflects Sustainalytics’ independent³ opinion on the alignment of the reviewed Framework with the Sustainability-Linked Bond Principles 2020, as administered by ICMA, and the Sustainability-Linked Loan Principles 2022, as administered by APLMA, LMA and LSTA.

As part of this engagement, Sustainalytics has exchanged information with various members of GAP’s management team to understand the sustainability impact of their business processes and SPT, as well as reporting and verification processes of aspects of the SLB/SLL Framework. GAP’s representatives have confirmed that:

- (1) They understand it is the sole responsibility of the Company to ensure that the information provided is complete, accurate or 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 on the linked instruments 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 Grupo Aeroportuario del Pacífico. Sustainalytics’ Second-Party Opinion reflects the alignment of the Framework with market standards, but is no guarantee of alignment nor warrants any alignment with future versions of relevant market standards. Furthermore, Sustainalytics’ Second-Party Opinion addresses the anticipated SPT of the KPI but does not measure the KPI’s progress. The measurement and reporting of the KPI is the responsibility of the bond or loan 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 Grupo Aeroportuario del Pacífico has made available to Sustainalytics for the purpose of this Second-Party Opinion.

The Second-Party Opinion is valid for issuances aligned with the respective Framework for which the Second-Party Opinion was written and aligned with the methodology to calculate the KPI performance outlined in the Second-Party Opinion up to 24 (twenty-four) months or until one of the following occurs:

- (1) A material change to the external benchmarks⁴ against which targets were set;
- (2) A material corporate action (such as a material M&A or change in business activity) which has a bearing on the achievement of the SLBs or the materiality of the KPI.

For inquiries, contact the Sustainable Finance Solutions project team:

Titus Vilches (Amsterdam)

titus.vilches@morningstar.com

Project Manager
(+31) 20 797 1569

Ananth Eragam (Amsterdam)

ananth.eragam@morningstar.com

Project Support

Paramjot Kaur

Client Relations

paramjot.kaur@sustainalytics.com

(+1) 646 518 0184

Stefan Spataru (Amsterdam)

stefan.spataru@morningstar.com

Project Support

Anirban Sengupta (Mumbai)

anirban.sengupta@sustainalytics.com

Project Support

¹ The Sustainability-Linked Bond Principles (SLBP) were launched by ICMA in June 2020. They are administered by the ICMA and are available at: <https://www.icmagroup.org/assets/documents/Regulatory/Green-Bonds/June-2020/Sustainability-Linked-Bond-PrinciplesJune-2020-100620.pdf>

² The Sustainability-Linked Loan Principles (SLLP) were launched by LSTA in March 2022. They are administered by the LSTA and are available at: <https://www.lsta.org/content/sustainability-linked-loan-principles-sllp/#>

³ 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.

⁴ Science-based benchmarks

Introduction

GAP is a publicly listed airport operator headquartered in Guadalajara, Mexico. The Company operates and maintains 12 airports in the Pacific and Central regions of Mexico and two airports in Jamaica, serving more than 300 destinations. The Company employed 1,729 personnel in Mexico and 23 in Jamaica as of 2021.

GAP has developed the Framework under which it intends to issue sustainability-linked bonds, loans and derivatives. The coupon rate of the bonds and interest rate of the loans are tied to the achievement or non-achievement of the Sustainability Performance Targets for the KPI. The KPI relates to the Company’s absolute GHG emissions.

GAP has engaged Sustainalytics to review the Framework and provide an opinion on the alignment of the Framework with the SLBP and SLLP. The Framework will be published in a separate document.⁵

Sustainalytics has reviewed the Framework’s alignment with the ICMA SLBP and the LMA SLLP only in the context of GAP issuing direct fixed income 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.

The KPI and SPT used by GAP are defined in Tables 1 and 2 below.

Table 1: KPI Definitions

KPI	Definition
Absolute scope 1 and 2 GHG emissions (tCO ₂ e)	The KPI measures GAP’s scope 1 and 2 GHG emissions (tCO ₂ e) at its 14 airports in Mexico and Jamaica. GHG emissions include carbon dioxide, methane and nitrous oxide emissions. GAP follows the Airport Carbon Accreditation (ACA) emissions calculation methodology, ⁶ which is based on the GHG Protocol standards for reporting and accounting GHG emissions and on ISO 14064. ⁷

Table 2: SPT and Past Performance

KPI	2019 (baseline)	2020	2021	SPT 2025
Absolute scope 1 and 2 GHG emissions (tCO ₂ e)	61,993	45,485	45,380	46,703

⁵ The Grupo Aeroportuario del Pacífico Sustainability-Linked Financing Framework will be available on GAP’s website at: https://www.aeropuertosgap.com.mx/files/Marco_de_referencia_bono_vinculado_a_la_sostenibilidad_Agosto_2022.pdf

⁶ Airport Carbon Accreditation, “Application Manual”, (2020), at: <https://www.airportcarbonaccreditation.org/component/attachments/?task=download&id=161>

⁷ ISO, “ISO 14064-1:2018 Greenhouse gases”, at: <https://www.iso.org/standard/66453.html>

Sustainalytics' Opinion

Section 1: Sustainalytics' Opinion on the Alignment of Grupo Aeroportuario del Pacífico Sustainability-Linked Financing Framework with the Sustainability-Linked Bond Principles and Sustainability-Linked Loan Principles.

Sustainalytics is of the opinion that the Grupo Aeroportuario del Pacífico Sustainability-Linked Financing Framework is aligned with the five core components of the Sustainability-Linked Bond Principles 2020 and Sustainability-Linked Loan Principles 2022.



Selection of Key Performance Indicator (KPI)

Relevance and Materiality of the KPI

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 portion of impact the KPI is applicable.

KPI: Absolute scope 1 and 2 GHG emissions (tCO₂e)

Sustainalytics considers the KPI to be material and relevant given that it addresses GHG emissions from the global aviation sector that accounts for approximately 3% to 4% of global emissions, and which could rise to 22% by 2050 due to increased passenger numbers.^{8,9}

Regarding applicability, the KPI covers scope 1 and 2 GHG emissions related to 100% of GAP's operations in Mexico and Jamaica. GAP has communicated to Sustainalytics that scope 1 and 2 GHG emissions accounted for 45,380 tCO₂e in 2021, but in the absence of scope 3 emissions data, Sustainalytics notes that KPI's applicability cannot be ascertained in the context of the Company's overall GHG emissions. Based on internal research, Sustainalytics notes that the majority of airport operators' scope 3 GHG emissions comprise aviation activities such as the cruise, landing and take-off cycle, and taxing of aircrafts, which are not within their operational control. However, Sustainalytics finds that non-aviation related GHG emissions constitute a meaningful part of airlines' total carbon footprint^{10,11} and therefore considers the KPI to have a limited scope of applicability.

Based on the above, Sustainalytics considers the KPI, absolute scope 1 and 2 GHG emissions (tCO₂e), to be material but with a limited scope of applicability.

KPI Characteristics

In its assessment of the KPI characteristics, Sustainalytics considers: i) whether a clear and consistent methodology is used; ii) whether the issuer follows an externally recognized definition; iii) whether the KPI is a direct measure of the Issuer's performance on the material environmental or social issue; and iv) if applicable, whether the methodology can be benchmarked to an external contextual benchmark.¹²

Sustainalytics considers GAP's definition and methodology to calculate KPI progress to be clear and consistent based on its ease of calculation and replicability. The Company has been reporting publicly on the KPI since 2017. In addition, Sustainalytics notes that the KPI follows the ACA emissions calculation methodology, which is based

⁸ Air Transport Action Group, "Waypoint 2050" (2020), at: https://aviationbenefits.org/media/167187/w2050_full.pdf

⁹ World Economic Forum, "Aviation's flight path to a net-zero future" (2021), at: <https://www.weforum.org/agenda/2021/09/aviation-flight-path-to-net-zero-future/>

¹⁰ Airport Carbon Accreditation, "Application Manual", (2020), at:

<https://www.airportcarbonaccreditation.org/component/attachments/?task=download&id=161>

¹¹ Airports Council International, "ACI Annual Report 2020", at: <https://store.aci.aero/product/aci-annual-report-2020/>

¹² External contextual benchmarks provide guidance on the alignment with ecological system boundaries. These criterion are not applied to social KPIs or impact areas for which such contextual benchmarks are not available.

on the GHG Protocol methodology on reporting GHG emissions and on ISO 14064 – Greenhouse Gases. Moreover, as the KPI represents an absolute emissions metric, Sustainalytics is of the opinion that it is well suited to be benchmarked against science-based global decarbonization pathways, such as SBTi’s absolute contraction approach.¹³

Overall Assessment

Sustainalytics overall considers the KPI to be adequate given that (i) it is a direct measure of the Company’s performance on a relevant and material ESG issue; (ii) it has a limited scope of applicability; (iii) it follows a clear and consistent methodology that is externally defined; and (iv) it lends itself to be externally benchmarked.

KPI: Absolute scope 1 and 2 GHG emissions (tCO₂e)	Not Aligned	Adequate	Strong	Very strong
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Calibration of Sustainability Performance Target (SPT)

Alignment with the Issuer’s Sustainability Strategy

GAP has set the following SPT for its KPI:

- Reduce absolute scope 1 and 2 GHG emissions by 25% by 2025 relative to a 2019 baseline

In its GAP 2030 Sustainability Strategy, the Company has highlighted Environmental Commitment as one of its key focus areas moving forward. As part of its commitment, GAP is dedicated to align itself with a net zero emissions scenario. To enable this, GAP has set targets to achieve a reduction in GHG emissions under its control by 90% by 2030 and is dedicated to mapping its scope 3 GHG emissions. Sustainalytics considers the SPT to be aligned with GAP’s Sustainability Strategy. Please refer to Section 2 for an analysis of the credibility of the Company’s sustainability strategy.

Strategy to Achieve the SPT

GAP intends to achieve the SPT through the following strategies:

- Installation of solar farms and acquisition of clean energy¹⁴
- Continual engagement with the ACA programme to manage and improve its carbon performance
- Constructing its new airport terminal buildings in accordance with the LEED certification and net zero energy methodology¹⁵
- Substitution of older equipment with updated technologies to improve energy efficiency. This includes the automation of equipment by using SCADA software to optimize energy consumption

Ambitiousness, Baseline and Benchmarks

To determine the ambitiousness of the SPT, Sustainalytics considers: i) whether the SPT goes beyond a business-as-usual trajectory; ii) how the SPT compares to targets set by peers; and iii) how the SPT compares with science.¹⁶

GAP has set 2019 as the baseline for the SPT as the year is an accurate representation of the Company’s airports’ air passenger levels prior to the COVID-19 pandemic.

SPT: Reduce absolute scope 1 and 2 GHG emissions by 25% by 2025 relative to a 2019 baseline.

¹³ The SBTi uses two target setting methods: the Absolute Contraction Approach (ACA), a one-size-fits-all method that ensures companies setting targets deliver absolute emissions reductions in line with global decarbonization pathways; and the Sectoral Decarbonization Approach (SDA), an alternative method that allows targets to be derived from global mitigation pathways for some of the most carbon-intensive activities, such as road transportation, aviation, the generation of electricity or the production of basic materials.

¹⁴ GAP has communicated to Sustainalytics that the execution of its clean energy strategy is dependent on Mexican energy policies and regulations.

¹⁵ GAP has communicated to Sustainalytics that the execution of its green buildings strategy is dependent on relevant regional regulations.

¹⁶ Contextual benchmarks that indicate the alignment of targets with ecosystem boundaries.

GAP’s absolute scope 1 and 2 GHG emissions decreased by approximately 27% between 2019 and 2021, representing an average annual rate of reduction of 13.4%. Sustainalytics notes that the achievement of the SPT in 2025 would result in an increase in absolute scope 1 and 2 GHG emissions of approximately 3% over the 2021-25 period, representing an average annual rate of increase of 0.7%. Sustainalytics notes that the passenger numbers in 2021 (42,923,623) across GAP’s airports were approximately 14% lower than in 2019 (50,099,794), the last reporting year before COVID-19 affected air travel. Based on the above, Sustainalytics considers the targeted performance required to achieve the SPT to be below past performance.

Sustainalytics analyzed the performance of five of GAP’s industry peers and found the Company’s targets to be in line with those set by its peers. Sustainalytics considers the SPT to be aligned with peer performance.

Regarding comparison with science, Sustainalytics notes that GAP must realize an average annual reduction of its absolute scope 1 and 2 GHG emissions of approximately 4.2% between 2019 and 2025 to achieve the SPT. This reduction is aligned with SBTi’s 1.5°C scenario using an absolute contraction approach.¹⁷

Overall Assessment

Sustainalytics considers the SPT to align with GAP’s sustainability strategy and considers it to be highly ambitious given that it is below past performance, aligned with peer performance and aligned with SBTi’s 1.5°C scenario.

SPT: Reduce absolute scope 1 and 2 GHG emissions by 25% by 2025 relative to a 2019 baseline	Not Aligned	Moderately Ambitious	Ambitious	Highly Ambitious
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Bond and/or Loan Characteristics

GAP intends to issue sustainability-linked bonds, loans and derivatives under the Framework. The financial characteristics of the sustainability-linked bonds and loans issued or obtained under the Framework will be linked to the KPI and its SPT, as defined in the Framework. GAP has confirmed to Sustainalytics that the financial characteristic adjustments may include a coupon or interest rate step-up in the case that: (i) the relevant SPT has not been achieved by its observation date; (ii) the progress of the KPI against the SPT cannot be calculated or observed; or (iii) a verification assurance certificate on the progress of the KPI towards its SPT at the target observation date cannot be provided. Sustainalytics recognizes that the relevant financial characteristics of the sustainability-linked bonds and loans are aligned with the SLBP and the SLLP.



Reporting

GAP commits to report on an annual basis on its progress on the KPI in its sustainability report as published on its website. Furthermore, the Company commits to disclose relevant information enabling investors to monitor the progress towards the SPT. When feasible, GAP also intends to include in its sustainability report information regarding any recalculation of the KPI baseline or restatement of the SPT, updates on new or proposed regulations relevant to the KPI or SPT, qualitative or quantitative information on the main factors contributing to the progress of the KPI, and the positive impacts of the performance improvement. The reporting commitments are aligned with the SLBP and SLLP.

¹⁷ The absolute contraction approach is a method for companies to set emissions reduction targets that are aligned with the global, annual emissions reduction rate that is required to meet the 1.5°C or well-below 2°C targets.



Verification

GAP commits to having an independent external verifier provide a limited assurance statement on the published KPI information annually and until the maturity of the respective financing instrument. The Company is also committed to providing a limited verification assurance certificate to confirm whether the progress on the KPI meets the relevant SPT following a target observation date. The verification commitments are aligned with the SLBP and SLLP.

Section 2: Assessment of GAP's Sustainability Strategy

Credibility of GAP's Sustainability Strategy

The Company established the GAP 2030 Sustainability Strategy (the "Strategy") in 2022, which outlines four key focus areas to achieve its sustainability objectives,¹⁸ including its Environmental Commitment. The Strategy covers 25 material topics identified by GAP's stakeholder assessment, and the Company has adopted 30 targets to be achieved by 2030 along with 252 operational objectives and 304 KPIs to monitor its progress.¹⁹

With regard to Environment Commitment, GAP focuses on six issues, including GHG emissions, energy consumption and climate strategy. The Strategy outlines the Company's intention to undertake a climate risk assessment of 100% of its airports, map its scope 3 GHG emissions, achieve a 90% reduction in GHG emissions from sources under its control and align with UN-prescribed net zero targets.^{20,21} To achieve these objectives, GAP has installed clean energy generation systems and has undertaken energy-efficient initiatives at all its airports. The Company has also committed to having all its managed airports certified by the Airport Carbon Accreditation programme and put in place a strategy to transition its fleet to greener vehicles.²²

Sustainalytics considers GAP to have a strong sustainability strategy and considers that the instruments issued and obtained under the Framework will further support GAP's sustainability ambitions.

GAP's Environmental and Social Risk Management

Sustainalytics recognizes that although GAP's defined targets are impactful, achieving the SPT bears environmental and social risks related to product governance, occupational health and safety, and human capital.

In the following section, Sustainalytics comments on GAP's ability to mitigate such potential risks:

- GAP has in place an overarching Code of Ethics that directs how the Company performs its business. This covers all its operations, and top management is involved in ensuring the policy is executed correctly. Within the ambit of its Code of Conduct, the Company covers issues related to gender abuse, unethical work culture, dealing with customers and suppliers, employee health and safety, environment, anti-corruption, and anti-bribery.
- Regarding product governance, 12 of the Company's airports were ISO 9001:2015²³ certified as of 2021, demonstrating its commitment to provide quality services that meet the applicable statutory and regulatory requirements. The Company has developed quality models for its airport operations control, ground support, aircraft rescue and firefighting (ARFF), and cleaning services. The Company achieved a 99% accomplishment rate for its ARFF quality model at all its airports in 2021.^{24,25}
- Regarding occupational health and safety, the Company has a Safety Management System, which reduces the probability of accidents occurring by continually identifying hazards and implementing adequate processes for operational risk

¹⁸ GAP, "Sustainability Report 2021", at https://www.aeropuertosgap.com.mx/files/IS_GAP_2021_9_EN.pdf

¹⁹ GAP, "2030 GAP Sustainability Strategy" (2022), at: <https://www.aeropuertosgap.com.mx/files/EN-GAP-metas-2030.pdf>

²⁰ Ibid.

²¹ UN, "For a liveable climate: Net-zero commitments must be backed by credible action", at: <https://www.un.org/en/climatechange/net-zero-coalition>

²² GAP, "2030 GAP ESG Goals" (2022), at: <https://www.aeropuertosgap.com.mx/files/GAP-ESG-goals-2030actions2022.pdf>

²³ ISO 9001:2015, "Quality management", at: <https://www.iso.org/iso-9001-quality-management.html>

²⁴ GAP, "GAP Sustainability Report 2021", (2021), at: https://www.aeropuertosgap.com.mx/files/IS_GAP_2021_9_EN.pdf

²⁵ Ibid.

management. Furthermore, the Company is registered to and operates in compliance with the regulations of the Self-Management program for Occupational Health and Safety of the Mexican Secretariat of Labour and Social Welfare (STPS). The Company has also designed a policy for the prevention of psychosocial risks in compliance with regulations issued by the STPS. GAP has been monitoring its work accident injuries through its proprietary Accidentability index since 2018 and recorded no fatalities in 2021. The Company has also set a target to achieve ISO 45001²⁶ certification to create safer working conditions for employees at all its managed airports by 2030.²⁷

- Regarding human capital, 29% and 47% of GAP's Mexican and Jamaican workforce, respectively, were unionized as of 2021. Furthermore, more than 25% of its employees in Mexico are covered by a collective bargaining agreement. GAP implemented a Gender Equality and Empowerment strategy to promote solutions to issues such as work-life balance, training and development, gender equality, and equal pay among its workforce. The Company also established the GAP Women's Committee in 2021, with 42 women as members, to promote topics such as female empowerment and wage equality, and to forge alliances with women's organizations across its airports. GAP has also developed an Annual Training Plan to identify training needs by area and implement training modules to strengthen its employees' competencies and skills. All of its employees received human-rights education training in 2021. GAP also has a diverse employee benefits scheme in place, which includes day care support, medical-expense insurance, life insurance and parental leave programmes.²⁸

Sustainalytics acknowledges that it has found no evidence of any major environmental or social controversies related to GAP. Based on the above, Sustainalytics considers that GAP has management programmes and policies in place to mitigate the environmental and social risks related to its activities and those that could arise in achieving the SPT.

Section 3: Impact of the SPT Chosen

Importance of reducing GHG emissions from the airport sector in Mexico and Jamaica

The aviation industry was responsible for approximately 3% of global CO₂ emissions in 2020.²⁹ This share is expected to increase to 22% by 2050, largely driven by an increase in passengers and by the decarbonization of other sectors.³⁰ Although the airport industry accounts for only 2% of the air transport sector's total carbon emissions,³¹ it is set to increase unless action is taken to decrease carbon emissions.³²

Mexico is the world's 12th-largest GHG emitter and accounts for about 1.42% of global GHG emissions.³³ As a signatory to the Paris Climate Agreement, the Mexican government has set targets in its Intended Nationally Determined Contribution (INDC) plan to achieve a 22% reduction and a 50% reduction in GHG emissions by 2030 and 2050 respectively, relative to 2000 levels.³⁴ These goals were adopted into the country's General Climate Change Law in 2018.³⁵ As of 2019, the country is not on track to meet the Paris Climate Agreement's 1.5°C maximum temperature rise target given that Mexico's GHG emissions have increased by 70%

²⁶ ISO, "ISO 45001: Occupational Health and Safety", at: <https://www.iso.org/iso-45001-occupational-health-and-safety.html>

²⁷ GAP, "Sustainability Report 2021" (2021), at: https://www.aeropuertosgap.com.mx/files/IS_GAP_2021_9_EN.pdf

²⁸ Ibid.

²⁹ World Economic Forum, "Aviation's flight path to a net-zero future", (2021), at: <https://www.weforum.org/agenda/2021/09/aviation-flight-path-to-net-zero-future/>

³⁰ Ibid.

³¹ Airport Carbon Accreditation, "Airports addressing their CO₂ emissions", at: <https://airportco2.org/>

³² WSP, "Reducing Airport Carbon Emissions: What's Next?", (2018), at: <https://www.wsp.com/en-GB/insights/reducing-airport-carbon-emissions>

³³ WRI, "This Interactive Chart Shows Changes in the Worlds Top 10 Emitters", (2020), at: <https://www.wri.org/insights/interactive-chart-shows-changes-worlds-top-10-emitters>

³⁴ NRDC, "The Road from Paris: Mexico's Progress Toward its Climate Pledge", (2017), at: <https://www.nrdc.org/sites/default/files/paris-climate-agreement-progress-2017-mexico-ib.pdf>

³⁵ WRI, "Choosing the Right Path: Low-Cost Policy Options for Enhancing Mexico's Climate Goals While Achieving Long-Term Social Benefits", at: https://wriorg.s3.amazonaws.com/s3fs-public/choosing-right-path_0.pdf

from 1990 to 2016 and are projected to increase further until at least 2030.³⁶ Similarly, Jamaica set enhanced GHG emission reduction targets in its INDC in 2021 to lower GHG emissions by 60% by 2030 compared to business-as-usual levels.^{37,38}

The airport industry has recognized the need to reduce its GHG emissions, and over the past decade, airport operators across the world have established plans to reduce their CO₂ emissions through Airport Carbon Accreditation (ACA), an independent carbon management programme for airports.³⁹ The programme provides airports with a common framework for active and measurable carbon management with a goal of enabling the industry to effectively reduce its carbon footprint and benefit from increased efficiency through lower energy consumption.⁴⁰ There are currently more than 50 certified airports across various levels of ACA certification representing 40% of Latin American and Caribbean air passenger traffic.⁴¹ GAP currently has 13 of its 14 airports certified by the ACA.

Based on the above, Sustainalytics is of the opinion that GAP’s efforts to reduce the absolute GHG emissions of its operations have the potential to contribute to the decarbonization goals of Mexico and Jamaica.

Alignment with and contribution to SDGs

The Sustainable Development Goals, set in September 2015, form an agenda for achieving sustainable development by 2030. The sustainability-linked instruments advance the following SDG goals and targets:

KPI	SDG	SDG Target
Absolute scope 1 and 2 GHG emissions (tCO ₂ e)	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

Conclusion

GAP has developed the Grupo Aeroportuario del Pacífico Sustainability-Linked Financing Framework, under which it intends to issue sustainability-linked bonds, loans and derivatives. The sustainability-linked bonds and loans will tie a step-up in their coupon or interest rate to the achievement or non-achievement of the following SPT:

- Reduce absolute scope 1 and 2 GHG emissions by 25% by 2025 relative to a 2019 baseline

Sustainalytics considers the KPI, absolute scope 1 and 2 GHG emissions (tCO₂e), to be adequate based on its materiality and relevance to GAP’s business, its low scope of applicability, the use of a clear and consistent methodology that is externally defined and its suitability to be benchmarked against external decarbonization trajectories. Sustainalytics considers the SPT, reduce absolute scope 1 and 2 GHG emissions by 25% by 2025 relative to a 2019 baseline, to be aligned with GAP’s sustainability strategy and to be highly ambitious given that it is below historical performance, aligned with peer performance and aligned with SBTi’s 1.5°C scenario. Furthermore, Sustainalytics considers the reporting and verification commitments to be aligned with market expectations.

Based on the above, Sustainalytics considers the Grupo Aeroportuario del Pacífico Sustainability-Linked Financing Framework to be aligned with the five core components of the Sustainability-Linked Bond Principles 2020 and Sustainability-Linked Loan Principles 2022.

³⁶ Climate Transparency, “Brown to Green: G20 Transition Towards a Net-Zero Emissions Economy - Mexico”, (2019), at: https://www.climate-transparency.org/wp-content/uploads/2019/11/B2G_2019_Mexico.pdf

³⁷ UNFCCC, “Third National Communication of Jamaica to the United Nations Framework Convention on Climate Change”, (2018) at: https://www4.unfccc.int/sites/SubmissionsStaging/NationalReports/Documents/578491_Jamaica-NC3-1-TNC_Final_December132018.pdf

³⁸ Jamaica Information Service, “Jamaica Sets Ambitious Target Of 60 Per Cent Reduction In Green House Emissions By 2030”, (2021) at: <https://jis.gov.jm/jamaica-sets-ambitious-target-of-60-per-cent-reduction-in-green-house-emissions-by-2030/>

³⁹ ACA is owned and governed by the Airports Council International (ACI) in close cooperation with four regional ACIs and is administered by the 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’

⁴⁰ Airport Carbon Accreditation, “What is it?”, at: <https://www.airportcarbonaccreditation.org/about/what-is-it.html>

⁴¹ Airport Carbon Accreditation, “Accredited Airports across the world”, at: <https://www.airportcarbonaccreditation.org/participants/latin-america-caribbean.html>

Appendix 1: Sustainability-Linked Bonds - External Review Form

Section 1. Basic Information

Issuer name: Grupo Aeroportuario del Pacífico

Sustainability-Linked Bond ISIN:

Independent External Review provider's name for second party opinion pre-issuance (sections 2 & 3): Sustainalytics

Completion date of second party opinion pre-issuance: August 23, 2022

Independent External Review provider's name for post-issuance verification (section 4):

Completion date of post issuance verification:

At the launch of the bond, the structure is:

- a step-up structure a variable redemption structure

Section 2. Pre-Issuance Review

2-1 SCOPE OF REVIEW

The following may be used or adapted, where appropriate, to summarise the scope of the review.

The review:

- assessed all the following elements (complete review) only some of them (partial review):
- | | |
|---|---|
| <input type="checkbox"/> Selection of Key Performance Indicators (KPIs) | <input type="checkbox"/> Bond characteristics (acknowledgment of) |
| <input type="checkbox"/> Calibration of Sustainability Performance Targets (SPTs) | <input type="checkbox"/> Reporting |
| <input type="checkbox"/> Verification | |
- and confirmed their alignment with the SLBP.

2-2 ROLE(S) OF INDEPENDENT EXTERNAL REVIEW PROVIDER

- | | |
|--|---|
| <input checked="" type="checkbox"/> Second Party Opinion | <input type="checkbox"/> Certification |
| <input type="checkbox"/> Verification | <input type="checkbox"/> Scoring/Rating |

Note: In case of multiple reviews / different providers, please provide separate forms for each review.

2-3 EXECUTIVE SUMMARY OF REVIEW and/or LINK TO FULL REVIEW (if applicable)

GAP has developed the Grupo Aeroportuario del Pacífico Sustainability-Linked Financing Framework, under which it intends to issue sustainability-linked bonds, loans and derivatives. The sustainability-linked bonds and loans will tie a step-up in their coupon or interest rate to the achievement or non-achievement of the following SPT: reduce absolute scope 1 and 2 GHG emissions by 25% by 2025 relative to a 2019 baseline.

Sustainalytics considers the KPI, absolute scope 1 and 2 GHG emissions (tCO₂e), to be adequate based on its materiality and relevance to GAP's business, its low scope of applicability, the use of a clear and consistent methodology that is externally defined and its suitability to be benchmarked against external decarbonization trajectories. Sustainalytics considers the SPT, reduce absolute scope 1 and 2 GHG emissions by 25% by 2025 relative to a 2019 baseline, to be aligned with GAP's sustainability strategy and to be highly ambitious given that it is below historical performance, aligned with peer performance and aligned with SBTi's 1.5°C scenario. Furthermore, Sustainalytics considers the reporting and verification commitments to be aligned with market expectations.

Based on the above, Sustainalytics considers the Grupo Aeroportuario del Pacífico Sustainability-Linked Financing Framework to be aligned with the five core components of the Sustainability-Linked Bond Principles 2020 and Sustainability-Linked Loan Principles 2022.

Section 3. Detailed pre-issuance review

Reviewers are encouraged to provide the information below to the extent possible and use the comment section to explain the scope of their review.

3-1 SELECTION OF KEY PERFORMANCE INDICATORS (KPIs)

Overall comment on the section (if applicable): The Grupo Aeroportuario del Pacífico Sustainability-Linked Financing Framework includes one KPI, absolute scope 1 and 2 GHG emissions (see Table 1). Sustainalytics considers the KPI to be adequate based on its relevance to Grupo Aeroportuario del Pacífico's business, its scope and applicability, its clear and consistent methodology, which is externally defined, and on its ability to be externally benchmarked.

List of selected KPIs:

- Absolute scope 1 and 2 GHG emissions (tCO₂e)

Definition, Scope, and parameters

- | | |
|--|---|
| <input checked="" type="checkbox"/> Clear definition of each selected KPIs | <input checked="" type="checkbox"/> Clear calculation methodology |
| <input checked="" type="checkbox"/> Other (please specify): | |

Relevance, robustness, and reliability of the selected KPIs

- | | |
|--|--|
| <input checked="" type="checkbox"/> Credentials that the selected KPIs are relevant, core and material to the issuer's sustainability and business strategy. | <input checked="" type="checkbox"/> Evidence that the KPIs are externally verifiable |
| <input checked="" type="checkbox"/> Credentials that the KPIs are measurable or quantifiable on a consistent methodological basis | <input checked="" type="checkbox"/> Evidence that the KPIs can be benchmarked |
| | <input type="checkbox"/> Other (please specify): |

3-2 CALIBRATION OF SUSTAINABILITY PERFORMANCE TARGETS (SPTs)

Overall comment on the section (if applicable): Sustainalytics considers the SPT to be aligned with Grupo Aeroportuario del Pacífico's sustainability strategy. Sustainalytics considers the SPT to be highly ambitious based on a comparison with past performance, peer performance and science-based trajectories.

Rationale and level of ambition

- | | |
|--|---|
| <input type="checkbox"/> Evidence that the SPTs represent a material improvement | <input checked="" type="checkbox"/> Credentials on the relevance and reliability of selected benchmarks and baselines |
| <input checked="" type="checkbox"/> Evidence that SPTs are consistent with the issuer's sustainability and business strategy | <input checked="" type="checkbox"/> Credentials that the SPTs are determined on a predefined timeline |
| | <input type="checkbox"/> Other (please specify): |

Benchmarking approach

- | | |
|--|--|
| <input checked="" type="checkbox"/> Issuer own performance | <input checked="" type="checkbox"/> Issuer's peers |
| <input checked="" type="checkbox"/> reference to the science | <input type="checkbox"/> Other (please specify): |

Additional disclosure

- | | |
|--|--|
| <input checked="" type="checkbox"/> potential recalculations or adjustments description | <input checked="" type="checkbox"/> issuer's strategy to achieve description |
| <input type="checkbox"/> identification of key factors that may affect the achievement of the SPTs | <input type="checkbox"/> Other (please specify): |

3-3 BOND CHARACTERISTICS

Overall comment on the section (if applicable): Grupo Aeroportuario del Pacífico will link the financial characteristics of the instruments issued under the framework to the achievement or non-achievement of the SPT. For sustainability-linked bonds and loans issued or obtained, a coupon or interest rate step-up will apply when: (i) the relevant SPT has not been achieved on its observation date; (ii) the progress of the KPI cannot be calculated or observed; or (iii) a verification assurance certificate cannot be provided.

Financial impact:

- variation of the coupon
- ...
- Other (please specify): Variation of the interest rate

Structural characteristic:

- ...
- ...
- Other (please specify):

3-4 REPORTING

Overall comment on the section (if applicable): Grupo Aeroportuario del Pacífico commits to report, on an annual basis, on its KPI progress in its sustainability report published on its website. Grupo Aeroportuario del Pacífico commits to disclose relevant information enabling investors to monitor the progress towards the SPT. The reporting commitments are aligned with market expectations.

Information reported:

- | | |
|--|---|
| <input checked="" type="checkbox"/> performance of the selected KPIs | <input checked="" type="checkbox"/> verification assurance report |
| <input checked="" type="checkbox"/> level of ambition of the SPTs | <input type="checkbox"/> Other (<i>please specify</i>): |

Frequency:

- | | |
|---|--------------------------------------|
| <input checked="" type="checkbox"/> Annual | <input type="checkbox"/> Semi-annual |
| <input type="checkbox"/> Other (<i>please specify</i>): | |

Means of Disclosure

- | | |
|--|--|
| <input type="checkbox"/> Information published in financial report | <input checked="" type="checkbox"/> Information published in sustainability report |
| <input type="checkbox"/> Information published in ad hoc documents | <input type="checkbox"/> Other (<i>please specify</i>): |
| <input type="checkbox"/> Reporting reviewed (<i>if yes, please specify which parts of the reporting are subject to external review</i>): | |

Where appropriate, please specify name and date of publication in the “useful links” section.

Level of Assurance on Reporting

- | | |
|---|---|
| <input checked="" type="checkbox"/> limited assurance | <input type="checkbox"/> reasonable assurance |
| | <input type="checkbox"/> Other (<i>please specify</i>): |

USEFUL LINKS (*e.g. to review provider methodology or credentials, to issuer’s documentation, etc.*)

Section 4. Post-issuance verification

Overall comment on the section (*if applicable*):

Information reported:

- | | |
|--|---|
| <input type="checkbox"/> limited assurance | <input type="checkbox"/> reasonable assurance |
| | <input type="checkbox"/> Other (<i>please specify</i>): |

Frequency:

- Annual
- Other (please specify):
- Semi-annual

Material change:

- Perimeter
- SPTs calibration
- KPI methodology

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