

# Second-Party Opinion

## Aeroporti di Roma 2022 Sustainability-Linked Financing Framework



### Evaluation Summary

Sustainalytics is of the opinion that the Aeroporti di Roma 2022 Sustainability-Linked Financing Framework aligns with the Sustainability-Linked Bond Principles 2020 and Sustainability-Linked Loan Principles 2022. This assessment is based on the following:

- Selection of Key Performance Indicators (KPIs)** The Aeroporti di Roma’s Sustainability-Linked Financing Framework includes three KPIs: (i) scope 1 and 2 CO<sub>2</sub> emissions (tonnes), (ii) Airport Carbon Accreditation Level 4+, and (iii) scope 3 CO<sub>2</sub> emissions per passenger (excluding aircraft sources - kgCO<sub>2</sub>/passenger). Sustainalytics considers KPI 1 to be adequate, and KPI 2 and KPI 3 to be strong based on their relevance, materiality, scope of applicability and adequacy to external benchmarking.
- Calibration of Sustainability Performance Targets (SPTs)** Sustainalytics considers the SPTs to be aligned with the Aeroporti di Roma’s sustainability strategy. Sustainalytics further considers SPT 1 to be highly ambitious, and SPT 2 and SPT 3 to be ambitious based on comparison with Aeroporti di Roma’s historical performance, targets set by peers and external science-based decarbonization pathways.
- Sustainability-Linked Instruments Characteristics** Aeroporti di Roma will link the financial characteristics of the instruments to the achievement of the SPTs, namely an increase in the coupon rate or an equivalent premium payment in the redemption price.
- Reporting** Aeroporti di Roma commits to report annually on its KPI progress in its annual Sustainability Report that will be published on the Aeroporti di Roma website. Aeroporti di Roma also commits to disclose relevant information that may enable investors to monitor the progress towards the selected SPTs. The reporting commitments are aligned with the Sustainability-Linked Bond Principles and Sustainability-Linked Loan Principles.
- Verification** Aeroporti Di Roma commits to have external limited assurance conducted against each SPT for all KPIs performance at least once a year which is aligned with market expectations.

<b>Evaluation Date</b>	April 7, 2022
<b>Issuer Location</b>	Fiumicino (Rome), Italy

The SPTs contribute to the following SDGs:



### Overview of KPIs and SPTs

KPI	Baseline	SPT	Strength of the KPI	Ambitiousness of SPT <sup>1</sup>
Scope 1 and 2 CO <sub>2</sub> emissions (tonnes)	2019	Reduce absolute scope 1 and 2 emissions by 53% by 2027 and by 100% by 2030 from a 2019 baseline	Adequate	Highly Ambitious

<sup>1</sup> Sustainalytics’ assessment of the strength of the KPIs and ambitiousness of the SPTs remains the same irrespective of whether only one of the 2027 or 2030 targets is used for the Sustainability-Linked Financing offering or if both 2027 and 2030 targets are used simultaneously.

Airport Carbon Accreditation Level 4+	2021	Maintain the ACA Level 4+ when the certification is reviewed in 2027 and 2030	Strong	Ambitious
Scope 3 CO <sub>2</sub> emissions per passenger (excluding aircraft sources - kgCO <sub>2</sub> /passenger)	2019	Reduce per passenger scope 3 emissions (excluding aircrafts sources) by 10% by 2027 and by 30% by 2030 from a 2019 baseline	Strong	Ambitious

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## Scope of Work and Limitations

Aeroporti di Roma has engaged Sustainalytics to review its 2022 Sustainability-Linked Financing Framework and provide an opinion on the alignment of the notes with the 2020 Sustainability-Linked Bond Principles 2020 (“SLBP”) and the Sustainability-Linked Loan Principles 2022 (“SLLP”).<sup>2,3</sup> Sustainalytics’ Second-Party Opinion reflects Sustainalytics’ independent<sup>4</sup> opinion on the alignment of the Framework with the SLBP and SLLP.

As part of this engagement, Sustainalytics exchanges information with various members of Aeroporti Di Roma’s management team to understand the sustainability impact of their business processes and SPTs, as well as reporting and verification processes of aspects of the Framework. Aeroporti Di Roma’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 of the Sustainability-Linked Financing Framework and should be read in conjunction with the Sustainability-Linked Financing Framework. Any update of the present Second-Party Opinion will be conducted according to the agreed engagement conditions between Sustainalytics and Aeroporti Di Roma S.p.A. 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 the KPIs’ performance. The measurement and reporting of the KPIs is the responsibility of Aeroporti Di Roma. No information provided by Sustainalytics under the present Second-Party Opinion shall be considered as being a statement, representation, warrant or argument either in favor or against, the truthfulness, reliability or completeness of any facts or statements and related surrounding circumstances that Aeroporti Di Roma 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 months or until one of the following occurs:

- (1) A material change to the external benchmarks<sup>5</sup> against which targets were set;
- (2) A material corporate action (such as material M&A or change in business activity) which has a bearing on the achievement of the SPTs or the materiality of the KPIs.

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<sup>2</sup> 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>.

<sup>3</sup> The Sustainability-Linked Loan Principles are administered by Asia Pacific Loan Market Association, Loan Market Association and Loan Syndications and Trading Association and are available at: <https://www.lsta.org/content/sustainability-linked-loan-principles-sllp/>. Please access Loan Market Association’s website here: <https://www.lma.eu.com/>

<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> Benchmarks refers to science-based benchmarks.

## Introduction

Aeroporti di Roma S.p.A. (“Aeroporti di Roma”, “ADR” or the “Company”) engages in the management and development of airport infrastructure. Its activities include management of the “Leonardo da Vinci” airport in Fiumicino (“FCO”) and the “G.B. Pastine” airport in Ciampino (“CIA”), monitoring of aviation safety, and provision of advertising system solutions. The Company was founded in 1974 and is headquartered in Fiumicino, Italy.

ADR has developed the Aeroporti di Roma Sustainability-Linked Financing Framework (the “Framework”) under which it intends to issue sustainability-linked bonds and loans. The financial characteristics of these instruments such as the coupon rate, margin or redemption price will be tied to the achievement of the sustainability performance targets of one or more of the three selected key performance indicators namely: (i) scope 1 and scope 2 CO<sub>2</sub> emissions (tonnes), (ii) Airport Carbon Accreditation Level 4+, and (iii) scope 3 CO<sub>2</sub> emissions per passenger (excluding aircraft sources – kgCO<sub>2</sub>/passenger). For the purpose of the Framework and its KPIs, ADR focuses solely on the Fiumicino airport which accounts for more than 94% of the total CO<sub>2</sub> emissions produced by both airports in 2019.

ADR has engaged Sustainalytics to review the Framework dated April 2022 and provide a second-party opinion on the alignment of the Framework with the Sustainability-Linked Bond Principles 2020 and Sustainability-Linked Loan Principles 2022.

The KPIs and SPTs used by ADR are defined in Tables 1 and 2 below.

**Table 1: KPI Definitions**

KPI	Definition
Scope 1 and 2 CO <sub>2</sub> emissions (tonnes)	<p>The KPI measures absolute scope 1 and 2 emissions in tCO<sub>2</sub> across ADR’s operational activities at the Fiumicino airport.</p> <ul style="list-style-type: none"> <li>- Scope 1 includes direct emissions from stationary sources, mobile sources, process emissions and other emissions. ADR follows emission factors defined under the GHG Protocol Standard to calculate scope 1 emissions.</li> <li>- Scope 2 includes indirect emissions from purchased electricity, heating and cooling. ADR follows emission factors defined by the Italian Institute for Environmental Protection and Research<sup>6</sup> to calculate scope 2 emissions.</li> </ul> <p>The emissions are calculated as per ACA rules for Level 4+ defined by ACI Europe in line with the guidance under ISO 14064-1.<sup>7</sup></p>
Airport Carbon Accreditation Level 4+	<p>ADR intends to maintain Level 4+ (Transition) certification by the Airport Carbon Accreditation (ACA)<sup>8</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 (Optimisation), Level 3+ (Neutrality), Level 4 (Transformation) and Level 4+ (Transition).</p>
Scope 3 CO <sub>2</sub> emissions per passenger (excluding aircraft sources - kgCO <sub>2</sub> /passenger)	<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>9</sup>, divided by the number of passengers utilizing Fiumicino airport. The KPI is expressed in kilograms of carbon dioxide per passenger (kgCO<sub>2</sub>/passenger).</p> <p>The KPI will aggregate emissions from the following sources and will exclude aircraft-related emissions:</p> <ul style="list-style-type: none"> <li>• Ground Support Equipment (“GSE”) and handlers' vehicles (supporting aircraft during the turnaround at the stand)</li> <li>• Passenger accessibility (travelling to and from the airport)</li> <li>• Other staff accessibility (third parties), travelling to and from the airport</li> <li>• Goods accessibility (estimated)</li> </ul>

<sup>6</sup> The Italian Institute for Environmental Protection and Research (ISPRA) is a research institute that acts under the vigilance and policy guidance of Italy’s Ministry of Ecological Transition. For more information, see: <https://www.isprambiente.gov.it/istituto>

<sup>7</sup> ISO 14064-1 sets the principles and requirements for the quantification and reporting of GHG emissions and removals. For more information: <https://www.iso.org/obp/ui/#iso:std:iso:14064-1:ed-2:v1:en>

<sup>8</sup> The ACA is a certification programme aimed at reducing the carbon footprint of airports in line with line with the IPCC’s 1.5°C or 2°C pathways. For more information: <https://www.airportcarbonaccreditation.org/about/what-is-it.html>

<sup>9</sup> *Ibid*

	<ul style="list-style-type: none"> <li>• Waste management (treatment and disposal of solid and liquid waste generated in the airport’s operations)</li> <li>• Business trips of ADR staff</li> <li>• Third-parties fixed sources (emissions from generators and on-site plant)</li> <li>• Deicing airplanes</li> <li>• Energy purchased by third parties</li> </ul>
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**Table 2: SPTs and Past Performance**

KPI 1	2017	2018	2019 (baseline)	SPT
Scope 1 and 2 CO <sub>2</sub> emissions (tonnes)	58,496	58,728	59,173	Reduce absolute scope 1 and 2 emissions by 53% by 2027 and by 100% by 2030 from a 2019 baseline

KPI 2	2013-2020	2021 (baseline)	SPT
Airport Carbon Accreditation Level 4+	ACA Level 3+	ACA Level 4+	Maintain the ACA Level 4+ when the certification will be reviewed in 2027 and 2030

KPI 3	2017	2018	2019 (baseline)	SPT
Scope 3 CO <sub>2</sub> emissions per passenger (excluding aircraft sources - kgCO <sub>2</sub> /passenger)	15.7	17.4	14.3	Reduce per passenger scope 3 emissions (excluding aircrafts sources) by 10% by 2027 and by 30% by 2030 from a 2019 baseline

## Sustainalytics' Opinion

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

Sustainalytics is of the opinion that the Aeroporti di Roma Sustainability-Linked Bond Framework align with the five core components of the Sustainability-Linked Bond Principles 2020 and the Sustainability-Linked Loan Principles 2022.



#### Selection of Key Performance Indicators (KPIs)

##### 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 Company business on environment or social issues, and ii) to what portion of impact the KPI is applicable.

##### KPI 1 – Scope 1 and 2 CO<sub>2</sub> emissions (tonnes)

Sustainalytics considers KPI 1, scope 1 and 2 CO<sub>2</sub> emissions, to be material and relevant given the importance of reducing emissions from the global aviation industry which is responsible for approximately 3% of the global CO<sub>2</sub> emissions are expected to rise to 22% by 2050 driven by an increase in the number of passengers.<sup>10</sup> ADR considers reducing its direct scope 1 emissions and indirect 2 emissions from purchased electricity to be a key focus of its sustainability strategy under which it aims to achieve carbon neutrality in scope 1 and 2 emissions by 2030.

With regard to applicability, Sustainalytics notes that KPI 1 represents 18% of the total emissions which are under ADR's operational control or over which ADR has the ability to provide guidance in 2021 and therefore considers it to have a limited scope of applicability.<sup>11</sup>

##### KPI 2 – Airport Carbon Accreditation Level 4+

Sustainalytics considers KPI 2, Airport Carbon Accreditation Level 4+, to be material and relevant as ACA Level 4+ ("Transition")<sup>12</sup> encompasses the total carbon footprint of airports and assesses the efforts made by airports to manage and reduce their GHG emissions which is a material ESG issue for ADR. The targets set forth in the accreditation for emissions reduction are considered by ACA to be in alignment with the targets under the Paris Agreement to limit global warming to well below 1.5°C. Level 4+ also includes stakeholder plans that have a material impact on ADR's scope 3 sources and over which the Company has some influence and can provide guidance.

Additionally, Sustainalytics considers the KPI to have a high scope of applicability as the accreditation addresses emissions generated from 100% of ADR's operations.

##### KPI 3 - Scope 3 CO<sub>2</sub> emissions per passenger (excluding aircraft sources - kgCO<sub>2</sub>/passenger)

Sustainalytics considers KPI 3, scope 3 CO<sub>2</sub> emissions per passenger (excluding aircraft sources - kgCO<sub>2</sub>/passenger), to be material and relevant for ADR. In 2019, 86% of these emissions were generated from the modes of transport used by passengers to access the airport. Sustainalytics notes that airport management companies such as ADR do not have direct control over such emissions and as such, are only able to provide guidance for reduction in emissions. ADR has identified reducing its scope 3 passenger-related emissions to be

<sup>10</sup> WEF, "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/>

<sup>11</sup> KPI 1 addresses 100% of ADR's scope 1 and 2 emissions over which ADR has operational control (3% of total emissions) and KPI 3 represents 100% of ADR's non-aviation related scope 3 emissions (15% of total emissions) over which ADR is able to provide guidance. As such, KPI 1 and KPI 3 together address 100% of the emissions over which ADR has direct control or influence. Based on this, Sustainalytics has assessed the applicability of KPI 1 and KPI 3 jointly.

<sup>12</sup> The transition phase requires airports to offset their residual emissions by using internationally recognized offsets to reduce remaining scope 1 and scope 2 emissions while also reducing scope 3 emissions generated from staff travel.

a material issue for the Company and it aims to provide guidance and influence stakeholders to lower carbon emissions on a per passenger basis.

Sustainalytics notes that KPI 3 excludes scope 3 emissions from aviation activities such as the cruise, landing and take-off cycle and taxing of aircrafts. Sustainalytics acknowledges that these emissions could comprise more than 80% of ADR's total emissions, but recognizes that the Company does not have direct control over these emissions which are managed directly by third-parties at the airport. Nevertheless, ADR provides guidance to such third-parties to encourage reduction in emissions such as by promoting the adoption of Sustainable Aviation Fuel with an aim to support reduction in aviation-related emissions.

With regard to applicability, Sustainalytics notes that in 2021 KPI 3 represented 82% of the total emissions which are under ADR's operational control or over which ADR has the ability to provide guidance and therefore, considers it to have a high scope of applicability.<sup>13</sup>

### **KPI Characteristics**

In its assessment of the KPI characteristics, Sustainalytics considers: i) whether a clear and consistent methodology is used, ii) whether the Company follows an externally recognized definition, iii) whether the KPIs are a direct measure of the performance of the Company on the material environmental or social issue, and iv) if applicable, whether the methodology can be benchmarked to an external contextual benchmark.<sup>14</sup>

#### KPI 1 – Scope 1 and 2 CO<sub>2</sub> emissions (tonnes)

Sustainalytics considers ADR's definition and methodology to calculate KPI 1 to be clear and consistent with its historical disclosures. The methodology used by ADR to calculate absolute scope 1 and 2 emissions is based on the methodology prescribed by ACA which is a global carbon management certification programme for airports. As the KPI measures the reduction in absolute scope 1 and scope 2 emissions, Sustainalytics considers it to be supportive of benchmarking against external science-based emissions reduction trajectories such as those of the Science-Based Targets initiative (SBTi). Additionally, Sustainalytics considers KPI 1 to be a direct measure of the Company's performance on the material environmental issue of carbon emissions.

#### KPI 2 – Airport Carbon Accreditation Level 4+

Sustainalytics considers ADR's definition and methodology to calculate KPI 2 to be clear and consistent with its historical disclosures as a participant of the ACA certification scheme. The KPI performance follows the ACA rule for Level 4+ defined by ACI Europe in line with the guidance provided by ISO 14064-1.<sup>15</sup> ACA is a widely accepted global carbon management certification and the methodology used under the scheme is considered an industry standard. Additionally, as the certification incorporates emissions reduction targets in alignment with the absolute contraction approach with an aim to achieve the goals under the Paris Agreement, Sustainalytics considers the KPI as supportive of benchmarking.

In addition, Sustainalytics considers the KPI to be an indirect measure of the Company's performance on the material ESG issue of GHG emissions

#### KPI 3 - Scope 3 CO<sub>2</sub> emissions per passenger (excluding aircraft sources - kgCO<sub>2</sub>/passenger)

Sustainalytics considers ADR's definition and methodology to calculate KPI 3 to be clear and consistent with its historical disclosures. The methodology used to calculate absolute scope 3 emissions is based on the methodology prescribed by ACA, which is a global carbon management certification programme for airports. Sustainalytics considers that it does not support benchmarking against external science-based emissions reduction trajectories due to the unavailability of a benchmarkable pathway for the industry. Moreover, Sustainalytics considers KPI 3 to be a direct measure of the Company's performance on the material environmental issue of carbon emissions.

### **Overall Assessment**

<sup>13</sup> KPI 1 addresses 100% of ADR's scope 1 and 2 emissions over which ADR has operational control (3% of total emissions) and KPI 3 represents 100% of ADR's non-aviation related scope 3 emissions (15% of total emissions) over which ADR is able to provide guidance. As such, KPI 1 and KPI 3 together address 100% of the emissions over which ADR has direct control or influence. Based on this, Sustainalytics has assessed the applicability of KPI 1 and KPI 3 jointly.

<sup>14</sup> External contextual benchmarks provide guidance on the 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>15</sup> ISO, "ISO 14064-1:2018" at: <https://www.iso.org/standard/66453.html>



Sustainalytics considers KPI 1 – scope 1 and 2 CO<sub>2</sub> emissions – to be adequate given that it: (i) is a direct measure of ADR’s performance on a relevant and material environmental issue, (ii) follows a clear and consistent methodology which is used under ACA, (iii) supports benchmarking against external science-based trajectories, but (iv) has a limited scope of applicability.

Sustainalytics considers KPI 2 – Airport Carbon Accreditation Level 4+ – to be strong given that it: (i) is an indirect measure of ADR’s performance on GHG emissions, which is a material environmental issue for the Company, (ii) follows an externally recognized calculation methodology, (iii) can be benchmarked against external science-based decarbonization pathways, and (iv) has a high scope of applicability.

Sustainalytics considers KPI 3 – scope 3 CO<sub>2</sub> emissions per passenger (excluding aircraft sources - kgCO<sub>2</sub>/passenger) – to be strong given that it: (i) is a direct measure of ADR’s performance on a relevant and material environmental issue, (ii) follows a clear and consistent methodology which is used under ACA, (iii) has a high scope of applicability, but (iv) does not support benchmarking against external science-based emission reduction trajectories due to the unavailability of a benchmarkable pathway for the industry.

KPI	Strength of the KPI			
	Not Aligned	Adequate	Strong	Very strong
KPI 1: Scope 1 and 2 CO <sub>2</sub> emissions (tonnes)	Not Aligned	Adequate	Strong	Very strong
KPI 2: Airport Carbon Accreditation Level 4+	Not Aligned	Adequate	Strong	Very strong
KPI 3: Scope 3 CO <sub>2</sub> emissions per passenger (excluding aircraft sources - kgCO <sub>2</sub> /passenger)	Not Aligned	Adequate	Strong	Very strong



## Calibration of Sustainability Performance Targets (SPTs)

### Alignment with the Company’s Sustainability Strategy

ADR has set the following SPTs for its KPIs:

- Reduce scope 1 and 2 CO<sub>2</sub> emissions by 53% by 2027 and by 100% by 2030 from a 2019 baseline
- Maintain the ACA Level 4+ when the certification is reviewed in 2027 and 2030
- Reduce per passenger scope 3 emissions (excluding aircrafts sources) by 10% by 2027 and by 30% by 2030 from a 2019 baseline

Sustainalytics considers the SPTs to be aligned with ADR’s sustainability strategy (please refer to Section 2 for an analysis of the credibility of ADR’s sustainability strategy).

In its 2020 Sustainability Report, ADR disclosed the result of its materiality assessment, which identified energy efficiency and sustainable infrastructure development as material ESG topics for the Company.<sup>16</sup> The Company has integrated these considerations into its sustainability strategy, under which ADR is focusing its efforts on lowering its environmental footprint. ADR’s Sustainability Plan is informed by the Company’s long-term goal of achieving net zero by 2030.

- Regarding SPT 1, in 2020, ADR committed to achieving carbon neutrality for scope 1 and 2 emissions by 2030. To support this goal, Fiumicino airport has joined The Climate Group’s EP100 initiative,<sup>17</sup> with a goal of increasing energy productivity by 150% by 2026 compared to a 2006 baseline. The Company will also ensure that the construction and renovation of new terminals and buildings meet the requirements under the LEED Gold or BREEAM Very Good certification, which Sustainalytics considers to be credible and impactful.

<sup>16</sup> ADR, “Sustainability Report 2020”, at: [https://www.adr.it/documents/10157/20922049/bilancio+sostenibilit%C3%A0+2020\\_def/7a31922f-ab82-8f7b-2252-5c9946cdf4a3](https://www.adr.it/documents/10157/20922049/bilancio+sostenibilit%C3%A0+2020_def/7a31922f-ab82-8f7b-2252-5c9946cdf4a3)

<sup>17</sup> EP100 is a corporate commitment platform through which companies pledge to improve their energy productivity by deploying energy-efficient technologies and practices. For more information: <https://www.theclimategroup.org/ep100-faqs#:~:text=EP100%20is%20a%20corporate%20commitment,energy%20efficient%20technologies%20and%20practices.>

- Regarding SPT 2, Sustainalytics notes that ADR intends to maintain Level 4+ which is the highest level of certification under the ACA scheme and requires the Company to establish emission reduction targets and reduce absolute emissions. Before becoming the first European airport to achieve ACA Level 4+ certification in 2021, FCO had already achieved and maintained ACA Level 3+ since 2013. Sustainalytics notes that ADR is one of the nine airports in Europe to have achieved Level 4+. As part of the certification process, the Company commits to implementing a series of sustainability measures to achieve carbon reduction and influence stakeholders to lower scope 3 emissions.
- Regarding SPT 3, ADR recognizes that scope 3 emissions are a significant source of GHG emissions over which it has limited control and aims to provide guidance and influence stakeholders. Between 2016 and 2019, the Company reduced its carbon emissions per passenger (excluding aircraft sources) by 1.5 kg annually as a result of the increase in bus connections, allowing passengers to reach the airport of Fiumicino from the regions of Central Italy and the provinces of Lazio using public transport.

### Strategy to Achieve the SPTs

#### SPT 1 - Reduce scope 1 and 2 CO<sub>2</sub> emissions by 53% by 2027 and by 100% by 2030 from a 2019 baseline

ADR intends to achieve SPT 1 through the following strategies:

- ADR intends to build two multi-megawatt photovoltaic plants totaling 60MW capacity which are expected to be operational by 2025 and 2027 respectively. ADR expects the aforementioned plants to fulfil approximately 50% of its electricity consumption in 2027. Additionally, the Company is in the process of phasing out methane-powered combined heat and power (CHP) plants which are expected to be replaced by biomethane boilers from 2029. ADR also plans to install additional energy storage capacity.
- The Company expects more than 60% of terminal infrastructure to be built or refurbished according to the international sustainable standards (LEED or BREEAM) by 2030.<sup>18</sup>
- The Company is also focusing on installing energy-efficient technologies such as advanced data analytics for Building Management System and installation of LED lights which now make up 99% of the total lighting.
- ADR plans to decarbonize the road airport vehicles through substitution of the entire fleet with electric vehicles, use of pure hydrogenated biofuel for trucks, heavy-duty road vehicles and emergency generators which are currently powered by fossil fuel. The Company is also investing in developing a network of electric charging stations to ensure airport mobility.

#### SPT 2 - Maintain the ACA Level 4+ when the certification is reviewed in 2027 and 2030

ADR intends to achieve SPT 2 through the following strategies:

- In order to maintain the ACA Level 4+ certification, ADR commits to meeting a series of requirements for the renewal of the certification every three years.
- ADR has developed an action plan which includes objectives such as making sustainable aviation fuels ("SAF") available by 2024, the installation of 500 charging stations for electric vehicles by 2025 (approximately 100 airside and 400 landside), improving airport connectivity infrastructure such as rail and bus accessibility and linking the airport to regional cycle lines.
- The Company also seeks to raise awareness among its tenants for the procurement of renewable energy, use of electric vehicles and working towards the fulfilment of the SESAR program.<sup>19</sup>

#### SPT 3 - Reduce per passenger scope 3 emissions (excluding aircrafts sources) by 10% by 2027 and by 30% by 2030 from a 2019 baseline

ADR intends to achieve SPT 3 through the following strategies:

- Installing 500 charging points for electric vehicles by 2025 to promote electric mobility.
- Improve passenger accessibility to the airport through an increase in the number of trains, reduction in tariffs, construction of cycle lanes for employees and facilitating electric car sharing.

<sup>18</sup> This includes Boarding Pier E & T3 front buildings as well as the T1 front building that are targeting the BREEAM Very Good Certification and Hub East Pier A that targets LEED Gold.

<sup>19</sup> ADR, "What is SESAR " at: <https://www.adr.it/web/aeroporti-di-roma-en/sesar-programme>

- Raising awareness among its' tenants for the procurement of green certified energy and usage of hybrid/electric vehicles and develop incentive policies
- Developing the Urban Air Mobility service<sup>20</sup> (operating in electric mode) to connect the international hub Leonardo da Vinci with various places in Rome.

### **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>21</sup>

ADR has set the baseline at 2019 for KPI 1 and KPI 3 as the Company's business and operations in 2020 and 2021 were significantly impacted by the COVID-19 pandemic. Therefore, ADR considers the 2019 baseline to be more reflective of the long-term trend in its emissions performance.

For SPT 2, ADR has set the baseline at 2021 as it achieved the Level 4+ accreditation from ACA in April 2021.

#### SPT 1 - Reduce scope 1 and 2 CO<sub>2</sub> emissions by 53% by 2027 and by 100% by 2030 from a 2019 baseline

Sustainalytics was able to use the following benchmarks to assess ambitiousness: past performance, peer performance and the SBTi pathways. Between 2017 and 2019, the Company reduced its absolute scope 1 and 2 emissions at an average annual rate of 1.3%. To achieve the SPTs, ADR would need to reduce its scope 1 and scope 2 emissions at an average annual rate of approximately 6.7% until 2027 and 9.1% until 2030 compared to the 2019 baseline. Therefore, Sustainalytics notes that the targeted rate of reduction in scope 1 and scope 2 emissions represents a material improvement over ADR's historical emissions performance.

Based on Sustainalytics' assessment of ADR's peer group, SPT 1 is above the scope 1 and scope 2 emissions reduction targets set by peers, most of which have not set similar publicly available targets. ADR has also set a more ambitious carbon neutrality goal for scope 1 and scope 2 emissions than its peers. Additionally, SPT 1 is aligned with the SBTi's 1.5°C scenario.

#### SPT 2 - Maintain the ACA Level 4+ when the certification is reviewed in 2027 and 2030

Sustainalytics was able to use the following benchmarks to assess ambitiousness: past performance, peer analysis and the SBTi pathways. The Company joined the ACA in 2011. Between 2013 and 2021, ADR received and maintained the Level 3+ certification level, reaching Level 4+ accreditation in April 2021. Therefore, Sustainalytics notes that ADR's target of maintaining Level 4+ accreditation from ACA is aligned with its historical performance.

Sustainalytics' assessment of ADR's peers shows that ADR is among only nine airports in Europe to have received this level of accreditation. Of the 390 participating airports globally, only 11 have achieved Level 4+. Therefore, Sustainalytics considers the SPT to be above the performance of ADR's industry peers. Additionally, SPT 2 is aligned with the SBTi's 1.5°C scenario. However, Sustainalytics has amended its original assessment of SPT 2 from highly ambitious to ambitious because of an internal change in methodology resulting from more stringent market standards. This is because the ACA methodology requires a 3% absolute annual reduction in an airport's total carbon footprint for alignment with the 1.5°C scenario. SBTi, on the other hand, specifies a higher absolute annual reduction of 4.2%, which Sustainalytics now considers as most credible.<sup>22</sup>

#### SPT 3 - Reduce per passenger scope 3 emissions (excluding aircrafts sources) by 10% by 2027 and by 30% by 2030 from a 2019 baseline

Sustainalytics was able to use the following benchmarks to assess ambitiousness: past performance and peer performance. Between 2017 and 2019, the Company reduced its scope 3 non-aviation related emissions at an average annual rate of 2.5%. To achieve the SPTs, ADR would need to reduce its scope 3 emissions at an average annual rate of approximately 1.4% until 2027 and 3.1% until 2030 compared to the 2019 baseline. Therefore, Sustainalytics notes that the targeted rate of reduction in scope 3 emissions aligns with ADR's historical emissions performance representing a continuous reduction.

Based on Sustainalytics' assessment of ADR's peer group, SPT 3 is above the scope 3 emissions reduction targets set by ADR's peers, most of which have not set publicly available targets.

<sup>20</sup> Urban Air Mobility (UAM) is an aviation transportation system that will use highly automated aircraft that will operate and transport passengers or cargo at lower altitudes within urban and suburban areas.

<sup>21</sup> We refer here to contextual benchmarks that indicate the alignment of targets with ecosystem boundaries.

<sup>22</sup> Sustainalytics notes that the change in ambitiousness for SPT 2 does not affect any existing issuances realized before April 7, 2022.

### Overall Assessment

Sustainalytics considers SPT 1 to align with ADR’s sustainability strategy and to be highly ambitious given that it: (i) represents a material improvement compared to ADR’s past performance on emissions reduction, (ii) is above the targets set by ADR’s industry peers, and (iii) is aligned with SBTi’s 1.5°C scenario.

Sustainalytics considers SPT 2 to align with ADR’s sustainability strategy and to be ambitious given that it: (i) is aligned with ADR’s historical performance, (ii) is above the performance of industry peers, and (iii) is aligned with the SBTi’s 1.5-° scenario.

Sustainalytics considers SPT 3 to align with ADR’s sustainability strategy and to be ambitious given that it: (i) represents a continuous improvement compared to ADR’s past performance on emissions reduction, (ii) is above the targets set by ADR’s industry peers, and (iii) does not align with external science-based emission reduction trajectories as the KPI relates to emission intensity.<sup>23</sup>

SPT	Ambitiousness of the SPT			
SPT 1: Reduce scope 1 and 2 CO <sub>2</sub> emissions by 53% by 2027 and by 100% by 2030 from a 2019 baseline	Not Aligned	Moderately Ambitious	Ambitious	Highly Ambitious
SPT 2: Maintain the ACA Level 4+ when the certification will be reviewed in 2027 and 2030	Not Aligned	Moderately Ambitious	Ambitious	Highly Ambitious
SPT 3: Reduce per passenger scope 3 emissions (excluding aircrafts sources) by 10% by 2027 and by 30% by 2030 from a 2019 baseline	Not Aligned	Moderately Ambitious	Ambitious	Highly Ambitious



### Sustainability-Linked Instruments Characteristics

Sustainalytics notes that ADR will link the financial characteristics of the sustainability-linked bonds or loans to be issued or assumed by it to the KPIs and SPTs used under the Framework to the achievement or failure to achieve the SPTs. If ADR is unable to achieve the SPTs on their specified observation dates on December 31, 2027, and/or December 31, 2030,<sup>24</sup> this will result in a step-up in the coupon rate, margin adjustment or an equivalent premium payment in the redemption price of the financial instruments. Sustainalytics notes that specific details on the changes and/or adjustments in financial characteristics will be specified in the transaction specific documentation. This is aligned with the SLBP and SLLP.



### Reporting

ADR commits to report on an annual basis on its progress on the KPIs in its Integrated Annual Report or equivalent annual reporting document including sustainability disclosure that will be accessible on its website. The Company also commits to disclose other relevant information that may enable investors to monitor progress towards the SPTs including any updates to the Company’s sustainability strategy. Sustainalytics considers ADR’s reporting commitments to be aligned with the SLBP and SLLP.



### Verification

ADR commits to have an external verifier provide limited assurance against each SPT for each KPI at least once a year which is aligned with the SLBP and the SLLP on verification.

<sup>23</sup> Sustainalytics’ assessment of the strength of the KPIs and ambitiousness of the SPTs remains the same irrespective of whether only one of the 2027 or 2030 targets is used for the Sustainability-Linked Financing offering or if both 2027 and 2030 targets are used simultaneously.

<sup>24</sup> Sustainalytics notes that ADR intends to raise debt that corresponds to one of the two SPTs for each KPI.

## Section 2: Assessment of ADR's Sustainability Strategy

### Credibility of ADR Sustainability Strategy

ADR positions itself as a sustainability-focused airport operator backed by a history of initiatives that demonstrate its commitment to addressing issues that are material to its stakeholders. The Company established a sustainability governance structure in 2013 which comprises a Sustainability Steering Committee to oversee the environmental aspects of Company's sustainability strategy, and the Environmental and Sustainability Units that coordinate the formulation and implementation of ADR's sustainability strategy.<sup>25</sup> The Company's sustainability strategy is focused on three pillars: i) human resource welfare and development, ii) environmental impact, and iii) development of sustainable infrastructure.<sup>26</sup> This strategy is translated every year into a sustainability plan that outlines concrete actions for ADR to achieve its sustainability goals.<sup>27</sup>

Of the three strategic priorities, ADR's focus on the environment is most relevant to the KPIs and SPTs in the Framework. ADR has established an overarching goal to reduce the environmental impact of its operations in terms of waste management, water consumption, noise pollution and energy use and emissions.<sup>28</sup> Regarding energy use and emissions, ADR has set a target to achieve net zero CO<sub>2</sub> emissions by 2030 which underpins its initiatives to decarbonize its operations. Pursuant to this strategy, ADR joined the Airport Carbon Accreditation (ACA) programme<sup>29</sup> in 2011 and achieved the highest level 4+ certification in March 2021.<sup>30</sup> Level 4+ airports have reduction targets for either scopes 1 and 2 emissions or a combination of scopes 1, 2 and selected scope 3 emissions in line with The Intergovernmental Panel on Climate Change's 1.5°C or 2°C pathways. These airports also need to implement offset mechanisms for residual emissions under their control.<sup>31</sup> Accordingly, ADR pursued decarbonization initiatives including the planned construction of a 60 MW solar photovoltaic unit at FCO<sup>32</sup> and a 5 MW second-life battery and thermal storage unit to optimize the capacity of the FCO solar energy facility.<sup>33</sup> Since 2009, ADR has also implemented other energy efficiency initiatives such as implementing Building Management Systems in Europe with 18,000 controlled points, installing 100,000 LED lights and 5,000 inverters, that have reduced the energy consumption (kWh/passenger m<sup>2</sup>) at FCO and CIA by 42% and 30% respectively between 2012 and 2019.<sup>34</sup>

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

### ADR's Environmental and Social Risk Management

Overall, Sustainalytics' ESG Risk Rating assessment shows that ADR's management of ESG risk exposure is strong. Sustainalytics acknowledges that ADR's defined targets are impactful, but notes that achieving the SPTs bears environmental and social risks. Sustainalytics' ESG Risk Ratings identify Product Governance, Community Relations and Occupational Health and Safety as key material ESG issues for the transportation infrastructure industry.

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

- ADR has established an Enterprise Risk Management framework that outlines its integrated approach to identifying, assessing and managing risks that are material to the Company's business.<sup>35</sup> Furthermore, the Company's Integrated Management System provides a framework for addressing issues related to the safety of airport operations, quality of services, energy efficiency and environmental impact. This systematic approach is provided in the Company's Integrated Policy on Quality, Environment, Energy, and Occupational Health and Safety.<sup>36</sup>
- Regarding product governance, the Company has a Quality Policy that demonstrates its commitment to quality service and customer satisfaction. The policy is aligned with the Company's certification under ISO 9001 on Quality Management

<sup>25</sup> Aeroporti di Roma, "Sustainability Report 2020" (2021), at:

[https://www.adr.it/documents/17615/20953574/bilancio+sostenibilit%C3%A0+2020\\_eng\\_def/14defc78-c71d-4efb-5a6b-b5df8cda7347](https://www.adr.it/documents/17615/20953574/bilancio+sostenibilit%C3%A0+2020_eng_def/14defc78-c71d-4efb-5a6b-b5df8cda7347)

<sup>26</sup> Aeroporti di Roma, "Sustainability to ADR", at: <https://www.adr.it/web/aeroporti-di-roma-en/sustainability-to-adr>

<sup>27</sup> Aeroporti di Roma, "Sustainability Report 2020" (p.19)

<sup>28</sup> Aeroporti di Roma, "Commitment to the Environment", at: <https://www.adr.it/web/aeroporti-di-roma-en/commitment-to-the-environment>

<sup>29</sup> The ACA is a certification programme aimed at reducing the carbon footprint of airports in line with line with IPCC 1.5°C or 2°C pathways. For more information, see: <https://www.airportcarbonaccreditation.org/about/what-is-it.html>

<sup>30</sup> Aeroporti di Roma, "Energy", at: <https://www.adr.it/web/aeroporti-di-roma-en/energy>

<sup>31</sup> Airport Carbon Accreditation, "Application Manual" (2020), at:

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

<sup>32</sup> Aeroporti di Roma, "Sustainability Report 2020" (2021), at:

[https://www.adr.it/documents/17615/20953574/bilancio+sostenibilit%C3%A0+2020\\_eng\\_def/14defc78-c71d-4efb-5a6b-b5df8cda7347](https://www.adr.it/documents/17615/20953574/bilancio+sostenibilit%C3%A0+2020_eng_def/14defc78-c71d-4efb-5a6b-b5df8cda7347)

<sup>33</sup> Aeroporti di Roma, "Pioneer Project", at: <https://www.adr.it/web/aeroporti-di-roma-en/pioneer-project>

<sup>34</sup> Aeroporti di Roma, "Energy", at: <https://www.adr.it/web/aeroporti-di-roma-en/energy>

<sup>35</sup> Aeroporti di Roma, "Annual Report 2020" (2021), at: <https://www.adr.it/documents/17615/20916850/RFA+ADR+2020+ENG.pdf/8fe07001-8233-e34b-20b7-7bd201ae1283>

<sup>36</sup> Aeroporti di Roma, "Sustainability Report 2020" (p.163)



System that includes continuous monitoring of customer experience to gauge satisfaction levels and identify areas for improvement.<sup>37</sup> In response to the COVID-19 health crisis, ADR obtained a Biosafety Trust Certification for establishing a Management System for the Prevention and Control of Infections aimed at safeguarding the health of passengers and workers as well as providing a safe environment where FCO and CIA can operate amid the COVID-19 pandemic.<sup>38</sup> Additionally, ADR is one of the first European airports to adopt the European Aviation Health Safety protocol issued by the European Union Aviation Safety Agency and the European Center for Disease Prevention and Control, which set out the measures for safe resumption of airport operations following the severe disruption caused by COVID-19.<sup>39</sup>

- ADR recognizes the importance of mitigating the impact of its operations on the surrounding community, particularly with regard to noise pollution from the frequent taking off and landing of aircrafts. At FCO, the acoustic monitoring system ensures compliance with thresholds set by the airport acoustic zoning regulation while at CIA, the Company has established a noise reduction and abatement plan that includes new takeoff procedures and streamlining of aircraft movements during night time.<sup>40</sup>
- Regarding occupational health and safety, the Company has adopted a system based on the ISO 45001 standards that emphasizes prevention over reactive measures. The key processes outlined by the system includes identification of hazards, assessment of risks, identification of preventive and protective measures, checks by supervisors, analysis of accidents and near misses.<sup>41</sup>

In addition to the above, Sustainalytics notes that it has found no evidence of any major environmental or social controversies related to ADR. Overall, Sustainalytics considers that ADR has strong 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 SPTs.

### Section 3: Impact of the SPTs Chosen

The global aviation industry is responsible for approximately 3% of global carbon dioxide emissions.<sup>42</sup> This share is estimated to rise to 22% by 2050 largely driven by an increase in passengers travelling by air and by the decarbonization of other sectors.<sup>43</sup> Emissions from the aviation industry comprise 12% of the net emissions from global transport, and 13.9% of the total emissions from the EU transport sector.<sup>44</sup> The EU has committed to a GHG emissions reduction target of 55% by 2030, compared to 2015 levels and aims to achieve climate neutrality by 2050. To support the achievement of these climate-related goals, the European Commission in the European Green Deal set out a goal to reduce transport emissions by 90% by 2050 compared to 1990 levels, which will require significant contribution from the aviation sector.<sup>45</sup> In October 2021, airlines, airports, air traffic management providers and makers of aircrafts and engines representing the global air transport industry adopted a long-term climate goal to achieve net zero carbon emissions by 2050.<sup>46</sup>

In line with the decarbonization objectives set at the global and the EU levels, various European airports have implemented decarbonization strategies, which is evident from the increased participation in the ACA accreditation scheme in the region. As of March 2022, European airports represent approximately 65% of the total 390 participating airports.<sup>47</sup>

Sustainalytics is of the opinion that allocations made by ADR under the Framework are expected to have a material impact in reducing ADR's carbon footprint and allow ADR to maintain the ACA Level 4+ accreditation.

<sup>37</sup> Aeroporti di Roma, "Sustainability Report 2020" (p.165,187)

<sup>38</sup> Aeroporti di Roma, "Sustainability Report 2020" (p.25)

<sup>39</sup> Aeroporti di Roma, "Sustainability Report 2020" (p.24)

<sup>40</sup> Aeroporti di Roma, "Sustainability Report 2019" (2020), at:

[https://www.adr.it/documents/17615/18251773/BILANCIO+SOSTENIBILITA+2019+EN\\_DEF\\_2020.09.01\\_publicato.pdf/ba98b5e1-3f52-4023-8318-d103df30ff58](https://www.adr.it/documents/17615/18251773/BILANCIO+SOSTENIBILITA+2019+EN_DEF_2020.09.01_publicato.pdf/ba98b5e1-3f52-4023-8318-d103df30ff58)

<sup>41</sup> Aeroporti di Roma SpA, "Sustainability Report 2019" (p.239)

<sup>42</sup> WEF, "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/>

<sup>43</sup> Ibid

<sup>44</sup> European Commission, "Reducing emissions from aviation", at: [https://ec.europa.eu/clima/policies/transport/aviation\\_en](https://ec.europa.eu/clima/policies/transport/aviation_en)

<sup>45</sup> European Commission, "A European Green Deal", at: [https://ec.europa.eu/info/strategy/priorities-2019-2024/european-green-deal\\_en](https://ec.europa.eu/info/strategy/priorities-2019-2024/european-green-deal_en)

<sup>46</sup> ACI, "ACI World among the signatories to declaration bringing the global air transport industry together for climate goal", at: <https://aci.aero/2021/10/05/aviation-industry-unites-to-adopt-2050-net-zero-carbon-goal/>

<sup>47</sup> ACA, "Accredited airports across the world" (2022) at: <https://www.airportcarbonaccreditation.org/participants/all.html>

### Alignment with/contribution to SDGs

The Sustainable Development Goals (SDGs) were adopted in September 2015 by the United Nations General Assembly and form part of an agenda for achieving sustainable development by the year 2030. The Aeroporti di Roma Sustainability-Linked Financing Framework is expected to help advance the following SDGs and targets:

KPI	SDG	SDG Target
Scope 1 and 2 CO <sub>2</sub> emissions (tonnes)	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
Airport Carbon Accreditation Level 4+	11. Sustainable cities and communities	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 vulnerable situations, women, children, persons with disabilities and older persons
Scope 3 CO <sub>2</sub> emissions per passenger (excluding aircraft sources - kgCO <sub>2</sub> /passenger)	11. Sustainable cities and communities	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 vulnerable situations, women, children, persons with disabilities and older persons

### Conclusion

Aeroporti Di Roma may issue sustainability-linked bonds and obtain sustainability-linked loans and tie their financial characteristics, such as coupon rate, margin or premium payment, to the achievement of the following SPTs for 2027 and/or 2030:

- (1) Reduce scope 1 and 2 CO<sub>2</sub> emissions by 53% by 2027 and/or by 100% by 2030, from a 2019 baseline;
- (2) Maintain the ACA Level 4+ when the certification is reviewed in 2027 and/or 2030;
- (3) Reduce per passenger scope 3 emissions (excluding aircrafts sources) by 10% by 2027 and/or by 30% by 2030, from a 2019 baseline.

Sustainalytics considers KPI 1, scope 1 and 2 CO<sub>2</sub> emissions (tonnes), to be adequate; KPI 2, Airport Carbon Accreditation Level 4+, to be strong; and KPI 3, scope 3 emissions per passenger (excluding aircraft sources) (kgCO<sub>2</sub>/passenger), to be strong based on their materiality, relevance, scope of applicability, clear and consistent definitions and adequacy to external benchmarking. Sustainalytics considers SPT 1 to be highly ambitious, and SPT 2 and SPT 3 to be ambitious based on historical performance, peer performance and comparison with external science-based trajectories.<sup>48</sup> Furthermore, Sustainalytics considers ADR's reporting and verification commitments to be aligned with market expectations.

Sustainalytics considers Aeroporti Di Roma's Sustainability-Linked Financing Framework to be in alignment with the five core components of the Sustainability-Linked Bond Principles 2020 and the Sustainability-Linked Loan Principles 2022, and the prospective achievement of the SPTs to be impactful.

<sup>48</sup> Sustainalytics' assessment of the strength of the KPIs and ambitiousness of the SPTs remains the same irrespective of whether only one of the 2027 or 2030 targets is used for the Sustainability-Linked Financing offering or if both 2027 and 2030 targets are used simultaneously.

## Appendix 1: Sustainability-Linked Bonds - External Review Form

### Section 1. Basic Information

Issuer name: Aeroporti di Roma S.p.A.

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: April 7, 2022

Independent External Review provider's name for post-issuance verification (section 4): Not known

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 summarize the scope of the review.

The review:

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

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

- Second Party Opinion  Certification
- Verification  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)

Aeroporti Di Roma may issue sustainability-linked bonds and obtain sustainability-linked loans and tie their financial characteristics, such as coupon rate, margin or premium payment, to the achievements of the following SPTs:

(1) Reduce scope 1 and 2 CO<sub>2</sub> emissions by 53% by 2027 and by 100% by 2030 from a 2019 baseline;



- (2) Maintain the ACA Level 4+ when the certification will be reviewed in 2027 and 2030;
- (3) Reduce per passenger scope 3 emissions (excluding aircrafts sources) by 10% by 2027 and by 30% by 2030 from a 2019 baseline.

Sustainalytics considers KPI 1, scope 1 and 2 CO<sub>2</sub> emissions (tonnes), to be adequate; KPI 2, Airport Carbon Accreditation Level 4+, to be strong; and KPI 3, scope 3 emissions per passenger (excluding aircraft sources) (kgCO<sub>2</sub>/passenger), to be strong based on their materiality, relevance, scope of applicability, clear and consistent definitions and adequacy to external benchmarking. Sustainalytics considers SPT 1 to be highly ambitious, and SPT 2 and SPT 3 to be ambitious based on historical performance, peer performance and comparison with external science-based trajectories. Furthermore, Sustainalytics considers ADR's reporting and verification commitments to be aligned with market expectations.

Sustainalytics considers Aeroporti Di Roma's Sustainability-Linked Financing Framework to be in alignment with the five core components of the Sustainability-Linked Bond Principles 2020 and the Sustainability-Linked Loan Principles 2021, and the prospective achievement of the SPTs to be impactful.

### 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)

Aeroporti di Roma's Sustainability-Linked Financing Framework includes three KPIs: (i) scope 1 and 2 CO<sub>2</sub> emissions (tonnes), (ii) Airport Carbon Accreditation Level 4+, and (iii) scope 3 CO<sub>2</sub> emissions per passenger (excluding aircraft sources - kgCO<sub>2</sub>/passenger), see Table 1. Sustainalytics considers KPI 1 to be adequate, and KPI 2 and KPI 3 to be strong based on their relevance, materiality, scope of applicability and adequacy to external benchmarking.

#### List of selected KPIs:

- Scope 1 and 2 CO<sub>2</sub> emissions
- Maintaining the ACA Level 4+ Accreditation
- Scope 3 CO<sub>2</sub> emissions per passenger (excluding aircraft sources - kgCO<sub>2</sub>/passenger)

#### Definition, Scope, and parameters

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

### 3-2 CALIBRATION OF SUSTAINABILITY PERFORMANCE TARGETS (SPTs)

Sustainalytics considers the SPTs to be aligned with the Aeroporti di Roma's sustainability strategy. Sustainalytics further considers SPT 1 to be highly ambitious, and SPT 2 and SPT 3 to be ambitious based on comparison with Aeroporti di Roma's historical performance, targets set by peers and external science-based decarbonization pathways.

#### Rationale and level of ambition

- |  |   |
|--|---|
| <input checked="" 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

Aeroporti di Roma will link the financial/structural characteristics of the instruments to the achievement of the SPTs, namely an increase in the coupon rate or an equivalent premium payment in the redemption price.

#### Financial impact:

- variation of the coupon
- Other (please specify): premium payment and margin adjustment

#### Structural characteristic:

- Other (please specify):

### 3-4 REPORTING

Aeroporti di Roma commits to report on an annual basis on its performance on the KPIs in its annual Sustainability Report or equivalent annual reporting document including sustainability disclosure that will be published on the website. Aeroporti di Roma also commits to disclose relevant information that may enable investors to monitor the progress of the selected SPTs. The reporting commitments are aligned with the Sustainability-Linked Bond Principles and Sustainability-Linked Loan Principles.

**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 checked="" type="checkbox"/> Other ( <i>please specify</i> ): Any re-assessments of KPIs and/or restatement of the SPT and/or pro-forma adjustments of baselines or KPI scope, if relevant |

**Frequency:**

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

**Means of Disclosure**

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> Information published in financial report  | <input type="checkbox"/> Information published in sustainability report                            |
| <input type="checkbox"/> Information published in ad hoc documents   | <input checked="" type="checkbox"/> Other (please specify): Information published on ADR's website |
| <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 (please specify): |

**Frequency:**

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

**Material change:**

- Perimeter
- SPTs calibration
- KPI methodology

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