An S&P Global Second Party Opinion (SPO) includes S&P Global Ratings’ opinion on whether the documentation of a sustainable finance instrument, framework, or program, or a financing transaction aligns with certain third-party published sustainable finance principles. Certain SPOs may also provide our opinion on how the issuer’s most material sustainability factors are addressed by the financing. An SPO provides a point-in-time opinion, reflecting the information provided to us at the time the SPO was created and published, and is not surveilled. We assume no obligation to update or supplement the SPO to reflect any facts or circumstances that may come to our attention in the future. An SPO is not a credit rating, and does not consider credit quality or factor into our credit ratings.

Second Party Opinion

Grupo Aeroportuario del Pacífico's Sustainability-Linked Bond Framework

Sept. 1, 2023

Editor’s note: This SPO report is based on S&P Global Ratings’ "Analytical Approach: Second Party Opinions and Transaction Evaluations" dated Dec. 7, 2022, which was partly superseded by S&P Global Ratings’ "Analytical Approach: Second Party Opinions: Use of Proceeds," dated July 27, 2023, following the launch of our integrated use-of-proceeds SPOs. For more information on how we are managing the post-launch grace period, please see "S&P Global Ratings To Launch Integrated SPOs Soon".

Grupo Aeroportuario del Pacífico, S.A.B. de C.V. (GAP), together with its subsidiaries, manages, operates, and develops airports primarily in Mexico’s Pacific and Central regions. The company was incorporated in 1998 and is headquartered in Guadalajara, Mexico. As of August 2023, the company operated 14 airports, 12 of which are in Mexico and two in Jamaica. In 2022, the group’s airports served 56.7 million passengers and 40 airlines, generating $1.4 billion in revenue. About 77% of the group’s revenue comes from its aeronautical services, while the remaining 23% comes from its non-aeronautical operations.

In our view, GAP’s sustainability-linked bond framework, published in September 2023, is aligned with:

✔ Sustainability-Linked Bond Principles, ICMA, 2023

Issuer’s Sustainability Objectives

In 2021, GAP developed its sustainable business strategy outlining four key pillars: environmental commitment, social empowerment, competitive performance, and ethical governance. Within each pillar, the company has identified material topics and selected 30 targets to achieve by 2030. Within those targets, GAP commits to reduce absolute scope 1 and 2 greenhouse gas (GHG) emissions 90% by 2030 from a 2019 base year. GAP has developed a sustainability-linked bond framework to further align its funding strategy with its sustainability commitments.

Selected Key Performance Indicators (KPIs) And Sustainability Performance Targets (SPTs)

<table>
<thead>
<tr>
<th>KPI</th>
<th>SPT</th>
<th>Baseline</th>
<th>2022 performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Absolute GHG emissions scope 1 and 2</td>
<td>Achieve a 25% reduction in absolute scope 1 and 2 GHG emissions by 2025 from a 2019 baseline.</td>
<td>61,993 tCO2e (2019)</td>
<td>49,036 tCO2e</td>
</tr>
<tr>
<td>Number of certified airports under Airports Carbon Accreditation (ACA)</td>
<td>Certify 14 airports with ACA level 3, of which three airports will also have ACA level 3+ certification by 2028 from a 2022 baseline</td>
<td>Three airports with ACA level 3 (2022)</td>
<td>Three airports with ACA level 3</td>
</tr>
</tbody>
</table>
Second Party Opinion Summary

Selection of key performance indicators (KPIs)

<table>
<thead>
<tr>
<th>Alignment</th>
<th>GAP’s sustainability-linked bond framework is aligned with this component of the sustainability-linked bond principles.</th>
</tr>
</thead>
<tbody>
<tr>
<td>KPI 1</td>
<td>Absolute GHG emissions scope 1 and 2</td>
</tr>
<tr>
<td>KPI 2</td>
<td>Number of certified airports under Airport Carbon Accreditation (ACA)</td>
</tr>
</tbody>
</table>

Calibration of sustainability performance targets (SPTs)

<table>
<thead>
<tr>
<th>Alignment</th>
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<tbody>
<tr>
<td>SPT 1</td>
<td>Achieve a 25% reduction in absolute scope 1 and 2 GHG emissions by 2025 from a 2019 baseline.</td>
</tr>
<tr>
<td>SPT 2</td>
<td>Certify 14 airports with ACA level 3, of which three airports will also have ACA level 3+ by 2028, from a 2022 baseline.</td>
</tr>
</tbody>
</table>

SPT 2 includes an intermediary target to certify seven airports at ACA level 3 by 2025.

Instrument characteristics

<table>
<thead>
<tr>
<th>Alignment</th>
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</thead>
</table>

The financial characteristics of the bonds GAP expects to issue under this framework will be linked to its performance relative to the SPTs. GAP’s framework discloses that if it fails to achieve the SPTs by the agreed observation dates or fails to report on the applicable KPIs, a so-called trigger event will occur, which could result in a premium payment or coupon margin adjustment. The specific mechanism will be included in the respective instrument documentation.

Reporting

<table>
<thead>
<tr>
<th>Alignment</th>
<th>GAP’s sustainability-linked bond framework is aligned with this component of the sustainability-linked bond principles.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Score</td>
<td>Not aligned</td>
</tr>
</tbody>
</table>

GAP commits to publish up-to-date information on the selected KPIs and SPTs and the performance of each KPI against the SPT in the company's integrated report on an annual basis.

Post-issuance review
## Second Party Opinion

| Alignment | ✔  
<table>
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<tbody>
<tr>
<td>GAP’s sustainability-linked bond framework is aligned with this component of the sustainability-linked bond principles</td>
<td></td>
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GAP will seek annual independent verification of the KPIs performance relative to the applicable SPTs and publish the verification certificate on its website.
Framework Assessment

Selection of key performance indicators (KPIs)

The Principles make optional recommendations for stronger structuring practices, which inform our relevancy opinion as aligned, strong, or advanced. For each KPI, we consider how relevant the KPI is for sustainability by exploring the clarity and characteristics of the defined KPI; its significance for the issuer’s sustainability disclosures; and how material it is to the issuer’s industry and strategy.

✔ GAP’s sustainability-linked bond framework is aligned with this component of the sustainability-linked bond principles.

KPI 1  Absolute GHG emissions scope 1 and 2.

We believe the selected KPI is aligned with the principles, given that the framework clearly articulates the scope, objective, and calculation methodology. The KPI, aimed at an absolute reduction in scope 1 and 2 emissions, contributes to the global effort to combat climate change, which we consider important for the aviation sector. Although scope 1 and 2 emissions are material to the industry, the KPI doesn’t cover scope 3 emissions, which account for the vast majority of the sector’s carbon footprint. In our view, including scope 3 emissions in reduction targets and engaging with stakeholders are key enablers for the sector’s decarbonization efforts.

According to the International Energy Agency (IEA), in 2022 aviation accounted for 2% of global carbon dioxide emissions and has had a faster emission increase than other transportation methods such as rail, road, or shipping. Additionally, global passengers are forecast to double by 2037, reaching 8.2 billion annually, according to the International Air Transport Association (IATA). Furthermore, aviation is among the sectors with hard-to-abate emissions, mainly because of unique operational requirements and nascent decarbonization technologies. Therefore, GAP has identified that reducing airports’ GHG emissions is key to secure business continuity.

We view positively that GAP calculates its absolute scope 1 and 2 GHG emissions according to ACA’s methodology, which is based on the GHG protocol and ISO 14064. Scope 1 emissions are a result of direct activities at GAP’s airports, while indirect scope 2 emissions (location-based) stem from the use of purchased electricity, heating, and cooling. Although we do not consider it to have a negative impact, we note that the company doesn’t include refrigerant losses and fire extinguishers into its KPI calculation, which account for approximately 3% of its scope 1 and 2 GHG emissions.

The KPI’s calculation consists of absolute GHG emissions. In our opinion, absolute KPIs generally express more clearly the direct impact of the issuer’s sustainability efforts than those expressed in relative terms (see “Navigating The Strengths, Challenges, And Best Practices In Sustainable Finance Frameworks And Transaction Documentation,” published Jan. 18, 2022).

KPI 2  Number of certified airports under Airports Carbon Accreditation (ACA).  

We consider the KPI selected as aligned given that the framework clearly articulates its rationale, objective, and scope. Furthermore, the KPI is material to the company’s sustainability strategy and addresses relevant environmental challenges.

We consider transparency and standardization of carbon reduction strategies a relevant topic in various industries and most importantly, in hard-to-decarbonize industries like aviation. Airport Carbon Accreditation (ACA) is a global carbon management certification program for airports that provides a framework and assesses airports’ efforts to reduce their carbon emissions through six levels of certification. Level 3 is labeled as “Optimization”, which requires engagement with third parties in carbon footprint reduction, and level 3+ is labeled “Neutrality” which requires carbon neutrality for direct emissions.

As previously mentioned, we consider scope 3 emissions to be the most significant emissions in aviation and think they must be accounted for to fully achieve decarbonization. We think the KPI
Second Party Opinion

is aligned with the company's strategy because the certification requirements include reducing scope 1 and 2 emissions, accounting for scope 3 emissions, and creating a stakeholder engagement implementation plan. According to ACA's guidance, companies are required to account for scope 3 from landing and take-off cycle (LTO; to a height of 3,000 feet), which is one of the most relevant sources for this scope, as well as account for other scope 3 categories. However, at this level of certification, companies are not required to reduce scope 3 emissions, which we view as a constraint to the environmental benefits of the KPI selected by GAP.

On the other hand, to attain level 3+, companies must compensate residual Scope 1 and 2 emissions and a proportion of scope 3 emissions with certified carbon offsets under ACA's offsetting manual. The manual outlines general requirements for carbon offsets to avoid double-counting and ensure that companies select high-quality offsets.

Although GAP hasn't specified under the framework which type of offsets it will acquire or an estimate of the percentage of residual emissions to be offset, the company does state that it aims to prioritize emissions reduction and utilize offsets as little as possible. We view carbon offsets as a less robust approach to manage scope 2 emissions (see "Purchased Energy Emissions In Second Party Opinions And ESG Evaluations," published March 23, 2023). We note that the issuer will not use proceeds raised under this framework to acquire carbon offsets.

Calibration of sustainability performance targets (SPTs)

The Principles make optional recommendations for stronger structuring practices, which inform our ambition opinion as aligned, strong, or advanced. We consider the level of ambition for each target by assessing its clarity and characteristics, how the issuer defines the target with reference either to its past performance, or to external or competitor benchmarks, and how it explains what factors could influence future performance.

✔ GAP’s sustainability-linked bond framework is aligned with this component of the sustainability-linked bond principles.

SPT 1  Achieve a 25% reduction in absolute scope 1 and 2 GHG emissions by 2025 from a 2019 baseline.

We consider the ambition, clarity, and characteristics of SPT 1 as aligned with the principles' requirements. The framework clearly mentions the expected observation date, baseline, and trigger events. Specifically, a 25% reduction of absolute scope 1 and 2 GHG emissions should be observed by Dec. 31, 2025, from a 2019 baseline.

The issuer provides some information on the strategy and means by which it will reach the target and includes information on past performance. For the selected baseline, the quantitative trajectory illustrates that GAP had the highest GHG emissions in 2019, which was the year in which GAP consolidated 14 airports. This increased the area (square meters [sqm]) and number of passengers (PAX), factors that directly correlate to increased GHG emissions. 2019 was also the most recent year with full operations before the COVID-19 pandemic, according to the company. We consider the baseline selected as appropriate for the SPT and we note the issuer has a third-party verification only for 2019 metrics.

We assess this SPT as relevant and ambitious for the timeframe stipulated. It shows an annual emissions reduction of 4%, which mirrors the Science-Based Targets initiative (SBTi) near-term 1.5°C criteria, although SBTi hasn't verified GAP’s SPT. Furthermore, the company plans to increase 50% of its total area (sqm) by 2025, which poses challenges to manage absolute GHG emissions, but corroborates our view about the SPT's ambitiousness. We also consider GAP's jurisdiction and the current constraints on deploying renewable energy projects in Mexico. We acknowledge that the regulatory environment is a bottleneck to achieve higher scope 2 reductions in the next few years, limiting the company's possibilities to align with targets established by global peers.

The framework includes some information regarding GAP's strategy for achieving the target. The company plans to invest in solar panels, automate systems to optimize energy consumption, replace equipment with higher energy efficiency models, and obtain LEED certification for airport terminals. Additionally, GAP outlines factors beyond the issuer's direct control that may affect its
Second Party Opinion

Achievement of the SPT, such as delays in the approval and issuance of permits for new solar panel systems.

<table>
<thead>
<tr>
<th>Baseline</th>
<th>Achieve a 25% reduction in absolute scope 1 and 2 GHG emissions by 2025 from a 2019 baseline.</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>61,993 tCO2e</td>
</tr>
<tr>
<td>2025</td>
<td>46,703 tCO2e</td>
</tr>
</tbody>
</table>

Equivalent to 25% reduction

| SPT 2 | Certify 14 airports at ACA level 3, of which three airports will also have ACA level 3+ by 2028, from a 2022 baseline. |

We believe the ambition, clarity, and characteristics of the SPTs linked to KPI 2 are aligned with the Principles. The framework provides some information on the strategy through which GAP plans to reach the target by the observation date (Dec. 31, 2025, and Dec. 31, 2028).

We think the selected SPTs represent an improvement of GAP’s business-as-usual trajectory because the issuer aims to certify 100% of airports at level 3, from 21% in 2022. It also plans to certify 21% at level 3+ from a 0% baseline. In addition, so far GAP has taken approximately three years to certify airports under the proposed levels, so we consider the timelines for target achievement as reasonable.

We view positively that the issuer conducted a benchmarking exercise with regional peers in the airport sector. This exercise showed its target to be more ambitious than the current state of most of its local and regional peers. The benchmark illustrates that ACA currently certifies 71 airports in Latin America, of which only 11 are level 3 and four are level 3+. All airports certified under ACA level 3 in Mexico belong to GAP and there are no level 3+ certified airports in the country.

There is no public evidence of local peers setting targets to certify airports at ACA level 3 and level 3+, which highlights GAP’s ambition. Nevertheless, the current benchmark does not allow for a comprehensive comparison of the SPT relative to its local and/or global peers’ targets, in our view. We consider the level of certification GAP selected (3 and 3+) as a step forward to align its strategy with industry decarbonization.

<table>
<thead>
<tr>
<th>Baseline</th>
<th>Certify 14 airports with ACA level 3, of which three airports will also have ACA level 3+ by 2028, from a 2022 baseline.</th>
</tr>
</thead>
<tbody>
<tr>
<td>2022</td>
<td>14 airports with ACA level 3, of which three airports will have ACA level 3+</td>
</tr>
<tr>
<td>2025</td>
<td>14 airports with ACA level 3, of which three airports will have ACA level 3+</td>
</tr>
<tr>
<td>2028</td>
<td>14 airports with ACA level 3, of which three airports will have ACA level 3+</td>
</tr>
</tbody>
</table>

Equivalent to 1.3x increase

Equivalent to 3.6x increase

Instrument characteristics

The Principles require disclosure of the type of financial and/or structural impact involving trigger event(s), as well as the potential variation of the instrument’s financial and/or structural characteristics.

✔ GAP’s sustainability-linked bond framework is aligned with this component of the sustainability-linked bond principles.

The issuer commits to include within the final terms and conditions of each sustainability-linked bond a description of the trigger event that will take place if the company fails to meet one or more SPTs on the relevant observation dates, or it fails to publicly report information on the performance against the targets for each KPI.
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Following a trigger event, the financial characteristics of the relevant sustainability-linked bond will change. Failure to meet the SPTs on the observation dates will trigger an adjustment that could be in the form of a premium payment or coupon margin adjustment, payable until the maturity date or callable date (when applicable) of the bond. These variations could also become effective if GAP isn't able to calculate or provide information about the KPIs' performance relative to the SPTs, which we consider best practice.

The framework includes target observation dates linked to both KPIs (Dec. 31, 2025) and KPI 2 will have an additional date (Dec. 31, 2028).

Reporting

The Principles make optional recommendations for stronger disclosure practices, which inform our disclosure opinion as aligned, strong, or advanced. We consider plans for updates on the sustainability performance of the issuer for general purpose funding, or the sustainability performance of the financed projects over the lifetime of any dedicated funding, including any commitments to post-issuance reporting.

✔ GAP's sustainability-linked bond framework is aligned with this component of the sustainability-linked bond principles.

Disclosure score

We consider GAP's overall reporting practices to be strong.

The issuer commits to disclose in its sustainability-linked bond section of the annual report up-to-date information on the performance of the selected KPIs against the respective SPTs. It will also include any relevant information for the assessment of the KPIs' performance.

Furthermore, when feasible, the issuer commits to disclose qualitative or quantitative explanation of the contribution of the main factors behind the evolution of the KPIs, details of positive sustainability impacts, and application of any recalculation procedure of the KPIs' baseline or reformulation of SPTs. We view positively that if feasible and possible, the issuer will provide additional information recommended by the Principles.

Post-issuance review

The Principles require post-issuance review commitments including the type of post-issuance third-party verification, periodicity and how this will be made available to key stakeholders. Our opinion describes whether the documentation is aligned or not aligned with these requirements. Please note, our second party opinion is not itself a post-issuance review.

✔ GAP's sustainability-linked bond framework is aligned with this component of the sustainability-linked bond principles.

GAP commits to have the performance against each SPT for each KPI verified annually by an independent external reviewer on a limited assurance basis. The issuer commits to make the verification certificate readily available to investors on the company's webpage.
Mapping To The U.N.’s Sustainable Development Goals

The Sustainable Development Goals (SDGs), which the United Nations (U.N.) set up in 2015, form an agenda for achieving sustainable development by 2030.

GAP’s sustainability-linked financing framework intends to contribute to the following SDGs:

<table>
<thead>
<tr>
<th>KPI</th>
<th>SDGs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Absolute GHG emissions (scope 1 and 2)</td>
<td>9. Industry, innovation and infrastructure§</td>
</tr>
<tr>
<td></td>
<td>13. Climate action§</td>
</tr>
<tr>
<td>Number of certified airports under Airports Carbon Accreditation (ACA)</td>
<td>7. Affordable and clean energy</td>
</tr>
<tr>
<td></td>
<td>13. Climate action</td>
</tr>
</tbody>
</table>

§The KPI is likely to contribute to the SDGs.
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