

# Sustainability-Linked Financing Framework Update 2024

In October 2024, Gatwick Airport Limited (GAL) released its inaugural Sustainability-Linked Financing Framework (SLFF)<sup>1</sup>. The SLFF set out two Key Performance Indicators (KPIs) and related Sustainable Performance Targets (SPTs), which will form part of GAL’s ongoing financing strategy within a sustainability context. The KPIs/SPTs focus on airport and stakeholder activities designed to reduce greenhouse gas (GHG) emissions, with applicability to each of the Scope 1,2 & 3 emissions groupings. The SLFF release was accompanied by the provision by S&P Global Ratings of a Second Party Opinion.<sup>2</sup>

The creation of the SLFF was closely followed by the issuance of a debut Sustainability-Linked Bond (SLB) with a scheduled redemption date in 2033, at a value of €750m. This Framework Update provides an overview of the performance of the KPIs/SPTs during 2024, along with relevant historical data points to provide context to the progress being made. A verification statement relating to the Framework Update is included at the end of the document. This statement is provided on a limited assurance basis by Pause People Earth, part of Pause People Collective Limited.

SPT 1 relates to the airport’s commitment to reach net zero for market-based Scope 1 and 2 GHG emissions by 2030. SPT 2 seeks to reduce GHG emissions for aircraft landing and take-off cycles (LTO) by 2032, and as such represents a target designed to address Scope 3 GHG emissions. LTO GHG emissions are those generated at London Gatwick by any aircraft activity phases below an altitude of 3,000 feet.

## KPI/SPT 1: Scope 1 & 2 absolute GHG emissions

**Definition:** Scope 1 and 2 GHG emissions cover GAL’s direct emissions derived from its operational emissions and fuel and energy use. This KPI calculation is market-based, rather than location-based - a point which is of particular relevance to Scope 2 GHG emissions. Historical data is shown for 2019 to reflect the pre-pandemic profile, along with 2023 and 2024. The target year for this SPT is 2030.

	Description	2019	2023	2024	2030 Target
SPT 1	Scope 1 & 2 GHG emissions (tonnes CO <sub>2</sub> e)	12,228	9,201	7,617	<1,500

The key driver of the fall in these emissions during 2024 was the fuel switch of the airside vehicle fleet from diesel to HVO (hydrotreated vegetable oil). This is a transitional step to a fully electric vehicle asset base over the coming years. This change reduced Scope 1 GHG fuel emissions by over 90%, compared to diesel consumption.<sup>3</sup>

Delivery of Gatwick’s £250m decarbonisation capital investment programme continues. We are on track to start removing the natural gas boilers from mid-2027. Furthermore, there was a 1% reduction during 2024 in the GHG emissions from natural gas. These represent 85% of the Scope 1 and 2 GHG emissions; the most significant component of this KPI.

<sup>1</sup> The SLFF can be found in this [Link](#) to the GAL website

<sup>2</sup> The SPO report can be found [here](#)

<sup>3</sup> Further detail of this strategy is set out in the London Gatwick Decade of Change Performance Summary 2024. This report is held within the [Sustainability reports section](#) of the GAL website.

## KPI/SPT 2: Reduction in LTO GHG emissions (kgCO<sub>2</sub>e) per passenger

**Definition:** LTO GHG emissions are those generated during the following operating phases: Auxiliary Power Unit (APU), Approach, Taxi-out, Taxi-in, Climb, Hold, Take-Off, Reverse Thrust, Landing Roll and Go-Arounds. LTO GHG emissions are calculated on a well-to-wake basis, i.e. the fuel lifecycle emissions are considered from point of extraction to use in aircraft jet engines. The target year for this SPT is 2032 and is expressed on a per reported passenger basis.

	Description	2019	2023	2024	2032 Target
SPT 2	LTO GHG emissions (kgCO <sub>2</sub> e/pax)	12.0	11.8	11.6	<9.0

There was a small reduction in this KPI during 2024, in these early stages of the existence of the SLFF and SLB. Note that there has been a non-material improvement to the calculation methodology of LTO per passenger during 2024, by including GAL-specific engine data as opposed to the use of wider industry information for this aspect. This change led to an approximate 1.5% decrease in GHG emissions in the LTO cycle, representing a significant proportion of the fall in this metric during 2024. Progress in this KPI was also supported during 2024 by a slight improvement in airport-wide load factor of 84.7%, compared to 84.1% in 2023.

The planned measures to be undertaken in order to achieve SPT 2 are set out within the SLFF. These include Reduced Engine Taxiing, Continuous Climb & Descent, Reduced APU, and other airline related activities such as deployment of more fuel-efficient aircraft and increased use of Sustainable Aviation Fuel. The roadmap of these activities is under development to establish priorities for execution of the measures, to attain the target in the timeframe set out.

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GAL notes that there is currently no global framework or taxonomy, or consistently applied legal or regulatory definition, as to what constitutes an 'ESG' (Environmental, Social, or Governance), 'green', 'social', 'sustainable' or equivalent labelled product, or as to what precise attributes are required for a particular product, investment, or asset to be defined as 'ESG', 'green', 'social', sustainable, or with an equivalent label, nor can any assurance be given that such a clear global definition or consensus will develop over time.

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## Verification Statement Greenhouse Gas Emissions

**Pause People Earth, Part of Pause People Collective Limited** was engaged to conduct an independent verification of the Greenhouse Gas (GHG) emissions reported by **Gatwick Airport Limited** covering the scope and boundary and the periods stated below. This Verification Statement applies to the related information included within the scope of work described below. The determination of the GHG emissions is the sole responsibility of Gatwick Airport Limited. Pause People Earth's sole responsibility was to provide independent verification on the accuracy of the GHG emissions reported, and on the underlying systems and processes used to collect, analyse and review the information.

### **Boundaries of the Reporting Company GHG Emissions Covered by the Verification:**

This verification statement relates to the following activities and resulting emissions only:

- Emissions associated with the Landing and Take-Off cycle (LTO) and Go-Around phase.
- Well-to-tank (WTT) emissions associated with the LTO cycle and Go-Around phase.
- Passenger number.
- kgCO<sub>2</sub>e per passenger associated with the LTO and Go-Around phase (including WTT).

### **Period Covered by this GHG Emissions Verification and Statement:**

- 1st January 2024 to 31st December 2024 Inclusive

The Scope 1 and 2 emissions for the period stated are covered by separate verification statements within their [sustainability reports](#). This includes the KPI to achieve net zero for Scope 1 and Scope 2 by 2030, verified as part of the successful application to the Airport Carbon Accreditation membership at Level 4+ in 2023, evidence of which is referenced [here](#).

### **GHG Emissions Data Verified and Results:**

**LTO & Go-Arounds 2024:** 413,486.6 tonnes of CO<sub>2</sub> equivalent

**LTO cycle – WTT & Go-Arounds – WTT 2024:** 86,095.6 tonnes of CO<sub>2</sub> equivalent

**Passenger Number:** 43,248,384

**KPI Result:** 11.6 kg of CO<sub>2</sub> equivalent per passenger

### **GHG Reporting Protocols Against which the Verification was Conducted:**

- Greenhouse Gas Protocol Corporate Accounting and Reporting Standard
- Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Guidance
- Airport Carbon Accreditation Application Manual Issue 13

### **GHG Verification Protocols Used to Conduct the Verification:**

- ISO 14064-3: Greenhouse gases - Part 3: Specification with guidance for the validation and verification of greenhouse gas assertions
- Airport Carbon Accreditation Verifier Manual Issue 1

**Level of Assurance and Qualifications:**

- Scope 3: Limited Assurance
- Qualifications: Airport Carbon Accreditation [Approved](#) 3rd Party Verifier (Level 4/4+)

**GHG Verification Methodology:**

- Scope and boundary discussion with relevant personnel of Gatwick Airport Limited;
- Review of documentary evidence produced by Gatwick Airport Limited;
- Review of London Gatwick Airport data and information systems and methodology for collection, aggregation, analysis, and review of information used to determine GHG emissions associated with the scope of this verification project; and
- Audit of data used by Gatwick Airport Limited to determine GHG emissions.

**Assurance Opinion:**

Based on the process and procedures conducted, the GHG emissions assertion shown above have been found to be:

- Materially correct and a fair representation of the GHG emissions data and information; and
- prepared in accordance with the ISO14064-1 and the WRI GHG Protocol Corporate Accounting and Reporting Standards as listed above.

It is our opinion that Gatwick Airport Limited has established appropriate and robust systems for the collection, aggregation, and analysis of quantitative data for determination of these GHG emissions for the stated period and boundaries.

**Statement of Independence, Impartiality, and Competence:**

Pause People Earth, part of Pause People Collective Limited, is an independent professional consultancy, specialising in environmental management with over 12 years' experience in providing independent assurance services. No member of the verification team has a business relationship with Gatwick Airport Limited, its Directors, or Managers beyond that required for this project. We conducted this verification independently and to our knowledge there has been no conflict of interest. Pause People Collective Limited has implemented a Code of Ethics across the business to maintain high ethical standards during day-to-day business activities.

**Attestation:**

Validity of Statement – valid only for the boundary and periods stated within this document

Bryony Karsenbarg, Director - Pause People Collective Limited

*Approved 3rd Party Verifier - Airport Carbon Accreditation*

*Date: 24/02/2025*

*This verification statement, including the opinion expressed herein, is provided to Gatwick Airport Limited and is solely for the benefit of Gatwick Airport Limited in accordance with the terms of our agreement. We consent to the release of this statement by you to satisfy the Gatwick Airport Limited annual reporting requirements but without accepting or assuming any responsibility or liability on our part to any party who may have access to this declaration*

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