

Airport SLBs: Heathrow at cruising altitude, Gatwick still taxiing

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Since its first sustainability-linked bond (SLB) issuance in Jul 2023, Heathrow Airport (ticker HTHROW) has become a regular issuer of such bonds. While the four SLBs it has outstanding all have the same Sustainability Performance Targets (SPTs), the coupon adjustments differ, making them interesting to analyse from a pricing perspective. As discussed in previous research,[1] the bonds have comprehensive key performance indicators (KPIs) tied to 'in the air' and 'on the ground' emissions, which account for approximately 95% and 5% of Heathrow's total carbon footprint, respectively. The company's latest sustainability report gives an update on the latest emission trends, providing investors with valuable insights on the achievability of targets.

Meanwhile, Gatwick Airport (ticker GATAIR) issued its inaugural SLB in Oct 2024, but with less comprehensive targets linked to absolute Scope 1 & 2 emissions and landing and take-off (LTO) emissions per passenger. On 17 Jun 2025, Gatwick announced the issuance of a second SLB with 2035 maturity (IPT: MS + 175-180) following the same approach but with a different payout profile which should result in a somewhat lower option value than for the existing SLB (EUR 2033s).[2]

By comparing the two airports' different approaches to greenhouse gas (GHG) emissions, investors may be better equipped to make impactful decisions. As both airports raised capital with these bonds to support climate transition efforts, we reviewed the SLBs to see if they effectively support ambitious sustainability targets. The key takeaways for investors are:

- Heathrow's SLB framework covers all reported emissions, including Scope 3. For investors concerned about the reduction of emissions from airports, these SLBs offer an opportunity to support the company's decarbonisation pathway in the coming years. Based on our analysis, the option value is highest for the GBP 2032s due to the premium payment if one of the SPTs is missed, followed by the CHF 2032s and EUR 2033s.
- Gatwick's approach has a narrower coverage of emissions, excluding aircraft climb, cruise and descent (CDD) emissions which account for around 80% of overall emissions. Accordingly, the emissions reduction tied to its SLB framework are much lower. Also, the targets appear to be less ambitious.
- Importantly, both airports are exploring options to expand their flight capacity. The construction of new runways will take a long time and is unlikely to impact existing SLBs, but related developments are important to monitor, particularly for future SLB issuance.

[1] "Airport SLBs: clear for takeoff", AFII, 18 Jul 2023.
[2] Bond details from Bloomberg.

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Heathrow setting the standard

London Heathrow is the largest airport in the UK and one of the busiest globally.[3] Since 2023, HTHROW has issued four SLBs with the same two targets as outlined in its Sustainability-Linked Bond Framework:[4]

- SPT 1.2: A 15% cut in carbon emissions 'in the air' by 31 Dec 2030, compared to a 2019 baseline.
- SPT 2.2: A 46.2% cut in carbon emissions 'on the ground' by 31 Dec 2030, compared to a 2019 baseline.

The 2030 targets are aligned with Heathrow's long-term plan to reach net zero by 2050.[5] With a share of ~95%, 'in the air' emissions linked to aircrafts (Scope 3) account for the vast majority of the airport's total emissions. In contrast, the 'on the ground' emissions are relatively small (with a share of ~5%) but Heathrow has more influence over these than it does over the 'in the air' variety. Having distinct SPTs allows the issuer and its investors to address and track each category independently. Notably, Heathrow was the first airport to receive validation by the Science Based Targets initiative (SBTi) that its 2030 targets are consistent with a 1.5-degree carbon reduction trajectory.[6]

KPI 1: Reduction of 'in the air' carbon emissions

These are Scope 3 emissions from aircrafts' landing and take-off (LTO) cycle and cruise for departing flights – the latter is the main contributor of 'in the air' emissions. The primary means of cutting these emissions are expected to come from new conventional aircraft that use less fuel and a switch to sustainable aviation fuel (SAF) for those planes in use today.

Figure 1. Heathrow's 'in the air' emissions - historic and targeted levels. Source: Heathrow, AFII.

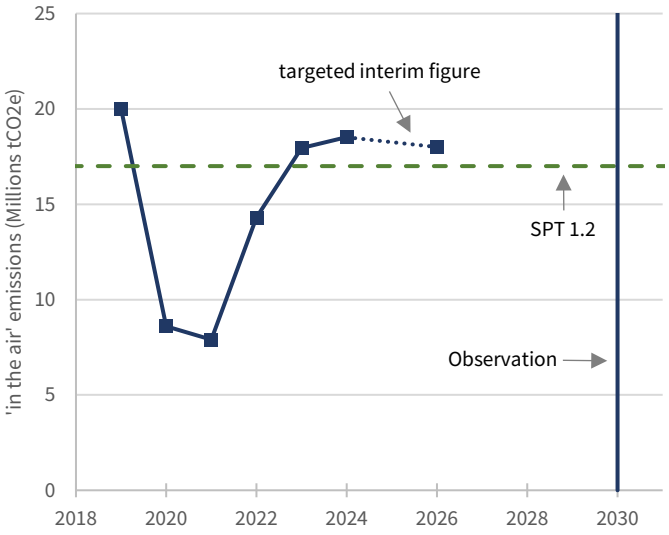


Figure 1 shows SPT 1.2 and historical emissions, including the latest data from Heathrow's sustainability report.[7] Emissions fell sharply in 2020 due the sudden reduction in air travel caused by the pandemic but have rebounded since. Notably, the latest data shows a more contained increase, with a current level around 7.5% below the 2019 baseline (19,993,153 tCO_2e). Heathrow's progress has largely been driven by a transition to more efficient aircraft. Based on the latest reporting, the company is on track to achieve its target.[7]

[3] "The busiest airports of 2024", OAG, accessed 14 Mar 2025.
[4] "Heathrow Sustainability-Linked Bond Framework", Heathrow, Jun 2023.
[5] "Net zero plan", Heathrow, Feb 2022.
[6] "A year of progress recorded for Heathrow's sustainability strategy", Heathrow, 23 Mar 2023.
[7] "Sustainability Report 2024", Heathrow, Mar 2025.

A useful way to assess the ambition of the SPT is to compare it against a business-as-usual (BAU) scenario in which emissions return to pre-pandemic levels.[8] A 15% reduction is a small step towards net zero, but the target looks ambitious given the limited degree of influence Heathrow has over these emissions. Also, the targeted emissions reduction by 3mn tCO_2e looks meaningful. For comparison, Gatwick's total reported emissions were 4.4mn tCO_2e in 2024. Finally, the inclusion of comprehensive 'in the air' emissions represents a best-in-class approach.

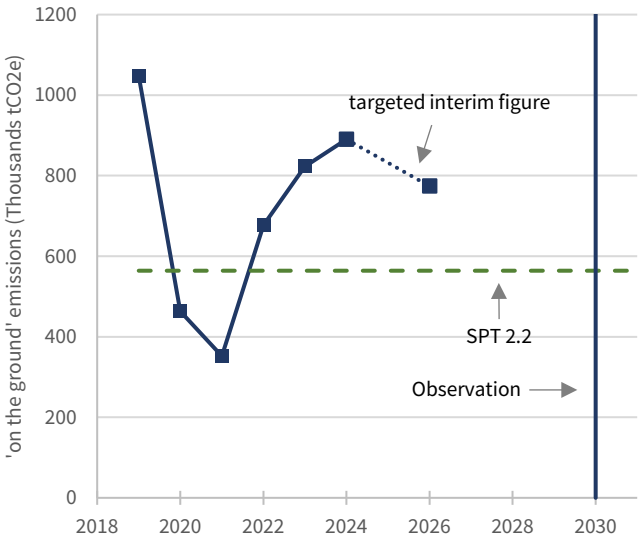
The future emissions trajectory will be influenced by the uptake of SAF. With the help of an incentive scheme, the goal is to progressively increase its share of fuel to 11% of the total by 2030 (compared to a 3% target in 2025). This would exceed the 10% mandated by the UK government.[9] Progress toward an interim target set for 2026 will provide a clearer signal of whether SPT 1.2 is likely to be met by 2030.

KPI 2: Reduction of 'on the ground' carbon emissions

These are mainly Scope 3 emissions from surface access and the supply chain. The primary means of cutting these emissions are expected to come from switching to electric vehicles and developing new public transport links, as well as working with suppliers, particularly those related to construction.

Figure 2 shows SPT 2.2 and the recent emissions trend. The current level is 15% below the 2019 baseline (1,048,588 tCO_2e). The latest increase was mainly due to higher supply chain emissions related to capital expenditures.

Figure 2. Heathrow's 'on the ground' emissions - historical and targeted levels. Source: Heathrow, AFII.



Overall, supply chain emissions are now 14% above the 2019 baseline, compared to a reduction target of 35% by 2030. Meanwhile, surface access emissions have decreased 25%, representing approximately half of the reduction target. Overall, progress on 'on the ground' emissions is reported as being 'not on track' and so will require increased efforts, particularly on capital projects.[7]

As stated in the SLB framework, Heathrow has a higher degree of influence over 'on the ground' emissions. Also, the technologies this reduction is reliant on are more established. Still, these are predominantly Scope 3 emissions, and the relative reduction is higher. For context, the targeted emissions reduction of KPI 2.2 is around 480,000 tCO_2e.

[8] "Second Party Opinion", DNV, Jun 2023.
[9] "Heathrow accelerates Sustainable Aviation Fuel adoption", Heathrow, 10 Jan 2025.

Option pricing

Building on our extensive work on SLB pricing,[10] we use an option pricing model based on the Black-Scholes approach to assess the structure of Heathrow's SLBs.[11]

Given the volatility of airport activity around the pandemic, it is hard to derive meaningful data for the historical drift and volatility of the relevant time series. It should be noted that the Second Party Opinion (SPO) provider indicated rising levels for both KPIs under a BAU trajectory. Based on our analysis of recent trends and related parameters, Table 1 shows the option pricing of the SLBs, which uses a 50% probability of missing SPT 1.2 and 75% probability of missing SPT 2.2. These indicative values are chosen based on recent increases in both KPIs.

Table 1. Heathrow SLB option pricing and potential coupon adjustments. Source: AFII.

				Adjustment if targets are missed (SPT1.2/SPT2.2)				
	SPT 1.2	SPT 2.2	Total	2032	2033	2034	2035	2036
Probability of missing target	50%	75%						
GBP 2032s 6%				1% (premium)				
Upfront value of option			0.57%*					
Running value of option			**0.099%***					
CHF 2032s 1.5225%				0.5%/0.5%				
Upfront value of option	0.25%	0.37%	0.62%					
Running value of option	0.033%	0.050%	**0.083%**					
EUR 2033s 4.5%				0.25%/0.25%	0.25%/0.25%			
Upfront value of option	0.21%	0.32%	0.53%					
Running value of option	0.029%	0.043%	**0.072**%					
EUR 2036s 3.875%					0.125%/0.125%	0.125%/0.125%	0.125%/0.125%	0.125%/0.125%
Upfront value of option	0.20%	0.30%	0.51%					
Running value of option	0.022%	0.033%	**0.054%**					

* Based on 75% combined probability

Despite having the same KPIs and SPTs, the bonds have varying options values due to their different coupon structures, which may present opportunities. The four SLBs all feature a cumulative, undiscounted adjustment of up to 100bps, but with different specifications.

In the case of the two EUR bonds, the coupon adjusts based on each KPI individually and pays over two and four years, respectively. Accordingly, the option value is higher for the 2033s, as illustrated in Table 1. The CHF bond has a similar design, but just one coupon payment at maturity in 2032.

Meanwhile, the GBP bond pays a 1% premium at maturity if one of the targets is missed, which can imply a higher likelihood of receiving the payout relative to the other bonds. This is because the investor benefits from the premium if one or both targets are not met. In this case, we assign individual probabilities of missing the targets as 75% for SPT 1.2 and 50% for SPT 2.2. The probability of receiving the step-up depends on the correlation between these targets; however, it will be at least 75%, as it includes scenarios where SPT 1.2 is missed even if SPT 2.2 is achieved. In our calculation above, we use a 75% combined probability, which is a conservative assumption based on the minimum value which sets the floor for that option price. Meanwhile, the CHF bond pays a step-up based on the average probability of missing the targets, which in this case is 62.5%.

[10] For more details on SLB option pricing: "Sustainability Linked Bond Handbook", AFII, 12 May 2024.
[11] For full details please see "An option pricing approach for sustainability-linked bonds", AFII, 8 Nov 2022.

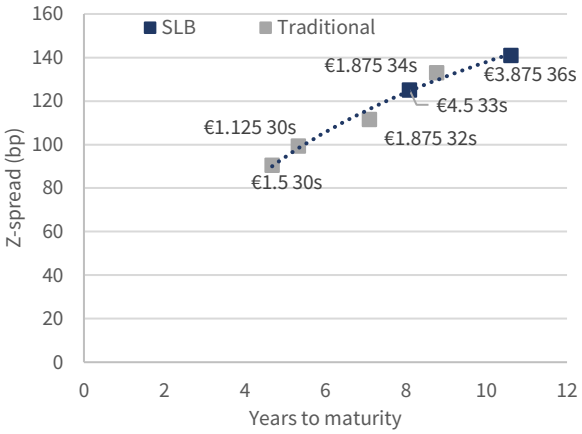
Market perspective

Looking at the pricing of the SLBs relative to the relevant bonds in their respective currencies, we make the following observations.

For the EUR-denominated bonds there is little differentiation between traditional bonds and SLBs. Here it's important to keep in mind that the longest-dated bond in the curve interpolation is an SLB (Figure 3).

The interesting comparison here is between the 4.5% 33s (SLB) and the 1.875% 32s (traditional) as they have very similar duration with a 13bps spread differential. However, it's unclear how much of this is driven by SLB-specific considerations relative to investor preference for the 32s due to a lower cash price (~ 90, relative to ~105 for the 33s).

Figure 3. Select HTHROW bonds in EUR.
Source: Bloomberg, AFII, accessed 11 Jun 2025.



For the GBP-denominated bonds, it's important to note the different payment ranks. The interpolated spread curve in Figure 4 is based on the 1st lien secured bonds, rated BBB+ by S&P. The bonds highlighted in bold, including the SLB, are rated BBB-, due to their lower rank. This makes a direct comparison to the traditional bonds less straightforward. However, the spread between the 6% 2032s (SLB) and the 6.45% 2031 (traditional) can act as a reference. At issuance of the SLB in Mar 2024, the spread was around 67bps. Currently it's around 57bps (see Figure 5), which may reflect the option value of the SLB.

Figure 4. Select HTHROW bonds in GBP.
Source: Bloomberg, AFII, accessed 11 Jun 2025.

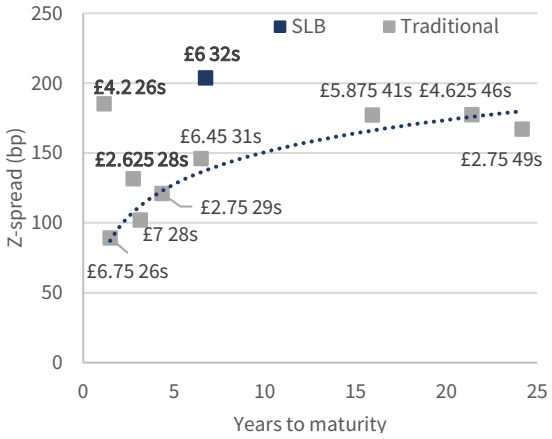
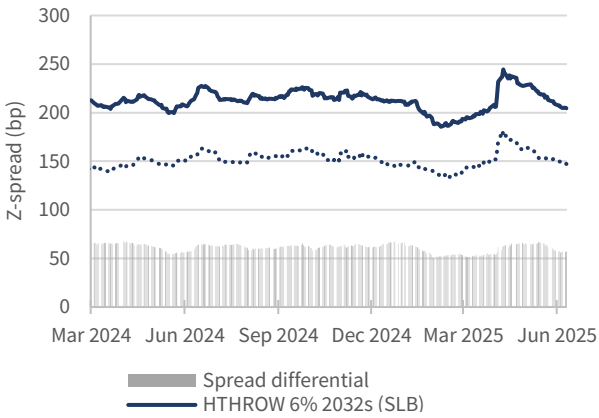


Figure 5. Spread of HTHROW GBP 6% 2032s and HTHROW GBP 6.45% 2031s bonds, including differential. Source: Bloomberg, AFII.



For CHF-denominated bonds, there are only two short-dated traditional bonds (2026s, 2027s) besides the SLB (2032s), making meaningful comparisons difficult.

Gatwick's SLB issuance

London Gatwick is the UK's second largest airport and among the ten busiest in Europe.[12] It has a goal to achieve net zero emissions (Scope 1 & 2) by 2030, and has ring-fenced GBP 250mn of investment capital for this purpose. In Oct 2024, GATAIR issued its inaugural SLB in Oct 2024 with two targets as outlined in its Sustainability-Linked Financing Framework,[13] and came to market in Jun 2025 with a second SLB using the same targets.

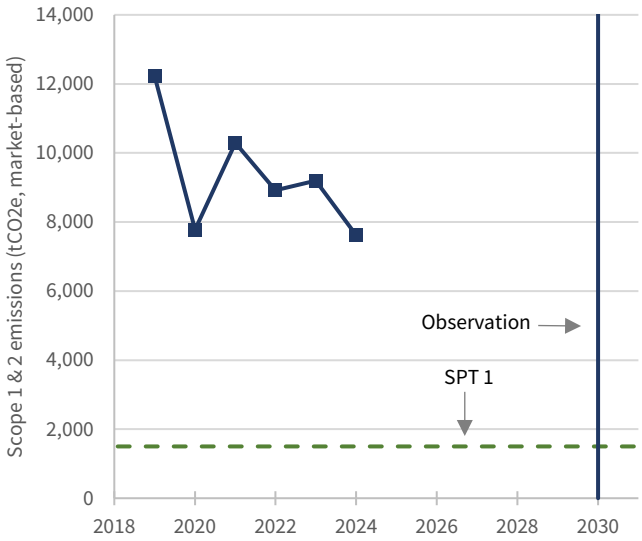
- SPT 1: Scope 1 & 2 absolute GHG emissions below 1,500 tCO_2e by 2030
- SPT 2: Absolute LTO GHG emissions per passenger lower than 9.0 $kgCO_2e$ per passenger by 2032

Two important observations when comparing to Heathrow are the narrower focus on Scope 1 & 2 in SPT 1 (i.e. Scope 3 not included) and emissions per passenger for SPT 2, which is essentially an intensity target and implies that overall emissions could still increase with rising passenger numbers.

KPI 1: Absolute Scope 1 and 2 GHG emissions

The focus on Scope 1 & 2 emissions means that Gatwick has more direct control over these emissions, which are linked to the airport's operations, fuel and energy use. At the same time, they only represent a small part (0.2%) of total emissions due to the very high relevance of Scope 3 emissions. In practice, the KPI's headline number is driven by Scope 1 emissions as recent and projected Scope 2 emissions (market-based) are accounted as zero as Gatwick uses purchased electricity certified with a Renewable Energy Guarantee of Origin (REGO).

Figure 6. Gatwick's Scope 1 & 2 emissions - historical and targeted level. Source: Gatwick, AFII.



Notwithstanding the post-Covid rebound in 2020, emissions have been on a downward trend since 2019 (baseline: 12,228 $ktCO_2e$), as illustrated in Figure 6. As of 2024, emissions were 7,617 tCO_2e, 37.7% lower than in 2019. The 2030 target implies a reduction of 10,728 tCO_2e, equal to 87.7%. As a transitional step, diesel has been substituted by hydrotreated vegetable oil in the airside vehicle fleet, which was the key driver behind the emissions reduction in 2024.[14]

Looking at the composition of Scope 1 emissions in the latest reporting,[15] the vast majority are related to natural gas (85%), followed by refrigerant gas (8%) and vehicle and equipment fuel (4%). The use of natural gas for heating and hot water is the most significant contributor of Scope 1

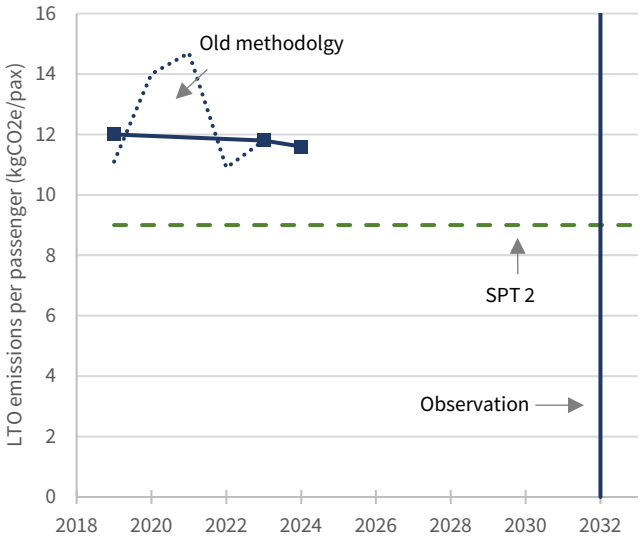
[12] "The busiest airports of 2024", OAG, accessed 14 Mar 2025.
[13] "Sustainability-Linked Financing Framework", London Gatwick, Oct 2024.
[14] "Sustainability-Linked Financing Framework Update 2024", London Gatwick, accessed 9 Jun 2025.
[15] "Decade of Change Performance Summary 2024", London Gatwick.

emissions and over 100 boilers need to be replaced. This refurbishment process is expected to start from mid-2027. As for diesel/petrol vehicles, these will be replaced by electric alternatives in the coming years. Refrigerant losses in chiller units need to be addressed, and refrigerant gases are expected to persist as residual emissions, which Gatwick will offset.

KPI 2: Reduction in LTO GHG emissions per passenger

The KPI-relevant aircraft landing and take-off (LTO) emissions accounted for approximately 12% of Gatwick's total emissions in 2023. Aircraft climb, cruise and descent (CDD) emissions are not considered in the KPI, although these account for about 80% of total emissions.

Figure 7. Gatwick's LTO emissions per passenger - historical and targeted level. Source: Gatwick, AFII.



As outlined in the Sustainability-Linked Financing Framework, key contributors to emissions during the LTO phase come from approach (19.6%), taxi out (19.2%), taxi in (11.9%), auxiliary power units (9.6%) and initial climb to 450m and climb out from 450m to 1000m (8.4% + 11.8%). Emissions reduction measures are aligned to these areas, and include reduced engine taxing, continuous climb/descent, and reduced use of auxiliary power units. The data is calculated on a well-to-wake basis, accounting for the whole lifecycle of emissions. As this KPI includes Scope 3 emissions, they are influenced by external factors outside of the airport's direct control (e.g. airlines, suppliers, passengers).

The framework shows LTO emissions per passenger at 11.8 $kgCO_2e$ in 2023, compared to 12.0 in 2019. Due to material changes in the methodology, the latter is a recalculated figure based on the methodology from 2023, and a time series based on the old methodology is shown in Figure 7 for comparison.[16] The latest reported data shows 11.6 $kgCO_2e$ in 2024, a reduction driven significantly by an improvement in the calculation methodology.[17]

To put the reduction in context, in 2023 the underlying LTO emissions were 483,419 tCO_2e with 40.9mn passengers. In 2024, passenger numbers increased by 5.7% to 43.2mn. Assuming a further increase to the 2019 level (46.6mn), 419,400 tCO_2e would be sufficient to achieve the 9

[16] From the Sustainability-Linked Financing Framework: "*In 2023, the methodology for calculating LTO GHG emissions was materially updated to better reflect LGW data and practices (rather than using industry-wide sources), such as more accurate time-in phase data for LGW. In order to best compare with the 2019 performance, the 2019 data has been re-calculated on the same basis as the 2023 GHG emissions.*"

[17] From Sustainability-Linked Financing Framework Update 2024: "*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.*"

$kgCO_2e$/passenger target. Based on this illustration, the implied absolute emissions reduction would be around 98,000 tCO_2e compared to 2019 (517,174 tCO_2e).[18]

Option pricing

Following the same approach as for Heathrow, we assess the Gatwick bond structure and price the step-up feature. Due to the sharp drop of airport activity around the pandemic, including 2020 data would result in higher volatility and therefore we focus on the post-pandemic trend. For SPT 1, a historical drift of -9.1% with a volatility of 10.8% (2022-2024) would suggest a very high probability of missing the target, but the short time series limits the robustness of this approach. Also, planned measures to address the main driver of the relevant emissions (i.e. removing natural gas boilers) are only expected to start in mid-2027. Given the high potential for future reductions, we use a 25% probability of missing the SPT 1 as a working assumption. For SPT 2, we assume a 50% of missing the target due to limited availability of historical data.

Table 2. Gatwick SLB option pricing and potential coupon adjustments. Source: AFII.

				Adjustment if targets are missed (SPT1/SPT2)			
	SPT 1	SPT 2	Total	2032	2033	2034	2035
Probability of missing target	25%	50%					
EUR 2033s 3.625%				0.25% /	0.25% / 0.50% (premium)		
Upfront value of option	0.10%	0.21%	0.31%				
Running value of option	0.014%	0.027%	**0.041%**				
EUR 2035s (preliminary)				0.125% /	0.125% /	0.125% /	0.125% / 0.50% (premium)
Upfront value of option	0.10%	0.20%	0.30%				
Running value of option	0.012%	0.022%	**0.034%**				

For the EUR 2033s, the coupon adjustment is +0.25% if SPT 1 is missed and would be paid for two years. For the new EUR 2035s, it is +0.125% paid and would be paid for four years. For SPT 2, there would be one +0.50% paid at maturity. Given the payout profile of the new SLB (EUR 2035s), the option value would be somewhat lower than the for the existing SLB (EUR 2033s), as indicated based on preliminary data in Table 2, due to increased discounting.

Expansion plans

Both Heathrow and Gatwick have plans to expand capacity by building additional runways. While these are longer-term projects, it's useful to think about the potential implications on their SLBs conceptually, particularly in the context of potential future issuances with observation dates beyond 2030.

Heathrow

The idea to build a third runway at Heathrow has been around for over two decades,[19] and detailed plans for such a development have been outlined in the past.[20] Earlier this year, the topic moved into focus again as the government signalled its backing for an expansion. Proposals are expected

[18] This is an illustration, and the required emissions reduction would increase with passenger numbers.
[19] See for example: "The Future of Air Transport", Department for Transport, Dec 2003 .
[20] See for example: "Heathrow Airport Expansions – Consultation Document", Heathrow, Jun 2019.

by this summer.[21] Given the scope of the expansion, planning permission has to be granted by the government and the formal process and judicial review could take years. Still, Chancellor Rachel Reeves and Heathrow CEO Thomas Woldbye hope the project can be finalised by 2035.[22] Heathrow's net-zero plan requires emissions to fall at least 80% by 2050, even with the addition of a new runway. However, the associated plans will face scrutiny during the planning process, and the environmental concerns remain significant.[23] Given the current uncertainty around the project's timeline, it is too early to assess its effect on the airport's 2030 emissions profile — the reference year for four outstanding SLBs. If the project proceeds, close attention should be paid to its specifics, particularly in the context of future SLB issuances. In principle, the current KPIs tied to absolute emissions could be affected during both the construction phase (KPI 2.2) and the start of operations (KPI 1.2 and KPI 2.2).

Gatwick

Gatwick's plan to build a second runway gained traction as Heidi Alexander, Secretary of State for Transport, issued a "minded to approve" letter on 27 Feb 2025. Subject to further details (e.g. noise, public transport), a final decision is expected by 27 Oct 2025.[24] If the expansion plan goes ahead, construction could be completed by the end of the decade, according to Gatwick.[25] As such, there could be an impact on the existing KPIs, particularly KPI 1 (with an absolute emissions target) if operations start in 2030. However, Scope 3 emissions are not included here, and the main drivers of current emissions (e.g. natural gas boilers, petrol/diesel vehicles) could likely be contained. Meanwhile, the impact on KPI 2 should be manageable, assuming the operations after the expansion are comparable to the present in terms of emissions per passenger. Still, related developments are important to monitor.

Other airports with SLB issuance

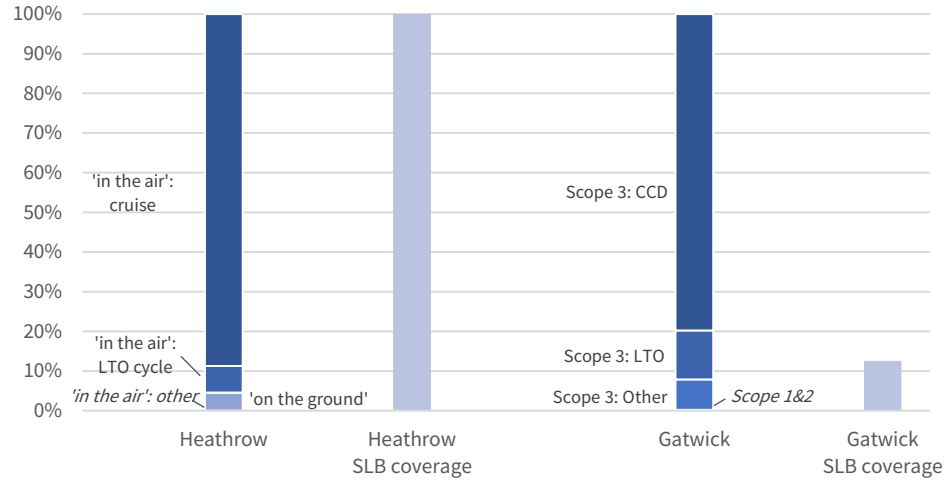
The comparison of Heathrow's and Gatwick's SLBs provides valuable insights into different approaches to emissions and bond structures. But they are not the only airports to have issued such bonds. In the appendix we list 20 SLBs issued by airports globally. Another major European airport is Aeroporti di Roma (Ticker ADRIT) with three SLBs – the latest one issued in May 2025 with 2030 targets linked to absolute Scope 1 & 2 emissions and Scope 3 emissions (LTO) per passenger.[26] Also, Grupo Aeroportuario del Centro Norte (Ticker GACENO) and Grupo Aeroportuario del Pacifico (Ticker GAPBMM), two airport operators in Mexico, have issued a range of MXN-denominated SLBs, including several with observation dates in 2025. Finally, there are a few SLBs issued by Chinese airports, denominated in CNY.

[21] "Heathrow airport expansion: 2025 proposals", House of Commons Library, Jun. 2025.
[22] "Heathrow's third runway can be built in 10 years, Reeves says", BBC News, 30 Jan 2025; "Heathrow Airport expects third runway take offs in 10 years", BBC News, 11 Feb 2025.
[23] "Heathrow third runway: What's the plan for expanding the airport?", BBC News, 28 Jan 2025.
[24] "Gatwick Airport Northern Runway Project information", Planning Inspectorate, accessed 6 Jun 2025.
[25] "Northern Runway plans", London Gatwick, accessed 6 Jun 2025.
[26] "Sustainability-Linked Financing Framework", Aeroporti di Roma, Apr 2025.

Conclusions

Figure 8 illustrates the composition of emissions and the share covered by the airports' respective SLBs. For investors concerned about the reduction of emissions related to airports, Heathrow's SLBs offer an opportunity to support the company's decarbonisation pathway in the coming years. Based on our analysis, the option value is highest for the GBP 2032s due to the premium payment if one of the SPTs is missed, followed by the CHF 2032s and EUR 2033s.

Figure 8. Composition of Heathrow's and Gatwick's total emissions (as of 2023) and estimated share of emissions covered in their respective SLB structures. Source: Heathrow, Gatwick, AFII.



We believe that in the context of SLBs, Scope 3 emissions should be included for a structure to be deemed credible. Heathrow's approach is notable in terms of the comprehensive emissions coverage, including 'in the air' and 'on the ground', and the targeted emission reduction of almost 3.5mn tCO_2e by 2030, compared to total emissions around 21mn tCO_2e in 2019 and 19.4mn in tCO_2e in 2024. In contrast, Gatwick is a smaller airport with total emissions of around 4.4mn tCO_2e in 2024 and much narrower coverage of emissions in its SLB framework due to exclusion of Scope 3 emissions in KPI 1 and the focus on LTO emissions without CCD emissions in KPI 2. Accordingly, the targeted emission reductions are much smaller with 10,728 tCO_2e for KPI 1 and around 98,000 tCO_2e for KPI 2, based on the assumption of a recovery of passenger numbers to 2019 levels.

Airports will remain an important topic for investors focused on net zero due to fundamental trade-offs between reducing emissions and increasing capacity. Based on current technologies, the trajectory of rising air travel demand is likely on a collision course with the decarbonisation ambitions of airports which plan to expand and facilitate more flights. In the latest Progress Report to Parliament,[27] the Climate Change Committee lists *"Stop airport expansion without a UK-wide capacity-management framework"* as a priority policy recommendation. Meanwhile, the Airport Council International (ACI) has set the goal for member airports to be net-zero by 2050.[28] However, this only includes Scope 1 & 2 emissions, which are insufficient to reduce an airport's overall emissions in a meaningful way due to the very high relevance of Scope 3 emissions.

While expansion plans are unlikely to have an immediate impact amid ongoing uncertainties about actual implementation and timeline, related developments are important to monitor as they could alter the airports' emissions profile in the long term.

[27] "Progress in reducing emissions 2024 Report to Parliament", Climate Change Committee, 18 Jul 2024.
[28] "Long Term Carbon Goal Study for Airports Report, 2021", ACI, 8 Jun 2021.

Appendix

Appendix A: SLBs issued by airports globally. Source: Bloomberg, AFII.

Issuer	Ticker	ISIN	Issue Date	Maturity Date	Issue Amount (bn)
Aeroporti di Roma	ADRIT	XS2337326727	30 Apr 2021	30 Jul 2031	0.50
Aeroporti di Roma	ADRIT	XS3067397789	7 May 2025	15 Jun 2032	0.75
Aeroporti di Roma	ADRIT	XS2644240975	10 Jul 2023	10 Jul 2033	0.40
Capital Airport Group	CAPAPT		27 Aug 2021	27 Aug 2026	2.00
Gatwick Funding	GATAIR	XS2919214937	16 Oct 2024	16 Oct 2033	0.75
Grupo Aeroportuario del Centro Norte	GACENO	MX91OM000084	10 Mar 2023	24 Jul 2026	0.64
Grupo Aeroportuario del Centro Norte	GACENO	MX91OM000068	31 Mar 2022	25 Mar 2027	1.70
Grupo Aeroportuario del Centro Norte	GACENO	MX91OM000050	31 Mar 2022	22 Mar 2029	2.30
Grupo Aeroportuario del Centro Norte	GACENO	MX91OM000076	10 Mar 2023	1 Mar 2030	2.56
Grupo Aeroportuario del Pacifico	GAPBMM	MX91GA0000G5	27 Mar 2023	23 Mar 2026	1.12
Grupo Aeroportuario del Pacifico	GAPBMM	MX91GA0000E0	26 Sep 2022	21 Sep 2026	2.76
Grupo Aeroportuario del Pacifico	GAPBMM	MX91GA0000I1	20 Mar 2024	17 Mar 2027	1.38
Grupo Aeroportuario del Pacifico	GAPBMM	MX91GA0000F7	27 Mar 2023	18 Mar 2030	4.28
Grupo Aeroportuario del Pacifico	GAPBMM	MX91GA0000H3	20 Mar 2024	12 Mar 2031	1.62
Heathrow Funding	HTHROW	XS2777627907	5 Mar 2024	5 Mar 2032	0.35
Heathrow Funding	HTHROW	CH1376931585	3 Dec 2024	3 Dec 2032	0.22
Heathrow Funding	HTHROW	XS2648080229	11 Jul 2023	11 Jul 2033	0.65
Heathrow Funding	HTHROW	XS2977947105	16 Jan 2025	16 Jan 2036	0.60
Sichuan Province Airport Group	SCAIRP	CND10007G615	15 Jan 2024	15 Jan 2027	1.00
Yunnan Airport Group	YNARPT	CND10005RGP7	19 Oct 2022	19 Oct 2025	0.50

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