ESG Reporting and Airports
1:15 PM – 2:30 PM

MODERATOR
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#ACRPImpact
ESG Reporting and Airports

JILL BLICKSTEIN

Chief Sustainability Officer
American Airlines

Member of Dow Jones Sustainability Indices
Powered by the S&P Global CSA

CDP Supplier Engagement Leader 2022

TCFD Task Force on Climate-Related Financial Disclosures

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ESG Reporting and Airports

CHRIS POINSATTE
CFO/EVP Finance & ITS
Dallas/Fort Worth International Airport

- Rating agencies, investors, insurance companies, and other stakeholders are beginning to ask for more ESG information
- The airport industry does not have, but needs, a standard ESG framework and metrics to provide to these organizations
- CFOs need to be actively involved in ESG reporting and disclosures at their airports

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KURT FORSGREN

Managing Director
S&P Global Ratings

- ESG credit factors vs ESG factors

- Keys
  1. financial materiality
  2. time horizon with sufficient visibility and certainty
  3. risk mitigation strategies

- ESG Stakeholder perspective and Credit perspective
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S&P Global ESG Principles In Credit Ratings

The Intersection Of ESG And Credit

General Principles Of How ESG Credit Factors Can Influence Credit Ratings

Principle One
Our long-term issuer credit ratings do not have a pre-determined time horizon.

Principle Two
The current and potential future influence of ESG credit factors on creditworthiness can differ by industry, geography, and entity.

Principle Three
The direction of and visibility into ESG credit factors may be uncertain and can change rapidly.

Principle Four
The influence of ESG credit factors may change over time, which is reflected in the dynamic nature of our credit ratings.

Principle Five
Strong creditworthiness does not necessarily correlate with strong ESG credentials and vice versa.
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S&P Global ESG Credit Factors Defined

Examples of ESG Credit Factors

**Environmental factors**
- Climate transition risks
- Physical risks
- Natural capital
- Waste and pollution
- Other environmental factors

**Social factors**
- Health and safety
- Social capital
- Human capital
- Other social factors

**Governance factors**
- Governance structure
- Risk management, culture, and oversight
- Transparency and reporting
- Other governance factors

**ESG credit factors** are those ESG factors that can materially influence the creditworthiness of an entity (e.g., company, country, asset, etc.) for which we have **sufficient visibility** and **certainty** to include in our credit rating analysis.

ESG—Environmental, social, and governance. Source: S&P Global Ratings. Copyright © 2021 by Standard & Poor’s Financial Services LLC, All rights reserved.
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What Drove S&P ESG related rating actions in 2022?
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ESG Materiality Map - Transportation Infrastructure

- Sector has central role in mobility and economic activity. As a result, **access and affordability** and **health & safety events** (e.g. pandemic) are **more material** SOCIAL RISKS.

- **Physical climate risk** are **more material** ENVIRONMENTAL RISKS.

- Key stakeholder considerations with **more limited credit consequences** are **workforce**-related factors and **climate transition** risk.
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CHRIS BERGSTROM

Executive Director
UBS Financial Services Inc.

- Market participants’ understanding of and approach to ESG risk has changed in the post-pandemic environment
- The next frontier is moving from “inside-out” ESG disclosure strategies to metrics that capture and quantify the “outside-in” ESG risks which could materially impact an airport’s operations and performance