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Adelaide Airport secures Australia's first Sustainability Loan with ANZ

Adelaide Airport has signed a A\$50 million 7-year Sustainability Performance Linked Loan with ANZ, the first loan in Australia that incentivises a borrower to even further improve its performance against a set of Environment, Social and Governance (ESG) criteria.

Adelaide Airport was recently ranked #1 airport in the world for the second year running in the 2018 Global Real Estate Sustainability Benchmark – establishing itself as a leader in sustainability both within Australia and internationally.

Adelaide Airport Managing Director, Mark Young, said Adelaide Airport strived to be a leader in sustainability and would always work hard to embed the principles of sustainable business practice throughout its operations.

“Creating an explicit link between our financing and long term sustainability credentials – including risk management, governance, our culture, the value we place upon our people and our relationships with our customers and stakeholders – is a key milestone for our business as we seek to further integrate sustainability within our day-to-day operations,” Mr Young said.

“As the gateway to South Australia, Adelaide Airport is a key piece of community infrastructure and an important contributor to the State’s economic success and we are proud to be contributing to the State’s growth in a sustainable way.”

Adelaide Airport was also the first airport in Australia to achieve level 3 (optimisation) under Airports Council International’s Airport Carbon Accreditation program and secured the Platinum award for waste reduction in the Airport Council International – Asia Pacific Green Airports Recognition 2018.

“Linking our financial arrangements to sustainability performance demonstrates our commitment to continuous improvement of our sustainability performance,” Mr Young said.

“The loan is structured as a revolving credit facility, with the sustainability performance component based on Sustainalytics’ ESG Risk Ratings, an assessment of a company’s exposure to financially material ESG risks.

“The loan will help AAL continue to transition to a lower carbon and more sustainable economy by linking its borrowing rate to its sustainability performance.”

ANZ’s Head of Sustainable Finance, Katharine Tapley, said: “AAL’s strong commitment to continuously improving its sustainability performance makes it an ideal candidate for incentivised financing.

“We are pleased to have partnered with the AAL team, bringing to life this landmark transaction which supports the transition to a more sustainable economy.”

BACKGROUND

Adelaide Airport Ltd operates the Adelaide and Parafield Airports under a 99-year concession. Adelaide Airport is the fifth largest domestic airport in Australia with over 8 million passengers a year. Parafield Airport is South Australia's premier general aviation airport and a major international training airport.

ANZ has a target of A\$15 billion to fund and facilitate environmentally sustainable solutions by September 2020. As at 30 September this year, ANZ has already funded A\$11.7 billion against the target. The bank was last week named Best Sustainable Finance House by FinanceAsia in the Australian Achievement Awards for 2018.