



**Adelaide
Airport**

**2021
Integrated
Review**



NURTURE

SHAPE

DELIVER

GROW



Welcome to our Integrated Review

Adelaide Airport (AAL or the 'Group') presents its 2021 Annual Report using an integrated approach.

This report communicates both Adelaide and Parafield airports' overall performance for the financial year ending 30 June 2021. It articulates the broader range of measures that contribute to long-term value and the role Adelaide Airport plays in society; bringing together the material information about how our strategy, governance and performance create value over the short, medium and long-term for shareholders and other important stakeholders.

This report should be read in conjunction with the Annual Financial Statements, providing a more detailed understanding of the financial aspects of the business. Unless otherwise stated, all information in this report relates to the Group.

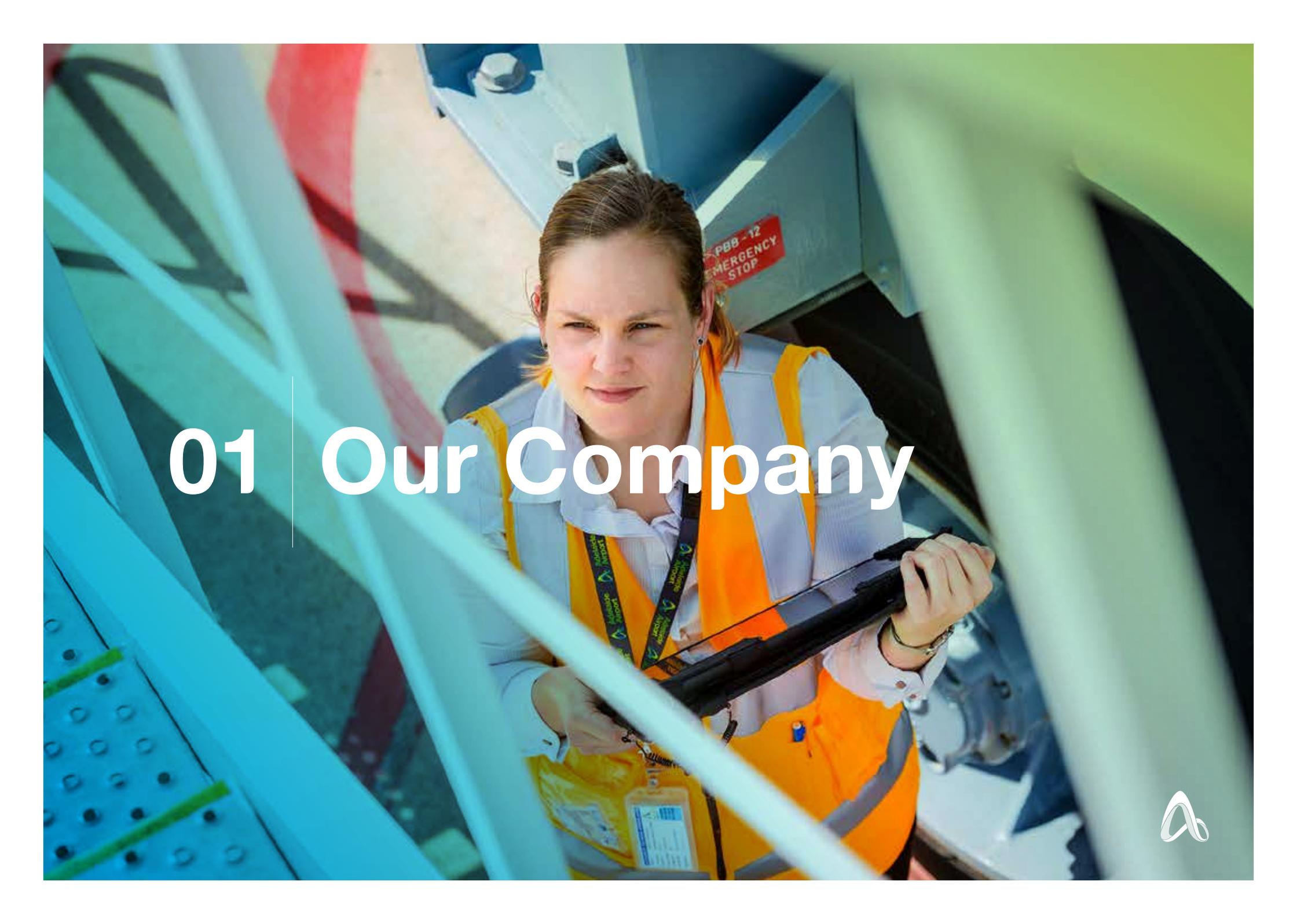
This report has also been informed by the Global Reporting Initiative (GRI) Standards and has been prepared in accordance with the GRI Standards: Core option. Our GRI content index can be found in the Appendix. We have not included Disclosures on Management Approach (DMAs) for each material issue.



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01 | Our Company



Chairman & Managing Director's Report

Adelaide Airport Ltd (AAL) has weathered the storm of COVID-19 and remains in good shape to leverage opportunities as domestic and international borders start to re-open over the next financial year.

We have transitioned from the immediate crises presented by the pandemic, through a recovery phase to now be operationally sustainable. Our focus has now shifted to facilitating growth in a disciplined manner.

The global aviation industry has changed forever. Almost certainly, changes to the global industry mean we cannot assume an automatic resumption of pre-COVID airline customers and schedules. But, just as traditional routes may not return, we're already attracting new routes and services that didn't exist pre-COVID, as well as new aircraft based in Adelaide that are better suited to our domestic network needs and opportunities.

We continue to protect our staff, customers and stakeholders from COVID; connect South Australia to the world; and attract visitors and investment to Adelaide Airport and South Australia.

We have been nimble and flexible. Our ability to move very quickly to renegotiate finances, listen and respond to our key customers, suppliers and tenants, rapidly reduce costs, and manage our overall position as a business has re-set a solid base for future growth.

We have forged ahead with key projects and activities, as evidenced by the ongoing progress on the terminal expansion, the attraction of a base for Qantas Embraer E190 aircraft and the completion of Mitsubishi Motors Australia's new national headquarters.

The team at Adelaide Airport has so many reasons to be proud of the way we have navigated the past 12 months. We have returned to a sustainable operation and have shifted into a disciplined growth mode. We can grow in the confidence that we can also handle even extreme setbacks on our upwards trajectory.



Robert (Rob) Chapman
Chairman



Mark Young
Managing Director

Results

Our 2020/21 results have been significantly impacted by COVID-19 with full year EBITDA (excluding fair value adjustment of investment properties) of \$67.8m, down \$43.1m or 38.9 per cent.

Revenue was down 41.1 per cent from \$196.3m in 2019/2020 to \$115.7m in 2020/21 due to COVID travel restrictions. Revenue losses were partially mitigated by cost saving initiatives, which reduced our operational expenses by \$37.9m or 44.1 per cent.

The statutory accounts include a \$52.9m non-cash gain on investment properties held at fair value based on an independent expert valuation, driven by a tightening of the capitalisation rate as a result of the low-risk free rate and level of demand for quality commercial property assets, as well as progress on several development opportunities.

Net loss before tax and non-cash gain on investment properties was \$26.8m.

Strategy

Our updated Strategic Plan covering 2021–2024 provides the blueprint for recovery and future growth as we steer the business out of the pandemic. It outlines our near-term and medium to long-term initiatives, which remain structured around Grow, Deliver, Shape and Nurture.

The previous iteration of our Strategic Plan held up well at the height of COVID and a review of the plan identified only subtle changes. We have focused on re-prioritisation of initiatives due to the impacts of COVID materially changing our operating environment.



Our core activities remain our aeronautical, commercial, property and retail businesses, providing revenue diversification. We are South Australia's prime aviation asset, with our core purpose to facilitate aviation connectivity with people and products across the globe.

Relationships

If COVID-19 has taught us one thing, it's the power of relationships. We would not have been able to ride out the low points of the past year without the partnerships we have formed and nurtured over many years with our key stakeholders, from airlines, tenants and suppliers through to all levels of government.

We have negotiated agreements with our airline partners that have ensured a continuity of services and even grown our network. We have acted in good faith with our tenants, knowing that they have been navigating challenging conditions as much as us.

Our suppliers have worked closely with us to continue to provide the highest level of service despite significant and regular changes to meet our needs as passenger traffic ebbed and flowed. And we have stepped up our relationships with government, knowing the decisions made over the past year will significantly benefit our operations in the longer term

Aeronautical

The first few months of COVID-19 in 2020 had, unsurprisingly, the biggest impact on Adelaide Airport in its long history. More than a year later we have seen hopes of an international return delayed, and domestic and regional travel rebounding strongly - but regularly set back by state border closures.

Total passenger numbers for 2020/21 were down 65 per cent compared with 2018/19 (the most recent full year not impacted by COVID). However, we have already seen an appetite for flying again with domestic passenger recovery achieving 72 per cent in April 2021 against pre-pandemic levels before border closures and restrictions once again impacted the sector. We anticipate a strong recovery rate once borders re-open.

Remarkably, despite the COVID impact, it is now possible to fly from Adelaide to more domestic destinations. Qantas (and QantasLink), Virgin Australia, Rex and Jetstar have added new domestic and regional services to new destinations.

Qantas' announcement in May that it would establish an Embraer E190 aircraft base in Adelaide was a significant win and a prime example of how our ability to be nimble and flexible in a changing aviation environment can boost our credentials as a regional aviation hub and in turn, lead to new routes.





Limited international flights continue to operate for the repatriation of Australian residents and movement of freight.

South Australian exporters continue to benefit from the International Freight Assistance Mechanism (IFAM) - a targeted support measure put in place by the Australian Government to keep global air links open.

We are working closely with the State and Federal governments on strategies to attract airlines to South Australia. The orderly resumption of tourism and business travel and air freight exports is vital to re-build and lift confidence in the State's economy.

The nature of our customer base has changed significantly over the past year. Our airline customers are seeking our support to reduce costs and increase yields through lower charges and less reliance on direct infrastructure investment - a model supported by the common use facilities in our main terminal.

Airlines also support our endeavours to increase digital touch points with our joint customers and create 'contactless travel', while also better using data to reduce costs, increase operational reliability, improve planning and identify market opportunities.

Terminal expansion

Adelaide Airport's terminal expansion, our largest project since the terminal was first opened in 2005, remains on track for completion by the end of 2021.

It has been a significant achievement by the project team and builders BESIX Watpac to maintain construction through the pandemic.

The opening of the new international departures hall and re-opening of the northern concourse in December, 2020 coincided with re-opening of gates and retail stores at the northern end of the terminal for the first time in nine months. The new departures hall is three times the size of the old facility.

The new Southern Providore opened in April, 2021 focusing on the best South Australia has to offer and fitting perfectly with Adelaide Airport's vision for our revamped retail precinct by placing a premium on local products and produce.

We also welcomed the opening of the Virgin Australia lounge with its new-look design and the first product to be launched for travellers since the airline entered new ownership.

New retail openings in the second half of 2021 include Coopers Bar, Adelaide Pantry Kitchen, Soho Coffee and two WH Smith Adelaide stores - all celebrating the best of South Australian products.

Customer

Adelaide Airport's key focus remains ensuring the customer journey is easy, seamless and connected, and this will be even more critical as travellers return to flying.

Safe and secure operations remain paramount, however our customers'

expectations of health safety and hygiene awareness have been elevated. Greater focus will be given to touchless travel and a smoother, uncongested journey from kerb to gate.

Property

Adelaide Airport in 2020/21 has faced the double-edged sword of minimal aeronautical revenue and a tenant base seeking assistance due to their own financial challenges.

We recognised the need to do everything we could to support and retain our tenants while maintaining revenue streams. Our strategy was premised on a sympathetic approach to lease discussions and rent payment terms, retaining our tenant base and putting our longer-term relationships ahead of potential short-term gains. As a result, we have to date retained every one of our tenants at Adelaide Airport and only had one tenant vacate at Parafield Airport. This is a remarkable achievement by our property team.

On a more positive front, Adelaide Airport has received a record level of enquiries for land availability, particularly as a result of unprecedented growth in the industrial market, especially in logistics and freight. We continue to work towards being 'development ready' across all precincts so we can respond quickly when opportunities arise.

Our Airport East freight and logistics hub continues to take shape, with the first stage of development now underway and



master planning for the second stage due to commence shortly as interest in the precinct continues to grow.

Earlier this year, Mitsubishi Motors Australia unveiled its new national corporate headquarters at Adelaide Airport. The building was developed by Adelaide Airport and was the culmination of three years of discussion, planning and partnership with Mitsubishi Motors to ensure we delivered an outcome that achieved their accommodation goals.

Attracting major companies such as Mitsubishi Motors demonstrates our ability to create purpose-built facilities and to deliver on financial, strategic and development opportunities.

Sustainability

Despite the challenges associated with the COVID-19 pandemic, we took a significant and exciting step forward in our sustainability journey in 2020/21, with Board approval for a suite of long-term, performance-based, environmental-sustainability targets aimed at reducing our environmental impact and improving the efficiency and resilience of our infrastructure and operations.

We also recognise the need to address climate change and for Adelaide Airport to play a role in restricting global temperature increase to less than 1.5°C, in line with the Paris Agreement. In response to this, we developed new emission reduction targets for a 50 per cent reduction in emissions by 2030 and Net Zero emissions by 2050.

People

Undoubtedly the most difficult challenge faced by Adelaide Airport in 2020/21 has been the management of our people as revenue evaporated and critical measures were implemented to remain operational through the pandemic.

The significant impacts of COVID on the aviation industry necessitated an adjustment to the structure and size of our business. However, we have proven our ability to remain nimble, flexible and resilient, with the whole-of-company focus initially on survival before moving into the early phases of recovery. Our workforce is now aligned in a mindset of disciplined growth.

Adelaide Airport has implemented enhanced flexible working arrangement options for all staff, both in terms of operations and through the uncertainty of government-mandated lockdowns.

Our values, which define our behaviour and shape our culture, remain as important as ever: accountability, authenticity, integrity, responsiveness, respect, pride, openness, with a focus on relationships and teams. These values have shone through as we manage our service levels to match our operation as we grow. We continue to build on our culture of professionalism, excellence, responsiveness and achievement.

Community

Adelaide Airport is committed to supporting our stakeholders through

community and public engagement, government consultation and industry representation.

Despite the significant impacts of COVID-19 on the aviation industry, we have retained a strong level of positive stakeholder engagement, approaching stakeholder management challenges in new ways to ensure engagement activities continued where possible.

Parafield Airport

Parafield Airport has been significantly impacted by COVID-19, mainly as a result of the significant loss of students attending our flight training schools due to international border closures. Our team has displayed its flexibility and versatility to support our tenants during this challenging time.

The future

At a number of touch points over the past year, we described what our business would look like in the future. Our operating environment has accelerated and it is now crucial for us to make sure we are aligned on how we collectively operate our business.

Our mindsets must necessarily evolve to be sustainable for the long term. Importantly, we must exercise a sense of urgency to now refine and improve what we do and how we do it, so we are best placed to make the most of the opportunities coming our way.



Executive General Management Team



Mark Young
Managing Director



Brenton Cox
Executive General Manager
Finance & Corporate



Kym Meys
Executive General Manager
Planning & Infrastructure



David Blackwell
Executive General Manager
Technology & Innovation



James Sangster
Executive General Manager
Property



Dermot O'Neill
Executive General Manager
People, Culture & Terminals



Emma Boulby
Executive General Manager
Airport Operations



About Us

Adelaide Airport is the gateway to South Australia enabling the movement of more than 8 million passengers per year (pre COVID-19) and is the fifth largest domestic and international airport in Australia, based on passenger numbers.

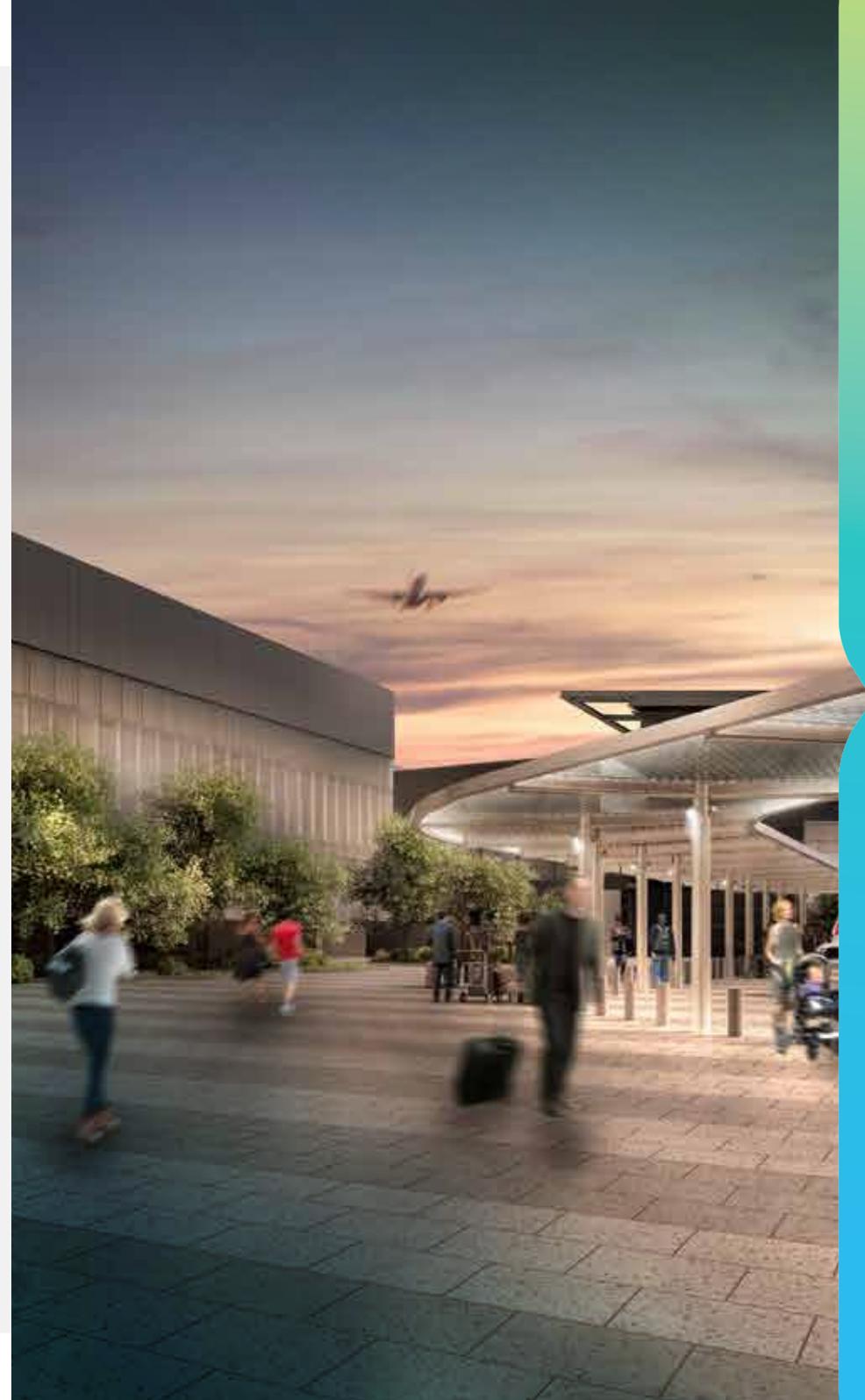
Adelaide Airport Limited is a private, unlisted South Australian Company currently owned and supported by five long term shareholders.

Adelaide Airport Limited was awarded the long-term leases of Adelaide and Parafield Airports, by the Commonwealth of Australia, in May 1998. Passenger numbers at Adelaide Airport more than doubled from 1998 to 2019, while international passenger numbers more than quadrupled over the same period to more than 1 million. Pre COVID-19 the airport was served by nine international carriers connecting South Australia to more than 300 cities around the globe, either direct or via one-stop connections.

Recent infrastructure projects include the new Atura Hotel opened in 2018, and a domestic and international terminal expansion currently under construction.

As a major business centre, Adelaide Airport is executing its vision to be a globally connected, next generation hub with designated industry clusters through its Airport Business District – recently attracting major companies such as OZ Minerals, Mitsubishi, Otis, Bunzl and Australian Clinical Laboratories.

Parafield Airport is a wholly owned subsidiary of Adelaide Airport Limited. It is South Australia's premier general aviation airport and a major world standard training airport.



Year in Review

2020
JULY



16 August

Qatar Airways resumes Doha – Adelaide service



18 December

AAL celebrates 15th anniversary of QantasLink and REX flying to Adelaide



23 February

Virgin Australia opens new Adelaide Airport lounge



30 March

Inaugural Virgin Australia Sunshine Coast – Adelaide service arrives



19 April

Mitsubishi Motors Australia national headquarters opens at Adelaide Airport

AUGUST

DECEMBER

FEBRUARY

MARCH

APRIL

DECEMBER

JANUARY

MARCH

MARCH

APRIL

15 December

New international departures hall opens



20 January

First Air Vanuatu charter arrives carrying seasonal workers to support fruit picking



28 March

QantasLink commences five-weekly Adelaide - Mt Gambier service



31 March

REX commences twice-daily Adelaide – Melbourne service



30 April

Southern Providore opens as part of terminal expansion



Year in Review



5 May

Trans-Tasman travel bubble opens with first Air New Zealand flight from Auckland



25 May

Qantas announces new services from Adelaide to Cairns, Hobart and Townsville



30 June

Bunzl distribution warehouse reaches practical completion

MAY

MAY

MAY

MAY

JUNE

JUNE 2021

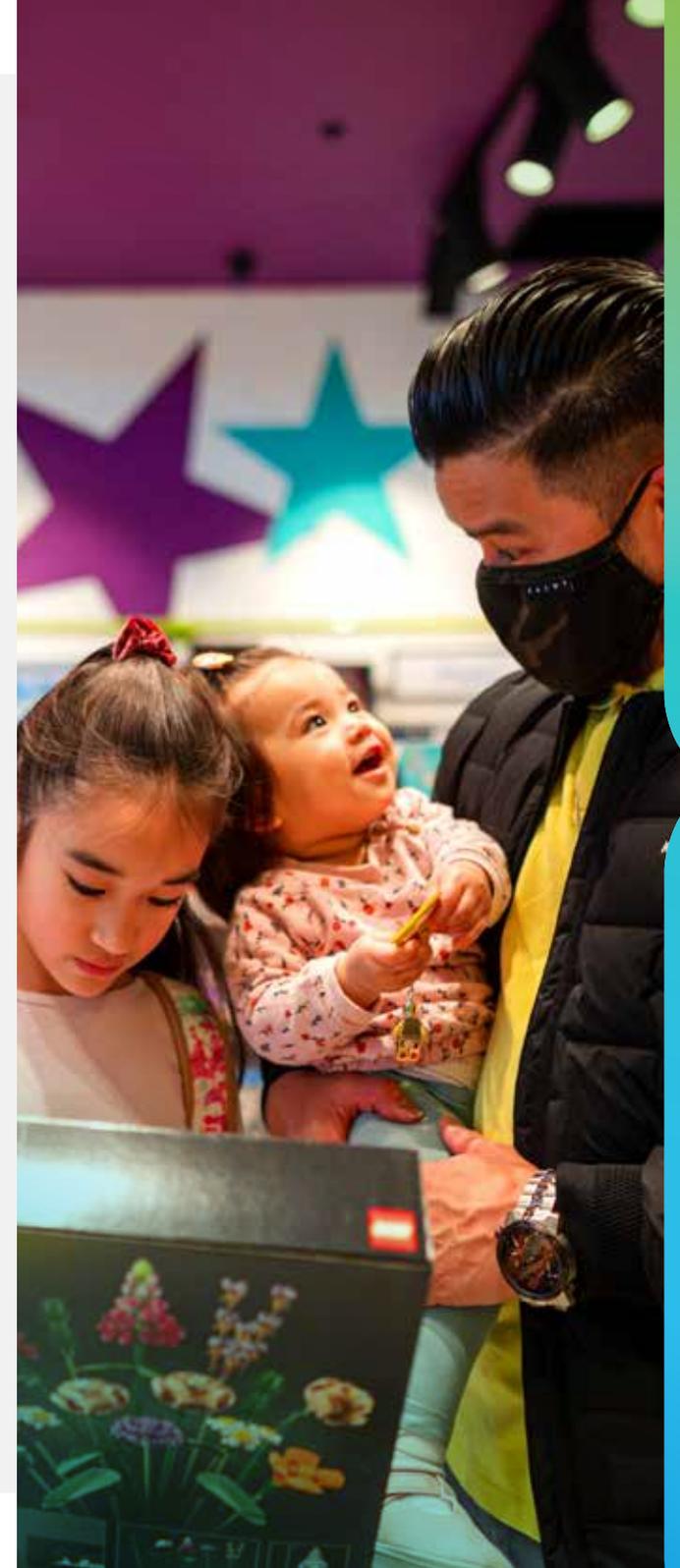
7 May

Qantas announces Adelaide to be home of five Embraer E190 aircraft



28 May

Lisa Brock announced as new Board Director



2021 Snapshot

 <p>5th Largest airport in Australia Based on passenger numbers</p>	 <p>AAL: 785 Hectares PAL: 433 Hectares</p>	 <p>1 Terminal 2 Runways</p>	 <p>Parafield Airport 166,726 Movements ↓ 38%</p>	 <p>\$2.98b income added to the economy (3.1% of GSP) 2019 Master Plan calculation</p>
 <p>Domestic Passengers 2.53M ↓ 50.6%</p>	 <p>International Passengers 30K ↓ 96.4%</p>	 <p>Routes 8 new services in FY21: +517K seats per annum</p>	 <p>Revenue \$115.7M ↓ 41.1%</p>	 <p>EBITDA \$67.8M ↓ 38.9%</p>
 <p>Freight 5.6K tonnes ↓ 52%</p>	 <p>Property 350 AAL tenants 100% retention in FY21</p>	 <p>Employees 64% male 36% female</p>	 <p>Staff Engagement 73%</p>	 <p>TRIFR 15.1 6.7 above 3 yr avg. benchmark</p>
 <p>Water 63% recycled water use</p>	 <p>Waste 20% AAL 47% PAL Diverted from landfill</p>	 <p>Carbon 14.9% AAL 16.94% PAL Emission reduction</p>	 <p>Electricity ↓ 2.32% AAL ↓ 20.11% PAL Reduced consumption</p>	 <p>Landscapes -4.38% landside canopy cover</p>





Our External Influences

In developing our strategy, we have identified external influences that affect the environment in which we operate and determine our company's future direction.

Commercial property demand

Record low interest rates have created excellent market conditions across the commercial property sector, with strong demand for strategically located land banks with access to major transport links. This growth was evident pre-COVID, but has spiked over the past 12 months, with warehouse and logistics space demonstrating particularly strong demand.

As a result, industrial vacancy rates are at record lows and companies are taking advantage of cheap finance by choosing to buy rather than rent premises. The current strong demand is forecast to continue in the medium term.

Flight shaming

There has been a growing unease from environmentally conscious travellers about the impact of flying on climate change. The Swedish coined the phrase 'flygskam', which translates as 'flight shame' to describe being accountable for your personal carbon footprint.

The trend away from flying has been largely centred in Europe where there are credible alternative transport options such as high-speed rail. Australians may be slower to adopt the trend given the vastly greater distances between major cities and paucity of rail services. However, the combination of business adopting online meetings rather than face-to-face due to COVID, combined with companies seeking a more sustainable approach to satisfy shareholders, could significantly reduce business travel post-COVID recovery.



China relationships

Australia's relationship with China has taken a noticeable downturn over the past year, with a 2021 Lowy Institute poll indicating Australians' trust and warmth towards China had reached record lows. This geopolitical relationship has been deteriorating since 2017 but has reportedly fallen more sharply over Australia's support for an enquiry into the Chinese origins of COVID-19.

Australian exporters have been affected by the subsequent deterioration in trade relationships between the two countries, with wine and barley exports particularly impacted. It remains to be seen if changes to the Australia-China relationship impacts other sectors such as tourism post-COVID.

We maintain open and collaborative relationships with Chinese airlines and look forward to a restart of flight operations.

International border closures

A recovery in international traffic will be largely predicated on decisions by the Australian Government to allow Australian citizens to leave the country, and for overseas travellers to enter the country. Once borders are re-opened, there may still be ongoing restrictions based on, for example, the introduction of vaccine passports.

Another big challenge will be around confidence for people to travel. Travellers will want a high degree of confidence that

if they travel outside of the country, there won't be snap border lockdowns as has been seen domestically that could leave travellers stranded.

Airports in Australia, in conjunction with Federal airport regulators, will also need to consider what facilities may be required to process passengers based on port-of-origin or health status.

New airport technologies

The introduction of new airport technologies, both for security purposes and more efficient travel, will continue at pace. While COVID-19 may have slowed down their implementation, the development of these technologies continues.

Biometrics will continue to play a greater role in aviation – with the ultimate aim of a completely contactless experience from check-in to boarding. Self-service security screening is already being trialled in the US.

Cyber security

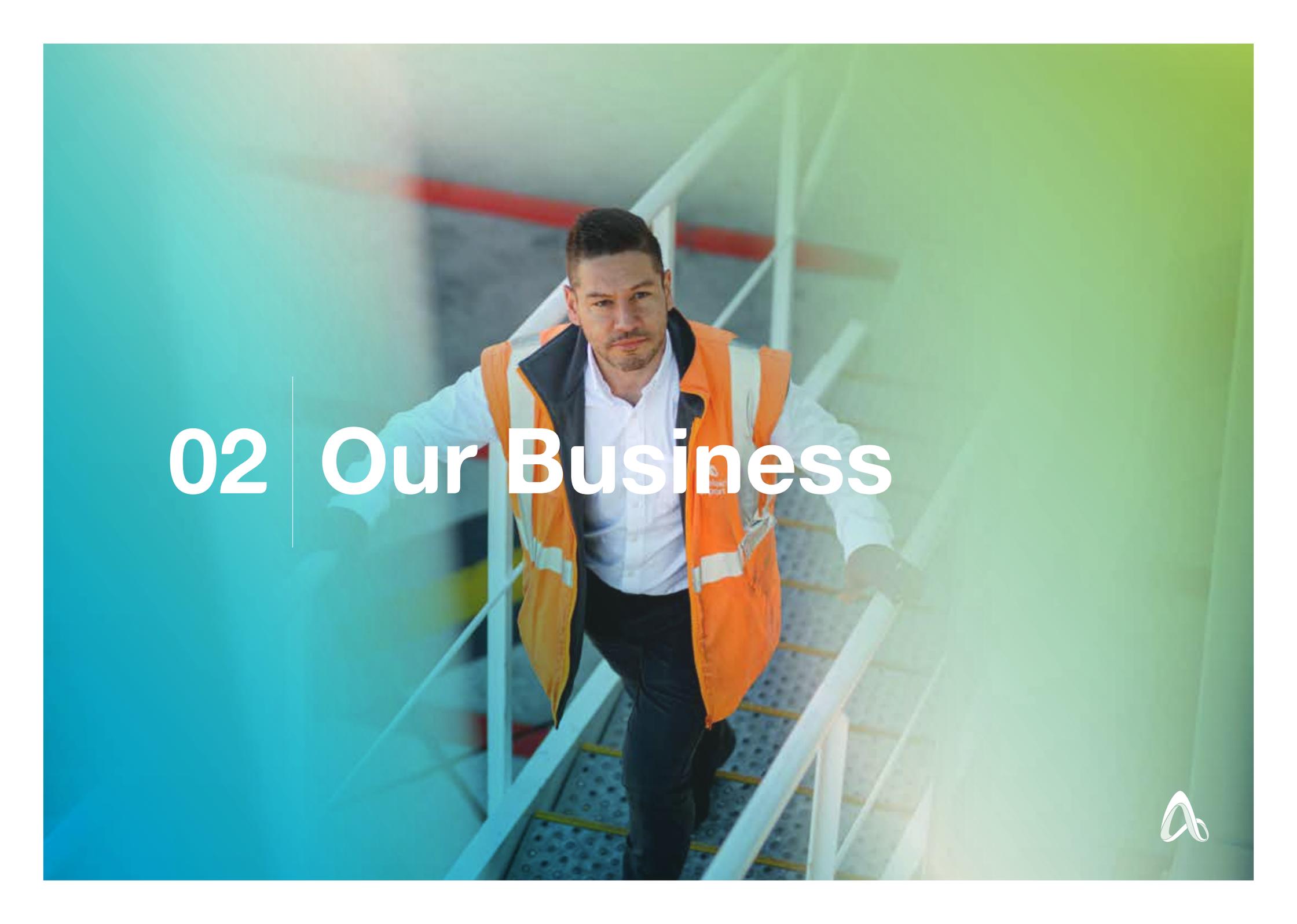
The acceleration in the use of technology in all facets of our business makes us more vulnerable to cyber threats and potential impact on our operations, including security, fuel supply, baggage, airfield lighting and corporate systems.

Consumer Trends

The continuing rapid growth in online shopping, which has accelerated during COVID, has in turn created significant

growth in freight handling. Freight and logistics companies are upscaling their facilities to cater for this growth, and airports are well positioned to meet the necessary property, processing and warehousing requirements.





02 | Our Business



Our Vision

To be a top tier Airport Business in Asia Pacific, recognised for delivering exceptional outcomes to our customers, partners, shareholders and community.

Our Mission

To realise our vision, we will consistently: nurture strong relationships with our stakeholders; offer a great customer experience; develop the expertise of our talented team; deliver high quality facilities and services that are regarded as best in class, safe, secure and sustainable; strive for innovative solutions and continuous improvement; and partner responsibly with our community.

Our Values

- A** Be **ACCOUNTABLE** and **AUTHENTIC**
- I** Conduct ourselves with **INTEGRITY**
- R** Be **RESPONSIVE**, efficient and **RESPECTFUL**
- P** Take **PRIDE** in our achievements
- O** Be **OPEN** and friendly and encourage diversity
- R** Build **RELATIONSHIPS** based on trust
- T** Foster great **TEAMS**

Our Brand Essence

Ease
Connectivity
Seamlessness



Our Strategy

The Adelaide Airport Board has approved our Strategic Plan for the 2021 – 2024 period, providing the blueprint for recovery and future growth as we navigate the business out of the pandemic. The Strategic Plan outlines our near-term and medium to long-term initiatives, which remain structured around Grow, Deliver, Shape and Nurture.

The previous iteration of our Strategic Plan held up well at the height of COVID and a review of the plan identified only subtle changes. We have focused on re-prioritisation of initiatives due to the impacts of COVID materially changing our operating environment.

The culture of our organisation and the need to nurture our people and relationships moved to the forefront and we have accelerated changes to the shape of our business, for example our response to remote working and our adoption and rollout of new technology.

Teamwork and agility within our organisation came to the fore during the review of the Strategic Plan. The review process has continued to evolve and now includes the executive and senior leadership team who review and assess Strategic and Business Plan initiatives against the strategic objectives of the organisation. This process has enabled leaders to develop a much deeper understanding of the priorities from across the business and further demonstrated our resilience and ability to mitigate risks.



Grow our business

- Growing our aviation capacity
- Securing deals with our domestic and international customers
- Continuing to re-align our relationship with the State Government through the formation of the South Australian Aviation Reference Group
- Fostering public confidence in flying again
- Achieving lower costs through tighter control and expansion of common user infrastructure
- Redefining our approach to development of our property land bank
- Deepening airport tenant relationships.



Deliver an exceptional experience

- Respond to changing consumer preferences
- Continue to evolve our parking products to meet customer needs
- Revise leasing strategies with a view to maintaining long term relationships
- Respond to the changing needs outside of the terminal for customers and the local airport community
- Define what 'development ready' means to us and how we respond to emerging tenant and airport user preferences
- Deepen engagement via digital and customer knowledge.



Shape our business to perform

- Workforce planning to provide the necessary capability and skills for our people to excel in their area of expertise
- Constantly looking forward, implementing and integrating improvements across the business and promoting sustainable business practices
- Continuous improvement in processes with clear governance and line of sight to priorities and deliverables
- An adaptable, resilient and collaborative team.



Nurture our great people and relationships

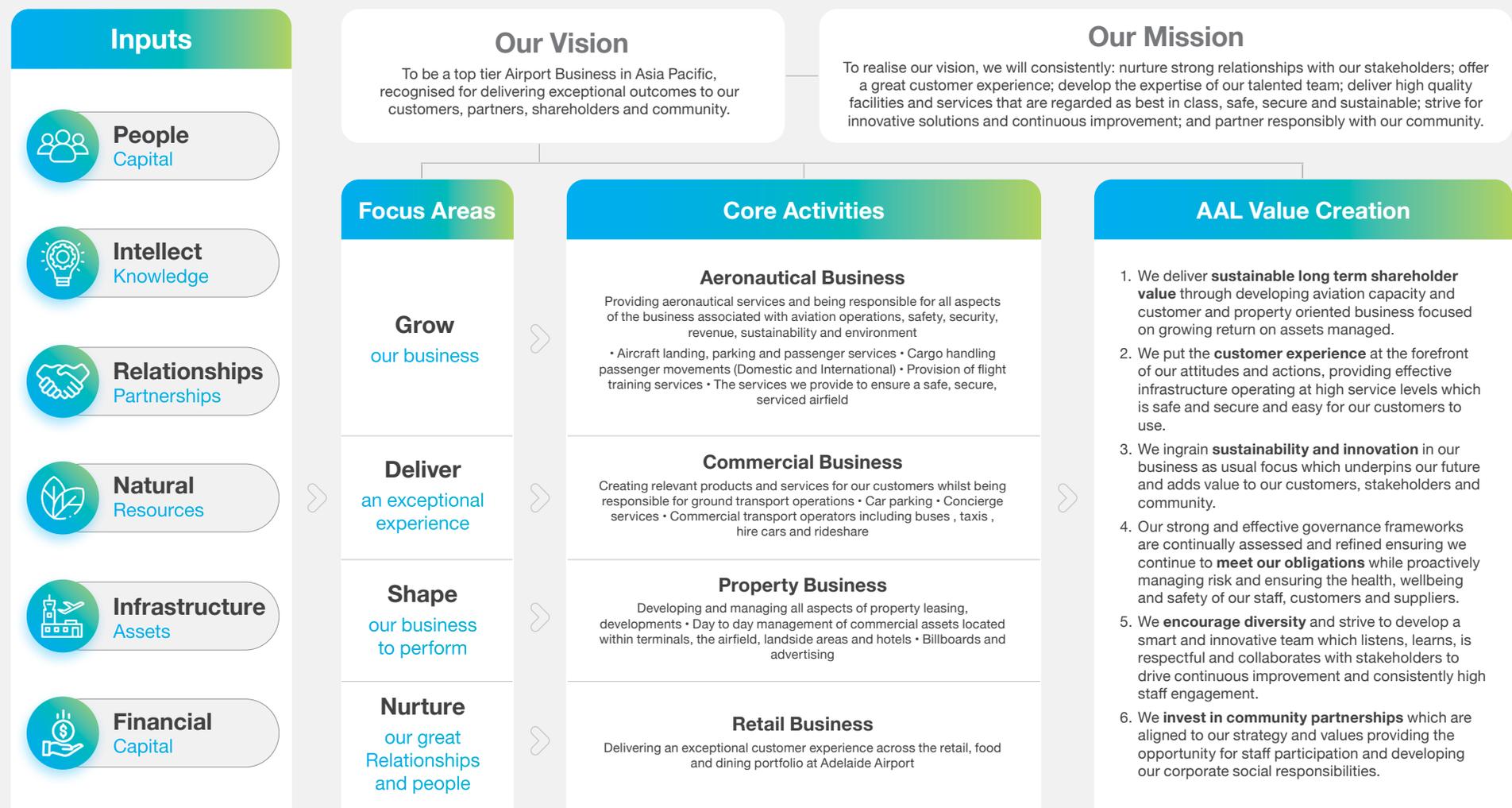
- We continue to shape our business for sustainable growth by nurturing a culture of professionalism, excellence, responsiveness and achievement.
- We are working towards a common vision with a well defined set of values. Our community partnerships are aligned to our strategy and values and also provide the opportunity for staff engagement.



How We Create Value

Our Business Model:

We are focused on creating sustainable long term value for our shareholders and other stakeholders through the delivery of our Strategic Plan, in a manner that is consistent with our vision. Our value creation model depicts how we create value through six business value drivers, by identifying our key inputs, the activities we perform, and the resulting outputs and outcomes in terms of value creation.



Underpinned by:

Our Values

- A** Be Accountable & Authentic
- I** Conduct ourselves with Integrity
- R** Be Responsive, efficient and Respectful
- P** Take Pride in our achievements
- O** Be Open and friendly and encourage diversity
- R** Build Relationships based on trust
- T** Foster great Teams



Materiality Assessment

We undertake a materiality assessment following guidance provided by the GRI Standard on a three-yearly basis to determine what internal and external stakeholders regard as the most important issues for the company.

In order to facilitate comparison with the 2018 assessment, the 2021 survey used the same material issues and scoring criteria, however this survey was sent to a far broader group of stakeholders including:

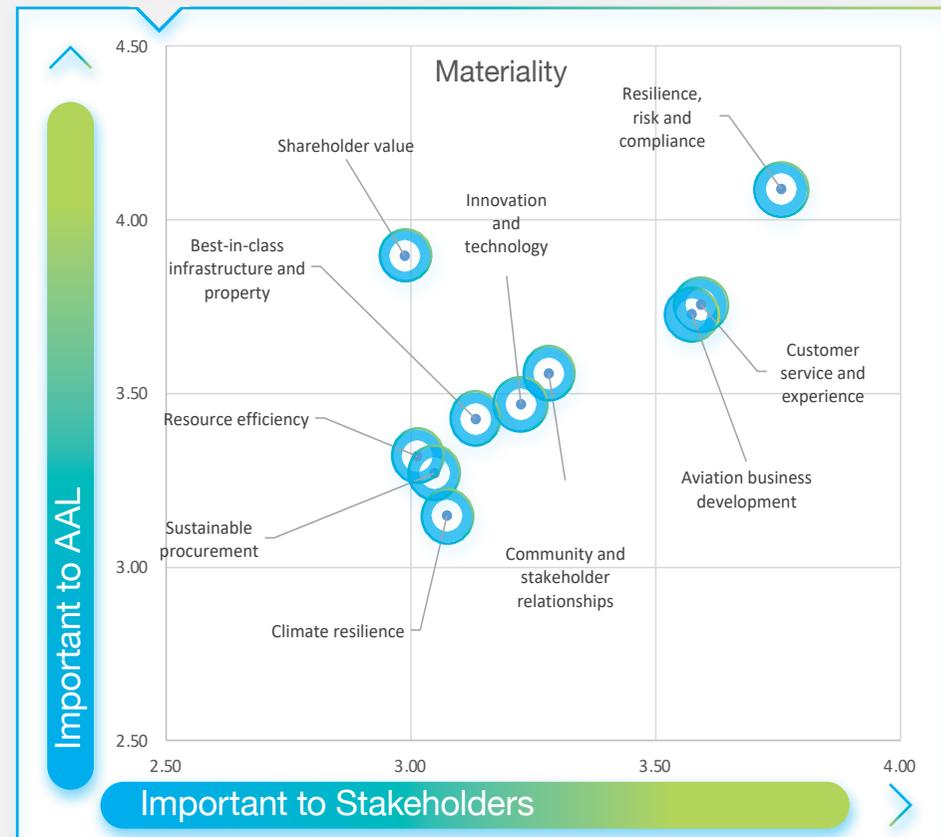
- Community
- Customers – Passengers (CRM)
- Customer – Airline
- Customer – Retailers
- Customer – Property Tenant
- Supplier/Partner/Contractor
- Government/Regulator
- Shareholders
- Financier/Debt investor
- Director
- AAL Employees

A total of 182 responses were received from this diverse group of stakeholders. Analysis of the data indicates that while the spread of the data has contracted, the relative importance of the issues considered to be material to AAL has not changed.

Additionally, four free text questions were included, aimed at understanding the key sustainability risks and opportunities and focus areas that our stakeholders believe to be important for us to consider. Key takeaway points from the analysis of these responses are:

- Carbon emissions, climate change, flight shaming and energy strategy are issues our stakeholders see as our key risks.
- Sustainable property and infrastructure development is regarded as our greatest opportunity.

- AAL's sustainability program should have a strong focus on carbon free energy, water consumption, waste management and sustainable property and infrastructure development.



Material Issues

The results of our materiality survey indicate what our internal and external stakeholders regard as the most important issues for our company. These are as follows:



Resilience, Risk & Compliance

As an essential piece of transport infrastructure, we must undertake all available measures to assess risks and implement compliance measures so that we continue to operate in a safe and secure manner.



Shareholder Value

Generating sustainable value to our shareholders means creating and delivering on opportunities across our business to maximise the total worth of our company.



Customer Service & Experience

A key focus should be to provide a memorable experience to our customers and to our key stakeholders such as airlines and tenants.



People & Relationships

We recognise the value of our people and the relationships we have with all stakeholders has a positive long-lasting and tangible impact on the sustainability of our business.



Passenger Growth

As first and foremost a facilitator of aviation access to our State, we must develop business opportunities to expand our global reach and create additional capacity on existing networks.



Resource Efficiency

Using our resources in a sustainable manner while minimising impacts on the environment allows us to create more with less and to deliver greater value with less input.



Innovation & Technology

We must seek to increase customer engagement and expand data capabilities by driving the deployment of innovative technologies across our business.



Best-in-class Infrastructure & Property

Meeting and exceeding future expectations of our customers and stakeholders requires timely investment in world-class infrastructure and facilities that support our aeronautical and non-aeronautical business growth.



Climate Resilience

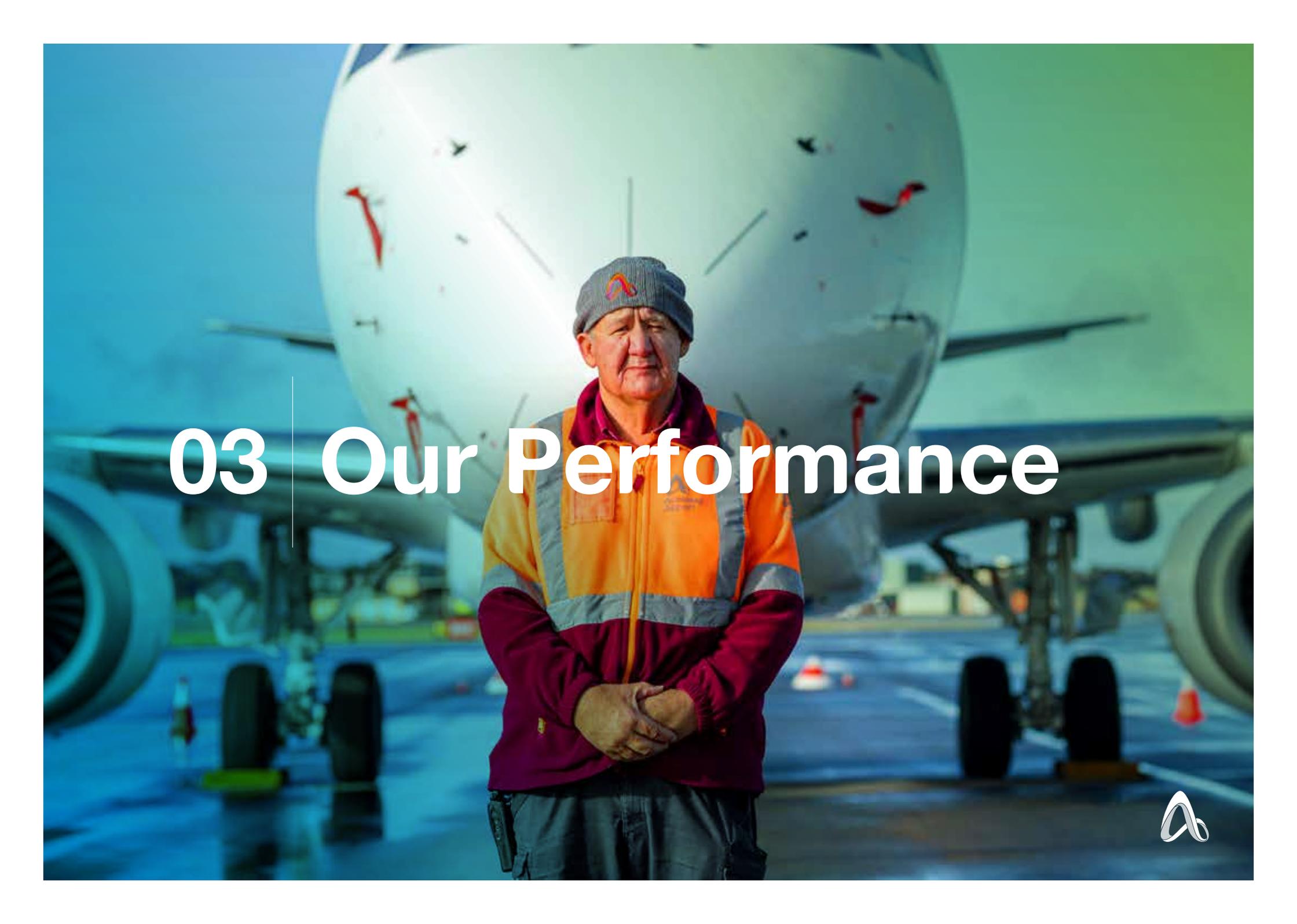
We recognise the importance of anticipating and responding to climate-related events by improving our resilience through assessment and action to better cope with these risks.



Sustainable Procurement

We aim to meet the business needs within our supply chain for materials, goods, utilities and services in an environmentally-friendly, responsible and ethical way.





03 | Our Performance



Grow: Aeronautical

The first full year impact of COVID-19 had a devastating impact on the aviation industry. While there have since been promising signs of recovery, it has been a case of two steps forward, one step back as changing border restrictions and State lockdowns complicate an already challenging environment for airports and airlines.

Through this, Adelaide Airport has found strength in its relationships with key stakeholders, which has both allowed us to maintain core services and develop new routes that didn't exist pre-COVID.

COVID-19 recovery

The global aviation industry has changed forever. Almost certainly, changes to the global industry mean we cannot assume an automatic resumption of pre-COVID airline customers and schedules. But just as traditional routes may not return, we are already attracting new routes and services that didn't exist pre-COVID, as well as new aircraft based in Adelaide that are better suited to our domestic network needs and opportunities.

Adelaide Airport is working closely with the State and Federal Governments on strategies to attract airlines to South Australia. The orderly resumption of tourism and business travel and air freight exports is vital to re-build and lift confidence in the State's economy.

The first few months of COVID-19 in 2020 had, unsurprisingly, the biggest impact on Adelaide Airport in its long history. All international services stopped operating, domestic travel was all but grounded, Virgin Australia entered administration and Tigerair ceased altogether.

Twelve months on, we eagerly look towards the restart of international travel. We have seen domestic and regional travel rebounding strongly, but regularly

set back by state border closures, and some positive news in terms of route development.

Despite the COVID impact, it is now possible to fly from Adelaide to more domestic destinations with more airlines than ever before.

New aviation routes have opened due to different aircraft types being based in Adelaide. Qantas's announcement in May that it would establish an Embraer E190 aircraft base in Adelaide was a significant win and a prime example of how our ability to be nimble and flexible in a changing aviation environment can boost our credentials as a regional aviation hub and in turn leads to new routes.

Total passenger numbers for 2020/21 were down 65 per cent compared with 2018/19 (the most recent full year not impacted by COVID).

Domestic passenger recovery achieved 72 per cent in April 2021 against pre-pandemic levels before border closures and restrictions again impacted the sector. We anticipate a strong recovery rate once borders re-open.



Domestic

If there has been a silver lining with COVID, it has been the growth of domestic markets, particularly to regional destinations, and the introduction of new services by all airlines. New destinations have been added to flight schedules, and to date only one domestic destination has not re-appeared on Adelaide's route network, being Ayers Rock (Uluru).

Qantas has announced new services to Gold Coast (4 per week); Townsville (3 per week); Cairns (4 per week) and Hobart (4 per week); growing to daily during school holidays).

QantasLink has introduced a new Adelaide - Mount Gambier service using the 50-seat Q300 aircraft (currently 12 per week).

Virgin Australia has introduced seasonal flights between Adelaide and Sunshine Coast and announced a 3-weekly direct service to Cairns.

Rex has chosen Adelaide – Melbourne as its second route between capital cities (after Melbourne – Sydney). The double daily service adds 256,000 seats per annum to Adelaide's most popular route.

Jetstar has increased flights between Adelaide and Hobart, operating daily flights during peak months.



International

Limited international flights continue to operate for the repatriation of Australian residents and movement of freight. Services have been operated by Qatar Airways, Singapore Airlines, Cathay Pacific and Malaysia Airlines.

South Australian exporters continue to benefit from the International Freight Assistance Mechanism (IFAM), a targeted support measure put in place by the Australian Government to keep global air links open.

Fiji Airways and Air Vanuatu also operated charter flights carrying seasonal workers to help fill critical worker shortages in agriculture.

Air New Zealand recommenced flights between Adelaide and Auckland in May 2021 following the announcement of a trans-Tasman travel bubble between the two countries. The service was paused in July due to an increase in COVID cases in several Australian states.

Airline relationships

A key lesson out of COVID has also been one of our key successes, namely the importance of strong stakeholder relationships with our airline partners.

In 2020, airlines and airports across the country were finding ways to reduce costs and relationships between the two sectors could best be described as combative.

Adelaide Airport recognised that a conciliatory approach to negotiating the terms with airlines for the gradual return of services was the best approach and that decisions taken at the lowest ebb would have a positive impact on future relationships.

Airline relationships were cultivated during World Routes in 2019, and we firmly believe these connections set us on the right path during COVID.

We also adopted a firm but fair approach in negotiations on cost and service provision. It has been a challenging yet ultimately rewarding process, and our partnerships with airlines are now stronger than ever before.

QF Embraer

Qantas in May 2021 announced it would establish a new Embraer E190 aircraft base at Adelaide Airport.

The airline indicated the E190 was a great aircraft for the Adelaide market, with its size, range and economics opening up a number of new destinations that wouldn't be viable with the larger 737 aircraft.

These aircraft are perfectly suited for the economics of emerging markets and off-peak services. Basing them in Adelaide will provide more capacity and greater flexibility including the option to work with Qantas to open up new short to medium haul destinations.

The benefit to Adelaide Airport of attracting these smaller aircraft has already been highlighted by recent route announcements to new destinations such as Townsville and added frequencies to Darwin and Alice Springs.

Qantas intends to expand the base in the coming years as available aircraft and new domestic route opportunities arise. This will see the base accommodate up to five E190 aircraft at Adelaide Airport, creating up to 200 jobs across roles such as pilots, cabin crew, on-airport personnel and engineering.

This announcement was made possible through our collaboration with the South Australian Government to attract the Qantas base to Adelaide.

Business development

Adelaide Airport has significantly shifted its aviation business strategy to focus beyond just the airlines. We are looking at the demand side, and working with wholesale travel agents and with the State Government to ensure we have alignment around targets and priorities.

Adelaide Airport has set up a new South Australian Aviation Reference Group together with the State Government, with members representing tourism, trade and economic development portfolios. The new Group represents a significantly more aligned approach with the Government around aviation business development strategy.

We're also improving on one of our key strengths, being our 'common use' infrastructure, for the benefit of our customers and airline partners, including a smoother kerb to gate experience and our ability to turn around aircraft more efficiently, further reducing costs.

Flight track to growth

Adelaide Airport has set strategic targets to grow our international, domestic and regional markets:

- Increase frequencies / up-gauge aircraft on existing domestic and international routes
- Secure smaller aircraft such as the Embraer E190 to introduce unserved and underserved markets for domestic sectors
- Grow regional networks and introduce new routes, with a focus on Queensland and Tasmania
- Reinstate Singapore and Fiji services when travel bubbles are established and look to new Asia-Pacific markets such as Japan and Vanuatu
- Regrow the international network to pre-COVID levels
- Reduce international freight and traffic leakage through interstate ports when borders reopen.



Passenger numbers

Passengers	International	Domestic	Regional	Total
FY19	1,063,387	6,886,195	577,280	8,526,862
FY20	841,349	5,117,551	512,144	6,471,044
FY21	29,878	2,526,212	426,461	2,982,551
YoY % change	-96.4%	-50.6%	-16.7%	-53.9%

Aircraft movements

Movements	International	Domestic	Regional	General Aviation	Freight	Total
FY19	5,066	51,088	25,220	20,347	1,745	103,466
FY20	4,132	38,020	22,200	19,771	1,858	85,981
FY21	610	22,872	16,056	20,316	2,362	62,216
YoY % change	-85.2%	-39.8%	-27.7%	2.8%	27.1%	-27.6%



Grow: Property

As with the aeronautical side of our business, the majority of Adelaide Airport's property portfolio has been severely impacted by COVID-19 with a large proportion of our tenants forced to ride out extremely challenging times. However, there is some positive news with a significant increase in interest in industrial land and solid progress on our Airport East Precinct.

Tenant relationships

Adelaide Airport in 2020/21 has faced the double-edge sword of minimal aeronautical revenue and a tenant base seeking assistance due to their own financial challenges.

We estimate that during the pandemic, the majority of our 350 tenants have sought some form of financial support such as rent assistance from Adelaide Airport. In particular, all the retailers in the terminal were forced to shut and the northern end of the concourse remained closed until December 2020.

Just as our relationships with our airlines has kept flights in the air, we recognised

we needed to do everything we could to support and retain our tenants while maintaining revenue streams. We implemented a strategy that was premised on a sympathetic approach to lease discussions and rent payment terms, retaining our tenant base and putting our longer-term relationships ahead of potential short-term gains.

Prior to reactivating the northern end of the terminal in December 2020, we spent several weeks cleaning and preparing the retail precinct to ensure it provided the right "look and feel" to encourage our passengers to shop and dine and minimise the impact from ongoing terminal expansion construction.

As a result of our strategies to maintain strong relationships with our tenants and support them as best we could, we have

to date retained every one of our tenants at Adelaide Airport and only had one tenant vacate at Parafield Airport. This is an outstanding result given the extraordinary challenges faced by all parties, and we have received commendations from some of our major, international tenants for the approach we adopted. Our property team are justifiably proud of the outcomes achieved.

The strength of our existing relationships with our tenants pre COVID has been a significant precursor to this outcome. We listened to and understood the issues for our tenants and were equally able to get them to understand our position.

We have achieved this with a lean property team, but importantly with the support of the wider Adelaide Airport team from the Board down who have all recognised the



various challenges across this part of our business and worked together to assist in any way.

The support strategies and structures we put in place have since been implemented by other Australian airports.

The overall impact on our rental income has been significant and there is more work to be done. We have negotiated with our terminal retail tenants trigger clauses for the handover and opening of stores and the introduction of rent structures based on returning passenger numbers whilst retaining long term commercial arrangements. However, retailers continue to face difficulties due to the highly unpredictable nature of passenger movements as state border restrictions continue to be implemented at short notice, and the property team continue to work in a very dynamic and challenging environment.

Development

Adelaide Airport has received a record level of enquiries for land availability, particularly as a result of unprecedented growth in the industrial market, especially in logistics and freight.

Access to cheap finance coupled with Adelaide Airport's strategically located land bank has created excellent property growth opportunities, which are expected to have a ripple effect in the medium to longer term outlook.

We have benefited from a combination of

our prime location, the suitability of the land for a variety of uses and the size of the land parcels we have to offer, especially so close to the Adelaide CBD.

Adelaide Airport continues to work towards being 'development ready' across all precincts so we can respond quickly when opportunities arise.

Our existing major logistic operators such as DHL, Toll, FedEx, TNT and Australia Post have all expressed an interest in expansion. The growth in online retail, partly driven by COVID and associated lockdowns, has contributed to this expansion.

The cyclical nature of property development means we must maximise our opportunities to strategically grow our property interests, and we have Board and shareholder support for the strategies we are developing and adopting.

Airport East

Planning, design and development of the Airport East freight and logistics hub has continued, with the first stage of development now underway and master planning for the second stage due to commence shortly as interest in the precinct continues to grow.

Significant project milestones have been achieved that have removed previous roadblocks and will allow us to proceed at pace. For example, we recently completed the purchase of land required to upgrade the Richmond Road / Transport Avenue

intersection, which will allow for the movement of B-Double vehicles – a critical step in the development of the precinct. We especially thank the City of West Torrens and State Government for their support to date and in recognising the importance of the airport as a freight hub and the benefits that will flow from this development including the strengthening of the State's import / export offering.

Airport Business District

The Airport Business District continues to develop as a strategic location for property development and business operations by offering a point of difference and advantages over the city and traditional freight-related precincts in outer suburbs.

We want to create a destination for businesses to work and play, where all the amenities and services required for a positive working environment for staff can be found in the same location. As more people work on-airport and we attract more supporting ancillary businesses, we increase the diversity of our business and reduce our reliance on bringing passengers to the terminal.

A key focus for the business going forward will be to build upon the existing relationships we have with our tenant stakeholders. The strategy will include the implementation of efficient management systems enabling our tenants to lodge requests for work via an online portal together with further online solutions that will help build the communication network across our airport community.

Driving success

Mitsubishi Motors Australia Limited unveiled its new national corporate headquarters at Adelaide Airport in April 2021. The building was constructed by Adelaide Airport and was the culmination of three years of discussion, planning and partnership with Mitsubishi Motors to ensure we delivered an outcome that achieved their accommodation goals.

The company undertook a market search across Adelaide and interstate markets before selecting Adelaide Airport as the global gateway to its Australian business, recognising the benefits of being central to domestic and international transport links. The Mitsubishi Motors emblem now has a prominent position on the main entry to the airport.

Adelaide Airport has a vision is to create a home within our Airport Business District for like-minded enterprises, and Mitsubishi Motors shared our vision for sustainable development and future-facing technologies, which stimulates collaboration and knowledge sharing for the benefit of South Australians.

Attracting major companies such as Mitsubishi Motors demonstrates our ability to create purpose-built facilities and to deliver on financial, strategic and development opportunities. It also serves as a genuine example of cross functional collaboration across all Adelaide Airport business units to work as one to achieve our goals.



Grow: Commercial

Our commercial business revenues comprise retail tenancies, car parking and advertising, with ecommerce playing an even greater role.

Retail

Adelaide Airport first opened its new Northern Retail and Dining Precinct on 26 February 2020. The precinct, the first stage of our wider terminal expansion, brings to life Adelaide Airport's retail vision of unveiling South Australia for our passengers and to create a best-in-class retail experience to surprise, delight and entertain all airport users.

Penfolds Wine Bar and Kitchen, Boost Juice, Lego Kaboom, Airport Pharmacy, Soul Origin and Precinct Adelaide Kitchen delivered this vision by creating a sense of place and retail destination within the newly constructed precinct in Adelaide Airport's integrated domestic and international terminal.

The Northern Retail and Dining Precinct comes to life with passengers. It opened with fanfare and was a much-needed expansion of offerings to our passenger. We had delivered what

our passengers asked for, and more. However, only a month later and with the country going into lockdown, we made the hard decision along with our retail partners to close the precinct for 241 days - the space became silent and empty.

At the earliest signs of returning passengers, our retail partners stood ready to re-open their doors with the northern retail concourse re-launched in time for Christmas 2020, a key indication of recovery.

Unfortunately, COVID has created a long recovery runway, often with unexpected turns. International borders remain closed and state borders have fallen in and out of lockdown, dramatically reducing passenger numbers, and in turn, our retailers ability to trade profitably.

Adelaide Airport values highly our long-term retailer partnerships, and we have worked hand-in-hand to ensure our retailers are best placed to thrive again in the longer term. This includes supporting



our retailers with a new e-commerce platform.

The 2020/21 financial year has seen the continuation of the terminal expansion project and our retail partners are currently investing more than \$15 million in new retail concepts. We are unveiling a new Coopers Bar, Adelaide Pantry Kitchen, Soho Coffee and two WH Smith Adelaide stores - all celebrating the best of South Australian products.

A further six retail and food and beverage offerings are expected to open in late 2021 / early 2022 including McDonalds and Sushi Sushi.

The successful delivery of the terminal expansion project including the new Northern Retail Precinct will, we hope, coincide with the loosening of border restrictions, the end of lockdowns and the early signs of a return to international travel. We will then finally see the full benefit of our efforts as the retail mix becomes a bustling, living example of all that South Australia has to offer.

Car parking and ground transport

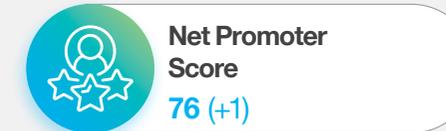
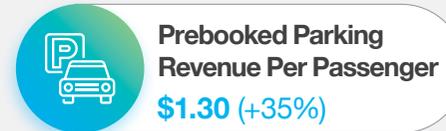
Adelaide Airport has been nimble to respond to the changes in the market presented by COVID-19. Our Strategic Plan encompasses a wide range of initiatives aimed at increasing engagement, retaining visitors, driving usage, improving user experience and improving productivity.

We have incentivised use of the multi-storey car park by new customers, secured parking agreements with new user groups and deployed new customer care initiatives to provide confidence to our customers in an uncertain travel environment.

We have reduced our cost baseline through an adjustment to our service offering without impact on customer service, achieving a marginal improvement on the prior year with a Net Promoter Score (NPS) of 76.

Our capability to generate insights about our customers and convert these into growth opportunities continues to expand. Advertising and promotional campaigns are highly targeted based on a deeper understanding of where our customers come from and their reason for travel, while in-depth insight on the lifetime value of different customer segments and increased customer engagement is defining future products and services such as valet parking.

We are responding to changing customer habits as consumers expect an ever more frictionless and contactless journey, both at the car park and when making a car park booking. Our car parks have completed the transition to cashless payments, while the planned adoption of QR-codes for use as tickets by pre-booked customers underpins a wider shift to a mobile-first e-commerce strategy.



New systems and processes have streamlined our capability to service the thousands of taxi and rideshare drivers who have returned to operate at the airport as passenger volumes return, while new self-service resources have been launched to provide drivers with the information they require to deliver a top tier experience for passengers travelling through Adelaide Airport.



eCommerce

Adelaide Airport recognises the need to establish direct relations with end consumers to generate deeper insights about their needs, improve the customer experience and drive a value proposition that leads to increased sales. At the same time, the COVID-19 pandemic has introduced a new set of customer expectations in their travel journey, including touchless processing, healthy airport environment, and avoidance of queues and crowds, among others.

Our Strategic Plan aims to evolve the traditional airport ecosystem to introduce new digital products and services that cater to our customer.

Customers can now search, compare and book car rentals on our website. This includes car rentals for pick up in Adelaide and in-destination for outbound customers.

The next stage is the deployment of a retail eCommerce marketplace - a 'one stop shop' that showcases terminal offerings from food and beverage to news and books, specialty retail and duty free. This marketplace will be accessible from our main website and via QR codes located at key customer journey points. Leveraging the Adelaide Airport brand, the marketplace will provide a compelling customer purchase proposition that is:

- Convenient (skip the queue and collect in store);
- Safe (contactless order and payment); and
- Informative (browse all offers and pre-plan your shopping experience).

Food ordering is expected to be the primary reason for customer engagement, however shoppers will be exposed to all of the terminal retail offerings.

This service is expected to launch in December 2021.

We are also continuing to focus on improving our use of data and creating a data-driven culture. We are constantly improving our intelligence through reviewing and combining business-critical data from disparate systems across our business.

Advertising

The advertising contract across roads and airport has, prior to COVID-19, been a stable revenue stream for Adelaide Airport. Traditionally this category has relied on national advertising clients committing to long term laydowns (some up to three years) providing a reliable revenue stream for the operator, and in turn, Adelaide Airport.

COVID-19 has disrupted this market segment dramatically. In 2020, many national clients withdrew their marketing spend, only to return on short term contracts to protect themselves from intrastate and interstate lockdowns. The reduced number of travellers has meant both the roads and airport contracts have been less attractive to advertisers.

In mid-2021 there was a period of approximately three months where we returned to strong growth. Our advertising partners were able to work with a number of local and national brands to secure advertising contracts. This has demonstrated to us that this market, when given a period of stability, has the ability to thrive once again.





Deliver: Terminal Expansion

Milestones achieved

Adelaide Airport's terminal expansion, our largest project since the terminal was first completed in 2005, remains on track for completion by the end of 2021.

It has been a significant achievement by the project team and builders BESIX Watpac to continue construction through the pandemic.

While COVID-19 has severely impacted our aeronautical business, it has provided a silver lining for terminal expansion works following our decision to shut the northern end of the terminal for the first half of the financial year due to reduced flight numbers. The closure created easier site access for builders and without any additional disruption for passengers, which in turn allowed us to accelerate construction activities.

Our ability to remain flexible and agile on project timelines has been the result of our excellent relationship with BESIX Watpac and successful ongoing collaboration with our contractors and tenants.

The opening of the new international departures hall and re-opening of the

northern concourse in December 2020 coincided with re-opening gates and retail stores at the northern end of the terminal for the first time in nine months. The departures hall is three times the size of the old facility to cater for increased emigration processing.

The remainder of the project continues on track with the new international arrivals area to be completed by the end of the year. New retail areas continue to open up, albeit subject to the impact of changing border restriction on passenger numbers. We welcomed the opening of the new Southern Providore in April, and the refurbished Coopers Alehouse and Callum Hann's new eatery were due to open in September 2021.

Gate 18 will become a permanent international gate and will be the focus of the improved retail and boarding facilities.



Permits

The terminal expansion project has placed extraordinary demand on our permits system with the number of work permits issued per month four times the average for normal day-to-day operational requirements.

During the peak, Adelaide Airport was averaging approximately 80-100 permits per month, of which 60-70 permits were directly related to the terminal expansion works.

These permits ensure the safe management of work activities performed on key services and infrastructure such as electrical, gas, water, lighting, sewerage, fibre optics, fuel and fire services, and are vital in mitigating against damage to services or injury to workers.

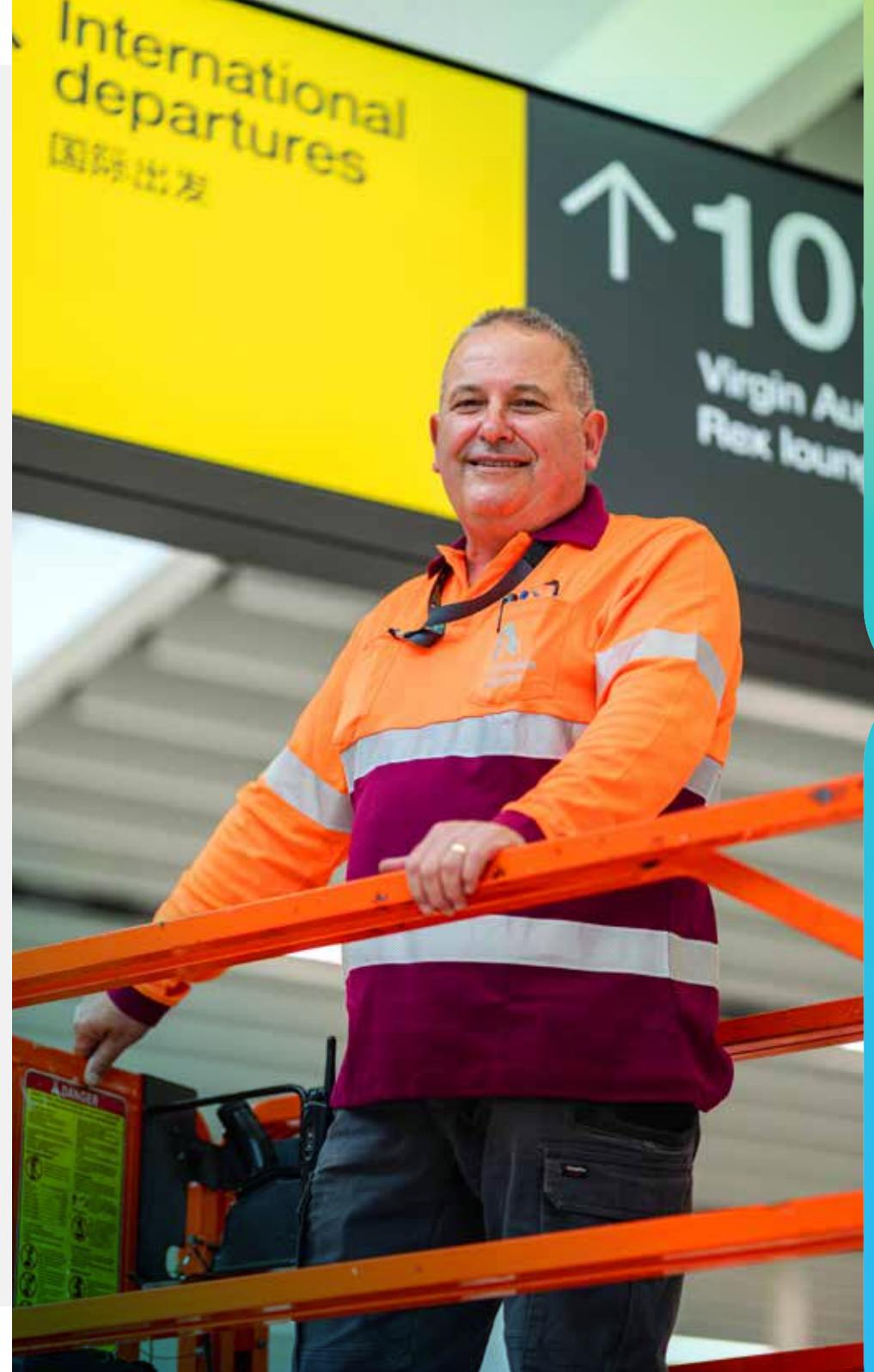


Terminal
Expansion project
permits issued
(2020/21):

520

Total Terminal
Expansion permits
issued to date
(2019-2021):

1,070



Deliver: Customer Experience

The customer experience we deliver underpins our long-term shareholder value.

The majority of our transactions may be considered business-to-business, but our relationships with all our customers – travellers, airlines, retailers and tenants – remain critical in a high-profile operational environment.

Our terminal environment underwent significant change and regular adaptation over the past year. The entire terminal operations were initially compressed to four gates. Seating benches that were usually filled with departing travellers became mobile barriers to segregate arriving passengers for domestic border screening.

The phased re-opening of gate lounges proved even more of a challenge, requiring constant review and working around the space still required for arrival border processing by SA Police and SA Health. We have gradually re-opened security screening facilities as well as higher levels of the terminal car park as demand increased.

Adelaide Airport's key focus remains ensuring the customer journey is easy,

seamless and connected, and this will be even more critical as travellers return to flying. Many of our customers may not have flown for many months or even years, and their attitudes and expectations will have been reset.

Safe and secure operations remain paramount, however our customers' expectations of health safety and hygiene awareness have been elevated. Greater focus will be given to touchless travel and a smoother, uncongested journey from kerb to gate.

Our Australian Airports Association Customer Experience Working Group continues to help ensure our customer commitment remains a focus by sharing learnings and ideas, while identifying and addressing initiatives and standards that can be streamlined across the region. Our Customer Experience Manager was appointed Chair of the working group in September 2020.

In 2020, Adelaide Airport retained certification from the Customer Service Institute of Australia in recognition of

our demonstrated commitment to the Customer Service Institute of Australia's Standard of Professional Practice, Code of Ethics and Constitution.

Our Ambassador Program was suspended in March 2020 due to the uncertainty of COVID-19. We have continued to recognise our 35 ambassadors' contributions through regular communications, morning teas and national volunteer week celebrations, and look forward to their return as travellers return to the airport.

Single view of the customer

Through our ongoing commitment to both customer experience and process improvement, we are enhancing how we recognise our customer interactions by establishing a single view of the customer. Through this initiative, we will streamline all feedback channels and types to ensure meaningful customer insights and trends are able to be extracted.

Building our knowledge of each customer builds a relationship and in turn, builds loyalty.

The Single View of Customer project will utilise our existing Customer Relationship Management (CRM) system, integrating customer feedback into the one system. This will in turn assist us building a clearer picture of our customers by:

- Adding depth to our customer records;
- Reducing the duplication of customer data;
- Effectively addressing negative customer experiences faster;
- Highlighting new customer trends, measures and comparing customer segments;
- Triggering alerts and creating follow up tasks;
- Distributing feedback surveys; and
- Automatically escalating cases with 'high-value' customers.



Deliver: Customer Experience

Supporting people with disabilities

This year we launched our Hidden Disabilities Program. The card and lanyard-based identification program assists customers with disabilities that are not always obvious, such as autism, dementia or anxiety. More than 40 Adelaide Airport staff and 300 stakeholders have already undertaken training. Through this program, our airport community has come together in a shared commitment to improving the airport experience for our customers with special needs.

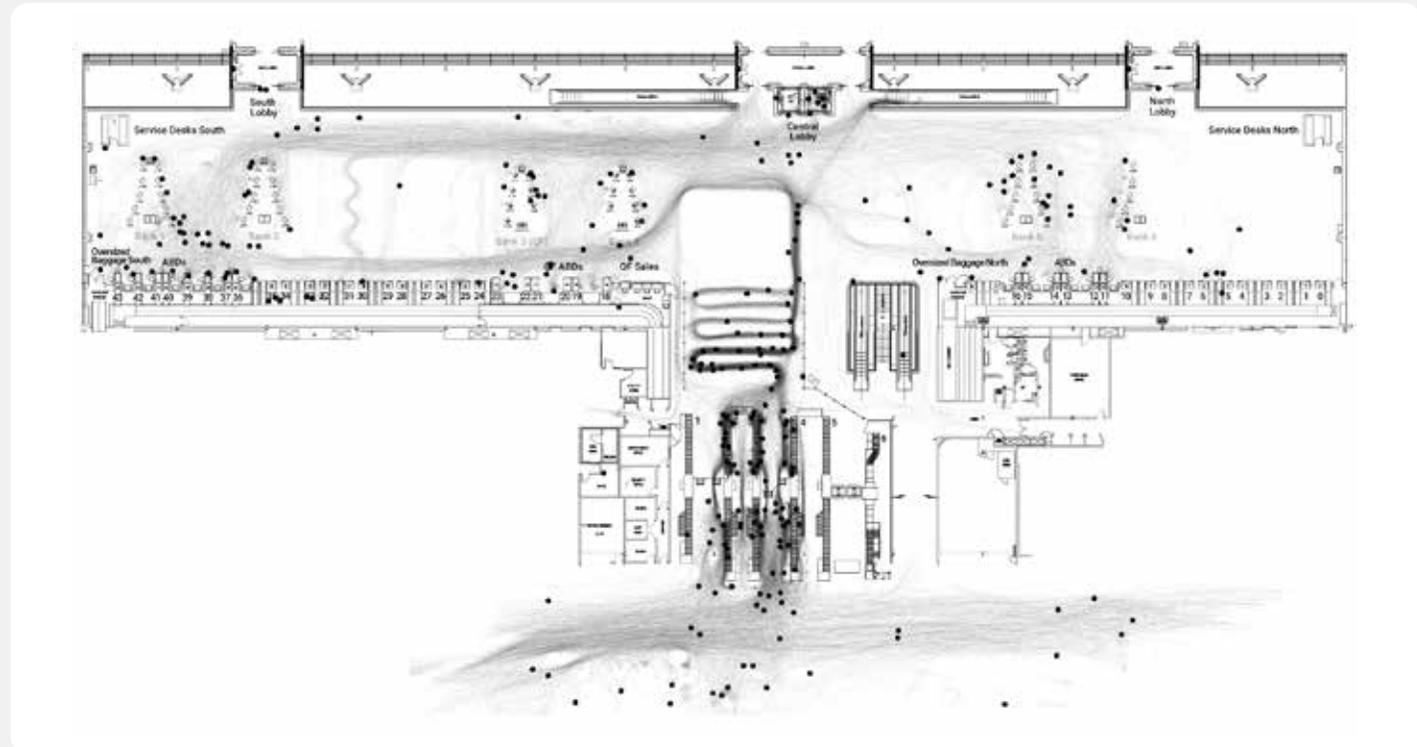
Adelaide Airport has opened a new Airside Animal Relief Area inside the terminal adjacent Gate 16, to assist travellers with an assistance animal.

We have also recently opened our first Changing Places facility, with plans for more facilities well underway. These facilities provide additional space and specialised equipment such as an adult change table and hoist for the use of people with profound disabilities and their personal carers.

Tracking technology

New passenger tracking technology using LiDAR (light detection and ranging) sensors provides anonymous real time movement data, allowing us to provide

more efficient services in operational areas such as security screening. Being able to accurately measure and better predict peak demands allows us to provide the right resources at the right time and reduce potential delays.





Shape: Sustainability

Our focus

Sustainability at Adelaide Airport is about creating long term value for shareholders by also creating value for all stakeholders including our customers, people, partners and the community.

Corporate sustainability is more broadly associated with the management of Environmental, Social and Governance risks and opportunities.

We recognise the important role our airport can play in creating a sustainable and connected future and have continued to embed sustainability into our business.

AALs continues to participate in domestic and international committees which have a focus on sustainable development including active membership on the Airports Council International (ACI) Asia Pacific Regional Environment Committee, which allows us to both learn from and contribute these forums.



Sustainable Development Goals

The United Nations' Sustainable Development Goals (SDGs) are a blueprint for a better, more sustainable future for all. Through high level mapping against our strategic and sustainability objectives, we have identified several SDGs that we believe are highly relevant to our activities and role in the value chain.



5: Gender Equality



6: Clean Water and Sanitation



7: Affordable and Clean Energy



8: Decent Work and Economic Growth



9: Industry, Innovation and Infrastructure



11: Sustainable Cities and Communities



12: Responsible Consumption and Production



13: Climate Action



16: Peace, Justice and Strong Institutions



17: Partnerships for the Goals



AAL 2030 Sustainability Targets

**Carbon****50% Reduction**

in AAL scope 1 & 2 emissions
to
4,586 tCO₂/year

**Net zero carbon
emissions
by 2050**

**Energy****15% Reduction**

in terminal energy use to
130 kWh/m²

**15% Onsite
renewable energy**

to 3,361,637 kWh

**Waste****30% Reduction**

in waste disposed to landfill to
0.09 kg/PAX

60% Recycling

rate from AAL operations
(including terminal) to
772 tonnes

**Landscapes****15% increase
in canopy cover**

across the landside area

**Water****30% Reduction**

in potable water use to
11.6 L/PAX

60% Increase

in AAL recycled water use to
215,544 kL

**No use of potable
water**

for non-potable applications

**2030 Sustainability Targets**

Despite the challenges associated with the COVID-19 pandemic, we took a significant and exciting step forward in our sustainability journey in 2020/21, with AAL Board approval for a suite of long-term, performance-based, environmental-sustainability targets, aimed at reducing our environmental impact and improving the efficiency and resilience of our

infrastructure and operations.

The 2030 targets were developed through a comprehensive benchmarking and engagement process for five strategic focus areas: Carbon, Energy, Landscapes, Water and Waste.

The targets are aligned with relevant global, aviation industry and national and state goals including:

- United Nations (UN) 2030 Agenda for Sustainable Development;

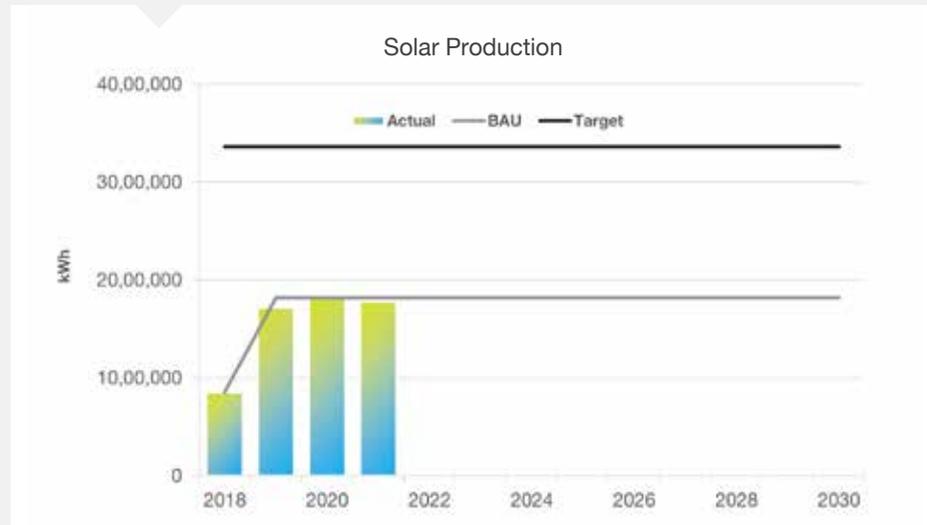
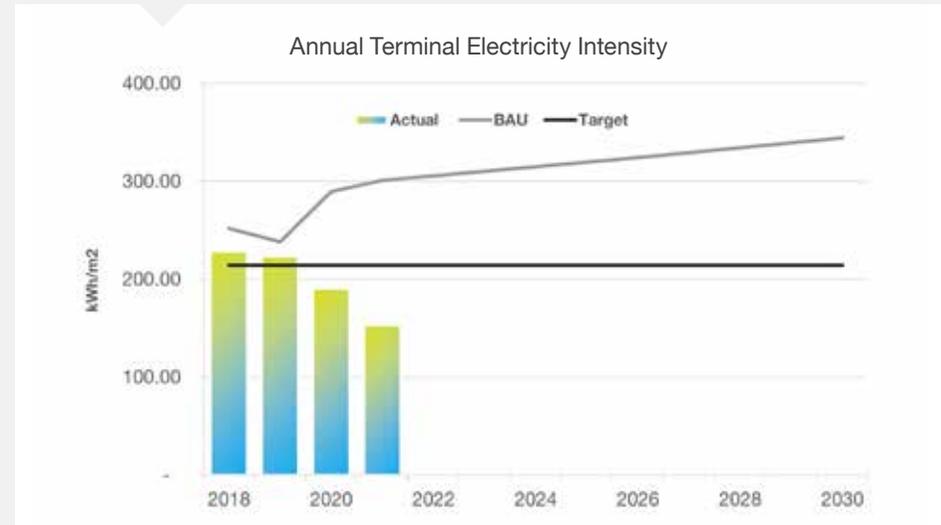
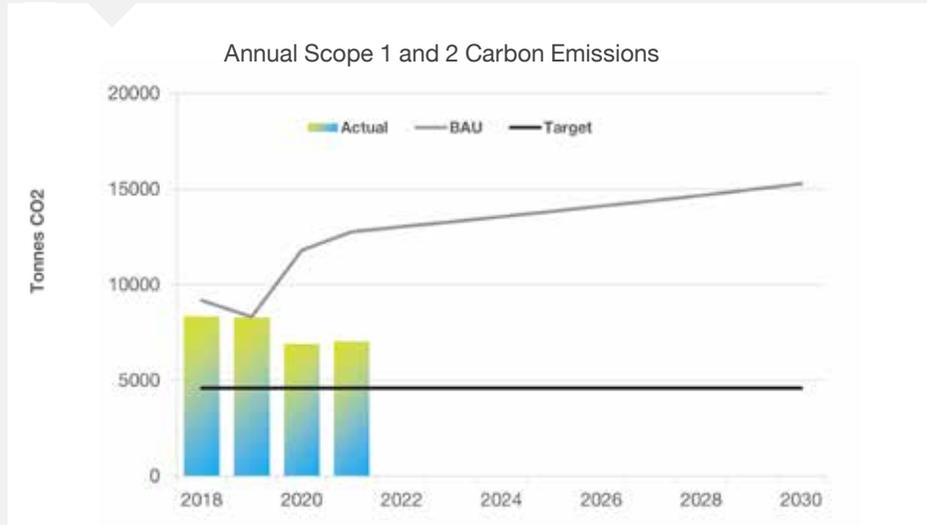
- International Panel on Climate Change (IPCC) 2018 Special Report on Global Warming of 1.5°C;
- Airport Council International (ACI) 2050 Net Zero Goal; and
- Green Adelaide.

The targets directly support the growth of the airport through more efficient operations, emissions reduction and climate resilience and are based on a FY18 baseline.

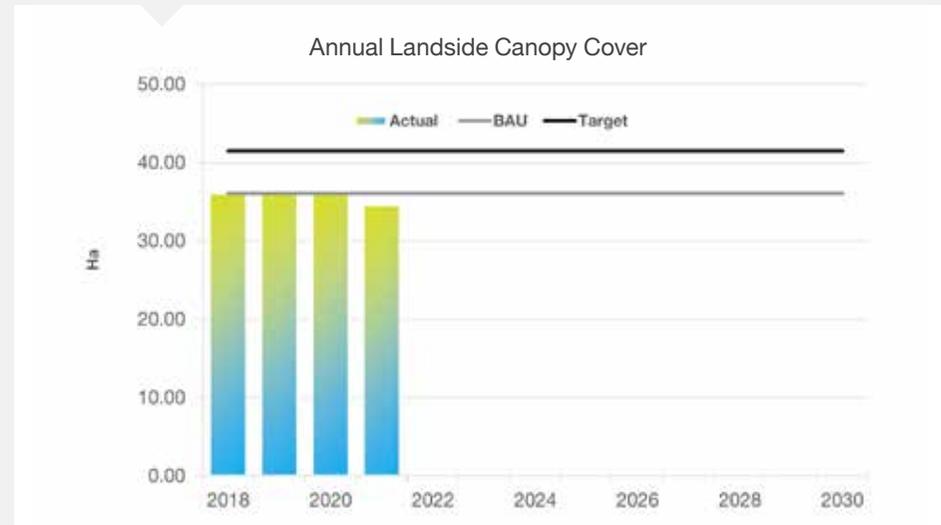
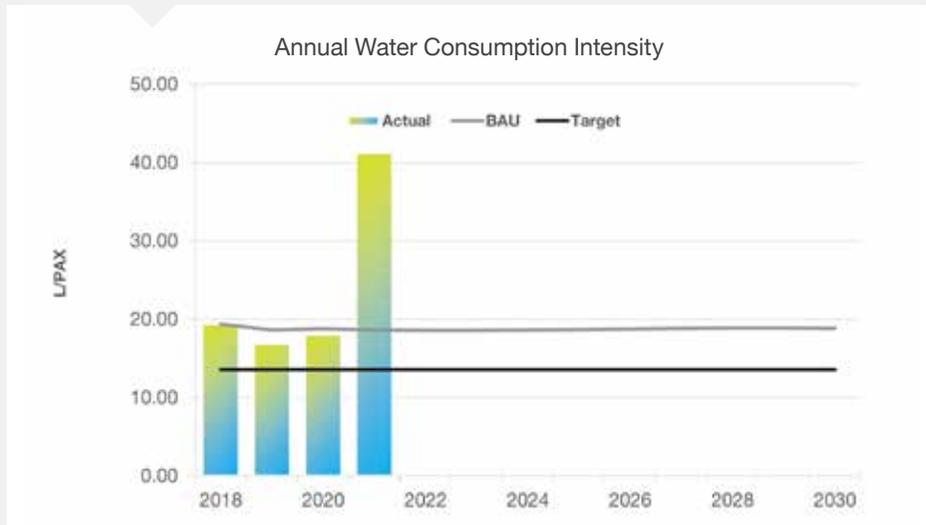
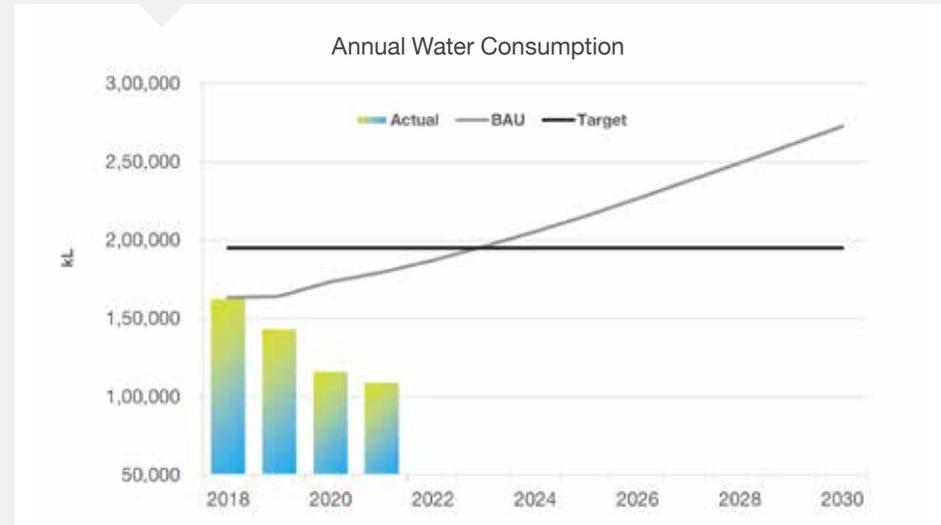
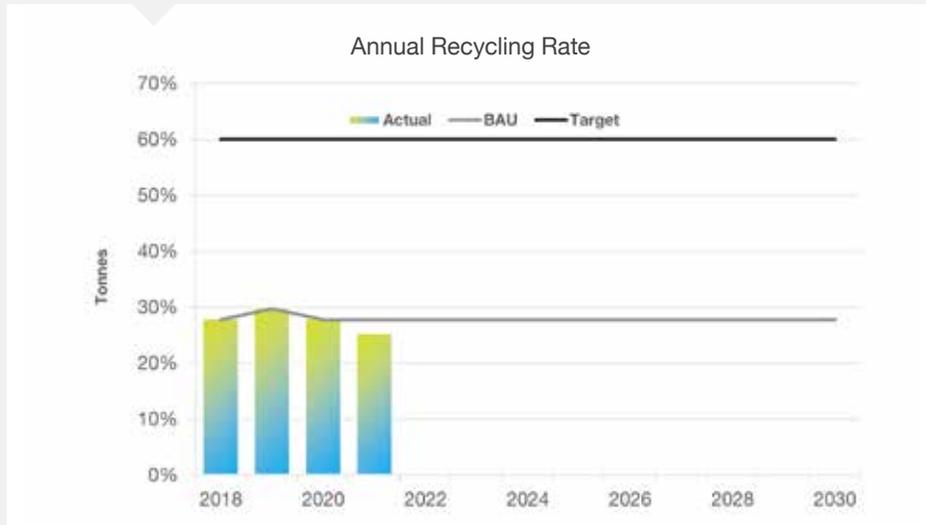
The targets will be achieved through a series of operational improvements, proactive planning, and investment in new, modernised built assets and low carbon technologies. Integrating resource efficiency and climate change mitigation and adaptation into operations and built assets will reduce exposure to risks of rapidly changing markets.



Performance against targets:



Performance against targets:



Climate Change

Adelaide Airport is an essential community asset that supports the mobility and economic growth of our State and nation. We strive to deliver exceptional outcomes for our customers, partners, shareholders and community, with reliable and resilient infrastructure and operations.

The aviation industry has experienced unprecedented impacts over the past two years as a result of the public health response to the COVID-19 pandemic. However, demand will ultimately recover and we recognise climate change has the potential to affect our business through physical and transitional impacts.

We also recognise the need to address climate change and for Adelaide Airport to play a role in restricting global temperature. Australia is a signatory to the Paris Agreement, which sets the goal of limiting temperature increases to less than 1.5°C. In response to this, we developed new emission reduction targets using the Science Based Target methodology and publicly disclosed these targets within the 2020 Annual Integrated Report. Based on a 2018 baseline our emission reduction targets are:

- 50 per cent reduction in Scope 1 and 2 emissions by 2030
- Net Zero emissions by 2050

We believe that setting and achieving these targets supports our continued and efficient operation in a carbon-constrained world.

We also recognise the need to adapt to the changing climate and have established a suite of complimentary sustainability targets for energy, water, waste and landscapes that will help us to achieve our emission reduction targets and increase the resilience of our infrastructure, operations and services.

We undertook a climate risk assessment and developed our first climate change adaptation plan in 2015. Both the risk assessment and climate change adaptation plan were comprehensively updated in 2019/20 and we continue to progressively integrate climate risk management and adaptation into our business.

We are supporters of the Taskforce on Climate-related Financial Disclosures (TCFD), committed to continuing to develop our understanding of climate change risk and further aligning management and disclosure of climate change risk with the TCFD framework.

Governance

- Updating our Board charter to explicitly refer to the Board's oversight of climate risk;
- Linking consideration of climate risk and AAL's integrated capital allocation strategy through the addition of a requirement to consider the impact of climate change within the Capital Investment Policy;
- Addition of carbon pricing sensitivity within AAL's Capital Investment



Policy. The carbon pricing sensitivity is not intended to act as a formal investment criterion but be informative to management and the Board as the resilience of the investment to market pricing or taxation on carbon;

- Reviewing our Sustainability Policy to ensure we have the right level of policy commitment to understanding and managing emissions and climate change risk; and
- Improved corporate reporting, including performance against targets and tracking of key initiatives, to Executive and Board through monthly reports.

Strategy

- Reviewing AAL's Enterprise Risk Management Framework financial consequence to ensure they are adequate for the assessment of the financial impact of climate change risk;
- Linking AAL's climate change risk and opportunities with our integrated capital allocation strategy through the addition of a requirement to consider the impact of climate change as well as a carbon pricing sensitivity within AAL's investment evaluation framework, as described above;
- Incorporated additional prescription into the Strategic Asset Management Plan (SAMP) to provide guidance for consideration of climate risk factors within Individual Asset Management Plans (IAMPs); and

- Instituting annual climate change updates to the Risk Management Committee (RMC) and Board.

Risk Management

- Integrating climate change risk and opportunity into AAL's asset management and review process including an assessment of climate considerations within the annual condition rating.

Measurement and Targets

- Improving carbon emission disclosures with the addition of historic data (5 years) to show trends;
- Improving timely monitoring and assessment of carbon emissions from AAL's scope 1 and scope 2 sources through development of a sustainability database which links directly into primary data sources; and
- Developing a carbon impact calculator as a tool that facilitates reliable emission impact forecasting for capital investments.

Table 1. Climate Change Risk Summary

Climate causal factor	Impacts
Physical	
Excessive Heat	Impacts to infrastructure including pavements and buildings, decreased aircraft performance and maximum takeoff weights, increased pressure on HVAC systems and associated increased energy costs, pressure on utility networks and supply (electricity and water), health and wellness implications including increased incidents of heat stress, fatigue and downtime, changes to distribution and occurrence of diseases and reduced tourist appeal and amenity.
Drought	Water availability and increasing water costs, reduced amenity and operational impacts caused by dust, changes to wildlife and bird behavior and increased wildlife hazard management response requirements.
Heavy Rain	Impacts on aircraft operations due to disruption to navigation aid equipment or low visibility, damage to infrastructure including airport surfaces and lighting, injury to workforce or passengers, disruption to site access due to short term flooding of external road network.
Sea-level rise	Sea-level rise has been assessed however, while some peripheral areas of the airport are low lying, sea-level rise is unlikely to be an issue until water levels rise to two metres. Notwithstanding impacts include accelerated erosion, damage to or permanent inundation of low-lying infrastructure, raised water table.
Transitional	
Political and legal	Introduction of market mechanisms, mandates or regulation relating to existing services and exposure to litigation.
Technology	Changes in aircraft, expansion in use of biofuel, changes affecting ground transport and competing technologies.
Market	Local economic impacts changing demand for travel to and from Adelaide, changes in tourism patterns and increased cost of resources.
Reputation	Flight shaming and contribution to global warming, airports' role in the wider aviation and transport sector's emissions and action to mitigate.





AAL has integrated climate risk management into its Enterprise Risk Management Framework. Many of the climate related risks exist independent of the impacts of climate change and therefore have detailed risk controls. However, climate change can add additional causal factors, increasing the likelihood and/or consequence of risks.

In addition to the detailed risk controls, AAL's Climate Change Adaptation Plan takes a longer-term view of climate change and sets out a series of "Adaptation Actions" centred around the four key climate-related causal factors; heat, drought, rainfall and sea-level rise. The Climate Change Adaptation Plan seeks to ensure climate risk and opportunities are considered, further strengthening the climate resilience of AAL's assets and operations.

Our work on climate risk also identified a range of opportunities including:

- Increased focus on resource efficiency reducing operational costs;
- Increased climate resilience, amenity and property value through the improved use of landscapes and vegetation;
- Improved pavement performance and reduced local temperatures through the continued deployment and research into cool pavement applications;

- Diversified energy generation and storage capacity, demand management and better integration into the external electricity network and markets;
- Aviation biofuel production and supply; and
- Local offsetting projects and programs.

AAL is actively exploring these opportunities and in some cases is an industry leader in their research and application, such as the use of irrigation to cool the local temperatures and research into cool pavement applications.

We continue to develop our understanding of climate change risk and opportunity associated with our business activities and are working to progressively reduce our emissions and to increase the resilience of our infrastructure, operations and services.



Our TCFD Disclosures

TCFD Element	TCFD Recommendation	AAL Response
<p>Governance Disclose the organisation's governance around climate-related risks and opportunities.</p>	<p>a. Describe the board's oversight of climate-related risk</p> <p>b. Describe management's role in assessing and managing climate-related risks and opportunities.</p>	<p>AAL has integrated climate risk (and opportunities) into its mature Enterprise Risk Management Framework. This framework has three levels of risk governance including:</p> <ul style="list-style-type: none"> • The Board which has oversight and responsibility for risk, including climate risk. • The Executive General Management, Risk Management Committee (RMC) which is responsible for the establishment and implementation of the Enterprise Risk Management Framework and ensuring that risk management, including climate risk, is integrated into planning and operations; and • The Risk Working Group (RMG) comprised of managers from each business unit supports and informs the RMC taking an active role in assessing and managing risk, including climate risk. <p>A climate update is provided to all levels of risk governance on an annual basis with additional updates provided as required.</p>
<p>Strategy Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning where such information is material.</p>	<p>a. Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.</p> <p>b. Describe the impact of climate-related risks and opportunities on the organisation's business, strategy, and financial planning.</p> <p>c. Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.</p>	<p>AAL's climate risk review and climate change adaptation plan formalised in 2016 and updated in 2019 and 2020 respectively, includes the identification and assessment of physical and transitional climate risk and opportunities using the representative concentration pathways 4.5 and RCP8.5 within the context of AAL's Enterprise Risk Management Framework.</p> <p>A summary of climate change related risks is provided in Table 1, with additional commentary on opportunities and the potential impact of climate change on our business, our resilience and our mitigation and adaptation response provided above.</p> <p>AAL's strategic objective to ingrain sustainability and innovation, which underpins our future is supported by our Corporate Sustainability Strategy with a commitment to understand and mitigate physical and transitional climate risk, through active management of carbon emissions and maintenance of resilient assets and communities.</p>



Our TCFD Disclosures

TCFD Element	TCFD Recommendation	AAL Response
<p>Risk Management Disclose how the organisation identifies, assesses, and manages climate-related risks.</p>	<ul style="list-style-type: none"> a. Describe the organisation's processes for identifying and assessing climate-related risks. b. Describe the organisation's processes for managing climate-related risks. c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management. 	<p>AAL's Enterprise Risk Management Framework is aligned with Risk Management Standard AS/NZS 31000 and sets out the process for the identification, assessment, evaluation, management and reporting of all risks, including climate risk, in accordance with AAL's Risk Management Policy.</p> <p>AAL's climate risk review and climate change adaptation plan updated in 2019 and 2020 respectively includes the identification and assessment of physical and transitional climate risk and opportunities using the representative concentration pathways 4.5 and RCP8.5 within the context of our Enterprise Risk Management Framework.</p>
<p>Metrics and Targets Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.</p>	<ul style="list-style-type: none"> a. Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process. b. Disclose Scope 1, Scope 2, and if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks. c. Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets. 	<p>AAL uses a range of metrics to assess the impact of climate-related risk and opportunities on our business as well as the progress of our adaptive activities.</p> <p>AAL measures and reports its carbon footprint annually through the Airports Council International (ACI) Airport Carbon Accreditation program and has maintained level 3 'optimisation' accreditation since 2015. Level 3 accreditation requires participants to achieve ongoing emission reductions of combined scope 1 and scope 2 emissions and activity to encourage and support stakeholders to reduce scope 3 emission. AAL's carbon footprint is verified by an independent third party bi-annually as part of this program.</p> <p>In 2020, AAL undertook a significant process to develop a suite of new performance-based sustainability targets including carbon emission reduction targets aligned with the Science Based Target methodology of 50% reduction in Scope 1 and 2 emissions by 2030 from the 2018 baseline and Net Zero emissions by 2050.</p> <p>AAL's carbon emission footprint including historic data is provided above.</p>



Energy and Emissions

Adelaide Airport obtained Level 3 accreditation under the Airports Council International, Airport Carbon Accreditation program in 2015 and continues to retain this level of accreditation at both Adelaide and Parafield airports. Level 3 accreditation requires ongoing reduction of scope 1 and 2 emissions compared to a rolling three-year average and engagement with key stakeholders to encourage reduction of scope 3 emissions.

Electricity is a significant operating cost and the primary driver of our carbon footprint. While Parafield Airport is a fairly modest energy consumer, Adelaide Airport has a larger energy requirement with electricity consumption accounting for 93 per cent of Adelaide's carbon footprint and the main terminal accounting for 78 per cent total energy consumption. As such, there is an ongoing focus on managing our energy business including the inset networks and increasing energy efficiency within our main terminal building.

In addition to comprehensive carbon management plans at both Adelaide and Parafield airports, we have a united energy strategy and associated cross functional energy strategy working group, which drives energy efficiency initiatives.

Our energy efficiency and emission reduction programs have continued to be significantly impacted by COVID-19. A number of initiatives at various points of project planning, including an additional 2MW Terminal solar installation, \$4.2m Terminal LED lighting upgrade and green firm power purchase agreement were placed on hold over the financial year, however planning for these projects is now back underway.

In response to the ongoing disruption to operations associated with the COVID-19 pandemic, we continue to institute a range of measures to reduce energy consumption including periodically shutting down significant areas of the terminal and aligning lighting and HVAC system operation with the level of activity within the terminal.

Carbon emissions:

Adelaide: 6,976 tCO₂, ↓ 15.50%

Parafield: 185 tCO₂, ↓ 30%

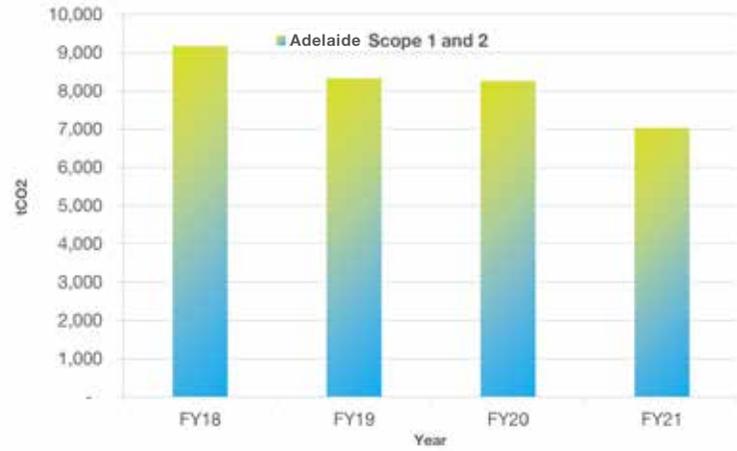
Group: 7,184 tCO₂, ↓ 15.14%

*Preliminary calculation of FY21 carbon footprint reported with all material emissions included, namely electricity and fuel. It should be noted that this figure may change as the full carbon footprint is calculated and progresses through the ACI Airport Carbon Accreditation certification process.

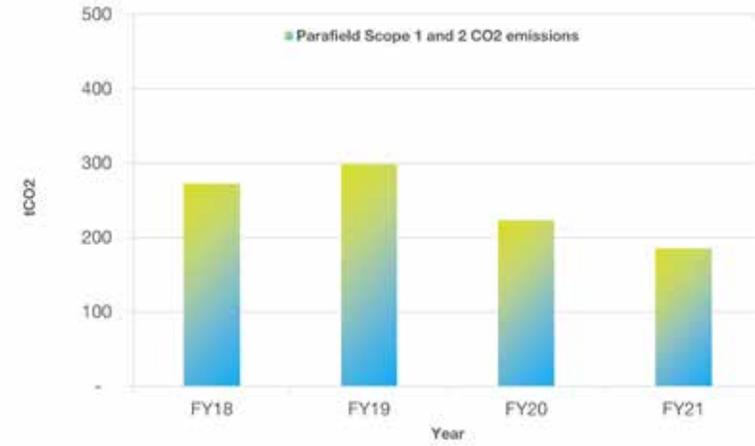
Carbon emissions	AAL	PAL	Group
Scope 1 (tCO ₂ -e)	96	17	113
Scope 2 (tCO ₂ -e)	6,881	168	7,049
Scope 1 + 2 (tCO ₂ -e)	6,976	185	7,221
Scope 3 (tCO ₂ -e)	55,191	9,613	64,804
Emissions Intensity (Scope 1+2 kgCO ₂ -e/PAX)	2.34		



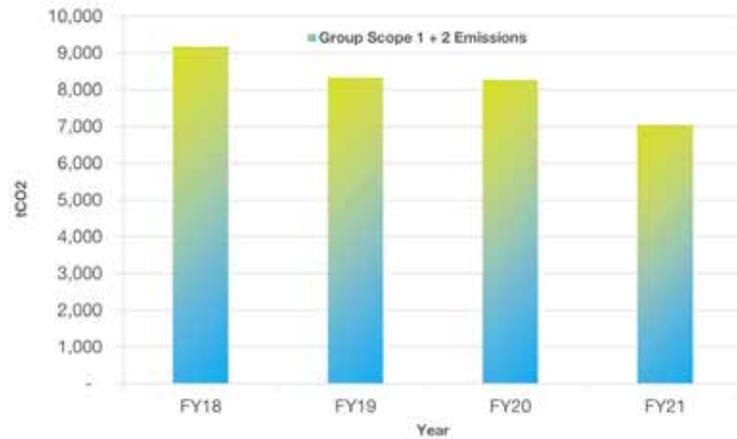
Adelaide Airport CO₂ Emissions



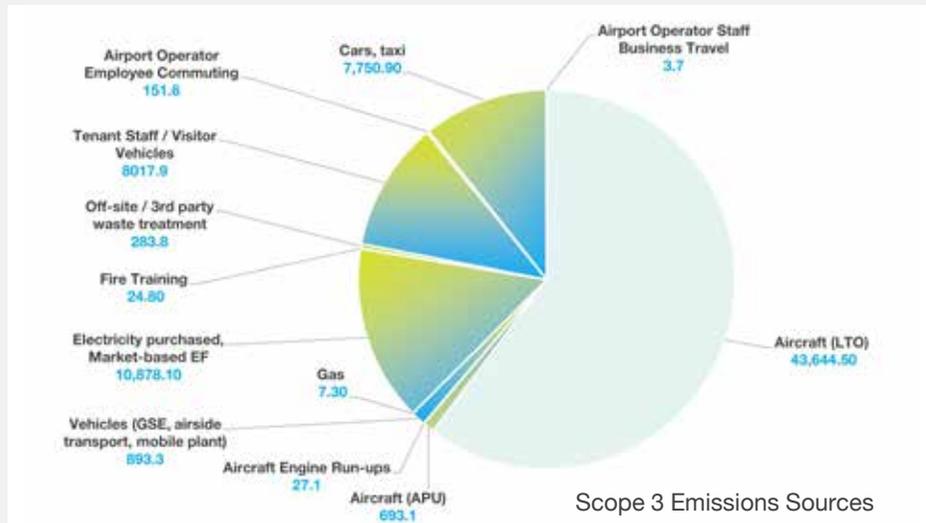
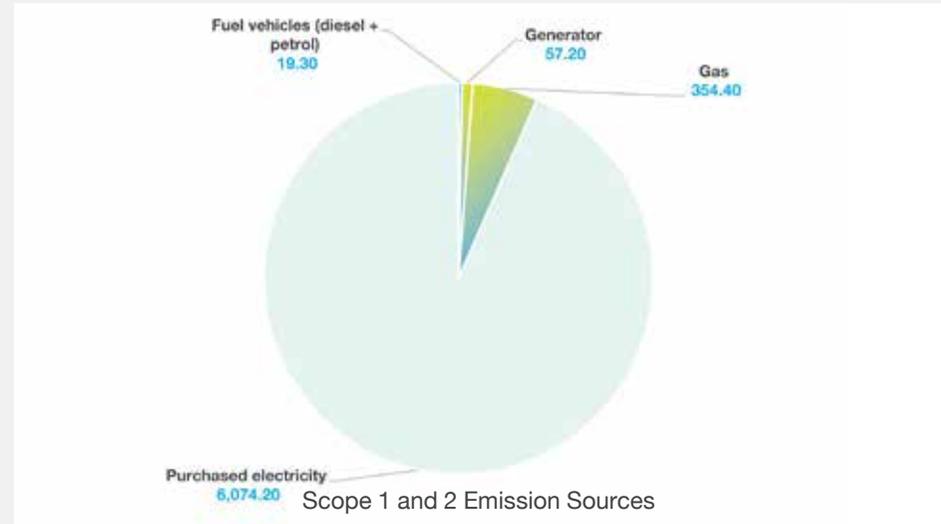
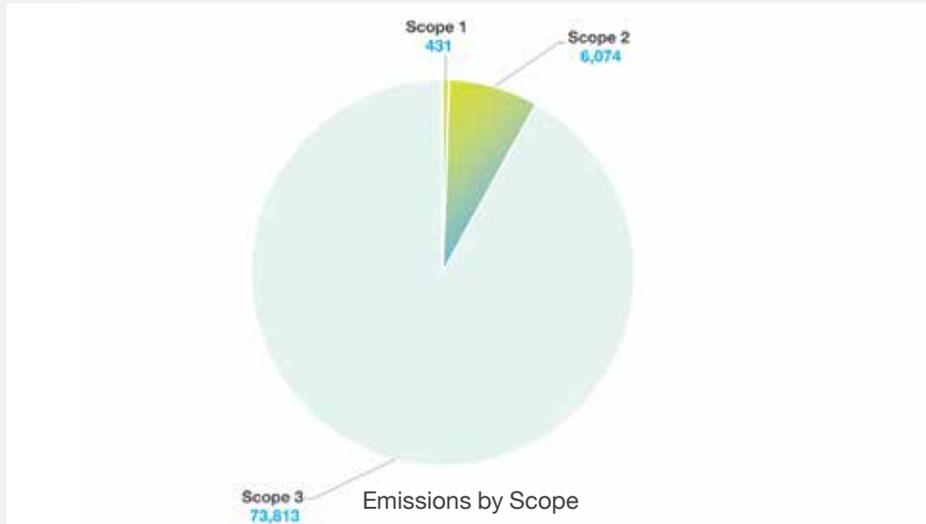
Parafield Airport CO₂ Emissions



AAL Group CO₂ Emissions



Adelaide



Indicator	AAL	PAL	Group
Electricity			
Renewable electricity generated (kWh)	1,731,114		1,731,114
Grid electricity consumed (AAL expense + outgoings)	14,055,745	390,648	14,850,031
Total electricity consumed, including renewable electricity generated (kWh)	15,786,860	390,648	16,581,145
Electricity Intensity (kWh/PAX)	5.29		
Renewable energy generation %	10.97%		
Electricity recharged to tenants	24,486,548	1,996,626	26,483,174
Terminal 1 electricity consumption (AAL expense + outgoings + recharge kWh)	14,323,708		
Terminal 1 electricity intensity (AAL expense + outgoings + recharge) (kWh/m2)	160.30		
Gas			
Gas consumption (AAL expense + outgoings) (MJ)	11,317,970.86		11,317,970.86
Gas recharge (MJ)	94,373.55		94,373.55
Fuel			
Diesel consumption (L)	32,911	6,280	39,191
Petrol consumption (L)	2,614	-	2,614
Total	35,525	6,280	41,805
Total Energy			
Total energy consumption (electricity + gas + fuel) (MJ)	69,417,381.27	1,631,779.65	72,502,256.41
Total energy intensity (MJ / PAX)	23.27		



Waste Management

Adelaide Airport has a mature waste program underpinned by our waste strategy. We have implemented administrative measures and infrastructure investment to divert the significant portion of organic compostable waste from the general waste stream. These measures include specific clauses in terminal tenant lease agreements to introduce compostable food serviceware and mandate recycling, investment in an organics compactor, and updating of public space bins to include an organics stream.

The terminal bin replacement project is now underway. This project will see

all existing three-stream bin stations within the terminal updated with new bins, switching the clean paper stream, which is no longer a relevant public space recycling stream, to an organics recycling stream to allow all airport visitors to dispose of both food waste and associated compostable food serviceware. This project will also seek to replace all single stream outdoor bins with dual stream outdoor bins.

Adelaide Airport is participating in the Plastic Free SA, Plastic Free Precinct program that is aligned with our waste strategy and seeks to eliminate specified single use plastic items from retail tenancies.



Waste	AAL	PAL	Group
Total waste and recycling (t)	341.55	8.73	350.2812
Hazardous (t)	0	0	0
General (t)	272.33	6.14	278.4682
Total recycling (t)	69.22	2.59	71.813
Proportion of total waste diverted from landfill (%)	20	30	21

Plastic Free

In collaboration with Plastic Free SA, Adelaide Airport is supporting its tenants to eliminate specified single use plastic items and divert material from landfill.

In addition to providing advice to tenants, Plastic Free SA will act as an independent third-party auditor to audit and certify tenants who have met the certification requirements.



The program requires tenants to:



Switch to durable (reusable)
or certified compostable food serviceware.



Understand and implement
the requirements of the terminal waste management system



Understand and divert
waste and recycling into the 5 primary streams

Water resources	AAL	PAL	Group
Potable water consumption (megalitres)	40.74	109.68	150.42
Recycled water consumption (megalitres)	68.94	0.00	68.94
Total water consumption (megalitres)	109.68	23.90	133.58
Total water consumption (percentage of recycled water waste)	63%	0.00%	63%

Water

South Australia is the driest state in the driest inhabited continent. Pressure on potable water resources will continue to increase with drought, climate change and a growing population, likely leading to water shortages and increasing water cost.

To reduce operational cost and Adelaide Airport's impact on local water resources, it is essential that we use water sustainably now and into the future.

While the conservation of potable water is essential, the implementation of water sensitive urban design and use of alternative water products such as stormwater and recycled water will be an important and cost-effective tool to mitigate the impacts of and adapt to the changing climate.

We are continuing to develop our understanding of our water resources requirements and to develop an integrated water management strategy.



Shape: Shaping Our Business

Business Enablement

As part of a strategic review on the future of our business, Adelaide Airport has examined mobility as a service, digital business opportunities, and workforce productivity and related tools.

Like many companies, Adelaide Airport is going through two digital transitions: one that digitises the company, using digital technologies that enhance our operational efficiency, improve collaboration or address customer issues; and another that provides new digital value propositions to our customers, which translates as the use of digital technology to rapidly innovate new digital offerings that excite and delight customers or address areas of concern.

Both transitions are vital to the longer-term success of the company. Much of this is captured in the new strategy:

- **Expand Customer engagement:** Extend and improve AAL's digital engagement capabilities to enable a '360 degree' view of our customers;
- **Prepare and respond to competition:** Remain vigilant to competitors and extend AAL's commercial presence across non-parking access modes;
- **Optimise parking business:** Continue to deliver a strong parking product that includes innovative products and services to meet evolving customer needs;
- **Continuous improvement:** Identify and prioritise pain points and deliver continuous process improvements; and
- **Business enablement:** Deliver technology that enhances business decisions, staff efficiency and collaboration.



Adelaide Airport continued to support our people right across the business in which we operate by continuing to invest in technology. Q1 of 2021 saw the second phase of the deployment of Microsoft Teams allowing the business to continue to work seamlessly throughout the COVID-19 recovery period. As remote working is part of our everyday lives and to ensure our staff can seamlessly connect to our systems when working remotely, new technologies were rolled out to support our business.

Since the outbreak of the pandemic, all businesses have faced a range of cyber security risks. Cyber criminals continue to exploit potential weaknesses and gain financially through rapid operational changes and people's vulnerabilities, as evidenced by recent unprecedented high profile cyber-attacks on critical infrastructure worldwide. Adelaide Airport continues to invest substantially in this area to enhance our cyber defences and to embed a strong security culture across all facets of our business. This ever-changing risk environment will continue to be actively monitored, with changes to our security posture adjusted in line with our Enterprise Risk Framework.

Airside operations

MOS Part 139

The new Civil Aviation Safety Authority (CASA) Part 139 Manual of Standards came into effect on 22 August 2020. The transitional arrangements required both Adelaide and Parafield airports to

submit an updated Aerodrome Manual by May 2021. This document describes how the airport infrastructure, facilities and operational procedures maintain the safety of the airport. The update required the review and update of the majority of our operational procedures for both airports.

Aircraft Parking Challenges

Aircraft parking has been a challenge this year with the requirement to store aircraft that were not flying due to the pandemic. Aircraft were stored in such a way that engine runs and periodic maintenance could still take place to ensure these aircraft remained airworthy. Challenges were also presented when these aircraft were returned to service needing detailed maintenance inspection, requiring access to ground power and lighting, which could only be accommodated on the Terminal 1 apron.

Some of our charter and regional operators have introduced new larger aircraft types into their fleets, which required changes to our parking bays so these aircraft could be accommodated. This includes Alliance Airlines' recent introduction of Embraer E190 operations. Although these new aircraft types have commenced operations, the previous fleet types have also been retained, placing further pressure on parking areas.

Safety Management System

Over the past year, new SMART safety objectives have been developed for the Safety Management System (SMS). Greater definition and clarity brings

clearer measurement of performance against the objectives.

Data collected from the Operations Log is now being used to develop additional safety KPIs to measure our operational performance, further enhancing our safety assurance for day to day operations. For example, individual bay inspections give a more granular view on an aircraft parking bay's condition with any identified safety issues presented to the apron operators to improve safety and awareness.

Tackling modern slavery

Adelaide Airport's Modern Slavery Assurance Program was approved in May 2021.

This Assurance Program involves AAL meeting with higher risk suppliers or contractors and ensuring they are upholding their responsibilities in relation to modern slavery, specifically against their obligations outlined in the Supplier Code of Conduct, the Contactor Compliance Statement and the legislation. We will complete an audit of our activities once every four months.

We have put in place a comprehensive approach into how we manage our tender process and supply chain, which included undertaking a risk assessment to identify which elements of our spend are more at risk of modern slavery.

We have become more sophisticated in supply management, and are clear and up front on expectations and KPIs to drive a more commercial and appropriate

outcome that matches the service level.

Following recent training and awareness activities, we now have a much better appreciation of the issues around modern slavery and are considering ways to integrate this into our procurement thinking and processes.

Commitment to process improvement

Adelaide Airport is committed to providing our staff, customers, suppliers and stakeholders with an easy, seamless and connected experience. Over the past financial year, we noted the importance of shaping our business to perform, with continued emphasis on workforce planning, and being adaptable and collaborative.

We have done much in this direction, but we need to strengthen our commitment to improving our processes - to reduce the pressure of repetitive tasks, create capacity and save time, enabling us to focus on more value-add activities.

Our Strategic Plan for the 2021-2024 period includes a dedication to business transformation through the continuous improvement initiative: 'Identifying and prioritising pain points to deliver continuous process improvements'.

This is to be achieved through:

- **Pain point reduction:** Identifying, prioritising and addressing key issues, pain points and wasteful processes;





- **Process improvement:** Changing the way we do things to improve our processes resulting in the delivery of better services;
- **Performance improvement:** Increasing focus on performance measures and targets; and
- **Capacity enhancements:** Providing our people with the headspace to develop and to focus on continuous improvement in the workplace.

Our Continuous Improvement Program aims to deliver strategic and targeted improvements aimed at improving existing ways of working, solving business problems and transforming manual, paper-based processes into a digital practice.

At the same time, we are focused on capability development by equipping our people with problem-solving skills and involvement in the Continuous Improvement Program - enabling staff to ask questions, challenge existing ways of working and drive out wasteful practices, which in turn drive efficiencies, continuously improve the business and enhance customer value-add.

There are currently multiple continuous improvement initiatives either underway or in their planning stages, which are all aimed at enhancing customer value and eliminating waste.

Procurement

We continue to evolve our procurement activities with a focus on achieving value for money while further incorporating environmental, social and governance considerations in our purchasing decisions in alignment with ISO 20400. This includes avoiding unnecessary consumption, reducing environmental impacts, supporting diversity, encouraging local employment and fostering innovation, ensuring compliance with the Modern Slavery Act.

We continue to work with our suppliers and partners collaboratively and have instituted Contract Development Plans (CDPs) with our strategically important supply partners including our cleaning and security contractors.

The COVID-19 pandemic has had a significant impact on our operations and on our major service contracts. We have worked closely with key suppliers to refine our business model and optimise our investment in the face of unprecedented times to meet an anticipated 'new normal'.

We commend our people and our suppliers who have supported us in this time. The level of immediate change and the demonstrable outcomes achieved are a credit to their hard work and the partnerships formed. We will continue to work with our suppliers to ensure that procurement activity continues to deliver value.





Shape: Aviation Safety & Security

Safety and security remains our highest priority. Nevertheless we, along with the wider aviation industry, have sought to maintain a balance to contain costs while continuing to meet all compliance obligations at such a challenging time for the sector.

Our security screening services provider, Certis (formerly SNP), has been very responsive to the needs of Adelaide Airport and the broader industry, adapting to operational reductions commensurate with reduced customer demand due to the pandemic. The flexibility in our operating contract with Certis has ensured we have remained agile and responsive in our approach to managing security across the Airport. We streamlined our operation and consolidated screening points during the downturn.

The partnership approach we have in place to manage security screening through Certis has facilitated dynamic rostering and a highly integrated approach to managing changing demand, to ensure consistent provision of security services for our passengers and on-airport stakeholders.

As we recover and passengers return, Adelaide Airport and Certis continue to work on right-sizing the operation to accommodate changes in demand. We have been conscious of providing suitable resources to ensure screening throughput, balancing the need for social distancing with a cost effective and efficient screening process.

Adelaide Airport continues to work with the Department of Home Affairs on the implementation of enhanced security screening. Due to the impacts of COVID-19 and considerable reduction in traffic, we are now working to a revised timetable for the installation of new equipment with our chosen suppliers.

We have also leveraged our strong relationships with emergency services, particularly SA Police and SA Health for the establishment and maintenance of border processes to protect South Australia from COVID-19.



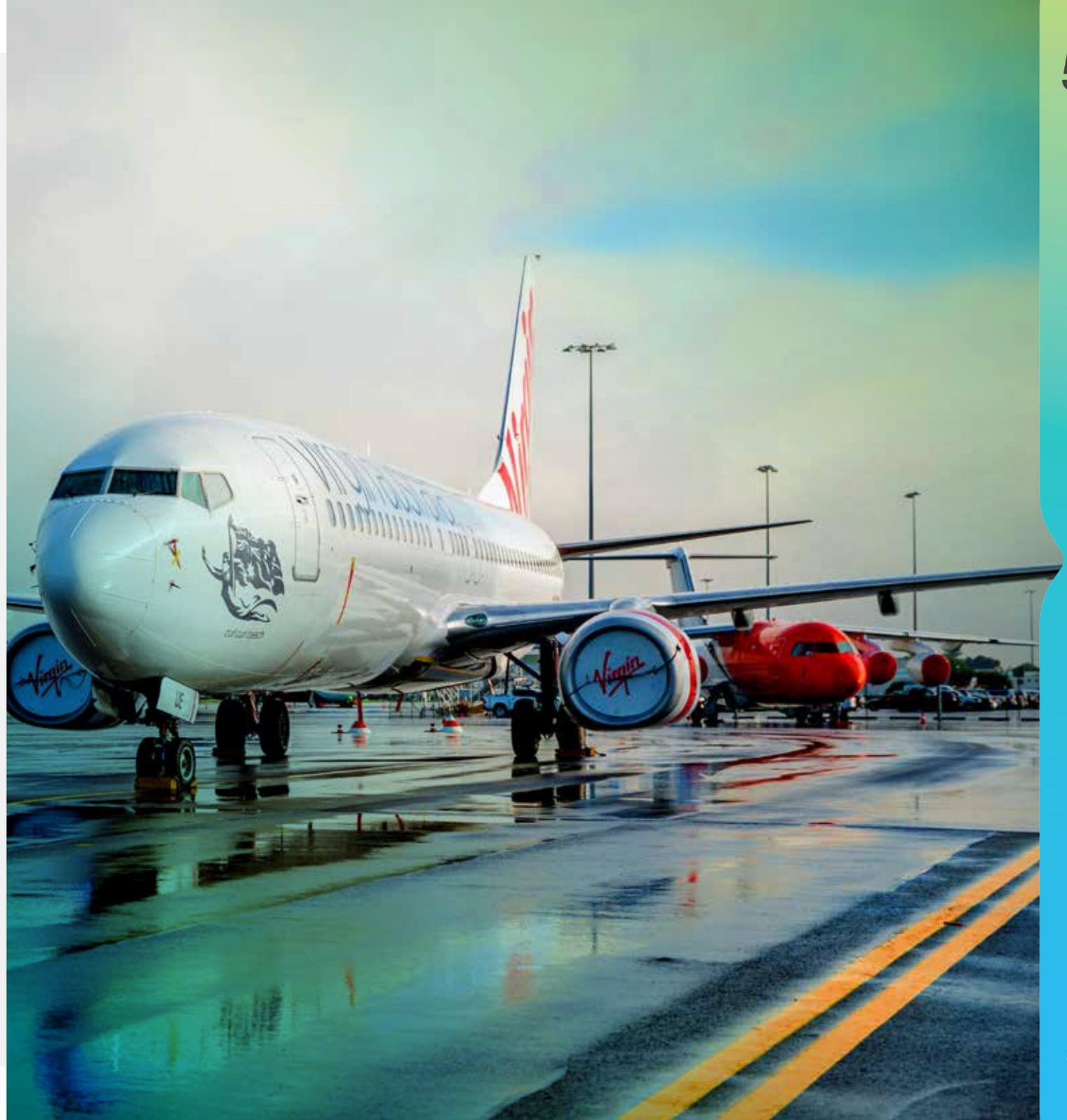
Aircraft parking

Management of aircraft parking at a time when less people are travelling is, counter-intuitively, more of a challenge. Less aircraft in the air means more aircraft on the ground at any one time.

Adelaide Airport has continued to work closely with airlines to provide longer term parking of aircraft that were effectively placed in hibernation at the height of the pandemic. These aircraft were stored in such a way that engine checks and periodic maintenance could still occur to ensure a swift return to service was possible once passenger numbers started to increase.

We worked closely with operators to manage our apron capacity at Terminal 1 upon such returns to service, as the requirements of detailed maintenance inspections meant ground power and lighting were needed, which could only be accommodated on the Terminal 1 apron.

Some of our charter and regional operators have introduced larger jet aircraft types into their fleets, which necessitate changes to parking bays to accommodate these aircraft. Notably we have seen Qantas, through its partnership with Alliance Airlines, introduce the Embraer E190.



Shape: Facilities Management

In the past year, Adelaide Airport has faced changing levels of demand that we could not have foreseen. As a consequence, managing our assets and our facilities has proven one of our biggest challenges.

The range of facilities and assets we manage is significant, from critical operating systems such as the baggage handling system, to passenger sensitive equipment such as lifts and escalators, through to services to assist our passengers such as cleaning and security. We have experienced fluctuating levels of demand like never before, and our focus has been centred on adjusting our service provision and maintenance regimes to best meet the requirements of the day, take care of our assets, work closely with our service providers and retain agility in our approach; all with the overarching goal to protect our assets.

The past year has required us to redefine our service level delivery, reassess what is important for the business and to refocus on our priorities.

We have worked hard to adjust our maintenance regimes and service provisions to meet demand but also focus on delivering a level of service aligned to

the requirements of our passengers and business partners.

This has required renegotiation of our maintenance contracts to realign costs, while also continuing to protect our business and facilities through our proactive approach to optimising the life of our assets. Any reductions in activity to match demand have always been balanced with the need to protect our assets, as well as being ready to meet the return to growth we experienced earlier this year.

Our approach has been cautious and prudent management of our assets, noting the changes COVID-19 has had on the passenger journey. As an example, although we reduced our overall cleaning costs as a direct result in the downturn in passengers, we enhanced our cleaning services across the passenger journey to ensure the highest hygiene standards for our passengers.



We also refocused and consolidated our operation, closing the northern end of the terminal for several months to operate our remaining business more efficiently and at a lower cost.

We reviewed the methodology and frequency of every core activity of our facilities management. Having more downtime from regular maintenance tasks enabled us to refocus our effort and bring activities in house, such as painting and electrical services.

We have also used the opportunity to build a different operating model, which we will grow in the future. All facilities management of our Export Park precinct is managed in house, and we are significantly advanced in a technology support project to provide upgraded and easier fault reporting for those tenants. This approach will add ease for tenants, provide us greater understanding of our asset performance in this precinct and contribute to improving the lifetime value of our assets.

The impacts of the past 18 months have been felt by all aspects of the aviation industry supply chain. We have continued to work closely with our suppliers, and our strong long-term relationships have been of considerable benefit as we've sought new operating models in response to the challenges posed by COVID-19.

As our business returns to disciplined growth, we will continue to respect those long-term relationships and work with our core contractors who have supported us along the journey.

A number of projects were well advanced when COVID-19 hit and we used the quieter times to push these projects through to completion. We have upgraded our Building Management and Access Control systems as well as completely upgrading all CCTV functionality across both Adelaide and Parafield airports. We have also used the opportunity to complete major planned upgrades to critical assets, such as our aerobridges and access control system and CCTV. We have also been working through automation upgrades on the passenger boarding bridges.



Nurture: Our People

Adelaide Airport remains highly focussed on our ongoing ability to retain our great people, look after them, attract new talent and ultimately maintain an appropriately skilled and engaged workforce.

Undoubtedly the most difficult challenge faced by Adelaide Airport in 2020/21 has been the management of our people as revenue evaporated and critical measures were implemented to remain operational through the pandemic.

We have proven our ability to remain nimble, flexible and resilient, with the whole-of-company focus initially on survival before moving into the early phases of recovery. Our workforce is now aligned in a mindset of disciplined growth as we rebuild our aviation business.

There has been an increased level of engagement and trust that was built through listening and providing timely, open and honest feedback.

Talent restructure

The significant impacts of COVID on the aviation industry necessitated an adjustment to the structure and size of our business, which regrettably required a 20 per cent reduction in our workforce. We remained open, honest and transparent with our team through this difficult time. Our exiting employees were assisted with outplacement services as we sought to handle the process with the highest level of care and respect. The journey could not have been possible without the culture of our organisation and the professionalism of our team.

As the recovery phase continues, albeit with the uncertainty of border restrictions



and lockdowns, we are creating a mindset of disciplined growth to carry us into 2022 and beyond.

In a competitive labour market and with a clear plan for the future, we need to ensure we continue to deliver a great employee experience so we can retain the right talent as well as attract new talent when required.

A focus on investing in the right training and development of our people to grow capability will be key to realising our plan, as well as looking far enough forward in our workforce planning to ensure we deliver the right talent and skills at the right time.

Much of our professional training and development program was put on hold last year, but we are now focused on reinvesting in this space.

Flexible working

Adelaide Airport has implemented flexible working arrangement options for all staff, both in terms of operations and through the uncertainty of government-mandated lockdowns.

Our flexibility sits squarely in the areas of engagement and creating a great place to work. We are not unique in a corporate perspective in what companies have learnt in the past 12 months, but we have suitable technology allowing us to work flexibly. We trust our people to deliver when working remotely.

Another initiative - 'no meeting Fridays' - provides team members with the

necessary headspace to concentrate on more complex tasks without the constant interruptions of meetings that can hinder productivity. Feedback from our team indicated they also felt more balanced at home during the weekend thanks to the Friday pause.

My performance partnership

At Adelaide Airport, we're building a culture of professionalism, excellence, high performance and achievement. In July 2020, we rolled out our new performance management program. MyPerformance Partnership is the partnership between our team members, their leader and the organisation, aimed at empowering all employees to reach their full potential while working towards achieving our objectives within the key focus areas of Grow, Shape, Deliver and Nurture identified in Adelaide Airport's Strategic Plan.

MyPerformance Partnership brings together a series of planned quarterly conversations, with the regular setting, tracking and updating key objectives and career planning for our team. In normalising conversations about performance in the business, we are fostering a high performance culture.

Wellness program

Adelaide Airport puts people at the heart of everything we do, which is why we've always taken the health and wellness of our people seriously.

Over the years we've run many wellness initiatives but this year we took a slightly different approach and structured it around an annual calendar of wellness events with a seasonal approach.

We started our wellness program with 33 team members signing up for a six-week Healthy Habits Challenge to get staff prepared for the next 12 months. Each week a new set of challenges around healthy eating and exercise were released and points were given for achieving each challenge.

A total of 68.9kg weight was lost and 15.8kg muscle gained across the group. More importantly 46.8kg of fat mass was lost.

Staff feedback included:

"Group motivation was great to keep on track, hearing from others and sharing experiences. The body scan was a really great motivator."

"Great to see representation in the challenge across all teams and all levels of staff including execs."



Total number and rate of new employee hires during the reporting period, by age group, gender.

New employee hires by gender and age	1 July 2020 - 30 June 2021	%
Male		
Under 30 yrs.	0	0%
30-50 yrs.	5	36%
Over 50 yrs.	1	7%
Female		
Under 30 yrs.	1	7%
30-50 yrs.	7	50%
Over 50 yrs.	0	0%

Total number and rate of employee turnover during the reporting period, by age group, gender.

Turnover Rates by Gender and age	1 July 2020 - 30 June 2021	Turnover Rate
Male		
Under 30 yrs.	1	1%
30-50 yrs.	17	17%
Over 50 yrs.	17	17%
Female		
Under 30 yrs.	4	7%
30-50 yrs.	12	21%
Over 50 yrs.	6	11%

4 year average turn over rate 11%.



Turn over rates	1 July 2020 - 30 June 2021
Total	
Involuntary rate	23%
Voluntary rate	14%
Turnover rate	37%



Nurture: Work Health Safety

Adelaide Airport recognises the importance of duty-of-care to ensure the safety, health and wellbeing of workers and visitors to our sites. We are committed to establishing measurable WHS objectives and targets to ensure continuous improvement aimed at the elimination of work-related injury and illness.

Our WHS program is underpinned by our WHS Policy and Framework, which promotes a continuous improvement approach to the management of health and safety. The WHS Framework is aligned to the International Standard ISO 45001 (Occupational Health and Safety Systems) and promotes a best-in-class program adopted as part of ongoing operational activity.

Regular WHS reporting with emphasis on safety initiatives ensures relevant WHS information is communicated to staff via monthly reports, bi-monthly WHS bulletins and via the WHS Committee. Enhanced reporting includes benchmarking our injury performance against our own WHS injury performance

over a rolling five-year average, providing a performance-based oversight of our WHS management activities.

We undertook an organisation-wide safety culture survey co-ordinated by KPMG to assess how our current culture and work environment impacts on safety performance and to identify opportunities for WHS improvements. The survey sought responses relating to the areas of:

1. Safety culture values;
2. Safety culture behaviours – individual;
3. Safety culture behaviours – organisation; and
4. Safety culture compliance.

An overall safety survey score of 3.37 out of 4 was achieved based on a survey response rate of 73 per cent. The safety survey score has now been adopted as an additional WHS Key Performance Indicator with the survey to be conducted on an annual basis in support of our continuous improvement approach to health and Safety.

Our Total Injury Recordable Injury Rate for 2020/21 was above our rolling five-year average, although all incidents have been relatively minor in nature.

All WHS incidents are analysed to determine emerging trends. Outcomes are distributed via toolbox talks and captured in the safety bulletin, assuring continued education and prevention of future incidents.

Comprehensive half-yearly risk reporting is provided to the Board's Audit and Compliance Committee with an annual focus on WHS.

Continuous focus on risk and hazard inspections as well as training for staff and airport operators returning to operations post COVID lockdowns has continued throughout 2020/21.





Nurture: Our Community

Adelaide Airport is committed to supporting our stakeholders through community and public engagement, government consultation and industry representation.

We hold regular scheduled committee meetings such as quarterly Community Aviation Consultation Group (CACG), Planning Coordination Forums (PCFs) and Technical Working Groups (TWG) with consistent attendance and successful outcomes.

Both Adelaide Parafield airports are embedded within multiple local community groups and complement community engagement by forging partnerships with local organisations and through sponsorship and community investment programs.

Despite the significant impacts of COVID-19 on the aviation industry, we have retained our strong commitment to stakeholder engagement throughout the pandemic, approaching stakeholder management challenges from a new direction which ensured that many

stakeholder engagement activities continued where possible. Strong attendance from stakeholders continued through the various engagement forums, for example the November 2020 Consultative Committees and Technical Working Groups, which were held during a statewide lockdown.

Community Aviation Consultation Groups

One of our key means of engaging with the community is through our Community Aviation Consultation Groups (CACGs).

The Adelaide Airport Consultative Committee (AACC) is chaired independently and provides a forum for the free exchange of views on airport issues such as noise, environmental issues, future land development, airport



facilities, aviation services, and any other important issues that may arise.

The Parafield Airport Consultative Committee (PACC) serves a similar function to the AACC, by providing an advisory forum for members to discuss their views on issues that might be affecting Parafield Airport and is also chaired independently.

Attendees at the Committee meetings come from a range of stakeholders including Airservices Australia, resident associations, industry associations, airlines and consistent senior representation from all levels of government and key government departments.

From May 2020, both the AACC and PACC have been held either via teleconference or via video conference.

Technical Working Groups for both committees provide a forum to evaluate operationally required changes, environmental impacts of aircraft operations, the impacts of proposed major developments on air traffic control and opportunities to improve noise outcomes for the community.

Planning Coordination Forum

A shared Planning Coordination Forum (PCF) sub-committee reports separately to the AACC and the PACC. It is responsible for regular and strategic engagement with all levels of government. Discussions typically revolve around airport planning and operations, and on the implications of development in the surrounding areas at both airports.

Throughout 2020/21 we continued to engage with the South Australian Department for Infrastructure and Transport (DIT) through the PCF on South Australia's new planning system and the new Planning and Design Code. We have also engaged with DIT as a stakeholder on the North-South Corridor Project.

Western Adelaide Consultative Group

Adelaide Airport is a member of the Western Adelaide Consultative Group, a forum of councils in western Adelaide that meets quarterly to discuss ideas and work together on common or topical issues concerning western Adelaide. The WACG members are the City of Charles Sturt, City of West Torrens, City of Holdfast Bay, City of Marion Councils and Green Adelaide. Adelaide Airport also attends as a Commonwealth and State Government instrumentality that governs material areas of land in western Adelaide.

Other community groups

Adelaide Airport is active in community engagement in the environment area as supporters of the Friends of Patawalonga Creek, Regional Climate Adaptation Groups and the Premiers Climate Council. We have also established a Wildlife Hazard Group, engaging with businesses and local Councils surrounding the airport to combat the prevalence of bird strikes at Adelaide Airport.

Adelaide and Parafield airports provide regular presentations to community groups upon request

Community outcomes

A number of outcomes have been achieved through the Committees including but not limited to:

- PFAS - regular information updates including provision of testing and ground water survey results at Adelaide and Parafield airports and communication of the findings of the Human, Health, Ecological Risk Assessments;
- Adelaide Airport Curfew Dispensation Guidelines - consultation regarding the adoption of these guidelines;
- Terminal Expansion project - provision of information to nearby residents potentially impacted by construction activities;
- Communication of airport runway maintenance activities to AACC members and the wider community noting the potential for disruption during these times;
- Education on runway arrivals during the curfew under the Adelaide Airport Curfew Act and noise abatement procedures;
- Dissemination of information regarding the recovery of Adelaide Airport and the expected increase in air traffic and therefore noise, after periods of very low traffic including the development of community information sheets;
- Communication with the City of Salisbury Council stakeholders regarding a review of Parafield Airport's Fly Friendly Program;

- Communication of information to local residents regarding upcoming projects with elements of potential disruption, such as Stage 1 Airport East;
- Remembrance Day and Darwin Defenders Day - worked with Airservices Australia and the community to ensure that flights did not interfere with the minute's silence following feedback from the community; and
- Building height and crane approvals - working closely with councils and Government to ensure appropriate and timely outcomes are reached through approval processes.

Partnering in the community

Adelaide Airport has always adopted a partnership approach to community engagement, investing in several worthwhile organisations. Each year, these partnerships are carefully considered and are aligned to our Strategic Plan, with the sole purpose of making a meaningful and measurable impact in the community which we operate in.

This year, other than our long-standing relationship with the Royal Flying Doctor Service (RFDS), we regrettably had to place a large part of our program on hold as we focused on business recovery. Instead, we looked for other ways to continue to support the community. An opportunity presented itself when one of our major shareholders IFM Investors opened up its grants program to investee companies. This provided us with the



chance to work with Dress for Success - a charitable organisation tasked with promoting the empowerment of women to achieve economic independence by providing a network of support, professional attire and development tools, to submit an application for funding.

In November we were advised we had been successful, which meant together with Dress for Success we could expand the delivery of their Career Support Program to 400 women in need in our community.

The Career Support Program is designed to improve women's ability to participate more effectively in the employment marketplace, by increasing confidence, improving attitudes and creating strategies to job search. With increased confidence women feel more capable and skilled to not only gain but sustain long term employment.

To date Dress for Success Adelaide has served a total of 135 women in need during the first half of the IFM grant period, conducting a total of 257 appointments, ranging from interview styling and career support to employment wardrobing.

Dress for Success Adelaide also gifted at no cost a total of 1,432 items of clothing, shoes and accessories with a nominal value of \$17,520 (based on charity shop price points).

The program has also provided our staff with the opportunity to give back to the program by volunteering their time to meet with the women and present on life skills.

Other community investment initiatives included:

- Royal Flying Doctor Service – supporting an Aboriginal Health Coordinator;
- Property Council of Australia – Christmas lunch held for stakeholders at one of Adelaide Airport's oldest hangars;
- Support for local artists through installations throughout the airport terminal;
- Northern City Panthers Club - providing soccer training grounds

Royal Flying Doctor Service Aboriginal Health Coordinator

Adelaide Airport was proud to continue supporting the Royal Flying Doctor Service's Aboriginal Health Coordinator program.

A member of the RFDS Port Augusta Primary Health Care Service, the RFDS Aboriginal Health Coordinator is a key component to their comprehensive, patient-centred and culturally-appropriate model of community health care. This position provides support through a cultural lens to Aboriginal patients from remote areas during their treatment at Port Augusta Hospital.

During 2020/21, 65 clients received medical, cultural and relocation support from the RFDS Aboriginal Health Coordinator during their admission and discharge from Port Augusta Hospital.



The trust that the RFDS Aboriginal Health Coordinator has developed within the remote communities, is evident in reduced 're-admission' rates to hospital. The critical role in following up on patient referrals to prevent outback residents falling through the cracks and, ultimately, returning to the health system as an acute patient reduces the gap in chronic disease management.

The RFDS Aboriginal Health Coordinator works in partnership with the RFDS doctors and nurses to help build understanding of the life complexities

and challenges that Aboriginal people face. This role is fundamental to building effective relationships and improving health outcomes.



Nurture: Industry Stakeholders

Adelaide Airport team members actively participate in key stakeholder activities at a local, national and international level.

International

Our executives are active participants in Airports Council International (ACI), particularly in the Asia Pacific Region. The Executive General Manager Airport Operations is the Vice-Chair of the Asia Pacific Regional Airport Security Committee and a member of the ACI World Security Standing Committee.

Adelaide Airport's Sustainability Manager is a Member of the Asia-Pacific Regional Environment Committee, which informs international and local environment regulation and practice. This helps ensure we can remain positioned as an Australian leader and innovator in the environment space.

National

Adelaide Airport is a member of the Australian Airports Association (AAA), with the EGM Planning and Infrastructure a Director on the AAA Board, State

Division Chair and the Chair of the AAA Planning Committee. AAL's Managing Director is a member of the AAA CEO's Group and the EGM Finance and Corporate and Legal and Corporate Affairs Manager are members of the AAA Corporate Affairs Group. Other executives participate on the specialist subcommittees and working groups reporting into the AAA Board and CEOs Group including those on safety, security and customer service matters.

Through these forums and regular one-on-one meetings with the CEO of the AAA, we continue to provide strong representation and advocacy on issues affecting Adelaide Airport. We are also a member of the Australian Aviation Recovery Coalition, which was established in 2020 to collaborate on the impacts of COVID-19 on the aviation industry. The recovery group comprises the AAA, Airlines for Australia and New Zealand and the Board of Airline Representatives of Australia (BARA)



with the aim to develop a co-ordinated response across industry to COVID-19 operational measures and communications.

State

At a local level, AAL has strategically selected membership of key organisations that can assist it in influencing key decision makers on policy and regulatory matters. These organisations include the South Australian Freight Council, the Committee for Economic Development

of Australia (CEDA) and the Property Council.

Adelaide Airport's Managing Director is a member of the newly established South Australian Aviation Reference Group, which is working to re-establish South Australia's connections with global and domestic markets following the devastating impacts of COVID-19 on the aviation industry. The group includes key members of the State Government. The group played an integral role in securing the establishment of a Qantas Embraer

E190 aircraft base in South Australia which will create up to 200 jobs when fully operational and will expand both Qantas and South Australia's aviation networks and capabilities.

Our EGM Finance and Corporate is a Divisional Council Member of the South Australian Property Council and the air freight representative on the South Australian Freight Council.

Local

Both airports continue to successfully engage and work closely with local councils on a range of local issues, for example the development of and access to the Airport East Precinct.

In 2020, we finalised a Community Engagement Framework for implementing our commitment to nurture great relationships with our stakeholders and strengthen our relationship with communities surrounding Adelaide and Parafield airports.



04 | Parafield Airport



Parafield Airport

Parafield Airport Limited is a wholly owned subsidiary of Adelaide Airport Limited. It operates Parafield Airport, South Australia's premier general aviation aerodrome and world-class training airport. The airport is home to six aviation training companies and is a growing business and retail hub for Adelaide's northern suburbs.

We have a clear vision to develop Parafield Airport as an aviation training centre of excellence and a vibrant economic hub, recognised for our positive influence on the community and economy.

Parafield Airport's Strategic Plan released in 2019 has remained fit for purpose as we've navigated the impact of COVID on our tenants while building on the positive outlook presented by our property portfolio.

Our team has displayed its flexibility and versatility to manage the external risks brought about by COVID. While we have had to delay some of the milestones outlined in our strategy due to resourcing,

we have been able to streamline our processes and work smarter.

Flight Training

As one of the world's leading flight training facilities, Parafield Airport's principal aviation tenants have been severely impacted through the loss of international students due to border closures. This has flowed on to a significant reduction in aircraft movements.

Our largest flight training provider, Flight Training Adelaide (FTA) estimates 87 per cent of students come from overseas. FTA is focused on building a stronger domestic market but limitations still exist due to the fluctuations in domestic State border restrictions.

The company has been working with the State Government and local tertiary sector to convert its under-utilised training accommodation space into an international student quarantine hub, which will facilitate the return of its core business of training international students as pilots of the future.

Property

As with Adelaide Airport, our property team have been working through the COVID challenges faced by existing tenants, while managing a strong level of enquiry for commercial and industrial uses.

Several of our tenants have sought some form of support such as rent assistance from Parafield Airport. Throughout this period, we have kept in contact with our tenants including a program of regular in-person visits to discuss any issues they may have and this proactive strategy appears to have assisted in the retention of our tenants. While some sectors such as flight training and retail have experienced challenging conditions, other tenants such as aircraft mechanics and fuel sellers have expressed optimism with an increase in ad hoc private and charter aircraft operations on the back of a strong intrastate tourism sector.

One positive for Parafield Airport is that we have benefitted from the increased market activity and enquiry for developable land with good connections to major arterial routes. This is particularly noticeable for land suitable for industrial

development where demand for new warehouse facilities driven by the growth of online sales has been significant.

We have received a resurgence in enquiry for land fronting Main North Road for mainly commercial and retail uses and have seen the successful repurposing of the old Masters building to provide a mix of retailers including Supercheap Auto and Adelaide Tools. We are also anticipating the long-awaited commencement of construction of the proposed brand outlet centre with building works due to commence in the second quarter of 2021/22.

We have also seen some of our tenants grow their businesses despite the tough economic times. Aerotech, now one of our bigger tenants, recently completed a significant investment in its hangar and associated facilities in order to better service its expanding business.



Working with the community

Parafield Airport continues to be aware of the impact aviation-related activities, and particularly noise generated by these activities, can have on the local community.

We have a broad range of programs in place to address aircraft noise around the Airport. This includes working with stakeholders to observe fly-friendly arrangements, engaging with the local community, working with all levels of Government, consulting with training schools and Airservices Australia, and investing in airport infrastructure that supports quieter aircraft and operating methods.

We continue to have a strong community engagement focus supporting the local Parafield community through strategic partnerships with local organisations. This includes the North City Panthers Football Club and the combined Parafield & Salisbury Rotary Clubs' Northern Business Breakfast series.

We will continue to support young people in the local community through our scholarship program which is awarded annually.

Aerotech

QUICKER. SAFER. EASIER.





05 | Risk & Governance



Risk Governance

Adelaide Airport has a strong risk governance structure in place. The Board and management have a strong working relationship and are committed to achieving the highest standards of corporate governance.

Our Risk Governance structure is comprised of a number of layers, and facilitates fluid risk reporting and transparency.

The Board, through the Audit and Compliance Committee, is responsible for ensuring there are adequate policies in relation to risk management, compliance and internal control systems, and receives comprehensive half yearly risk updates in addition to routine reports, addressing areas of significant or emerging risk.

Management, via the Risk Management Committee and the Risk Working Group, are committed to ensuring the Board can meet those responsibilities.

Risk and compliance management maturity at the operational level is fostered via the Risk Working Group. It provides a forum for the transparent reporting of risk, compliance and incident information between the Risk Management Committee, the risk and compliance department, and risk owners.

Risk Management Framework

Adelaide Airport's risk management program takes a holistic enterprise approach and is designed to ensure that all risks (strategic, corporate, operational and project), are identified, assessed, effectively managed and monitored in accordance with the Enterprise Risk Management Framework.

Risk management is supported by a strong and sustained commitment by management, as well as strategic and rigorous planning to achieve commitment at all levels.

The Risk Management Framework provides users with a reference to assist in the identification, assessment, management and reporting of all risk types in accordance with our Risk Management Policy. It also outlines the methodology to assess the level of assurance against controls in place to manage all risk types.

The Framework is aligned with the current Risk Management Standard AS ISO 31000:2018 Risk Management Guidelines (the Standard) and supports an enterprise approach to the management of risk.

Assurance

The Enterprise Risk Management Framework is underpinned by a robust assurance program. Internal audit carries out regular systematic monitoring of control activities and reports to both the

relevant business unit and the Audit and Compliance Committee.

The Internal Audit Plan has been expanded to take a risk management approach to audit planning across all business functions, as opposed to purely financial control reviews. It is developed by taking into consideration Audit and Compliance Committee input, our corporate and strategic risks, the Strategic Plan, executive and management input, assurance activity, emerging risks, and statutory and regulatory matters.

Our risk maturity is tracked against an Enterprise Risk Management Maturity continuum. This risk maturity evolution has resulted in an increased emphasis on embedded risk assurance activities undertaken by Adelaide Airport's WHS Risk and Compliance Business Unit, in addition to the internal audit program. Ongoing corporate, strategic, operational, WHS and project risk assurance reviews form a core part of our risk management program. Assurance and oversight of risk management is captured via monthly reporting with comprehensive quarterly risk profile reporting, and risk and compliance program key performance indicator scorecard monitoring. Comprehensive half-yearly risk reporting is provided to the Board Audit and Compliance Committee, and includes linkage of incidents to risks and operational risks to corporate and strategic risks to provide further assurance around the completeness of our risk profile.

Compliance

Adelaide Airport's Compliance Management Policy and Framework align to the Australian Standard AS/ISO 19600:2015 Compliance Management Systems. The policy and framework capture both compliance requirements (such as laws, regulations and licences) and commitments (such as the airport head leases, voluntary principles and codes) in a holistic register. Compliance requirements and commitments are risk-assessed with compliance plans established for higher areas of compliance risk.

Resilience

Adelaide Airport takes an enterprise approach to resilience via our Resilience Strategy. This strategy creates a transparent cohesiveness across all of Adelaide Airport's resilience activities with an 'all-hazards' approach and is based on the British Organisational Resilience Standard (BSI 65000:2014). It outlines the interaction between the various response and recover plans, which include business continuity, crisis management and IT disaster recovery plans, and the various mechanisms such as Crisis Management Team, Incident Assessment Team and the Terminal Incident Control Team, which are in place to support execution of these plans.



Material Risks

Category	Risk Description	Risk Mitigants or controls
Financial	Reduced aeronautical revenue associated with external events. COVID-19 has resulted in reduced passenger numbers with continuing impact associated with border closures and uncertainty.	<p>Aeronautical revenue risk is being managed with consideration to local based subsequent virus and mutation virus waves.</p> <p>Managed by ensuring optimal business diversification in line with AAL's agreed strategy and AAL's Business Development Strategy which take a near, medium and longer term approach to capacity growth, service reinstatement, international network recovery and connection to new unserved international markets upon international borders opening.</p> <p>AAL continues to progress its development vision ensuring revenue diversification from its property business. This includes progressing development ready precincts such as the Airport East Air Freight and Logistics precinct.</p>
	Unfavourable change in economic conditions impact trading performance or ability to refinance.	<p>Ongoing capital management planning including robust capital structure in place with revolving bank debt facilities to support capex and working capital funding requirements.</p> <p>AAL maintains a diversified debt maturity profile to ensure no concentration risk in any one year which could increase refinancing risk</p> <p>Ensures mix of debt sources to reduce reliance on any one market, noting AAL's comfort with a higher proportion of USPP debt given the long date maturities</p>
Climate Change / Sustainability	Impacts on AAL operations (directly and indirectly) associated with climate change including managing AAL strategic impact, planning for physical impact and managing societal / corporate expectations including flight shaming.	<p>Adelaide Airport has maintained Airport Carbon Accreditation Level 3 'Optimisation' since 2015.</p> <p>Board approval of a new suite of performance based environmental sustainability targets that will be publically disclosed and embedded into AAL's operations.</p> <p>The 2030 targets have been developed through a comprehensive benchmarking and engagement process for five strategic focus areas: Carbon, Energy, Landscapes, Water and Waste.</p> <p>The targets are aligned with relevant global, aviation industry and national/state goals including:</p> <ol style="list-style-type: none"> 1. United Nations (UN) 2030 Agenda for Sustainable Development 2. International Panel on Climate Change (IPCC) 2018 Special Report On Global Warming of 1.5oC 3. Airport Council International (ACI) 2050 Net Zero Goal 4. The 30-Year Plan for Greater Adelaide – (Target 5, A green liveable city)



Category	Risk Description	Risk Mitigants or controls
Climate Change / Sustainability		<p>Additionally, indirect benefits such as maintaining and improving AAL's social license to operate and grow, market confidence, customer experience and increased competitiveness of the property offering can also be realised by way of disclosing and implementing actions to move towards the targets.</p> <p>A comprehensive review of our climate related risks and opportunities in 2019 Integrated both strategic and operational climate risk into our enterprise risk management system; and Updated our climate change adaptations plan.</p> <p>Developed carbon emission reduction targets in line with the Science Based Target methodology for a 1.5°C in line with the Paris Agreement.</p> <p>Undertaken a Taskforce on Climate related Financial Disclosures (TCFD) gaps analysis, developed a progressive review and disclosure plan.</p>
Organisational Resilience	Ongoing impacts associated with continuing COVID-19 pandemic or future pandemics	<p>Lessons learnt from COVID and ongoing review and exercising of AAL's resilience plans.</p> <p>AAL has continued to work with Authorities as it navigates the pandemic. We have also continued to advocate to government on border openings and COVID-19 safe travel.</p> <p>Embedding COVID-19 response into business as usual activities as part of an agile approach to manage uncertainty.</p> <p>Maintaining a focus on health and safety of everyone at the airport via embedded COVID-19 protocols which are based on Government Direction and underpinned by COVID-19 risk assessment and assurance activity linked back to the passenger journey (from kerb to gate).</p> <p>AAL also undertakes an annual Sustainalytics survey to underpin AAL's Sustainability linked loan with ANZ.</p>
	Ability to anticipate and/or apply future technology innovations in response to aviation industry and/or customer expectations.	AAL's Digital Business Vision and Priorities identifies opportunities to progress advances in data and related computing innovations.
	Rise in the intensity and sophistication of cyber attacks	<p>Cyber Response Planning and exercises, External Cyber threat monitoring, detection and support including endpoint detection and response solutions Deployment of managed Security Operations Centre Ongoing threat and vulnerability assessments, adherence to NIST cyber security framework and Australian Signals Directorate 'Essential Eight' mitigation strategies.</p> <p>Ongoing staff training and awareness campaigns.</p> <p>Broader vulnerability assessment taking third party risk and mitigation strategies into consideration.</p>



Category	Risk Description	Risk Mitigants or controls
Organisational Resilience	Crisis management and business continuity risk	<p>AAL has in place a comprehensive Organisation Resilience Framework. This cohesive strategy brings together AAL's plans and processes to deal with disruption taking an "all hazards" approach.</p> <p>AAL's pandemic plan which forms part of its Crisis Management Plan was activated in Jan 2020 in response to COVID-19. The plans continue to be enhanced noting lessons learned during the pandemic.</p> <p>AAL's resilience plans are underpinned by a robust review and exercising framework ensuring a range of scenarios are tested against response and recovery strategies.</p>
	Ensure that an appropriately skilled workforce is maintained to support execution of AAL's strategy.	<p>Recruitment activity continues to demonstrate continued confidence in AAL's employer brand.</p> <p>Ongoing enhancement of AAL's Training Framework and training needs analysis activity.</p> <p>Focus on workforce planning and adaptability as well as process improvement and business transformation activities in accordance with AAL's strategic plan</p>
Airport Operational Resilience	Operational disruption associated with risks relating to aeronautical incidents, infrastructure failure or security events.	<p>Airport Emergency Plan exercising (field and desktop) using an all agencies approach. Airport emergency governance via the AAL Airport Emergency Planning Committee.</p> <p>Emphasis on 'ramp-up' risk across AAL operations and the wider airport community to ensure continued emphasis on identification and management of aviation hazards in accordance with AALs Safety Management System.</p> <p>AAL maintains a robust infrastructure inspection regime including critical infrastructure asset management and ongoing preventative maintenance programs.</p> <p>Comprehensive wildlife hazard management program.</p> <p>Ongoing consultation with airport partners via various forums and monitoring and reporting of AALs Safety Management System via comprehensive scorecard and KPIs.</p> <p>Comprehensive Aviation Security Program in accordance with the Transport Security Program which includes ongoing Aviation and Maritime Security (AMS) and AAL quality assurance activity.</p>



Category	Risk Description	Risk Mitigants or controls
Safety & Compliance	Risk of injury	<p>WHS Maturity Framework in place underpinned by AAL Safety Culture measurement.</p> <p>We are committed to establishing measurable WHS objectives and targets to ensure continuous improvement aimed at the elimination of work-related injury and illness. Comprehensive scorecard comprised of leading and lagging indicators.</p> <p>WHS program is underpinned by our WHS Policy and Framework, which promotes a continuous improvement approach and staff consultation via AAL's WHS Committee and ongoing WHS work programs.</p> <p>The WHS Framework is aligned to the International Standard ISO 45001 and promotes a best-in-class program adopted as part of ongoing operational activity.</p> <p>Regular WHS reporting with emphasis on safety initiatives, assurance activity and COVID-19 health and safety controls.</p>
	Regulatory compliance	<p>Comprehensive Framework and maturity model aligned to AS/ISO19600:2015 Compliance Management Systems.</p> <p>Compliance Requirements and Commitments Register including compliance plans for areas of high risk. Ongoing legislative monitoring</p>
Environment	PFAS	<p>AAL continues to work closely with Airservices Australia, State and Federal Environment Protection and Health Authorities in the management of PFAS management and public consultation.</p> <p>Human Health and Ecological Risk Assessments have been finalised for both Adelaide and Parafield Airport concluding that PFAS risk to human health and ecology are low and acceptable.</p> <p>PFAS monitoring and investigations in accordance to AAL's PFAS Management Framework remain ongoing.</p>
Brand & Reputation	Customer experience	<p>Customer feedback system</p> <p>Kerb to gate COVID-19 hazard and risk assessments</p> <p>Ambassador program (currently suspended due to COVID-19)</p>



Governance

Company Structure

Adelaide Airport Limited is a private, unlisted South Australian company and is comprised of five entities:

All group entities have common boards and board meetings are held contemporaneously.

Adelaide Airport Limited (AAL)

is the main operating entity holding the

lease rights to manage and operate Adelaide Airport.

Adelaide Airport Management Limited

is responsible for the employment of all AAL group staff.

Parafield Airport Limited

holds the lease rights to manage and operate Parafield Airport.

New Terminal Financing Co Pty Ltd

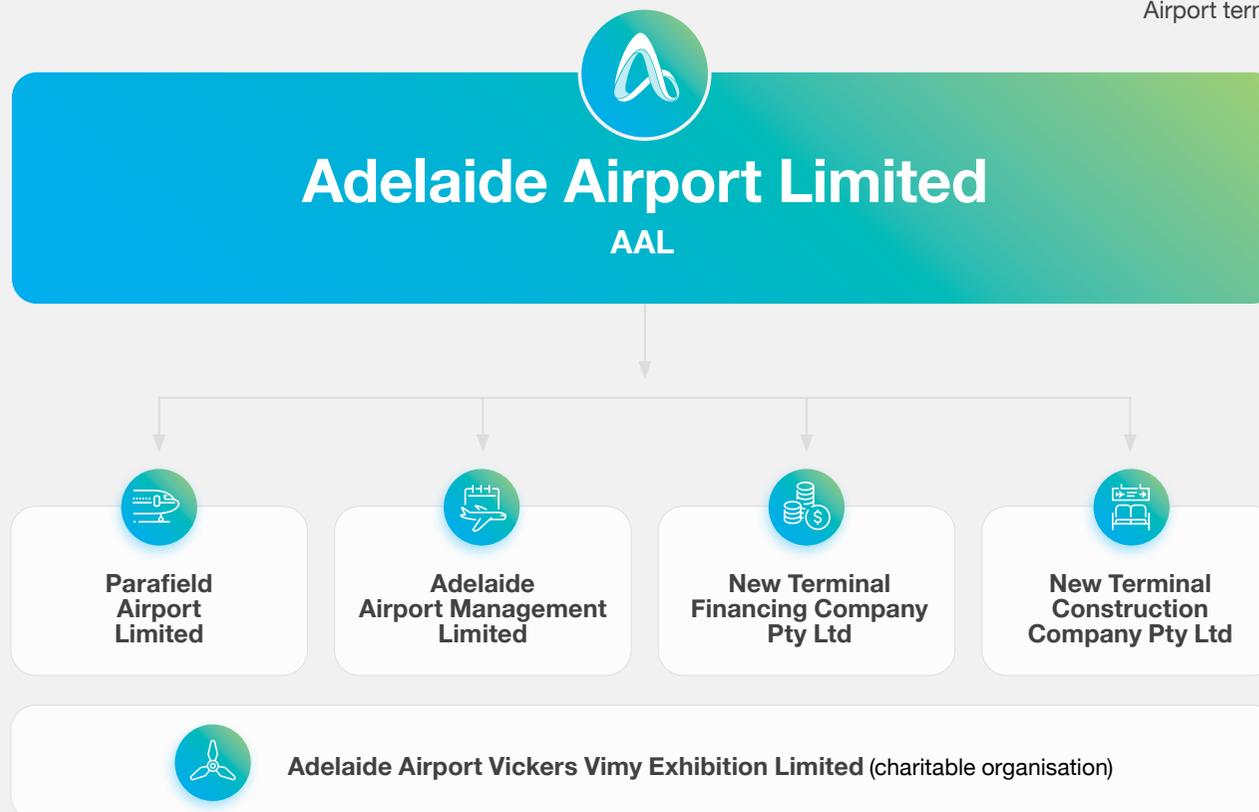
is the AAL group financing vehicle and issues the group's external debt.

New Terminal Construction Co Pty Ltd

was the construction company responsible for the original construction of Terminal 1 and holds the Redeemable Preference Shares.

Adelaide Airport Vickers Vimy Exhibition Limited

Adelaide Airport Limited is the sole member. Adelaide Airport Vickers Vimy Exhibition Limited receives and administers the State and Federal funding that has been secured to relocate the Vickers Vimy Historical Aircraft from its current location in a memorial building adjacent to the long-term car park, to a central location in the expanded Adelaide Airport terminal building.



Board of Directors



Alan Mulgrew
B.A., GRAICD, JP
Director

Experience and expertise

Alan was appointed on 6 September 2006 as a non-executive director. Alan has had over thirty years' experience as a senior aviation executive both within Australia and overseas, including responsibility for Perth and Sydney Airports. Since leaving Sydney Airport in 1997 Alan has provided strategic advice to numerous major institutions and served as a non-executive board member on a number of high profile boards spanning Aviation, Energy, Construction, Infrastructure, and Tourism. Alan resigned as a Director on 25 August 2020.

Other directorships and positions

Alan is currently a non-executive director of Queensland Airports Limited, Interflour Group and Cooperative Bulk Handling Group and is

an advisory panel member for First Sentier Investors (formerly Colonial First State Global Asset Management) and infrastructure advisor for Perron Investments. He was formerly the Chair of Tourism Western Australia, Western Power and Western Carbon Pty Ltd.

Alan has also served as Chair and member of various Audit, Risk Management, Governance and Remuneration Committees.

Special responsibilities

Chair of the Infrastructure Committee

Member of the Property, People and Customer Committee

Member of the Remuneration Committee



Alison Webster
Director

Experience and expertise

Alison was appointed on 25 August 2020 as an independent non-executive director. Alison has over 25 years senior executive experience across airlines, global freight and supply chain logistics and multi-site catering operations. Alison was most recently the Chief Executive Officer of Qantas International Airways and has held previous Executive General Manager roles for the Qantas Group in the Qantas Global Freight Division, Qantas Catering Group and Australian Airports, Customer Experience and Head of Cabin Crew. Alison has also worked in a Senior Management role for British Airways and has held a directorship for Holiday Tours and Travel Pte. Ltd. Singapore. Alison resigned as a Director on 30 November 2020 to accept a role at Western Sydney Airport.

Other directorships and positions

Alison has completed a Strategic Finance Program and an Innovation Program at Harvard Business School.

Special responsibilities

Member of the Board

Member of the Property, People and Customer Committee

Member of the Infrastructure Committee



Board of Directors



Christopher John McArthur
B.Eng., MBA, FAICD
Director

Experience and expertise

Chris was appointed on 30 March 2011 as a non-executive director nominated by First Sentier Investors as trustee of the Global Diversified Infrastructure Fund. Chris is Co-Head of Infrastructure Investments, Australia with First Sentier Investors and a member of the global fund Investment Committee. He is responsible for the origination, execution and asset management of unlisted infrastructure investments, with sector experience across transportation and infrastructure businesses globally.

In prior roles, Chris was Head of the Commercial Division of Pacific National, the former Toll/Patrick joint venture and Australia's largest private rail group. He held senior management positions with Qantas in Sydney and London in strategic and operating roles, including as head of QantasLink regional airlines.

Chris has a Bachelor of Engineering from the University of Melbourne where he also holds an MBA from the Melbourne Business School. He is a Fellow of the Australian Institute of Company Directors.

Other directorships and positions

Chris is a current Director of Brisbane Airport, Vice-Chairman of US-based Patriot Rail & Ports, a former Director of Perth Airport and UK-based utility Inexus Group, and former Chairman of Airports Coordination Australia Ltd.

Special responsibilities

Member of the Audit and Compliance Committee

Member of the Property, People and Customer Committee

Member of the Infrastructure Committee



James (Jay) Brendan Hogan
MBA, AFAMI, JP
Director

Experience and expertise

Jay was appointed on 29 July 2009 as a non-executive director nominated by Statewide Super. He has over 40 years' experience in the property development and construction industry around Australia and overseas, across a broad range of property asset classes. He has occupied Chief Operating Officer roles with high profile national ASX listed companies including Jennings Group and Stockland.

Other directorships and positions

Jay is currently Chair of Mercure Kangaroo Island Lodge, Bremerton Vintners and Sevenhill Wines and is the former Chair of the Urban Construct Development Group.

Jay has been a member of numerous boards, joint ventures and Government Advisory Committees including the Natural Resource

Council of Australia and Chair of the Urban and Regional Development Advisory Committee to Government. He was previously Chair of the Land Management Corporation, Chair of the South Australian Housing Trust, Chair of the Torrens Catchment Water Board, Deputy Chair of Homestart Finance and a Past President of the Urban Development Institute of Australia. In 1998 Jay was awarded Life Member of the Urban Development Institute of Australia in recognition of his contribution and services to the development industry and leadership in Urban Sustainability.

Special responsibilities

Chair of the Infrastructure Committee

Member of the Property, People and Customer Committee

Member of the Remuneration Committee



Board of Directors



Jane Yuile

B.Sc., MBA, FCA, FAICD
Director

Experience and expertise

Jane was appointed on 1 June 2016 as a non-executive director nominated by UniSuper Limited. Jane has almost 40 years experience as a finance executive. For the last 20 years she has been a non-executive director on numerous boards in a variety of industries, and a consultant in governance, business strategy and risk. Prior to that she was the finance director of a listed technology solutions company and worked for one of the major Chartered Accounting firms in San Francisco, London and Melbourne.

Jane has a Master of Business Administration and Bachelor of Science, and is a Fellow of the Institute of Chartered Accountants and Australian Institute of Company Directors.

Other directorships and positions

Jane is currently State Chair ANZ South Australia and is a Director of the Art Gallery of South Australia and Central Adelaide Local Health Network.

Special responsibilities

Chair of the Audit & Compliance Committee

Member of the Property, People and Customer Committee

Member of the Infrastructure Committee



John Frederick Ward

B.Sc., FAICD, FCILT,
FRAeS
Director

Experience and expertise

John joined the Board on 28 August 2002 as a non-executive director nominated by UniSuper Limited. He is a professional company director and corporate advisor. He retired as the General Manager Commercial of News Limited in 2001. Prior to joining News Corporation in 1994 he was Managing Director and Chief Executive of Qantas Airways Limited culminating a 25 year career with the airline in a variety of corporate and line management roles covering Australia, Asia, Europe and North America.

Other directorships and positions

John is an Honorary Life Governor of the Research Foundation of Information Technology and Director of Brisbane Airport Corporation. John is the immediate past Chairman of Wolseley Private Equity.

Special responsibilities

Chair of the Remuneration Committee

Member of the Audit & Compliance Committee

Member of the Property, People and Customer Committee

Member of the Infrastructure Committee



Board of Directors



Lisa Brock
BSc (Hons), MAppFin,
ACA, MAICD
Director

Experience and expertise

Lisa was appointed to the Board as an independent Non-Executive Director on 25 May 2021. Lisa has over 20 years senior executive experience with Qantas across a broad range of roles including Executive Manager Qantas Freight, Chief Commercial Officer Jetstar and more recently as Executive Manager Commercial Airports and Procurement. Lisa has held a number of other aviation and freight board roles including for Jetstar Pacific, StarTrack Express and Australian Air Express.

Other directorships and positions

Lisa has a Masters of Applied Finance at Macquarie University, is a Chartered Accountant in England and Wales and holds an Honours Degree in Maths and Sport Science at the University of Birmingham.

Special responsibilities

Member of the Board

Member of the Property, People and Customer Committee

Member of the Infrastructure Committee



Mark Dennis Young
B.Ec., CA, FCPA, FAICD,
FCIS
Managing Director

Experience and expertise

Mark was appointed as Managing Director of Adelaide Airport Limited on 1 November 2011. Prior to joining Adelaide Airport, in July 2001, Mark was Finance Director for Macmahon Holdings Limited enjoying a 20 year career that included experience in all aspects of that contract mining, civil engineering and building construction group. Mark has played a key role in Adelaide Airport's expansion and passenger growth over the past decade initially as Chief Financial Officer and subsequently as Managing Director.

Mark holds a Bachelor of Economics (Accounting) at the University of Adelaide and is a Fellow of the Australian Society of Certified Practising Accountants, a member of the Chartered Accountants ANZ and a Fellow of the Australian Institute of Company Directors. Mark has completed an Advanced Management Program at the Harvard Business School in the US.

Other directorships and positions

Mark is a former non-executive director of the South Australian Tourism Commission.

Special responsibilities

Managing Director

Member of the Property, People and Customer Committee

Member of the Infrastructure Committee



Board of Directors



Michael Bryan Gorman

B.Sc. (Arch), B.Arch., MBA,
AMP
Director

Experience and expertise

Michael was appointed on 5 December 2017 as a non-executive director nominated by UniSuper Ltd. Michael has experience in both real estate and public equity and debt markets. He has held roles as Chief Investment Officer and Deputy Chief Executive Officer of a significant Australian Real Estate Investment Trust. Michael's experience extends beyond the investment in real estate to the master planning, management and development of large public property assets, including shopping complexes, as well as monitoring the ongoing management of retail environments to optimise the customer experience.

Michael holds a Bachelor of Science (Architecture) from the University of New South Wales, a Bachelor of Architecture awarded with First Class Honours and University Medal from the University of New South Wales, a Masters of Business Administration from the Australian

Graduate School of Management and completed the Advanced Management Programme at INSEAD.

Other directorships and positions

Michael is a non-executive director of both Charter Hall Retail Management Limited and GPT Funds Management Limited. He is also a Fellow of the Australian Property Institute and the Royal Society of Arts.

Special responsibilities

Chair of the Property, People and Customer Committee

Member of the Infrastructure Committee

Member of the Remuneration Committee



Robert (Rob) Ian Chapman

AssocDipBus, FAICD,
FFSIA
Chair

Experience and expertise

Rob was appointed to the Board as Chair on 25 February 2014. Rob has enjoyed an extensive executive career within the financial services industry, having acted as both the Chief Executive Officer of St George Banking Group (2010 to 2012) and the Managing Director of BankSA (2002 to 2010). Prior to these roles Rob worked in Prudential Corporation, Colonial State Bank and the Commonwealth Bank across a variety of positions.

Rob is a Fellow of the Australian Institute of Company Directors and Senior Fellow of the Financial Services Institute of Australasia and holds an Associate Diploma in Business from the South Australian Institute of Technology.

Other directorships and positions

Rob currently serves as a Director on a number of prominent South Australian Boards including: Barossa Infrastructure Ltd (Chair), T-Ports (Chair), Chapman Capital Partners (Chair), ZeroCo (Chair), Coopers Brewery Limited (Director), EFA (Director), ICAM Funds (Director), AFL Max (Director) and is the former Chair of BankSA and the Adelaide Football Club.

Special responsibilities

Chair of the Board

Member of the Property, People and Customer Committee

Member of the Infrastructure Committee

Member of the Audit & Compliance Committee

Member of the Remuneration Committee



Board Governance

Corporate Governance Statement

Adelaide Airport Limited and the Board are committed to achieving and demonstrating the highest standards of corporate governance.

The relationship between the Board and senior management is critical to the Group's long term success. The Directors are responsible for the performance of the company in both the shorter and longer term and seek to balance sometimes competing objectives in the best interests of the Group as a whole. Their focus is to enhance the interests of shareholders and other key stakeholders and to ensure the Group is properly managed.

Day-to-day management of the Group's affairs and the implementation of the corporate strategy and policy initiatives are formally delegated by the Board to the Managing Director and senior executives as set out in the Group's delegations policy. These delegations are reviewed on an annual basis.

A description of the company's main corporate governance practices is set out below. All these practices, unless otherwise stated, were in place for the entire year.

Board Composition

In accordance with the Shareholders Agreement the Board comprises a minimum of 4 and a maximum of 9 Directors (inclusive of the Managing Director).

Each shareholder holding not less than 15% of the issued shares of the company is entitled to nominate one or more Directors depending on the total proportion of shares held to the shares on issue.

The Directors may appoint one of their number as Chair or an independent Chair who would become a Director if so appointed. The Chair is required to meet regularly with the Managing Director. The Board has the right to appoint Directors under the Company's Constitution.

The Board is required to undertake an annual Board performance review and consider the appropriate mix of skills required by the Board to maximise its effectiveness and its contribution to the Group.

Board Responsibilities

The responsibilities of the Board include:

- Providing strategic guidance to the company including contributing to the development of and approving the corporate strategy;
- Reviewing and approving business plans, the annual budget and financial plans including available resources and major capital expenditure initiatives within the financial limits set in the Shareholders Agreement;
- Overseeing and monitoring:
 - Organisational performance and the achievement of the Group's strategic goals and objectives, including those seeking to address material environmental, social and governance (ESG) impacts
 - Compliance with the company's Code of Conduct
 - Progress of major capital expenditures and other significant corporate projects including any acquisitions or divestments;
 - Financial performance including approval of the annual and half-year financial reports and liaison with the company's auditors;
- Appointment, performance assessment and, if necessary, removal of the Managing Director;
- Ensuring there are effective management processes in place and approving major corporate initiatives;

- Enhancing and protecting the reputation of the organisation; and
- Overseeing the operation of the Group's system for compliance and risk management reporting to shareholders.

Board Members

Details of members of the Board, their experience, expertise, qualifications, term of office and independent status are set out in the Directors' report under the heading "Information on Directors".

Directors' independence

Directors are appointed by the Board (or by the Shareholders in general meeting if so required by the Shareholders) in accordance with the Shareholders Agreement by nomination of the shareholders, and provision has been made in that agreement for the Directors to appoint a Chair who is not one of their number who would as a consequence of that appointment become and be a Director. The Board has opted to appoint a Chair who is independent from the shareholders of the Company.

Non-Executive Directors

The non-executive Directors are able to meet in scheduled sessions without the presence of management (in-camera sessions), to discuss the operation of the Board and a range of matters. In-camera sessions are scheduled on a regular basis



as part of the Board cycle of business. Relevant matters arising from these meetings are to be shared with the full Board.

Term of Office

Nominee Directors hold office at the discretion of the appointing shareholder. Other Directors are appointed on a term of three years.

It is recognised that lengthy service on the Board may impact on a Director's independence and therefore non-nominee Directors must retire from office no later than completion of four terms of office (12 years).

Chair

The Chair is responsible for leading the Board, ensuring Directors are properly briefed in all matters relevant to their role and responsibilities, facilitating Board discussions and managing the Board's relationship with the company's senior executives.

Managing Director

The Managing Director is responsible for developing and implementing Group strategies and policies.

Commitment

The Shareholders Agreement requires that the Board meets at least once in each quarter of the financial year.

Current practice is to hold a minimum of 10 meetings per annum. Meetings were held during the year both in person and via video-conference due to COVID restrictions as permitted by AAL's Shareholder Agreement and Constitution.

The number of meetings of the company's Board of Directors and of each Board committee held during each financial year and the number of meetings attended by each Director are set out in the Directors' report under the heading "Meetings of Directors" in the annual statutory accounts for the Group.

Conflicts of Interests

The Directors shall comply with all of their obligations either at law or under the Corporations Act in relation to potential or actual conflicts of interest provided always that the other Directors (i.e. who do not have a conflict or material interest in the matter) shall be at liberty, subject to proper disclosure having been made, to resolve to permit the Director with the potential or actual conflict of interest to participate in discussions and voting on the matter giving rise to the conflict. In general terms the Directors shall deal with each matter of conflict on its merits.

Independent Professional Advice

The Directors, both individually or as a group, in furtherance of their duties, may seek and obtain independent legal and professional advice from external sources

at the expense of the Company. Prior to seeking such advice, Directors will seek the approval of the Chair, such approval not to be unreasonably withheld. Each Director has the right of access to all relevant Company information. A Director also has the right to have access to all documents which have been presented to meetings of the Board whilst in office, or made available in relation to their position as Director after ceasing to be a Director.

Performance Assessment

The Board undertakes an annual assessment of its collective performance, the performance of the Chair and of its committees.

The Chair undertakes an annual assessment of the performance of individual Directors and meets privately with each Director to discuss their assessment.

A review of the Board's performance was undertaken during the reporting period in accordance with the process set out above.

Corporate Reporting

The Managing Director and CFO have made the following certifications to the Board:

- That the company's financial reports are complete and present a true and fair view, in all material respects, of the financial condition and operational results of the company and Group and

are in accordance with the relevant accounting standards.

- That the above statement is founded on a sound system of risk management and internal compliance and control and which implements the policies adopted by the Board and that the company's risk management and internal compliance and control is operating efficiently and effectively in all material respects.

Board Committees

The Board has established a number of committees to assist in the execution of its duties and to allow detailed consideration of complex issues. Current committees of the Board are the Remuneration, Audit and Compliance, Property, People and Customer and Infrastructure Committees. With the evolution of AAL's strategic plan and the change of Board composition in September 2020, the Board reviewed the committee structure. The Aeronautical & Related Infrastructure Committee changed to the Infrastructure Committee and the Property Development Committee changed to the Property, People and Customer Committee on 29 September 2020. The Committee charters and responsibilities were amended to reflect alignment of AAL's strategic plan and organisational structure along with the Board structure and skill sets. The committee structure and membership is reviewed on an annual basis.



A policy of rotation of committee members applies. Each committee has its own written charter setting out its role and responsibilities, composition and structure membership requirements and the manner in which the committee is to operate. All of these charters are reviewed on an annual basis. All matters determined by committees are submitted to the full Board as recommendations for Board decision.

Minutes of committee meetings once signed by the Chair of the committee are tabled at the immediately subsequent Board meeting.

Details of the meetings of committees and attendance of committee members are set out in the Directors' report under the heading "Meetings of Directors" in the annual statutory accounts for the Group.

External Auditors

The company and audit and compliance committee policy is to appoint external auditors who clearly demonstrate quality and independence. The performance of the external auditor is reviewed annually and applications for tender of external audit services are requested as deemed appropriate, taking into consideration assessment of performance, existing value and tender costs.

It is a requirement that the external auditor ensure that the lead engagement partner is rotated at least every five years.

The external auditor is expected to attend the annual general meeting and be

available to answer shareholder questions about the conduct of the audit and the preparation and content of the audit report.

Risk Assessment and Management

The Board through the audit and compliance committee is responsible for ensuring there are adequate policies in relation to risk management, compliance and internal control systems. In summary, the company policies are designed to ensure strategic, operational, legal, reputation, financial, climate and other ESG-related risks are identified, assessed, effectively managed and monitored to enable achievement of the Group's business objectives.

Considerable importance is placed on maintaining a strong control environment. There is an organization structure with clearly drawn lines of accountability and delegation of authority. Adherence to the company Code of Conduct is required at all times and the Board actively promotes a culture of quality and integrity.

The company risk management policy and the operation of the risk management and compliance system are managed by a Risk Management Committee comprising senior executives. The Board receives regular reports from this Committee. Detailed control procedures cover management accounting, financial reporting, project appraisal, Health, Safety and Environment, IT security,

compliance and other risk management issues. Internal audit carries out regular systematic monitoring of control activities and reports to both the relevant business unit and the Audit and Compliance Committee. In addition each business unit reports on the key business risks in its area to the Risk Management Committee. The basis for this report is an annual review of the past performance of their area of responsibility, and the current and future risks they face. Results of internal audit work are incorporated into this review if applicable. The Board reviews each element of corporate strategy over the course of the year according to the Board's cycle of business. The Board reviews the Group's strategic direction in detail and includes specific focus on the identification of the key business and financial risks which could prevent the company from achieving its objectives. The Risk Management Committee is required to ensure that appropriate controls are in place to effectively manage those risks.

In addition the Board requires that each major proposal submitted to the Board for decision is accompanied by a comprehensive risk assessment and, where required, management's proposed mitigation strategies.



Diversity

The Board attaches great importance to diversity, the corporate benefits arising from diversity and the importance of benefiting from all available talent. There are many definitions and approaches to diversity. However, when considering Board composition, it is acknowledged that diversity should encompass gender, culture, age, experience, mindset and expertise amongst other things.

Code of Conduct

The Board is committed to the continuing development of the code of conduct for the guidance of Directors, officers and other key executives. The code is regularly reviewed and updated as necessary to ensure that it reflects the highest standards of behaviour and professionalism and the practices necessary to maintain confidence in the Group's integrity.

Shareholder Communication

All shareholders receive a copy of the company's annual and half-yearly reports. In addition those reports are accompanied by a detailed report on the performance of the Group and other material issues prepared by the Managing Director.

Detailed briefings are provided to shareholders and bondholders at least once each year supported by a quarterly update publication.

Board Self-Assessment

The AAL Board undertakes an annual performance self-assessment and governance review each December. Periodically, as determined by AAL's Chair in consultation with the Board, an externally facilitated Board self-assessment is undertaken by the Board. KPMG undertook a joint Board performance and self-assessment and governance review in 2019. A review of best practice governance also periodically forms part of the internal audit program.

Board Skills Matrix

AAL has a Board skills matrix that maps Director's skills and competencies, and is reviewed on an annual basis. The Board skills and competencies matrix is reviewed annually with regard to the AAL Strategic Plan as a means of ensuring the Board has the appropriate mix of skills and expertise to align with the company's strategic objectives. The matrix also includes a set of Board diversity objectives. The skills matrix continues to be used to ensure proactive and systemic Board succession planning. The Board ensures that there is the right balance of expertise, skills and experience held by the Board relevant to AAL's business across AAL's key strategic focus areas. The skills matrix is regularly evaluated and takes into consideration the importance of emerging skillsets such as technology and data.

Diversity Qualities

There are many definitions and approaches to diversity. It should encompass gender, culture, age, experience, mindset and expertise among other things. When considering Board composition, AAL's Board considers that it is most appropriate to look at a holistic approach to diversity, to create a long term and embedded culture of diversity, rather than setting special requirements. AAL has an established Diversity Framework that sets out a number of aspirations and guiding principles. The AAL Diversity Framework has been incorporated by reference into AAL Director's Skills Matrix Form with Directors required to assess their ability to contribute to this Framework. The skills matrix additionally requests Directors to provide a commitment to promote diversity through their position.

Board Training and Support

All new Directors undertake a comprehensive Board induction. Training and support is provided to Directors on an ongoing basis and guidance is provided from Directors to assist in identifying what additional training and support would be beneficial.

Board Cycle of Business

An annual Board Cycle of Business is agreed each year, which enables the Board to have coverage of key areas to discharge their duties and responsibilities

and for the Board to address a range of topics including strategic reviews of various areas of the business. AAL also invites Board guests to attend meetings with the guests aligned with topics where Directors consider there is room for improved knowledge or where there are perspectives from which the company could benefit. This could include an assessment of emerging global trends, changes to consumer behaviours and/or technology, and opportunities for Board and management planning and awareness. AAL's Board and Executive Management Team hold an annual strategy day which includes a range of guests to provide further context into AAL's strategic lens. A number of guests attended AAL Board meetings in the past year from government, business, retail, financial and aviation sectors and the Board also undertook a number of tours.

Delegations of Authority

AAL's Shareholder Agreement outlines matters that are required to be delegated to the Board and Shareholders. The Board has established Board delegations and undertakes an annual review of the delegated authorities of the Board as a standing agenda item on the Audit and Compliance Committee.

Mechanisms for advice and concerns about ethics

AAL is committed to achieving high standards of ethical conduct and



compliance with its legal obligations. This commitment includes creating and maintaining a working environment in which all people are able to freely raise concerns regarding actual or suspected unethical, unlawful or undesirable conduct in a safe, supportive and confidential environment. AAL has a Whistleblower Policy in place, which is underpinned by the AAL values of being accountable and authentic, conducting ourselves with integrity, being responsible, efficient and respectful, taking pride in our achievements, and building relationships based on trust to foster great teams.

The policy applies to any officer or employee of AAL, AAL contractors, suppliers and associates. In early 2019, AAL undertook a review of its Whistleblower Policy in response to changes to the Corporations Act 2001 (Cth) which came into effect on 1 July 2019, to ensure that the policy complies with the changes and best practice. The policy is reviewed every two years or earlier as required and undertook a review during the course of the year. Some updates were made to ensure continuous improvement of the policy, including the addition of modern slavery as reportable conduct.

AAL continues to maintain an independent, externally managed Whistleblower Hotline, through which a whistleblower may make a disclosure

by phone, email, mail and through a customised website. This service is available 24/7 and is promoted on the AAL intranet, as well as signage in our buildings and site offices. People can make reports anonymously, and AAL's Whistleblower Policy prescribes that individuals who report concerns will be protected from reprisal or detriment.

Individuals are also encouraged to make reports directly to key persons at AAL, which include their manager, Executive General Managers and the People and Culture Manager.

AAL has other policies, procedures and guidelines in place that set out the manner in which AAL expects its directors, officers, employees and contractors to behave, such as the Code of Conduct. While these policies, procedures and guidelines set out the types of behaviour that may necessitate reporting under the Whistleblower Policy, they also independently set out AAL's policies on various matters (including employment practices, compliance with laws, foreign corrupt practices and conflicts of interest) breaches of which may or may not be open to be reported under the Whistleblower policy.



Company Secretaries



Brenton Cox

LLM (Cantab), LLB (Hons),
GDLP, B.Com. (Acc), B.Fin.
Company Secretary

Experience and expertise

Brenton joined Adelaide Airport in 2013 and is currently responsible for the Chief Financial Officer, Corporate Affairs, General Counsel and Company Secretary, Aviation Business Development, Environment, Sustainability, Community, Risk and Work Health & Safety functions. Brenton has airport Board experience as a non-executive director of Sydney Airport and Hobart Airport and executive experience with Sydney Airport, Macquarie Airports in Sydney and Macquarie Capital in London where he had a particular focus on European Airports.

Brenton's early career was as a commercial lawyer for Fisher Jeffries

(now Dentons). He has a Masters of Law from Cambridge University in the UK, a First Class Honours Degree in Law from Adelaide University as well as a Bachelor of Commerce (Accounting and Corporate Finance) and Bachelor of Finance from Adelaide University. Brenton is admitted to practise as a solicitor and barrister of the Supreme Court of South Australia and the High Court of Australia.

Other directorships and positions

Brenton is a Director of Seymour College (Chair of the Audit and Risk Committee) and a Councillor of the Property Council of South Australia and Freight Council of South Australia.



Alicia Bickmore

LLB (Hons), GDLP,
B.BehavSc. (Psych), LLM
(Applied Law), GAICD
Company Secretary

Experience and expertise

Alicia is Adelaide Airport's Legal and Corporate Affairs Manager and was appointed Company Secretary in February 2017 after joining Adelaide Airport in July 2015.

Alicia was previously Legal Counsel for Viterro & Glencore Grain and a solicitor at Thomson Geer Lawyers.

Alicia has a Bachelor of Laws and Legal Practice Honours and a Bachelor of Behavioural Science (Psychology) from Flinders University. Alicia has completed a Masters of Law (In House Practice)

at the College of Law and is a graduate and member of the Australian Institute of Company Directors. Alicia is admitted to practise as a solicitor and barrister of the Supreme Court of South Australia and the High Court of Australia. Alicia was listed as a leading Australian In-House Property and Real Estate lawyer in the Doyle's Guide 2019.

Other directorships and positions

Alicia is a current committee member of the Adelaide Football Club Professional Standards and Integrity Committee and a past president and current committee member of the Association of Corporate Counsel Australia (SA Division).



06

Financial Performance



Financial Performance

FY21 results have been significantly impacted by COVID-19 with full year EBITDA (excluding fair value adjustment of investment properties) of \$67.8m down \$43.1m or 38.9 per cent. Net loss before tax and non-cash gain on investment properties was \$26.8m.

Revenue of \$115.7m was down \$80.6m or 41.1 per cent due to COVID travel restrictions, which saw passenger volumes decrease by 53.9 per cent. Revenue losses were partially mitigated by cost saving initiatives, which reduced Adelaide Airport Ltd's (AAL) FY21 operational expenses by \$37.9m or 44.1 per cent, or by \$27.1m or 34.4 per cent after normalising for the provisioning for Virgin Australia debts.

The statutory accounts include a \$52.9m non-cash gain on investment properties held at fair value based on an independent expert valuation. The key driver of the increase is a tightening of the capitalisation rate as a result of the low-risk free rate and level of demand for

quality commercial property assets, as well as progress on several development opportunities.

Net loss before tax and non-cash gain on investment properties was \$26.8m.

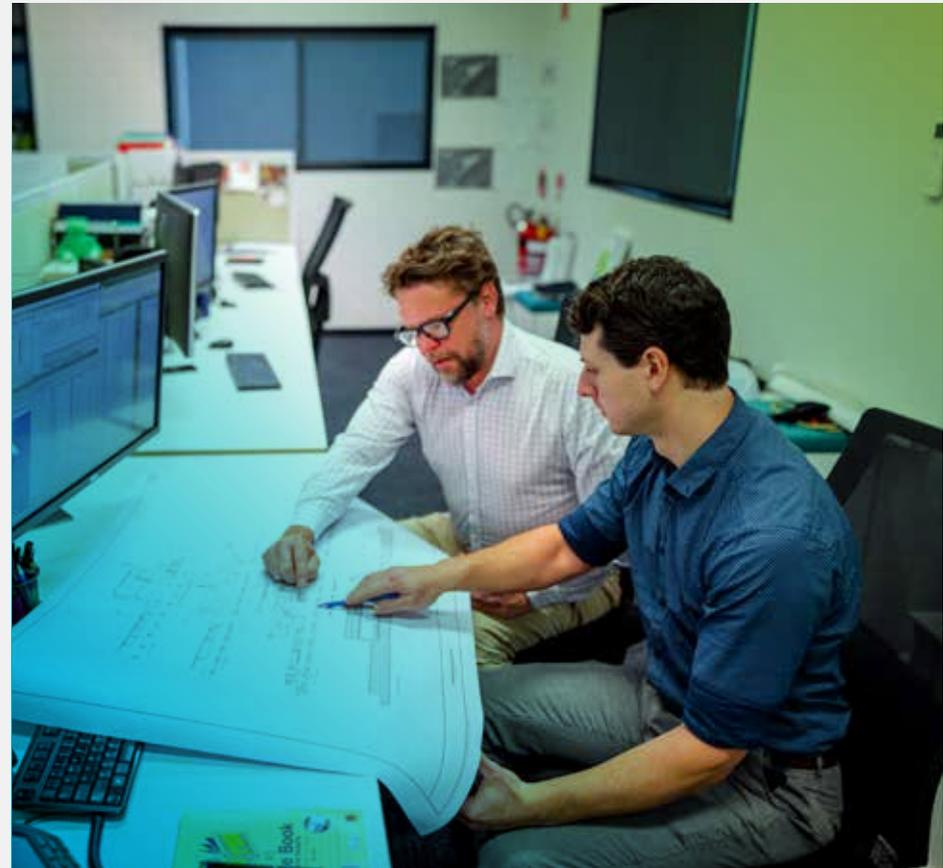
Baa2 and BBB credit ratings were maintained with Moody's and Standard and Poor's respectively, and Standard and Poor's retained the negative outlook due to the expected impact of COVID-19 on passenger volumes.

Positive operating cash flow of \$39.3m was generated and funded approximately two thirds of capex out of cash flow, resulting in an increase in net debt of only \$19.1m. AAL held unrestricted cash balances of \$76.5m at 30 June

2021 following repayment of AAL's \$50m bank debt in June 2021. Cash balances together with \$250m in undrawn bank debt facilities is forecast to provide sufficient liquidity to meet operational and capital requirements for the foreseeable future despite income losses associated with COVID-19. AAL's next debt maturity is \$150m of undrawn bilateral bank facilities in May 2023, followed by \$155m of bilateral bank facilities between July and October 2023 (\$105m drawn).

\$54m was spent on capital projects during FY21, largely related to the terminal expansion project and Mitsubishi head office build, which accounted for more than 80 per cent of AAL's total capital spend. All non-essential, uncommitted capex was deferred or cancelled.

For more detailed information on our financial performance, please read this in conjunction with our 2021 Financial Statements.



Adelaide Airport Limited Consolidated Statement of Profit or Loss and Other Comprehensive Income For the year ended 30 June 2021

	Consolidated	
	30 June 2021 \$'000	30 June 2020 \$'000
Revenue from continuing operations	115,726	196,355
Changes in fair value of investment properties	52,867	7,514
Other income	175	621
Employee benefits expense	(12,955)	(13,890)
Services & utilities	(29,334)	(45,875)
Consultants & advisors	(1,714)	(3,240)
General administration	(4,471)	(6,897)
Reversal of expected credit loss	3,513	-
Expected credit loss expense	(97)	(11,769)
Leasing & maintenance	(2,998)	(4,373)
Gain/(Loss) on disposal of property, plant & equipment	(46)	14
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	120,666	118,460
Interest income	464	834
Finance costs	(70,633)	(62,702)
Depreciation & amortisation	(27,539)	(24,662)
Impairment of property, plant & equipment	25	69
Changes in fair value of financial instruments	3,111	(1,464)
Profit before income tax	26,094	30,535
Income tax expense	(7,831)	(9,179)
Profit for the year	18,263	21,356
Other comprehensive income		
Items that may be reclassified to profit or loss		
Changes in the fair value of cash flow hedges, net of tax	22,881	(13,687)
Changes in the fair value of foreign currency basis spread reserve, net of tax	1,239	1,419
Items that will not be reclassified to profit or loss		
Gain/(Loss) on revaluation of land and buildings, net of tax	1,634	(286)
Other comprehensive income/(loss) for the year, net of tax	25,754	(12,554)
Total comprehensive income for the year	44,017	8,802

For more detailed information on our Financial Performance, please read this in conjunction with our 2021 Financial Statements

Adelaide Airport Limited Consolidated Balance Sheet As at 30 June 2021

	Consolidated	
	30 June 2021 \$'000	30 June 2020 \$'000
ASSETS		
Current assets		
Cash and cash equivalents	76,453	145,514
Trade and other receivables	17,954	20,031
Derivative financial instruments	4,429	5,129
Total current assets	98,836	170,674
Non-current assets		
Derivative financial instruments	33,509	117,940
Property, plant and equipment	528,122	512,950
Investment properties	517,441	448,663
Intangible assets	184,313	184,945
Capitalised lease - operational land	113,863	115,424
Total non-current assets	1,377,248	1,379,922
Total assets	1,476,084	1,550,596
LIABILITIES		
Current liabilities		
Trade and other payables	54,246	37,257
Derivative financial instruments	2,254	700
Current tax liabilities	-	-
Franking deficit tax liabilities	-	6,385
Provisions	4,930	3,457
Deferred revenue	1,151	1,023
Total current liabilities	62,581	48,822
Non-current liabilities		
Borrowings	1,204,296	1,337,328
Deferred tax liabilities	125,568	106,700
Provisions	1,237	1,792
Derivative financial instruments	22,770	40,323
Deferred income	926	942
Total non-current liabilities	1,354,797	1,487,085
Total liabilities	1,417,378	1,535,907
Net assets	58,706	14,689
EQUITY		
Contributed equity	1,905	1,905
Other reserves	(39,157)	(64,911)
Retained earnings	95,958	77,695
Total equity	58,706	14,689





07 | Prospects



Prospects

The global aviation industry has changed forever. Almost certainly, changes to the global industry mean we cannot assume an automatic resumption of pre-COVID airline customers and schedules. But just as traditional routes may not return, we're already attracting new routes and services that didn't exist pre-COVID, as well as new aircraft based in Adelaide that are better suited to our domestic network needs and opportunities.

In the 2020 Integrated Review, we outlined what our business would look like in the future and how COVID-19 would have longer-lasting impacts beyond the re-opening of borders. It is timely to reiterate this now with some subtle shifts of emphasis:

Safety, security and maintenance of our assets remain paramount.

Our values have shone through as we manage our service levels to match our operation as we grow. We continue to build on our culture of professionalism, excellence, responsiveness and achievement and must keep this up. Our values, which define our behaviour and shapes our culture, remain as important as they have ever been before.

We will need to continue to build our flexibility and responsiveness in a cross functional way. Exceptional examples of collaboration in the past year have resulted in the completion of the Mitsubishi site, our terminal expansion project remaining on track and excellent progress on the Airport East Precinct, to name just a few.

The hard work, doing different things and doing things differently will continue – but it is a marathon not a sprint and we must continue to look after ourselves. The commencement of our Wellness Program is a significant initiative in this regard. We will continue to evolve the ways we allow our people to work, while seeking new ways to improve their work/life balance.

We have the opportunity to invest in change. Our team has demonstrated a positive growth mindset and we need this to continue to make the most of the growth in our business environment.

We will see the continuation of the disciplined growth and continue with efficiencies without compromising our service levels.

We want people to enjoy coming to airports again and not be a barrier for people to travel.

The future

We believe Adelaide Airport will benefit from a continued shift to new generation long haul aircraft and a shift towards a point-to-point network model rather than the traditional hub and spoke.

The impact of COVID-19 has reinforced that model, as airlines move towards direct links between cities and less transit dwell time. Airlines are investing in smaller rather than larger aircraft that create schedule and route flexibility and operational efficiencies.

Domestically we're seeing the rise of the Embraer E190 which is opening up interstate regional destinations such as Townsville and Launceston. Internationally, carriers are shifting away from A380s to new generation long haul aircraft such as the A330 and Dreamliner.

These changes benefit Adelaide because they better match our supply and demand opportunities.





08 | GRI Standards Index



GRI Standard Index

GRI Standard Number	GRI Standard Title	Disclosure Number	Disclosure Title Individual disclosure items ('a', 'b', 'c', etc.) are not listed here	AAL Response and/or GRI Content Index by Page Number and/or Section
GRI 102	General Disclosures	102-1	Name of the organization	About Us (p.10) and Governance (p.76)
GRI 102	General Disclosures	102-2	Activities, brands, products, and services	About us (p.10), Our Strategy (p.18), Our Business Model (p.19) and Governance. (p.76)
GRI 102	General Disclosures	102-3	Location of headquarters	1 James Schofield Drive, Adelaide Airport, South Australia, 5950
GRI 102	General Disclosures	102-4	Location of operations	AAL - 1 James Schofield Drive, Adelaide Airport, South Australia, 5950 PAL - 18 Tigermoth Lane, Parafield, South Australia, 5106
GRI 102	General Disclosures	102-5	Ownership and legal form	About Us (p.10) and Governance (p.76)
GRI 102	General Disclosures	102-6	Markets served	Grow (p.23-26)
GRI 102	General Disclosures	102-7	Scale of the organization	Snapshot (p.13), Grow (p.23), Facilities Management (p.57), Our People (p.59) and Financial Performance (p.88)
GRI 102	General Disclosures	102-8	Information on employees and other workers	Our People (p.59)
GRI 102	General Disclosures	102-9	Supply chain	Shaping Our Business (p.52)
GRI 102	General Disclosures	102-10	Significant changes to the organization and its supply chain	MD and Chairman's Report (p.5)
GRI 102	General Disclosures	102-11	Precautionary Principle or approach	AAL implements the precautionary principle through its Environmental Management System (EMS)
GRI 102	General Disclosures	102-12	External initiatives	Sustainability (p.36-52)
GRI 102	General Disclosures	102-13	Membership of associations	Industry Stakeholders (p.65)
GRI 102	General Disclosures	102-14	Statement from senior decision-maker	MD & Chairman's Report (p.5)
GRI 102	General Disclosures	102-15	Key impacts, risks, and opportunities	Our External influences (p.14), Materiality assessment (p.20), Materiality issues (p.21), Sustainability (p.36) and Shaping our Business (p.52)



GRI Standard Number	GRI Standard Title	Disclosure Number	Disclosure Title Individual disclosure items ('a', 'b', 'c', etc.) are not listed here	AAL Response and/or GRI Content Index by Page Number and/or Section
GRI 102	General Disclosures	102-16	Values, principles, standards, and norms of behavior	Our Strategy (p.18) and Our People (p.59)
GRI 102	General Disclosures	102-17	Mechanisms for advice and concerns about ethics	Mechanisms for advice and concerns about ethics (p.85)
GRI 102	General Disclosures	102-18	Governance structure	Governance (p.76), Our Directors (p.77) and Board Governance (p.82)
GRI 102	General Disclosures	102-19	Delegating authority	Board Governance (p.82)
GRI 102	General Disclosures	102-20	Executive-level responsibility for economic, environmental, and social topics	EGM Finance and Corporate is responsible for economic and environmental and community engagement topics, EGM People Culture and Terminals is responsible for our people and our community investment programs.
GRI 102	General Disclosures	102-21	Consulting stakeholders on economic, environmental, and social topics	Our Community (p.62) and Industry Stakeholders (p.65)
GRI 102	General Disclosures	102-22	Composition of the highest governance body and its committees	Governance (p.76), Our Directors (p.77) and Board Governance (p.82)
GRI 102	General Disclosures	102-23	Chair of the highest governance body	Our Directors (p.77) AAL's Chair is not an executive officer in the organisation
GRI 102	General Disclosures	102-24	Nominating and selecting the highest governance body	Governance (p.76), Our Directors (p.77) and Board Governance (p.82)
GRI 102	General Disclosures	102-25	Conflicts of interest	Board Governance (p.82)
GRI 102	General Disclosures	102-26	Role of highest governance body in setting purpose, values, and strategy	Board Governance (p.82)
GRI 102	General Disclosures	102-27	Collective knowledge of highest governance body	Our Directors (p.77) and Board Governance (p.82)
GRI 102	General Disclosures	102-28	Evaluating the highest governance body's performance	Board Governance (p.82)
GRI 102	General Disclosures	102-29	Identifying and managing economic, environmental, and social impacts	Materiality Assessment (p.20), Material Issues (p.21), Our External Influences (p.14), Risk Management (p.71) and Board Governance (p.82)
GRI 102	General Disclosures	102-30	Effectiveness of risk management processes	Risk Management (p.71) and Board Governance (p.82)



GRI Standard Number	GRI Standard Title	Disclosure Number	Disclosure Title Individual disclosure items ('a', 'b', 'c', etc.) are not listed here	AAL Response and/or GRI Content Index by Page Number and/or Section
GRI 102	General Disclosures	102-31	Review of economic, environmental, and social topics	Risk Management (p.71), Board Governance (p.82) and Sustainability (p.36)
GRI 102	General Disclosures	102-32	Highest governance body's role in sustainability reporting	AAL's Board of Directors reviews and approves AAL's Annual Report. Board Governance (p.82)
GRI 102	General Disclosures	102-33	Communicating critical concerns	Board Governance (p.82)
GRI 102	General Disclosures	102-34	Nature and total number of critical concerns	Nil
GRI 102	General Disclosures	102-35	Remuneration policies	Board Governance (p.82)
GRI 102	General Disclosures	102-36	Process for determining remuneration	In addition to the general market update, each position is benchmarked for market relativity.
GRI 102	General Disclosures	102-37	Stakeholders' involvement in remuneration	Board Governance (p.82)
GRI 102	General Disclosures	102-38	Annual total compensation ratio	Not reported
GRI 102	General Disclosures	102-39	Percentage increase in annual total compensation ratio	Not reported
GRI 102	General Disclosures	102-40	List of stakeholder groups	Our Community (p.62) and Industry Stakeholders (p.65)
GRI 102	General Disclosures	102-41	Collective bargaining agreements	Not reported
GRI 102	General Disclosures	102-42	Identifying and selecting stakeholders	Our Community (p.62) and Industry Stakeholders (p.65)
GRI 102	General Disclosures	102-43	Approach to stakeholder engagement	Our Community (p.62) and Industry Stakeholders (p.65)
GRI 102	General Disclosures	102-44	Approach to stakeholder engagement	Our Community (p.62) and Industry Stakeholders (p.65)
GRI 102	General Disclosures	102-45	Key topics and concerns raised	Our Community (p.62) and Industry Stakeholders (p.65)
GRI 102	General Disclosures	102-46	Defining report content and topic Boundaries	Welcome to our Integrated Review (p.2) Materiality Assessment (p.20) and Material Issues (p.21)



GRI Standard Number	GRI Standard Title	Disclosure Number	Disclosure Title Individual disclosure items ('a', 'b', 'c', etc.) are not listed here	AAL Response and/or GRI Content Index by Page Number and/or Section
GRI 102	General Disclosures	102-47	List of material topics	Materiality Assessment (p.20) and Material Issues (p.21)
GRI 102	General Disclosures	102-48	Restatements of information	Nil
GRI 102	General Disclosures	102-49	Changes in reporting	During 2021, there have been significant changes to Adelaide Airport's operations due to the impact of COVID 19. These impacts have been documented throughout this report.
GRI 102	General Disclosures	102-50	Reporting period	The reporting period for the information provided is July 1, 2020 to June 30, 2021.
GRI 102	General Disclosures	102-51	Date of most recent report	The most recent previous Annual Report was published in October 2020 for the July 1, 2019 to June 30, 2020 reporting period.
GRI 102	General Disclosures	102-52	Reporting cycle	Annual
GRI 102	General Disclosures	102-53	Contact point for questions regarding the report	Welcome to our Integrated Review (p.2)
GRI 102	General Disclosures	102-54	Claims of reporting in accordance with the GRI Standards	Welcome to our Integrated Review (p.2)
GRI 102	General Disclosures	102-55	GRI content index	GRI Standards Index (p.93)
GRI 102	General Disclosures	102-56	External assurance	This report has not been externally assured however, some components and data such as carbon footprint data and the group financial statements are verified and assured by third parties respectively.
GRI 201	Economic Performance	201-1	Direct economic value generated and distributed	2021 Snapshot (p.13), Aeronautical (p.23), Property (p.27) Commercial (p.29) Terminal Expansion (p.32) and Our Community (p.62)
GRI 201	Economic Performance	201-2	Financial implications and other risks and opportunities due to climate change	Sustainability (p.36)
GRI 203	Indirect Economic Impacts	203-1	Infrastructure investments and services supported	Chairman and Managing Directors Report (p.5), Property (p.27) and Terminal Expansion (p.32)



GRI Standard Number	GRI Standard Title	Disclosure Number	Disclosure Title Individual disclosure items ('a', 'b', 'c', etc.) are not listed here	AAL Response and/or GRI Content Index by Page Number and/or Section
GRI 203	Indirect Economic Impacts	203-2	Significant indirect economic impacts	2020 Snapshot (p.13), Aeronautical (p.23), Terminal Expansion (p.32) and Our Community (p.62)
GRI 302	Energy	302-1	Energy consumption within the organization	Sustainability (p.36)
GRI 302	Energy	302-3	Energy intensity	Adelaide Airport Only: Electricity intensity 5.29 kWh/PAX Energy intensity (including electricity, gas and fuel) 23.27 MJ/PAX
GRI 302	Energy	302-4	Reduction of energy consumption	Sustainability (p.36), Energy (including electricity, gas and fuel) consumption reduction compared to FY20 Adelaide Airport +3.78% Parafield Airport -18.40%reduction Group - -18.40%
GRI 303	Water and Effluents	303-5	Water consumption	Sustainability (p.36)
GRI 304	Biodiversity	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Sustainability (p.36)
GRI 304	Biodiversity	304-2	Significant impacts of activities, products, and services on biodiversity	Sustainability (p.36)
GRI 304	Biodiversity	304-3	Habitats protected or restored	Sustainability (p.36)
GRI 304	Biodiversity	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	Sustainability (p.36)
GRI 305	Emissions	305-1	Direct (Scope 1) GHG emissions	Sustainability (p.36) Emissions are calculated in line with the Airports Council International, Airport Carbon Accreditation requirements using operational control approach and are verified by a third party biennially.
GRI 305	Emissions	305-2	Energy indirect (Scope 2) GHG emissions	Sustainability (p.36) Emissions are calculated in line with the Airports Council International, Airport Carbon Accreditation requirements using operational control approach and are verified by a third party biennially.
GRI 305	Emissions	305-3	Other indirect (Scope 3) GHG emissions	Sustainability (p.36) Emissions are calculated in line with the Airports Council International, Airport Carbon Accreditation requirements using operational control approach and are verified by a third party biennially.



GRI Standard Number	GRI Standard Title	Disclosure Number	Disclosure Title Individual disclosure items ('a', 'b', 'c', etc.) are not listed here	AAL Response and/or GRI Content Index by Page Number and/or Section
GRI 305	Emissions	305-4	GHG emissions intensity	Sustainability (p.36) Intensity is calculated using combined scope 1 and 2 emissions with passenger movements as the denominator.
GRI 305	Emissions	305-5	Reduction of GHG emissions	Sustainability (p.36) Emission reductions have been achieved primarily due to a reduction in electricity consumption as a result of efficiency activities.
GRI 306	Effluents and Waste	306-2	Waste by type and disposal method	Sustainability (p.36)
GRI 306	Effluents and Waste	306-3	Significant spills	No significant spills occurred at either Adelaide or Parafield Airports during the reporting period.
GRI 306	Effluents and Waste	306-4	Transport of hazardous waste	Sustainability (p.36) "Hazardous" waste is limited to biosecurity waste and items confiscated security screening and border control.
GRI 307	Environmental Compliance	307-1	Non-compliance with environmental laws and regulations	Sustainability (p.36) No significant environmental incidents were observed, and all compliance reporting obligations completed during the reporting period.
GRI 401	Employment	401-1	New employee hires and employee turnover	Our People (p.59)
GRI 403	Occupational Health and Safety	403-1	Occupational health and safety management system	Work Health Safety (p.61) and Risk Management (p.71)
GRI 403	Occupational Health and Safety	403-2	Hazard identification, risk assessment, and incident investigation	Work Health Safety (p.61) and Risk Management (p.71)
GRI 403	Occupational Health and Safety	403-3	Occupational health services	Work Health Safety (p.61) and Risk Management (p.71)
GRI 403	Occupational Health and Safety	403-4	Worker participation, consultation, and communication on occupational health and safety	Work Health Safety (p.61) and Risk Management (p.71)
GRI 403	Occupational Health and Safety	403-5	Worker training on occupational health and safety	Our People (p.59), Work Health Safety (p.61) and Risk Management (p.71)
GRI 403	Occupational Health and Safety	403-6	Promotion of worker health	Our People (p.49)
GRI 403	Occupational Health and Safety	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Work Health Safety (p.61) and Risk Management (p.71)



GRI Standard Number	GRI Standard Title	Disclosure Number	Disclosure Title Individual disclosure items ('a', 'b', 'c', etc.) are not listed here	AAL Response and/or GRI Content Index by Page Number and/or Section
GRI 403	Occupational Health and Safety	403-8	Workers covered by an occupational health and safety management system	Work Health Safety (p.61) and Risk Management (p.71)
GRI 403	Occupational Health and Safety	403-9	Work-related injuries	Work Health Safety (p.61) No fatalities as a result of work-related injury occurred during the reporting period at either Adelaide or Parafield Airports.
GRI 403	Occupational Health and Safety	403-10	Work-related ill health	Work Health Safety (p.61) No fatalities as a result of work-related ill health occurred during the reporting period at either Adelaide or Parafield Airports.
GRI 404	Training and Education	404-1	Average hours of training per year per employee	Work Health Safety (p.61)
GRI 404	Training and Education	404-2	Programs for upgrading employee skills and transition assistance programs	Our People (p.59)
GRI 404	Training and Education	404-3	Percentage of employees receiving regular performance and career development reviews	100% of AAL and PAL staff receive annual performance and career development review annually.
GRI 405	Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	Our People (p.59)
GRI 406	Non-discrimination	406-1	Incidents of discrimination and corrective actions taken	No incidents of discrimination occurred during the reporting period.
GRI 412	Human Rights Assessment	412-1	Operations that have been subject to human rights reviews or impact assessments	Nil
GRI 412	Human Rights Assessment	412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Shaping our Business (p.52)
GRI 413	Local Communities	413-1	Operations with local community engagement, impact assessments, and development programs	Our People (p.59)
GRI 415	Public Policy	415-1	Political contributions	Nil
GRI 418	Customer Privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Nil
GRI 419	Socioeconomic Compliance	419-1	Non-compliance with laws and regulations in the social and economic area	Nil





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