



RECONNECTED



WELCOME TO OUR INTEGRATED REVIEW 2022

Adelaide Airport (AAL or the 'Group') presents its 2022 annual report using an integrated approach.

This report communicates both Adelaide and Parafield airports' overall performance for the financial year ending 30 June 2022. 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 Report, 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.



Adelaide Airport's purpose is to proudly connect and shape South Australia. That's proven an extraordinary challenge through the COVID pandemic. But as our borders finally re-open, it's time to reconnect.

Our job is to make it as easy and seamless as possible to help people travel again, whether it be re-uniting with family, taking a well-earned holiday, re-discovering the many wonders our world has to offer, or simply travelling for business and re-forming partnerships with colleagues.

Our 2021-22 Integrated Review is all about looking forward, not back. Our team have worked incredibly hard to keep our business sustainable, and set us up for the growth we're now seeing as airlines and passengers return.

We look forward to continuing our own journey and reconnecting South Australia with the world.

Welcome back!



Welcome to Our Integrated Review

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SECTION ONE

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OUR COMPANY

CHAIR & MD REPORT FY22



Robert (Rob) Chapman
Chairman



Brenton Cox
Managing Director

Adelaide Airport Limited (AAL) is helping to reconnect South Australia with the world as borders re-open and passengers return. Our disciplined and prudential management through COVID, along with our ability to stay nimble and flexible, has allowed us to grow our business from a solid base and create new revenue opportunities across aeronautical and non-aeronautical parts of our business in 2021-22.

As has been the case throughout the pandemic, we've witnessed extraordinary swings in our operational tempo, from lockdowns and continued border closures in July 2021 through to very strong domestic demand in the April 2022 school holidays and beyond.

By carefully nurturing relationships with our key stakeholders throughout the pandemic, Adelaide Airport has been in a strong position to reactivate domestic, regional and international terminal facilities and re-establish our aviation networks.

Our team has achieved exceptional results over the past year, headlined by the \$200 million terminal expansion project, which was completed on time and on budget.

We predicted two years ago that switching our operations back on was going to be even more of a challenge than shutting everything down, and that has proven the case. We have control of some factors, but many are outside of our direct sphere of influence.

There were few countries that experienced the degree of Australia's domestic and international border restrictions, which meant Australia's aviation industry was impacted as much as any industry on the planet. Externally, our airline partners are now managing the challenges of capacity constraints on the back of rebuilding a workforce in the midst of a tight labour market and physically returning previously mothballed aircraft to the skies.

Internally, we are managing similar resourcing constraints and overcoming infrastructure bottlenecks. For example, the operation of our main security checkpoint is still being impacted by changes in peak passenger profiles and new security regulations, which requires significantly greater space and more people to operate at the level that would meet our own expectations.



PURPOSE:
ADELAIDE
AIRPORT -
PROUDLY
CONNECTING
AND SHAPING
SOUTH
AUSTRALIA.
VISION:
EVERYONE'S
FAVOURITE
AIRPORT.
SEAMLESS.
CONNECTED.
EASY.

Purpose & Vision

Adelaide Airport in 2021/22 has undertaken a company-wide review and consultation process to develop and refine our purpose and vision.

As we reconnect, it has been timely to recognise our 'purpose' - the reason for our organisation's existence.

Our vision statement has also been built by the whole organisation with the intent of being an inspirational stretch but also credible and measurable. Our vision is a unifying focal point that is attainable now but also ambitious and timeless. It connects to our brand and keeps customer experience at the forefront, acknowledging what the customer already knows about us and highlighting our importance to South Australia.



Results

Adelaide Airport's 2021-22 results continued to be impacted by COVID with the financial performance reflecting significant fluctuations in operating levels throughout the year.

Our underlying results (excluding fair value adjustment of investment properties) benefited from strong performance in the last quarter:

- Net loss after tax of \$11.1m was an improvement of \$7.6m or 40.7 per cent against the year prior.
- EBITDA of \$78.5m was also up by \$10.7m or 15.8 per cent against the year prior.
- Revenue of \$147.8m was up \$32.0m or 27.7 per cent due to an increase in passenger volumes of 35.5 per cent. This flowed through to aeronautical revenue, car parking and turnover rental on retail and car rental operators.

The statutory accounts included a \$48.5m non-cash gain on investment properties held at fair value based on an independent expert valuation.

Our Baa2 and BBB credit ratings with Moody's and Standard and Poor's respectively have been retained, and both agencies have revised their outlook statements from negative to stable.

Aero

Reconnecting South Australia with domestic and global destinations has gathered pace with services reintroduced, new routes created and passenger demand growing rapidly towards the end of the financial year.

Adelaide's overall traffic recovery against pre-COVID levels ranked second in Australia compared with other major airports up to the end of June 2022.

A change in fleet mix of major airlines and our ability to accommodate these changes has contributed to further expansion of our domestic aviation network. This included the introduction of services to previously unserved markets including the year-round services on Qantas/QantasLink to Newcastle and Townsville, and Virgin Australia to Launceston.

The ongoing recovery from the pandemic has resulted in the re-opening of international borders, particularly in the first half of 2022, which in turn has increased demand for international travel.

We have welcomed the return of Fiji Airways, the introduction of a temporary triangular Qantas route between Adelaide, New Delhi and Melbourne, and Qatar Airways introducing a new tagged service through to New Zealand. However, some jurisdictions such as China and Hong Kong remain effectively closed to international visitors, while others continue to maintain additional restrictions.

As we move on from the pandemic, we recognise that the prolonged periods of stability, consistency and predictability across the aviation industry are likely a thing of the past. We've been challenged by an unprecedented shutdown of our industry, followed by false peaks and an unpredictable period of recovery, and we are adjusting our operations to meet the new market dynamic.

Infrastructure

Adelaide Airport is conscious of the work we need to undertake to manage congestion and pinch points as we set out our plan to ensure we meet our vision to be everyone's favourite airport offering a seamless, connected and easy journey.

To maintain our service quality, Adelaide Airport has set an ambitious infrastructure program for the next decade with an indicative value of approximately \$1 billion.

We have established a 'sense of place' framework, which considers that our built form is more than just the flow of customers through our terminal, but also enhances their experience and creates a first and last emotional connection with our destination.

Adelaide Airport is entering a critical phase as we discuss our future investment program with our key stakeholders including airlines and consider the next stage of our terminal development.

Some of our capacity constraints such as security screening are well documented, but we similarly need to consider how we create more apron space, more gates for regional and domestic services, more car parking and more room for vehicle pick-up and drop-off.

We are expanding our planning and infrastructure team as well as our property team to ensure we have the capability to follow through on the delivery and execution of our strategy, fuelled by a preparedness and conviction to invest in our long-term future.



Property

Adelaide Airport has an extraordinary opportunity to shape South Australia's future through bold planning and development initiatives, while creating a connected community within the Airport Business District.

A strong pipeline of interest in our land bank - particularly for industrial purposes - the commencement of construction of the first stage of the Airport East freight and logistics hub and finalisation of a number of retail lease negotiations in the terminal post COVID has placed Adelaide Airport's property interests in a healthy position with significant future growth potential.

Adelaide Airport's sizeable land bank, being just 10 minutes from the CBD and less than a 15-minute drive from 30 per cent of Adelaide's population, gives us a strategic and locational development advantage.

A key consideration in our planning to be 'development ready' is to create connectivity and enhanced amenity within and between our airport precincts. We want to create a community hub and promote the airport as a destination for our business partners, our travelling public and neighbouring communities, while improving the wellbeing of our users.

Terminal expansion

Adelaide Airport has achieved practical completion of the \$200 million terminal expansion project. It is the airport's biggest infrastructure project since the completion of its existing terminal building in 2005, and was delivered on time and on budget in the midst of the biggest upheaval in global aviation history.

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

Within this project, we have completed the incredibly delicate relocation of the historic Vickers Vimy aircraft to its new home within Adelaide Airport's main domestic and international terminal. Construction of the surrounding exhibition space is largely complete and is due to open to the public by the end of the year.

Retail

Our domestic and international terminal retailers endured a tumultuous period through the pandemic in which all of our tenancies were closed. Our support for these businesses and taking the long-term view is a key reason why our major retail partners, who may otherwise have ceased operation permanently, have repaid our trust and support and re-opened as passengers have returned in 2022.

Our retail vision is to ‘unwrap the best of South Australia’. This is demonstrated by the introduction of South Australian brands, familiar South Australian artwork and graphics, and South Australian manufactured products.

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

As part of this strategy, we deployed an online retail marketplace in December 2021 showcasing our terminal food and beverage offering, and we are developing a ‘travel as a service’ offering, where customers can research, plan and book travel direct from our website.

Customer

By the end of the financial year, Adelaide Airport’s domestic and international terminal was once again a very busy environment. While it has been wonderful to see passenger levels starting to return to pre-COVID levels, peak operations are different and less predictable, which has placed a strain on our infrastructure and, in turn, impacted our customers’ experience.

We are further improving our customers’ experience through increased use of operational data analytics to inform our operational planning.

Adelaide Airport in March also welcomed our newest employee, Elmo, the first internationally accredited facility dog at any Australian airport. Elmo, who has been trained by Guide Dogs SA/NT, will spend his working hours as a reassuring presence for people who may need some support that isn’t immediately apparent.

Sustainability

Adelaide Airport is committed to leading sustainability to create long term value for our shareholders, customers, people, partners and the community. Our sustainability program is underpinned by a Board level sustainability policy, which sets out a broad set of environmental, social and governance principles.

The aviation sector must take action to reduce carbon emissions with consumers willing to act on their concerns about climate change. This will drive the development of a wider selection of green products and greater public disclosure on the progress of implementation of sustainability initiatives to meet targets.

Adelaide Airport remains well positioned to build on its leadership in sustainability, particularly around electricity production and emissions reduction.

Meanwhile, our acquisition of the airport's main refuelling facility creates greater opportunity to examine the prospects of introducing sustainable aviation fuels to our mix.

In 2022, we mapped a proportion of our direct and indirect Scope 3 emissions from upstream and downstream activities including emissions from corporate travel and the emission of our users from electricity to fuel use, of which aircraft fuel is a significant proportion. Over the coming year we will place a greater focus on our stakeholders to align, calculate, report and reduce emissions.

Community

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

Adelaide Airport is re-engaging with its community partners after placing some of these strategic relationships on hold due to COVID and the need to focus on business recovery.

This year we re-established our sponsorship of the Adelaide Fringe and support for Foodbank, while our support for the Royal Flying Doctor Service (RFDS) has continued.

People

Our hard work to recover from the pandemic continues, but we also need to do more than ever to look after ourselves and each other, while evolving the way we operate to improve our work/life balance.

Adelaide Airport has a strong culture with an incredibly sophisticated and capable workforce. Our continuing challenge is to attract and retain great people at a time when industries and sectors across Australia are facing a very tight and highly competitive labour market.

This year, we launched our Emerging Leaders program to create an exciting opportunity for selected team members to enhance their current skills with a focus on self-awareness, leading and influencing others, and improving relationships.

On the other end of the experience scale we have said goodbye to a number of familiar faces and long time servants of Adelaide Airport. Of note, in 2021, we provided Mark Young a send-off 'in style' from full time executive work after 21 years at Adelaide Airport and 10 years as Managing Director.

It is noteworthy that our recent executive management team appointments were made through internal promotion following international searches, which points to the strong talent pipeline within our organisation

Parafield Airport

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 the economy.

Our aviation training partners were severely impacted by the pandemic through the loss of international students due to border closures.

There are green shoots with international borders opening up in February this year, but it's expected the return of international students will still take some time to reach previous levels, and gaps in the market still exist with the continued closure of some international borders.

The future

The recovery from COVID and rapidly changing market conditions has presented new challenges and opportunities within the aviation industry, the ripple effects of which will likely last well into the current decade.

We are well-placed to meet these challenges, but we must be bold while remaining disciplined in the way we continue to grow our business and work towards ensuring Adelaide Airport can be everyone's favourite airport.





Brenton Cox
Managing Director



Alicia Bickmore
Executive General Manager
Corporate & General Counsel



David Blackwell
Executive General Manager
Technology & Innovation



Emma Boulby
Executive General Manager
Airport Operations



Tom Ganley
Executive General Manager
Corporate Affairs



Josh Golding
Chief Financial Officer



Kym Meys
Executive General Manager
Planning & Infrastructure



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



James Sangster
Executive General Manager
Property

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.

By June 2022 Adelaide Airport had recovered 95 per cent of domestic traffic and close to 40 per cent of international traffic lost at the height of the pandemic.

A \$200 million expansion of the domestic and international terminal has been completed in 2021/22 featuring an 80 per cent increase in retail space and new international arrivals and departures facilities.

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 Labs.

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



YEAR IN REVIEW

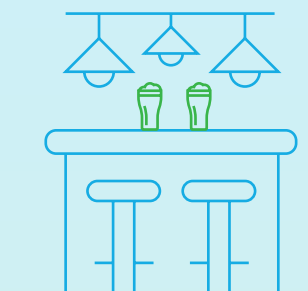
July 2021

26



Adelaide Airport
Managing Director Mark
Young announces his
retirement

16



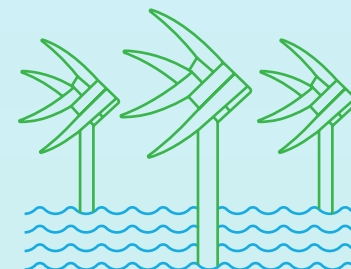
Newly refurbished
Coopers Alehouse
opens as part
of terminal
expansion project

24



Qantas introduces
new service between
Adelaide and Hobart

25



Qantas introduces
new service between
Adelaide and Cairns

08



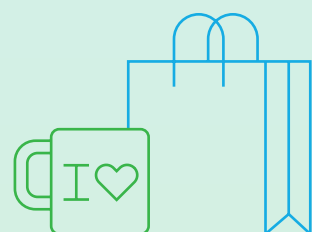
Adelaide Airport
announces appointment
of new Managing
Director Brenton Cox

August

September

October

11



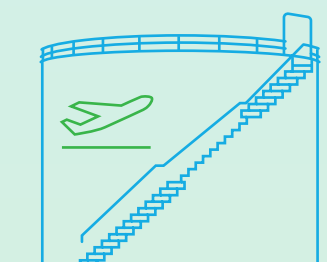
WHSmith
announces
opening of two
new stores in the
terminal

22



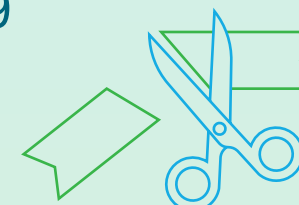
Virgin Australia
introduces new
service between
Adelaide and Hobart

01



Adelaide Airport
completes
acquisition of
jet fuel storage
infrastructure

09



New international
arrivals hall
unveiled as terminal
expansion reaches
practical completion

10



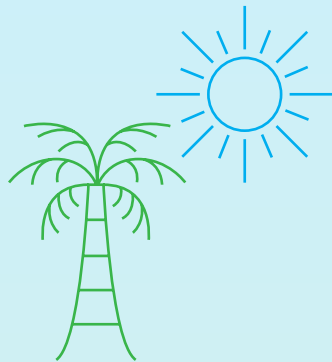
Adelaide Airport
announces
appointments of Josh
Golding as Chief
Financial Officer and
Alicia Bickmore as
Executive General
Manager Corporate
& General Counsel

October

December

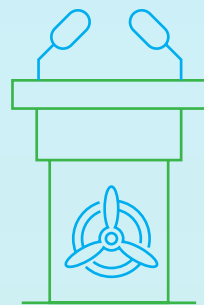
YEAR IN REVIEW

14



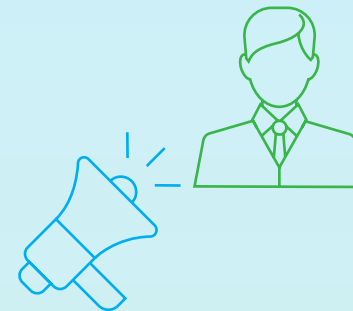
Virgin Australia introduces service between Adelaide and the Sunshine Coast

14



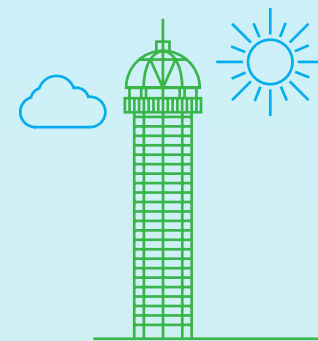
Adelaide announced as host city of 2022 Centre for Aviation (CAPA) Summit

23



Alan Wu announced as new Adelaide Airport Board Director

29



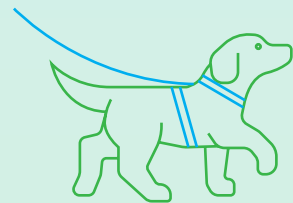
Qantas introduces new service between Adelaide and Newcastle

December *Continued*

February

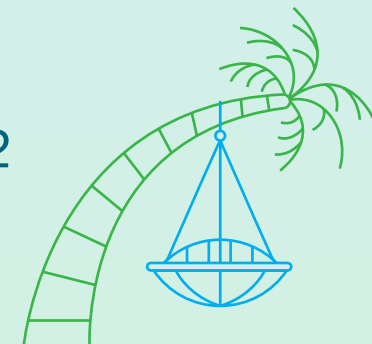
March

28



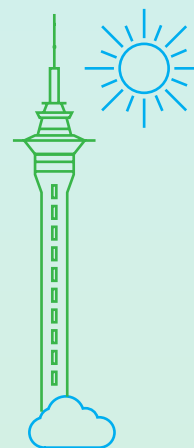
Guide Dogs SA/NT and Adelaide Airport welcome facility dog Elmo

12



Fiji Airways announces return of services between Adelaide and Nadi

12



Qatar Airways introduces new service between Adelaide and Auckland

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Historic Vickers Vimy aircraft completes final journey to new home in Adelaide Airport's main terminal

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Skytrax awards Adelaide Airport as best regional airport (non-global hub) in Asia Pacific

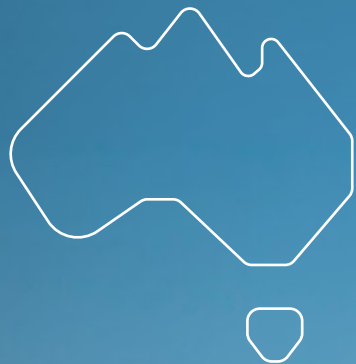
March *Continued*

April

May

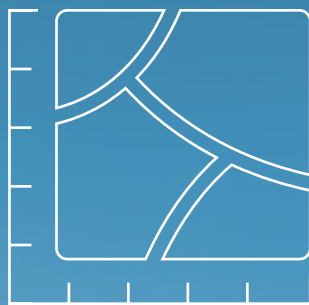
June

June 2022



5th Largest
Airport in
Australia

Based on
passenger
numbers



Adelaide
Airport

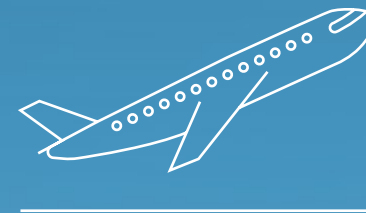
785
Hectares

Parafield
Airport

433
Hectares



1 Terminal
2 Runways



Parafield
Airport

155,206
Movements

↓ 7%



\$2.98b

Income
added to the
economy

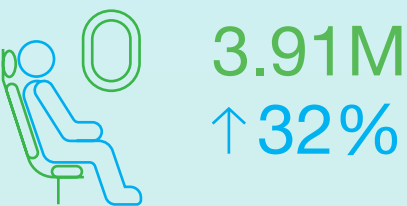
(3.1% of GSP)

2019 Master
Plan calculation

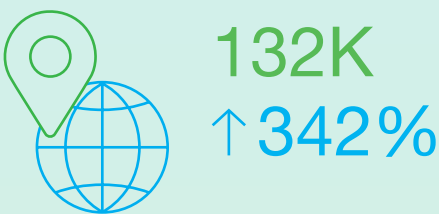
Aero

Growth in travel

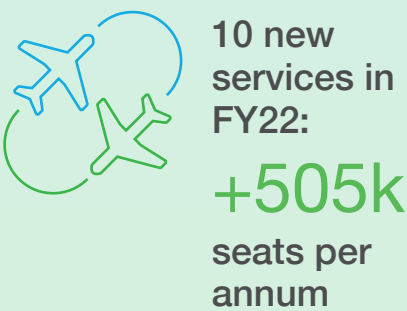
Domestic and regional passengers



International passengers



Routes



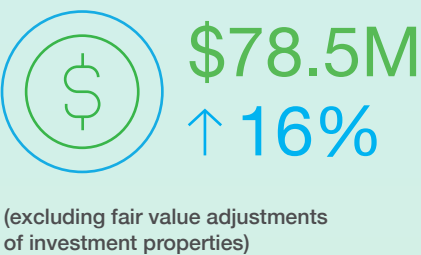
Financials

Improved performance

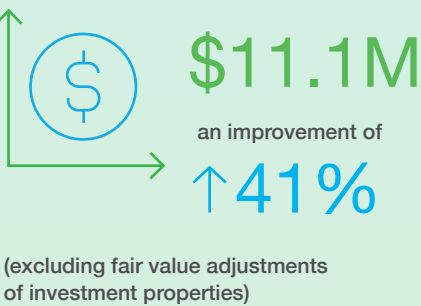
Revenue



EBITDA



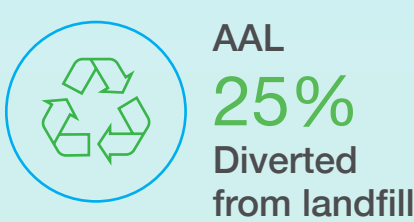
Net loss after tax



Sustainability

Creating Long Term Value

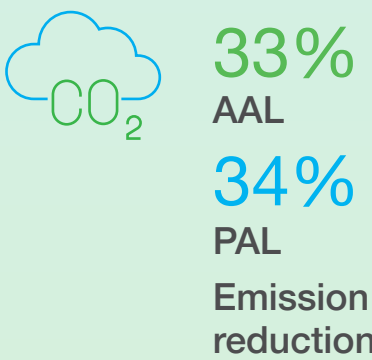
Waste



Water



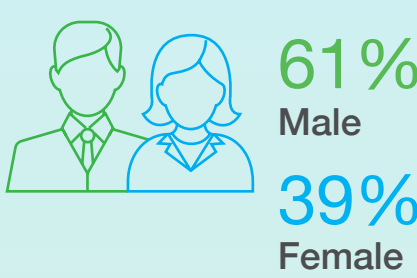
Carbon



People & Culture

Developing a great workforce

Employees



Staff Engagement



TRIFR

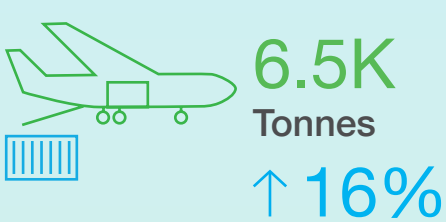


Total Recordable Injury Frequency Rate

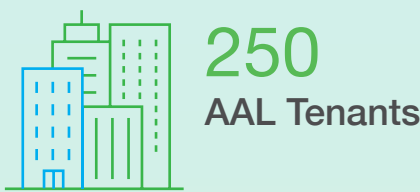
Business Hub

Growing opportunities

Freight



Property



OUR EXTERNAL INFLUENCES



Adelaide Airport has identified external influences that affect the environment in which we operate and determine our company's future direction.

Borders

The ongoing recovery from the pandemic has resulted in the re-opening of international borders, particularly in the first half of 2022, which in turn has increased demand for international travel.

Other restrictions including vaccine passports and short-term quarantine requirements continue to be relaxed, and confidence in international travel is slowly returning as a result.

However, some jurisdictions such as China and Hong Kong remained effectively closed to international visitors, while others continued to maintain additional restrictions, for example visitors to Japan could only travel within organised tour groups.

It is anticipated the relaxation of restrictions will continue, but significant differences in travel requirements from country to country will remain in the short to medium term.

Similarly, some of our domestic borders remained closed until November 2021, which created a unique impact on Australian aviation. State border closures have created a sovereign risk issue for us on an ongoing basis.

Geopolitical developments

The Russian invasion of Ukraine may well become viewed as a critical turning point in world history, and one that definitively marks the end of the post-cold war era. This ongoing conflict and potential demise of Ukraine would lead to a fragmentation of globalisation with a return to the primacy of self-sufficient nationalism, which would impede long term economic growth.

The impact of this conflict on supply chains, notably energy supplies including oil and gas, has contributed to global inflationary pressures.

Relationships with China continue to be a concern and remain an impediment to Australian exports as well as post-COVID tourism. A visit this year by the US House Speaker Nancy Pelosi to Taiwan has fuelled tensions between China and the US, further destabilising geopolitical security in our region.

Domestic politics

Elections for Australia and South Australia in the first half of 2022 have resulted in changes of government from Liberal/Coalition to Labor in both instances.

This will result in a change in policy mix, with the Federal Labor Party in particular reinforcing its commitment to reduce Australia's emissions by 43 per cent by 2030, which will become Australia's target under the Paris Agreement, and keeping Australia on track for net zero by 2050.

Both the State and Federal governments have a significant task ahead to manage their budgets and create growth following a period of substantial deficits necessitated by fiscal spending to combat the impact of COVID-19.

Supply chains

Global and domestic supply chains are facing generational challenges on the back of geopolitical developments, high inflation and tight labour markets.

Declining real wages and rising interest rates are eroding consumer spending. Inflation is currently above central bank targets in most advanced economies, driven by rapid increases in food and energy prices.

Australia's low unemployment rate has resulted in a significantly tightened labour market, with a shrinking pool of available talent and more workers indicating a willingness to change jobs if better opportunities became available.

Security regulation

Changes to security regulations place pressure on our terminal operations due to the requirement for new and additional infrastructure such as screening equipment, as well as additional staffing.

Climate change

The Sixth Assessment Report of the Intergovernmental Panel on Climate Change (IPPC) highlights the average global temperature forecast has increased to +1.5°C (up from an average temperature increase of +1.03°C) over the near term (2040).

Climate risks are appearing faster and will get more severe sooner with greenhouse gas emissions during the decade (2010-2019) higher than any two previous times in human history. Implications for Adelaide Airport include the need to quantify measures to achieve net zero and the mechanisms to influence scope 3 emissions management of third parties.

Carbon neutral travel

Consumer preferences for sustainable products and services are expected to increase as younger customers contribute to a sustainable lifestyle.

There is a growing belief that the aviation sector must take action to reduce carbon emissions with consumers willing to act on their concerns about climate change. This will drive the development of a wider selection of green products and greater public disclosure on the progress of implementation of sustainability initiatives to meet targets.

Commercial property demand

Excellent market conditions across the commercial property sector continue to create strong demand for strategically located land banks with access to major transport links. Warehouse and logistics space demonstrates particularly strong demand.

As a result, industrial vacancy rates remain at record lows and companies are choosing to buy rather than rent premises.

While rising interest rates may potentially temper market conditions, the current strong demand is forecast to continue in the medium term.

Ground transport

Customers post-COVID have demonstrated a preference to use their own vehicle to drive rather than other options such as taxi, bus or ride share. This places extra pressure on roads and parking infrastructure. The rapid increase in the sale of electric vehicles requires consideration for additional recharging facilities on airport.

Cyber security

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



SECTION TWO



OUR BUSINESS

OUR VISION



Our Purpose & Vision

Adelaide Airport in 2021/22 has undertaken a company-wide review and consultation process to develop and refine its purpose, vision and 3-5 year strategic direction.

We sought to introduce a 'purpose' as an internally focused statement of the reason for the organisation's existence, the basic purpose towards which our activities are directed. Our new purpose statement reflects feedback and comments relating to staff individual motivations and what would happen if Adelaide Airport ceased to exist. Common themes included our culture, pride in the roles we perform as individuals and as a business, our importance to the South Australian economy, and community connection to the world.

This review also considered the current vision with a view to refining it in accordance with the change we want to see in the world over the next 20-30 years. Our vision statement is inspirational but believable, measurable, and acts as a unifying focal point. Our vision keeps customer experience at the forefront, acknowledging what the customer already knows about us and highlighting our importance to South Australia.

Staff were given an opportunity to participate throughout the review process via a series of voluntary all-of-staff virtual workshops and focus groups facilitated by longstanding strategic planning partner Right Lane Consulting.

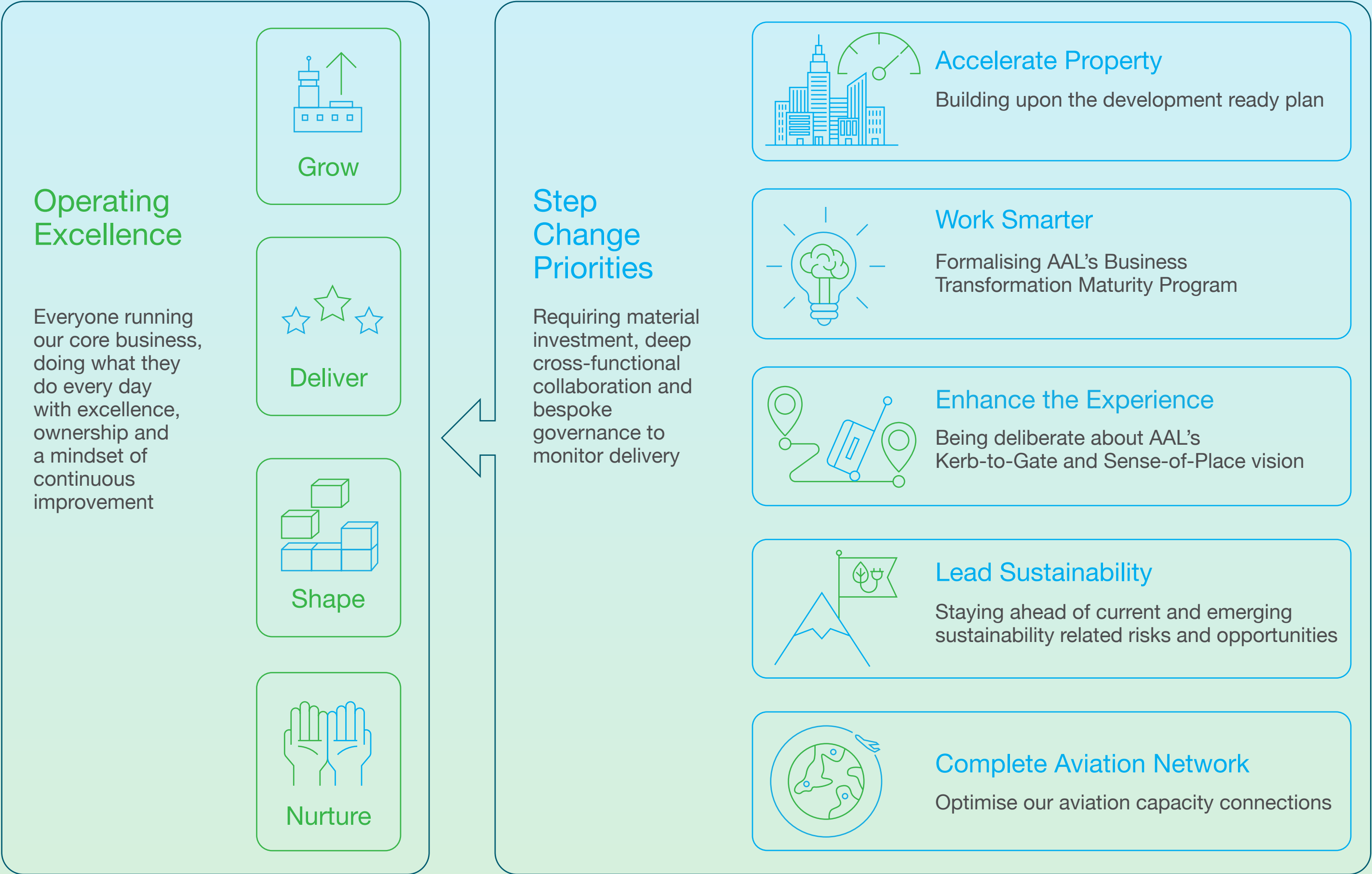
Executive and Senior Leadership Team workshops were conducted to refine both the vision and purpose statements taking all-staff input into consideration. Based on this extensive process, we have agreed on a purpose statement and updated our vision statement as follows:

Purpose

Adelaide Airport - proudly connecting and shaping South Australia.

Vision

Everyone's favourite airport. Seamless. Connected. Easy.



Business Model - How We Create Value

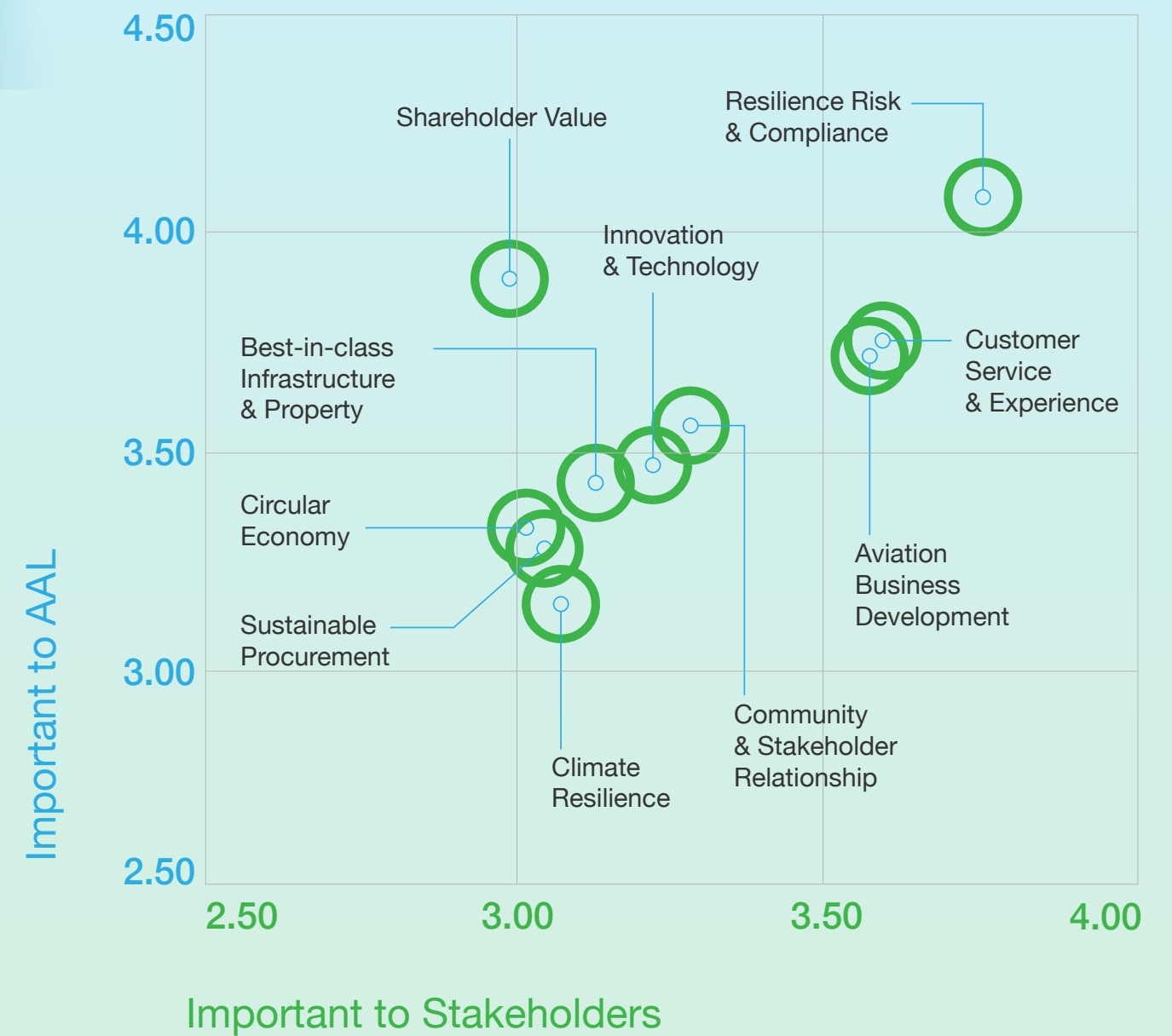
We are focused on creating sustainable long-term value for our shareholders and other stakeholders through the delivery of our Strategic Plan, in a manner that is consistent with our vision.

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.



Materiality Assessment

Our materiality assessment is completed in accordance with the requirements of the Global Reporting Initiative Standards. This represents the views of our external and internal stakeholders and establishes the most important material issues for company management.



Material Issues



Resilience, risk and compliance

As an essential piece of transport infrastructure, we must undertake all available measures to assess risks and implement compliance measures so 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 and experience

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



People and 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.



Circular economy

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 and technology

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



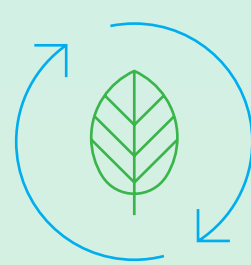
Best-in-class infrastructure and property

Meeting and exceeding future expectations of our customers and stakeholders requires timely investment in world-class infrastructure and facilities that support our aeronautical and nonaeronautical business growth. Developing our land bank to support the economic growth of South Australia and build further resilience in AAL's business through revenue diversification.



Climate resilience

We recognise the importance of understanding the impacts of climate change and implementing appropriate adaptation measures.



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.

SECTION THREE

26



OUR PERFORMANCE

GROW AERONAUTICAL

Reconnecting South Australia with domestic and global destinations has gathered pace with services reintroduced, new routes created and passenger demand growing rapidly towards the end of the financial year.

As the recovery from the impact with COVID-19 continued, 2021/22 was again a year of contrasts – from continued border closures and lockdowns in the latter half of 2021 through to near capacity domestic recovery by June.

We are buoyed by the particularly strong passenger growth in recent months, but we are also very mindful of the capacity constraints facing our industry.

Airlines are already being forced to reduce capacity as a result of the extraordinarily tight labour market, ongoing COVID absenteeism rates, and the ability to effectively take aircraft out of COVID ‘hibernation’ and ensure they are suitably maintained for ongoing service. We have been advised of the likely temporary suspension of some routes in the first half of the 2022/23 due to these capacity constraints.

COVID recovery

Overall passenger numbers for 2021/22 increased 35.5 per cent on the previous financial year, representing 47 per cent of pre-COVID levels.

There was a significant contrast between July 2021, when passenger numbers were still just 21 per cent of pre pandemic levels, and June 2022 when they reached 88 per cent compared with 2019.

For context, South Australia’s borders with Victoria and NSW remained closed until late November, while the State itself went into a seven-day lockdown in late July. International borders didn’t begin to re-open until February this year, New Zealand borders remained closed until April and Australia’s borders with Hong Kong and China remain effectively closed.

Adelaide’s overall traffic recovery against pre-COVID levels ranked second in Australia compared with other major airports up to the end of June 2022.

Domestic

Adelaide Airport has witnessed an extraordinary recovery in domestic travel in the latter half of the financial year. Pent-up demand over the past two years was unleashed, with domestic and regional passenger numbers hitting 96 per cent of pre-COVID levels by the end of June. For regional services, passenger numbers in June were 7 per cent higher than pre-COVID levels on the back of improved mining and FIFO conditions.

A change in fleet mix of major airlines and our ability to remain nimble and flexible has contributed to further expansion of our domestic aviation network. This included the introduction of services to four previously unserved markets including the year-round services on Qantas/QantasLink to Newcastle and Townsville, and Virgin Australia to Launceston.

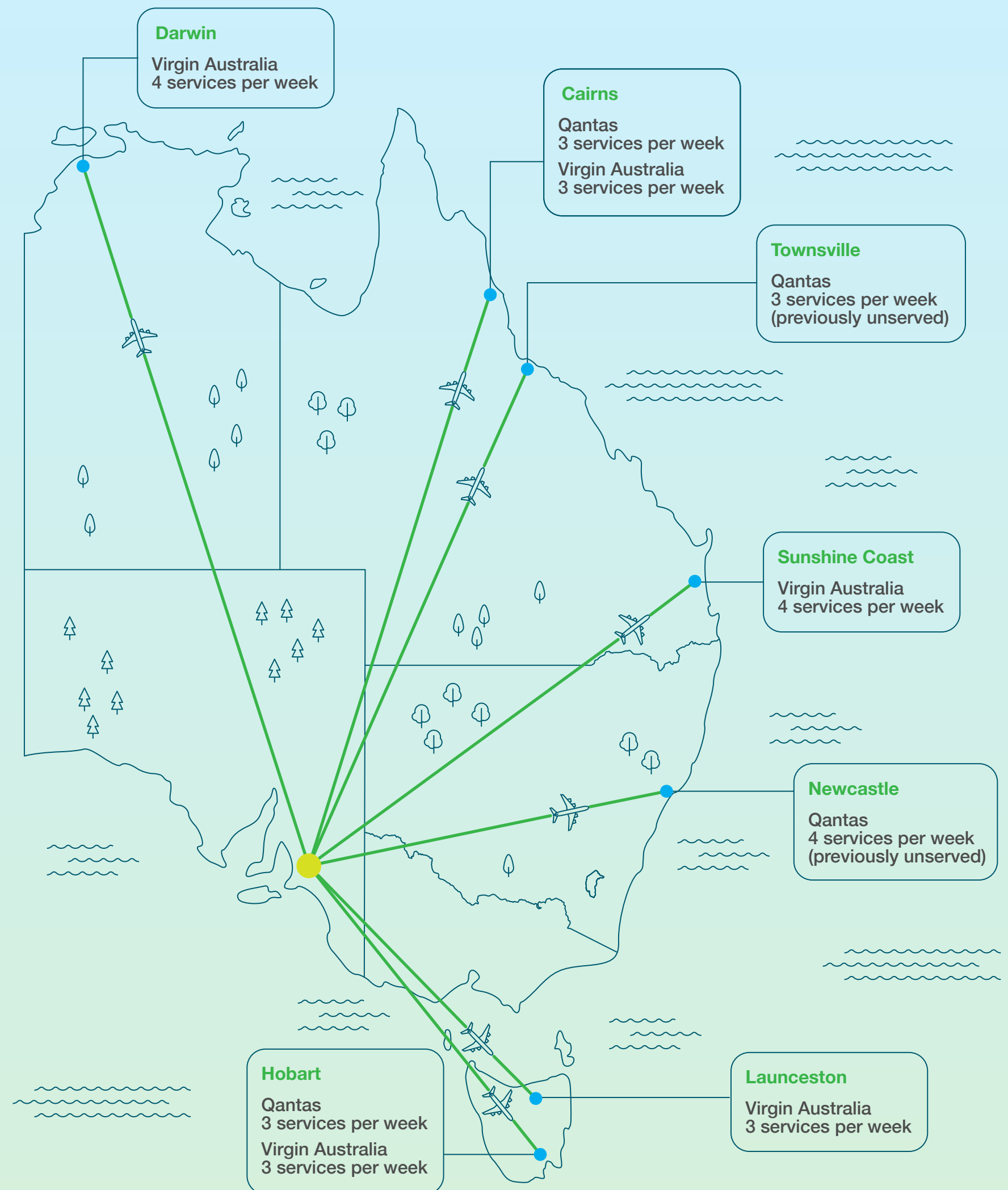
Qantas has also introduced new underserved interstate services to Cairns and Hobart.

Virgin Australia has opened up new services to Cairns, Darwin, Hobart, Launceston and the Sunshine Coast.

Jetstar has rebounded its capacity strongly in Adelaide and has also introduced additional frequencies to certain markets when compared with pre-pandemic levels.

Rex has expanded its Adelaide-Melbourne service, introduced in the previous financial year, to a double daily service.

Domestic airlines in FY22 have introduced the following new services (as at June 30, 2022):



International

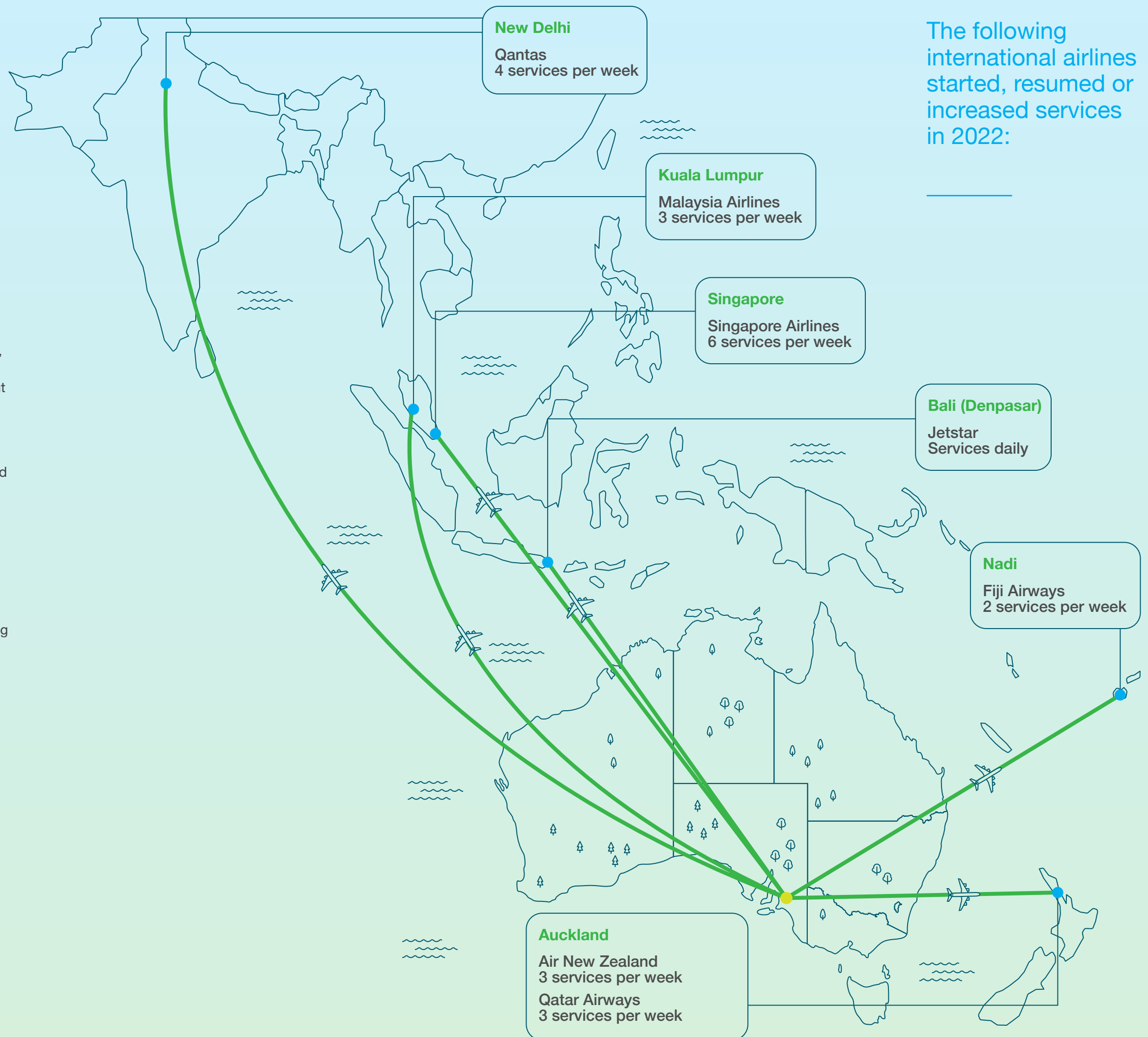
International borders have been slower to open following the lifting of Australian border restrictions in February 2022.

By June 2022, passenger numbers had recovered to 36 per cent of pre COVID levels. However, the destination mix means our customers have 65 per cent connectivity of the direct and one-stop destinations available in 2019.

There have been some positive signs with network growth beyond what had existed pre-COVID. They include the announcement of the reintroduction of Fiji Airways services between Adelaide and Nadi, and the introduction of a temporary triangular Qantas route between Adelaide, New Delhi and Melbourne. This is the first international Qantas service to operate out of Adelaide in the past decade.

Qatar Airways introduced a new tagged service through to New Zealand, creating a new link between Adelaide and Auckland in addition to the resumption of Air New Zealand services.

Our challenge remains that international airlines are still re-activating their aircraft, many of which have been sitting idle on desert airstrips around the globe. As a result we are competing against major global airports that are similarly negotiating with airlines to use these aircraft to serve their routes.



Airline relationships

By carefully nurturing relationships with our key stakeholders throughout the pandemic, Adelaide Airport remained in a strong position to reactivate domestic, regional and international terminal facilities and re-establish our aviation networks.

We have subsequently been heartened by the faith shown in our market by several of our major domestic and international airline partners.

Business development

Adelaide Airport continues to work closely with the South Australian Tourism Commission, Department of Trade and Investment, Department of Premier Cabinet, Department of Infrastructure and Transport, Study Adelaide and South Australian Aviation Freight Council to grow capacity, passenger and freight volumes in Adelaide.

Adelaide Airport will seek to capitalise on our city's hosting rights of significant aviation conferences in the latter half of 2022. They include the CAPA – Centre for Aviation Summit and the Australian Airports Association Annual Conference.

Planning for real growth

Adelaide Airport will continue to benefit from and capitalise on the changing fleet mix of our airline partners.

For domestic services, smaller aircraft such as the Embraer E190 are pivotal in opening up interstate and intrastate regional networks, as we've already seen with new services to Townsville and Newcastle.

For international services, we can again benefit from the use of longer range, more efficient wide-body aircraft such as the Boeing 787 and Airbus A350 that suit our market size. In addition, the upcoming A321XLR aircraft would also present an opportunity to Adelaide to grow its international connectivity with this fleet type.

In addition to the above, our strategic targets for growth are:

- Increase frequencies / up-gauge aircraft on existing domestic and international routes;
- Find new and grow existing regional networks;
- Reinstate Chinese services once borders re-open, and develop new markets such as Japan and US West Coast, among others; and
- Reduce international freight and traffic leakage through interstate ports.

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
FY22	131,911	3,398,496	512,279	4,042,686
YoY % Change	341.5%	34.5%	20.1%	35.5%

Aircraft Movements

Passengers	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
FY22	1,354	31,662	18,008	21,533	2,676	75,233
YoY % Change	122.0%	38.4%	12.2%	6.0%	13.3%	20.9%

January 2021 to June 2022 passenger numbers



GROW PROPERTY

A strong pipeline of interest in our land bank - particularly for industrial purposes - the commencement of construction of the first stage of the Airport East freight and logistics hub, and finalisation of a number of retail lease negotiations in the terminal post COVID has placed Adelaide Airport's property interests in a healthy position with significant future growth potential.

The team's core purpose is to accelerate shareholder return across the managed portfolio. In keeping with Adelaide Airport's new purpose and vision, we have an extraordinary opportunity to shape South Australia's future through bold planning and development initiatives, while creating a connected community within the Airport Business District.

The property business creates opportunities to diversify our business revenue streams. Our strong focus looking forward is to take a more active role in developing our strategic assets, which provides a long-term developer margin as part of a valuation uplift and rental return. Where appropriate, we will also seek to undertake front-end investment in property assets, facilities and amenities.

Adelaide Airport's sizeable land bank, being just 10 minutes from the CBD and less than 15-minute drive from 30 per cent of Adelaide's population, gives us a strategic and locational development advantage. The size of the land bank also means we can accommodate the expansion of both our aeronautical and non-aeronautical business.

Parafield Airport sits in a similar position, with scarcity of available industrial land pushing development further north of the city. Our land bank sits in a prime location central to the northern region and we anticipate strong development interest in the short to medium term.

Connectivity

A key consideration in our planning to be 'development ready' is to create connectivity and enhanced amenity within and between our airport precincts. We want to create a community hub and promote the airport as a destination for our business partners, our travelling public and neighbouring communities, while improving the wellbeing of our users.

Enhanced amenity may include cafes and eateries within each precinct and leisure opportunities outside of work. Connectivity options may include an expansion of our bike paths network, automated bus links and electric scooter hire as has proven popular in the CBD.



Tenant relationships

We have continued to work closely with our tenants throughout 2021/22 as they recover from the impacts of COVID. By adopting a partnership approach, in which we did everything we could reasonably do to support on-airport businesses, we have strengthened our relationships with our tenants and placed ourselves in the best position to not only retain but also grow both their and our businesses going forward.

Our domestic and international terminal retailers endured a particularly tumultuous period through the pandemic during which all of our retail tenancies were closed. Our support for these businesses and taking the long-term view is a key reason why our major retail partners, who may otherwise have walked away, have repaid our trust and support and re-opened and expanded as passengers have returned in 2022.

Airport East

Planning, design and development of the Airport East freight and logistics hub has continued, with significant development well underway within Stage 1 (east of Keswick Creek) and master planning progressing in Stage 2 (west of Keswick Creek).

This hub will allow us to grow and improve the airport's freight business in line with our vision to connect South Australia with global markets.

Construction of FedEx Express Australia's new freight distribution centre on a site of almost 59,000sqm is well advanced and due for completion by the end of 2022.

A separate freight and distribution facility on a site of about 20,000sqm is proceeding through final development and building approval processes, and work is anticipated to commence in the 2022/23 financial year.

Gazettal of Transport Avenue to allow B-Double vehicle access has been completed, and the existing road is being extended to the eastern airport boundary adjacent Keswick Creek. An acoustic wall will be built along Beare Avenue to reduce noise impacts on nearby residents.

Office Park

The activation of a business park is a key priority in our ongoing property growth. It is a strategic development that allows us to meet the anticipated demand for high-grade office space in a central metropolitan location. This would represent a further diversification of our property portfolio.

In addition to attracting tenants, it could provide an option for us to consolidate our own airport management operations into one building, as opposed to current multiple locations.

Australian Space Park

Adelaide Airport has been identified as the ideal location for the proposed Australian Space Park, Australia's first dedicated space manufacturing hub providing the final, vital link to the local space industry value chain.

The Australian Space Park will accelerate Australia's sovereign space manufacturing capability and capacity by initially co-locating four space manufacturing companies in a purpose-built facility with a focus on collaboration and production of small satellites and their payloads, rockets, electric vertical take-off and landing vehicles (eVTOL), and supporting componentry and technical systems.

Other projects

BlueScope is consolidating its manufacturing into a new \$30 million steel hub in the Morphett Precinct on the southern edge of the airport. The site will become the central hub for the BlueScope Building Components division in South Australia. The 50,000sqm site will include 17,000sqm of warehouse and office space.

Jayco Adelaide is progressing the development of a new purpose-built caravan and motorhome dealership within the West Beach Precinct adjacent Tapleys Hill Road. The development on a site of about 20,000sqm will consolidate Jayco's sales, service and parts departments, and will include a dedicated workshop, parts store warehouse, showrooms, office space, and dedicated pick-up and drop-off bays.

Airport Business District Community Group

Adelaide Airport has set up a dedicated Facebook page - the Airport Business District (ABD) Community Group - to connect close to 10,000 employees across the airport site.

The goal is to connect and support the Airport Business District community through:



Building corporate relationships with businesses and executives



Promoting on-airport businesses and growing their brands



Developing referral and networking opportunities with other businesses in the ABD



Staying up to date with the latest airport news and information



Creating a platform for people to provide feedback directly to AAL

GROW COMMERCIAL

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

Retail

Having re-opened the northern retail and dining precinct in late 2020 along with the re-opening of all existing retailers along the concourse, 2021 saw the opening of new retailers including two marquee WHSmith sites, a newly expanded Coopers Bar, SOHO Coffee, The Pantry and JB Hi-Fi. Retailers were again demonstrating confidence and looking to deliver on lease commitments, which had been made pre-COVID.

By the early and mid-stages of 2021/22, passenger traffic was returning at significant levels, and in partnership with our retailers, we will be delivering the remaining tenancy mix through the next financial year. This will include a completely new international passenger experience - with the introduction of a premium lounge, two new duty free offers - both in departures and arrivals - and Hills Bar and Café. Along the domestic concourse Sushi Sushi, McDonald's, Hawker Bar, 100 Miles, Travelex, Amuse and This Little Piggy will unwrap themselves in late 2022.

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 ecommerce platform.

The retail vision for the terminal is to “unwrap the best of South Australia”. This is demonstrated by the introduction of South Australian brands, familiar South Australian artwork and graphics, and South Australian manufactured products. As the new store roll out reaches its completion next financial year, there will be an abundance of opportunities to interact and enjoy the new retail tenancy mix with its local flavour.

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

As part of this strategy, we deployed an online retail marketplace in December 2021 that showcases our terminal food and beverage offering, allowing customers the ability to order and pay for their meals from the convenience of their mobile phone. This marketplace is accessible from our main website and via QR codes located at key customer journey points. Leveraging the Adelaide Airport brand, the marketplace provides 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).

The service will be expanded to showcase specialty retail offerings in FY23.

We will also seek to offer our customers a ‘travel as a service’ offering, where customers can research, plan and book travel direct from our website. This will provide a new revenue stream, increase our understanding of our customers and create an opportunity to engage with them as they plan their journey. This launched in September 2022.

Adelaide Airport continues to focus on improving our use of data and creating a data-driven culture to understand our customers’ journeys. We are constantly improving our intelligence through reviewing and combining business-critical data from disparate systems across our business.



Advertising

Prior to COVID-19, the advertising contract across roads and airport was a stable revenue stream for Adelaide Airport. Traditionally this category has relied on national advertising clients committing to long-term contracts of up to three years, providing a reliable revenue stream for the operator, and in turn, Adelaide Airport.

COVID-19 disrupted this market segment dramatically. In 2020 and 2021, 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 late 2021 and early 2022 the green shoots of airport advertising could be seen to be returning. Our advertising partners were able to work with several local and national brands to secure advertising contracts. This demonstrated to us that this market, when given a period of stability, can thrive once again.

Recently, Adelaide Airport has taken the opportunity to re-tender the airport advertising contract across Adelaide and Parafield, and we expect that with the recovery of airport traffic, the terminal's expanded areas and recent learnings from our advertising partners we will see new technologies and creativity in the strategic approach to this significant revenue stream.

Car parking and ground transport

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 returned to pre-pandemic levels of car park usage by re-engaging with our existing car parking customers, while also attracting new customers to car parking through our online pre-booking service.

We have continued to optimise our digital touchpoints and improved the ability to convert website visits into car park bookings, while new tools to measure customer sentiment have assisted to quickly find and act upon opportunities to improve the customer experience. At the car park, QR codes have been adopted as the primary ticket for customers with a car park booking to access the facilities, underpinning a wider shift to a mobile-first e-commerce strategy.

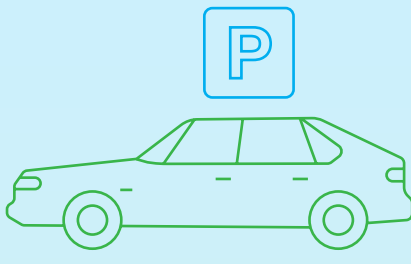
New parking products have been introduced to provide staff and contractors parking at Adelaide Airport with increased choice and flexibility on where they park, while account parking options have provided service providers with seamless access to Adelaide Airport when conducting their duties.

We have also delivered operational improvements to serve our expanding network of rideshare drivers. New technology-based innovations in partnership with major rideshare operators have improved the rate of compliance of drivers operating at Adelaide Airport and improved the customer experience.



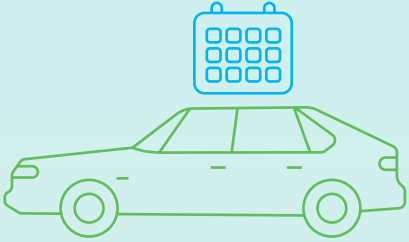
Parking Revenue
(vs. FY21):

\$15.3M
(+53%)



Revenue Per Pax
(vs. FY21):

\$3.77
(+10%)



Prebooked Parking
Revenue Per Person
(vs. FY21):

\$1.65
(+27%)



Net Promoter Score:

76

DELIVER INFRASTRUCTURE

Adelaide Airport has completed our biggest infrastructure project in more than 15 years, while continuing to optimise our existing assets.

We have prioritised the development of a 'sense of place' framework, which considers that our built form is more than just the flow of customers through our terminal, but also enhances their experience and creates an emotional connection with our facilities.

We are conscious of the work we need to undertake to manage congestion and pinch points as we set out our plan for the next five years to ensure we meet our vision to be everyone's favourite airport offering a seamless, connected and easy journey.

Adelaide Airport is entering a critical phase as we discuss our future investment program with our key stakeholders including airlines and consider the next stage of our terminal development.

We are also embarking on significant maintenance works to protect and rejuvenate our most critical asset through the overlay of our main runway.





Terminal expansion completed

Adelaide Airport has achieved practical completion of the \$200 million terminal expansion project. It is the airport's biggest infrastructure project since the completion of its existing terminal building in 2005, and was delivered on time and on budget in the midst of the biggest upheaval in global aviation history.

International upgrades include a second, longer baggage belt for arrivals, more space for emigration and immigration processing, expanded security screening, a larger duty-free precinct for arrivals and departures, and expanded dining and retail options.

The expansion has also seen a complete refurbishment of retail areas, resulting in a more than 80 per cent increase in the overall size of the terminal's retail and dining precinct across domestic and international areas.

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. All construction works were carried out with minimal disruption to passengers while managing complex stakeholder relationships.

Most retail tenancies are now open despite the lingering effects of COVID on passenger traffic. We anticipate the remainder of tenancies will be open by the end of the year.

Vickers Vimy relocation

The historic Vickers Vimy aircraft completed its final, historic journey in May to its new home within Adelaide Airport's main domestic and international terminal.

The extremely delicate night-time operation took approximately 4½ hours to move 2.1km from its existing memorial building adjacent the long-term car park to the terminal.

The more than 100-year-old Vickers Vimy - the first aircraft to fly from England to Australia in 1919 - was carefully separated into three main pieces in preparation for the relocation. Each segment was carefully wrapped and scaffolding built around it to carry the weight and protect the structure.

South Australia's Artlab Australia, a recognised leader in the conservation of cultural collections, undertook the extremely delicate operation of deconstructing, relocating and piecing back together.

The Vickers Vimy relocation project has been jointly funded by the Federal Government, South Australian Government and Adelaide Airport.

Construction of the exhibition space has commenced and is due to open to the public by the end of the year.

DELIVER LANDSIDE OPERATIONS



Adelaide Airport's landside operations team has faced the challenges of reduced demand, operating with reduced staffing levels and therefore less optimal customer service levels during COVID. As our business grows again and passengers return, we have embarked on recruitment activities to build our team.

Current issues around a tight labour market mean we have adopted new approaches to recruitment for our customer service officer roles including customer assistance, trolley collection, security patrols and managing traffic flow. We have undertaken recruitment of a casual pool of staff to assist with filling the gaps in roster and assist in staffing levels during peak seasonal times such as Easter and school holidays.

We have succeeded in recruiting a pool of eight casual staff. Our team has become resilient, building strong working relationships, becoming efficient and ensuring that the customer journey is what is expected from a top-tier airport.

The journey over the past two years has been bumpy, but we have pushed through the other side with a more confident outlook and operational efficiency that will take us through to the next chapter and meeting our vision to be seamless, connected, easy.

The taxi concierge service was reinstated in May 2022 after being suspended at the start of the pandemic. This service provides an improved customer experience at the taxi rank by providing customers with a point of contact for any queries as well as providing important assistance to people with disabilities and elderly customers. The concierges also provide assistance to the landside operations team by monitoring areas such as rideshare, rank, southern goods delivery areas and assisting in the pick-up and drop-off area where required.

We have also gradually reinstated our contract with SmarteCarte for trolley collection as travellers return.

DELIVER CUSTOMER EXPERIENCE



By the end of the financial year, Adelaide Airport's domestic and international terminal was once again a very busy environment. While it has been wonderful to see passenger levels starting to return to pre-COVID levels, it has noticeably placed a strain on our infrastructure, which in turn impacts our customers' experience.

We are further improving our customers' experience through increased use of operational data analytics to inform our operational planning.

It has been equally important to stand up our physical presence on the ground, from kerb to gate. We've grown our landside operations and security teams, reinstated our volunteer ambassador program, and introduced a new customer care team.

We continue to work on the digitisation of our wayfinding to provide for an easier and more seamless journey through the terminal.

Adelaide airport is one of the few integrated domestic and international terminals in Australia,

which creates greater efficiency and better connectivity for our customers but also adds a layer of complexity to our operations, for example the requirement for two security screening points for our international passengers.

The pandemic presented us with an opportunity to examine our service levels and look forensically across the business in terms of improved operations.

Adelaide Airport is returning to the Airport Service Quality Program in July 2022. The survey's main objective is to provide participating airports with the research tools and management information to better understand passengers' views with respect to an airport's products and services.

We also launched a new customer feedback system through the establishment of a single view of the customer, catering for all feedback channels and types and allowing for meaningful insights and trends to be extracted. This has allowed us to manage feedback from one system and provide our customers with a seamless user experience that utilises intelligent and automated processes.



Hidden disabilities program

In 2021, Adelaide Airport soft-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.

Meeting Elmo

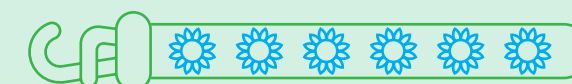
Adelaide Airport in March welcomed our newest employee - Elmo, the first internationally accredited Facility Dog at any Australian airport.

Airports can be a busy and stressful place, especially if people are unsure of what to expect on the day. It can be even more stressful when a travel companion has a hidden disability, health condition or disorder that is not immediately obvious to airport staff.

Research has shown that the presence of a Facility Dog can help people control anxiety, regulate emotions, and improve mood.

Elmo will be on-hand to greet people and ensure that every journey through Adelaide Airport is as easy and seamless as possible.

Elmo, who has been trained by Guide Dogs SA/NT, will spend his working hours as a reassuring presence for people who may need some support that isn't immediately apparent.



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Sunflower lanyards distributed

Special assistance

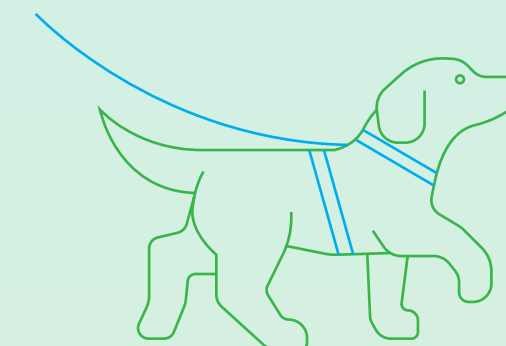
In addition to our hidden disabilities program, Adelaide Airport has either introduced or re-established the following special assistance initiatives to support our customers seeking additional help.

Adelaide Airport's ambassador program was re-established in September 2021 after being temporarily suspending through the pandemic.

We are recruiting new ambassadors to support our customers including volunteer guides for our Vickers Vimy exhibition due to open later in 2022.

Other special assistance initiatives include:

- Changing Place – Three facilities located in domestic departures, international departures and international arrivals. These facilities provide additional space and specialised equipment such as an adult change table and hoist for use by people with profound disabilities and their personal carers.
- Assistance Animal Relief Areas – Three facilities located landside near drop off and pick up area, and in domestic and international departures.
- Meet and Assist program – Customer Service Officers are available to assist customers to and from the terminal.
- Hearing Loops – These hearing loops have been installed throughout the terminal to assist people with hearing difficulties.

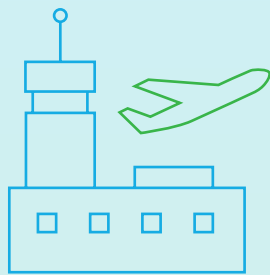


42

Calming Walk requests with Elmo

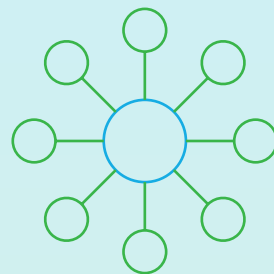
SHAPE SUSTAINABILITY

Adelaide Airport is committed to leading sustainability to create long term value for our shareholders, customers, people, partners and the community. Our sustainability program is underpinned by a Board level sustainability policy, which sets out a broad set of environmental, social and governance principles.



Secure infrastructure

Safe and secure airport infrastructure, data and systems



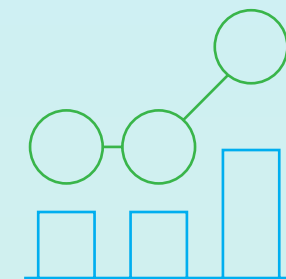
Community engagement

Integrity and ethical engagement with the community and our stakeholders through a participation approach



Diverse workplace

Fair, inclusive, diverse and flexible workplace



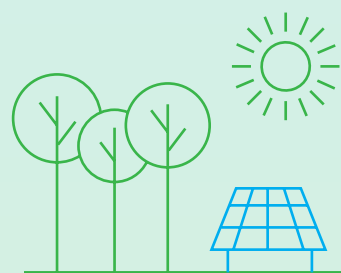
Sustainable growth

Responsible and sustainable growth, financial resilience and economic viability



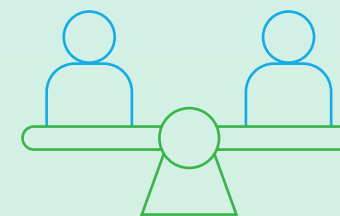
Customer experiences

Innovation, collaboration, knowledge sharing and continuous improvement to achieve exceptional customer experiences



Climate management

Climate management to improve energy efficiency and maintain asset and community resilience



Human rights

Respect the human rights of our stakeholders



Resources development

Development, procurement and supply of resources, products and materials positioned in a circular economy

United Nations Sustainable Development Goals

The Sustainable Development Goals (SDGs) were developed by the United Nations as part of the 2030 Agenda for Sustainable Development. The following goals connect what we do to achieve a safe operating space for the Earth.



SDG 5

Achieve gender equality and empower all women and girls
5.5
Women's effective participation and equal opportunities for leadership at all levels



SDG 7

Ensure access to affordable, reliable, sustainable and modern energy
7.1
Affordable, reliable and modern energy services
7.3
Energy efficiency



SDG 9

Build resilient infrastructure, promote sustainable industrialisation and foster innovation
9.4
Resource-use efficiency and clean and environmentally sound technologies



SDG 12

Ensure sustainable consumption and production patterns
12.2
Sustainable management and efficient use of natural resources
12.3
Food waste management at the retail and consumer levels
12.5
Reduce waste generation through prevention, reduction, recycling and reuse
12.6
Integrate sustainability information into their reporting cycle



SDG 13

Take urgent action to combat climate change and its impacts
13.1
Strengthen resilience and adaptive capacity to climate-related hazards



SDG 16

Promote just, peaceful and inclusive societies
16.6
Accountable and transparent institutions
16.7
Responsive, inclusive, participatory and representative decision-making
16.5
Reduce corruption and bribery



SDG 6

Ensure access to water and sanitation for all
6.3
Improve water quality
6.5
Integrated water resources management



SDG 8

Promote inclusive and sustainable economic growth, employment and decent work for all
8.4
Sustainable consumption and production
8.7
Modern slavery
8.9
Sustainable tourism



SDG 11

Make cities inclusive, safe, resilient and sustainable
11.4
Protect and safeguard cultural and natural heritage
11.6
Safe, inclusive and accessible, green and public spaces
11.7
Air quality and waste management



SDG 15

Sustainably manage forests, combat desertification, halt and reverse land degradation, halt biodiversity loss
15.5
Biodiversity management
15.9
Integrate ecosystem and biodiversity values into national and planning and development



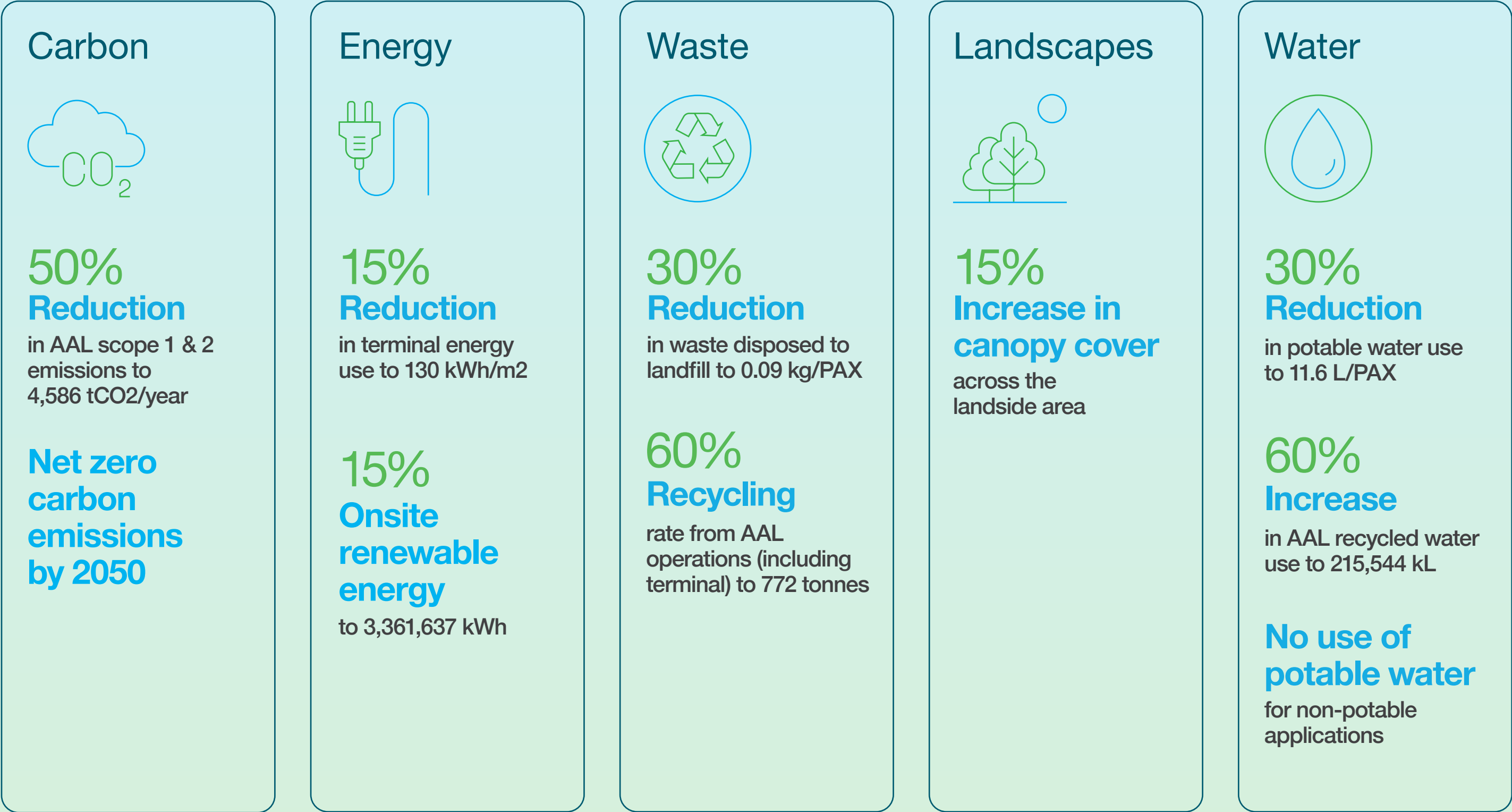
SDG 17

Revitalise the global partnership for sustainable development
17.17
Public, public-private and civil society partnerships

Targets

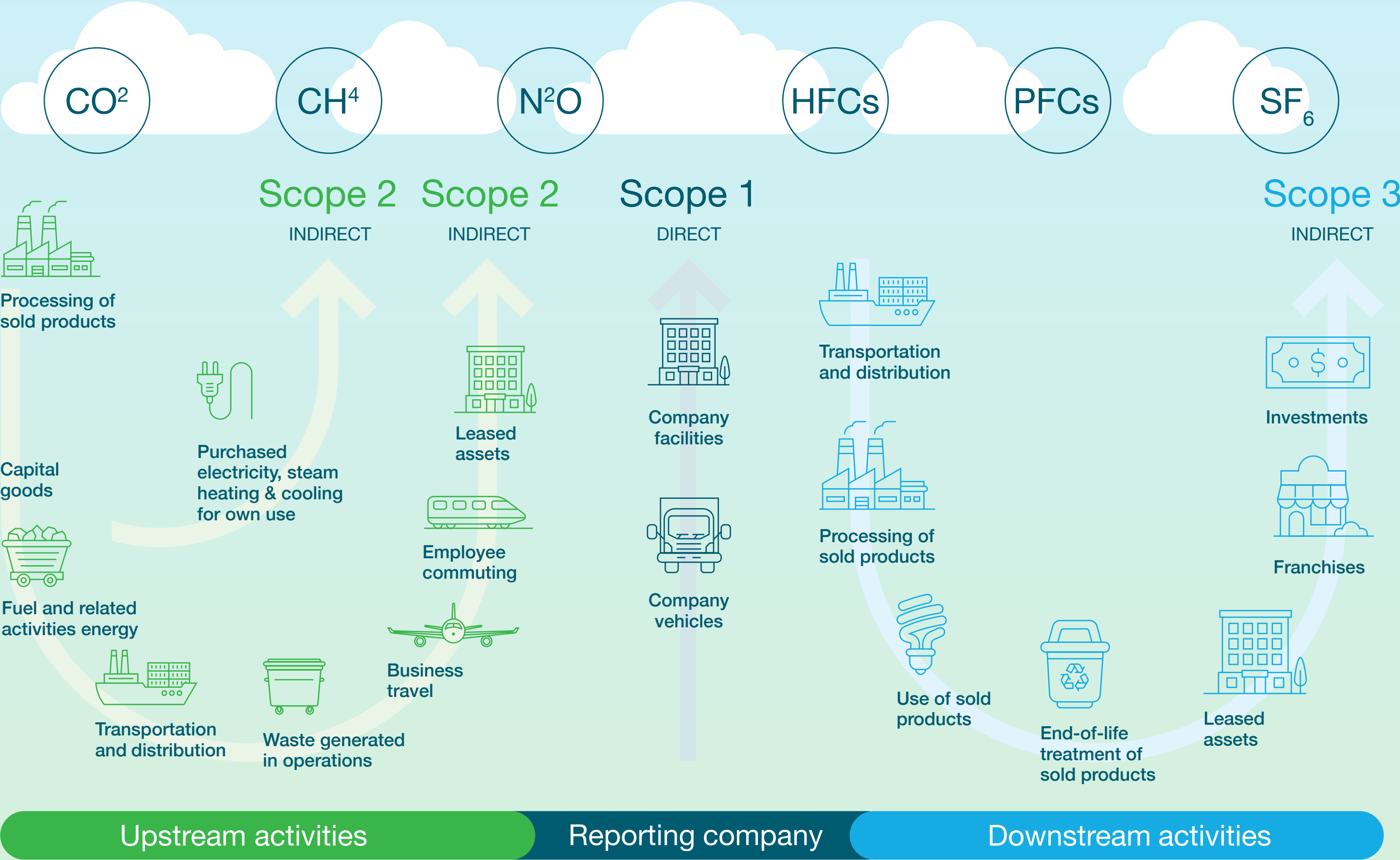
Adelaide Airport has an investment and operations program of measures to achieve the 2030 sustainability targets for energy, carbon emissions, onsite energy production, waste and water. These measures quantify true unit savings so an accurate picture of the trajectory towards target attainment can be established. Each commitment is placed in an annual timeline, allowing integration with the CAPEX program and greater visibility on residual values to allow for planning of further measures to meet targets.

AAL 2030 Sustainability Targets



Net Zero

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 with a rolling three-year average and engagement with key stakeholders to encourage reduction of scope 3 emissions.



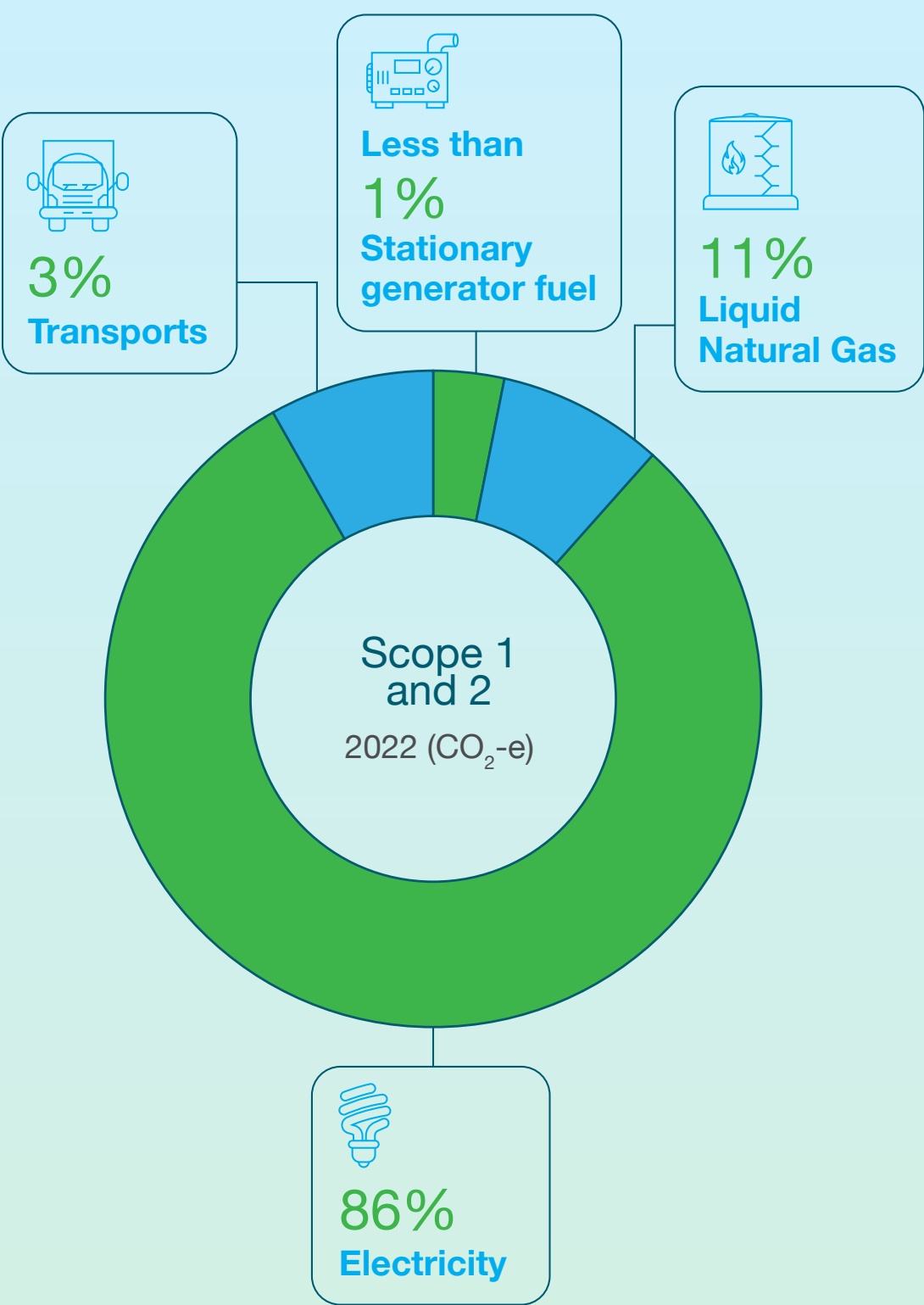
Scope 1 and 2

Direct emissions from company-operated vehicles, mobile plant and stationary engines, and direct heating of boilers are included in scope 1, while electricity for heating, cooling and general electricity consumption is included in scope 2. Emissions in scope 1 and 2 account for 1.3 per cent of Adelaide Airport’s full emissions.

Scope 1 and 2 emissions have more direct impacts and as such are driving investment in renewable energy.

The 2MW terminal solar installation project has recommenced to detailed concept design stage and the \$4m terminal and carpark LED lighting upgrade has progressed to implementation following suspension during COVID-19.

A Green Firm Power Purchase Agreement is also being progressed. Feasibility assessments are currently being completed for optimisation of energy usage in the terminal through window films, air-conditioning zoning and enhanced energy metering.



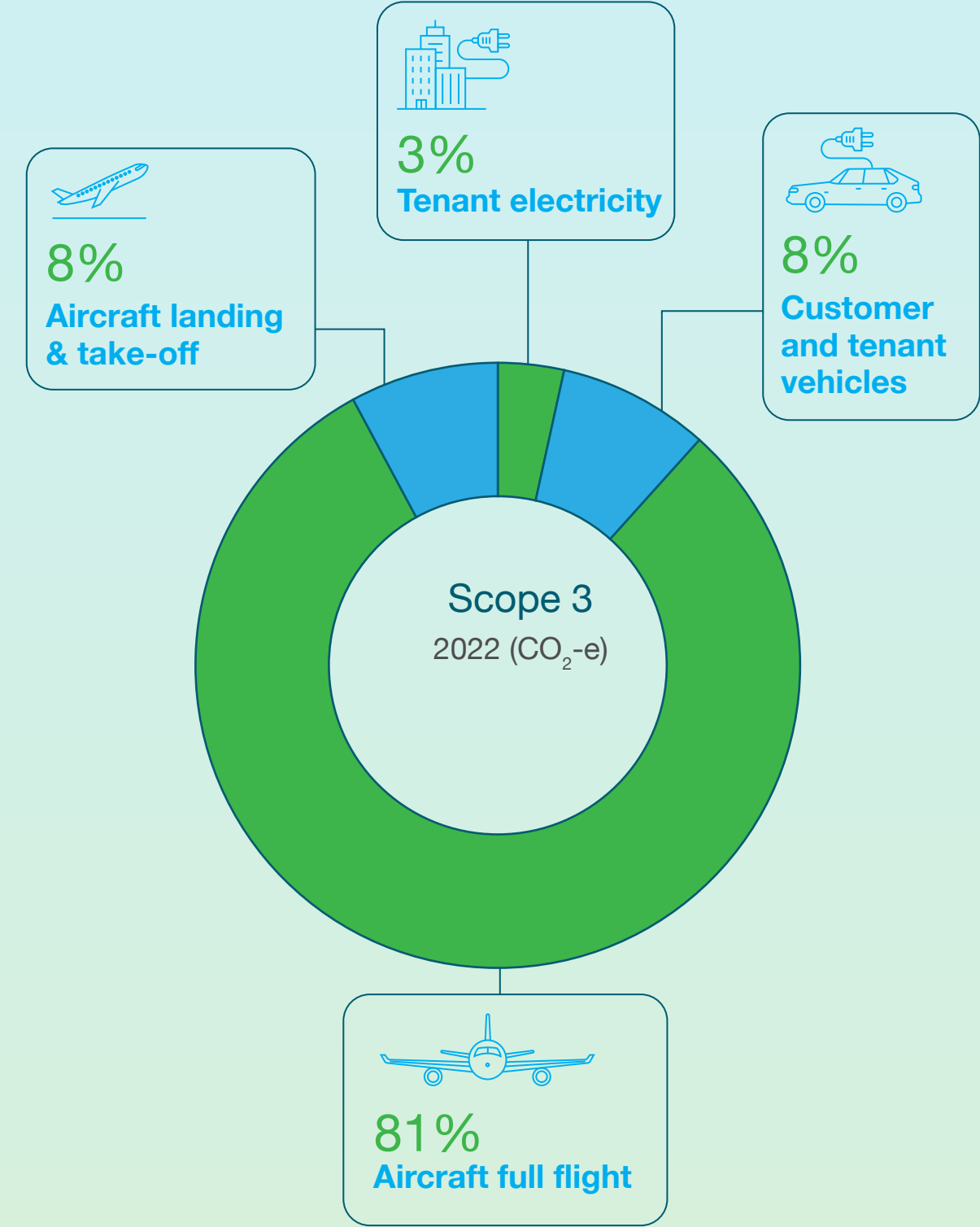
Carbon Emissions	AAL	PAL	Group
Scope 1 (tCO2-e)	755.5	15.5	771.0
Scope 2 (tCO2-e)	4,636.7	134.7	4,771.4
Scope 1+2 (tCO2-e)	5,392.2	150.2	5,542.4
Scope 3 (tCO2-e)	408,681.3	8,313.0	416,994.3
Emissions Intensity (Scope 1+2 (kgCO2-e /PAX)	1.3		

Scope 3

In 2022, we mapped a proportion of our scope 3 emissions from upstream and downstream activities in the supply chain. Emissions in scope 3 account for 98.7 per cent of Adelaide Airport’s full emissions. It includes emissions from corporate travel and the emissions of our users from electricity and fuel use, of which aircraft fuel is a significant proportion.

Adelaide Airport is a member of Bioenergy Australia and represented on the Sustainable Aviation Fuel Alliance of Australia and New Zealand (SAFAANZ).

Scope 3 emission management will see a greater focus in FY23 with greater requirements of our shareholders to align, calculate, report and reduce in accordance with the Greenhous Gas Protocol. Planning has commenced to transition diesel powered ground services equipment to electric vehicles, support hire car companies with electric vehicle charging infrastructure and provide leadership support in the transition to Sustainable Aviation Fuel (SAF).



Fuel and energy related activities	AAL	PAL	Group
Airside operator(s) fuel	695	0	695
Tenant electricity	10,742	1,365	12,107
Fire training	12	0	12
Tenant Liquid Natural Gas	10	0	10
Waste processing	1,145	7	1,152
Flights, hotels and taxi/rideshare	72	0	72
Staff home to office travel	252	8	260
Customer and tenant vehicles	29,560	4,559	34,119
Aircraft full flight	335,172	0	335,172
Aircraft landing and take-off	30,467	2,308	32,775
APU	495	n/a	495
Engine run-ups	61	66	127
Total (Scope 3)	408,683	8,313	416,996

Waste and Recycling Management

Adelaide Airport’s waste management strategy has seen a transition to partial integration into the South Australian circular economy. Organics collected through mandated collection of food waste as part of tenancy lease agreements and the terminal organics not only reduce emissions from being diverted from landfill, but are transformed into mulch and potting mix for nature positive outcomes. Sustained education is planned to ensure customers and tenants are provided with the right tools to prevent contamination of waste streams.

Waste	AAL	PAL	Group
Total waste and recycling (t)	438.5	6.1	444.6
General (t)	326.4	5.8	332.2
Total recycling (t)	112.1	0.3	112.4
Proportion of total waste diverted from landfill (%)	26%	4%	25%





Water

Integrated water management is in the initial planning phase with water sensitive urban design and infrastructure guidelines to be progressed as part of the development ready project in FY23. This will include the analysis of stormwater and recycled water for non-potable applications in the terminal. Consideration has already been given to connecting the HVAC cooling towers to recycled water with planned pilot studies to occur in the summer to ascertain water capacity requirements under high demand. Water auditing has identified the need to upgrade meters with smart meters for delivering water when it is needed.

Water Resources	AAL	PAL	Group
Potable water used (KL)	98,008	11,451	109,459
Recycled water used (KL)	80,942	0	80,942
Total water (KL)	178,950	11,451	190,401
Percentage of recycled water used	45%	0%	43%



Taskforce for climate-related financial disclosure

Adelaide Airport recognises the need to address climate change and limit global temperature increase to less than 1.5°C. Our emissions targets are:

- 50 per cent reduction in emissions by 2030 (based on 2018 baseline)
- Net zero emissions by 2050 (based on the 2018 baseline)

We acknowledge the need to adapt to the changing climate and have established complementary 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, services and the community.

In accordance with the TCFD framework we provide the following disclosures:

Governance

1. Sustainability policy reviewed with a draft update to climate change with specific principle - climate management to improve energy efficiency and maintain asset and community resilience. Planned for internal consultation in conjunction with update of sustainability targets
2. Development of draft sustainability governance framework that proposes the establishment of the AAL Sustainability Committee

Strategy

1. Development of Lead Sustainability Pillar in the AAL Strategic Plan 2022-2025 to ensure current and emerging sustainability risks and opportunities are managed
2. Development of energy demand strategy (in progress) to establish the amount of renewable energy AAL can generate
3. Development of electric vehicle charging strategy (in progress) to help our users transition from conventional vehicles
4. Planning and options analysis for the purchase of 'green power' through a power purchase agreement

Risk Management

1. Development of environment, climate change and sustainability risk appetite statement with a low appetite for failure to consider impacts on climate change
2. Impact and opportunity assessment of the draft recommendations for taskforce on nature-related financial disclosures to enable AAL to reduce indirect risks of nature loss
3. Annual climate change updates to the Risk Management Committee (RMC) and Board

Measurement and Targets

1. Improving performance evaluation by understanding the implications of the International Standards Sustainability Board (ISSB) climate-related disclosures standard (currently in draft) including financial statement data and reporting requirements
2. Initiation of the Energy Demand Strategy Project which includes modeling of future energy demand and capacity for renewables generation

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 take-off 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 behaviour 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.



Table 2. TCFD Disclosures

TCFD Element	TCFD Recommendation	AAL Response
<p>Governance</p> <p>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 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 (RWG) 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</p> <p>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 Pathway (RCP) 4.5 and RCP 8.5 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>
<p>Risk Management</p> <p>Disclose how the organisation identifies, assesses and manages climate-related risks.</p>	<p>a. Describe the organisation’s processes for identifying and assessing climate-related risks.</p> <p>b. Describe the organisation’s processes for managing climate-related risks.</p> <p>c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation’s overall risk management.</p>	<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 Pathway (RCP) 4.5 and RCP 8.5 within the context of our Enterprise Risk Management Framework.</p>
<p>Metrics and Targets</p> <p>Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.</p>	<p>a. Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.</p> <p>b. Disclose Scope 1, Scope 2, and if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.</p> <p>c. Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.</p>	<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 Airport 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>AAL undertook a significant process to develop a suite of new performance-based sustainability targets in 2020, including carbon emission reduction targets aligned with the Science Based Targets methodology of 50% reduction in 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>

SHAPING OUR BUSINESS

Business enablement

Adelaide Airport continues to have a strong commitment to improving our processes to enable us to focus on productive and value-add activities. We have been driving forward with our business transformation agenda to streamline and improve processes and to ensure our customers and staff experience a seamless, connected, and easy experience.

Our focus is on:

- Pain point reduction to identify, prioritise and address key issues, pain points and any wasteful processes;
- Process improvement by changing the way we do things to improve our processes resulting in the delivery of better services;
- Performance improvement by increasing our focus on ensuring we have the right performance measures and targets in place to drive improvement; and
- Capacity enhancements to provide our people with the headspace to develop and to focus on continuous improvement every single day in the workplace.

We have been able to do this by driving a structured and streamlined approach to business improvement. We are continually engaging with our staff, identifying sources of waste and inefficiency, and working together to design a better way of working which frees up time and allows our staff to focus on other value-added work. We have been able to improve productivity by reducing waste in processes, implementing best practice and automating manual processes, all of which has enhanced the value that our customers are experiencing.

We implemented many process improvements, which have given our staff capacity to focus more on the value-added component of their work. The Modern Way of Working Improvement Program is a multi-year program designed to empower us with enduring new skills in information management and the latest workplace digital tools. This has enabled us to collaborate in real time and work a lot smarter and more efficiently than before. We have modernised the way we work with a dynamic set of new tools that has enabled us to:

- Collaborate more efficiently;
- Reduce the effort needed to access information; and
- Access information from anywhere and at any time.

We have provided our staff with the ability to continue to upskill in the many new features now available in the suite of applications in the business via on-demand training modules. The training content helps us to modernise the way we work and helps us to all work smarter together.

Adelaide Airport continues to navigate the cyber security risks posed by a challenging and increasingly volatile geo-political environment, the impacts of which are felt across geographies and all sectors. This year we focused our efforts on cyber resiliency and operating within an enhanced regulatory framework.

Technology continuously improves and changes, and we have found that change is the new normal. We encourage our staff to take a growth mindset, be pro-active and take advantage of the opportunity to gain new skills. Shaping our business to perform is an ongoing digital transformation, which requires each of us to keep our skills up to date and find new, nimble ways to modernise the way we work, together.





Airside operations

Adelaide Airport's pandemic recovery and significant increase in operational tempo, particularly in the latter half of the financial year, has heightened the need to ensure we have the systems and processes in place to ensure the safety of our airfield infrastructure and everyone who works here.

It holds true that reactivating our operations, after effectively being in semi-hibernation for the best part of two years, presents significantly greater challenges than when everything was shut down at the beginning of the pandemic.

Our airside team are fundamentally the heartbeat of our aeronautical business. Without a safe and secure airside environment, our airport simply cannot function.

We have placed a very strong focus on airfield safety at a time when the airport's workforce are coming back up to speed and in many cases re-familiarising themselves with the rules and regulations around operations.

There has also been a high turnover in the airside workforce during COVID across our direct stakeholders including airlines, freight handlers and regulatory bodies, so it has been vitally important that new staff are fully trained and understand the complex and potentially hazardous environment in which they work.

We regularly review the safety of our operations with our airlines and ground handlers, agreeing areas of focus for heightened awareness and safety campaigns.

Modern slavery

Adelaide Airport has undertaken a comprehensive modern slavery review which has included identifying applicable compliance obligations, issues and risks. This review included a comprehensive Supply Chain Risk Assessment where each contractor or service provider was assessed in relation to specific risk criteria including geographic risk, our market share, sector/industry risk and supplier relationship.

As an outcome of this review, we have developed a Modern Slavery Maturity Assessment and an endorsed Modern Slavery Action Plan. The material practical implications of the Modern Slavery Action Plan are in policy development, training and ongoing commitment to ensure that we are able to:

- Make an assessment of modern slavery risk in its operations and supply chain;
- Undertake additional due diligence at the time of each new procurement to mitigate the risk of modern slavery; and
- Conduct ongoing reviews and audits of suppliers, customers and counterparties to assess changes to modern slavery risks.

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, and ensuring compliance with the Modern Slavery Act. We continue to work with our suppliers and partners collaboratively.

SHAPE AVIATION, SAFETY AND SECURITY



While the return of passengers has been very pleasing to see after such a difficult time managing COVID, it has presented all airports with the challenge of recruiting significant numbers of security screening staff to accommodate the resurgence. Interest was low while confidence in the industry was growing, however Certis continues to recruit a significant number of quality applicants and is rebuilding the security workforce capability to accommodate current volumes and expected growth.

This year Adelaide Airport installed enhanced screening equipment in all staff and goods screening points, in line with the requirements set out by the Department of Home Affairs. Significant infrastructure modifications will be required to the check-in hall and screening points to accommodate further enhanced screening equipment to ensure compliance and to accommodate growth in passenger numbers.

Throughout the challenging times of COVID, Adelaide Airport has continued to run emergency exercises incorporating all emergency services and many of our airline partners. Exercises have also included some different attendees such as the Australian Defence Force for security and APA Group who maintain the gas network across Adelaide. These exercises have provided the opportunity to develop key relationships to create working connections for the future should the need arise.

SHAPE FACILITIES MANAGEMENT

The return of airlines, passengers and other stakeholders has presented both optimism and challenges, and the management of Adelaide Airport's facilities is equally if not more impacted than other parts of our business.

The speed of growth in the first half of 2022 has never been experienced before at the airport, and this has required an extraordinary effort to bring many of our facilities back up to full operational capacity in a very short space of time.

We manage a range of facilities and assets, 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.

The full reactivation of these services almost from scratch requires a significantly heightened level of resourcing as well as increased maintenance checks and repairs. This has come at a time when our labour market is the tightest in recent memory. Combined with the ongoing impact of COVID, we've been presented with the perfect storm of rebuilding and retraining the workforce, managing higher than average absenteeism and managing maintenance and repairs.

All of these services must run at an optimal level to meet the expectations of our customers and stakeholders to operate a safe, secure and fully functional airport.

The post-pandemic growth has also presented another unexpected challenge, in that airlines have generally focussed the return of services on peak times to create operational efficiencies. As a result, our terminal is busier than pre-COVID during peak times but quieter at other times of the day. This requires new thinking in the way we manage our facilities with more sporadic operational requirements as we switch on and switch off facilities during the course of a day to mirror fluctuating use.

This 'peaky' demand requires getting the balance of effective cost management, capacity and service levels.

Facilities management platform

Adelaide Airport is investing significantly in an upgrade of our facilities management platform.

Our enterprise software enables access from any device either on site or via the Cloud. It delivers the full suite of software and functionality on both traditional laptops and PCs as well as smart devices. Users can switch between devices throughout the course of a day, which has obvious advantages for a large airport where our team may move between their office, terminal and airfield at any given time.

Upgrading the platform gives us additional functionality to effectively help us with our whole-of-lifecycle asset management piece. This helps ensure we optimise our assets for maximum use, offering the right balance of preventative maintenance regimes to reduce the amount of reactive maintenance.

We also will have more visibility of each point of the asset management lifecycle, which contributes to a more robust asset replacement program.



NURTURE OUR PEOPLE

Adelaide Airport continues to focus on attracting and retaining great people. Our strong culture has positioned us well to build our workforce post-COVID at a time when industries and sectors across Australia are facing a very tight and highly competitive labour market.

Adelaide Airport has welcomed 37 new employees to the team in 2021/22. Our ongoing focus on maintaining a strong employee value proposition has meant that even in a tighter labour market we have continued to attract excellent new talent into our business. We have also expanded the benefits we provide with a generous new approach to parental leave.

Emerging leaders

Continuing to also grow the capability of our talented team is an ongoing focus. In addition to role specific learning and professional development, this year we also launched our Emerging Leaders program. This small group program provides an exciting opportunity for selected team members to enhance their current skills with a focus on self-awareness, leading and influencing others and improving relationships.

Participants explore leadership from a range of perspectives, including their own and those they work with, increasing their awareness and their impact as an emerging leader.

Developing our future leaders, strengthening our talent density and providing meaningful career opportunities are important ways we're equipping the business and our people to be ready for the future.

We have modernised our HR function by bringing together all our HR processes into a single system. We've also enhanced our training systems to efficiently manage training compliance and professional training and development so as to reduce administration, improve training reporting and spend more time focused on the needs of our team.

Engagement

Every year we take the time to evaluate and seek feedback on the employee experience at Adelaide Airport. Listening and acting on this feedback is one of the most important things we do as part of our on-going commitment to making Adelaide Airport a great place to work.

Positively, our engagement results have remained high throughout COVID - this year underpinned by strong results in our team's overall rating of the company as an employer as well as our alignment and practice of our values.

Focus areas for FY23 will be on future workforce planning, training and development, diversity and inclusion, and ongoing commitment to health and wellbeing initiatives.

Culture

Underpinning all else that we do is our uncompromising focus on maintaining our great culture. When we reached out to our people to establish our own customer care team, focused on the needs of our passengers in our peak volume periods around Easter and school holidays, so many of our people were quick to volunteer.



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

1 July 2021-30 June 2022

	Male	Female
Under 30 years	1 (3%)	2 (5%)
30-50	13 (35%)	13 (35%)
Over 50 years	4 (11%)	4 (11%)
Total	18 (49%)	19 (51%)

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

1 July 2021-30 June 2022

	Male	Female
Under 30 years	0 (0%)	3 (2%)
30-50	9 (6%)	5 (3%)
Over 50 years	5 (3%)	0 (0%)
Total	14 (9%)	8 (5%)

Total turnover rate; 14.2%

Employee make-up by gender.

At 30 June 2022

	Male	Female
Full time	80 (48%)	48 (29%)
Part time	19 (12%)	17 (10%)
Casual	1 (1%)	0 (0%)
Total	100 (61%)	65 (39%)



NURTURE WORK HEALTH AND SAFETY

Our Work, Health and Safety 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 underwent a comprehensive review in December 2021, with the changeover of Managing Director, and is aligned to the International Standard ISO 45001 (Occupational Health and Safety Systems). This approach promotes a best practice 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, quarterly WHS bulletins and 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 our second organisation-wide safety culture survey, coordinated by PwC, to assess how our current culture and work environment impacts on safety performance and to identify opportunities for WHS improvements. The survey is also used to identify the position of Adelaide Airport in the WHS Maturity Model. The survey sought responses relating to the areas of safety culture values; safety culture behaviours – individual; safety culture behaviours – organisation; and safety culture compliance.

An overall safety survey score of 3.32 out of 4 was achieved based on a survey response rate of 78 per cent. The score was comparable to last year's result of 3.37 and there was a significant increase in participation rate from 72 per cent. The safety survey score has been adopted as a WHS key performance indicator and was again within the required range of a score between three and four. The survey will continue to be conducted on an annual basis in support of our continuous improvement approach to health and safety.

In October 2021, Adelaide Airport conducted Safety Week with the theme of Take 5 for Safety. Activities conducted during Safety Week included quizzes, the annual FOD Walk, daily communications with different topics each day and a staff BBQ that included activities and prizes. Safety Week was also promoted by the Australian Airports Association, whose theme was 'Safety is always our destination', and they provided three free webinars across the week. The week was well supported by all Adelaide Airport staff and will be held again in 2022 with a theme of 'Know safety, work safely' including a focus on mental wellbeing.

Our Total Injury Recordable Injury Rate for 2021/22 was below our rolling five-year average, and most incidents have been relatively minor in nature. All WHS incidents are analysed to determine emerging trends. Outcomes are distributed via toolbox talks, the WHS Committee, hazard alerts 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 provided in February.

With the borders opening up in November 2021 and international operations returning in 2022, continuous focus on hazard inspections and reporting, as well as training for staff, has been a priority as the aviation industry recovers from the pandemic. For the year ahead, there will be an additional focus on staff wellbeing, fatigue management and continued consultation with all relevant stakeholders to ensure we continue to be an employer of choice and industry leader in safety management practices.



NURTURE OUR COMMUNITY



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

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

Both Adelaide and 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. All four AACC and PACC meetings for the 2021/22 financial year were conducted utilising video conference facilities on account of COVID meeting restrictions. The August 2022 meeting was conducted in person.

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), also chaired independently, serves a similar function to the AACC by providing an advisory forum for members to discuss their views on issues that might be affecting the airport.

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.

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.

Russell Synnot has retired as Independent Chair with his last meeting in November 2021, where he was thanked for his significant tenure and contribution to the Adelaide and Parafield community and service to the aviation industry. Brenton Burman became Independent Chair with his first meeting in February 2022.

It was acknowledged Russell's almost 25 years of service played an integral role in the development of community engagement forums in the aviation sector, having reviewed technical and operational issues to achieve outcomes for the community and providing assistance in the development of the Adelaide and Parafield Airports Master Plans.

It was noted the Adelaide and Parafield Airport stakeholder consultation model is being held in high regard and demonstrates a strong commitment to support stakeholders and facilitate constructive and open discussion of airport operations and their impacts on nearby communities.

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.

Other community groups

Adelaide Airport is active in community engagement in the environment area, and is a supporter of the Friends of Patawalonga Creek and Regional Climate Adaption Groups. 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.

Landcare Australia was successful in achieving a \$39,790 grant from one of Adelaide Airport's shareholders, IFM. Landcare Australia will work with an Aboriginal works team to implement 1km of habitat restoration, which will improve water quality and support associated fauna including frogs and small birds around the Brownhill Creek located adjacent to the Captain McKenna Shared Use Path.

Local corporates, residents and businesses will also be engaged to help revegetate the site through community planting events.

Adelaide and Parafield airports provide regular presentations to community groups upon request. In 2021/22 this included:

- West Torrens Historical Society
- Burnside City Uniting Church Friendship Club
- Rotary Club of Kidman Park
- University of Adelaide
- West Lakes Shore Probus Club
- Brooklyn Park Probus Club

Both airports have also been active in the business community including:

- Panellist for the Property Council luncheon speaking on property developments at Adelaide and Parafield Airports;
- Participation at the National Airports Safeguarding Advisory Group with Commonwealth and State Officials;
- Attendance at the Adelaide Development Economic Agency Business Summit;
- Presenting to the Association of Corporate Counsel Conference in respect of the Adelaide Terminal Expansion; and
- Tourism and Transport Forum Policy Panel.

Adelaide Airport was delighted to host the South Australian Governor, Her Excellency the Honourable Frances Adamson AC and Mr Rod Bunten for an industry visit to Adelaide Airport in March 2022. We also welcomed Premier Peter Malinauskas who visited the airport to thank the broader airport family for their dedication during COVID. Minister for Tourism, Zoe Bettison, also visited the airport to witness the \$200m terminal expansion and Vickers Vimy relocation.

Community outcomes

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

- Meeting with the City of West Torrens, Airservices Australia in respect on Remembrance Day and Anzac Day flight activity;
- Dissemination of quarterly passenger movement data and notification of new services including Newcastle, Sunshine Coast and Hobart;
- Notification of return of international services including Qatar, Fiji Airways and Air New Zealand;

- Adelaide and Parafield Airports volunteering with six other Australian Airports to be part of the inaugural Australian Governments PFAS (Per- and Poly-Fluoroalkyl Substances) Investigation Program. The aim of the PFAS Investigation Program is to identify the nature, extent and magnitude of PFAS contamination (resulting from the Commonwealth's previous use of PFAS containing foam in firefighting activities) at each airport and ensure appropriate management plans are in place to manage any identified risks;
- Communication of Curfew Dispensation for additional Low Noise Heavy Freight (LNHF) operations above the allocated maximum permitted weekly movements for critical surgical freight, radioactive isotopes for cancer treatments, blood samples, Rapid Antigen Tests and fresh food supplies for the period 7 May to 30 December 2022 by Toll;
- Updates on the relocation of the Vickers Vimy aircraft to the main terminal building at Adelaide Airport;
- Tabling of Airservices flight data displaying flights that overfly the Buckland Park area (100 per day) resulting in the request to inform residential buyers in a form similar to the letter the City of Salisbury produces;
- Cleaning of Keswick Creek drain by SA Water;
- Notification of the upgrade of the intersection of Transport Avenue and Richmond Road;
- Notification for work commencing on the corner of Tapleys Hill Road and West Beach Road for a commercial facility; and
- Request for airport road signage when approaching from western suburbs to the State Department of Infrastructure.



Partnering in the community

Adelaide Airport is seeking to re-engage with its community partners after placing some of these strategic relationships on hold due to COVID and the need to focus on business recovery.

We carefully consider these partnerships each year and look to ensure they are aligned with our strategic plan.

Our long-term support for the Royal Flying Doctor Service (RFDS) continued in 2021/22, while we were also pleased to reactivate our support for Foodbank.

Foodbank SA

Foodbank is Australia's largest food relief organisation supporting charities, schools and individuals to get food and groceries to people in need.

Adelaide Airport supports Foodbank SA's school programs. Our support, along with matched funds donated, contributed to more than 180,000 breakfasts.

The Foodbank School Breakfast Program supplied breakfast provisions to 282 schools in the first two terms of 2022, and supporting more than 8,000 students.

The organisation's food assistance not only addresses people's immediate nutrition needs, but also contributes to improvements in their health, emotional wellbeing, sense of self-worth, social relationships and ultimately overall standard of living.

Combined with the environmental savings of food not going to waste, the benefit to the individual and the broader community that flows from every kilogram of food distributed by Foodbank is valued at \$23 per kilogram per adult. For children receiving food via breakfast school programs, that figure rises to \$110 per kilogram.

Royal Flying Doctor Service – COVID-19 Vaccination Program

The RFDS is the key service provider of the Australian Government's National Immunisation Program, helping infants, children, young adults and vulnerable adults such as pregnant women and Aboriginal and Torres Strait Islander people.

In 2021, COVID-19 became the number one priority of the nation's vaccination effort. The RFDS COVID-19 Vaccination Program has been a collaborative partnership between RFDS Central Operations, the Australian Government and Adelaide Airport.

While operational costs were funded by the Australian Government, Adelaide Airport's contribution helped fund the hidden 'administration' costs of training and accreditation, location research, planning and scheduling, patient screening, clinical governance, patient health recording and stakeholder communications.

In 2021/22, the program resulted in the administration of more than 6,000 vaccinations to residents across 38 locations, requiring 88,000km flown over 165 working days.

Remote residents were vaccinated in 'pop-up' style immunisation hubs in front bars of outback pubs, shearing sheds, homesteads, community clinics and even in the rear of an aircraft on a station airstrip.



NURTURE INDUSTRY PARTICIPATION



Adelaide Airport team members have maintained their active participation in key stakeholders at a local, national and international level, even through the pandemic.

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 maintain our position as an Australian leader and innovator in the environment space.

In 2021, Adelaide Airport was a founding member of the Travel Innovation Club, with the Executive General Manager Technology & Innovation leading the airport's engagement. The Club includes leaders from the travel industry who work together to explore innovative ideas that can add value to travellers and the travel industry.

Adelaide Airport is represented at the ACI World IT Standing Committee by the Executive General Manager Technology & Innovation. Adelaide Airport's Business Intelligence Analyst/Developer contributes to global standards for information and data exchange within the aviation community via participation in the ACI Aviation Community Recommended Information Services group.



National

Adelaide Airport is a member of the Australian Airports Association (AAA), with the Executive General Manager Planning and Infrastructure Chair of the AAA Board. Our Managing Director is a member of the AAA CEO's Group and the Executive General Manager Corporate Affairs is a member of the AAA Corporate Affairs Group and on the Board as immediate past Chair of the AAA.

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.

State

At a local level, Adelaide Airport 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. Our Managing Director is also a Divisional Council Member of the South Australian Property Council and the air freight representative on the South Australian Freight Council.

The Executive General Manager Technology & Innovation led Adelaide Airport's participation in the successful bid by the SA Government and Nokia Oceania to develop a National 5G Test & Innovation Lab in South Australia.

Local

Both Adelaide and Parafield 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.

SECTION FOUR

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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 four 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 the economy.

The Parafield Airport team has again demonstrated its versatility and resilience in managing operations despite curtailed resourcing and significant external challenges.

Flight training

Our aviation training partners were severely impacted by the pandemic through the loss of international students due to border closures.

There are green shoots with international borders opening up in February this year, but it's expected the return of international students will still take some time to reach previous levels, and gaps in the market still exist with the continued closure of our borders with China and Hong Kong.

We are seeing signs of recovery despite flight movements decreasing by 7 per cent on the previous financial year. Parafield Airport's traffic movements have lagged behind other airports. The effects of COVID took longer to materialise because international students remained to complete their courses, even during lockdowns. However, these students are also slower to return, as outlined above.

Our largest flight training provider, Flight Training Adelaide (FTA), has indicated that a majority of its airline partners have now returned for commercial pilot training. Similarly, it is seeing an increase in interest in private training.



Property

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

Our team maintained strategic relationships with all tenants and provided ongoing support such as rent assistance through the height of the pandemic. This has contributed to the retention of all of our clients and contributed to business growth in the past financial year.

Our property portfolio is benefiting from very favourable market conditions, due in part to the scarcity of commercial land to the north of the city combined with increased land values.

We have benefitted from 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.

Construction has commenced on a new District Outlet Centre, being developed by Devwest within the airport's Commercial Precinct. The \$50 million project, due for completion in early 2023, will offer close to 45 iconic national and international brands as well as extensive food and beverage options.

Site mobilisation has also commenced on the new Parafield Service Centre adjacent Main North Road.

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.

Parafield Airport will start the process of delivering on its next Master Plan in early 2023. This involves significant stakeholder consultation to provide the best outcomes for both our on-airport businesses and our neighbouring communities.

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.



SECTION FIVE

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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 continues 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, 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.

Category	Risk description	Risk mitigants or controls
Financial	Reduced aeronautical revenue associated with external events. Whilst the impact of the COVID-19 pandemic has stabilised with a return of passenger numbers in general, there remains some continuing impacts associated with COVID-19 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 publicly 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 Development2. International Panel on Climate Change (IPCC) 2018 Special Report on Global Warming of 1.5°C3. Airport Council International (ACI) 2050 Net Zero Goal4. The 30-Year Plan for Greater Adelaide – (Target 5, A green liveable city) <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 adoptions plan.</p> <p>Developed carbon emission reduction targets in line with the Science Based Targets methodology for a 1.5°C in line with the Paris Agreement.</p> <p>Undertook a Taskforce on Climate related Financial Disclosures (TCFD) gaps analysis, developed a progressive review and disclosure plan.</p>

Category	Risk Description	Risk Mitigants or controls
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 stabilisation 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>
	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>AAL has robust systems and defences in place to ensure this risk is appropriately managed, including;</p> <ul style="list-style-type: none"> • Cyber Response Planning and exercises; • External cyber threat monitoring; detection and support including endpoint detection and response solutions; • A managed Security Operations Centre; • Ongoing threat and vulnerability assessments; • Adherence to NIST Cybersecurity Framework and Australian Signals Directorate's 'Essential Eight' mitigation strategies; • Ongoing staff training and awareness campaigns; and • Broader vulnerability assessment taking third party risk and mitigation strategies into consideration.
	Crisis management and business continuity risk	AAL has in place a comprehensive Resilience Framework. This cohesive strategy brings together AAL's plans and processes to deal with disruption taking an "all hazards" approach. AAL's pandemic plan which forms part of its Crisis Management Plan was activated in January 2020 in response to COVID-19. The plans continue to be enhanced noting lessons learned during the pandemic. 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.
	Ensure that an appropriately skilled workforce is maintained to support execution of AAL's strategy.	Recruitment activity continues to demonstrate continued confidence in AAL's employer brand. Ongoing enhancement of AAL's Training Framework and training needs analysis activity continues. A focus on workforce planning and adaptability as well as process improvement and business transformation activities in accordance with AAL's Strategic Plan remain ongoing.

Category	Risk Description	Risk Mitigants or controls
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) is undertaken using an all agencies approach. Airport emergency governance is in place via the AAL Airport Emergency Committee.</p> <p>There remained a continued emphasis on ‘ramp-up’ risk across AAL operations and the wider airport community to ensure a continued focus on the 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>AAL has in place a comprehensive wildlife hazard management program.</p> <p>Ongoing consultation continued with airport partners via various forums and monitoring and reporting of AAL’s Safety Management System via comprehensive scorecard and KPIs. AAL has in place a comprehensive Aviation Security Program in accordance with the Transport Security Program which includes ongoing Cyber and Infrastructure Security Centre (CISC) and AAL quality assurance activity.</p>
	Risk of injury	<p>AAL has in place a WHS Maturity Framework which is underpinned by AAL Safety Culture measurement.</p> <p>We are committed to establishing and monitoring measurable WHS objectives and targets to ensure continuous improvement aimed at the elimination of work-related injury and illness. A comprehensive scorecard comprised of leading and lagging indicators is monitored and reported on, on a monthly basis.</p> <p>AAL’s 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 is in place with an emphasis on safety initiatives, assurance activity and COVID-19 health and safety controls.</p>
Safety & Compliance	Regulatory compliance	<p>AAL has in place a comprehensive framework and maturity model aligned to AS/ISO19600:2015 Compliance Management Systems. A Compliance Requirements and Commitments Register assesses all compliance requirements and AAL has committed to developing compliance plans for areas of high risk. Ongoing legislative monitoring continues to take place to ensure any new compliance requirements are identified and managed.</p>
	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 is low.</p> <p>PFAS monitoring and investigations in accordance to AAL’s PFAS Management Framework remain ongoing.</p>
Environment	Customer experience	<p>AAL has a range of controls in place to ensure it presents an easy, seamless and connected customer experience. After being on hold due to COVID-19, AAL’s ambassador program resumed, providing customers with an invaluable information source. Significant work was also undertaken, to ensure COVID-19 controls remain effective whilst also not negatively impacting on the customer experience. The customer feedback system remains in place as a valuable way to implement a continuous improvement process for the customer experience in our terminal.</p>
Brand & Reputation		



Company Structure

Adelaide Airport Limited is a private, unlisted South Australian company and is comprised of five entities: All group entities have a common board 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.

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), Fusetec (Chairman), 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 Audit and Compliance Committee
- Member of the Property, People and Customer Committee
- Member of the Infrastructure Committee
- Member of the Remuneration Committee

BRENTON COX

LLM (Cantab), LLB (Hons), GDLP, B.Com. (Acc), B.Fin.
Managing Director



Experience and expertise

Brenton was appointed Managing Director of Adelaide Airport on 10 December 2021. Brenton joined Adelaide Airport in 2013 and was previously 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 Master 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 Finance, Risk and Compliance Committee), a Board member of Adelaide University Business School Advisory Board and a Councillor of the Property Council of South Australia and Freight Council of South Australia.

Special responsibilities

- Managing Director
- Member of the Property, People and Customer Committee
- Member of the Infrastructure Committee

LISA BROCK

BSc (Hons), MAppFin, ACA, GAICD
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 a Honours Degree in Maths and Sport Science at the University of Birmingham.

Special responsibilities

- Member of the Audit and Compliance Committee
- Member of the Property, People and Customer Committee
- Member of the Infrastructure Committee

MICHAEL BRYAN GORMAN

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

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 Host-Plus Pty Ltd. 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 and Sevenhill Wines and is a major project consultant to Lendlease.

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

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 specialising in governance and strategy development, particularly in transport, tourism, communications, infrastructure and technology focused industries. He retired as the General Manager Commercial of News Limited in 2001.

Prior to joining News Limited in 1994 John was Managing Director and Chief Executive of Qantas Airways Limited, in which he spearheaded its acquisition of a merger with Australian Airlines and the group’s subsequent privatisation. This culminated 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. He is the former Chairman of Wolseley Private Equity and is a seasoned and well credentialed non-executive director, having served, including as chairman, on the boards of many listed and unlisted public companies headquartered in both Australia and overseas. He has also held appointments on several government bodies in the fields of tourism, aviation, freight and economic regulation.

Special responsibilities

- Chair of the Remuneration Committee
- Member of the Audit and Compliance Committee
- Member of the Property, People and Customer Committee
- Member of the Infrastructure Committee

ALAN SHANG TA WU

M.Com., CFA, GAICD
Director



Experience and expertise

Alan joined the Board on 23 February 2022 as a non-executive director nominated by Igneo Infrastructure Partners. Alan was previously an alternate director of Adelaide Airport since 30 March 2011. Alan is a Director, Infrastructure Investments, at Igneo Infrastructure Partners.

Alan is responsible for the management of transport and utilities infrastructure assets and evaluation of new investment opportunities within the Infrastructure Investments team. Alan has been involved in the investment, management and divestment of infrastructure assets, as well as portfolio management since 2000. Alan was also actively involved in the establishment and growth of First Sentier Investors flagship infrastructure funds in Australia.

Other directorships and positions

Alan currently serves as a director on a number of Boards including a director of for Brisbane Airport Corporation and Water Utilities Australia. Alan has also previously served as a director of Bankstown and Camden Airports.

Special responsibilities

- Member of the Audit and Compliance Committee
- Member of the Property, People and Customer Committee
- Member of the Infrastructure Committee

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 and Compliance Committee
- Member of the Property, People and Customer Committee
- Member of the Infrastructure Committee

CHRISTOPHER 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

MARK 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 and retired from this position on 10 December 2021. 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

We would like to congratulate and thank our retiring Managing Director Mark Young and Director Chris McArthur for their wonderful service and leadership.



Both Mark and Chris have been an integral part of the business, overseeing a period of record international passenger growth and significant infrastructure spending, as well as managing the significant challenges of the pandemic. They leave the organisation in a stronger position across our aeronautical and non-aeronautical businesses.

Mark has been with Adelaide Airport for 21 years, both as Chief Financial Officer and the past decade as Managing Director. He was strong believer in the importance of the people and culture within an organisation and has remarked that the airport's strength in this area was one of his great legacies. This was also evident from the large number of staff and stakeholders who attended farewell events marking his extraordinary contribution.

Alternate Directors

KATE McCAWE

B.Com, CFA
Alternate Director

Experience and expertise

Kate was appointed as an alternate director to Alan Wu on 23 February 2022. Kate is an Associate Director at Igneo Infrastructure Partners since December 2015. Kate previously held positions at Commonwealth Bank of Australia, Equities Research and KPMG.

Other directorships and positions

Kate currently serves as an alternate Director at Brisbane Airport Corporation.

KENT IAN ROBBINS

B.Bus (Property), AAPI, GAICD
Alternate Director

Experience and expertise

Kent was appointed as an alternate director to John Ward in March 2011, Jane Yuile in August 2016 and Michael Gorman in February 2018. Kent is the Head of Property and Infrastructure for UniSuper which is Australia's only industry super fund dedicated to the higher education and research professionals. UniSuper has over 450,000 members and has over \$80B in funds under management. Kent has nearly 30 years' experience in the finance industry, predominantly in superannuation funds management. Kent joined UniSuper in November 2009, and is responsible for the Fund's Property, infrastructure and Private Equity portfolios.

Kent is an Associate of the Australian Property Institute and Member of the Australian Institute of Company Directors.

Other directorships and positions

Kent is a current director of AquaSure (Victoria's Desalination Plant) and Plenary Health (Victorian Comprehensive Cancer Centre).

Company Secretaries

ALICIA BICKMORE

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

Experience and expertise

Alicia is Adelaide Airport's Executive General Manager - Corporate and General Counsel (appointed on 10 December 2021) 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).

SARAH WESTMORELAND

CA, B.Com
Company Secretary

Experience and expertise

Sarah is Adelaide Airport's Head of Finance and was appointed Company Secretary in December 2021 after joining Adelaide Airport in December 2015.

Prior to joining Adelaide Airport, Sarah held roles as Financial Controller at Santos Limited, RAA Insurance and Manager at PricewaterhouseCoopers. Sarah is a Chartered Accountant and holds a Bachelor of Commerce (Accounting and Corporate Finance) from the University of Adelaide.

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;
- Monitoring 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" in the annual statutory accounts for the Group.

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.

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. The committee structure and membership is reviewed on an annual basis.

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 organisation 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 (Continuous Improvement and Assurance) 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 to be 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 twice each year supported by a quarterly update publication. Management update a "Shareholder Communications Protocol" from time to time with input from Board and shareholders.



FINANCIAL PERFORMANCE

FY22 results continued to be impacted by COVID-19 with the financial performance reflecting significant fluctuations in operating levels throughout the year. Passenger numbers ranged from a low of 14 per cent of FY19 passengers in August 2021 to 88 per cent in June 2022. EBITDA (excluding fair value adjustment of investment properties) of \$78.5m was up \$10.7m or 15.8 per cent against prior year. Prior year results were impacted by a number of positive one-offs including JobKeeper and the recovery of Virgin debt provisions - on a normalised basis EBITDA was up \$21.7m or 38.2 per cent.

Revenue of \$147.8m was up \$32.0m or 27.7 per cent due to an increase in passenger volumes of 35.5 per cent. This flowed through to aeronautical revenue, car parking and turnover rental on retail and car rental operators, which also benefitted from growth in passenger spend rates. Revenue performance also reflected non-passenger linked growth associated with our property business and the acquisition of the Adelaide Airport Aviation Fuel Facility in December 2021. Revenue gains were partially offset by an increase in operating expenses of \$21.3m or 44.4 per cent (or by \$14.1m or 25.6 per cent after normalising for JobKeeper assistance and recovery Virgin Australia debt in the prior year) driven by an increase in the scope of operations following the return of passenger volumes.

The statutory accounts included a \$48.5m 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.

We continued to receive support from our shareholders through the deferral of RPS distributions, which has helped maintain our Baa2 and BBB credit ratings with Moody's and Standard and Poor's respectively. Both agencies have also now revised their outlook statements from negative to stable as passenger volumes and credit metrics have recovered and are on track to

return to the levels expected for Adelaide Airport Ltd's (AAL) investment grade credit ratings.

Positive operating cash flow of \$50.6m for the year was sufficient to fund all capital projects. AAL held unrestricted cash balances of \$88.4 million at 30 June 2022. Cash balances together with \$250 million in undrawn bank debt facilities are forecast to provide sufficient liquidity to meet operational and capital requirements for the foreseeable future. AAL's next debt maturity is \$150 million of undrawn bilateral bank facilities in May 2023, followed by \$155 million (\$105 million drawn) of bilateral bank facilities between July and October 2023.

\$43 million was spent on capital projects during FY22 which largely related to the Terminal Expansion project and acquisition of the Adelaide Airport Fuel Facility which accounted for more than 60 per cent of AAL's total capital spend.

For more detailed information on our Financial Performance, please read this in conjunction with our 2022 Financial Report.



SECTION SEVEN

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PROSPECTS

Prospects

The recovery from COVID and rapidly changing market conditions has presented new challenges and opportunities within the aviation industry, the ripple effects of which will likely last well into the current decade.

Adelaide Airport has already witnessed a shift in our network, with some routes slow to return post-pandemic but other routes introduced for the very first time.

Tight labour markets and airlines facing the realities of reintroducing previously mothballed aircraft back into their fleets have changed the dynamic for destination planning.

On the domestic front, Adelaide Airport anticipates a continuation of the trend to smaller, more efficient aircraft such as the Embraer E190 opening up previously unserved regional markets. For international sectors, we've seen growth in more efficient long haul aircraft such as the Boeing 787 Dreamliner and Airbus A350, all of which create new opportunities for our market.

Smaller aircraft also create greater service frequency, which again suits Adelaide's position in the market.

Our prevailing view is that airlines are moving away from hub and spoke service delivery to more of a point-to-point model. However, we've seen exceptions working to our benefit, such as Qatar Airways Doha-Auckland service tagged through Adelaide, creating both increased capacity to Middle East and European markets as well as competition on the Trans-Tasman route.

Our property interests are expected to remain in a healthy position as construction continues in our Airport East precinct and we plan for the design and development of an Office Park. Major projects such as these help us shape South Australia's economic future.

Adelaide Airport is building sophisticated models of our customers' journeys to help improve customer experience using our IT and digital platforms to monitor behaviour and analyse feedback.

This goes well beyond 'kerb to gate', but rather considers their whole journey from leaving their home until they return. There is also an appetite for airports to collaborate to provide a positive whole-of-industry customer experience.

Adelaide Airport remains well positioned to build on its leadership in sustainability, particularly around electricity production and emissions reduction. Potential initiatives could include microgrids and solar batteries across multiple sites within the airport precinct. Our acquisition of the airport's main refuelling facility creates greater opportunity to examine the prospects of introducing sustainable aviation fuels to our mix.

In all that we do, safety, security and maintenance of our assets remain paramount.

Our hard work to recover from the pandemic continues, but we also remember to look after ourselves and each other, while evolving the way we operate to improve our work/life balance.

We look forward to seeing you again

Thank you for reading our Integrated Review, and for the support of all our staff, customers, business partners, tenants and wider stakeholders.

As we've covered in these pages, reconnecting has been and will be wonderful but there will also be continued turbulence. As travel rebounds, we will continue to bring our vision for Adelaide Airport to light - to become Everyone's favourite airport. Seamless. Connected. Easy.

We look forward to welcoming you back!





GRI Standard Number	Disclosure 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 2	General Disclosures 2021	2-1	Organisational details	Adelaide Airport Limited Our Company (p.05) and Our Business (p.20)
GRI 2	General Disclosures 2021	2-2	Entities included in the organisations sustainability reporting	Company Structure (p.71)
GRI 2	General Disclosures 2021	2-3	Reporting period, frequency and contact point	Annual
GRI 2	General Disclosures 2021	2-4	Restatements of information	Nil
GRI 2	General Disclosures 2021	2-5	External assurance	Risk and Governance (p.67)
GRI 2	General Disclosures 2021	2-6	Activities, value chain and other business relationships	Our Company (p.05) and Our Business (p.20)
GRI 2	General Disclosures 2021	2-7	Employees	Our People (p.55)
GRI 2	General Disclosures 2021	2-8	Workers who are not employees	Our People (p.55)
GRI 2	General Disclosures 2021	2-9	Governance structure and composition	Risk and Governance (p.67)
GRI 2	General Disclosures 2021	2-10	Nomination and selection of highest governance body	Risk and Governance (p.67)
GRI 2	General Disclosures 2021	2-11	Chair of the highest governance body	Our Company (p.05) and Risk and Governance (p.67)
GRI 2	General Disclosures 2021	2-12	Role of the highest governance body in overseeing the management of impacts	Risk and Governance (p.67)
GRI 2	General Disclosures 2021	2-13	Delegation of responsibility for managing impacts	Risk and Governance (p.67)
GRI 2	General Disclosures 2021	2-14	Role of the highest governance body in sustainability reporting	Risk and Governance (p.67)
GRI 2	General Disclosures 2021	2-15	Conflicts of interest	Risk and Governance (p.67)
GRI 2	General Disclosures 2021	2-16	Communication of critical concerns	Risk and Governance (p.67)
GRI 2	General Disclosures 2021	2-17	Collective knowledge of the highest governance body	Risk and Governance (p.67)
GRI 2	General Disclosures 2021	2-18	Evaluation of the performance of the highest governance body	Risk and Governance (p.67)
GRI 2	General Disclosures 2021	2-19	Remuneration policies	Risk and Governance (p.67)
GRI 2	General Disclosures 2021	2-20	Process to determine remuneration	Risk and Governance (p.67)

GRI 2	General Disclosures 2021	2-21	Annual total compensation ratio	Not reported
GRI 2	General Disclosures 2021	2-22	Statement on sustainable development strategy	Sustainability (p.40)
GRI 2	General Disclosures 2021	2-23	Policy commitments	Risk Management (p.67)
GRI 2	General Disclosures 2021	2-24	Embedding policy commitments	Compliance (p.67)
GRI 2	General Disclosures 2021	2-25	Processes to remediate negative impacts	Risk Management (p.67)
GRI 2	General Disclosures 2021	2-26	Mechanisms for seeking advice and raising concerns	Risk Management (p.67)
GRI 2	General Disclosures 2021	2-27	Compliance with laws and regulations	Risk Management (p.67)
GRI 2	General Disclosures 2021	2-28	Membership associations	Industry Participation (p. 61)
GRI 2	General Disclosures 2021	2-29	Approach to stakeholder engagement	Our Community (p.58) and Industry Participation (p. 61)
GRI 2	General Disclosures 2021	2-30	Collective bargaining agreements	Not reported
GRI 3	Material Topics 2021	3-1	Process to determine material topics	Materiality Assessment (p.24), Material Issues (p.25) and Risk Management (p.67)
GRI 3	Material Topics 2021	3-2	List of material topics	Materiality Assessment (p.24) and Material Issues (p.25)
GRI 3	Material Topics 2021	3-3	Management of material topics	Materiality Assessment (p.24), Material Issues (p.25), AAL Strategy 2022-2025 (p.22), Sustainability (p.40) and Risk Management (p.67)
GRI 201	Economic Performance	201-1	Direct economic value generated and distributed	Our Company (p.05)
GRI 201	Economic Performance	201-2	Financial implications and other risks and opportunities due to climate change	Sustainability (p.40)
GRI 203	Indirect Economic Impacts	203-1	Infrastructure investments and services supported	Our Company (p.40) and Property (p.31)
GRI 203	Indirect Economic Impacts	203-2	Significant indirect economic impacts	Our Company (p.40) and Our Business (p.20)
GRI 205	Anti-corruption	205-3	Confirmed incidents of corruption and actions taken	Nil

GRI 206	Anti-competitive Behaviour	206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	Nil
GRI 207	Tax	207-4	Country-by-country reporting	Results (p.8)
GRI 302	Energy	302-1	Energy consumption within the organisation	Sustainability (p. 40)
GRI 302	Energy	302-2	Energy consumption outside of the organisation	Sustainability (p. 40)
GRI 302	Energy	302-4	Reduction of energy consumption	Sustainability (p. 40)
GRI 302	Energy	302-5	Reductions in energy requirements of products and services	Sustainability (p. 40)
GRI 303	Water and Effluents	303-5	Water consumption	Sustainability (p.40)
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.40)
GRI 304	Biodiversity	304-2	Significant impacts of activities, products and services on biodiversity	Sustainability (p.40)
GRI 304	Biodiversity	304-3	Habitats protected or restored	Sustainability (p.40)
GRI 304	Biodiversity	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	Sustainability (p.40)
GRI 305	Emissions	305-1	Direct (Scope 1) GHG emissions	Sustainability (p.40)
GRI 305	Emissions	305-2	Energy indirect (Scope 2) GHG emissions	Sustainability (p.40)
GRI 305	Emissions	305-3	Other indirect (Scope 3) GHG emissions	Sustainability (p.40)
GRI 305	Emissions	305-4	GHG emissions intensity	Sustainability (p.40)
GRI 305	Emissions	305-5	Reduction of GHG emissions	Sustainability (p.40)
GRI 305	Emissions	305-6	Emissions of ozone-depleting substances (ODS)	Sustainability (p.40)
GRI 305	Emissions	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Sustainability (p.40)
GRI 306 (2016)	Effluents and Waste	306-2	Waste by type and disposal method	Sustainability (p.40)
GRI 306 (2016)	Effluents and Waste	306-3	Significant spills	No significant spills occurred at either Adelaide or Parafield Airports during the reporting period.
GRI 306 (2016)	Effluents and Waste	306-4	Transport of hazardous waste	Sustainability (p.40) “Hazardous” waste is limited to biosecurity waste and items confiscated security screening and border control
GRI 306 (2020)	Waste	306-1	Waste generation and significant waste-related impacts	Sustainability (p.40)
GRI 306 (2020)	Waste	306-2	Management of significant waste-related impacts	Sustainability (p.40)
GRI 306 (2020)	Waste	306-3	Waste generated	Sustainability (p.40)
GRI 306 (2020)	Waste	306-4	Waste diverted from disposal	Sustainability (p.40)
GRI 306 (2020)	Waste	306-5	Waste directed to disposal	Sustainability (p.40)
GRI 401	Employment	401-1	New employee hires and employee turnover	Our People (p.55)

GRI 403	Occupational Health and Safety	403-1	Occupational health and safety management system	Work Health and Safety (p.57) and Risk Management (p.67)
GRI 403	Occupational Health and Safety	403-2	Hazard identification, risk assessment, and incident investigation	Work Health and Safety (p.57) and Risk Management (p.67)
GRI 403	Occupational Health and Safety	403-3	Occupational health services	Work Health and Safety (p.57) and Risk Management (p.67)
GRI 403	Occupational Health and Safety	403-4	Worker participation, consultation, and communication on occupational health and safety	Work Health and Safety (p.57) and Risk Management (p.67)
GRI 403	Occupational Health and Safety	403-5	Worker training on occupational health and safety	Work Health and Safety (p.57) and Risk Management (p.67)
GRI 403	Occupational Health and Safety	403-6	Promotion of worker health	Work Health and Safety (p.57) and Risk Management (p.67)
GRI 403	Occupational Health and Safety	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Work Health and Safety (p.57) and Risk Management (p.67)
GRI 403	Occupational Health and Safety	403-8	Workers covered by occupational health and safety management system	Work Health and Safety (p.57) and Risk Management (p.67)
GRI 403	Occupational Health and Safety	403-9	Work-related injuries	Work Health and Safety (p.57) and Risk Management (p.67)
GRI 403	Occupational Health and Safety	403-10	Work-related ill health	Work Health and Safety (p.57) and Risk Management (p.67)
GRI 404	Training and Education	404-1	Average hours of training per year per employee	Work Health and Safety (p.57) and Risk Management (p.67)
GRI 404	Training and Education	404-2	Programs for upgrading employee skills and transition assistance programs	Our People (p.55)
GRI 405	Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	Our People (p.55) and Governance (p.67)
GRI 406	Non-discrimination	406-1	Incidents of discrimination and corrective actions taken	Nil
GRI 407	Freedom of Association and Collective Bargaining	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Modern Slavery (p. 52)

GRI 408	Child Labor	408-1	Operations and suppliers at significant risk for incidents of child labour	Modern Slavery (p. 52)
GRI 409	Forced or Compulsory Labor	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	Modern Slavery (p. 52)
GRI 410	Security Practices	410-1	Security personnel trained in human rights policies or procedures	Modern Slavery (p. 52)
GRI 411	Rights of Indigenous Peoples	411-1	Incidents of violations involving rights of indigenous peoples	Nil
GRI 413	Local Communities	413-1	Operations with local community engagement, impact assessments, and development programs	Our Community (p.58) and Modern Slavery (p. 52)
GRI 413	Local Communities	413-2	Operations with significant actual and potential negative impacts on local communities	Our Community (p.58) and Modern Slavery (p. 52)
GRI 414	Supplier Social Assessment	414-2	Negative social impacts in the supply chain and actions taken	Modern Slavery (p. 52)
GRI 415	Public Policy	415-1	Political contributions	Nil
GRI 417	Marketing and Labeling	417-3	Incidents of non-compliance concerning marketing communications	Nil
GRI 418	Customer Privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Nil