

SUSTAINABILITY REPORT

2024

ZQN
Queenstown Airport

CONTENTS

KIA ORA KOUTOU

Welcome to Queenstown Airport's 2024 Sustainability Report. Our commitment to reducing our impact on the environment, to supporting lower-emission aviation, and to helping our community thrive is unwavering. We are proud to have made headway on a range of sustainability initiatives over the past year. A highlight was achieving Airport Carbon Accreditation Level 4+. This globally recognised programme is stringently verified and requires us to fully offset the residual carbon emissions over which we have control, as well as to track emissions from a wider range of activities beyond our direct control. It encourages us to set bold goals, while being realistic about the complex challenges that must be overcome to decarbonise aviation. This report details our progress towards our targets, including climate-related disclosures.

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I orea te tuatara ka patu ki waho | A problem is solved by continuing to find solutions

OUR STRATEGY

When developing our Sustainability Strategy, we incorporated feedback and guidance from a range of stakeholders, including shareholders, community, and sustainability experts.

The insights gained enabled us to produce a Sustainability Strategy that prioritises three pillars, **people, planet and prosperity**, and is aligned to Local Government's four wellbeing measures – social, economic, environmental, and cultural. We have also developed a roadmap to decarbonise our airport operations and set science-based targets, aligned to a 1.5-degree global warming pathway.

We support our majority shareholder, QLDC's vision that our district sets the standard for regenerative, low impact living, working and travel.

We have identified key priorities under each pillar, which will help drive initiatives and deliver results across the business.

Our Sustainability Strategy is updated annually and targets set for the coming year.



PEOPLE

ONE TEAM | ACCOUNTABLE | NOISE



BE AN EMPLOYER OF CHOICE AND LIVE OUR VALUES creating a safe, inclusive airport environment.



PLANET

CLIMATE | WASTE | BIODIVERSITY



BE NET-ZERO* by reducing organisational emissions by 85% by 2028 and offsetting residual emissions.

SUPPORT THE GLOBAL FLY NET ZERO BY 2050** target through infrastructure planning, collaboration and advocacy.



PROSPERITY

CLIMATE RISK | ZON | COMMUNITY



BE RESILIENT AND PREPARED, aware of and responsive to the risks and opportunities posed by climate change.



COMMUNICATE OPENLY AND REPORT REGULARLY

demonstrating our commitment to achieving our sustainability goals.



LEAD WASTE MINIMISATION AND COMPOSTING across the airport campus to significantly reduce waste to landfill.



EMBED SUSTAINABILITY ACROSS OUR AIRPORT

so that like health, safety and security, sustainability is what we do.



PROVIDE CERTAINTY AND CLARITY TO THE COMMUNITY

around airport activity, mitigate the impact of aircraft noise and complete the residential noise mitigation programme.



ACTIVELY RESTORE OUR NATIVE HABITAT, working with key partners, for the benefit of future generations.



SUPPORT OUR REGION TO THRIVE by connecting with, and contributing to, our community socially and economically.

* For scopes 1, 2 and limited scope 3 emissions compared to our 2019 baseline year. Local native reforestation credits are applied to scope 1 and limited scope 3 emissions. Renewable energy certification is applied to scope 2 emissions.

















** The four commercial airlines operating at ZQN have committed to International Air Transport Association's target.

**IT IS A PRIVILEGE TO CALL THIS
REMARKABLE PLACE HOME.**

We are dedicated guardians, committed to preserving and protecting our region alongside the community for the benefit of generations to come.

Sustainability guides the way we think, the decisions we make, and the way we do business.

OUR ACHIEVEMENTS

 <p>ACA 4+ TRANSITION ACCREDITATION ACHIEVED</p>	 <p>71% REDUCTION IN ABSOLUTE EMISSIONS SINCE 2019</p>	 <p>ZQN COMPOST PROGRAMME EXPANDED</p>	 <p>CHARGERS FOR ELECTRIC GROUND SERVICE EQUIPMENT INSTALLED</p>	 <p>WINNER OF INTERNATIONAL ACI GREEN AIRPORTS 'PLATINUM' AWARD</p>	 <p>RECORD ANNUAL DIVIDEND PAID TO QLDC* equating to \$485 per ratepayer in the Queenstown Lakes</p>	 <p>ZQN CHAMPIONS COMMITTEE LAUNCHED</p>	 <p>CHAMPIONING THE TIAKI PROMISE</p>
 <p>COMMUNITY PARTNERSHIPS PROGRAMME CONTINUES</p>	 <p>CERTIFIED 100% RENEWABLE ELECTRICITY SUPPLY</p>	 <p>BIODIVERSITY PROJECT IN PARTNERSHIP WITH WHAKATIPU REFORESTATION TRUST</p>	 <p>ENHANCED OAC EMPLOYEE WELLBEING PROGRAMME</p>	 <p>SUSTAINABILITY LINKED LOANS IN PLACE</p>	 <p>PREDATOR CONTROL PROJECT IN PARTNERSHIP WITH WHAKATIPU WILDLIFE TRUST</p>	 <p>BIOSECURITY BUSINESS PLEDGE SIGNATORY</p>	 <p>WASTE SORTING FACILITY ESTABLISHED</p>

*Queenstown Lakes District Council is our majority shareholder holding 75.01% of shares in QAC



INCLUSIVE
DYNAMIC
PROACTIVE
SUPPORTIVE
ENCOURAGING

PEOPLE

We are proud to be part of this community and recognise the important role we play in connecting our home with New Zealand and the world.

It's important to us that we balance our activity with the desire to preserve what makes our region a special place to live, work and visit, and provide certainty and clarity to our community around airport activity.

At Queenstown Airport we have a 'one team' philosophy that encourages working together to create a diverse, inclusive, dynamic and welcoming environment where people feel safe and valued. We are committed to being an employer of choice and investing in our team's wellbeing and development.

More than 60 businesses employing more than 700 people are based at Queenstown Airport, the majority of which are locally owned, and combined are a major employer in the district. Our airport community enable us to deliver a world class airport experience and play an important role in our sustainability journey, so we're working collectively to reduce our impact and enhance our region.

ZQN SUSTAINABILITY CHAMPIONS

An important part of our sustainability work is using our influence for good. We continue to foster a sense of community among all those working at or operating from Queenstown Airport, to develop a network of sustainability champions, and to support positive change. The group's focus is waste reduction and organisational emissions reduction. In February, we took part in the Aotearoa Bike Challenge. Organisations and individuals across New Zealand compete to get more people riding bikes. A ZQN team was formed with members from across the airport community, including QAC, Air New Zealand and Avsec employees. We also enjoyed hosting a Pink Ribbon Breakfast, a mid-winter gathering, and a full programme of Airport Safety Week activities.

WORKPLACE TRAVEL PLAN

This year we launched a Workplace Travel Plan to encourage Queenstown Airport employees to drive less and reduce the emissions associated with staff commuting. Our target is that all staff use an alternative mode of transport at least one day a week by 2026. The plan has three key elements. Staff are offered subsidised Bee Cards to encourage them to use public transport; carpooling is promoted; and we have joined the WorkRide scheme. QAC pays the up-front cost of a bike, e-bike or scooter for an employee and that money is then recovered from their salary over 12 months. Employees save about 30% of the retail price through a combination of retail partner discounts and salary sacrifice before tax.

PROFESSIONAL DEVELOPMENT

We support the personal and professional development of our people by providing broad training and education opportunities. Kai & Kōrero sessions on topical subjects, including sustainability, were held regularly throughout the year and an engaging programme was developed for Airport Safety Week in October. 20 staff members participated in a Remarkable Leaders programme, facilitated by JumpShift. Senior managers also undertook professional development. Some travelled overseas to learn from international best practice at other airports and increase their global knowledge ahead of the infrastructure development planned at Queenstown Airport.

CUSTOMER EXPERIENCE

Queenstown Airport's vision is to be an innovative airport that people love to travel through, and the community takes pride in. We aim to deliver an exceptional customer experience and are constantly looking for ways to make things safer, simpler, more efficient, and more comfortable. We also want to showcase what makes our region so special and to preserve a distinctive sense of place.

To help us achieve this we have created a customer experience roadmap. Data from quarterly Airport Service Quality (ASQ) surveys enables us to benchmark our services against those of other airports, to identify areas requiring our attention, and to monitor the effect of changes.

This year, we have added more self-service kiosks and automatic bag drops, which give passengers greater autonomy, speed up the check-in process, and reduce queues. We have also created a fourth passenger screening lane, which gives the Aviation Security agency greater capacity and flexibility in managing passenger flows.

We've paid particular attention to hospitality, increasing the food and beverage options available in the terminal, and creating a large indoor-outdoor dining space that opens onto the airport forecourt. It's unusual to have al fresco dining at an airport, but we wanted to proudly showcase our spectacular setting, and to create an inviting space for those who aren't travelling.

COMMUNITY SENTIMENT

Taking every opportunity to talk about our work is helping us strengthen our relationships with the communities we serve, which is critical to building trust and support for our long-term plans. Our community satisfaction score increased from 64% to 65% this year, and we are committed to maintaining our proactive approach to community engagement.

NOISE MITIGATION

We continue to invest in our Noise Mitigation Programme to reduce the effect of noise from airport operations on those living within our Inner and Mid Noise Boundaries. During the 2024 financial year, work was completed on a further 12 properties – including St Margaret's Presbyterian Church at the corner of Ross and McBride Streets – with construction costs totalling \$577,000. Participants in the programme are surveyed after the completion of each project and feedback has been consistently positive.

AES NETWORKING

In March, our Airport Emergency Service team hosted members of other AES teams from across New Zealand for a networking day focused on diversity. In September, we hosted a training day for Southern Airports Alliance crew chiefs. These were valuable opportunities to collaborate, exchange knowledge, and build connections.

IWI ENGAGEMENT

QAC is committed to building a positive and respectful relationship with tangata whenua. With a Master Plan in place, we are now preparing for a large capital works programme and have invited iwi to partner with us, ensuring te ao Māori values are honoured and reflected in our development plans, and that the things that make this place unique are protected for generations to come.



RESPONSIBLE STRATEGIC SUSTAINABLE COMMITTED FOCUSSED



PLANET



Responding to climate change and understanding the associated risks to our business are vital to building a resilient future.

Queenstown Airport joined the Toitū Envirocare Programme in 2019 and achieved Toitū carbonzero certification in 2023.

This year, we progressed to Airport Carbon Accreditation (ACA) – an industry-specific programme administered by the Airports Council International (ACI) – which allows us to benchmark our progress against other airports worldwide. It is robustly verified and requires us to track emissions from a wider range of activities beyond our direct control, including aircraft emissions.

Our decarbonisation targets to date have focused on the Scope 1 and 2 emissions over which we have direct control. However, it is important to report Scope 3 emissions and to continue to work with our partners to address those emissions.

Since our initial carbon audit in 2019, the airport has achieved a 71% emission reduction, compared to the baseline year and is targeting an 85% absolute reduction in scope 1 and 2 emissions by 2028. That progress is based on a commitment to electrification, transition to a certified renewable electricity supply, upgrading of assets and infrastructure to increase efficiency, and a decision to stop using a diesel generator for supplementary power during periods of peak demand. An upgrade of the terminal heating, ventilation and air conditioning system is progressing in stages. We plan to decommission the diesel boiler within the next two years which will considerably reduce Scope 1 emissions.

This commitment to sustainability and progress towards decarbonisation has resulted in the achievement of Level 4+ 'Transition' Airport Carbon Accreditation in our first year. Our next target is to achieve Level 5, which is the highest tier in the ACA programme. To achieve Level 4+ accreditation, we provided extensive documentation of Queenstown Airport's carbon management plan, collaboration with other stakeholders to measure and reduce emissions, and a policy commitment to absolute emissions reduction in line with the Paris Agreement. We were also required to offset residual scope 1 and limited scope 3 emissions using internationally recognised carbon credits. All this was subject to a stringent assessment and verification process. The results are reported on page 37.

Aviation is a challenging industry to decarbonise. We've set ambitious sustainability targets and invested heavily to reduce our carbon footprint as quickly as possible. It's pleasing to see that recognised, and we acknowledge there is a lot more work to be done.

BIODIVERSITY PROJECT

We are proud to have received an international honour for our support of a local biodiversity project this year. The Green Airports 'Platinum' Recognition was announced at the annual conference of the Airports Council International and acknowledges our collaboration with the Shotover Primary School and the Whakatipu Reforestation Trusts' Educate for Nature Programme to restore the regionally significant Shotover Wetland, in close proximity to our airport. The airport has committed to long-term financial assistance and help with planting sessions, community engagement, and education days. Our involvement has accelerated the project, with a target to fully restore the wetland within 10 years.

CARBON CREDITS

This year we have invested in native reforestation at Lake Hāwea Station in the Queenstown Lakes district to offset residual scope 1 and limited scope 3 emissions that could not be eliminated. Offsets are not the solution, but an avenue to support local carbon removal and biodiversity while we continue to lower and ultimately eliminate organisational emissions. Our scope 3 emissions inventory is reported on page 36. The majority of scope 3 emissions are not under our direct control and are not included in our offsets.

GOING ELECTRIC

One of the airport's two electrical transformers has been upgraded to increase capacity, which allowed the installation of six common-use charging stations for electrical ground service equipment. This project honours a commitment we made when we negotiated a sustainability-linked loan structure with our four banks in 2023 and is one of the ways that we can use our influence to reduce emissions across the airport campus. The chargers enable us to reduce our scope 3 emissions and support the airlines and ground handlers that operate here to transition away from diesel ground service equipment. Ground service equipment is used by ground handlers to position, load, and unload aircraft.



HEATING AND COOLING

This year, we invested significantly in upgrading the system that heats, cools, and ventilates the airport terminal. One of the advantages of our inland location is that we have a dry, low-corrosion environment, which meant some of the componentry replaced was 25 years old. This project has reduced diesel consumption and made our ventilation system more environmentally efficient.

FOCUS ON WASTE

Travellers leave all sorts of rubbish at Queenstown Airport. Added to that is the waste from the offices, cafes, lounges, and shops. It is bad for the environment, and it is costly to dispose of, so we're putting a lot of effort into understanding our waste streams and reducing the volumes being sent to landfill. An audit in March revealed more than half the waste could have been diverted from landfill if it had been composted or recycled correctly. We've launched an education campaign for the airport community and enlisted the expertise of Wānaka Wastebusters to provide advice and personal training sessions for our tenants.

SORTING THE RECYCLING

Changing the behaviour of people travelling through the airport presents another opportunity to improve the recycling rates. We have started to manually sort some waste streams. To do this, we needed a sorting station, so rather than building something new, our clever assets team and metalwork contractors recovered and repurposed materials. They started with an insulated shipping container that was previously used for storage and added a disused glazing unit and light fittings. Stainless steel benches salvaged from two Queenstown businesses are supported by struts made from Rondo steel offcuts. Mesh came from an old section of perimeter fencing and a tray from a baggage make-up unit has found a new use. A hoist has also been added to lift and tip the heavy glass recycling bins. The result of this circular project is a space that is bright, comfortable, and efficient to use. We're looking forward to our next waste audit, and expecting to see lower rates of contamination and much less waste going to landfill.



NEW USES FOR OLD STUFF

We also work hard to reuse, repurpose, or recycle materials wherever possible. Food scraps and other organic waste are composted on site. The compost is then spread on our beautiful gardens. Asphalt millings produced during runway maintenance work are used to form paths and car parks. Carpet tiles removed when the airport terminal flooring was upgraded can now be found in garages, sheds, and kennels all over the Whakatipu Basin. Old staff uniforms are sent to Timaru-based Workwear Recycled, which provides secure destruction and recycling of textiles and personal protective equipment. Since we joined the scheme in November 2023, we have recycled 228 garments, diverting 89.6 kilograms of waste from landfill, and preventing 642 kg of carbon dioxide equivalent emissions.

BUS SIGN

Sometimes the little things make the biggest difference. An example is the solar-power digital schedule installed at the public bus stop in front of the terminal this year. It provides real-time information about the Orbus network, which makes it easier for people to use public transport right from the airport.





**RESILIENT
CHAMPIONS
COLLABORATIVE
ADAPTABLE
THRIVING**

PROSPERITY

Queenstown Airport is an important majority community-owned asset and is uniquely positioned to serve the needs of the community, the regional economy, and connect people to our district and the broader region.

It's vital that we operate a sustainable and resilient business for the long term, and a key priority for us is to understand, plan and adapt to the impacts of climate change on the business.

As Government policy and legislation changes, we will pay close attention to ensure our strategic planning and risk frameworks are aligned.

We play a critical role as a key infrastructure asset and lifeline utility for the region in the event of an emergency or natural disaster, so will continue to build and focus on resiliency across ZQN. This included increasing our support of Coastguard Queenstown as one of our legacy partnerships.

Partnerships with the community and stakeholders are important to us.

Through our partnerships programme we continue to support our region to thrive by investing in meaningful change through positive connections and financial collaborations.

Our two legacy partnerships are with local organisations the Whakatipu Reforestation Trust and Coastguard Queenstown.

Overall we contribute around \$150k to various community groups and events through our partnerships programme.

DIVIDEND

The most concrete way Queenstown Airport boosts the prosperity of the region is through the payment of dividends. For the 2024 financial year, a record total dividend of \$19.6 million was declared. The Queenstown Lakes District Council holds 75.01% of QAC shares, so its portion of that was \$14.7 million, which equates to about \$485 per ratepayer. Since the COVID-19 pandemic, the company has paid out more than \$35 million in dividends.

COMMUNITY PARTNERSHIPS

Queenstown Airport also runs a partnerships programme to support our region to thrive through positive collaborations and financial partnerships.

This year we were delighted to join forces with food rescue charity KiwiHarvest, which tackles two big problems with one clever solution. It collects good food before it goes to waste and gets it to those in need. However, it takes money to make that happen, and a funding crisis last year put the organisation's work at risk. We have committed to providing \$25,000 a year for three years to help cover operational costs and build the resilience of KiwiHarvest in the Southern Lakes region. It is a tangible way to support those in need across the entire region we serve and to reduce waste.

A DECADE OF GREAT WORK

One of our legacy partners is the Whakatipu Reforestation Trust, which marked its 10th birthday this year. We got involved soon after the trust was established. As well as helping to fund the trust and our joint Shotover Wetland project, Queenstown Airport provides in-kind support and staff volunteer at the Jean Malpas Nursery and planting days. Over the past decade, the trust has grown and planted more than 80,000 native shrubs and trees at 70 sites around the Whakatipu Basin. This represents more than 30,000 hours of volunteer work.



LUMABILITY

Welcoming, inclusive, and accessible are key attributes we consider when planning airport infrastructure. In 2023, we decided to extend our knowledge and support in this space into the community by creating a pilot project to enable a wider range of people to enjoy the LUMA festival. LUMAbility guided tours were tailored to the particular needs of each group, and operated outside normal hours, so guests could experience the illuminated artworks, sculptures, and musical installations at Queenstown Gardens without having to navigate crowds and traffic congestion. The feedback was unreservedly positive, so the programme was repeated this year and expanded to incorporate creative workshops for participants.

LAKE HAYES A&P SHOW

Queenstown Airport was delighted to be the principal sponsor of the Lake Hayes A&P Show, which has been bringing town and country together for more than a century. A crowd of about 5,000 attended the mid-January event, enjoying competitions, trade displays, and some old-fashioned fun.

ELEVATING LEADERSHIP

We are a longstanding supporter of the Queenstown Business Chamber of Commerce and this year collaborated to create the Elevate Series – a programme of events featuring prominent leaders, which is built around the themes of Experience, Resilience and Community. It is no coincidence that these are also Queenstown Airport’s strategic pillars. The finale of the event was a business lunch and panel discussion with Beca Managing Director NZ Andrea Rickard, Air New Zealand Chief Sustainability and Corporate Affairs Officer Kiri Hannifin, and Auckland Airport Chief Strategic Planning Officer Mary-Liz Tuck speaking about Strategies for a Resilient Business Future.



SPIRIT OF WAKATIPU

Queenstown Airport wants to help our community thrive, we were very happy to again sponsor the Community Service category of the 2024 Spirit of the Wakatipu Awards, which was won by the Inner Wheel Club of Queenstown.

WĀNAKA BUSINESS AWARDS

We were also proud to support the Wānaka Business Excellence Awards, sponsoring the Outstanding Community Contribution Award, which honours businesses making a meaningful impact in our community now, and for future generations. Wānaka Wastebusters won this category and went on to collect the supreme award.

SOUTHERN WAY

Working collectively under the banner of Southern Way, the Queenstown, Invercargill, and Dunedin airports and the eight regional tourism organisations formed a ground-breaking partnership with Air New Zealand to make it easy for people to slow down and see more when exploring the lower half of the South Island. The initiative encourages visitors to use the airline’s multistop booking tool to fly into one of the three airports, rent a vehicle to explore the region, then fly out of another airport. We’re excited by the opportunities this opens up, and we believe there are real benefits for everyone in spreading visitors widely around the region, rather than having them concentrated in a few hot spots. This is a meaningful way of supporting the regenerative tourism aspirations of our community.



READY FOR AN EMERGENCY

Queenstown Airport is a designated lifeline utility under the Civil Defence Emergency Management Act 2002. We take this role seriously and are always looking for ways to bolster our preparedness and resilience. This year, we have completed asphalt work to maintain the integrity of the runway and apron, and have installed an above-ground diesel tank, which could keep the terminal running for two weeks in the event of a major emergency.

SEISMIC STRENGTHENING

Seismic improvements in the terminal began in 2018. Another phase was completed this year, with new windows installed in the rental car corridor and a wall in the terminal strengthened. Tenders are now out for a much larger phase of work, which will begin in 2025.

OUR TARGETS



Complete a **ZON SOLAR FEASIBILITY ASSESSMENT**



Support **NATIVE REGENERATION** through a local carbon sequestration project



Support the aviation industry's **NET-ZERO 2050 TARGET** by planning for and enabling the continued decarbonisation of aviation



AIRPORT CARBON ACCREDITATION
Level 5 by 2028



MAINTAIN NET-ZERO EMISSIONS*



85% ORGANISATIONAL EMISSIONS REDUCTION by 2028**



Complete a **QAC CLIMATE RISK ASSESSMENT**



SINGLE USE CUP FREE ZON



ELECTRIFY our airfield to reduce fuel consumption



100% CERTIFIED RENEWABLE POWER on airport campus



REDUCE WASTE TO LANDFILL from the Queenstown Airport terminal



Complete **NOISE MITIGATION PROGRAMME** by 2028



Be an **EMPLOYER OF CHOICE**



Continue to support the Queenstown Lakes District by delivering a **SUSTAINABLE ANNUAL DIVIDEND TO SHAREHOLDERS^**



Publish **ANNUAL SUSTAINABILITY REPORT** including XRB aligned climate-related disclosures



Continue our Partnerships Programme including our legacy partnerships with **WHAKATIPU REFORESTATION TRUST & COASTGUARD QUEENSTOWN**

**Queenstown Lakes District Council is our majority

* For Scope 1 and 2 organisational emissions, by reducing organisational emissions and offsetting residual emissions.
**For Scope 1 and 2 emissions, compared to our 2019 baseline year.
^Queenstown Lakes District Council is our majority shareholder holding 75.01% of shares in QAC

CLIMATE-RELATED DISCLOSURES

Queenstown Airport is committed to supporting Aotearoa New Zealand's transition to a low-carbon economy. As a council-controlled trading organisation and long-term infrastructure provider, QAC recognises the importance of identifying and assessing the risks and opportunities associated with climate change and including climate-related disclosures in our reporting.

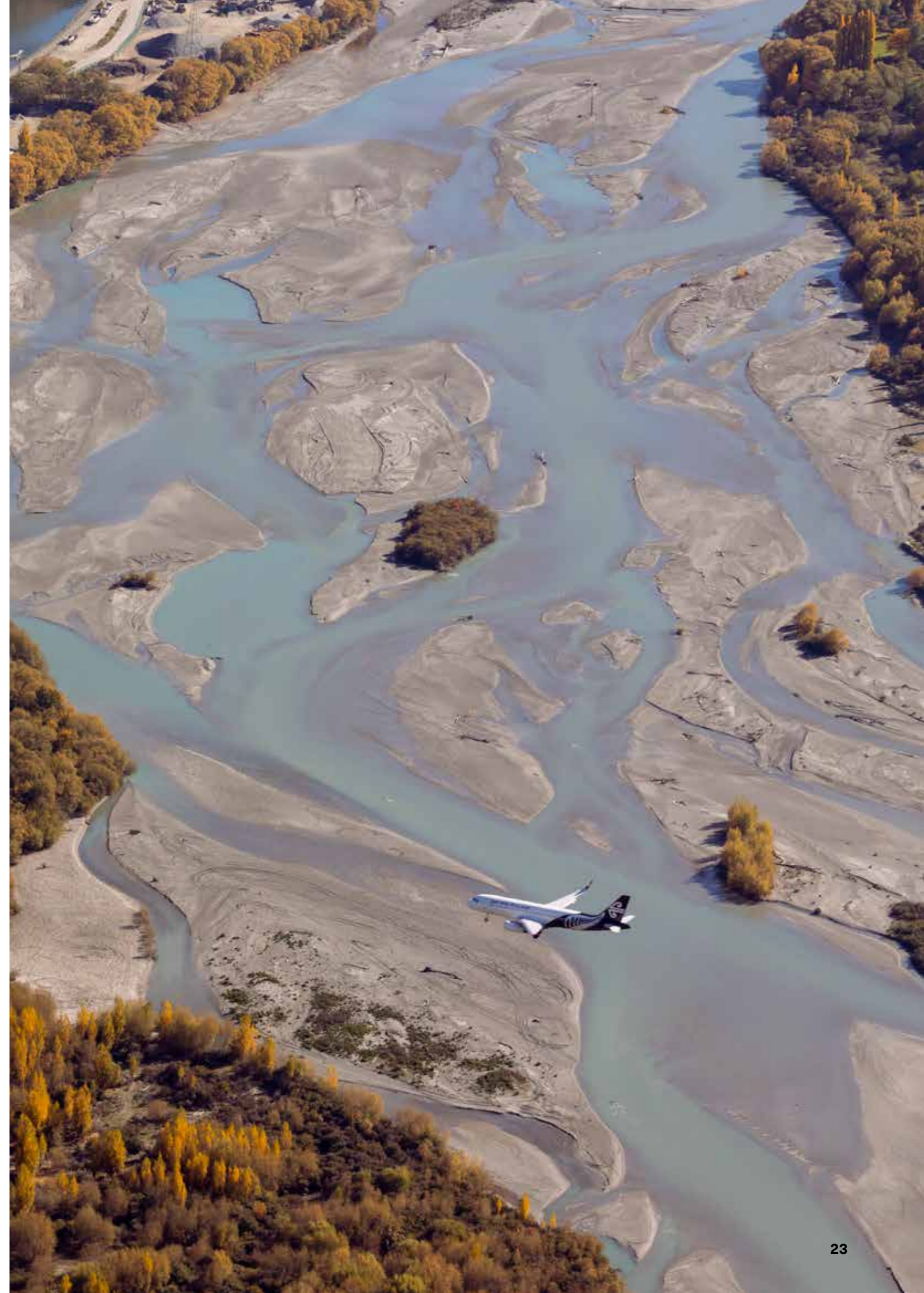
In December 2022, the External Reporting Board (XRB) released its climate-related disclosures standards for New Zealand, which are aligned to the global Taskforce on Climate-related Financial Disclosures (TCFD). In New Zealand, climate-related disclosures are now mandatory for large, listed companies, large registered banks, licensed insurers, credit unions, building societies, and managers of investment schemes.

Over the past three years, we have developed our understanding of climate-related risks and opportunities and begun to identify, assess and manage those risks and opportunities.

We have introduced greater governance and oversight and completed a series of workshops with directors and senior management in FY23. During FY25 we intend to complete a more comprehensive analysis of our climate related risks and opportunities, including updated scenario analysis.

QAC is not required to report, but is taking a proactive approach to both reporting and data collection. While we are not reporting on all aspects of the XRB standards, we are using the standards as a framework for our reporting.

Our planning will integrate adaption for climate change, including physical impacts and technological changes, to ensure our infrastructure is maintained, designed and developed appropriately. We recognise that if we don't plan for changes in our climate, we could face more frequent disruption of service at Queenstown Airport, which would affect the wider community.



GOVERNANCE

XRB STANDARDS – GOVERNANCE DISCLOSURE OBJECTIVE

To enable primary users to understand both the role an entity’s governance body plays in overseeing climate-related risks and climate-related opportunities, and the role management plays in assessing and managing those climate-related risks and opportunities.

BOARD

Our board is the body responsible for all strategic and operational decision-making within the company. It is accountable to its shareholders for the financial and non-financial performance of the company. The board of directors will continue to govern the company on behalf of shareholders as a sustainable business enterprise, operating in a manner that is safe, financially stable, customer-focused, well planned, and environmentally conscious. Responsibilities of the board in relation to climate change include:

- approving strategic plans, airport master plans, budgets and the Statement of Intent
- monitoring achievement of the strategic initiatives and SOI objectives
- assessment of business opportunities and business risks
- ensuring that QAC has appropriate risk management and regulatory compliance policies in place and the company’s adherence to these policies
- overseeing QAC’s greenhouse gas emissions inventory and progress against targets.

AUDIT AND FINANCIAL RISK COMMITTEE

The board has an established Audit and Financial Risk Committee (AFRC) to oversee the company’s financial reporting processes, system of internal control, and the external audit process, and its processes for identifying and managing financial risk, and for monitoring compliance with applicable law and its own policies. The AFRC has responsibility for overseeing, reviewing, and advising the board on our risk management policy and processes, including climate-related risks and opportunities. The AFRC meets at least four times a year.

SENIOR LEADERSHIP TEAM

The Senior Leadership Team (SLT) provides executive leadership and day-to-day management for ensuring delivery and development of the strategic direction set by the board. The SLT has established a SLT Risk Forum that meets quarterly. The purpose of the forum is to provide a platform for the SLT to review and assess QAC’s risk profile, monitor and escalate emerging risks, ensure appropriate risk-management strategies are in place and assist the AFRC and Board with oversight of risk. Climate-related risk and opportunities are considered at the SLT Risk Forum. The General Manager Sustainability and Corporate Affairs is the SLT member responsible for reporting of climate-related risks and opportunities.

Following QAC’s first Climate Scenario Analysis Report in September 2022, the SLT developed an action plan to mitigate the identified risks and maximise the opportunities presented. The action plan will continue to be refined to ensure management is addressing the areas that will have the most impact on our climate-related risks and opportunities.

In FY24, we expanded our data collection to include Scope 3 emissions, including aircraft emissions; commenced a renewable energy feasibility assessment; and commissioned a report on the physical climate risks to support our work-plan for FY25. We have formed a ZQN Airport Champions committee to build sustainability leadership at our airport. We are also participating in regional and industry sustainability groups.




STRATEGY

XRB STANDARDS – STRATEGY DISCLOSURE OBJECTIVE

To enable primary users to understand how climate change is currently impacting an entity and how it may do so in the future. This includes the scenario analysis an entity has undertaken, the climate-related risks and opportunities an entity has identified, the anticipated impacts and financial impacts of these, and how an entity will position itself as the global and domestic economy transitions towards a low-emissions, climate-resilient future.

Planning for and enabling the decarbonisation of aviation is embedded in our Sustainability Strategy and long-term planning. We will support and encourage airline partners and general aviation operators in their pursuit of carbon reduction objectives and technologies. The reduction of our organisational carbon footprint and implementation of our decarbonisation roadmap are key elements of our ten-year Strategic Plan. Adapting for climate change, including physical impacts and technological changes, has been and will continue to be integrated into our planning to ensure our infrastructure is maintained, designed and developed appropriately.

In mid-2022, an independent consultant was commissioned to support QAC with a high-level qualitative climate scenario analysis, including assessing climate-related risks and opportunities using several climate scenarios. After developing a comprehensive list of risks and opportunities, we identified five priority risks or opportunities and then tested these against three climate scenarios. The climate scenarios used were developed by the Network for Greening the Financial System and were supplemented by using the Aotearoa Circle’s scenarios for the New Zealand tourism sector. The scenarios are shown in the table below:

NGFS SCENARIO	CLIMATE POLICY	TRANSITION RISK SEVERITY	PHYSICAL RISK SEVERITY	AOTEAROA CIRCLE SCENARIO
 Imminent transition	Immediate and smooth	Initially high, then gradual and ordered	Low-medium	Hiahia (orderly)
 Delayed transition	Delayed	Initially low, severe after 2030	Medium-high	Pokanoa (disorderly)
 Hothouse world	None	Low	Extreme	Tōmuri (too little too late) ¹

¹ NGFS does not have a ‘too little too late’ scenario so ‘hothouse’ was used, which has analogous physical impacts to the Aotearoa Circle’s Tōmuri scenario.

The scenarios selected were chosen to provide a representation of the likely transition scenarios and their consequential social, economic, and environmental impacts. A more comprehensive analysis of climate related risks and opportunities is now required, and this will be undertaken in the coming year and included in our 2025 report.

The table below outlines QAC's priority risks and opportunities and their potential consequences.

RISK OR OPPORTUNITY		CONSEQUENCES AND ADDITIONAL CONSIDERATIONS
Physical risk	Acute weather events leading to operational and network disruptions	<ul style="list-style-type: none"> Impacts on operations, customer experience and revenue Impact on air connectivity when disruptions occur at other ports Variable electricity supply and availability during acute weather events
	Chronic weather changes leading to increased turbulence and flight disruptions.	<ul style="list-style-type: none"> Reduced operating efficiency at airports and fewer flights Reputational damage Increased flight disruptions across New Zealand impacting airport revenue and regional connectivity
Transition risk	Cost, reliability, and timing of alternative fuel supplies (Sustainable Aviation fuel (SAF), hydrogen and renewable energy) as the sector transitions to lower-carbon aviation.	<ul style="list-style-type: none"> Limitations of existing infrastructure, e.g. timing of planned upgrades to increase energy resilience Electricity supply constraints in the Whakatipu basin affecting transition timeline Limited ability for alternative fuels, such as SAF, to be generated and distributed within New Zealand
	Delayed delivery of upgrades (airside and landside) required to enable decarbonisation and electrification.	<ul style="list-style-type: none"> Airport infrastructure upgrades will be required to transition to lower-carbon air and land transport and net carbon-zero terminal operations Public perception of QAC and the aviation industry as a whole
Opportunity	Position QAC as a leader in the transition to a low-carbon economy.	<ul style="list-style-type: none"> Community expects QAC to support regional transition and become an exemplar in the aviation sector Opportunity to be an enabler of a sustainable transport network in Queenstown Opportunity to play a leadership role supporting nature-based solutions in our catchment Opportunity to support the region's destination management plans and the transition to regenerative tourism Enhance QAC's reputation and social licence to operate

In assessing the risk, QAC used three different time intervals: short (1-3 years), medium (6-8 years) and long (10+ years). The materiality of each risk or opportunity is demonstrated in the table below.

PRIORITY RISK OR OPPORTUNITY	IMMINENT TRANSITION			DELAYED TRANSITION			HOTHOUSE WORLD		
	SHORT	MID	LONG	SHORT	MID	LONG	SHORT	MID	LONG
Acute physical: Acute weather events leading to operational and network disruptions.	●	●	●	●	●	●	●	●	●
Chronic physical: Chronic weather changes leading to increased turbulence and flight disruptions.	●	●	●	●	●	●	●	●	●
Transition: Cost, reliability, and timing of alternative fuel supplies (electricity and SAF) as the sector 'transitions to lower-carbon aviation.	●	●	●	●	●	●	●	●	●
Transition: Delayed delivery of upgrades (airside and landside) required to enable decarbonisation and electrification.	●	●	●	●	●	●	●	●	●
Opportunity: Position QAC as a leader in the transition to a low-carbon economy.	●	●	●	●	●	●	●	●	●

We will undertake more detailed analysis of financial and legal implications of climate-related risks and opportunities during FY25, including:

- quantifying the financial implications of the risks and opportunities
- continuing to monitor the ongoing changes in the legislative environment and assess ongoing compliance with our legislative requirements.

KEY

- Low materiality
- Moderate materiality
- High materiality





RISK MANAGEMENT

XRB STANDARDS – RISK MANAGEMENT DISCLOSURE OBJECTIVE

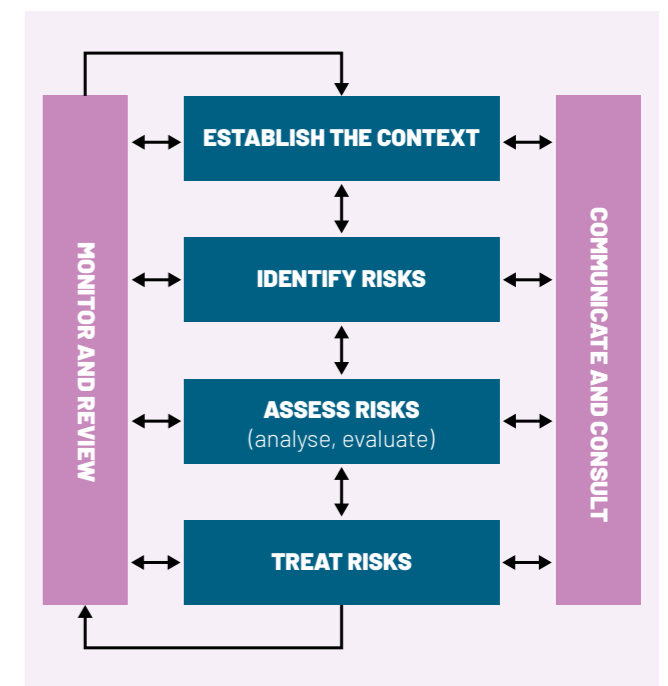
To enable primary users to understand how an entity’s climate-related risks are identified, assessed, and managed and how those processes are integrated into existing risk-management processes.

QAC’s Risk Management Policy sets out the intention, direction and approach to risk management at QAC, and establishes the roles that everyone in our organisation plays in managing risk. It is supplemented by our Risk Management Framework, which ensures QAC manages its risks and opportunities in an effective and efficient manner, within its approved risk appetite levels, and to support the achievement of strategic objectives.

The QAC risk-management process adopts the AS/NZS ISO 31000:2018 standard ‘Risk Management – Principles and Guidelines’. These principles and guidelines are integrated into the organisation, management, and communication processes to enable a structured and relevant risk-management approach. The standard guidelines provide the basis for our risk-management process, as shown on the right.

Our initial assessment of climate-related risks and opportunities was undertaken in late 2022 by a working group of QAC board and management representation facilitated by an independent consultant with expertise in this area. QAC has developed an Enterprise Risk Management system. In future our climate change risks and opportunities will be classified using the organisation’s common methodology and risk matrix.

Responsibility for the management and monitoring of climate-related risks and opportunities and ensuring that appropriate processes and procedures are in place for accurate reporting rests across the organisation.



METRICS AND TARGETS

XRB STANDARDS – METRICS AND TARGETS DISCLOSURE OBJECTIVE

To enable primary users to understand how an entity measures and manages its climate-related risks and opportunities. Metrics and targets also provide a basis upon which primary users can compare entities within a sector or industry.

We are proud to have achieved Airport Carbon Accreditation Level 4+: Transition, in our first reporting year. Level 4+ is the second highest level of accreditation awarded by ACA with 51 airports globally at this level. The strict requirements for accreditation include:

- The measurement of emissions across the entire airport ecosystem,
- The setting of 1.5°C aligned absolute emission reduction targets
- A carbon management strategy
- Demonstrated third party engagement to drive further emission reductions
- The offsetting of residual emissions.

Our results have been independently verified and audited. Reporting under the ACA programme has enabled us to benchmark our activity and ambition against our peers in New Zealand and around the world. Most importantly, we have been able to calculate the flight emissions associated with aircraft activity, including commercial and general aviation, using ACA methodology.

Our next step is to develop a deeper understanding of our Scope 3 emissions and to work with our partners to achieve reductions through influence and collaboration. Most of our reported Scope 3 emissions are aircraft emissions. While QAC is not directly responsible for aircraft emissions, we recognise aviation is a significant source of greenhouse gas emissions and is one of the most challenging sectors to abate.

Air New Zealand's recent announcement that it will not meet its 2030 emissions reduction targets highlights this. In the coming years, there will be an incremental annual increase in aviation-related emissions as passenger and aircraft activity grows at Queenstown Airport. Airports have an important role to play in facilitating the infrastructure changes required to successfully decarbonise aviation.

REDUCING EMISSIONS

We remain committed to achieving absolute emission reductions across our airport campus. We are on track to achieving our 2028 target of an 85% reduction against our 2019 baseline year.

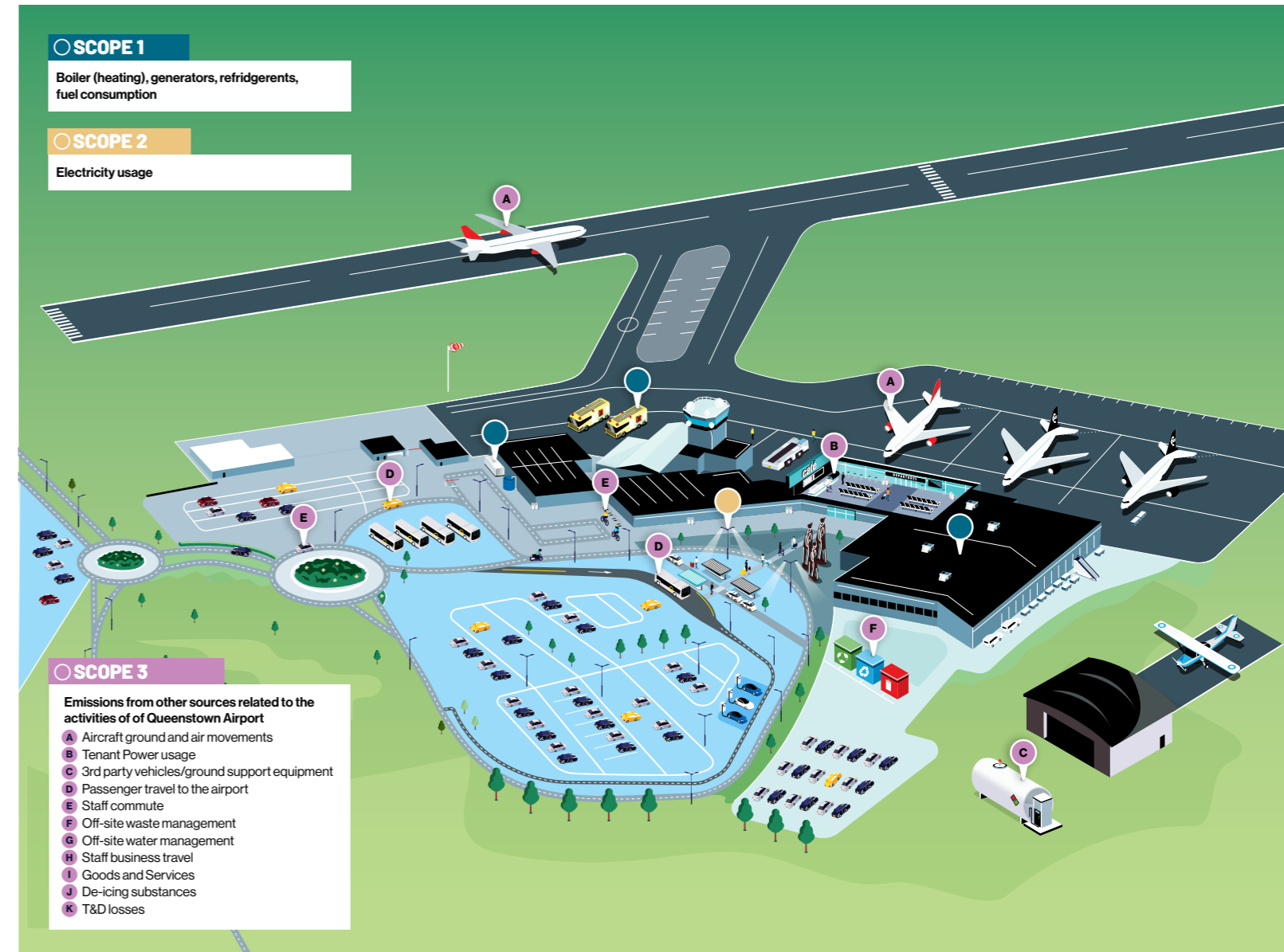
Emissions associated with electricity consumption are reported as zero as we purchase certified renewable energy certificates through Meridian, our power provider. FY24 saw a significant 100 t reduction in electricity consumed by QAC. This can be attributed to the installation of more efficient HVAC units, changes to our terminal operations during evening hours and greater accuracy in metering across the airport campus.

We also saw a reduction in Scope 1 emissions which can be attributed to more efficient vehicles and the introduction of an EV to our fleet, as well as decreased reliance on the diesel boiler during winter months.

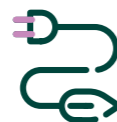
CARBON CREDITS

Our focus is on reducing organisational emissions. Where we cannot, or have not yet, reduced or eliminated emission sources, we have invested in offsets to mitigate the impact of scope 1 and some scope 3 emission sources. In total, 184 tCO₂e was offset using a combination of native reforestation and airline offset programmes.

In partnership with the Climate Action Company, we have invested in Native Reforestation Units accredited to Lake Hawea Station equivalent to 142 tCO₂e to offset scope 1 emissions and limited scope 3 emissions, including waste to landfill and business travel (not already offset through airline programmes). These credits have been verified as acceptable by ACA and align with QAC's policy to support local native reforestation.



ZQN'S RUNWAY TO NET-ZERO



ENERGY

We are committed to maintaining net-zero for our organisational emissions, while striving to achieve further emissions reductions.

We recognise the biggest impact we can have, is to plan for and enable the decarbonisation of air travel. Our planning will anticipate and allow for the infrastructure required to achieve this.

Reducing our organisational emissions is our immediate priority. We've prioritised three key areas of focus that contribute significantly to our emissions: Energy, Waste and Transport.

- Improve energy efficiency across the airport.
- Committed to using only renewable energy.
- Electrify our airfield.
- Provide EV charging facilities.
- Phase out and replace infrastructure that relies on diesel or CFCs to operate.



WASTE

Introduce waste sorting on site to reduce contamination of recycling

Reduce waste to landfill.

Improve our waste management facilities.

Expand our composting programme.

Include recycling and waste management requirements in procurement policies and service contracts.



TRANSPORT

Transition company vehicle fleet to electric vehicles.

Facilitate and enhance active and public transport connectivity to and from the airport.

Support active and public transport for staff commuting.

Offset flights and have preferred suppliers for company travel.

UNDERSTANDING THE AIRPORT'S CARBON FOOTPRINT

2019 – 2021

- **First carbon audit completed (2019 baseline year)**
- Toitū carbonreduce certification
- Set emissions reduction target, aiming to reduce absolute emissions by 60% against baseline year by 2030
- Began replacing operational vehicle fleet with hybrid and electric vehicles
- Offset all company travel with Air New Zealand
- The Queenstown Lakes District Council installed a gas capture and destruction system at the Victoria Flats landfill, resulting in a reduction in Scope 3 emissions associated with waste

2022 – 2024

- **Achieved 71% reduction in absolute emissions and progressed from Toitū net carbonzero certification to Airport Carbon Accreditation Level 4+ 'Transition'**
- Switched to 100% certified renewable electricity supply
- Upgraded to more efficient lighting across the airport terminal
- Completed first phase of terminal heating and cooling upgrade
- Ended use of diesel generator to supplement electricity supply during peak demand
- Improved waste and recycling management across the whole airport
- Established onsite composting facility
- Invested in local native reforestation carbon credits to offset emissions from all our compulsory emission sources measured in accordance with the GHG Protocol
- Introduced universal equipment charging stations for use by ground handling operators

2025 – 2028

- **Revised target to reduce Scope 1 and 2 emissions by 85% by 2028, compared to our 2019 baseline year**
- Achieve Airport Carbon Accreditation Level 5 and increase the range of emissions we report on
- Second phase of terminal heating and cooling upgrade
- Replace Park & Ride shuttle with an electric vehicle
- Explore options for renewable energy generation on site
- Complete transition to electric operational vehicle fleet
- Investigate electric options for emergency vehicles and set replacement timeline
- Introduce energy efficiency targets
- Decommission diesel boiler
- Continue to offset residual organisational emissions through local native reforestation projects

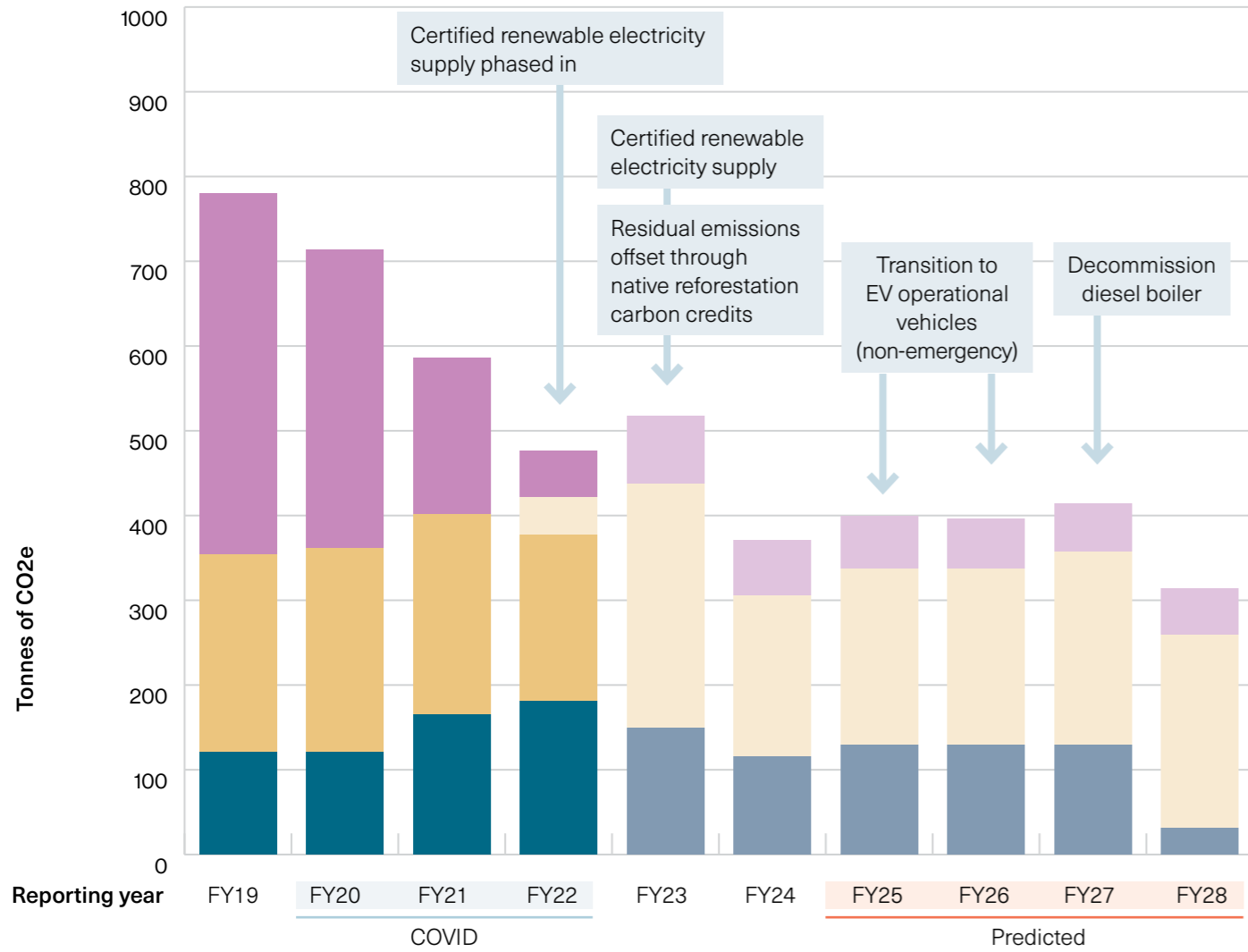


USING OUR INFLUENCE

We will:

- introduce power plug-in units for aircraft on the ground
- support transition to electric vehicles by businesses operating at the airport
- review procurement processes to reduce supply chain emissions
- improve cycling facilities for passengers and staff
- implement sustainable construction guidelines, reducing embodied carbon emissions for all new construction projects
- develop infrastructure to support decarbonisation of air travel

OUR ORGANISATIONAL DECARBONISATION ROADMAP – TRACKING OUR PROGRESS

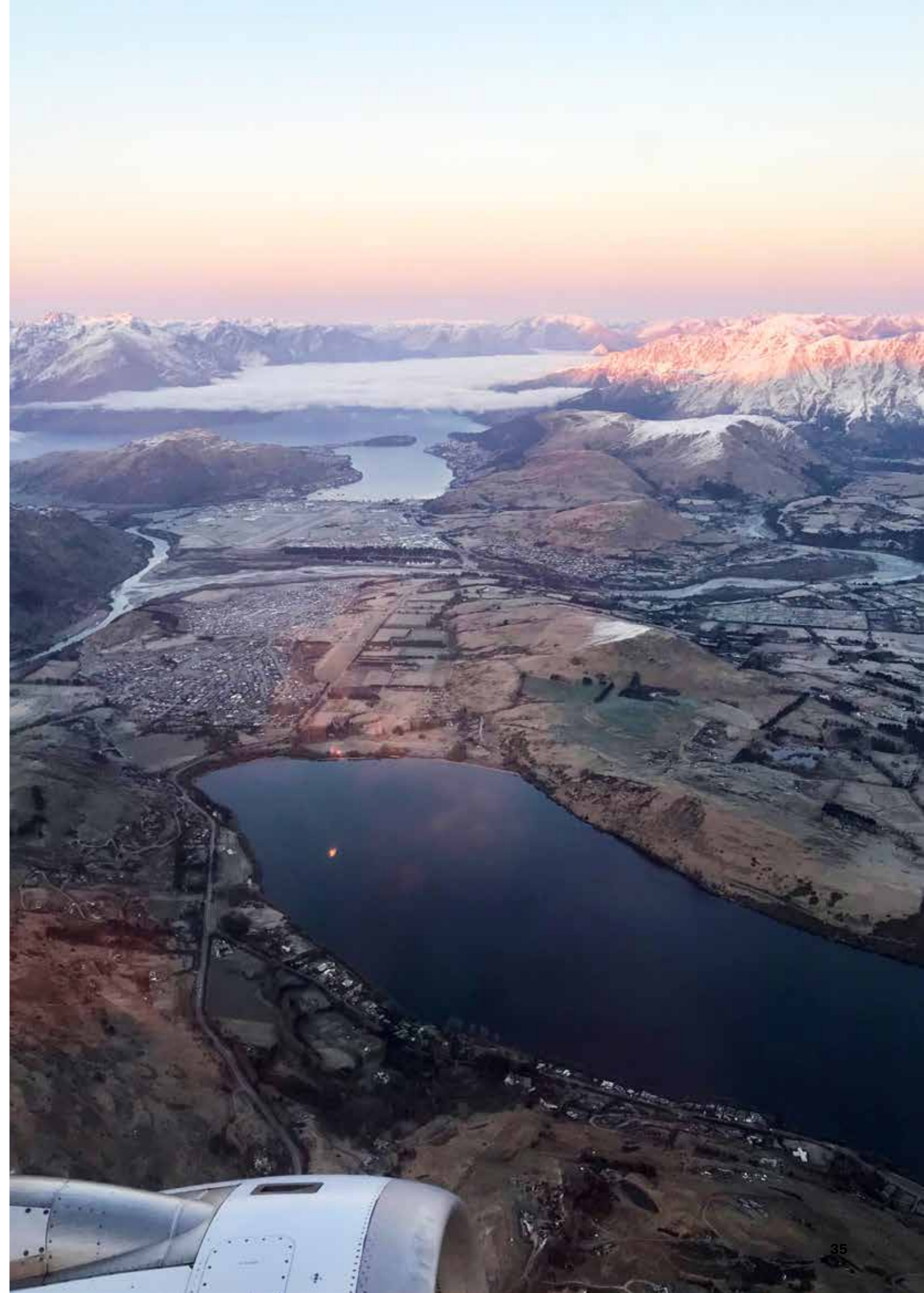


- Scope 1 – Emergency vehicles, Operational vehicles, Boiler
- Scope 1 - Organisational emissions offset through local native reforestation
- Scope 2 – Electricity
- Scope 3 - Organisational emissions offset through local native reforestation
- Scope 3 – Staff Business Travel, QAC Waste + Staff Commuting
- Certified renewable electricity (zero emissions)

Over the next five years we will continue to reduce absolute organisational emissions, and to offset residual emissions using local native reforestation carbon credits.

* As electricity requirements increase, we will continue to use a certified renewable electricity supply.

SCOPE 1	SCOPE 2	SCOPE 3
Direct emissions within our organisational control	Indirect emissions from energy generation	Emissions from sources we do not directly control or own but which are enabled by our activities
On-site boiler, operational vehicles including emergency vehicles	Purchased electricity supply	QAC waste and company travel



OUR CARBON AUDIT RESULTS

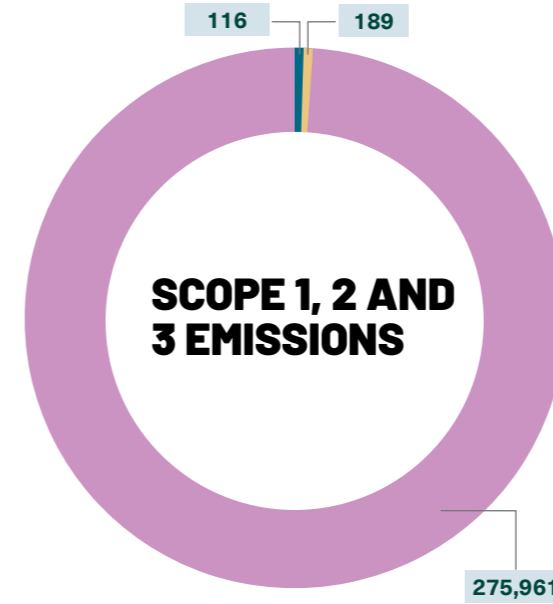
Queenstown Airport is proud to have achieved ACA Level 4+ Transformation. In accordance with the ACA programme requirements, we have achieved further emission reductions in comparison to both FY23 and our baseline year, across scopes 1, 2 and limited scope 3.

It has always been our intention to expand the range of emission sources included in our inventory. Joining the ACA programme has enabled us to achieve this. For the first time, our inventory includes aircraft movements and passenger ground transport emissions alongside several other emission sources.

SCOPE	CATEGORY	2024 EMISSIONS (tCO2e)	
		location based	market based
Direct emissions (Scope 1)	Diesel – stationary	84.68	84.68
	Diesel & petrol transport	31.42	31.42
	Fire extinguishers	0	0
	Refrigerants	0	0
TOTAL scope 1		116.11	116.11
Indirect emissions (Scope 2)	Purchased electricity	188.78	0
	Total Scope 2	188.78	0
Indirect emissions (Scope 3)	Category 1:		
	• Water supply and treatment	21.01	21.01
	• Purchased goods & services	256	256
	• Fire training fuels	4.51	4.51
	Category 2:		
	• Construction materials + waste	3.32	3.32
	Category 3:		
	• Electricity T&D losses	21.95	21.95
	• Park & ride diesel bus	51.4	51.4
	Category 5: Waste landfilled	5.6	5.6
	Category 6: Business travel	63	63
	Category 7: Employee commuting / working from home	60.21	60.21
	Category 8: Upstream leased assets	205.11	205.11
Category 9: Natural gas used by tenants	10.14	10.14	
Category 10: Passenger ground transport emissions	13,281	13,281	
Category 11: Aircraft full flight	261,757	261,757	
Category 13:			
• Tenant electricity usage	116.06	116.06	
• On-sold diesel	104.69	104.69	
TOTAL Scope 3		275,961	275,845
TOTAL emissions (1, 2 & 3)		276,266	275,961

1. Our scope 3 emission reductions are limited to staff business travel and waste to landfill. Queenstown Airport purchases renewable energy certificates from our power supplier, Meridian Energy, which allow us to report our scope 2 and transmission & distribution losses (scope 3) emissions as zero using the location based methodology. The use of renewable energy certificates and the associated reporting methodology is accepted by Airports Council International under the ACA programme.

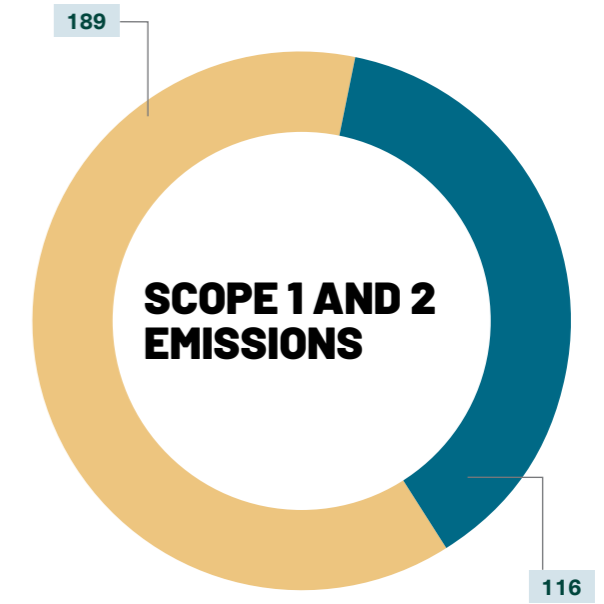
QAC scope 1 and 2 emissions using the market based approach



- Scope 1
- Scope 2
- Scope 3

Volume in tCO2e

QAC scope 1 and 2 emissions using the market based approach



- Scope 1
- Scope 2

Volume in tCO2e

CALCULATING AIRCRAFT EMISSIONS

In accordance with ACA guidance, we have adopted the full flight, one-way approach for calculating aircraft emissions, inclusive of emissions associated with landing, taxiing and take-off. This means we calculate the emissions for all departing aircraft from Queenstown Airport to the destination airport. Where possible, we have used individual aircraft emission factors, as provided by either the International Civil Aviation Authority (ICAO) or ACA. The methodology used has been developed and approved by international airline authorities and is commonly used by airports participating in the ACA verification process.

DECARBONISATION ROADMAP TARGETS 2024-2028

TARGET	STATUS
Achieve an 85% reduction in scope 1 & 2 emissions by 2028, compared to 2019 baseline year	Ongoing 67% reduction of Scope 1 and 2 in FY24 71% reduction in scope 1-3 emissions compared to 2019 baseline year
Achieve Airport Carbon Accreditation	Achieved
Account for a wider range of scope 3 emissions	Achieved
Second phase of terminal heating & cooling upgrade	Ongoing
Replace Park & Ride shuttle with an electric vehicle	Under investigation
Explore options for renewable energy generation onsite	Ongoing
Complete transition to electric vehicle fleet	Ongoing 3 of our 7 operational vehicles are electric and 1 is a hybrid vehicle.
Introduce energy efficiency targets	Ongoing
Decommission diesel boiler	Forecast FY28
Off-set residual emissions through local native reforestation projects	Achieved

OUR SUSTAINABILITY LINKED LOAN TARGETS FY24

Target 1: Achieve ACA Level 3	Achieved Level 4+
Target 2: Reduce greenhouse gas emissions	Achieved
Reduce landside waste	Not achieved This is an absolute reduction target. Waste to landfill increased by 9% due to higher passenger numbers, an expanded food and beverage offering, and contamination of materials that could have been recycled.

