

# SUSTAINABILITY REPORT

2023

SUSTAINABLE  
**ZQN** 

  
Queenstown  
airport

# CONTENTS

## KIA ORA KOUTOU

Welcome to Queenstown Airport's first Sustainability Report. We're really proud of the work we're doing to reduce our environmental impact, to support our community to thrive and to enable lower-emission aviation. Our Sustainability Strategy guides all our decisions and how we do business. This report delivers a comprehensive update on our sustainability initiatives and our progress against our targets. It also includes our first set of climate-related disclosures. We recognise aviation is a significant source of greenhouse gases and is one of the most challenging sectors to abate. We have started with the things we can directly control but are also turning our attention to ways we can use our influence to make a positive difference.

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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.



**COMMUNICATE OPENLY AND REPORT REGULARLY** demonstrating our commitment to achieving our sustainability goals.



**PROVIDE CERTAINTY AND CLARITY TO THE COMMUNITY** around airport activity, mitigate the impact of aircraft noise and complete the residential noise mitigation programme.



## PLANET

**CLIMATE | WASTE | BIODIVERSITY**



**BE NET-ZERO BY 2028\*** by implementing our decarbonisation roadmap for airport operations.  
**SUPPORT THE GLOBAL FLY NET ZERO BY 2050\*\*** target through infrastructure planning, collaboration and advocacy.



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



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



## PROSPERITY

**CLIMATE RISK | ZON | COMMUNITY**



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



**EMBED SUSTAINABILITY ACROSS OUR AIRPORT** so that like health, safety and security, sustainability is what we do.



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

\* For Scope 1 and 2 emissions, compared to our 2019 baseline year.

\*\* 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



**RECORD ANNUAL DIVIDEND PAID TO QLDC\***  
equating to \$390 per ratepayer in the Queenstown Lakes




**CLIMATE-RELATED RISKS AND OPPORTUNITIES**  
assessment completed




**TOITŪ NET CARBON ZERO CERTIFICATION**



**65% REDUCTION IN ABSOLUTE EMISSIONS SINCE 2019**



**ZON COMPOST PROGRAMME EXPANDED**



**PUBLIC EV CHARGERS INSTALLED**



**WINNER 2019 NZ AIRPORT'S SUSTAINABILITY INITIATIVE OF THE YEAR AWARD**



**LIVING WAGE ACCREDITED SINCE 2019**



**ZON SUSTAINABILITY PLEDGE LAUNCHED**



**CHAMPIONING THE TIAKI PROMISE**



**COMMUNITY PARTNERSHIPS PROGRAMME CONTINUES**



**CERTIFIED 100% RENEWABLE ELECTRICITY SUPPLY**



**BIODIVERSITY PROJECT IN PARTNERSHIP WITH WHAKATIPU REFORESTATION TRUST**



**ENHANCED QAC EMPLOYEE WELLBEING PROGRAMME LAUNCHED**




**INAUGURAL SUSTAINABILITY LINKED LOAN ACHIEVED**



**PREDATOR CONTROL PROJECT IN PARTNERSHIP WITH WHAKATIPU WILDLIFE TRUST**

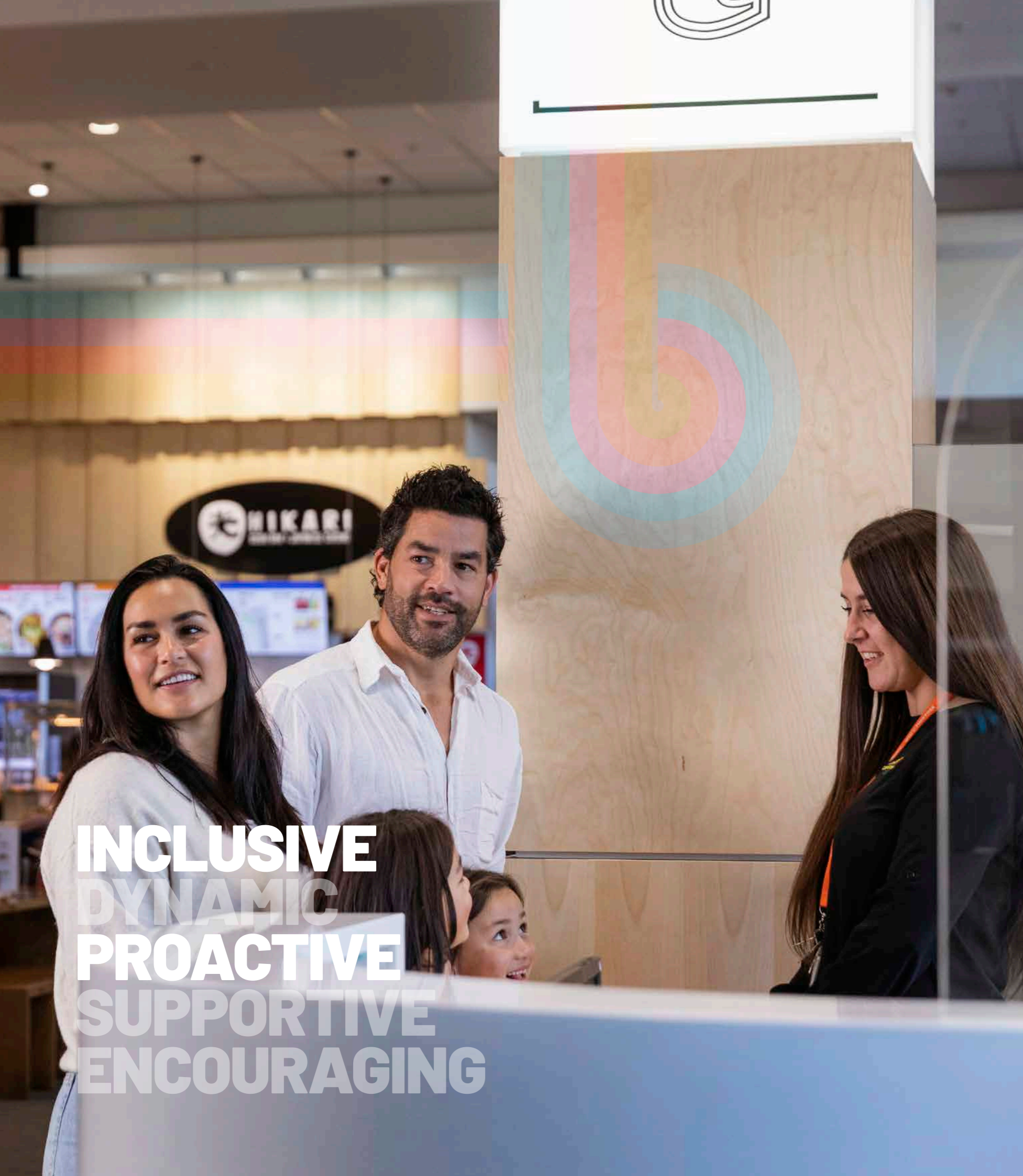


**BIOSECURITY BUSINESS PLEDGE SIGNED**



**SOLAR POWERED AIRCRAFT ACCESS RAMPS INTRODUCED**

\*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.

## RECOGNISING OUR TEAM

Our most important asset is our people. Rebuilding the capacity of our workforce has been an important focus this year, with staff numbers increasing by about a third and extra emphasis on training.

QAC aims to be an employer of choice and to make Queenstown Airport a fun and rewarding place to work. We nurture a team ethos and value the contribution of every staff member.

This year we reviewed our wellbeing programme. QAC employees have access to health insurance, health checks, an annual Get Active subsidy, and a paid day off for their birthday, as well as other benefits.

We also completed a comprehensive staff engagement survey and implemented an action plan based on the feedback received.

## LIVING WAGE ACCREDITATION

QAC was the first airport company in New Zealand to achieve Living Wage Accreditation and is proud to have maintained that over the past year. We also ensure our cleaning and security contractors pay their employees at least a Living Wage. From 1 September 2023, the Living Wage hourly rate is \$26.00.

## PREPARED FOR AN EMERGENCY

Queenstown Airport has bolstered the Airport Emergency Service (AES), with eight recruits joining the team over the past year. They have undergone extensive training to ensure they are well prepared if they ever have to respond to an emergency.

Another significant move to strengthen AES is the creation of a Training Officer role. Historically, our AES officers have been sent to larger airports for much of their training. With the appointment of a Training Officer, we can bring most of that training in-house, develop our own people and training facilities, and reduce the carbon footprint associated with training.



## COMMUNITY CONSULTATION

Long-term planning has been a major focus over the past year, with the release of a 10-year Strategic Plan, followed by a draft Master Plan to deliver on that strategy. Having listened to the community, we have committed to work within the existing noise boundaries until at least 2032. We are planning a series of improvements to increase safety, resilience, efficiency and customer experience. Public consultation on the draft plan attracted broad interest and valuable feedback, as well as ideas for strengthening the community connection to the airport.

## IWI ENGAGEMENT

QAC is committed to positive engagement with iwi and hapū. QAC's majority shareholder, the Queenstown Lakes District Council, has established partnerships with both Aukaha and Ngāi Tahu ki Murihiku (Te Ao Marama), who work on behalf of iwi to work with relevant territorial

local authorities. We have begun discussions with a goal to building stronger relationships with these organisations as we work to respect the whakapapa of Kāi Tahu as part of our master planning and cultural heritage initiatives, and to ensure that iwi values and issues are reflected in plans and initiatives.

## WINTER PRIDE & PRIDE PLEDGE

Queenstown Airport has been a Gold Pride Pledge supporter since 2017 and came onboard as the major sponsor for Roll Out the Rainbow as part of Winter Pride in 2018. As a company, we're committed to ensuring a safe, welcoming and inclusive airport for everyone – visitors and staff.

## CUSTOMER EXPERIENCE SURVEYS

We are working hard to build a customer-centric culture, to deliver an exceptional customer experience, and to anticipate the needs of future travellers. We have signed up to the Airports Council International (ACI) globally recognised Airport Service Quality (ASQ) programme, which gives us tools to measure our performance and to benchmark our services against those of other airports. Our first ASQ survey was completed in Q4 and will be repeated quarterly to support agile, customer-focused decision-making.

## QLDC QUALITY OF LIFE SURVEY

Queenstown Airport plays a crucial role in supporting the economic and social wellbeing of our region. When the Queenstown Lakes District Council released its fifth annual Quality of Life Survey in March, "an airport with regular scheduled national and international flights" was rated as a positive impact of tourism by respondents – placing it second on the list behind cycling and walking trails.

## NOISE MITIGATION PROGRAMME

We are committed to being a good neighbour. We have operated from the Frankton Flats since the 1930s and our proximity to Frankton and Queenstown has significant benefits for local residents and travellers. However, it also means we are located close to homes and we acknowledge noise from the airport can be annoying. To mitigate the negative impacts of our operations, we offer a range of noise-reducing measures to the owners of properties within our Inner and Mid Noise Boundaries.



RESPONSIBLE  
STRATEGIC  
SUSTAINABLE  
COMMITTED  
FOCUSSED



# PLANET

Responding to Climate Change and understanding the risks to our business is vital to building a resilient future.

Queenstown Airport is a member of the Toitū Envirocare Programme. This year, we are pleased to have progressed from Toitū carbonreduce certification and achieved Toitū net carbonzero certification. We are audited annually by Toitū\*, enabling us to benchmark and measure our progress.

In FY23, we achieved an absolute reduction in greenhouse gas emissions of 18% compared with FY22.

Our progress can be credited to our commitment to electrification, the transition to a certified renewable electricity supply, replacement of assets and infrastructure to increase efficiency, and our decision to stop the use of the diesel generator for supplementary power supply during peak demand periods.

We measure the impact of our operations by mapping and measuring our carbon footprint in accordance with international best practice. For our last audit, this means we measured our scope 1 and 2 emissions, and scope 3 emissions in accordance with the GHG Protocol.

During FY24, we will transition from Toitū Envirocare to Airport Carbon Accreditation (ACA). ACA is an industry specific programme administered by the Airports Council International (ACI).

Our transition will allow us to monitor and report our progress against other airports globally and ensure readers of our report can compare us with other entities within our industry. In accordance with the programme standards, we will begin to track emissions from a wider range of activities beyond our direct control, including aircraft emissions.

An integral element of the company's 10-year Strategic Plan and Sustainability Strategy is to plan for and enable the decarbonisation of aviation. To achieve this, sustainability and decarbonisation have been key considerations in our planning processes. During FY23, a draft Master Plan was completed and made public for consultation. During FY24, a final Master Plan will be prepared.

For the near term, our focus areas are energy, waste, and transport because of their contributions to our emissions. We have set science-based targets to help reach our goal of Net-Zero emissions by 2028.

## DECARBONISATION TARGETS

This year, we have continued to implement our decarbonisation strategy for airport operations.

Setting absolute emission reduction targets means that while activity at the airport increases, our total greenhouse gas emissions are decreasing.

Since our initial FY19 audit, our greenhouse gas emissions have decreased by 65%, meaning we have surpassed our target to reduce absolute emissions by 60%, compared with our baseline year, by 2030. Our revised target is an 85% reduction by 2028.

The decarbonisation of aviation is a global challenge and airports have an important role to play in facilitating the changes required to successfully decarbonise. A key component of our long-term planning is preparing for and enabling the decarbonisation of air travel. We are supporting the global Fly Net Zero by 2050 target through infrastructure planning, collaboration and advocacy.

\* We use the operational control approach as recommended by ISO standard 14064-2018. In accordance with the ISO standard, we measure emissions from all compulsory emission sources

## BIODIVERSITY

Reducing emissions is important to alleviate climate change but we also have to do something about the emissions we are producing now and the carbon dioxide already in the atmosphere. Native plantings help to sequester carbon from the atmosphere, locking it up in the soil and in vegetation for centuries. They also provide habitat and food sources for native birds.

Biodiversity restoration not only enhances and beautifies our region but provides natural defences against the impacts of climate change, preventing flooding and erosion. It provides fertile soils, clean air and water as it filters out pollutants.

New Zealand's biodiversity is what makes us unique as these plant and animal species are not found anywhere else in the world. We champion New Zealand flora in the gardens around the airport terminal, and have installed signs to identify the various species. This is one way we can create unique experiences for our visitors, while educating people about the importance of our native plants.

## WHAKATIPU REFORESTATION TRUST

Queenstown Airport is a longstanding partner of the Whakatipu Reforestation Trust, which was set up to protect and restore the native biodiversity of the Whakatipu Basin through revegetation projects, collaboration, education and advocacy. QAC staff enjoy mucking in to help with the physical work and we also provide annual funding as part of our partnership agreement. Our support of the trust's activities drives real change across the district.

## SHOTOVER WETLAND PROJECT

This year we joined the Shotover Wetland restoration project, which was established by the trust, Shotover Primary School and Grant Stalker in 2016, with support from Accor Hotels Queenstown.

The regionally significant wetland covers nearly 7 hectares east of the Shotover (Kimiākau) River confluence and is remarkable for the diversity of its native plants; 21 species have been recorded in the wetland.

Birds observed there include pūkeko, shelducks and swamp harriers, while the wetland also provides possible habitat for crakes, scaups, shovellers, black-fronted terns and plovers.

Queenstown Airport's involvement will accelerate the progress of the project and involves water-quality testing, native planting, predator trapping, the creation and maintenance of recreational pathways, clearance of exotic vegetation and maintenance.

The project will span at least 10 years and has three goals: the restoration of the wetland; provision of educational opportunities for students and the community; and opportunities for connection between school pupils, the community, and project partners.

## PREDATOR TRAPPING

We support New Zealand's predator-free 2050 goal and have deployed 26 traps across our airfield and vacant land. The traps were bought from the Whakatipu Wildlife Trust and target introduced pest species: stoats, ferrets, weasels, possums and rabbits. Trapping these pests is a critical factor in restoring biodiversity, enabling native species to thrive.

## CARBON CREDITS

This year we have invested in native reforestation at Kurunui Station in Otago to offset operational carbon emissions that could not be eliminated. We are also assessing options for a native reforestation project closer to home. Offsets are not the solution, but an avenue to support local carbon sequestration and biodiversity while we continue to lower and ultimately eliminate operational emissions.

## BIOSECURITY BUSINESS PLEDGE

In April, Queenstown Airport signed the Biosecurity Business Pledge. An initiative of the Ministry of Primary Industries, the pledge is a partnership encouraging New Zealand businesses to work together to strengthen New Zealand's border and proactively manage biosecurity risks. Signing the pledge reinforces the airport's strong commitment to biosecurity and demonstrates we care about our region and keeping our community safe.



## SUSTAINABILITY-LINKED LOANS

QAC is pleased to have entered a sustainability-linked loan structure with its banking partners. From FY24, Queenstown Airport's debt will be directly linked to the achievement of specific sustainability targets. Under the terms of the loan, Queenstown Airport has set four targets:

- achieving Airport Carbon Accreditation, the leading global certification for airport carbon management
- reducing Queenstown Airport's Scope 1 and 2 greenhouse gas emissions, supporting our transition to net-zero
- installing infrastructure that supports reductions in Queenstown Airport's Scope 3 greenhouse gas emissions, including by enabling electrification of parked aircraft, ground service equipment and charging infrastructure for electric vehicles
- reducing the waste sent to landfill across the terminal precinct.

## WASTE MINIMISATION AND COMPOSTING

This year, we reviewed the airport's composting system and expanded the range of organic waste that can be accepted, which has increased participation. Organic waste from the food and beverage outlets, airport lounges and staff kitchens in the terminal is now being collected. We also completed an audit of all terminal waste to inform our waste minimisation strategy and recycling programme.

## REDUCING WASTE TO LANDFILL

New indoor and outdoor waste bins with clear signage have been installed around Queenstown Airport to make it easy for people to do the right thing with their rubbish. The aim is to minimise the amount of waste sent to landfill and to reduce the contamination of materials that could be recycled. Empty glass bottles go in the blue bins. Empty plastic bottles and aluminium cans go in the yellow bins. Everything else goes in the red bins.



## BIKE ASSEMBLY STANDS

More and more people are flying into Queenstown with bikes. To enable them to cycle straight from the airport on to the district's trails, we have installed two special bike assembly stands right outside the terminal.





**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 includes continuing our support of Coastguard Queenstown.

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.

We also support a number of smaller events and community initiatives and groups that align with our core values.

## ZQN SUSTAINABILITY PLEDGE

Queenstown Airport is the base for dozens of businesses. We try to lead by example in our own organisation but we also have an important role in championing and enabling sustainable practices among the wider airport community. This year we launched the ZQN Sustainability Pledge to recognise and support like-minded businesses. Those signing the pledge have agreed to:

- champion the Tiaki Promise
- support renewable electricity
- prioritise a resilient built environment
- commit to reducing and eliminating waste to landfill
- support a thriving community
- measure and then reduce greenhouse gas emission
- be an employer of choice
- join the Airport Champions Committee
- create a welcome, inclusive and diverse airport experience for all.

## CARBON ZERO 2030

Queenstown Airport supports the Queenstown Lakes District's ambitious target, announced in November 2022 under the banner 'Travel to a thriving future', to be the world's first carbon-zero tourism destination. Planning for and enabling the decarbonisation of aviation is core to our strategy and will be critical to achieving this bold ambition.

## SUPPORTING OUR REGION TO THRIVE

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, and the world.

One of the ways we support our region to thrive is by investing in meaningful change through positive collaborations and financial partnerships. Over the reporting period, we contributed more than \$120,000 to our local communities and events through our Partnerships Programme.

This year we again supported:

- Coastguard Queenstown
- the Whakatipu Reforestation Trust
- the Wakatipu High School Foundation's Awhi Fund
- the Branches Charitable Trust
- the Queenstown Airport Kids' Run (part of the New Zealand Sotheby's International Realty Queenstown Marathon)
- the Queenstown Chamber of Commerce Women in Business series
- Winter Pride, rolling out the rainbow at ZQN.

### LOVE QUEENSTOWN/ LOVE WĀNAKA

Queenstown Airport was proud to be a founding partner of the Love Queenstown / Love Wānaka community funds launched in April. The project has evolved out of the Destination Management Plan and is jointly coordinated by Destination Queenstown and Lake Wānaka Tourism. The focus of the two funds is supporting localised climate, conservation, and biodiversity initiatives, accelerating the region's shift to a regenerative carbon zero future and enabling visitors to have a positive impact on Queenstown and Wānaka through their activities and experiences.

At the airport, we are promoting the funds and giving visitors opportunities to contribute to them. We have provided a high-profile space next to domestic baggage reclaim. The immersive installation allows our visitors to connect with the values of our region from the moment they arrive, learning about the initiative and how they can give-back during their travels.



### WAKATIPU COMMUNITY FOUNDATION

We formed a new partnership with the Wakatipu Community Foundation to support community philanthropy and deliver long-term benefits to the communities the airport serves. The foundation channels charitable donations to a wide range of local organisations and initiatives making a positive impact in areas including youth, education, health, the arts, and the environment.

### AWHI FUND

Queenstown Airport became a platinum sponsor in 2019. The purpose of the Awhi Fund is to ensure equity of access to Wakatipu High School's great all-round education and that there are no financial barriers for students and families to be able to participate in the vast range of curricular and extracurricular opportunities on offer at school.

The fund is designed to assist families financially with all aspects of school life, including uniform, fees, laptops, camps and all other school-based and extracurricular activities.

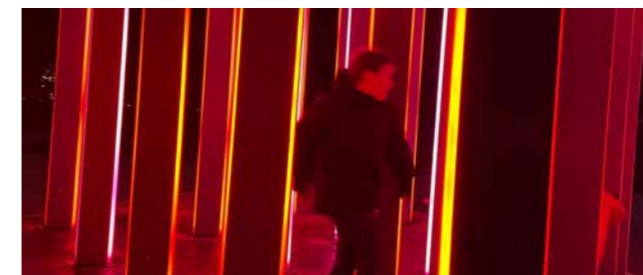
### LAKES HAYES A&P SHOW

Queenstown Airport and the Lakes Hayes A&P Show have a shared ambition to see the much-loved community event become waste-free. As a new sponsor, the airport is providing funding to help make that happen. The three-year partnership has kick-started a range of initiatives to cut waste, including covering the cost of using the DISHrupt service at the show. DISHrupt is run by Sustainable Queenstown and provides reusable dishes, cups, and cutlery for use at events, reducing the need for single-use food packaging and cutlery. The partnership is off to a great start. This year waste to landfill was cut by 50%.

### BUSINESS AWARDS

Queenstown Airport has continued its support of the Wānaka Business Awards by sponsoring the Outstanding in Sustainability category – a great opportunity to champion those doing great work in this space and shine a light on those achieving positive results that we can all learn from.

We are delighted to be supporting the 2023 Queenstown Business Awards by sponsoring a new category, Excellence in Community Contribution. This award recognises organisations that have implemented initiatives that have had a positive impact on the community as a whole or sectors of the community and that strive to generate outcomes of long-term benefit to Queenstown.

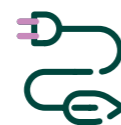


### PROUD TO SUPPORT LUMABILITY

We launched a new partnership to make the LUMA Southern Light Project accessible to all. LUMAbility provided guided tours to the popular arts, performance and sensory event held in Queenstown Gardens at King's Birthday Weekend. The tours occurred outside of regular opening times, catering to those with diverse needs. Year one ran as a pilot project and all those who experienced LUMAbility felt it was a great success – we can't wait to bring it back in 2024!



# ZQN'S RUNWAY TO NET-ZERO



## ENERGY

We've set some ambitious targets to achieve net-zero carbon emissions by 2028 at ZQN.

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 operational 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

- Go single-use cup free.
- 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 – 2023

- **Achieved 65% reduction in absolute emissions and progressed to Toitū net carbonzero certification**
- 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 regional native reforestation carbon credits to offset emissions from all our compulsory emission sources measured in accordance with the GHG Protocol

### 2024 – 2028

- **Revised target to reduce Scope 1 and 2 emissions by 85% by 2028, compared to our 2019 baseline year**
- Achieve Airport Carbon Accreditation 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
- Offset residual emissions through local native reforestation projects



## USING OUR INFLUENCE

We will:

- introduce universal equipment charging stations for use by ground handling operators
- 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



# DECARBONISING AVIATION

Aviation is a significant source of greenhouse gas emissions and is one of the most challenging sectors to decarbonise.

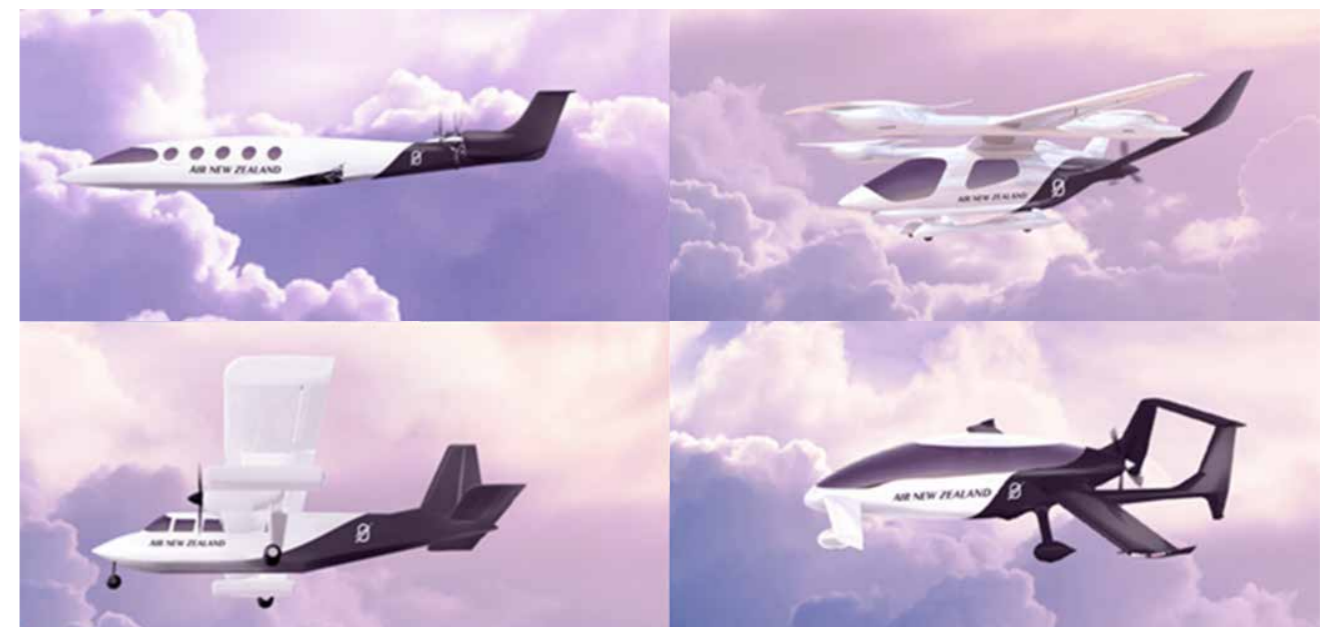
We have a clear pathway to reach net-zero emissions for our own operations by 2028 and all four airlines using Queenstown Airport have signed up to Fly Net Zero – the International Air Transport Association’s commitment to achieve net zero carbon by 2050. This pledge brings air transport in line with the objectives of the Paris Agreement to limit global warming to less than 2°C. However, to succeed it will require significant advances in technology and a concerted effort by the entire aviation industry.

Decarbonising air travel will not be easy. Hope rests on operational improvements, the use of sustainable aviation fuels (SAF), and the development of hydrogen and electric aircraft. In the interim, New Zealand mitigates domestic aviation emissions under the emissions trading scheme.

At the moment, SAF is not produced in New Zealand and international supplies are limited. It is regarded as the only viable possibility for zero-emission long-haul flights up to 2050.

Zero-emission aircraft technologies are still in the design, development and testing stages, although progress is promising. Air New Zealand is planning its first commercial demonstration flight using a hydrogen or electric aircraft in 2026 and commercial short-haul flights are expected about the end of the decade.

Queenstown Airport intends to be a local leader in enabling lower-emission aviation and cleaner technologies and has made provision for this in its draft Master Plan. One of the first requirements will be greater electricity supply and more robust infrastructure. QAC is working with regional stakeholders and energy distributors to address this. It is also investigating on-site solar power generation opportunities.



As part of the Southern Airport Alliance, Queenstown Airport has put in a joint expression of interest for the Air New Zealand Next Gen Aircraft demonstrator project.

# 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 2027



**NET-ZERO  
EMISSIONS**  
by 2028



**85% ABSOLUTE  
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



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



Be an  
**EMPLOYER  
OF CHOICE**  
& maintain living  
wage accreditation



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



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

\*For Scope 1 and 2 emissions, compared to our 2019 baseline year.  
<sup>^</sup>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.

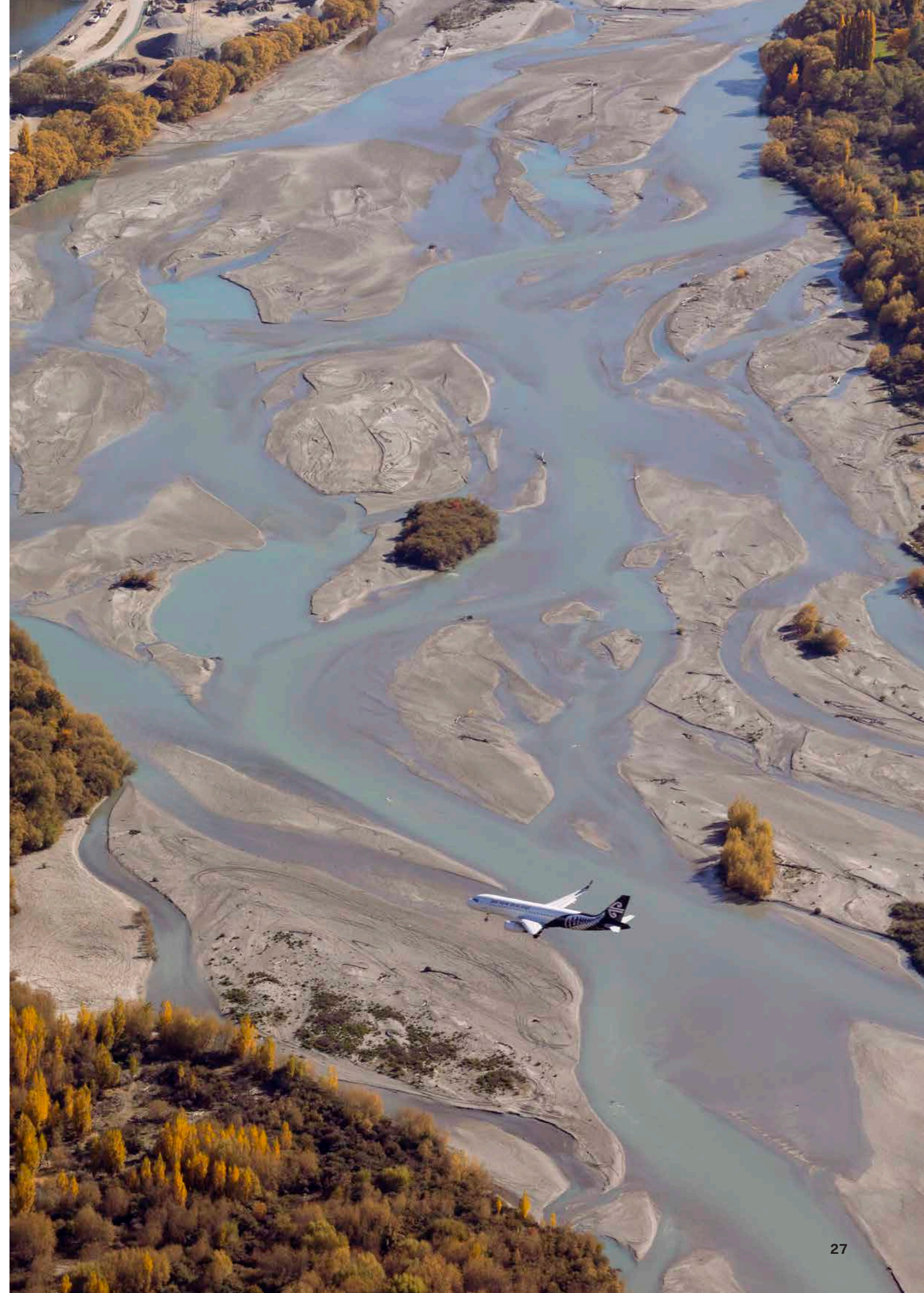
In December 2022, the External Reporting Board (XRB) released its climate-related disclosures standards for New Zealand, which are aligned to the global Taskforce on Climate-related Financial Disclosures (TCFD). In New Zealand, climate-related disclosures are now mandatory for large, listed companies,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

Over the past two 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.

QAC is not required to report, but is taking a proactive approach to both reporting and data collection. While we are not yet in a position to report on all of the XRB standards, a gap analysis is under way to improve our monitoring and reporting each year.

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 reported to and discussed 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 has developed an action plan to mitigate the identified risks and maximise the opportunities presented. These actions have been included in the company’s FY24 business plan. 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.




## 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) <sup>1</sup>

<sup>1</sup> 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. The insights gained will be beneficial for more in depth assessments in future.

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

RISK OR OPPORTUNITY		CONSEQUENCES AND ADDITIONAL CONSIDERATIONS
Physical risk	Operational disruption, including in aviation networks, due to acute weather events.	<ul style="list-style-type: none"> <li>Impact on operations and disruption of services</li> <li>Impact on road access to Queenstown Airport (passenger, staff and contractors, and fuel transportation)</li> </ul>
	Chronic weather changes leading to increased turbulence and flight disruptions.	<ul style="list-style-type: none"> <li>Reduced operating efficiency at airports and fewer flights</li> <li>Reputational damage</li> <li>Increased flight disruptions across New Zealand impacting airport revenue and regional connectivity</li> </ul>
Transition risk	Cost, reliability, and timing of alternative fuel supplies (electricity and SAF) as the sector transitions to lower-carbon aviation.	<ul style="list-style-type: none"> <li>Variable electricity supply and availability during acute weather events</li> <li>Limitations of existing infrastructure, e.g. timing of planned upgrades to increase energy resilience</li> <li>Limited ability for these fuels to be generated and distributed within New Zealand</li> </ul>
	Delayed delivery of upgrades (airside and landside) required to enable decarbonisation and electrification.	<ul style="list-style-type: none"> <li>Airport infrastructure upgrades will be required to transition to lower-carbon air and land transport and net carbon-zero terminal operations</li> <li>Public perception of QAC and the aviation industry as a whole</li> </ul>
Opportunity	Position QAC as a leader in the transition to a carbon-neutral economy.	<ul style="list-style-type: none"> <li>Community expects QAC to support regional transition and become an exemplar in the aviation sector</li> <li>Opportunity to be an enabler of a sustainable transport network in Queenstown</li> <li>Opportunity to support the region's destination management plans and the transition to regenerative tourism</li> <li>Enhance QAC's reputation and social licence to operate</li> </ul>

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
<b>Acute physical:</b> Operational disruption due to acute weather events, including network disruptions.	●	●	●	●	●	●	●	●	●
<b>Chronic physical:</b> Chronic weather changes leading to increased turbulence and flight disruptions.	●	●	●	●	●	●	●	●	●
<b>Transition:</b> Cost, reliability, and timing of alternative fuel supplies (electricity and SAF) as the sector 'transitions to lower-carbon aviation.	●	●	●	●	●	●	●	●	●
<b>Transition:</b> Delayed delivery of upgrades (airside and landside) required to enable decarbonisation and electrification.	●	●	●	●	●	●	●	●	●
<b>Opportunity:</b> Position QAC as a leader in the transition to a carbon-neutral economy.	●	●	●	●	●	●	●	●	●

We will undertake more detailed analysis of financial and legal implications of climate-related risks and opportunities during FY24, 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

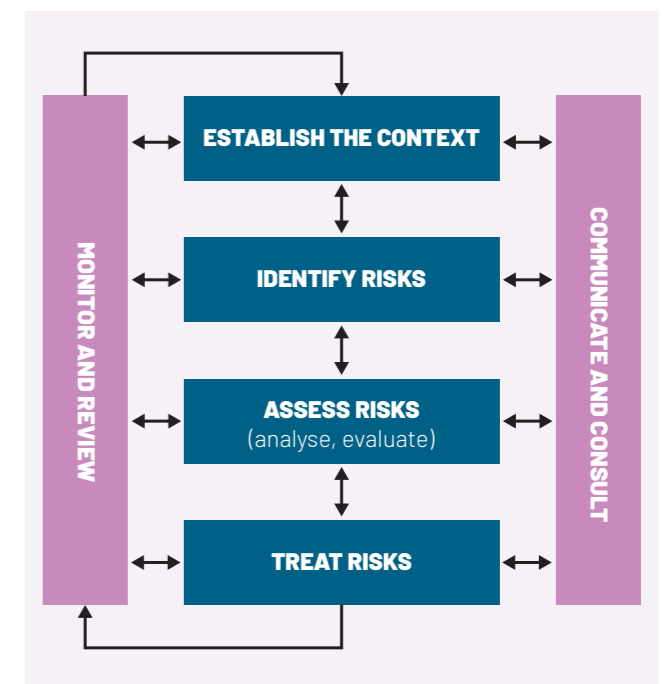
To enable primary users to understand how an entity’s climate-related risks are identified, assessed, and managed and how those processes are integrated into existing risk-management processes.

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 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.

During FY22, we updated the company’s Sustainability Strategy and set targets under three pillars: people, planet and prosperity. The strategy and associated targets are published on the Queenstown Airport website. We have also developed a roadmap to decarbonise our operations and set science-based targets, aligned to a 1.5-degree global warming pathway.

Queenstown Airport is a member of the Toitū Envirocare Programme. We are audited annually by Toitū, enabling us to benchmark and measure our progress.

Our inventory is audited and verified by Toitū Envirocare. We use the operational control approach as recommended by ISO standard 14064-2018.

In accordance with the ISO standard, we measure emissions from all compulsory emission sources. The emission factors used by Toitū Envirocare are based on the Ministry for the Environment’s guidelines. Some emission sources were excluded as they were deemed de minimis (too minor to merit consideration) because they represent less than 5% of the total inventory and include freight, compost, rental cars and taxi use for QAC’s business travel.

This year, we are pleased to have progressed from Toitū carbonreduce certification and achieved Toitū net carbonzero certification.

Toitū net carbonzero certification means our carbon footprint (as outlined in the table below) has been measured, and verified, our emissions are decreasing year-on-year, and remaining emissions are offset.

Setting absolute emission reduction targets means that while activity at the airport increases our total emissions are decreasing.

For the near term, our focus areas are energy, waste, and transport because of their materiality to the business.

Since our initial FY19 audit, our net greenhouse gas emissions have decreased by 65%, meaning we have surpassed our target to reduce absolute emissions by 60%, compared with our baseline year, by 2030.

In FY23 we achieved an absolute reduction of 16% compared with FY22.

Our progress can be credited to our commitment to electrification, the transition to a certified renewable electricity supply, replacement of assets and infrastructure to increase efficiency, and our decision to stop the use of the diesel generator for supplementary power supply during peak demand periods.

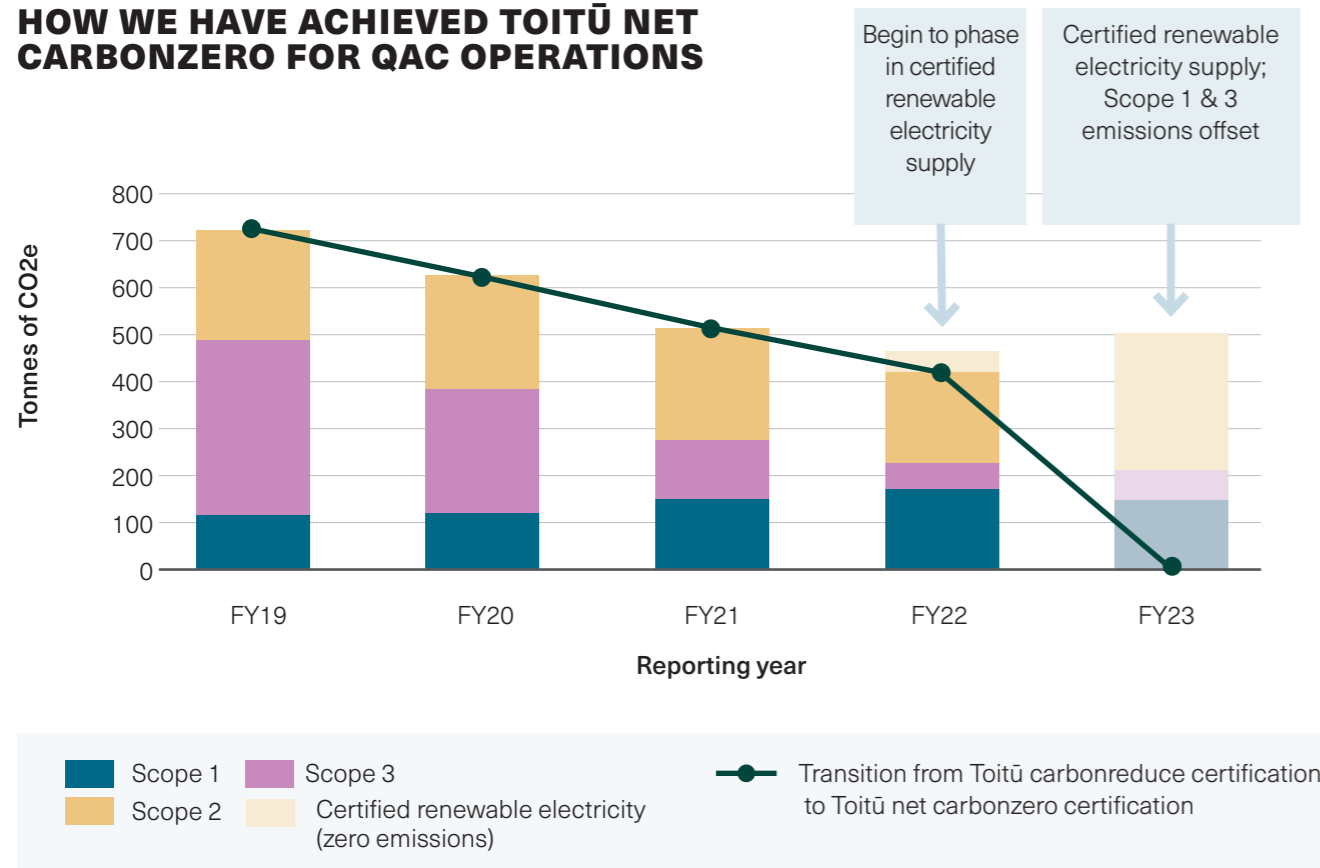
We will continue to remove fossil-based energy sources in favour of electrification. We will also expand the range of electric infrastructure to support our stakeholders and customers on their decarbonisation journey.

This means our electricity requirements will continue to increase. To ensure emissions associated with electricity do not increase, we will continue to source a certified renewable electricity supply and continually improve efficiency of energy use.

For any emission sources that it is compulsory to report under the ISO standards and that we have not yet managed to eliminate, we have committed to offset using carbon credits. This year we have invested more than \$25,000 in native reforestation in the Otago region through the purchase of certified carbon credits.

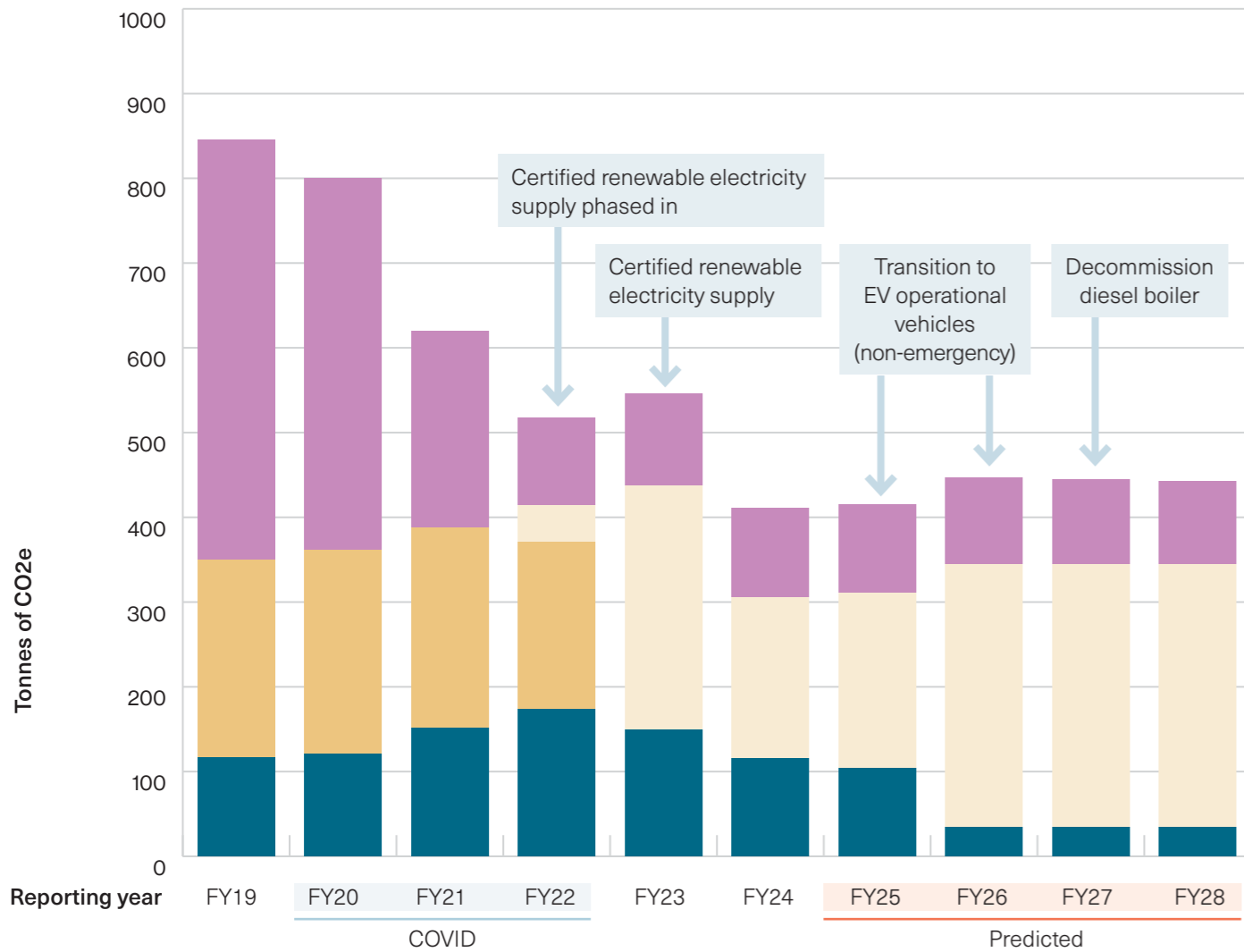
We also elected to include a range of additional emissions sources across scope 3 (categories 3-6) – including staff commuting, water consumption, our Park & Ride Bus, and terminal tenant electricity and diesel consumption – to understand the wider impact of airport operations, with the intention to incorporate these emission sources into our decarbonisation strategy.

## HOW WE HAVE ACHIEVED TOITŪ NET CARBONZERO FOR QAC OPERATIONS



SCOPE 1	SCOPE 2	SCOPE 3
Direct emissions within our operational 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 DECARBONISATION ROADMAP – ABSOLUTE EMISSION REDUCTION TARGETS FOR QAC OPERATIONS

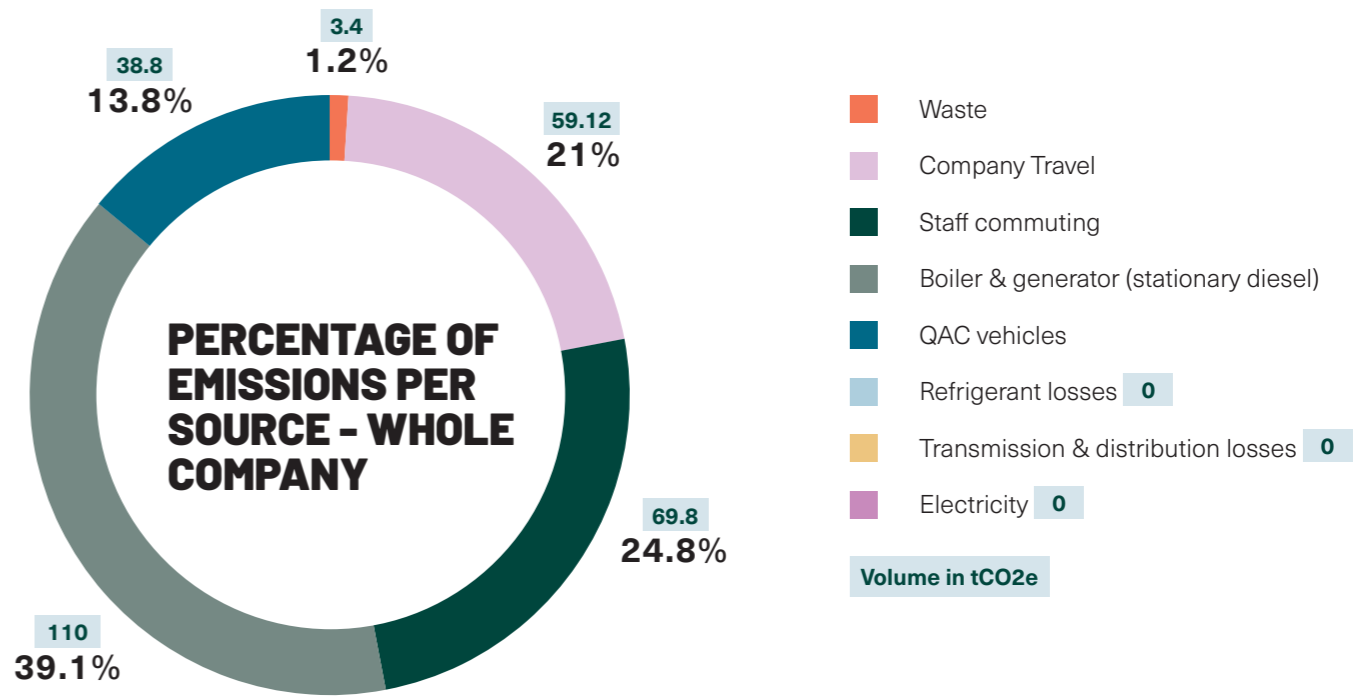


- Scope 1 – Emergency vehicles, Operational vehicles, Boiler
- Scope 2 – Electricity
- Scope 3 – Staff Business Travel, QAC Waste + Staff Commuting
- Certified renewable electricity (zero emissions)

Over the next five years as we work towards our net-zero carbon target we will continue to reduce absolute operational 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.

## OUR CARBON AUDIT RESULTS



### We are proud to have achieved Toitū net carbonzero certification in FY23.

This year we are pleased to have progressed from Toitū carbonreduce certification to Toitū net carbonzero certification for FY23, meaning that we have accurately measured our greenhouse gas emissions and put in place strategies to manage, reduce and offset the impacts of our operations.

For the reporting period, our greenhouse gas (GHG) emissions were down 16% on last year and we achieved a 'high-quality data' ranking. Since our initial audit in FY19, we have reduced our GHG emissions by 65%.

The intensity of emissions has decreased compared to FY22. Activity, revenue and the number of full time equivalent staff employed have all increased during the reporting period.

- Emissions per fulltime equivalent staff have decreased by 50%.
- Emissions per \$1 of revenue have decreased by 76%.
- Emissions per passenger movement have decreased by 34%.

We will continue to reduce absolute operational emissions each year and offset remaining emissions through verified carbon credits to achieve a neutral balance. This year we invested in native reforestation in the lower South Island.

