We acknowledge the Traditional Custodians of the land on which we work, live and fly. We pay respect to Elders past, present and emerging.

This Sustainability Report has been prepared for the purpose of providing investors with information regarding our approach to sustainability issues related to our business. It has not been prepared as financial or investment advice or to provide any guidance in relation to the future performance of Qantas.

This Report contains forward-looking statements and statements of opinion. These may include statements regarding sustainability plans and strategies, the impact of climate change and other sustainability issues, energy transition scenarios, actions of third parties, and external enablers such as technology development and commercialisation (including with respect to sustainable aviation fuels), policy support, market support, and energy and offsets availability.

Any such statements are made only as at the date of this Report. Readers are cautioned not to place undue reliance on such statements, particularly in light of the long-time horizon which this Report discusses and the inherent uncertainty in possible policy, market and technological developments.

No representation or warranty is made regarding the accuracy, completeness or reliability of the forward-looking statements or opinions contained in this Report or the assumptions on which they are based. All such information is, by its nature, subject to significant uncertainties outside of the control of Qantas, and actual results, circumstances and developments may differ materially from those expressed or implied in this Report. Except as required by applicable laws or regulations, Qantas does not undertake to publicly update or review any forward-looking statements whether as a result of new information or future events. To the maximum extent permitted by law, Qantas and its officers do not accept any liability for any loss arising from the use of the information contained in this Report.

Aboriginal and Torres Strait Islander readers are warned that this Report may contain images of deceased persons. All references to ‘First Nations’ throughout this document are intended to include Aboriginal and/or Torres Strait Islander peoples in Australia.

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Cover: In July 2022, we launched an advertising campaign using our airport channels aimed at raising awareness of Qantas’ investment in a net zero future and protecting the future of travel. This is one of the images from the campaign.

Inside cover: Gariwerd (also known as the Grampians National Park, Victoria).
Chairman’s message

Aviation is a critical industry, particularly in a country like Australia that’s so far away from much of the world. The Qantas Group wants future generations to have access to all the opportunities that global travel offers, and to do this, we need to make air travel more sustainable.

The foundations are being laid. This year, following the release of the Qantas Group’s Climate Action Plan, sustainability became one of the four key foundations for the Group, and one of the seven focus areas of the Group Corporate Strategy. As of this year, executive remuneration is also linked to a climate-related target.

Qantas is facing into the challenge of decarbonising aviation through the use of sustainable aviation fuel, high-quality carbon offsets and operational and fleet efficiencies.

Having a sustainable business is about more than just reducing emissions, and the Qantas Group has a strong history of showing leadership on issues that matter to the Australian people, including reconciliation. We are currently working on our next Reconciliation Action Plan and hope to again achieve Elevate status. We are also updating the way we engage and develop our Aboriginal and Torres Strait Islander workforce. We have long supported constitutional recognition for Aboriginal and Torres Strait Islander peoples, and in 2017, joined other businesses in publicly supporting the Uluru Statement from the Heart.

Qantas was founded in the Queensland outback more than 100 years ago, and our commitment to regional Australian communities continues. Our Regional Grants program, paused during COVID-19, will return in 2023, and we are committed to raising awareness of our Resident Fares program which provides discounts for residents of regional Queensland, Western Australia and the Northern Territory. This Sustainability Report sets out how far we’ve come in the past 12 months, while looking forward to the next steps on our journey.

We have long supported constitutional recognition for Aboriginal and Torres Strait Islander suppliers.

CEO’s message

Much has been said about the challenges the aviation industry has faced over the past few years. What has remained constant throughout all this is our commitment to the environment and to the communities we operate in.

This is the Qantas Group’s Sustainability Report, our annual report card on the progress we’re making towards our goals and how we’re performing across broader social, environmental and governance areas.

In 2019, Qantas became only the second airline group in the world to commit to net zero carbon emissions by 2050. In March this year, in the Qantas Group Climate Action Plan, we set out the steps we’ll take to get there, including an interim target of 25 per cent carbon emission reduction and a sustainable aviation fuel (SAF) target of 10 per cent in our fuel mix, both by 2030.

We’ve made some great progress this year and there’s a lot more in the pipeline.

SAF is the key lever we have to reduce emissions, particularly while new low-emission aircraft technology is still decades away. In January, we started using blended SAF on the Kangaroo route between London and Sydney, and we signed a deal to uplift SAF from Californian ports from 2025. Establishing a domestic commercial SAF industry is critical to reaching our targets and will require airlines, industry and government to work together, which is why we’ve partnered with Airbus to establish a US$200 million fund to help kickstart the SAF industry.

Much has been said about the challenges the aviation industry has faced over the past few years. What has remained constant throughout all this is our commitment to the environment and to the communities we operate in.

In May this year we announced our domestic fleet renewal program for up to 134 Airbus A321XLRs and A220 aircraft, to replace our Boeing 717s and 737s as they gradually retire. Combined with the existing order of 109 A380s for Jetstar, the Qantas Group order was the biggest in Australian aviation history.

When running on fossil fuels, these new aircraft will reduce emissions by at least 15 per cent compared to emissions from the aircraft they are replacing, and this improves significantly when using SAF. We also ordered 12 Airbus A350-1000s to operate direct flights from Australia to cities including New York and London; flights which will be carbon neutral from day one. We’re also making changes in the way we manage waste, setting targets this year for zero single-use plastics by 20271 and zero general waste to landfill by 20302.

In addition to our own efforts, we’re also encouraging our customers to act sustainably when flying and in their everyday lives through our new Green Tier Frequent Flyer program.

As we continue our recovery from the COVID-19 crisis, reducing our impact on the planet and ensuring the next generation can share in the benefits of aviation is a key focus. We look forward to keeping you updated on our journey.

1. Excludes items required for medical or health and safety reasons.
2. Excludes quarantine waste, a highly regulated and specialised waste stream with limited waste diversion pathways. All waste associated with international ports (inbound and outbound) is treated as quarantine waste.
Our sustainability vision
Driving sustainability to protect the future of travel

FY22 Highlights¹

- **220+** pandemic repatriation flights
- **21M+** passengers carried
- **32,000** tonnes+ of freight on 2019 IFAM² charters
- **20+** new domestic routes launched
- **19** international ports restarted, 8 new routes announced
- **37.4%** women in leadership
- **29M** single use plastics removed (34 million items since 2019)
- **69%** Australian supplier spend
- **US$200M** Qantas and Airbus partnership for domestic SAF production
- **24%** improvement in TRIFR from FY21 to FY22

¹ Detailed footnotes on pages 58 and 60.
² International Freight Assistance Mechanism

Photo: In 2022, we relaunched the I Still Call Australia Home advertising campaign. Pictured is Whitehaven Beach in The Whitsundays, Queensland.

Valuing our planet
Enabling our people
Connecting customers and communities

Connecting customers and communities
About Qantas

Founded in the Queensland outback in 1920, Qantas has grown to be Australia’s largest domestic and international airline. Qantas has a range of subsidiary businesses that all, in one form or another, support the overall operations of the Group.

The Qantas Group’s main business is the transportation of customers using two complementary airline brands — Qantas and Jetstar — operating regional, domestic and international services. This also involves a range of operational functions, both in-house and contracted, including pilot and cabin crew operations, aircraft engineering and maintenance, catering, ground handling and cleaning services, freight processing and other operational airline support services.

AIRLINE
Our main airline business transports customers using two complementary brands — Qantas and Jetstar. Our airline brands operate regional, domestic and international passenger services from our bases in Australia, New Zealand, Singapore and Japan.

LOYALTY
Our loyalty program undertakes activities connected with earning Qantas points, including Qantas Wine, Qantas Insurance and Money, Qantas Business Rewards and retail partnerships.

FREIGHT
Qantas Freight is Australia’s largest independent air freight business, transporting more than 4,000 air freight items to over 500 destinations globally every day.

ASSOCIATED BUSINESSES
Wholly owned subsidiaries of Qantas support our core business, including Qantas Group Accommodation Pty Ltd, an online travel agent service and Vii, a gift card technology service provider.

GROUP BUSINESS UNITS
A number of operating business units support our flying operations, including engineering and maintenance, flight training, safety and security, customer service and group corporate functions.

About this Report

The Qantas Group is committed to transparent reporting to demonstrate how we are creating shareholder value, delivering our strategy, laying foundations for long-term sustainability and making a positive impact in the community.

REPORTING SCOPE

Unless otherwise stated, this Sustainability Report (Sustainability Report or Report) covers the period 1 July 2021 to 30 June 2022 (FY22) for Qantas Airways Limited and its wholly-owned entities unless stated otherwise. These entities form the Group’s respective business segments, including Qantas International (including Qantas Freight), Qantas Domestic (including QantasLink and Network Aviation), Qantas Loyalty and Jetstar Group (including Jetstar International, Jetstar Domestic and Jetstar Asia). All financial data is in Australian dollars, except where explicitly stated. The structure of the Report reflects our Sustainability Framework as described on page 8.

REPORT BOUNDARY

In this Report, the terms ‘Qantas’, ‘Qantas Group’, ‘the Group’, ‘our business’, ‘organisation’, ‘we’, ‘us’, ‘our’ and ‘ourselves’ refer to Qantas Airways Limited and its wholly-owned entities unless stated otherwise. This Report contains information for the Group as at the date of this Report.

MATERIALITY

Qantas Group has assessed the sustainability issues and opportunities that matter most to our stakeholders and where Qantas can have the most impact. These issues and opportunities also inform our Sustainability Framework. The assessment included a review of peer reports, issues being raised by investors, analysts, NGOs and benchmarking organisations, and issues being raised internally. We aim to undertake a deeper analysis in FY23.

GLOBAL FRAMEWORKS AND COMMITMENTS

GLOBAL REPORTING INITIATIVE

This Report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core option. The GRI Content Index for this Report, which also contains our alignment with the United Nations Global Compact (UNGC) Principles and the UN Sustainable Development Goals (SDGs), is available in the Report appendix.

UNITED NATIONS GLOBAL COMPACT

The 10 principles of UNGC are derived from the Universal Declaration of Human Rights, the International Labour Organisation’s Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the United Nations (UN) Convention Against Corruption. Qantas joined the UNGC in 2017.

This Sustainability Report serves as our Communication on Progress on how we are implementing the UNGC’s principles and supporting its broader development objectives in the areas of human rights, labour, anti-corruption and the environment.

UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

The 17 UN SDGs are part of the UN’s 2030 Agenda for a better future for people and the planet. Qantas Group’s Sustainability Framework is aligned with and supports the achievement of the UN SDGs. We recognise that there are some SDGs where we have a greater ability to influence environmental and social outcomes. These are referenced at the beginning of each key section of the Report.

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

The Financial Stability Board (FSB) created the Task Force on Climate-related Financial Disclosures (TCFD) to develop recommendations on the information companies should disclose related to climate change. Qantas Group publicly declared our support for the TCFD and its recommendations in December 2017. We have used the recommendations of the TCFD to structure the climate action section of this Report (pages 16 to 26). More detail on how the Qantas Group is aligned with each specific TCFD recommendation can be found in the Report appendix.

CLIMATE ACTION 100+

Climate Action 100+ is an investor-led initiative, focused on companies it views as key to driving the transition to global net zero emissions. Qantas is one of 166 focus companies selected for engagement. Qantas engages with the Climate Action 100+ and the climate change section of this Report is aimed at supporting its annual benchmark.

ASSURANCE

KPMG has provided Limited Assurance over selected sustainability metrics (water consumption, greenhouse gas emissions and waste to landfill) for the period 1 July 2021 to 30 June 2022. The Assurance Statement can be found on page 61.
The Qantas Group has a long-standing commitment to sustainability. In 2019, we were the second airline in the world to commit to net zero emissions by 2050. In 2022, we updated our Corporate Strategy Framework to specifically reference sustainability.

Sustainability is now one of the four key foundations for the Qantas Group, and one of the seven focus areas of our Corporate Strategy. Our Sustainability Framework is aligned to our strategic priorities and focuses on three key principles — valuing our planet, enabling our people and connecting customers and communities — to support our vision of driving sustainability to protect the future of travel.

We have used this Framework to structure the FY22 Sustainability Report. The items described in the graphic below are discussed in more detail later in the Report.

### QANTAS GROUP STRATEGIC PLAN

#### OUR PURPOSE

**Safety first. Always caring.**

**Proud to serve our customers and community.**

**Inspired by challenges and opportunities.**

**A strong, ethical sustainable business.**

#### OUR FOUNDATIONS

Maximising leading domestic position through dual brand strategy

Leveraging home market strength and dual brands to build resilient international business

Aligning Qantas and Jetstar with Asia’s growth

Diversifying and growing Qantas Loyalty

Inventing in Customer, Brand, Data and Digital

Focusing on People, Culture and Leadership

Driving Sustainability

#### OUR GROUP STRATEGY

**RESPONSIBLE**

Always core and be responsible

**RESPECTFUL**

Work together being respectful and inclusive

**RESILIENT**

Assessive attitude to everyday challenges

**EXCELLENCE**

Striving for excellence (in all we do)

### OUR BEHAVIOURS

**A STRONG, ETHICAL SUSTAINABLE BUSINESS**

Our vision: Driving sustainability to protect the future of travel

### Sustainability Framework: Three key principles

**Valuing our planet**

We are committed to minimising our impact on the planet — in the air and on the ground — so that future generations continue to experience the wonders of travel

**Enabling our people**

We are committed to enabling our people to be and do their best in a safe and inclusive culture

**Connecting customers and communities**

We are committed to connecting customers and creating value to strengthen the communities in which we operate

### Exemplary business practices

- Safety First
- Strong governance and risk management
- Drive ethics and integrity
- Protect privacy and cybersecurity
- Responsible capital allocation
- Transparent debt and reporting
- Sustainable supply chain
- Human rights due diligence
- Education and awareness
- Collaboration and partnerships

1. Since launching our Sustainability Framework in March 2022, we have changed Ethical labour supply chain monitoring to Respect for human rights, recognising the importance of this issue more broadly.

### STAKEHOLDER ENGAGEMENT

We have a wide range of stakeholders who we engage with regularly in many different ways.

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<th>Key stakeholder group</th>
<th>How we engage</th>
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<tr>
<td>Employees</td>
<td>Regular communication to all employees including through daily email updates, weekly newsletters and specific updates from executives and managers; frequent updates to intranet site, internal social network and internal broadcast system; company-wide live-streamed town halls; special interest networks; company-wide bi-annual executive roadshows.</td>
</tr>
<tr>
<td>Customers</td>
<td>Direct interaction with crew, airport and contact centre teams, electronic communication, Qantas and Jetstar website and app, research, Qantas magazine, advertising and media.</td>
</tr>
<tr>
<td>Shareholders and investment community</td>
<td>Direct investor engagement throughout the year, half-year and full-year results announcements, Annual General Meeting, annual reporting, investor roadshows and ASX releases.</td>
</tr>
<tr>
<td>Suppliers</td>
<td>Supplier governance, site visits, audits and onboarding/training (as applicable); Supply Chain Assurance program, Supplier Requirements and Supplier Code of Conduct, member of Supply Nation.</td>
</tr>
<tr>
<td>Communities</td>
<td>Support of community organisations including not-for-profit groups and charitable partners. Support in times of natural disaster or crisis. Connecting communities including through reduced fares to some regional cities.</td>
</tr>
<tr>
<td>Government</td>
<td>Regular engagement on key issues impacting aviation and on other issues more broadly, either directly or through industry associations.</td>
</tr>
<tr>
<td>Aviation and tourism industry</td>
<td>Regular engagement with aviation and tourism bodies (including national and state tourism organisations) and industry councils on key issues and collaborative opportunities to promote regional, domestic and international tourism. Key aviation stakeholders are referenced below.</td>
</tr>
<tr>
<td>Unions</td>
<td>Regular engagement with unions who represent our employees, noting the terms and conditions of approximately 81 per cent (offshore and onshore) of our employees are set through enterprise agreements. Qantas recognises and supports the rights of freedom of association.</td>
</tr>
</tbody>
</table>

### AVIATION INDUSTRY PARTNERSHIPS AND MEMBERSHIPS

Sustainability topics and issues are also addressed through the following industry partnerships and memberships.

**oneworld**

In September 2020, the oneworld alliance became the first airline alliance in which all member carriers committed to net zero emissions by 2050. We are a member of oneworld’s Environmental Sustainability Board which comprises sustainability representatives from the oneworld alliance.

**International Air Transport Association (IATA)**

Qantas is an IATA member. We actively contribute to the development of international standards and practices for global airlines, including in relation to human trafficking. We have leveraged the IATA guidance when developing our human trafficking training program. We also support IATA 25by25, an initiative to help address gender imbalance across the industry.

**ICAO**

ICAO is a specialised agency of the United Nations that establishes internationally aligned aviation standards to realise safe, secure and sustainable air operations, including efforts to prevent human trafficking. We have participated in government consultation regarding proposed ICAO measures to combat human trafficking.

**Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA)**

CORSIA was a historic agreement reached by the International Civil Aviation Organization (ICAO) in 2016 to meet the industry’s commitment to carbon neutral growth. Commencing in 2021, CORSIA requires airlines to purchase carbon offsets to meet their share of emissions growth from a 2019 baseline.

**Airlines for Australia and New Zealand (A4ANZ)**

A4ANZ is the peak airline industry group that represents airlines based in Australia and New Zealand. A4ANZ advocates on key public policy issues affecting the aviation sector, including sustainability.

**Other partnerships and industry associations include:**

- Business Council of Australia (BCA) of which our CEO is a Board Member. United Nations (Global Compact Network Australia, Diversity Council of Australia, Pride in Diversity of which our CEO is a co-Patron, Australian Network on Disability, Champions of Change, Australian Packaging Covenant Organisation, Carbon Markets Institute, Climate Leaders Coalition, Bioenergy Australia and the Royal Aeronautical Society Australian Division.)
Sustainability governance

The Qantas Board has responsibility for the Qantas Group’s overall Corporate Governance Framework, which is designed to enable the creation, protection and enhancement of shareholder value through responsible, ethical and sustainable business practices.

The Qantas Board oversees and approves the strategic direction of the Qantas Group and oversees the effectiveness of environmental, social and governance (ESG) policies. The Board is assisted by four Board Committees, with remits that support the Board’s work across key ESG issues for the business.

The Chief Sustainability Officer is a member of the Qantas Group Management Committee (GMC), which reports to the Group’s Chief Executive Officer (CEO). A Sustainability Management Board, comprising GMC and key managers with responsibility for sustainability, has been established to enable focused discussion on sustainability issues, as has a Sustainable Aviation Fuel Future Board given the significance of this issue for aviation.

The Qantas Board is responsible for ensuring that the Qantas Group has an appropriate Corporate Governance Framework to ensure the creation, protection and enhancement of shareholder value. Key to this are responsible, ethical and sustainable business practices.

The Qantas Board is responsible for ensuring that the Qantas Group has an appropriate Corporate Governance Framework to ensure the creation, protection and enhancement of shareholder value. Key to this are responsible, ethical and sustainable business practices.

The Qantas Group is committed to complying with all applicable laws and regulations, and to conducting business with the highest standards of ethics and integrity. We monitor global developments in governance, laws and business practices, and work collaboratively across our global footprint to ensure we continue to meet these standards. The Qantas Business Practices provides an overview of our beliefs, values and business practices and highlights the standards to be upheld by all employees.

Photo: In 2022, we relaunched the I Still Call Australia Home advertising campaign. Children from the choir are pictured in front of a national heritage listed hangar near the Qantas Founders Museum in Longreach, Queensland.
Qantas Financial Framework aligns our objectives with those of our shareholders. With the launch of the Qantas Group Climate Action Plan in March 2022, an Environmental, Social and Governance (ESG) perspective has now been incorporated into the Financial Framework, with the aim of targeting industry-leading ESG credentials and a maintainable Earnings Per Share (EPS) growth over the cycle. This reflects the importance of ESG considerations in the Group’s target of achieving Total Shareholder Returns in the top quartile of the ASX100 and among a basket of global airlines. The Financial Framework is built on three clear priorities and associated long-term targets:

1. Maintaining an optimal capital structure
   - Minimise cost of capital by targeting a Net Debt target range of 2.0–2.5 x ROIC
   - Deliver against Climate Action Plan targets

2. ROIC > WACC through the cycle
   - Deliver ROIC > WACC
   - ESG included in all business decisions

3. Disciplined Allocation of Capital
   - Grow invested capital with disciplined investment
   - Return surplus capital
   - Prioritise projects that exceed both ESG and ROIC targets

INDUSTRY LEADING ESG CREDENTIALS | MAINTAINABLE EPS GROWTH OVER THE CYCLE

TOTAL SHAREHOLDER RETURNS IN THE TOP QUARTILE

1. Target Total Shareholder Returns within the top quartile of the ASX100 and global listed airline peer group as stated in the 2022 Annual Report, with reference to the Long Term Incentive Plan.

2. Return on Invested Capital

3. Economic Value Added

4. Weighted Average Cost of Capital, calculated on a pre-tax basis.

The changes to the Financial Framework recognise that achieving ESG outcomes will be critical to achieving our TSR targets in the future.

— **Pillar 1: Optimal Capital Structure**

  Core to Pillar 1 is minimising the cost of capital while preserving financial strength. Performance against the Group’s Climate Action Plan will be critical to retaining access to debt and equity capital at an efficient price in future.

— **Pillar 2: Return on Invested Capital (ROIC)**

  Core to Pillar 2 is investing to create competitive advantages and drive value. Returns must explicitly consider all climate-related costs, including where appropriate, an internal carbon price. Returns will need to consider all ESG costs, including the financial cost of carbon (e.g. through a carbon price) and physical environment impacts.

— **Pillar 3: Capital Allocation**

  Core to Pillar 3 is growing invested capital with disciplined investment and returning surplus capital to shareholders. Investment in the business will prioritise those initiatives that deliver both ESG and ROIC outcomes and drive shareholder returns.

**INTERNAL CARBON PRICE**

We have incorporated a cost associated with decarbonisation into our business cases, with long-term fleet investment decisions (such as projects Winton and Sunrise, which are detailed on page 25 of this Report). We see this as key to operationalising our commitments under our Climate Action Plan, and to drive focus across the Qantas Group.

As part of this process, we have set an Internal Carbon Price which reflects our expected cost of decarbonisation based on our secured deals in the market and our expectations for forward prices of SAF and offsets. As is the case with other input costs like fossil fuel, the internal price is subject to change. Our expectation is that any incremental cost would be covered via revenue.

**DATA SECURITY AND PRIVACY**

The aviation sector is dependent on data, systems and networks and we take our customers’ trust in the security of their personal information seriously. The Qantas Group constantly improves our cyber capabilities as part of our overall data and privacy protection approach.

- **Cyber security, including data and credit card protection.**

  We recognise that protecting data from these attacks — and the potential financial and public reputation implications associated with unauthorised access to the information we hold — is key.

  We are particularly focused on embedding a cyber safe culture so that cyber is part of the Group’s DNA. This includes articulating clear cyber accountabilities at all levels of the organisation, as well as seeking to continually expand employee awareness of evolving cyber risks, including through quarterly ‘no notice’ simulations and structured training to strengthen our ‘human firewall’. The need for shared vigilance on cyber issues is supported by formal recognition of employees who demonstrate proactive cyber safe behaviours.

Across the Group, we are responsible for handling a substantial amount of personal information. We collect, share, use, store and process personal information in accordance with an ever-changing and increasingly complex landscape of both international and domestic laws and regulations. We acknowledge our responsibility to protect and maintain the privacy rights of individuals, and to maintain the security and the value of their personal information. Risk assessments are conducted on relevant third-party suppliers and we work with them to address any material cyber and privacy risks identified.

We make ongoing investment to improve the resources, processes and technology that support the Group to effectively address the volumes of personal information we manage, and to meet both intensifying regulatory requirements and individuals’ rising expectations regarding fair, ethical and responsible data use. The Group is committed to raising awareness of our privacy compliance obligations and to managing our privacy risks by implementing a culture that considers ‘privacy by design’ as a default position when handling personal information.

**LINKING EXECUTIVE REMUNERATION TO OUR CLIMATE TARGETS**

The Board has approved changes to our Annual Incentive Plan performance measures and targets that expand the existing sustainability measures to include a climate-related performance measure in the FY23 Annual Incentive Plan (commencing 1 July 2022). More detail on the FY23 Annual Incentive Plan performance measures can be found in the Qantas Group’s 2022 Remuneration Report (which forms part of the 2022 Annual Report). The FY23 Annual Incentive Plan performance measures and outcome will be available in the Qantas Group’s 2023 Remuneration Report.

**SUPPLY CHAIN GOVERNANCE**

Our Supply Chain Assurance (SCA) program standardises the way we identify, assess and manage risks in the supply chain. The ongoing application of SCA supports us in making determinations relating to suppliers’ standards, practices and management across a range of risks. On this basis, suppliers are evaluated on their suitability to provide products or services to the Qantas Group.

The SCA program applies a combination of questionnaires, due diligence and third-party data.

- **The SCA program has a focus on six key risk areas:**
  - Anti-bribery, corruption and sanctions
  - Modern slavery including child labour/forced labour
  - Illegal logging
  - Workplace health and safety
  - Privacy
  - Cyber security, including data and credit card protection.

We seek to continually review the criteria we use to identify and assess supplier risk to ensure our methodology is reflective of the shifting global environment. If material risks are identified, we will work with suppliers to remove the risks where possible, or otherwise to substantially mitigate them.

We are committed to partnering with suppliers who share our commitment to compliance with the law and ethical business practices.

**INDUSTRY LEADING ESG CREDENTIALS | MAINTAINABLE EPS GROWTH OVER THE CYCLE**

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Valuing our planet

We are committed to minimising our impact on the planet — in the air and on the ground — so that future generations can continue to experience the wonder of travel.

This section of the Report highlights how we are supporting the achievement of five of the UN SDGs through our focus on climate, energy, waste and biodiversity. More information can be found in the Report appendix.

Photo: In July 2022, we launched an advertising campaign using our airport channels aimed at raising awareness of Qantas’ investment in a net zero future and protecting the future of travel. This is one of the images from the campaign.
Climate action

OUR APPROACH

We recognise human-induced climate change is a significant issue for the aviation industry. We are committed to reducing our emissions in line with the Paris Climate Agreement to limit warming to well below 2°C above pre-industrial levels, and pursuing efforts to limit the temperature increase to 1.5°C above pre-industrial levels.

In 2019, we were the second airline in the world to announce our commitment to achieving net zero emissions by 2050 and capping our net emissions at 2019 levels. In March 2022, we announced new emission targets as part of our Climate Action Plan (CAP), including a 25 per cent reduction in net emissions from 2019 levels by 2030 as well as:

- 10 per cent sustainable aviation fuel (SAF) in fuel mix by 2030
- Average of 1.5 per cent fuel efficiency improvements to 2030
- Zero single-use plastics by 2027
- Zero general waste to landfill by 2030

Qantas supports the Task Force on Climate-related Financial Disclosures (TCFD) and has used its recommendations framework to structure this section of our Report. More detail on how the Qantas Group aligns with the TCFD recommendations can be found in the Report appendix.

GOVERNANCE

The Qantas Group Board oversees and approves the strategic direction of the Group and the Corporate Governance Framework. The Board annually endorses the Group’s Sustainability Strategy, which includes Qantas’ response to climate-related issues. Various Board Committees are responsible for considering climate-related matters. These Committees include:

- Safety, Health, Environment and Security Committee (CHESS) — which assists the Board in fulfilling its strategy, policy, systems oversight, monitoring and corporate governance responsibilities with regard to environmental matters, including compliance with legal and regulatory obligations and risk management
- Audit Committee — which assesses the effectiveness of the Qantas Group’s enterprise-wide risk management and internal controls framework, including for climate change risks.

The CAP details how we plan to meet our climate change targets. The Board approved the CAP, and CHESS reviews performance against the plan at each meeting.

As climate change has wide-ranging implications for our business, responsibilities for managing and mitigating climate-related risks are Group-wide.

INTEGRATING CLIMATE CHANGE CONSIDERATIONS INTO THE GROUP’S FINANCIAL FRAMEWORK

To help us progress towards our climate targets, we have updated the Group’s Financial Framework to encourage, where appropriate, the consideration of climate-related factors when making investment decisions. More detail can be found on page 12.

1. An average 1.5 per cent per annum fuel efficiency improvement starting from 2023, baselined to 2019.
2. Excludes items required for medical or health and safety reasons.
3. Excludes quarantine waste, high regulated and specified waste stream with limited waste diversion pathways. All waste associated with international ports (inbound and outbound) is treated as quarantine waste.

STRATEGY

The Qantas Group’s long-term strategy acknowledges the potential impact of climate change and resource constraints on the business. Climate-related risks and opportunities are also addressed in the Qantas Group’s CAP launched in March 2022.

CLIMATE ACTION PLAN

Three pillars support the achievement of our interim targets as detailed in the CAP:

- Operational and fleet efficiency: Embracing new, lower emission technology with each new generation of aircraft and ultimately zero emission technology (including hydrogen propulsion, hydrogen fuel cell and electrical powered aircraft) as it becomes available. Continuing to reduce fuel burn, including smarter flight planning. Reducing single-use plastic and waste to landfill.
- Sustainable aviation fuels (SAF): Working with governments, industry and business to develop a commercial-scale, competitive SAF industry in Australia. This relies on creating SAF from various biomass sources such as used cooking oil, energy crops, forestry residues or waste materials that can power our existing fleet and reduce emissions on a lifecycle basis, typically by up to 80 per cent. It also includes advancing non-biogenic, synthetic SAF produced with carbon dioxide, hydrogen and significant amounts of renewable electricity power-to-liquid technology pathways.
- Carbon offsets: Offsetting emissions by investing in high-quality, high-integrity Australian and international projects with community co-benefits, including those led by Traditional Owners.

Climate action strategy
The table below details some of our key climate risks, and the mitigations and opportunities relative to each risk.

<table>
<thead>
<tr>
<th>RISK</th>
<th>DESCRIPTION</th>
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<tbody>
<tr>
<td>Policy and regulatory changes</td>
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</table>
- Amendments to climate-related regulations to accelerate the transition including introduction of a carbon price, expansion of taxes, and/or increased costs of compliance. 
- Increased risk of regulatory changes to accelerate the transition including introduction of a carbon price, expansion of taxes, and/or increased costs of compliance. 
- Increased risk of regulatory changes to accelerate the transition including introduction of a carbon price, expansion of taxes, and/or increased costs of compliance. 
- Increased risk of regulatory changes to accelerate the transition including introduction of a carbon price, expansion of taxes, and/or increased costs of compliance. 
- Increased risk of regulatory changes to accelerate the transition including introduction of a carbon price, expansion of taxes, and/or increased costs of compliance. |
| Physical risk | 
- Weather-related disruptions such as high winds, heavy rain, and floods. 
- Increased risk of extreme weather events such as heatwaves, droughts, and wildfires. |
| Operational risk | 
- Increased risk of operational disruptions due to climate change. 
- Increased risk of operational disruptions due to climate change. |
| Safety | 
- Increased risk of safety incidents due to climate change. 
- Increased risk of safety incidents due to climate change. |

1. Scenario analysis does not provide an indication of probable outcomes and it relies on assumptions that may or may not prove to be correct or eventuate. 
2. Under IPCC Representative Concentration Pathway 4.5
CLIMATE ACTION PLAN PILLAR ONE: OPERATIONAL AND FLEET EFFICIENCY

In March 2022, the Qantas Group launched our CAP which included the target to improve fuel efficiency by an average 1.5 per cent per year through to 2030 from a 2019 baseline.

In FY22, Qantas achieved a fuel efficiency of 51 L / 100 RTK. While this is a decrease from FY21 it was higher than the long term average and 41 per cent above the 2019 baseline of 36.2 L / 100 RTK. This was as a result of Qantas Group’s fuel efficiency being adversely impacted by international and domestic border closures and restrictions, reduced flying activity and passenger aircraft operating without passengers to support international freight movement.

In the air

To support our fuel efficiency ambitions, Jetstar’s fleet renewal commenced in July 2022 with the introduction of the first of 18 Airbus A321 New Engine Options (NEOs)-LR aircraft, about 15 per cent more fuel efficient than the fleet operating today. These aircraft will be used to replace a portion of Jetstar’s fleet over the next two years in the domestic and short haul international (Bali, Fiji) markets. This is the first tranche of aircraft in a longer-term strategy to replace Jetstar’s existing narrow body fleet with up to 99 NEOS over the next 10 years. In addition, 20 of Jetstar’s existing A320NEOs orders will be converted to A321XLRs for delivery from the second half of calendar year 2024. Jetstar’s fleet renewal will contribute significantly to the Qantas Group’s decarbonisation strategy over the next decade.

In May 2022, the Qantas Group announced several major fleet decisions that will reshape our international and domestic networks. Domestically, Qantas will start the renewal of our narrow body jets as part of ‘Project Winton’ with orders for 20 Airbus A321XLRs and 20 A220-300s as our Boeing 737s and 717s are gradually retired. The first of these aircraft will arrive in late 2023, with the order including options for a further 94 aircraft for delivery through to at least 2034.

Internationally, 12 Airbus A350-1000s have been ordered to operate non-stop carbon neutral ‘Project Sunrise’ flights from Australia to global cities, including New York and London, with services from Sydney scheduled to start by the end of the 2025 calendar year. The Airbus A350 complements the efficient Boeing 787s which the Group continues to introduce into its long haul fleet. These next generation aircraft have lower emissions, longer range and produce less noise. The newer aircraft and engines will reduce emissions by at least 15 per cent if running on fossil fuels.

Other operational efficiency tools include:
- Constellation Flight Planning System — In 2018, the Qantas Group launched a cloud-based flight planning system, Constellation, that models thousands of flight paths across millions of data points to determine the optimal fuel plan and best route, accounting for time, aircraft capability, weather and external constraints such as closed airspace or ash clouds.
- FlightPulse — a flight data application developed in partnership with GE Aviation, used by Qantas Group pilots since 2017. FlightPulse provides tailored flight analytics to pilots around fuel efficiency, providing data to help them fly more efficiently and help reduce carbon emissions. FlightPulse was designed by pilots, for pilots, providing access to data like never before.

On the ground

While emissions on the ground are a relatively small part of our total emissions profile, we are seeking to further reduce our footprint. Through our partnership with BP Lightsource we have committed to increasing our procurement of renewable electricity, purchasing large-scale generation certificates (LGC) from the Wellington solar farm in Woomera, New South Wales. In calendar year 2021 we purchased and retired LGCs for 50 per cent of our electricity consumption for all Qantas Group buildings in Australia. Since the beginning of 2022 we have sourced LGCs for 100 per cent of the electricity consumption for all Qantas Group buildings in Australia, with these certificates due to be retired in February 2023.

We have also continued to work to reduce our ground fuel emissions through transitioning motorised ground service equipment (GSE) to electric alternatives. Approximately 14 per cent of Qantas Airways and Freight motorised GSE are now electric powered.³

Our focus in FY23 will include:
- Our long-term renewable electricity strategy, including finding renewable sources for our overseas energy consumption and long-term domestic supply, including onsite renewable sources
- Exploring further electrification of our GSE
- Continuing to develop tools that enable behavioural change and greater operational efficiency
- Exploring partnerships to accelerate research and development of new flying technologies such as battery-electric and hydrogen fuel cell powered.

1. Under IPCC Representative Concentration Pathway 4.5.
2. Includes Qantas Group owned and operated GSE across Qantas Airways, QantasLink, Engineering and Qantas Freight. Excludes all Jetstar, third party and non-motorised GSE.

Photo: Jetstar celebrates the arrival of the first Airbus A321neo LR aircraft in Melbourne on 31 July 2022.
CLIMATE ACTION PLAN PILLAR TWO: SUSTAINABLE AVIATION FUELS

The use of sustainable aviation fuels (SAF) is central to achieving our interim targets and net zero by 2050 goal. With long haul routes accounting for the majority of the Group’s emissions profile, SAF is currently the only viable technology/decarbonisation option available across all of our operations. Our target is for 10 per cent of our fuel use to come from SAF by 2030 and ~60 per cent by 2050. The risks around our SAF strategies are set out in the climate risk management section on page 19.

The use of SAF is increasing globally — particularly in Europe, the UK and the US — as governments and industry work together to find ways to steadily decarbonise the aviation sector through government fuel subsidies, SAF blending mandates, financial incentives (e.g. capital grants, loans, tax incentives) and additional project-based funding.

In December 2021, Qantas became the first Australian airline to purchase SAF on an ongoing basis which is being delivered at London Heathrow Airport. Since then, Qantas has acquired 3.2 million litres of SAF at London Heathrow for FY22, representing approximately 7,200t of abated CO₂-e. The SAF will represent (by volume) up to 15 per cent of our annual fuel needs out of Heathrow Airport, reducing carbon emissions by up to 10 per cent on this route, based on 2019 volumes from London Heathrow.

In March 2022, the Qantas Group entered into an agreement to purchase SAF for delivery in California (Los Angeles/San Francisco) from 2025. We will continue to look for opportunities to purchase SAF from international ports, particularly in the US, to support our target of 10 per cent SAF in our overall fuel mix by 2030.

Developing a local SAF industry

Given the Qantas Group sources 70 per cent of its fuel in Australia, we recognise the important role we can play in developing a domestic SAF industry by committing to SAF volumes and supporting a portfolio of local projects to increase SAF supply. Currently, due to the lack of a local commercial-scale SAF industry, Australia is exporting millions of tonnes of feedstock every year, to be made into SAF in other countries. We recognise the urgency to support a domestic SAF market given the long timeframes to commercialisation. Without government support, Australia’s SAF ecosystem risks scaling insufficiently, potentially leaving Australia as a major importer of sustainable liquid fuels and further compounding our sovereign fuel security risks.

The adoption of supportive government policies, such as sector-wide policy guidance, financial incentives through rebates, mandates and tax incentives that narrow the SAF premium compared to conventional jet fuel, will result in airlines, producers and investors having the confidence to commit to the volumes necessary to provide ongoing support for development of a domestic SAF sector that will be critical to Australia’s aviation industry.

Overseas experience has demonstrated that establishing a government and industry-led body, such as the UK’s Jet Zero Council, has accelerated the development and implementation of potential SAF policy levers. These include fuel subsidies, SAF blending mandates, financial incentives such as capital grants and loans as well as tax incentives, in addition to project-based funding, that are required to overcome the initial challenges of the emerging domestic SAF industry.

The Qantas Group continues to work with government on the policy pillars which will enable the development of a domestic SAF market. On 14 July 2022, the Minister for Infrastructure indicated that the government intended to establish an Australian Jet Zero-like council.

We are also exploring partnerships with other stakeholders, such as corporate customers and airports, to build the domestic SAF industry and support our interim SAF targets.

In June 2022, Qantas announced a US$200m joint investment partnership with Airbus to accelerate the establishment of a SAF industry in Australia. The Australian Sustainable Aviation Fuel Partnership (ASAFP) will invest in locally developed and produced SAF and feedstock initiatives. Projects must be commercially viable and meet a strict set of criteria around environmental sustainability. The partnership is initially for five years with options to extend. Qantas’ financial contribution to the ASAPF includes AU$50 million previously committed to research and development of SAF in Australia.

What is SAF?

SAF is non-conventionally derived aviation fuel that can be made from sustainable biogenic sources such as used cooking oils, council waste, plant oils, agricultural residues and non-biological sources:

Biogenic SAF has the potential to reduce emissions on a lifecycle basis, typically by up to 80 per cent compared with conventional jet fuel. Non-biogenic SAF — or synthetic fuel — is a pathway which utilises carbon dioxide, hydrogen and significant amounts of renewable electricity to synthesise a liquid fuel with favourable sustainability characteristics (emissions are reduced on a lifecycle basis by up to 90 per cent compared to fossil fuels).

In addition to the reduction of total life cycle CO₂ emissions, SAF reduces direct emissions: particulate matter by up to 90 per cent and sulphur by 100 per cent, compared with conventional jet fuel. Reducing these emissions improves local air quality, particularly in areas with a high density of flight movements, such as airports. The key SAF production pathways are set out below.
OUR SUSTAINABLE AVIATION FUEL JOURNEY

Qantas has a long-standing partnership with the North Kimberley Fire Abatement Project (NKFAP). This program employs Aboriginal and Torres Strait Islander rangers in Northern Australia, who use traditional practices to promote regeneration of native vegetation.

In March 2022, INPEX, ANZ and Qantas entered into a Memorandum of Understanding to investigate a wheatbelt project in Western Australia.

**CASE STUDY**

**Wheatbelt project in Western Australia**

In March 2022, INPEX, ANZ and Qantas entered into a Memorandum of Understanding to investigate a wheatbelt project in Western Australia. The project also includes an investigation into a renewable biofuel business integrated with sustainably harvested native biomass and agricultural waste residues for the purpose of producing a low carbon intensity biofuel, such as SAF.

Our focus in FY23 will include:

- Continuing our advocacy for a domestic SAF industry
- Assisting the establishment of a UK-style Jet Zero Council and operationalising the Australian SAF Partnership with Airbus
- Ensuring the Group can access supply of cost-effective SAF and high-quality offsets aligned to our strategy
- Maximising the amount of subsidised SAF we acquire at international ports, particularly in the US
- Piloting a new program to enable participating corporate, government and freight customers to contribute to the purchase of SAF and also reducing Scope 3 emissions associated with employee travel and freight.

We are exploring whether a value proposition could be extended to individuals as part of an expansion of our existing Fly Carbon Neutral program.

**CLIMATE ACTION PLAN PILLAR THREE: CARBON OFFSETS**

The Qantas Group has invested in carbon offset projects since 2007. Our carbon offset portfolio reflects the strategic priorities of the Qantas Group, with our projects supporting positive environmental, social and economic outcomes in Australia and internationally.

Our program reflects our commitment to support Aboriginal and Torres Strait Islander and flagship Australian projects such as a long-standing partnership with the North Kimberley Fire Abatement Project (NKFAP). This program employs Aboriginal and Torres Strait Islander rangers in Northern Australia, who use traditional practices to promote regeneration of native vegetation.

The quality and integrity of carbon offsets is an important focus for Qantas, particularly in the context of the Australian Government’s recently announced review of the integrity of the Australian Carbon Credit Units (ACCUs) scheme by an independent panel. Ensuring that the Group’s carbon offset portfolio is of a higher quality and has integrity is a key investment consideration. The carbon offsets sourced by the Group are subject to several layers of scrutiny. As a baseline, all projects are accredited from verified registries. Our ACCUs are certified by the Clean Energy Regulator and Climate Active, while international projects are certified under the UNFCCC’s Clean Development Mechanism. Our providers subject all projects to additional layers of due diligence such as confirmatory validation and other monitoring processes throughout the life of each project.

The development of our carbon offsetting strategy has been a critical addition to support the Group’s commitment of net zero emissions by 2050. The Qantas Group has invested in carbon offset projects since 2007. Our carbon offset portfolio reflects the strategic priorities of the Qantas Group, with our projects supporting positive environmental, social and economic outcomes in Australia and internationally.

**Our focus in FY23 will include:**

- Diversification of environmental solutions
- Enhancing assessment of carbon offset opportunities
- Maintaining focus on current programs

**Future Planet**

- Since 2014, we have partnered with other leading businesses to decarbonise by offsetting emissions through our B2B Qantas Future Planet program. Future Planet provides a solution for businesses wanting to offset their operational or unavoidable emissions to reduce their environmental impact. We have built a network of sustainability leaders inspiring new ideas through collaborative innovation and action. Through our Future Planet program we have offset emissions for more than 40 businesses, including Australia Post, Allens, DHL, Holcim, NextDC and T2.

**FLY CARBON NEUTRAL**

- Our Fly Carbon Neutral offsetting program is one of the largest of any airline. As a hard-to-abate sector, carbon offsetting will remain a key lever in aviation’s global transition to a low carbon economy and in helping the Qantas Group meet our CAP commitments and reaching net zero emissions by 2050.
- To incentivise offsetting, in 2019 we enabled Qantas Frequent Flyer members and Qantas Business Rewards customers to earn 10 Qantas Points for every dollar spent in the Fly Carbon Neutral program. Qantas also matches dollar-for-dollar every contribution a customer makes to offset their emissions on a passenger flight, doubling the scale of the program.
- Qantas Future Planet
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QANTAS SUSTAINABILITY REPORT 2022

CLIMATE RISK MANAGEMENT
The Qantas Group has identified climate change as a material business risk, as detailed in our Annual Report. These risks are an inherent part of the operations of an airline and are managed by undertaking scenario analysis, enhancing governance, technology, operational and market-based controls, including proactive consideration of how changing factors (including global climate policies and stakeholder expectations) impact the proximity of climate-related risks.

The frequency with which the Board is informed about climate-related issues depends on the significance of the specific risk (opportunity or threat). Notable enterprise risks, including those related to sustainability, are included in the Group Risk Report which is provided to the Audit Committee and CHESS on a six-monthly basis. Climate-related risks that may impact the Group over the coming three to 10-year period are captured in the Group Long Term Risk Management section of the Group Risk Report.

METRICS AND TARGETS
In 2019, the Qantas Group was one of the first airlines to commit to net zero emissions by 2050. In March 2022, we launched our CAP and interim target to 2030:

- 25 per cent reduction in net emissions from 2019 levels by 2030
- 10 per cent SAF in fuel mix by 2030
- Average of 1.5 per cent fuel efficiency improvements to 2030
- Waste targets as detailed on page 16 and 27.

The Qantas Group reports on Scope 1, 2 and 3 greenhouse gas emissions annually. In relation to Australian domestic emissions, we report in accordance with the Australian Government National Greenhouse and Energy Reporting Scheme. International emissions are reported in accordance with the International Civil Aviation Organization Carbon Offsetting and Reduction Scheme for International Aviation. Aviation fuel, which makes up a majority of our emissions, has consistently accounted for more than 97 per cent of Qantas Group’s Scope 1 and 2 emissions. The remaining three per cent relates to our ground-based emissions sources, the largest of which is electricity (Scope 2).

Indirect Scope 3 emissions from our value chain are monitored and reported using Climate Active guidance, aligned with Greenhouse Gas Protocol categories. Applying a test for relevance, we report on a range of indirect emissions, detailed on page 60, with the remaining three per cent relates to our ground-based emissions sources, the largest of which is electricity (Scope 2).

In FY22, our Scope 1 emissions were 4,734,407, up from 3,236,753 in FY21 as a result of our ongoing recovery from COVID-19. In FY22, our Scope 2 emissions were 64,854, down from 64,983 in FY21.

WASTE REDUCTION
With over 50 million passengers flying with us every year, the Qantas Group deals with more than 30,000 tonnes1 of total waste annually. We recognise the impact waste has on the environment and as a Group we are committed to addressing this impact through waste reduction initiatives, innovation and improved waste management.

Since 2011, the Qantas Group has been a signatory to the Australian Packaging Covenant, working to improve the sustainability of the packaging we use.

Our approach
With over 50 million passengers flying with us every year, the Qantas Group deals with more than 30,000 tonnes1 of total waste annually. We recognise the impact waste has on the environment and as a Group we are committed to addressing this impact through waste reduction initiatives, innovation and improved waste management.

Our focus in FY23 will include:

- Working to increase the removal and substitution of single-use plastics across not only our inflight and lounge services, but our broader Qantas Group operations.
- Working with our employees, suppliers and waste service providers to implement improved waste elimination and diversion initiatives to reduce waste to landfill, in line with our 2030 target. This includes addressing difficult to recover waste streams from our engineering and freight operations as well as improved collection, treatment and processing of recyclable and organic waste.

1. Based on 2018 data.
2. Excluding items required for medical or health and safety reasons.
3. Excluding quarantine waste, a highly regulated and specialised waste stream with limited waste diversion pathways. All waste associated with international ports (inbound and outbound) is treated as quarantine waste.
Protecting nature through sustainable tourism

**OUR APPROACH**

Sustainable tourism is about being mindful of the current and future economic, social and environmental impacts of tourism and aims to address the needs of tourists, the industry, the environment and host communities. Our approach is to ensure travel and aviation continue to co-exist in the long term, by committing to reduce our own carbon footprint (as detailed on pages 16 to 27) and encouraging travellers to reduce their carbon footprint while protecting and preserving tourism resources.

**SUSTAINABLE TOURISM**

In July 2022, we started to raise awareness of Qantas’ investment in a net zero future by utilising our airport channels. We are also launching a series of educational videos featuring industry experts answering common customer questions and providing more information on our sustainability programs across SAF, carbon offsetting, waste and fleet.

**NATURAL CAPITAL AND BIODIVERSITY**

Australia’s unique natural environment and biodiversity are key assets for the Qantas Group and Australian tourism, and we understand our responsibility to ensure these ecosystems are not degraded. More than half the world’s economy is dependent on nature and we are exploring the risks and opportunities this presents for us.

Our programs and initiatives to support biodiversity and natural capital include the three pillars of our CAP; as detailed on pages 20 to 25, and our focus on waste reduction and material recycling as detailed on page 27.

We recognise the work of the Task Force on Nature-related Financial Disclosures (TNFD) which is developing a risk management and disclosure framework for organisations to manage and report on nature-related risks.

The TNFD is expected to release its final report in 2023. We will continue evolving our approach to valuing nature as the outcomes. The TNFD is expected to release its final report in 2023. We will continue evolving our approach to valuing nature and we are exploring the risks and opportunities this presents for us.

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**NATURAL CAPITAL**

Can be defined as the world’s stocks of natural assets which include geology, soil, air, water and all living things.

<table>
<thead>
<tr>
<th>Sustainable aviation fuel</th>
<th>Australian tourism</th>
<th>Offsetting strategy</th>
<th>Airports and ground operations</th>
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</thead>
<tbody>
<tr>
<td><strong>OPPORTUNITIES</strong></td>
<td><strong>OPPORTUNITIES</strong></td>
<td><strong>OPPORTUNITIES</strong></td>
<td><strong>OPPORTUNITIES</strong></td>
</tr>
<tr>
<td>Investing in projects with co-benefits for nature</td>
<td>Sustainable tourism</td>
<td>Invest in protecting the Australian environment through credible, nature-based solutions</td>
<td>Reducing the impact of our operations</td>
</tr>
<tr>
<td>Unsustainable feedstocks/underutilised renewable resources</td>
<td>Risks</td>
<td>Challenges in valuing nature</td>
<td>Risks</td>
</tr>
<tr>
<td><strong>RISKS</strong></td>
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</tbody>
</table>

**Our focus in FY23 will include:**

- Working with partners to introduce new initiatives to promote purposeful tourism as part of our overall tourism strategy
- Developing a natural capital and biodiversity framework and strategy, focusing on areas where Qantas has the highest impact and influence. Qantas will review the recommendations from the TNFD which is currently in draft. The strategy will be informed by the materiality of our nature-related impacts and dependencies and will address risks and opportunities for nature positive outcomes.

1. The Taskforce on Nature-related Financial Disclosures is a group of organisations across industry, government and NGOs established to develop a risk management and disclosure framework for organisations to manage and report on nature-related risks.

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**Customer engagement: Green Tier**

In November 2021, Qantas was the first airline globally to announce a recognition and rewards initiative designed to encourage and recognise Qantas Frequent Flyer members to make more sustainable choices in the air and on the ground. Green Tier officially launched on 8 March 2022, and is aimed at educating, encouraging and rewarding the 14 million Australian Frequent Flyer members for a range of activities including offsetting their flights, staying in eco-hotels and installing solar panels at home.

The initiative has been driven by feedback from members, with research showing almost two-thirds want to be more aware of their impact on the environment and would like support in their efforts to be more sustainable. To achieve Green Tier, members need to complete at least five sustainable activities each year across six areas; flying, travel, lifestyle, sustainable purchases, reducing impact and giving back. Once achieved, members are rewarded with benefits such as bonus Qantas Points or status credits, access to exclusive events and initiatives, and the ability to earn Qantas bonus points when purchasing eligible sustainable products or experiences. These benefits are in addition to the rewards and status they receive under their existing flying tiers.

More than 200,000 members engaged with activities related to Green Tier in the first three months since launch. Green Tier members are split evenly across all flying tiers. In the last three months, the number of members donating to sustainable charities has trebled, with the amount donated doubling.

**Our focus in FY23 will include:**

- Making it easier for members to offset their flights, including an opt in to offset every flight purchased
- Working with our partners to expand the areas where members can complete sustainable activities and support behavioural change
- Organising events for members who have achieved Green Tier to recognise their contribution and provide additional education.

---

**Achieving Green Tier**

**COMPLETE ACTIONS IN 5 OUT OF 6 CATEGORIES**

**OFFSET FLYING**

Offset a flight booked on Qantas.com
Contribute to SAF

**SUSTAINABLE TRAVEL**

Stay in an eco-hotel

**SUSTAINABLE LIFESTYLE**

Offset your home and car
Purchase solar panels

**CHOOSE SUSTAINABLE**

Purchase wine from an eco-vineyard
Offset a flight booked on Qantas.com
Offset Qantas Wine or Qantas Store delivery

**REDUCE YOUR IMPACT**

Take our impact quiz to learn how

**GIVE BACK**

Contribute to a sustainability organisation or project

---

**Green Tier rewards and recognition**

**CHOOSE YOUR REWARD**

On attainment of Green Tier choice of:
- Bonus Qantas Points
- Status credits
- Qantas purchases carbon offset or SAF on your behalf

**BONUS QANTAS POINTS**

Earned when:
- Purchase eligible sustainable products or experiences

**EXCLUSIVE EVENTS**

Invites to special events such as:
- Sustainability events and experiences

**DIGITAL RECOGNITION**

Including:
- Unique digital card
- Visual recognition in My Account and in the Qantas app
Enabling our people

We are committed to enabling our people to be and do their best in a safe and inclusive culture.

This section of the report highlights how we are supporting the achievement of three of the UN SDGs through our focus on inclusion and diversity, supporting our employees and respecting human rights. More information can be found in the Report appendix.

Photo: Qantas employees taking part in the 2022 relaunch of the I Still Call Australia Home advertising campaign.
Supporting our people to feel safe and valued

OUR APPROACH

Our Qantas Group Behaviours — Responsible, Resilient, Respectful, and Excellence — are the foundation of the Qantas Group Strategic Plan and set the standard for how we do things every day. The Behaviours are built on what makes us unique, sets us apart and provide common language to guide expectations of ourselves and others. The Behaviours are incorporated into all parts of the employee life cycle and are integral to how we onboard, recognise, give feedback on performance and ensure our ongoing commitment to safety.

As an airline, safety is core to all that we do. Our safety, health and security activities are supported by comprehensive governance processes that help us monitor and manage performance and risks. We encourage our people to report safety and security-related matters, even when they are closely involved and might feel vulnerable to criticism. This is supported by policies and procedures to ensure our people are treated fairly under what is known as ‘just culture’.

Our approach covers three main areas: people safety, operational safety and operational security.

FOCUS ON COVID-19

During FY22, our Fly Well program included temporary as well as existing wellbeing measures to safeguard travel during the pandemic. These included HEPA filters on our aircraft to remove particulates, including COVID-19, from the air; frequent (every six minutes) flushing of the air in the cabin; and the arrangement of seats to face forward to reduce the likelihood of transmission to or from other passengers. Qantas made Fly Well packs — containing hand sanitiser and face masks — available to all passengers.

Our Work Well program is aimed at driving a coordinated approach to maintaining COVID-19-safe work environments, ensuring compliance with government restrictions and minimising the risk of transmission of the COVID-19 virus between employees, contractors and passengers during operations.

In August 2021, we announced that all Qantas Group employees would be required to be vaccinated against COVID-19 as part of our commitment to safety. A fully vaccinated workforce will help to safeguard our people against the virus but also protect our customers and the communities we fly to.

PEOPLE SAFETY

The safety, health and wellbeing of our customers and people is our highest priority. We remain committed to minimising the risk of workplace injuries, including those associated with mental health risks.

SAFETY PERFORMANCE

We use three key metrics to measure safety performance — total recordable injury frequency rate (TRIFR), lost work case frequency rate (LWCFR) and fatalities.

In FY22, our TRIFR was 12.9 compared with 17.0 in FY21 and 16.7 in FY20 and our LWCFR was 6.5 compared with 5.4 in FY21 and 7.5 in FY20. There were no fatalities in FY22 which is consistent with FY21 and FY20.

It should be noted that FY21 and FY20 TRIFR and LWCFR were restated compared with previous reporting to reflect the current business structure and the people safety performance associated with that new structure. This has impacted most on TRIFR.

TRIFR improvement was due to the focus on managing safety performance in some of our performance associated with that new structure. This has impacted most on TRIFR.

While the operational tempo was significantly reduced in the first half of the year, it ramped up particularly in the last quarter of FY22.

1. The total number of injuries or illnesses during work hours (1 July to 30 June) with an accepted workers’ compensation claim for Australian-based personnel, or equivalent in other jurisdictions, per million hours worked. Injury and illness claims caused by factors outside the organisation’s control are excluded from this calculation. Examples are journey and slip, trip and fall injuries and illnesses from COVID-19. This metric includes embedded contractors who work exclusively for the Qantas Group and perform work that is considered core business.

2. Described as the total number of injuries or illnesses during work hours (1 July to 30 June) with an accepted workers’ compensation claim for Australian-based personnel, or equivalent in other jurisdictions, which resulted in total incapacity, per million hours worked. Total incapacity is defined as any injury or illness that results in an injured worker being unfit for work. Journey and slip, trip and fall injuries are excluded from this calculation. This metric includes embedded contractors (as described above) and employees of majority-owned entities of the Qantas Group.

RISK REDUCTION

Our Supporting Fitness for Work program is designed to help manage health-based risks in the operational environment, and to support employees more generally through injury or illness, including accommodating disability and diversity, when there is a health component.

The program covers both work-related and non-work-related conditions. It covers the occupational lifecycle from recruitment, ensuring that employees have optimal health, as well as any necessary accommodations and support. It also includes a collaborative process for managers to ensure favourable safety, healthcare and support return-to-work outcomes for existing employees with physical and/or mental health conditions, and/or adverse social circumstances.

Qantas builds on previous decades of work to protect our employees and contractors from harm as they undertake their work. We are focused on preventing all injuries, prioritising those activities that could cause the worst outcomes — serious injury or even a fatality.

This work has started with a deep focus on working at heights and traffic management. Australian workplace injury statistics reveal that these are areas where our people are most likely to be seriously harmed. Already this work has highlighted some practices and equipment that could further reduce the possibility of injuries.

QANTAS GROUP WELLBEING

The Group has a structured employee wellbeing and mental health program which has the dual focus of understanding and protecting our people from wellbeing and mental health-related risks, along with amplifying the opportunities for our work to positively impact on our wellbeing and mental health. The Group continues to invest in understanding what more we can do to foster healthy, safe and inclusive cultures across our business.

Our Wellbeing program is designed to foster an environment that supports, enables and motivates our people to live healthier, happier and more productive lives. The approach of the program is to provide our employees with validated, relevant, meaningful, and timely wellbeing initiatives, information, activities, resources, and tools. To do this, we have identified four focus areas designed to support wellbeing.

During the pandemic, our Wellbeing program expanded from a focus on traditional areas of health and wellbeing — physical health, nutrition, sleep, exercise and mental health — to include financial wellbeing, healthy relationships and digital wellbeing.

CASE STUDY

Annual safety conference

In November 2021, we held our annual safety conference aimed at bringing together our people, partners and peers to share knowledge and experience in the pursuit of a safer industry for all. Presenters included leaders and industry experts who shared their insights on topics such as risk, personal resilience and global aviation in a COVID-19 setting.

We also held ‘virtual expo’ to showcase and recognise the outstanding work our people do every day to keep our workplaces, customers and operations safe. One of the most popular sessions of the day was Personal Resilience by Ben Crowe, Founder of Mojo Crowe. Photo: Ben Crowe presenting at the conference.
OUR MINDS MATTER
A cornerstone of our employee wellbeing and mental health approach is the Our Minds Matter program which focuses on:
— Creating mentally healthy workplace cultures
— Building awareness and reducing stigma around mental health and mental illness
— Supporting those in need
The Our Minds Matter program is activated through a network of centrally supported, employee-led working groups that identify risks and opportunities at a business unit level. The groups deliver initiatives designed to mitigate the identified risks and amplify the opportunities presented in a way that is relevant and meaningful to the workgroup.

BUILDING MENTAL HEALTH AND WELLBEING LITERACY
Our employees have access to an extensive suite of wellbeing and mental health learning, which we believe contributes not only to healthy, safe and resilient workplaces but also to healthy, safe and resilient families and communities outside of work.
Our learning programs are both internally and externally developed. Learning initiatives include programs with a strong focus on wellbeing and mental health at work such as ‘Preparing Your Mind for Work’ which was developed to support our people returning to work from extended stand downs during COVID-19.
Mental health first aid (MHFA) and psychological first aid (PFA) are two examples of external learning programs that are offered, recognising that the skills learnt in these courses are of deep benefit to our people and our organisation, and also to the communities to which our people belong.
We are on track to achieve our target of having 500 MHFA and PFA accredited employees across the Qantas Group by the end of 2022.

OUR EMPLOYEE ASSISTANCE PROGRAM
We have partnered with Converge International as our Employee Assistance Program (EAP) provider. Converge provides a holistic EAP which includes coaching and support for mental health and mental illness challenges, as well as financial coaching, career coaching, and nutrition and lifestyle coaching and support.
The EAP gives our people and their families access to qualified professionals including psychologists, social workers and management coaches.
Our annualised EAP utilisation rate as of May 2022, was 5.9 per cent (0.6 per cent higher than the Industry average for the transport, postal and warehousing industries). Eighty-six per cent of Qantas Group EAP users in 2022 rated their experience with our EAP as favourable or very favourable.

OUR WELLBEING PARTNERS
Through our Employee Wellbeing and Mental Health program, we engage a network of experienced partners and providers to support the delivery of health and wellbeing support, services and education. Wherever possible, we strive to work with partners who are actively involved in making a positive contribution to the broader community.

Integrity Health and Safety delivers the annual Flu Vaccination Campaign across our Southern Hemisphere-based business. Integrity is a First Nations owned and operated business. Its business model includes supporting the ongoing professional development of Aboriginal and Torres Strait Islander nurses by funding scholarships in first aid, CPR, flu vaccination and leadership courses to assist with building healthcare capability in Aboriginal and Torres Strait Islander communities and further afield.

Beyond Blue is a key partner in supporting the reduction of stigma and bias around mental illness in our organisation through the sharing of Beyond Blue learning opportunities and resources. Our employees regularly participate in volunteering opportunities with Beyond Blue through our corporate relationship.

Australian Red Cross is a key delivery partner in our mental health first aid and psychological first aid training, delivering accreditation courses to our people all over Australia, increasing mental health literacy in our community. Through Australian Red Cross, Qantas also participates in the Lifeblood Teams program with Qantas Group volunteers making blood, platelet and plasma donations. We currently have close to 300 members in our Qantas Lifeblood team who made more than 1,000 donations 2022.

In May 2022, Qantas also joined the Corporate Mental Health Alliance Australia which is a collective of Australian-based organisations working together to provide mentally healthy work environments through collaborative research and development of tools and resources to inform better practice across Australian workplaces.

OPERATIONAL SAFETY
FY22 presented many challenges to our organisation related to the global COVID-19 pandemic, with the potential to impact operational safety. We brought grounded aircraft back into service, our employees came back to work after being stood down, and we opened or reopened flying to ports that we had not flown to in over a year and to some that had not seen an aircraft in that time. These challenges meant that our systems and processes needed to support people, aircraft and support services that lacked recent operational activity.
Despite these issues, our operational safety performance was strong in FY22 as we maintained a reporting culture where people are confident to report issues without fear and consistent operational performance across all parts of the organisation.
Throughout this challenging period for the aviation industry, the Group continued to deliver safe aircraft operations through programs such as:
— Safely returning to the skies: During the pandemic Qantas had to ground the majority of our fleet. This was a difficult program of work that requires careful planning and scheduling. Since then, the return of domestic and international travel as borders reopened required a similar program of work. We also needed to ensure our people were ready to fly on these aircraft again with a focus on training crew and support employees, and safety oversight to make sure the programs we put in place were delivering the expected outcomes.
— Safely returning to our ports: The ports we fly to had no or limited activity during the pandemic. Qantas needed to restart activity to those ports (and some new ones) by making sure our partners were ready for flights. Qantas had detailed processes to check each port was ready to restart safely. These included making sure caterers still had their harnesses for working at heights activities, checking that airports had restarted their wildlife programs to keep birds away from our aircraft, and working with air traffic controllers to make sure they understood our increased schedule and were ready to support that activity.
— Safe growth: Qantas Group has announced orders for a range of new aircraft. The team selecting those aircraft has made sure we consider safety in those announcements, thinking about technology available to improve information pilots receive, to improve data the aircraft measures, aircraft performance, and to ensure that people using the aircraft (cabin crew stowing luggage, or ground crew loading bags) have a safer experience.

OPERATIONAL SECURITY
The aviation industry continues to face complex threats from individuals and organisations globally. Qantas works closely with the Australian Government and overseas agencies, regulators, law enforcement agencies and global partners across the industry to proactively monitor and manage threats and risks. We seek to be at the forefront of improving security outcomes for customers and employees by operating within a security framework that is proportionate, agile and responsive to changing threats and risks across our network.

Qantas Group Security and Facilitation participates in several domestic and international committees to review and refine security measures, to plan for and acquire enhanced security equipment and to establish world best practices in aviation security.
The Group is keenly aware of the risk posed by ‘trusted insiders’ — people who seek to use privileged access or information provided in the context of doing their jobs to facilitate illegal activities, such as transporting illicit substances or providing unauthorised access to secure facilities for others. There are multiple safeguards to prevent and detect this activity and on several occasions over the years we have closely worked with law enforcement to apprehend those involved. During 2021, the Group was vocal in our support of legislation that will enhance these efforts in future.
Together with our government and industry partners, key security improvements in FY22 included:
— Enhanced security measures for the smaller regional (domestic) cargo shipments in accordance with new Australian requirements
— Renewed security awareness training for all employees and contractors
— Renewed freight security training for all freight employees and contractors
— Enhancing the relationship between the Group and Australian Federal Police (AFP) Air Security Officers
— Collaborating with overseas regulators and airport authorities to enable the resumption of international operations
— Participating in the government’s review of the Australian security regulatory framework
— Continuing Qantas’ collaboration with the Australian Government on cyber security to proactively monitor emerging threats, and to enhance the protection of our people, customers and assets.
Our focus in FY23 will include:

— Continued focus on risk reduction especially around working at heights and traffic management
— Delivering mental health first aid and psychological first aid accreditation to over 500 employees across the Group, to further develop mental health literacy and capability within the Group
— Aligning the Our Minds Matter approach across the Group with relevant state-based regulations pertaining to psychosocial risk and hazard management
— Delivering and embedding a mental health and wellbeing dashboard, to further deepen our understanding of the mental health and wellbeing of our people and our organisation
— Continuing engagement with governments, regulators, law enforcement and intelligence agencies to improve security systems, and demonstrate security leadership underpinned by sound risk management principles
— Delivering a world class enterprise aviation security risk management program and proactively monitoring emerging threats
— Embedding security as everyone’s responsibility and empowering our people with risk tools and support.

INVESTING IN OUR PEOPLE

The Qantas Group People Strategic Plan supports our vision of enabling our people to be and do their best in a safe and inclusive culture.

As the Qantas Group recovers from the COVID-19 pandemic, we know it is important to recognise the significant role of our employees in contributing to our ongoing recovery. This has been reflected in initiatives such as:

— A Recovery and Retention program, awarding 1,000 share rights to 17,000 eligible non-executive employees and awarding managers and senior executives a share right-based bonus in August 2023, subject to performance and service conditions being met
— A one-off recovery boost of $5,000 to EBA-covered Qantas Group employees once new enterprise agreements are finalised
— An improved staff travel offering for employees as part of our Employee Value Proposition (EVP), to include always on discounts for commercial tickets and an increased number of staff travel beneficiaries.

We are also focused on delivering our People Strategic Plan with emphasis on:

— Attraction and retention
— Developing and engaging
— Inclusion and diversity (pages 38 to 41 of this Report).

ATTRACTION AND RETENTION

Interest in working for the Qantas Group has continued to grow, with approximately 115,000 external applications in the last 12 months for more than 4,700 advertised roles. Despite the high number of applicants, we are still working to fill a significant number of roles with specific requirements and critical skills, such as those in engineering, freight and logistics. Operational recruitment remains a priority and we have recruited substantial numbers of cabin crew and pilots as flying returned and will continue to do so.

Retention of talent continues to be a priority, with investment focused on recognition, benefits, opportunities for internal promotion and professional development. Attrition has continued its downward trend since December 2021.

Our investments in initiatives such as projects Sunrise and Winton, as well as public commitments to sustainability, are also aimed at improving our EVP.

DEVELOPING AND ENGAGING

Training of new recruits and re-onboarding of current employees across various workgroups provides an opportunity to reinforce expected behaviours as we continue to evolve our culture.

In 2022, Qantas restarted our Graduate and Engineering Apprentice programs; Aboriginal and Torres Strait Islander Career Tracker Interns program; and School-Based Trainees pathway program.

A Group-wide approach to refresh and invest in key training modules has included customer focused training, inclusive leadership and Standards of Conduct.

We have restarted the Welcome Onboard induction program for all corporate and support employees and leaders new to the Group. This program is aligned to the Qantas Group Strategy and includes an emphasis on sustainability. Leaders also attend an additional day focused on their role in creating a safe and inclusive culture across the Qantas Group.

We have relaunched our recognition programs — ThankQ for Qantas and Bravo for Jetstar. In the last six months there have been 34,000 instances of employees being recognised by a peer for modelling Qantas Group Behaviours.

Our focus in FY23 will include:

— Refreshing our EVP to strengthen our ability to acquire, develop and retain a diverse and capable workforce
— Focusing on engaging, recognising and rewarding our people
— Ensuring a pipeline of highly trained and skilled aviation workers to meet future demand.

Photo: Qantas Aircraft Maintenance Engineer Andre Leos performing routine maintenance on an engine.
Enhancing inclusion and diversity

**OUR APPROACH**

We value our people’s diverse lived experience and believe that our inclusive culture contributes to our strength and success. Our diversity of thought and experience helps us to understand our customers, make better decisions and get things done safely. 

Our aim is to build a safe and inclusive culture by championing equity and celebrating diversity. Our three-year Inclusion and Diversity Strategy was launched in 2021 to drive better business outcomes and an improved people experience through shared accountability for inclusion and diversity. This strategy builds upon the work delivered under the Group 2018–2021 Inclusion and Diversity Strategy. The implementation of the 2021 strategy is driven by all leaders, with the support of the Inclusion and Diversity team together with our employee networks, Altitude, Illuminate and Daramu.

We continue to focus on key pillars of our Inclusion and Diversity Strategy with a spotlight on gender balance, including our new three-year gender target, delivery of the Qantas Group Reconciliation Action Plan (RAP) and the restart of initiatives across our LGBTQI+ and Accessibility programs.

Implementing programs focused on inclusive language, breaking bias and inclusive leadership connect the role each of us plays in creating a safe and inclusive culture.

We work with a number of partner organisations including Champions of Change Coalition, Chief Executive Women, Reconciliation Australia, Australia Network on Disability, and Pride and Diversity to help support our long-term commitments.

**ADVANCING GENDER BALANCE**

The Qantas Group achieved our three-year gender target (2018–2021) of 38 per cent of women in senior management roles in FY21, representing a 2.8 per cent increase since June 2018. A new target has been set to increase this to 42 per cent by 2024.

In addition, Qantas is a proud supporter of the International Air Transport Association (IATA) 25 by 2025 global campaign to change gender balance within the aviation industry. We have agreed to several commitments, with a focus on:

— Increasing female pilots across the Group
— Female nominations for IATA governance roles
— Participating in annual benchmarking by reporting annual key diversity metrics.

The Group’s commitment to building a pipeline of female pilots through intakes into cadet programs has continued through the Qantas Group Pilot Academy and our continued focus on the Nancy Bird Walton initiative to reach 40 per cent female cadet pilots by 2028.

**PAY PARITY**

During the COVID-19 pandemic the headline gender pay gap increased, largely resulting from the underlying gender composition of displaced employees. The stand down profile and reliance on JobKeeper or continued salary was not gender-neutral, with areas with higher female employees (e.g. cabin crew) more highly impacted than those areas with higher numbers of males (e.g. pilots and engineers). In our corporate roles, we continue to take proactive actions on gender pay equity, both at the point of recruitment and promotion and, in future, as part of annual remuneration reviews.
RECONCILIATION
Our vision for reconciliation is a shared national identity that celebrates the knowledge and cultures of Aboriginal and Torres Strait Islander peoples. Despite the challenging operating environment, the Qantas Group was proud to launch an interim RAP from January 2021 to March 2022 (extended to September 2022). More detail can be found on page 52.
Over the past year, we have helped build the knowledge and awareness of Aboriginal and Torres Strait Islander peoples for employees and customers through two key initiatives:

SUSTAINABLE ABORIGINAL AND TORRES STRAIT ISLANDER CAREERS
Qantas supports creating work and training opportunities for Aboriginal and Torres Strait Islander peoples.
Sustainable, meaningful employment is critical to our vision for reconciliation. Through our career development opportunities, we aim to remove barriers to employment and promotion, and to empower Aboriginal and Torres Strait Islander peoples to contribute within their communities and in the workplace.
Due to the impact of COVID-19 on Qantas business operations, our Aboriginal and Torres Strait Islander Pathway programs were put on hold for FY22. With their restart, we will work collaboratively with our partners to continually improve our pathway programs and develop our Aboriginal and Torres Strait Islander employees. Throughout this work, we will regularly connect with our Aboriginal and Torres Strait Islander employees to understand their experiences so that our efforts reflect and respond to their experiences.
In June 2022, Qantas welcomed CareerTrackers interns into our business for the first time since the pandemic. CareerTrackers is a national program that creates paid internship opportunities for Aboriginal and Torres Strait Islander university students. Qantas has partnered with CareerTrackers to provide employment opportunities for over 10 years.

CULTURAL CAPABILITY OF OUR EMPLOYEES
Our aim is to foster a shared national identity where Australians take pride in our Aboriginal and Torres Strait Islander heritage and contemporary cultures. This is critical to our reconciliation vision of a shared national identity, grounded in social and cultural inclusion.
Essential to this commitment is cultural awareness training and immersion opportunities for Qantas employees. During FY22, Qantas has made SBS Cultural Awareness Training a required learning component for all corporate employees.
With international cabin crews undertaking return to work training, we took the opportunity to include a cultural competency component which explains the meaning and value of an Acknowledgement of Country to Aboriginal and Torres Strait Islander peoples. This training supported the roll-out of the specific Acknowledgement of Country on international flights.
During FY2022, Qantas re-signed our MoU with Jawun to deliver executive immersion and secondment opportunities to foster awareness, understanding and appreciation of Aboriginal and Torres Strait Islander knowledge, cultures, histories and challenges.

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Qantas’ Altitude strategy is aimed at connecting, educating and engaging everyone to achieve gender equality. The Qantas Group has a long-term commitment to challenging stereotypes and ensuring merit-based gender diversity in aviation, and we do this by:
— Celebrating key awareness days, including International Women’s Day
— Focusing on developing, retaining and attracting female leaders through identifying and promoting female talent and targeted external recruitment
— Refreshing our approach to flexibility — Flex@Q. We understand that flexibility means different things to different people, and we are committed to providing a range of flexible work practices.

ALTITUDE: THE QANTAS GROUP WOMEN’S NETWORK
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ILLUMINATE: THE SEXUAL AND GENDER DIVERSITY NETWORK
The Illuminate Network is an employee network for LGBTQI+ employees and their allies to support a workplace inclusive of everyone. With a focus on developing a workplace free from bullying, harassment and discrimination, the network has developed an internal framework to provide information, support and advocacy training for sexual and gender diverse employees.
In FY22, the Illuminate Network was relaunched following the impact of COVID-19, with the first event celebrating Mardi Gras Fair Day and Parade 2022.
Qantas has participated in the Sydney Mardi Gras for over 25 years and was a major partner in 2022. The Qantas troupe, made up of 40 employees, danced their way around the Sydney Cricket Ground while sharing this year’s Mardi Gras message that when we band together, we shine brighter. Internal and external messaging focused on how our LGBTQI+ people and allies have the power to come together and create a more equitable Qantas and community.

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DARUMU: ABORIGINAL AND TORRES STRAIT ISLANDER EMPLOYEE NETWORK
The Qantas Group has a proud history of championing reconciliation. The Daramu network seeks opportunities to engage our Aboriginal and Torres Strait Islander employees and deepen relationships with the Aboriginal and Torres Strait Islander community.

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**Respect for human rights**

**OUR APPROACH**

The Group is committed to respecting all internationally recognised human rights as set out in the United Nations Universal Declaration on Human Rights (UDHR). At a minimum we comply with applicable national and international laws, but we also uphold the International Labour Organisation (ILO) Core Labour Standards and voluntarily commit to conduct our business in line with the standards of the UN Guiding Principles on Business and Human Rights (UNGPs).

We are a signatory to the UN Global Compact’s 10 key principles, which include commitments to human rights and labour rights, including the elimination of all forms of forced and compulsory labour and the effective abolition of child labour.

Our commitments to the respect of human rights are outlined across a range of policy documents including our Code of Conduct and Ethics and Business Practices Document, and are also disclosed in corporate publications such as our Modern Slavery Statement and our Human Rights Policy Statement.

We also recognise that our corporate responsibility to respect human rights goes beyond public statements of commitment and extends to the actions we take to demonstrate our respect of human rights. For the Qantas Group, this means acting in a way that avoids harm, or infringing on the rights of other people, whether they be employees, customers, workers in our supply chain, or the broader community.

It also includes taking action consistent with the UNGPs to address any adverse impacts in which we may be involved, or connected to, and to proactively look for ways to advance the respect of human rights through our business activities.

We manage our human rights risks consistently with our established enterprise-wide risk management framework, which provides a governance structure for clear accountability of human rights risk, ultimately overseen by the Qantas Board through its Audit Committee.

**IMPACT OF COVID-19**

FY22 presented significant challenges for the Group as we navigated our recovery from the impact of the global pandemic. Although our progress to advance our approach to human rights was constrained by difficult operating conditions, we have continued to take positive steps to further embed the respect for human rights in our operations and supply chain.

Our Modern Slavery Statement outlines in detail the widespread measures the Group had to take to ensure its survival, including the potential human rights impact on our people, operations and supply chain.

**KEY AREAS OF FOCUS**

During FY22, we continued to enhance our program in the following key areas.

- Re-established the Supply Chain Working Group and governance forums such as the Supply Chain Assurance Leadership Council and business-led supplier governance mechanisms
- Revised our Code of Conduct and Ethics and Business Practices Document to communicate our human rights commitments and responsibilities, including explicitly prohibiting child labour and forced, bonded or compulsory labour at any other form of modern slavery in our operations and supply chains
- Continued to embed modern slavery clauses in our contractual agreements
- Addressed modern slavery risks and impact to the Group's stakeholders and supply chain

Risk assessment and due diligence:

- In line with the UNGPs, we engaged expert advisory consultants to lead the refresh of our salient human rights issues
- Assessed human rights risk indicators and undertook advanced due diligence, including desktop reviews of independent third party audits, of our new and re-contracting supplier relationships
- Undertook a due diligence and risk assessment of our ‘unassessed supplier’ base. This activity is critical in identifying and managing the risk of modern slavery in our operations and supply chains
- Trained employees and suppliers on the risks and impacts of modern slavery and the Group’s response

Training and awareness:

- Implemented human trafficking training for our acreige to support identification of, and responses to, suspected instances of trafficking
- Delivered modern slavery training to key personnel to build knowledge and awareness of our employees

Grievance mechanisms and remediation:

- Took action to encourage employees, suppliers and workers in our supply chain to speak up, without fear of retribution, about any concerns they may have
- Commenced work to review our external grievance mechanisms against the UNGPs’ criteria for effective non-judicial grievance mechanisms

More information on how we engage with suppliers on issues including human rights can be found on page 13.

**MEASURING OUR PERFORMANCE**

Establishing a credible framework for measuring a company’s broader human rights performance is complex. We recognise that continually reviewing and assessing our approach to managing human rights risk is key to our continuous improvement and we are committed to transparent reporting to enable our stakeholders to compare our performance over time.

Our internal audit and risk function, and business assurance processes, help track our performance with respect to our SCA program, with oversight from the Qantas Board Audit Committee.

We will continue to engage with key industry peers and external human rights experts and external benchmarking.

**Our focus for FY23 and beyond will include:**

- Applying the output of our salience assessment to help inform our overall strategy and ensure we prioritise the most salient issues for action.
- Finalising the review of our internal and external grievance mechanisms and exploring how we can improve the accessibility grievance mechanisms in our operations.
- Applying a risk-based approach to prioritise the due diligence and risk assessment of our unassessed supplier base, and where identified, taking steps to address potential adverse impacts, in line with the guidance of the UNGPs.

**SALIENT HUMAN RIGHTS ISSUES**

Salient human rights issues are those that are likely to have the most severe negative impact on people, through a company’s activities or business relationships. In line with the UNGPs, the Group undertakes human rights due diligence of our business activities to identify, assess and manage our salient human rights issues.

In considering these issues, we apply the lens of the risk of harm to people. However, there is a natural convergence between our salient human rights issues and the risk to our business. The salieney assessment is critical in helping us prioritise the human rights issues which are, or have the potential to cause, the most harm, and enables us to manage the key risks to people and to the business.

In 2022, we engaged external advisors to refresh our previous salieney assessment and to evaluate specific potential human rights impacts to determine their severity based on the scale, scope and irreversibility of each impact. The output of this assessment will help refirm our understanding of our key human rights risks areas and prioritise, address and report on our key human rights risks in the future.

**MODERN SLAVERY AND OUR SUPPLY CHAIN**

In December 2021, we published our second Modern Slavery Statement under the Commonwealth Modern Slavery Act 2018, our sixth Statement in line with the requirements of the UK’s Modern Slavery Act 2015. Over the years, we have deepened the level of disclosure in our annual Statements, reflective of the maturation and continuous improvement of our policies and the processes that support the effective management of modern slavery risk in our operations and supply chains.

We have increased transparency on the nature of the Group’s potential modern slavery risks and more clearly outlined how we might be involved in potential modern slavery risk in our global operations and supply chains, including through the jurisdictions we source from and the nature of the products we procure.

We have also provided in depth case studies of due diligence and remediation actions to manage modern slavery risk.

Our risk-based Supply Chain Assurance (SCA) program, launched in 2018, standardises the way we identify, assess and manage risks in our supply chain. This includes modern slavery due diligence and risk assessment processes which were designed with reference to key human rights standards.

Our approach includes taking action to address potential and actual adverse impacts in line with our level of involvement, consistent with the three-part continuum of involvement (cause, contribute, directly linked) outlined in the UNGPs. The SCA program applies to new and re-contracting suppliers. In late 2021, we undertook a risk profiling exercise to prioritise the assessment of our existing supplier base. We will continue to apply our risk-based approach to progress this activity, the output of which will assist to prevent, mitigate and account for how we address modern slavery risk.

More information on how we engage with suppliers on issues including human rights can be found on page 13.

**Collaboration and stakeholder engagement:**

- Published our 2021 Modern Slavery and Human Trafficking Statement in December 2021
- Engaged with the Global Compact Network Australia network through the Modern Slavery Community of Practice forum.
Connecting customers and communities

We are committed to connecting customers and creating value to strengthen the communities in which we operate.

This section of the Report highlights how we are supporting the achievement of two of the UN SDGs through our focus on supporting communities and economic development. More information can be found in the Report appendix.
Connecting the regions

OUR APPROACH

Since Qantas was founded in the Queensland outback in 1920, we have been proud to help the communities we serve. From assisting in times of natural disaster to providing an international platform to showcase the best our country has to offer, our aim is to positively contribute to communities across Australia.

IMPACTS OF COVID-19

The impact of COVID-19 on our industry and on the Qantas Group has been significant — a combination of lockdowns, travel restrictions and quarantine measures. Qantas’ focus during the pandemic was to help to keep Australians connected and ensure Australia’s supply lines remained open.

During FY22, Qantas operated over 220 repatriation flights on behalf of the Australian Government to bring Australians home and re-unite families. Qantas developed targeted networks to repatriate Australians from Buenos Aires, Chennai, Delhi, Denpasar, Frankfurt, Istanbul, Johannesburg, London, Los Angeles and Vancouver.

One of the most important repatriation missions was the 16 flights Qantas deployed to Dubai and Islamabad to support Australians fleeing civil unrest in Afghanistan.

QANTAS REPATRIATION FLIGHTS COVID-19:

Qantas also played a critical role to ensure that Australia maintained connections with the Pacific Islands and Timor-Leste. This helped to enable key people movements and the continuation of the Pacific Labour Mobility program (with strict quarantine measures in place). Qantas also transported thousands of tonnes in air freight including COVID-19 vaccines, medical equipment and aid.

Qantas was proud to support shipments of national interest as part of the IFAM program, including urgent machinery and parts to manufacture N95 masks, personal protective equipment, rapid antigen test kits and critical lifesaving medicines.
Supporting Regional Customers and Community

While the pandemic resulted in reduced flights, with the support of the Federal Government we maintained essential domestic services.

With international borders closed, the Qantas Group responded to the increase in local travel with the launch of 20 new domestic routes in FY22, including to regional centres such as Busselton, Burnie and Broken Hill.

In 2019, Qantas invested $20 million to reduce fares for residents of select regional cities in Queensland, the Northern Territory and Western Australia through our discounted Fares program. The program enables us to make affordable air transport more accessible in remote towns to assist customers with personal travel, including same-day flights, last minute trips and travel during peak periods.

Since resuming regular flying, Qantas has continued to support the travel of regional residents with resident fare sales. In May 2022, we supported a week-long sale for all eligible regional residents. At the same time, Qantas introduced the Regional Airfare Zone Cap Scheme as announced by the Western Australian Government.

In addition, Qantas regularly promotes regional domestic tourism through Qantas Travel Insider and Qantas channels. We also raise awareness of the Resident Fares Program and the promotion of fare sales to regional ports in an effort to support both regional tourism businesses and regional towns through our investment in driving tourism.

Qantas Regional Grants Program

In FY20, Qantas introduced the Qantas Regional Grants program. Twenty grants were distributed across the country to local community initiatives and charitable organisations. The program planned to offer a total of $5 million in grants over five years to Australian-based not-for-profit community groups, individuals, charities, projects, and organisations seeking funding to provide a direct service or benefit to regional Australia. While the program was paused during the pandemic, Qantas is committed to returning the initiative in FY23 as it enables us to demonstrate our commitment to regional Australia.

Qantas Founders Museum

As part of our ongoing work to support regional tourism, Qantas remains committed to the Qantas Founders Museum. Longreach plays a significant role in Australia’s aviation history and the museum enables visitors to learn the stories, interact with aircraft and simulate old-fashioned flying. Located next to Longreach Airport, the museum’s collection includes four of the world’s most significant aircraft, along with full size replicas of some of Qantas’ early fleet. In April 2021, Qantas furthered our partnership with the donation of a custom-made replica of the 1930s Boeing 747 First Class Retro Lounge.

Qantas Pilot Academy, Toowoomba, Queensland

During FY22, we continued to train pilots at the Qantas Group Pilot Academy in Toowoomba, Queensland. Opened in January 2020, the Academy is part of our long-term strategy to ensure a talent pipeline for aviation. It also aims to increase the proportion of female and Aboriginal and Torres Strait Islander pilots in the industry. While intakes to the Academy slowed as a result of the impact of COVID-19, we expect the Academy will grow as these impacts reduce.

Supporting Australia in a Time of Need

Qantas was a founding member of the COVID Vaccination Alliance of UNICEF Australia which mobilised funding and advocacy resources in Australia to support global vaccine rollout and rapid emergency pandemic outbreaks. The Alliance encourages cross-sector collaboration and aligns with the priority of governments and communities in Australia and around the world.

To further support Australia to move towards a post-pandemic world, Qantas actively worked with Federal and State governments to work for a consistent approach to state borders being opened.

To encourage the uptake of vaccinations, in August 2021 we launched a campaign rewarding Australians for getting vaccinated. Fully vaccinated Australian-based Frequent Flyers (18 and over) were able to claim their reward through the Qantas app by choosing one of three options:

- 1,000 Qantas points
- 15 status credits (which help Frequent Flyers move up between Silver, Gold and Platinum tiers)
- $20 flight discount for Qantas or Jetstar

Members were then automatically entered into a prize draw to win a year’s worth of flights, accommodation and fuel. The campaign resulted in more than 721,000 Qantas Frequent Flyer members claiming their rewards.

Our focus in FY23 will include:

- Resuming support of the Qantas Regional Grants program which provides a tangible investment into regional communities
- Promoting regional domestic tourism to support both regional tourism businesses and regional towns
- Raising awareness of the Resident Fares Program.

CASE STUDY

Australian Paralympic Team

Qantas was honoured to provide charter flights for the Australian Paralympic Team to and from Tokyo for the 2020 Paralympic Games (held in August 2021). Safe travel to Japan for the largest team ever was a high priority and Qantas was proud to support the journey of Australia’s best para-athletes. In 2022, Qantas has further strengthened our partnership with Paralympics Australia with commitment to working together on Qantas’ Disability Action Plan to help shape more accessible travel for people with a disability.

Photo: A member of the Australian team preparing to depart from Australia to Tokyo.
NATIONAL SPORTING AND ARTS PARTNERSHIPS

We believe in showcasing Australian success on the world stage and, in turn, inspiring the next generation of Australians to do great things. Our sports and arts sponsorships are focused on supporting elite Australian talent, helping our national teams excel in global competitions and fostering tourism opportunities.

Australian Olympic Committee
For more than 60 years, Qantas has proudly supported the Australian Olympic team, having flown our athletes to and from every Olympic Games since 1948. Qantas worked closely with the Australian Olympic Committee to organise charters to the Tokyo 2020 games as the safest form of travel. We carried over 500 athletes and support staff to and from Tokyo via charter flights. The Australian Olympic Committee and Qantas are committed to sustainability and are working to implement programs to offset the travel requirements of the team in the lead up to Paris 2024.

Cricket Australia
Our partnership with Cricket Australia has seen us carry Australian cricket teams around Australia and the globe since 2011. This support continued in FY22, with cricket competitions continuing throughout COVID-19.

Football Australia
Qantas is proud to have partnered with Football Australia for over 20 years, extending our support to both the Socceroos and the Matildas across major competitions and World Cup campaigns. Our partnership focuses on bringing the game to all and championing diversity and equality on an even playing field.

The Arts
Qantas is proud to be the official airline and major partner of the National Gallery of Australia and a major partner of the National Gallery of Victoria. Qantas is also a proud supporter of the Museum of Old and New Art (MONA), in Hobart, Tasmania. Qantas is the official Aboriginal and Torres Strait Islander exhibition and program partner of the Museum of Contemporary Art (MCA).

Opera Australia
Opera Australia performs operas, musicals and concerts across Australia. As the official airline and hero partner of Opera Australia, Qantas is proud to help deliver an annual schools’ and Auslan program, supporting many of these performances to be delivered virtually during the COVID-19 pandemic.

The Australian Ballet
The Australian Ballet is one of Australia’s flagship arts companies. As the official airline and lead partner of The Australian Ballet, our support enables dancers, crew, and artists to travel domestically and internationally.

Our focus in FY23 will include:

- Emphasising our commitment to giving back and building positive sentiment within Australian communities as well as engaging Qantas employees through our partnership and grants programs.
- Reaffirming our commitment to LGBTQI+ communities by resuming our partnership with the Sydney Gay and Lesbian Mardi Gras (SGLMG) organisation and becoming a major partner of World Pride 2023 in Sydney with a focus on engaging regional communities with the festival and honouring the First Nations people of the Sydney region.
- Working with the Australian Olympic Committee to achieve their sustainability goals by being a member of the AOC Sustainability Advisory Working Group and looking at ways to offset the travel-related emissions associated with the team in the lead up to Paris 2024.
- Refreshing the Qantas Group Workplace Giving program.

Photo: The Australian Olympic Team departing from Cairns, Queensland for the Tokyo 2020 Olympic Games. (The 2020 Games were held in 2021 as a result of COVID-19 impacts.)
Aboriginal and Torres Strait Islander partnerships

OUR APPROACH

Our vision for reconciliation is a shared national identity that celebrates the knowledge and cultures of Aboriginal and Torres Strait Islander peoples. We believe this will be achieved through greater social, economic and cultural inclusion of Aboriginal and Torres Strait Islander peoples.

RECONCILIATION ACTION PLAN

Through our partnership with Reconciliation Australia, we seek to honour knowledge and celebrate Aboriginal and Torres Strait Islander culture.

We launched our first Reconciliation Action Plan (RAP) in 2007 and our first Elevate RAP in 2015. We had anticipated launching the next iteration of our Elevate RAP in 2020 but were unable to do so due to the impacts of COVID-19. We released an interim RAP in January 2021, which was expanded to include actions for all parts of the Qantas Group, including Jetstar.

At the beginning of 2022, Qantas Group employees were invited to complete a Reconciliation Australia Leadership Survey with results to be used to support the development and implementation of the new RAP.

We remain committed to achieving our RAP, and the obligations of the Elevate RAP, which is built on five pillars:

- Sustainable Aboriginal and Torres Strait Islander careers
- Cultural inclusion and celebration
- Collaboration and accountability
- Creating an Australian customer experience
- Aboriginal and Torres Strait Islander economic development

ABORIGINAL AND TORRES STRAIT ISLANDER ECONOMIC DEVELOPMENT

A key part of our vision for reconciliation is the economic inclusion of Aboriginal and Torres Strait Islander peoples. We recognise the mutual benefit of doing business with Aboriginal and Torres Strait Islander suppliers.

Our commitment to support Aboriginal and Torres Strait Islander suppliers remained a priority during the pandemic. The Qantas Group will continue to support Aboriginal and Torres Strait Islander economic inclusion by increasing the diversity of our supplier base.

To improve cash flow and business outcomes for Aboriginal and Torres Strait Islander owned businesses, in FY23 the Qantas Group will implement a reduction in payment times for Aboriginal and Torres Strait Islander suppliers. This change will also be rolled out to applicable Australian-based small businesses.

Qantas is a founding member of Supply Nation, a not-for-profit organisation which connects Australian companies and government with Aboriginal and Torres Strait Islander businesses. In 2022, we once again sponsored Connect, Supply Nation’s annual flagship event for the Aboriginal and Torres Strait Islander business sector with a focus on showcasing the calibre of diverse Aboriginal and Torres Strait Islander businesses.

Our commitment to Aboriginal and Torres Strait Islander economic development is reflected in our investment in carbon offset projects such as our long-standing partnership with the Kimberley Land Council. This program employs Aboriginal and Torres Strait Islander rangers in Northern Australia, who use traditional practices to promote the regeneration of native vegetation. Kimberley Land Council is a key beneficiary of the introduction of the Green Tier for Qantas Frequent Flyers.

Qantas also participated in the 2021 National Roadmap for Indigenous Skills, Jobs and Wealth Creation roundtables to inform policy to bring about change and ensure Aboriginal and Torres Strait Islander Australians are equipped with the right skills to meet the needs of industry and advance jobs and wealth for Aboriginal and Torres Strait Islander peoples.

SUSTAINABLE ABORIGINAL AND TORRES STRAIT ISLANDER CAREERS

Information about our approach and initiatives can be found on page 40.

CASE STUDY

Fighting fire with fire — Fire management, Arnhem Land, the Northern Territory.

In the absence of fire management by Aboriginal Traditional Landowners, Arnhem Land in the Northern Territory is prone to extreme, devastating wildfires that damage the landscape, including rock art galleries, cultural sites and biodiversity. Arnhem Land Fire Abatement (ALFA) is an Aboriginal owned, not-for-profit carbon farming business that supports Aboriginal Traditional Owners and rangers to utilise customary fire knowledge and skills in tandem with contemporary technology to accomplish highly sophisticated landscape-scale fire management. Qantas is partnering with ALFA to purchase carbon credits to support emissions reduction. This will commence in FY23.

Photo: Pictured are rangers from the ALFA project. The number of women involved in fire management across ALFA’s project areas has increased significantly over the previous five years, with many ranger groups achieving gender equity within their respective workforces.
CULTURAL INCLUSION AND CELEBRATION

Cultural awareness for our customers

As the national carrier, we are uniquely positioned to connect people to the world’s oldest living cultures through our domestic and international networks.

We include Acknowledgement of Country across all Qantas and Jetstar services, with a specific acknowledgement for incoming Qantas international flights and some Jetstar flights. The Acknowledgement of Country is aimed at raising awareness among our customers of the history of our country and making this recognition a part of our everyday language.

We have also introduced maps of First Nations Australia from the Australian Institute of Aboriginal and Torres Strait Islander Studies (AIATSIS) in our lounges.

Qantas continues to commit to multi-channel campaigns for both NAIDOC and National Reconciliation Weeks to promote positive relationships between Aboriginal and Torres Strait Islander peoples and non-First Nations people.

During NAIDOC week we supported the campaign to ‘Heal Country, Heal Nation’ for stronger measures to recognise, protect, and maintain all aspects of Aboriginal and Torres Strait Islander culture and heritage. We did this by showcasing our partnership with the Kimberley Land Council in relation to our carbon offset programs across our marketing and internal communication channels.

Cultural capability of our employees

Information about our approach and initiatives can be found on page 40.

CASE STUDY

National Reconciliation Week

On 25 May 2022, we recognised National Reconciliation Week (27 May – 3 June 2022) by hosting a panel who discussed their personal reflections on reconciliation, the progress being made across Qantas and other industries, and the role everyone has in championing reconciliation. Qantas employees were joined by Karen Mundine, CEO Reconciliation Australia and Allira Davis, Co-Chair of Uluru Dialogue who discussed both the importance and the complexities of achieving reconciliation.

Over the week, we incorporated Aboriginal and Torres Strait Islander ingredients into our lounge menus and displayed wall decals across our locations, encouraging everyone to think about how they can contribute to reconciliation.

Photo: From left to right: Kylene Anderson, Senior Consultant, Qantas Inclusion and Diversity team; Reconciliation Australia’s CEO, Karen Mundine; and Uluru Dialogue Youth Manager, Allira Davis, during a National Reconciliation Week 2022 panel discussion at Qantas in Sydney, New South Wales.

CASE STUDY

Uluru Statement from the Heart

In 2019, Qantas joined other organisations to provide public support for The Uluru Statement from the Heart. The Uluru Statement from the Heart aims to enshrine an Aboriginal and Torres Strait Islander Voice in the Australian Constitution and a Makarrata Commission on agreement-making and truth-telling between Aboriginal and Torres Strait Islander peoples and governments.

Qantas has long supported constitutional recognition for Aboriginal and Torres Strait Islander peoples to allow continuity of Voice, and the opportunity to make real, long-term change.

In April 2021, Qantas provided a public submission to the Indigenous Voice Co-design Process Interim Report in which we recognised the importance of the voices of Aboriginal and Torres Strait Islander peoples in the reconciliation process and supported a referendum for an Enshrined Voice in the Australian Constitution. As the national carrier, Qantas is committed to supporting the campaign for the Uluru Statement from the Heart to be implemented in full.

Photo: Team member Moniek Botra viewing The Uluru Statement from the Heart.
CREATING AN AUSTRALIAN CUSTOMER EXPERIENCE

Aboriginal and Torres Strait Islander cultures are integral to the spirit of Australia and we seek to amplify this throughout our customers’ journeys.

In addition to the inclusion of an Acknowledgement of Country across all Qantas and Jetstar services, we have committed to increase Aboriginal and Torres Strait Islander representation across major Qantas brand campaigns and advertising to promote Aboriginal and Torres Strait Islander knowledge and cultures.

The March 2022 launch of the “I Still Call Australia Home” advertising campaign showcased a diverse range of Aboriginal and Torres Strait Islander culture and country, including an opening scene featuring Aboriginal Elder Rene Kulitja at Uluru-Kata Tjuta National Park, Adam Goodes, Ash Barty and long-term partners, Bangarra Dance Theatre.

Both Qantas and Jetstar have also focused on promoting responsible Aboriginal and Torres Strait Islander tourism experiences in collaboration with state tourism organisations, on websites and social media channels.

Qantas partnered with and attended the 2022 Australian Indigenous Tourism Conference with a focus on examining current and future travel trends for Aboriginal and Torres Strait Islander operators and to enhance relationships to help grow the industry.

COLLABORATION AND ACCOUNTABILITY

Reconciliation requires a national effort and we are excited about the growth of the RAP community. We continue to share learnings with the RAP community, both informally and through Reconciliation Australia’s reporting processes.

In FY22, Qantas’ internal RAP Executive Steering Committee and working groups were relaunched and Aboriginal and Torres Strait Islander advisors were engaged to ensure adequate governance, community consultation and leadership accountability in Qantas’ approach to reconciliation.

Our focus in FY23 will include:

— Developing our new RAP which we intend to launch in 2023. It will focus on delivering practical efforts to support Aboriginal and Torres Strait Islander peoples and create shared value through employment, procurement, deep partnerships with community and ensuring that Aboriginal and Torres Strait Islander cultures and experiences are amplified throughout the customer journey. We are also consulting with Aboriginal and Torres Strait Islander-led industry and community groups on the development of the RAP.
— Updating our Aboriginal and Torres Strait Islander employee engagement and development strategy to drive improved retention of Aboriginal and Torres Strait Islander employees and recruitment across the Qantas Group, with a focus on participation beyond entry level roles.
— Implementing a reduction in payment times for Aboriginal and Torres Strait Islander suppliers.
— Reviewing the Qantas Group procurement strategy with a focus on enhancing and growing current supplier relationships and implementing an operational framework to build Aboriginal and Torres Strait Islander supplier opportunities.
Non-financial metrics

The Qantas Group is committed to transparency of key performance indicators, including environmental and social metrics. Financial performance can be found in the FY22 Annual Report.

KPMG provided Limited Assurance over selected sustainability metrics. The assurance statement can be found on page 61.

CUSTOMER

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<th>Unit</th>
<th>FY22</th>
<th>FY21</th>
<th>FY20</th>
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<td>On-time performance</td>
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<td>85.5</td>
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<tr>
<td>Brand preference</td>
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<td>Domestic NPI — Top over major competitor</td>
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SAFETY

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<td>Total Recordable Injury Frequency Rate</td>
<td>TRIFR</td>
<td>12.9</td>
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<td>Cost Work Case Frequency Rate</td>
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<td>Fatalities</td>
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COMMUNITY

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<tr>
<td>Total supplier spend</td>
<td>$M</td>
<td>6,500</td>
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<td>Australian supplier spend</td>
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<td>Aboriginal and Torres Strait Islander supplier spend</td>
<td>$M</td>
<td>519</td>
<td>9</td>
<td>3</td>
<td>12</td>
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<td>Total community partnerships investment</td>
<td>$M</td>
<td>2.6</td>
<td>0.2</td>
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<td>Proportion of Aboriginal and Torres Strait Islander community partnership investment</td>
<td>%</td>
<td>49</td>
<td>31.2</td>
<td>191</td>
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<tr>
<td>Total Change for Good UNICEF donations</td>
<td>$M</td>
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PEOPLE

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<th>FY21</th>
<th>FY20</th>
<th>FY19</th>
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<tbody>
<tr>
<td>Number of full-time equivalent employees</td>
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<td>21,847</td>
<td>20,640</td>
<td>28,067</td>
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<td>Percentage of employees under a collective bargaining agreement</td>
<td>%</td>
<td>85.8</td>
<td>85.8</td>
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<td>Voluntary employee turnover</td>
<td>%</td>
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<td>11.2</td>
<td>4.3</td>
<td>5.3</td>
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<tr>
<td>Percentage of women</td>
<td>%</td>
<td>44.8</td>
<td>43.6</td>
<td>42.5</td>
<td>42.0</td>
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<tr>
<td>Percentage of women in senior positions</td>
<td>%</td>
<td>37.4</td>
<td>38.1</td>
<td>37.0</td>
<td>36.3</td>
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<tr>
<td>Percentage of women on the Qantas Board</td>
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<td>40.0</td>
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<tr>
<td>Number of women on the Qantas Board</td>
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<td>4</td>
<td>4</td>
<td>4</td>
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<tr>
<td>Percentage of women recruited into the graduate program</td>
<td>%</td>
<td>N/A</td>
<td>N/A</td>
<td>47.5</td>
<td>34.4</td>
</tr>
<tr>
<td>Number of Aboriginal and Torres Strait Island employees</td>
<td>#</td>
<td>203</td>
<td>198</td>
<td>329</td>
<td>408</td>
</tr>
</tbody>
</table>

ONLINE EDITION only

Scope includes Qantas Airways Limited and its wholly-owned entities unless stated otherwise. These form the Group’s respective business segments, including Qantas International (including Qantas Freight), Qantas Domestic (including Qantaslink and Network Aviation), Qantas Loyalty and Jetstar Group (including Jetstar International and Jetstar Domestic).

1. On-time performance as measured by the percentage of flights departing within 15 minutes of scheduled departure for Total Group operations, including Qantas International (Qantaslink and Network Aviation), Qantas Loyalty and Jetstar Group (including Jetstar International and Jetstar Domestic).

2. Australian supplier spend excludes payments processed through IATA clearing account and direct bank deposits for the purposes of aircraft lease payments.

3. Total supplier spend excluding payments processed through IATA clearing account and direct bank deposits for the purposes of aircraft lease payments.

4. Total Recordable Injury Frequency Rate (TRIFR). The total number of injuries or illnesses during work hours (1 July to 30 June) with an accepted workers’ compensation claim and paid as a result of a work-related injury or illness.

5. Lost Work Case Frequency Rate (LWCFR). Described as the total number of injuries or illnesses during work hours (1 July to 30 June) with a workers’ compensation claim for Australian-based personnel, or equivalent in other jurisdictions, per million hours worked. Journey and slip port injuries and illnesses from COVID-19 excluded from this calculation. This metric includes embedded contractors who work exclusively for the Qantas Group and perform work that is considered core business. Scope: TRIFR for both domestic and international operations: Qantas (International, Domestic), Qantas Freight, Jetstar Australia and New Zealand, QantasLink, Network Aviation, National Jet Systems, and Non-Flying Businesses (all corporate areas including Loyalty). TRIFR has been restated for FY22 and FY20 with COVID-19 claims and claims from outsourced sections of the organisation removed from the data.

6. Total supplier spend excluding payments processed through IATA clearing account and direct bank deposits for the purposes of aircraft lease payments.

7. Australian supplier spend where supplier headquaters are located in Australia.

8. Abigail and Torres Strait Islander supplier spend includes suppliers that are Supply Nation registered or certified as well as known Aboriginal and Torres Strait Islander suppliers.

9. Total community partnerships investment excludes donations facilitated through Jetstar’s StarKids program.

10. Proportion of total community investment directed to Aboriginal and Torres Strait Islander programs, promotion and partnerships. The percentage increase from FY21 to FY22 reflects the continued focus on Aboriginal and Torres Strait Islander programs, promotion and partnerships in FY22 compared with a decrease in overall community partnership investment.

11. Total UNICEF donations facilitated through Qantas: Change for Good program. The majority of the UNICEF collection is through our international services which were largely suspended in FY22. FY22 data has been restated due to a rounding error. The program resumed in December 2021.

12. Total World Vision donations facilitated through Jetstar’s Stellars program.

13. Total number of employees of wholly-owned entities of the Qantas Group, as well as Jetstar Asia Airways Pte Ltd, and majority owned entities Holiday Tours and Travel LTI, Taylor Fry Holdings Pty Ltd and Trip A Deal Pty Ltd, by employment type, full-time or part-time.
14. Composition of governance boards and breakdown of employees per employee category according to gender. age group, minority membership and other indicators of diversity is detailed to total workforce of wholly owned entities of Qantas Airways Limited broken down by gender, age group and Aboriginal and Torres Strait Islander as women in the following positions: Non-Executive Directors and Senior Management. Gender diversity indices are consistent with diversity policy and targets, measured as at 30 June.

15. The total volume of aviation kerosene consumed by the Qantas Group's flying businesses from 1 July to 30 June. Scope: Aviation fuel consumption where the flight is operated solely for the purpose of the Qantas Group. This includes for both domestic and international operations: Qantas Airways, Jetstar Australia and New Zealand, QantasLink, Network Aviation and Qantas Freight. This does not include aviation fuel consumed by Jetstar Asia, Jetstar Japan or code-share partners.

16. Fuel per 100 revenue-tonne-kilometres (RTKs). RTKs quantifies the Qantas Group's fuel efficiency, which is described as the amount of revenue-generating payload carried for the distance flown. Total number of tonnes of paying passengers, freight and mail carried, multiplied by the number of kilometres flown. Scope: Fuel per 100 RTKs includes, for both domestic and international operations. Qantas Airways, Jetstar Australia and New Zealand, QantasLink, Network Aviation and Qantas Freight.

17. Total Scope 1 and Scope 2 greenhouse gas emissions are measured in tonnes for the period 1 July to 30 June. Refer to relevant footnotes for Scope 1 and Scope 2.

18. Total direct greenhouse gas emissions (Scope 1) are measured for the period 1 July to 30 June. Scope 1 emissions include aviation fuel and other fuels and gases from both domestic and international operations. For domestic emissions, the Qantas Group applies the National Greenhouse and Energy Reporting (Measurement) Determination factors. For international emissions, the Qantas Group applies International (CBIS) factors and methodology. The Qantas Group is a CORBA participant and aligns international emissions disclosures with the CORBA regulatory framework. All emissions are reported as CO2 equivalent. CH4, and N2O have been applied to all emissions per their NGER Measurement Determination factors. Scope: All activities under the control of the Qantas Group.

21. Total direct and indirect greenhouse gas emissions from international operations. International operations include all emissions from international aviation fuel consumption.

22. Greenhouse gas emissions (Scope 1 and 2 only) measured in kilograms of CO2-e per 100 revenue-tonne-kilometres (RTKs) converted to CO2-e, tonnes by the National Greenhouse and Energy Reporting (Measurement) Determination factors. Scope: All flights operated solely for the purpose of the Qantas Group, and all activities under the control of the Qantas Group.

23. Total indirect greenhouse gas emissions resulting from value chain activities (Scope 3) measured in tonnes for the period 1 July to 30 June. Scope 3 emissions inclusions are informed by the KPMG Protocol Corporate Value Chain (Scope 3) Accounting & Reporting Standard and Australian Climate Active Carbon Neutral Standard for Products and Services. Related activities and food and beverage related purchased goods make up the majority of total scope 3 emissions. The Qantas Group reports Scope 3 indirect emissions within operational control and of material relevance. The Qantas Group also offsets all employee and contractor business travel under privately negotiated agreements. The travel emissions are excluded from calculated Scope 3 emissions. Not possible, the Qantas Group is informed by the Australian Government’s Climate Active Carbon Neutral Standard for Products and Services to determine our Scope 3 emissions using National Greenhouse Accounts (NGA) emissions factors for the calculation of CO2-e, e.g., the Tier-III associated emissions factor is used. Emission factors for the consumption of purchased electricity from the grid are updated annually to reflect changes in energy mix. Scope: All activities under operational control of the Qantas Group.

24. Total Scope 1, Scope 2 and Scope 3 greenhouse gas emissions are measured in tonnes for the period 1 July to 30 June. Scope 2 emissions include indirect emissions from consumption of purchased electricity. The Qantas Group applies the National Greenhouse and Energy Reporting (Measurement) Determination factors for the calculation of CO2-e, e.g., the Tier-1 associated emissions factor is used. Emission factors for the consumption of purchased electricity from the grid are updated annually to reflect changes in energy mix. Scope: All activities under operational control of the Qantas Group.

25. The total amount of electricity consumed as measured in megawatt hours (MWh), natural gas measured in gigajoules (GJ) and diesel measured in litres (L) sold to wholly-owned entities within Australia for the period 1 July to 30 June. The change reflects a 4.7% decrease in Fuel per 100 RTKs from 58.13 to 55.4.

26. Total direct and indirect greenhouse gas emissions from domestic operations. Domestic operations include all emissions from activities reported under the National Greenhouse and Energy Reporting (Measurement) Determination.

27. Total direct and indirect greenhouse gas emissions from international operations. International operations include all emissions from international aviation fuel consumption.

28. Greenhouse gas emissions (Scope 1 and 2 only) are measured in kilograms of CO2-e per 100 revenue-tonne-kilometres (RTKs) converted to CO2-e, tonnes by the National Greenhouse and Energy Reporting (Measurement) Determination factors. Scope: All flights operated solely for the purpose of the Qantas Group, and all activities under the control of the Qantas Group.

29. Total Scope 1 and Scope 2 greenhouse gas emissions are measured in tonnes for the period 1 July to 30 June. The change is reflected in a 4.7% decrease in Fuel per 100 RTKs from 58.13 to 55.4.

30. The figures reported for 1 July 2020 to 30 June 2021 were restated as at 1st February 2022. The restatement corrects double counting of international freight and mail.

31. Onshore waste to landfill (including quarantine waste) measured in tonnes for the period 1 July to 30 June. This includes all waste delivered from Qantas Group premises directly to landfill where the Qantas Group is responsible for the waste removed and is typically billed to Qantas wholly-owned enterprises by a waste service provider. Where Qantas Group has not been separately billed and can reasonably influence waste management procedures, as in the case of airport and street waste, an estimated transport cost was applied on the provisionally generated waste. Scope: All activities under operational control of the Qantas Group (excludes Jetstar Asia, Jetstar Japan and Jetstar Pacific).

32. Water consumption is measured in kilolitres (kL) for the period 1 July to 30 June, separately billed to Qantas wholly-owned entities. Scope: All activities under operational control of the Qantas Group (excludes Jetstar Asia, Jetstar Japan and Jetstar Pacific).

33. The figures reported for 1 July 2020 to 30 June 2021 have been restated. The restatement applies a consistent OTR calculation methodology across all years. The change reflects a 4.7% decrease in Fuel per 100 RTKs from 58.13 to 55.4.

34. Electricity (Australia) reported for FY21 has been restated to correct the omission of an electricity source. The restatement results in a 52 per cent increase in electricity consumption from 53,845 to 82,428 MWh and does not impact Scope 2 or Total CO2-e emissions.