



AIRPORTS COMPANY SOUTH AFRICA SOC LTD

# CORPORATE PLAN

## 2026/27-2028/29

AS AT FEBRUARY 2026



**AIRPORTS COMPANY**  
SOUTH AFRICA

[www.airports.co.za](http://www.airports.co.za)



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# ACRONYMS



<b>ACI</b>	Airports Council International
<b>ACSA</b>	Airports Company South Africa SOC Ltd
<b>AFCAC</b>	African Civil Aviation Commission
<b>AfCTA</b>	African Continental Free Trade Area
<b>AGL</b>	Airfield Ground Lighting
<b>AI</b>	Artificial Intelligence
<b>AOCC</b>	Airport Operations Control Centre
<b>ARFF</b>	Aircraft Rescue and Firefighting
<b>ASQ</b>	Airport Service Quality
<b>AU</b>	African Union
<b>BBBEE</b>	Broad-Based Black Economic Empowerment
<b>BFIA</b>	Bram Fischer International Airport
<b>CAPEX</b>	Capital Expenditure
<b>CAPT</b>	Capital Programme Tracker
<b>CAGR</b>	Compound Annual Growth Rate
<b>CEO</b>	Chief Executive Officer
<b>CDSIA</b>	Chief Dawid Stuurman International Airport
<b>CIAM</b>	Capital Infrastructure and Asset Management
<b>CNG</b>	Compressed Natural Gas
<b>CoCT</b>	City of Cape Town
<b>CORP</b>	Corporate Office
<b>CTIA</b>	Cape Town International Airport
<b>DOT</b>	Department of Transport
<b>EAP</b>	Employee Assistance Programme
<b>EBITDA</b>	Earnings Before Interest, Tax, Depreciation and Amortisation
<b>ECD</b>	Early Childhood Development
<b>EDD</b>	Explosive Detection Dogs
<b>EE</b>	Employment Equity
<b>EPM</b>	Enterprise Performance Management
<b>ESG</b>	Environmental, Social and Governance
<b>EXCO</b>	Executive Committee
<b>FAA</b>	Federal Aviation Administration
<b>FATF</b>	Financial Action Task Force
<b>FDI</b>	Foreign Direct Investment
<b>FDS</b>	Flight Display System
<b>FIDPM</b>	Framework for Infrastructure Delivery and Procurement Management
<b>GAAL</b>	Gateway Airport Authority Limited
<b>GASeP</b>	Global Aviation Security Plan
<b>GDP</b>	Gross Domestic Product
<b>GRJ</b>	George Airport
<b>HBS</b>	Hold Baggage Screening
<b>HVAC</b>	Heating, Ventilation and Air Conditioning
<b>IA</b>	Internal Audit
<b>IATA</b>	International Air Transport Association
<b>ICAO</b>	International Civil Aviation Organization

<b>ICT</b>	Information and Communications Technology
<b>IFRS</b>	International Financial Reporting Standards
<b>IMF</b>	International Monetary Fund
<b>IoT</b>	Internet of Things
<b>ISO</b>	International Organization for Standardization
<b>KIM</b>	Kimberley Airport
<b>King IV</b>	King IV Report on Corporate Governance for South Africa
<b>KPI</b>	Key Performance Indicator
<b>KSIA</b>	King Shaka International Airport
<b>LED</b>	Light Emitting Diode
<b>LPR</b>	Licence Plate Recognition
<b>MOA</b>	Memorandum of Agreement
<b>MPC</b>	Monetary Policy Committee
<b>MWB</b>	Must Win Battles
<b>NAR</b>	National Airspace Review
<b>NDP</b>	National Development Plan
<b>OM</b>	Operations Management
<b>OPEX</b>	Operating Expenditure
<b>ORTIA</b>	O. R. Tambo International Airport
<b>PFMA</b>	Public Finance Management Act
<b>PIDS</b>	Perimeter Intrusion Detection System
<b>PLB</b>	Passenger Loading Bridge
<b>PMO</b>	Project Management Office
<b>QMS</b>	Quality Management Systems
<b>RAB</b>	Regulatory Asset Base
<b>RGM</b>	Revenue Generation Model
<b>ROCE</b>	Return on Capital Employed
<b>ROI</b>	Return on Investment
<b>RPK</b>	Revenue Passenger Kilometres
<b>SAA</b>	South African Airways
<b>SAATM</b>	Single African Air Transport Market
<b>SACAA</b>	South African Civil Aviation Authority
<b>SAF</b>	Sustainable Aviation Fuel
<b>SANS</b>	South African National Standards
<b>SAPS</b>	South African Police Service
<b>SARB</b>	South African Reserve Bank
<b>SCM</b>	Supply Chain Management
<b>SED</b>	Socio-Economic Development
<b>SME</b>	Small and Medium Enterprise
<b>SMME</b>	Small, Medium and Micro Enterprise
<b>SSA</b>	State Security Agency
<b>TSA</b>	Transportation Security Administration
<b>UN</b>	United Nations
<b>WACC</b>	Weighted Average Cost of Capital
<b>YoY</b>	Year on Year



# 01



Ms Futhi Zikalala Mvelase  
Interim Board Chairperson

## MESSAGE FROM THE CHAIRPERSON OF THE BOARD

On behalf of the Board of Directors, I am pleased to present the Corporate Plan of Airports Company South Africa SOC Ltd (“ACSA” or “the Company”) for the financial years 2026/27 to 2028/29, building on the solid foundation established in the previous planning cycle. This plan represents a clear continuation of our strategic journey and reaffirms our long-term commitment to sustainable value creation for our shareholders, investors, customers and the broader South African economy.

The global aviation industry continues to evolve in a dynamic economic environment marked by geopolitical uncertainty, fluctuating market conditions and shifting demand patterns. Despite these complexities, ACSA remains well-positioned to capture growth opportunities, strengthen its financial resilience, and reinforce its role as a critical enabler of trade, tourism and economic development.

The Board remains confident that the Company continues to operate as a going concern, supported by a strong balance sheet, prudent financial management, and a clear long-term strategy. We will continue to work closely with management to ensure that the achievements of previous years are sustained and expanded upon, while maintaining the highest standards of accountability and performance.



Our strategic focus over the next three years is firmly anchored in the pillars Innovate, Grow and Sustain. This approach reflects the maturity of our recovery journey and signals our transition into a period of deliberate expansion, modernisation and enhanced competitiveness. Central to this ambition are ACSA's strategic intent to Run Airports, Develop Airports, and Grow our Footprint, which continue to guide the Company toward its vision of becoming a world-leading airport business.

The Board places significant emphasis on strong corporate governance and a robust control environment. These principles are fundamental to safeguarding the Company's reputation, protecting stakeholder interests, and supporting long-term growth. We recognise that investor confidence is directly linked to governance excellence, transparency, and ethical leadership. As such, the continuous enhancement of governance frameworks and internal controls remains a strategic priority for the Board.

ACSA's network of airports are a national strategic asset requiring sustained collaboration with government, regulators, investors, and business partners. Through disciplined oversight and strategic guidance, the Board will ensure that the Company remains agile, resilient, and responsive to emerging opportunities in both the domestic and international aviation markets.

On behalf of the Board, I extend our sincere appreciation to our shareholders, investors, executive leadership, employees and all stakeholders for their ongoing trust and support. Together, we remain committed to delivering sustainable growth, operational excellence and long-term value for all who depend on ACSA's success.

**Ms Futhi Zikalala Mvelase**  
Interim Board Chairperson



# 02



**Ms Mpumi Mpofu**  
Chief Executive Officer

## MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

The Corporate Plan for FY2026/27 to FY2028/29 marks the next chapter in ACSA's strategic evolution as we continue to build on the momentum of recent years. Guided by our strategic pillars to Innovate, Grow and Sustain, we are focused on delivering world-class airport infrastructure and services that strengthen South Africa's global connectivity, enhance customer experience and generate sustainable value for our shareholders and investors.

The aviation sector has emerged from a period of significant disruption to an era of renewed opportunity. While economic volatility and global uncertainty persist, the long-term fundamentals of air transport remain strong. Africa presents significant growth potential of 754 million (3.6% CAGR) passengers between 2024 and 2054. ACSA is strategically positioned to serve as a critical gateway connecting the continents' global markets.

Tourism contributes significantly to the South African economy, with international arrivals supporting jobs and foreign exchange earnings — the sector was estimated to account for around 8.8 % of GDP in 2024. South Africa's airports — especially major hubs like O.R. Tambo and Cape Town International Airports — act as important conduits for global tourism flows, helping to drive passenger numbers, support regional connectivity and reinforce the country's status as a key gateway into Africa.

A cornerstone of our growth strategy is the development of the Mid-Field Cargo precinct, which will expand our cargo handling capacity to 1.2 million metric tonnes by 2030. This flagship programme is fundamental to our growth pillar and is expected to materially enhance South Africa's regional and global competitiveness. We recognise that air freight remains a premium, time-critical niche rather than the primary mode of transport. The clear segmentation between maritime transit times (35 – 44 days) and air freight (9 – 13 days) presents a compelling opportunity for specialised, high-value logistics solutions.

The Mid-Field Cargo development is designed to provide key operational enablement through bonded trucking between ports and airports, integrated customs processes, temperature-controlled facilities, express courier infrastructure, and dedicated e-commerce handling centres.

Some of these capabilities, are already being advanced within the development corridor along the R21 highway, and ACSA will position itself as a leading air logistics hub and a catalyst for export trade, facilitation and economic growth, leveraging the opportunities presented by the AfCFTA.

Over the next three years, ACSA will significantly accelerate the implementation of its capital programme, with capital expenditure increasing almost threefold compared to the previous financial cycle. This expanded investment programme will deliver much-needed capacity across our airport network, modernise critical infrastructure and enhance passenger experience. To support this phase, we are strengthening internal execution capability and ensuring that appropriate resources, systems and partnerships are in place to deliver projects effectively and responsibly.



Innovation as one of our strategic pillars will be a powerful enabler of this capital expansion and our innovation agenda will focus on leveraging data-driven planning and decision-making, advanced analytics and digital transformation to improve operational efficiency, asset utilisation, and customer experience. ACSA maintains its emphasis on smart airport development, prioritizing investments in Internet of Things (IoT), Artificial Intelligence (AI), and automation, in line with our vision of being the **best run smart airport network in Africa, offering the most diverse, sought-after services and experience.**

We embrace Artificial Intelligence responsibly within a strong governance framework to ensure that safety, security and data integrity are never compromised. Smart airport technologies, predictive maintenance and integrated operational platforms will become defining innovations in our network.

ACSA remains unwavering in its commitment to corporate governance excellence to continuously strengthening the control environment. We understand that our reputation as a trusted infrastructure provider is intrinsically linked to ethical leadership, sound risk management and financial discipline. These principles are essential to protecting the Company's credibility and enabling sustainable long-term growth.

Our strategy is underpinned by five key priorities: operational excellence through reliable, efficient and safe airport operations; growth and expansion by unlocking new opportunities across the African continent; sustainability leadership by reducing environmental impact while advancing socio-economic development; innovation and digital transformation to create smarter, more connected airports; and a customer-centric, people-focused culture that empowers employees and enhances stakeholder value.

We remain deeply committed to fiscal prudence and disciplined financial management to ensure sustainable returns for our shareholders. At the same time, we recognize our broader developmental mandate through SED, supporting skills development, enterprise growth, and job creation in the communities we serve. Our employees are the driving force

behind our success. By investing in their capabilities and fostering a culture of accountability, collaboration and innovation, we are building an organization equipped to meet the demands of a rapidly changing industry.

ACSA recognizes that its long-term sustainability relies on meeting the expectations of investors, shareholders, regulators, and communities while upholding high standards of environmental, social, and governance (ESG) responsibility. Beyond regulatory compliance, aligning with global ESG best practices helps the Company remain competitive, attract investment, and maintain its social license to operate. The focus areas include: ESG reporting for transparency and accountability, green financing and community engagement and stakeholder collaboration

As we look ahead, ACSA is determined to strengthen its position as one of the world's leading smart airport networks and to sustain its leadership on the African continent. With the support of our shareholders, investors, partners and stakeholders, we will continue to transform challenges into opportunities and deliver infrastructure that connects South Africa to the world.

Together, we will build an ACSA that is innovative, resilient, and sustainably positioned for growth.

The sky is the baseline.

**Ms Mpumi Mpofu**  
Chief Executive Officer

# 03



## ABOUT THIS CORPORATE PLAN

## SCOPE AND BOUNDARY

Airports Company South Africa's ("ACSA / the Company / the Group") FY 2026/27 – FY 2028/29 Corporate Plan covers the three-year period between 1 April 2026 and 31 March 2029. The Capital Expenditure Plan for the purposes of the DLA covers the period between 1 April 2026 and 31 March 2031 or the total disclosed project values for projects that commence in FY27 to FY29 with completion dates beyond 31 March 2031. The content includes the following sections: an overview of the Company, background, strategy, sustainability framework, key performance indicators (KPI) – as guided by the Framework for Managing Programme Performance Information (FMPPi). Additionally, it covers sections on leadership and ethics, performance and reporting, governance and delegation, risks and opportunities, compliance, and a three-year financial plan.

## THE CORPORATE PLAN

This Corporate Plan has been prepared in line with the Public Finance Management Act, No. 1 of 1999 as amended (PFMA), Companies Act, No. 71 of 2008 as amended (Companies Act), King Report on Corporate Governance for South Africa 2016 (King IV), IFRS, ISO/SANS 31000 as a best practice to guide risk management implementation and International Integrated Reporting Council's <IR> Framework.

## FORWARD LOOKING STATEMENTS

The forward-looking statements in this Corporate Plan, and/or oral statements that may be made by Directors, prescribed officers or acting on the Group's behalf – constitute or are based on certain assumptions that may change or be subject to revision. This may relate to events or circumstances that may or may not occur and are speculative or based on assumptions, holding all things constant.

Factors that may cause assumed outcomes to differ materially from those in the forward-looking statements include, but are not limited to:

- The macro-micro competitive and operational landscape
- Credit and the associated risks of borrowing and funding
- Rating agencies' outlook and determinations
- Gross and operating margins
- Capital management
- Economic regulator's decisions and regulatory environment

ACSA does not undertake to update or otherwise revise any of these forward-looking statements based on new information or future events.

## BOARD APPROVAL

The Board pledges and acknowledges its fiduciary responsibility to ensure the integrity of the FY 2026/27 – FY 2028/29 Corporate Plan. The Board confirms it has collectively reviewed the contents of the Corporate Plan to the best of its knowledge and believes it is consistent with the Company's operating context. The Corporate Plan presents the Company's strategy and the desired outcomes it envisions for business operations, society, and the environment.

Therefore, ACSA's Board of Directors has approved the FY 2026/27 – FY 2028/29 Corporate Plan.



**Ms Futhi Zikalala Mvelase**  
Interim Board Chairperson



**Ms Mpumi Mpofu**  
Chief Executive Officer



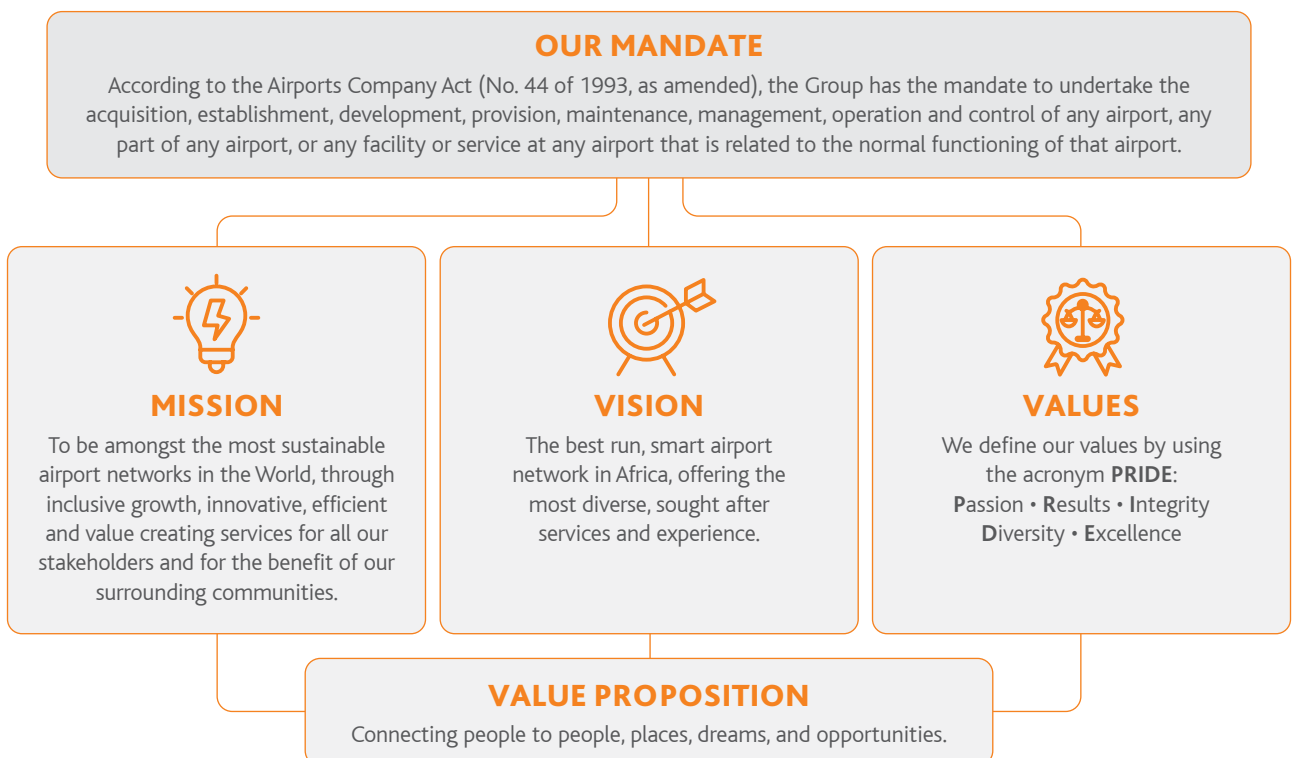
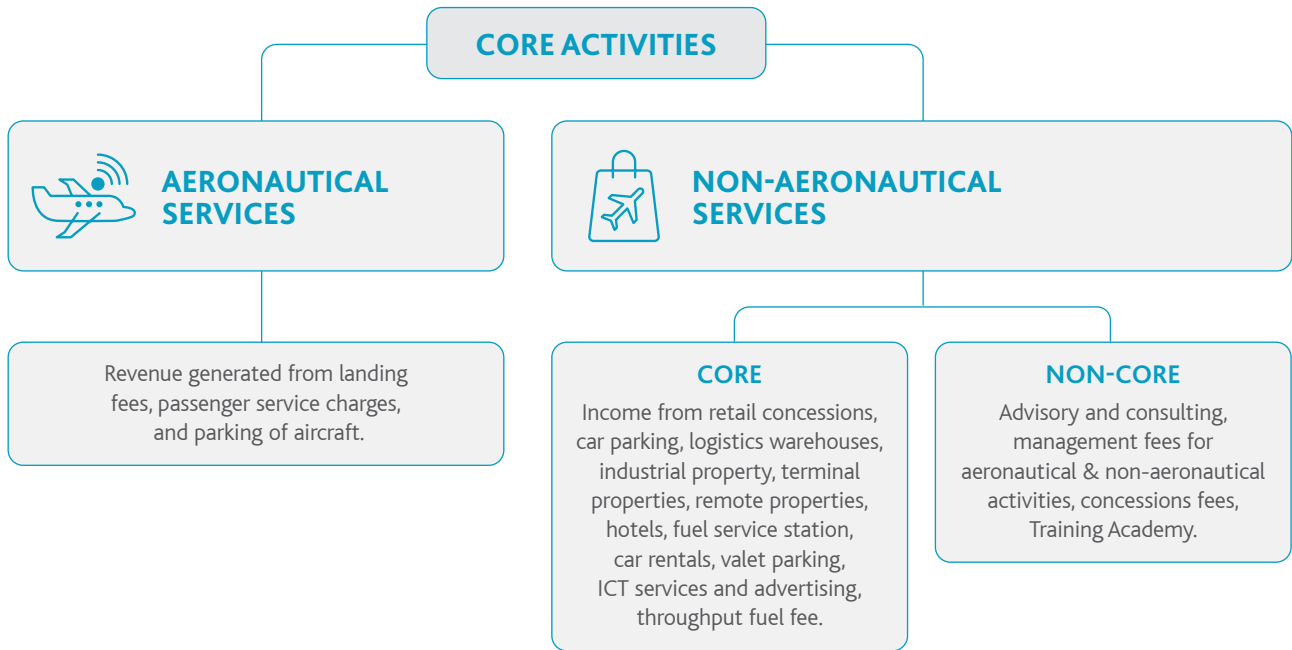
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## GROUP OVERVIEW

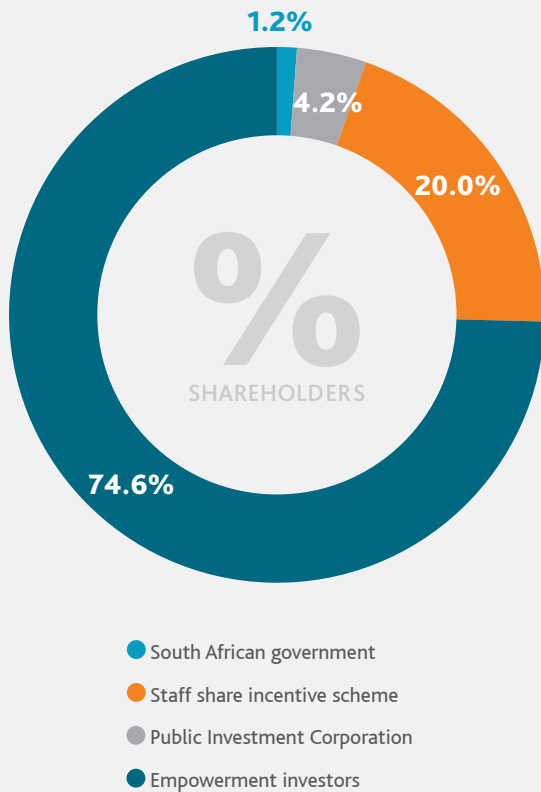
## OVERVIEW

Airports Company South Africa SOC Ltd (ACSA) owns and manages the Republic of South Africa's nine key airports, which include the three major international gateways in Gauteng (O.R. Tambo International Airport), Western Cape (Cape Town International Airport), and Kwa-Zulu Natal (King Shaka International Airport). ACSA also provides advisory and technical services to local airport operators (municipal, provincial, and privately owned) and to foreign airport operators. This includes investment in other airports and/ or airport operators through concessions and other investment instruments in pursuit of Vision 2030, as the best-run smart airport network in Africa, offering the most diverse, sought-after services and experience.



## OUR SHAREHOLDING

ACSA is a State-owned Company incorporated under Schedule 2 of public entities as set out in the Public Finance Management Act. Our shareholders include the South African Government which is represented by the Department of Transport (DoT), the Public Investment Corporation (PIC), five empowerment investors, and an employee share incentive scheme.



## GEOGRAPHIC FOOTPRINT

ACSA's airport network in South Africa is strategically located in nine major business and tourism hubs, with an airline route network servicing provinces such as Gauteng, Mpumalanga, Limpopo, Free State, KwaZulu-Natal, Eastern Cape, Northern Cape, and Western Cape. ACSA's network of airports connects to all six inhabited continents, facilitating seamless movement of trade and tourism.

Our local footprint is expanding, marked by a five year airport management service level agreement between ACSA and:

- Umhlathuze Municipality for Richards Bay Airport; and
- City of Tshwane for advisory and technical services for Wonderboom National Airport, North of Pretoria.

A Memorandum of Understanding with the UMhlosinga Development Agency aimed at facilitating a partnership and knowledge-sharing on the operations and management of Mkhuze Airport has been concluded.

Furthermore, the Company is in the process of concluding a project with Gateway Airports Authority Limited (GAAL) for Polokwane International Airport. The partnership with GAAL was intended to provide support for interventions in airport management, operations, and planning through the provision of advisory and technical services to ensure compliance with civil aviation regulations and standards.

Furthermore, this partnership is consistent with ACSA's developmental mandate and the need to foster an integrated national air transport network for seamless flow of people and goods across and beyond South Africa's borders.

In the fiscal year FY 2023/24, following the Presidential Bi-national Commission between South Africa and Democratic Republic of Congo, ACSA concluded a 5-year Airport Commercial Master Services Agreement with the Democratic Republic of Congo's (DRC) air transportation authority, Regie des Voies Aeriennes (RVA), aimed at developing airports across the DRC.

The implementation of phase one has stalled due to the movement of personnel within RVA as part of the changes which were symptomatic of the post-election war and instability. ACSA hopes to resuscitate the discussions for phase one by quarter 1 of the FY 26/27 – 28/29 Corporate Plan.

Our international "Sister Airport Agreements" with Flughafen München GmbH ("Munich Airport") in Germany, the Airports of Thailand Public Company Limited ("AOT"), and City of Atlanta for Hartsfield-Jackson International Airport continue to be active and operational. As outlined in the Corporate Plan, ACSA's key objectives with the Sister Agreement Partnerships are to explore collaborative opportunities with partner airports, with a focus on key priority areas such as cargo and logistics, ICT, aviation security services, and real estate.

This will further assist ACSA in pursuing a review of the economic logic and processes in these areas to align with global best practices and create mutually beneficial value. To achieve this, skill exchange programmes between ACSA and its partners will be leveraged to develop capacity and capabilities. In adherence with the Company's sustainability principles, the Company will leverage existing Sister Airport partnership agreements to gain insights and learnings from counterparts on key areas such as the environment and urban air mobility, and to explore programmes within the realm of renewable energy solutions.

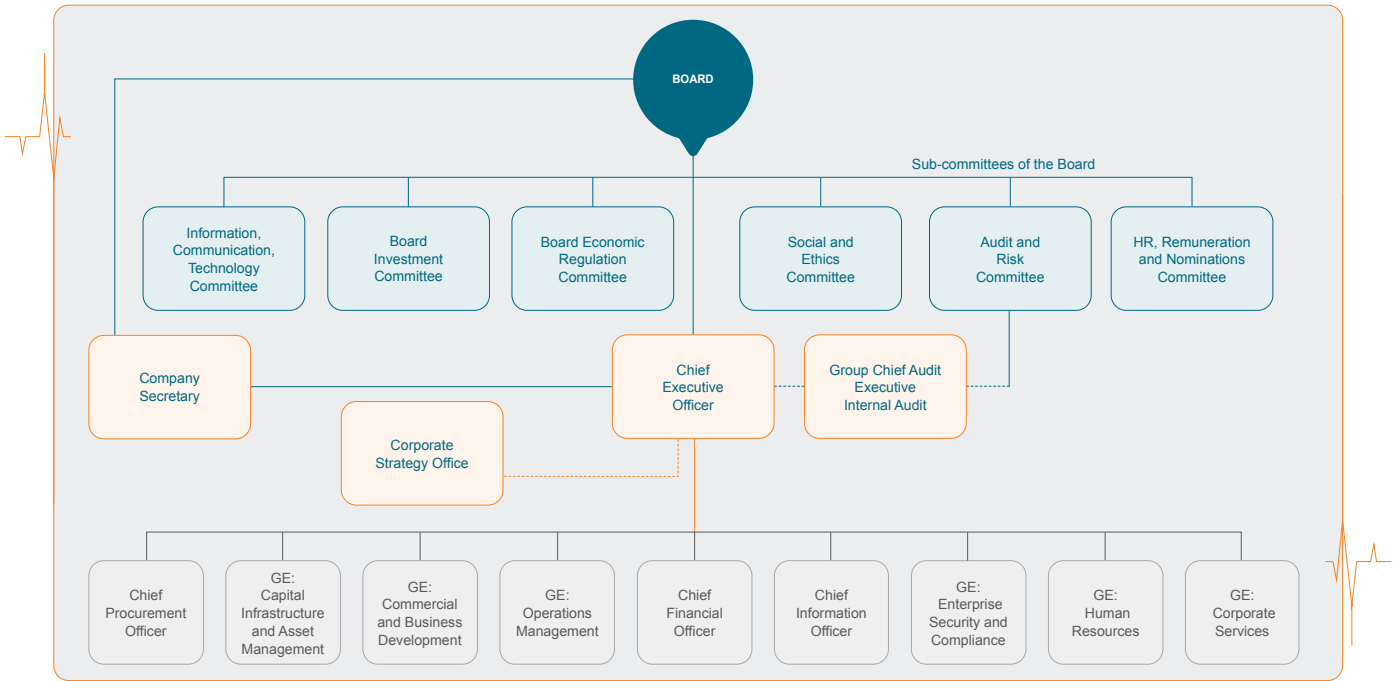
ACSA is in a joint venture between Investimentos e Participações em Infraestrutura S.A (Invepar) (80%) and ACSA (20%), which together hold 51% of Guarulhos Participações S.A in Sao Paulo, Brazil.

## OUR NETWORK OF AIRPORTS



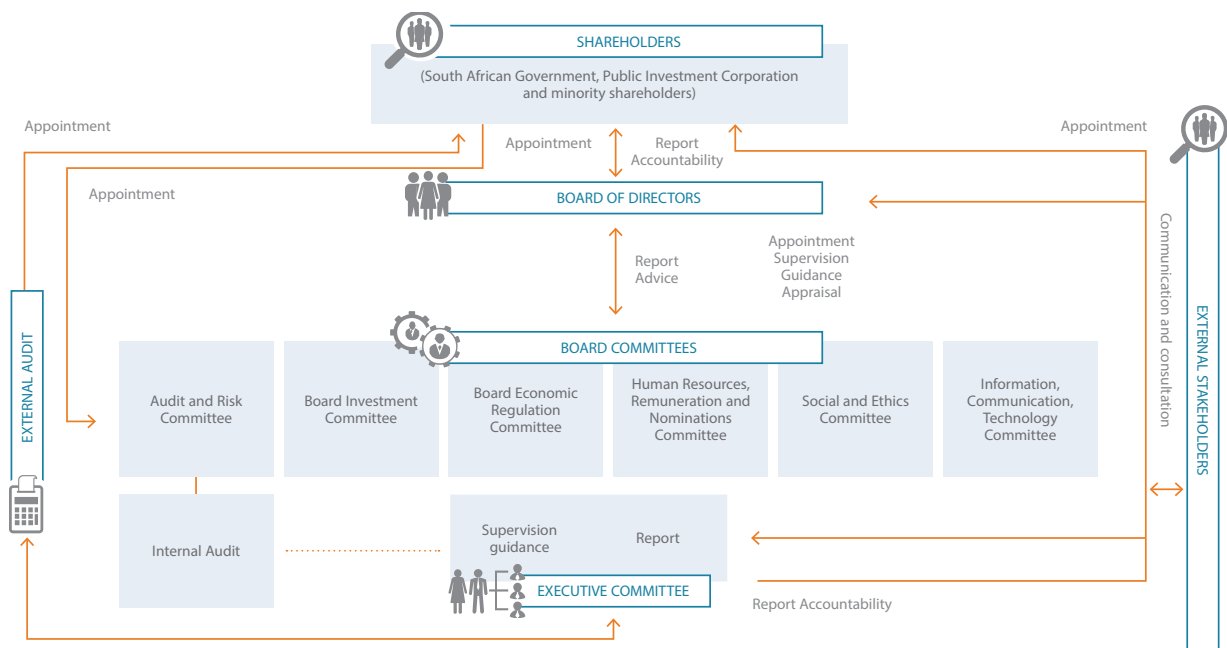
## ORGANISATIONAL STRUCTURE

ACSA's organisational structure is overseen by a Board of Directors that functions within the framework of the Group's Board Charter. The Board is supported by the Board's Committees and the Company Secretary. The Board delegated responsibility developing and implementing the Group strategy to the Chief Executive Officer. The Board approves the strategy and strategic plans and monitors their implementation. The Company's organisational structure is as follows:



## GOVERNANCE FRAMEWORK

As the graphic below illustrates, the Board is responsible for the strategic direction and oversight of the Group. The Executive Committee, under the leadership of the CEO, is responsible for the day-to-day management of the Group. This framework provides role clarity, delineation and clearly defines areas of accountability. A detailed description of the Governance Framework is available in Annexure B.



## OUR SUBSIDIARIES

100% OWNED SUBSIDIARIES		SPECIAL PURPOSE ENTITIES		INVESTMENTS IN JOINT VENTURES		INVESTMENTS IN ASSOCIATES				
Name	Airports Consultancy and Advisory Services SOC Ltd	JJA Piazza Park (Pty) Ltd	Precinct 2A SOC Ltd	Lexshell 342 Investment Holdings (Pty) Ltd	Airport Management Share Incentive Scheme (Pty) Ltd	Sakhisizwe Community Programme	Airport Property Holdings (Pty) Ltd	Airport Logistics JV Property Investments (Pty) Ltd	La Mercy Investments (Pty) Ltd	Guarulhos International Airport Private Limited
<b>Purpose of existence</b>	The investment holding Company through which ACSA held a 10% interest in the Mumbai International Airport Private Limited, which was disposed of in the fiscal year, FY 2020/21	The Company through which ACSA operates the Inter-Continental Hotel at O.R. Tambo International Airport.	A Company through which ACSA own approximately 250 hectares of land adjacent to O.R. Tambo International Airport. The strategy is to redevelop property for aeronautical and non-aeronautical purposes to grow revenue.	An employee share option entity wholly owned by the ACSA Kagano Trust	Employee share incentive scheme that holds investments (specifically Group ordinary shares).	Sakhisizwe is a special purpose entity that seeks to transform the aviation industry by providing study bursaries to financially and academically deserving students from previously disadvantaged backgrounds.	A property holding Company held by ACSA with the Bidvest Group that owns three distribution warehouses at O.R. Tambo International Airport and Cape Town International Airport.	A land development and property investment Company held in collaboration with Dube Trade Port Corporation. Our strategy is to build an investment property portfolio at King Shaka International Airport – Dube Trade Port – through land-lease agreements.	A Company in which ACSA holds a 20-year concession to develop, operate and maintain the Guarulhos International Airport in São Paulo. ACSA also provided technical advisory and consultancy services for the first five years of the concession. The Technical Services Agreement terminated in 2017, owing to effluxion of time.	
<b>Year of inception</b>	2005	1998	1998	1999	1999	1996	2003	2009	2012	
<b>ACSA shareholding</b>	100%	100%	100%	SPE	SPE	SPE	50%	40%	10.2%	
<b>Other shareholders and their respective shareholdings</b>	N/A	N/A	N/A	ACSA Kagano Trust	Airports Company Management Share Incentive Scheme Trust	N/A	Bidvest Holdings Ltd (50%)	Dube Trade Port Corporation (60%)	A joint venture between Investments e Participações em Infraestrutura S.A (Invepar) (80%) and ACSA (20%), which together hold 51% of Guarulhos participações SA (GRUPAR). The other 49% is held by State-owned airport authority Infraero.	
<b>Equity injections</b>	R100	Nil	R100	Nil	Nil	Nil	Nil	R38 million	R1.2 billion	
<b>Net asset value as of 31 March 2024</b>	R27 million	Nil	R34 million	R38 million	R17 million	R645 927	R179 million	R141 million	Nil	

<sup>1</sup> Subsidiaries are all entities – including special purpose entities (SPE) – over which the ACSA has control, generally evidenced by a shareholding of more than half of the voting rights.

<sup>2</sup> A SPE is a ring-fenced entity that isolates financial risk to the holding Company.

<sup>3</sup> Joint ventures are entities over which ACSA has joint control over the economic activity through a contractual planning arrangement. ACSA recognizes its interests in the joint venture using equity accounting.

<sup>4</sup> Associates are all entities over which ACSA has significant influence but not control, generally with a shareholding of between 20% and 50% of the voting rights. Investments

in associations are accounted for using the equity method of accounting and are initially recognized at cost.

<sup>5</sup> ACSA Global Ltd and Precinct 2a SOC Ltd are in the process of being wound up.

<sup>6</sup> Airport Management Share Incentive Scheme (AMIS) exists only as a special purpose vehicle for the Management Trust and holds ordinary shares in ACSA as an investment on behalf of its holding Company, the Management Trust. The Management Trust is dormant and has no beneficiaries, as all beneficiary shares were bought back during 2009. We intend to repurchase our ordinary shares from AMIS and thereafter possibly winding up the Management Trust and AMIS.

<sup>7</sup> The sale of our shares in Guarulhos International Airport is currently under consideration.

<sup>8</sup> The ACSA Kagano Trust was formed under the Trust Property Control Act to administer the staff share scheme (until they were paid out in 2013) and to be a holding Company with its two subsidiaries: Lexshell 342 and Lexshell 343. Lexshell 343, currently dormant, was specifically formed to hold Group share options should ACSA list on the JSE. We intend to repurchase our ordinary shares from Lexshell 342 and possibly wind up the Kagano Trust, Lexshell 342 and Lexshell 343. The Kagano Trust is dormant and has no beneficiaries.

# 05



## **SITUATIONAL ANALYSIS** – EXTERNAL OPERATING ENVIRONMENT OUTLOOK

Airports Company South Africa executes its mandate and seeks to achieve its strategic intent in a complex environment, impacted by global, regional, and subnational events. In turn, the organisation requires the correct institutional environment to enable delivery of its strategic intent.

## GLOBAL ECONOMIC OUTLOOK

The global economy proved to be more resilient in 2025 than had been feared, despite severe headwinds that ranged from US trade war to geopolitical tensions and the conflicts in Ukraine and the Middle East. International Monetary Fund (IMF) Global growth is projected at 3.3 percent for 2026 and 3.2 percent for 2027. This growth trajectory, coupled with declining global headline inflation (expected at 3.8 % in 2026 and 3.4 % in 2027), has significant implications for global air travel, which is highly sensitive to economic cycles, inflation, and consumer spending.

The existing trade tensions between China and the US are prolonging uncertainty and weighing more heavily on activity. Furthermore, geopolitical tensions could erupt, introducing new layers of uncertainty and disrupting the global economy through their impact on financial markets, supply chains, and commodity prices. This could disrupt global supply chains, increase fuel prices, and reduce passenger confidence, particularly in international travel.

The global economic outlook presents both challenges and opportunities for the aviation industry. While there are downside risks such as geopolitical and trade tensions, the industry needs to adopt proactive strategies and leverage multilateral support to capitalise on emerging trends such as digital transformation, sustainability, and regional growth.

### Global Growth Outlook (IMF)

**3.3%** in 2026      **3.2%** in 2027

### Global Headline Inflation (IMF)

**3.8%** in 2026      **3.4%** in 2027

## SUB-SAHARAN ECONOMIC OUTLOOK

Economic growth in Sub-Saharan Africa is projected to strengthen to 4.3% in 2026 and 4.5% in 2027, supported by higher investment and export activity, although this recovery is contingent on a stable global environment and improved security conditions, particularly in fragile and conflict-affected states. Despite the expected pickup, growth remains below long-term averages and is insufficient to absorb the expanding labour force, meaningfully raise real per-capita incomes, or significantly reduce extreme poverty.

While economic growth in Sub-Saharan Africa is projected to strengthen, its level remains insufficient to significantly raise real per-capita incomes, absorb labour market entrants, or reduce extreme poverty, thereby constraining the aviation sector's expansion. Passenger traffic is expected to grow, but demand will remain highly price sensitive and concentrated in low-yield segments, limiting revenue growth and profitability. Weak income gains and persistent unemployment will continue to suppress domestic and premium travel demand, resulting in uneven network expansion and reinforcing structural cost and scale constraints across the aviation industry.

The South African aviation industry is set for measured but uneven growth. While improving macroeconomic conditions and multilateral partnerships such as those with the AfCFTA and the Single African Air Transport Market (SAATM), continue to unlock new routes, enhance connectivity, and foster economic development, structural constraints, unemployment, and external trade risks will continue to cap demand and delay a full, broad-based aviation expansion.

### SSA Economic Growth

**4.3%** in 2026      **4.5%** in 2027

## SOUTH AFRICAN ECONOMIC OUTLOOK

The South African economy has proven resilient to renewed global turbulence this year. Faced with greater protectionism, tariffs, and heightened policy uncertainty, the economy has shown resilience. Financial-market indicators have improved, in part reflecting important domestic policy developments, such as the shift to a lower inflation target and exit from the Financial Action Task Force (FATF) grey list, which, together with the recent Medium-Term Budget Statement's reaffirmation of the government's commitment to debt stabilization, led to an upgrade of South Africa's credit rating. Nonetheless, persistent impediments including product- and labour-market rigidities, spatial disparities, governance weaknesses, inadequate infrastructure, and elevated public debt constrain the economy's ability to rebound

strongly from shocks, create needed jobs, and achieve its true growth potential.

The IMF has projected SA growth at 1.3 in 2025 to 1.4% in 2026, supported by resilient private consumption. Export performance remains constrained by tariffs and global trade policy uncertainty, although elevated commodity prices are providing near-term

support to export receipts. Ongoing electricity and logistics reforms are expected to lift investment over the medium term, raising growth to about 1.8 percent by the end of the decade. Inflation is projected to average 3.3 percent in 2025 and 3.6 percent in 2026, converging to the 3 percent target by 2027.

Risks are tilted to the downside, reflecting potential weaker global growth amid heightened geopolitical tensions, trade fragmentation, and policy uncertainty, as well as risks of global financial market tightening that could increase exchange rate volatility, capital outflows, and sovereign borrowing costs.

For the aviation industry, the outlook is cautiously positive but uneven. Gradual improvements in domestic economic activity and moderating inflation should support passenger demand, particularly for domestic and regional leisure travel. Over the medium term, successful electricity and logistics reforms would lower operating disruptions and costs for airports and airlines, improving reliability and investment attractiveness. However, downside risks from weaker global growth, exchange-rate volatility, and high operating costs mean that the sector's recovery and expansion will likely remain gradual and closely tied to broader structural reform progress.

**SA Economic Growth (IMF)**

**1.4%**  
in 2026

**1.5%**  
in 2027

**Inflation Rate (IMF)**

**3.6%**  
in 2026

**3%**  
in 2027

**GLOBAL AVIATION INDUSTRY**

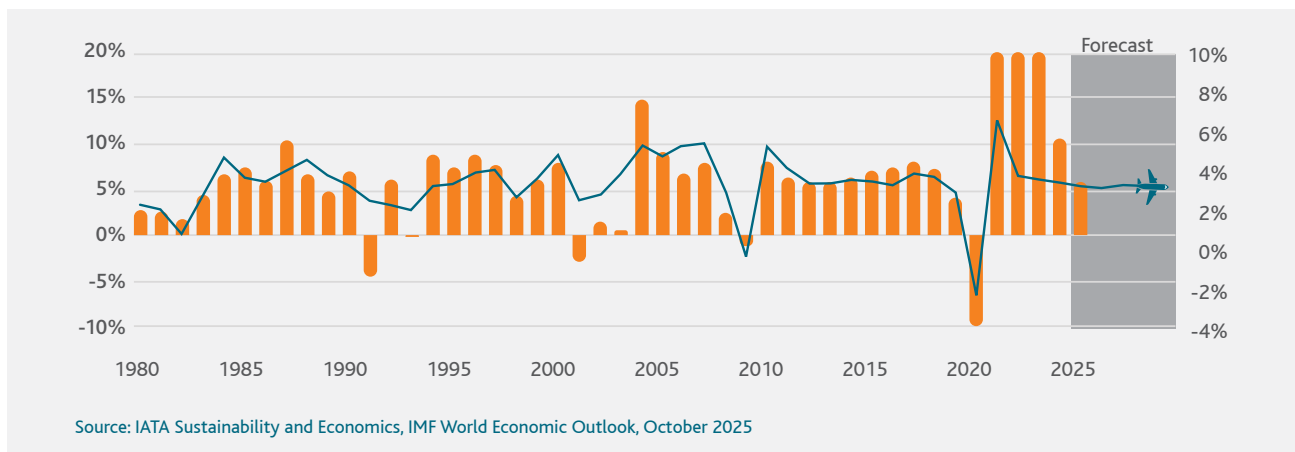
Over the past three decades, global air travel, measured in Revenue Passenger Kilometers (RPK), has consistently outpaced economic growth, expanding at approximately 2.3 times the rate of global GDP (Figure below). However, this trend has moderated in recent years. For the 2024–2026 period, RPK growth is expected to align more closely with GDP, at roughly 1.5 times. As reported by International Air Transport Association (IATA), this shift is largely attributed to persistent capacity constraints, including delays in aircraft deliveries, maintenance backlogs, and labour shortages, all of which have limited airlines' ability to scale operations in response to demand.

Regionally, airlines based in Asia Pacific are expected to lead global passenger growth in 2025, with an anticipated increase of 8.0% YoY in RPK (IATA). Meanwhile, carriers in Africa and Latin America are also projected to show strong growth, with RPK expected to increase by 7.4% and 7.1% YoY, respectively. Africa's aviation

growth highlights the continent's rising role in global air travel. Growth is strong but limited by challenges such as high costs and weaker infrastructure. For ACSA, this environment presents both challenges and opportunities in expanding its footprint and driving regional economic integration. ACSA should maintain its emphasis on smart airport development, prioritising investments in IoT, AI, and automation, as its long-term success is closely tied to embracing technological innovation."

Additionally, ACSA will continue its efforts to expand its route network to key global markets and destinations, particularly in Africa, Latin America, North America, Asia-Pacific, and Europe. This expansion will be achieved through strategic partnerships with local and international airlines to capture rising travel demand, boost tourism, and facilitate greater trade opportunities for South Africa and the region.

Figure: World RPK and GDP Growth Rate



Source: IATA Sustainability and Economics, IMF World Economic Outlook, October 2025

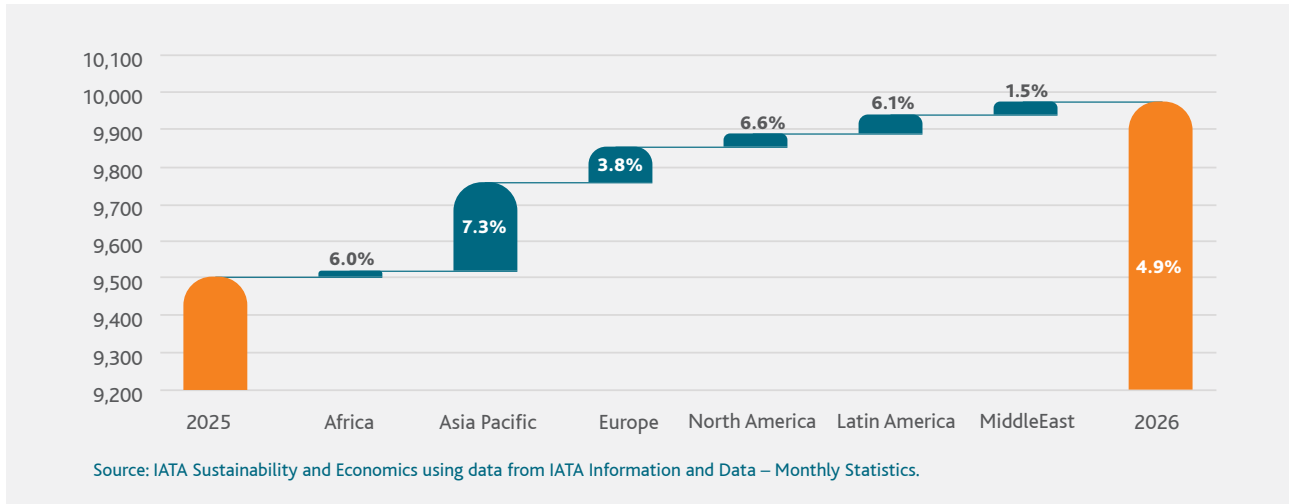
## AIR PASSENGER - TRAFFIC OUTLOOK

For 2026, IATA forecasts a 4.9% YoY (Figure below) growth in passenger traffic (measured in RPK), led by the Asia Pacific region's expansion by 7.3%. This marginal deceleration over 2025 is mainly because of persistent supply-side constraints, including limited aircraft availability, and labour shortages. Supply constraints continue to keep load factors at record highs, projected at 83.8%, which in turn supports yields and profits in an otherwise turbulent operating environment. Resilient traffic growth, together with

stable yields should allow the industry to top the USD 1 trillion in revenue for the first time in 2025.

Record high load factors and fleet utilisation, together with a rapid expansion of ancillary revenues, will allow airlines to maintain a relatively healthy profit amid the headwinds, with record high net profit of USD 41 billion in 2026, and a stable net margin of 3.9%. This impressive achievement should be possible despite softening fares and continuous cost pressure.

Figure: Contribution to passenger traffic growth by region, billion RPK, and annual, %YoY



## CARGO TRAFFIC OUTLOOK

Air cargo has reinforced its role as a stabilising force in global trade, mitigating the impact of the 2025 tariff cycle and broader supply-chain disruptions. Global cargo demand reached a record high in late 2025, supported by front-loading ahead of tariff changes.

For 2026, IATA expect air cargo demand to continue to expand, albeit at a slower pace than in 2025, in line with softening global trade. The slowdown is unlikely to be as pronounced as the general trade deceleration, as air cargo continues to benefit from rising demand for high-value, time-sensitive goods, particularly driven by e-commerce and semiconductors. Persistent global uncertainties around tariffs and supply chain disruptions will reinforce air transport's role as the most reliable mode of delivery. Overall IATA forecasts industry growth of 2.6 in 2026, led by Asia-Pacific at 6%. Other regions should grow around 2%, while the Middle East will stagnate, and North America will edge down by 0.5% (Figure on following page).

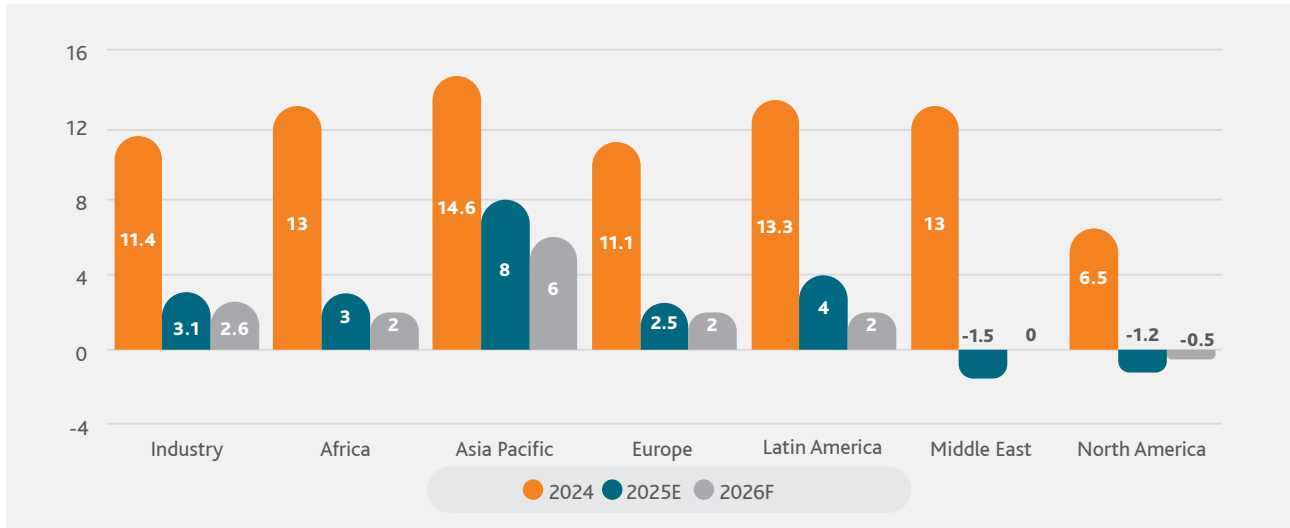
This outlook positions air cargo as a structural driver of growth and resilience for ACSA amid uneven passenger demand and heightened global uncertainty, reinforcing the need to prioritise targeted cargo infrastructure and the establishment of strategic partnerships with local and global logistics players to strengthen O.R Tambo International Airport and South Africa's position as an important hub for international trade in the Southern Hemisphere.

### Cargo Traffic Outlook (IATA)

**2.6%**  
in 2026



Figure: Cargo traffic growth by region, % YoY



## SOUTH AFRICAN ECONOMIC OUTLOOK

The South African Reserve Bank (SARB) highlighted that global economic growth has remained resilient, supported by sustained investment in artificial intelligence, infrastructure spending, and fiscal stimulus in advanced economies. Meanwhile, easing inflation has enabled many central banks to adopt more neutral policy stances, maintaining broadly supportive financing conditions for emerging markets.

SA Economic Outlook (SARB)

**2%**  
in 2026

SA Inflation Target (SARB)

**3%**  
in 2027

Resilient global growth and supportive financing conditions will continue to drive international travel demand, tourism recovery, and airline network expansion. At the same time, persistent global uncertainty, potential currency volatility, and rising airline operating costs particularly fuel and leasing expenses linked to a stronger US dollar are likely to weigh on demand and route sustainability. In this context, ACSA's focus on operational efficiency, smart airport solutions, and diversified revenue streams will be critical to managing downside risks while positioning the airport network to benefit from medium-term global growth.

Domestically, South Africa's economic outlook has stabilised, with the economy expanding for four consecutive quarters its longest sustained growth phase since 2018. Growth has been driven primarily by robust household consumption, supported by easing inflation, a stronger rand, and improved consumer confidence. This recovery in household spending is expected to support domestic passenger volumes making airport business pivotal for driving economic activity, enhancing cargo operations, and supporting the overall recovery of South Africa's aviation sector. In 2026, SARB projects economic growth to approach 2%, supported by structural reforms and improved macroeconomic stability. This outlook underpins long-term demand for airport capacity expansion and modernisation.

Inflation remains well contained, averaging 3.2% in 2025 close to SARB's revised 3% target. The Bank expects inflation to moderate further in 2026, supported by a stronger rand and lower oil price assumptions. This inflation environment together with the Monetary Policy Committee (MPC) decision to keep the repo rate at 6.75%, provides relief to the aviation sector by easing cost pressures linked to fuel, utilities, and other administered prices, although risks remain from electricity tariffs and food inflation. Containment and decline of inflation expectations create a more predictable operating environment for airlines and airport infrastructure planning.



# ACI WORLD GLOBAL TRAFFIC FORECAST – JANUARY 2026

## PASSENGER OUTLOOK

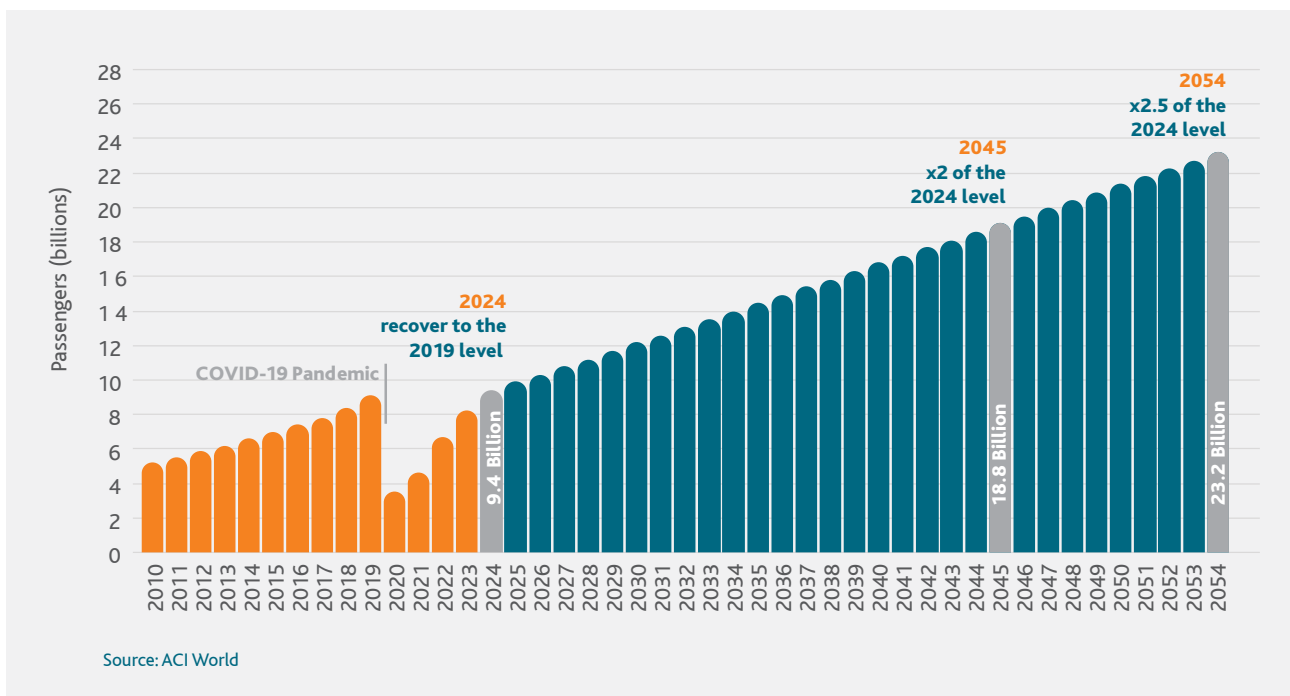
Geopolitical tensions, trade policy fragmentation, economic volatility, infrastructure limitations, and persistent aircraft supply constraints are expected to continue shaping traffic outcomes across both passenger and cargo markets. These factors do not undermine the long-term growth outlook but reinforce the need for resilience-oriented planning, flexible capacity strategies, and diversified traffic portfolios through agile traffic development.

Between 2024 and 2054, global passenger traffic is expected to grow at a 3% Compound Annual Growth Rate (CAGR), more than doubling by the mid-2040s to reach 23.2 billion passengers and rising to roughly 2.5 times the 2024 level by 2054.

Long-term growth is driven primarily by emerging and developing markets. Between 2024 and 2054, each region is expected to reach the following growth passenger rates (CAGR):

- Africa: 754 million (3.6%)
- Asia-Pacific: 10 billion (3.6%)
- Europe: 5.1 billion (+2.4%)
- Latin America-Caribbean: 1.9 billion (+3.1%)
- Middle East: 1.4 billion (+3.9%)
- North America: 4.1 billion (+2.3%)

Figure: Long-Term Global Passenger Traffic Forecast (2010 – 2054)

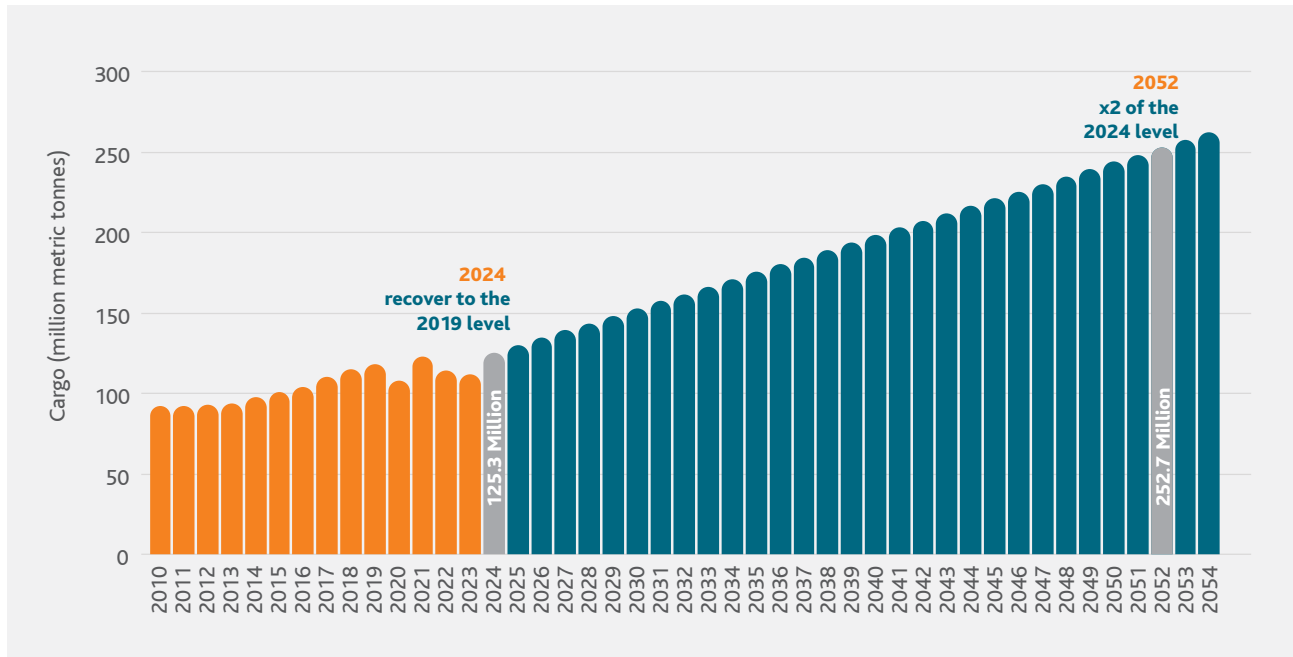


## AIR CARGO OUTLOOK

In 2025, the global air cargo market reached 129 million metric tonnes (to be confirmed by ACI World in July 2026), reflecting 2.9% YoY growth, supported by sustained ecommerce demand. Cargo growth is expected to continue, although uncertainty from trade fragmentation, geopolitical tensions, and evolving

industrial policies is reshaping cargo flows, leading to lane shifts, hub repositioning, and greater specialisation among airports. Over the long term, global air cargo volume is projected to reach 262 million metric tonnes by 2054, with a CAGR of 2.5% between 2024 and 2054.

Figure: Long-Term Global Total Air Cargo Forecast (2010 – 2054)



## KEY CHALLENGES IN THE AVIATION INDUSTRY

The global environment presents several challenges for aviation, including slowing and uneven economic performance across major regions, ongoing geopolitical instability that has re-emerged as the most significant perceived risk, and rising trade policy uncertainty.

Supply chain disruptions are at their highest since 2022, creating fragility that affects fuel availability, aircraft parts, and operational continuity. While inflationary pressures are easing, structural risks such as trade tensions and global security concerns are intensifying.

For South Africa and ACSA, these global pressures translate into heightened vulnerability in passenger traffic, cargo flows, and cost management, requiring increased resilience, strategic planning, and agility to navigate uncertainty and maintain competitive positioning.

### Increasing competition from international and regional airports

As the global aviation market grows, competition among airports has become more intense, therefore, major international hubs are continuously upgrading their facilities and services to attract airlines and passengers, while regional airports are also enhancing their capabilities to become competitive gateways. ACSA must continually innovate to maintain market share by improving services, reducing operational costs, and investing in new technologies to make the passenger experience more efficient and enjoyable. Additionally, the growing ease of regional and global travel, facilitated by international trade agreements, means passengers now have more options when choosing which airports to travel through.

### Dependency on aeronautical revenues

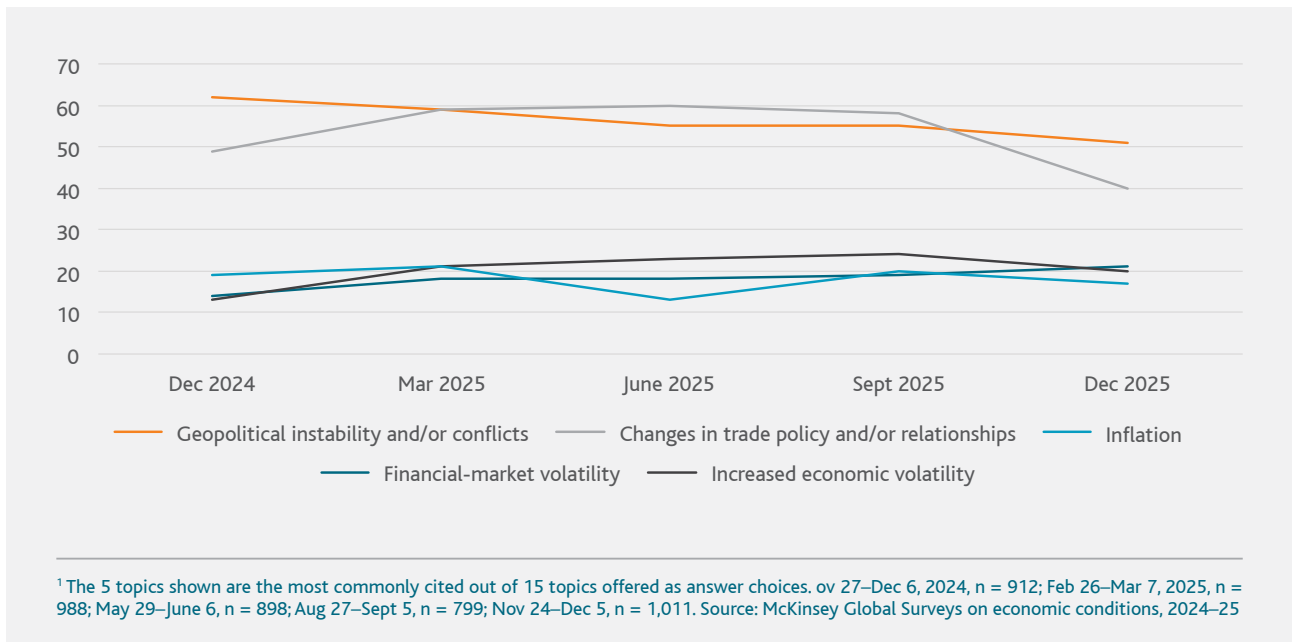
One of the key challenges for ACSA and airports worldwide is reliance on aeronautical revenues, which include landing fees, passenger charges, aircraft parking, and other fees levied on airlines. These revenues are susceptible to fluctuations, driven by changes in passenger demand, economic cycles, and external shocks such as pandemics or geopolitical tensions. While passenger traffic has rebounded post-pandemic, it remains unpredictable. Airports must diversify their revenue streams to mitigate risks by exploring non-aeronautical sources such as retail, advertising, real estate development, and car parking, as well as expanding their role in air cargo, where demand is growing due to rising global e-commerce and trade.

ACSA also recognises the strategic importance of non-aeronautical revenue within the single-till regulatory model. While diversification of revenue streams is essential, there is limited value if the regulated asset base does not grow at the same pace. As such, ACSA is prioritising capital projects that increase the Regulated Asset Base (RAB) value, ensuring alignment with value creation objectives in the non-aeronautical space.

### Escalating infrastructure costs and regulatory requirements

Investing in infrastructure to meet growing demand and evolving regulatory requirements is both a necessity and a challenge. Airports are expected to expand capacity, upgrade terminals, and enhance service quality while complying with increasingly stringent safety, security, and environmental standards. ACSA's capital investments have been strategically planned not only to support growth but also to positively impact long-term maintenance costs through the installation of modern, more efficient infrastructure.

Figure: Biggest potential risks to global economic growth, next 12 months<sup>1</sup>, % of respondents



Additionally, regulatory pressures, particularly around efficiency and sustainability, demand substantial investments in green technologies, adherence to international aviation standards, and the adoption of smarter operational practices. Balancing these rising costs with financial sustainability is essential to ensuring the Group's long-term viability and competitiveness.

### Loss of hub status

South Africa's hub position is slipping as regional competitors move faster and with greater strategic coherence. Ethiopia, Kenya and Egypt are expanding connectivity, leveraging strong national carriers and modern infrastructure, while our growth has stagnated due to operational instability, regulatory constraints and the absence of a dominant airline to anchor connecting traffic.

This erosion is accelerated by fuel security vulnerabilities, inconsistent passenger facilitation and increasing competition from newly built, well capitalised African airports. Meanwhile, our unserved route pipeline shows clear demand that we are not yet converting into strategic advantage.

The opportunity remains significant. By restoring operational reliability, strengthening airline partnerships, modernising critical infrastructure and advancing cargo and aerotropolis development, South Africa can reposition itself as a competitive, dependable and future ready gateway. The moment requires urgency, alignment and disciplined execution to reclaim our leadership in a rapidly shifting aviation landscape.

## KEY TRENDS IN THE AVIATION INDUSTRY

The aviation industry is undergoing significant transformation driven by evolving consumer expectations, regulatory pressures, and global economic shifts. Understanding these trends is crucial for ACSA to navigate an increasingly complex landscape.

### Increasing passenger demand for seamless digital experiences

Passengers today are more tech-savvy than ever and expect smooth, personalised experiences from their journey, both pre-flight and during their time at the airport. The increasing demand for digital transformation in the aviation centres on offering seamless frictionless services. This includes everything from online check-in, biometric screening, automated baggage handling, and mobile-based boarding to in-terminal navigation assistance and contactless payment systems. Airports across the globe are adopting Artificial Intelligence (AI), Internet of Things (IoT), and data analytics to enhance the customer experience, improve operational efficiency, and reduce wait times. Meeting these digital demands is key to enhancing passenger satisfaction and maintaining a competitive edge in the market.

### Rising pressure to adopt sustainable aviation practices

As climate change becomes an ever-pressing issue, airports and airlines are under increasing pressure to adopt sustainable practices and reduce their carbon footprints. Environmental



concerns are driving the push for renewable energy integration, waste reduction, green airport design, and carbon offset programmes. Regulatory bodies, both globally and regionally, are enacting stricter environmental standards, and passengers are increasingly choosing brands that demonstrate a commitment to sustainability. Airports must evolve their operations to embrace clean energy solutions such as solar and hydrogen infrastructure, reduce emissions, and support the industry's move toward net-zero targets. Aligning operations with sustainability is no longer optional but a business imperative to ensure long-term viability.

**Growth in regional trade through initiatives such as the African Continental Free Trade Area (AfCFTA) and the Single African Air Transport Market (SAATM).**

The AfCFTA and SAATM are key initiatives designed to unlock Africa's economic potential by fostering greater intra-continental trade and boosting air connectivity. These initiatives are set to drive significant growth in the African aviation industry by creating more opportunities for regional airlines, facilitating seamless movement of goods and people, and lowering barriers to trade. ACSA and other airports across the continent will tap into this growth through the expansion of cargo capacity, unlocking direct flight route options, and enabling the creation of efficient trade logistics infrastructure. The development of robust regional air transport networks will support economic development, enhance trade, and open new markets for businesses, especially SMEs, enabling them access to access broader regional and global markets more effectively.

**KEY SHAREHOLDER TARGETS AND DEVELOPMENT PRIORITIES**

The Department of Transport (DOT) hereby outlines the strategic expectations for the Airports Company South Africa in alignment to the Medium-Term Development Plan (MTDP) 2024–2029. As a key State-Owned Company (SOC), ACSA's role is pivotal in executing the 7th Administration's "Minimum Programme of Priorities. The Three Strategic Priority Areas are as follows:

**i). Drive inclusive economic growth and job creation**

Rapid, inclusive & sustainable economic growth to create jobs will be viewed as the Apex priority. All spheres of government, clusters and sectors will prioritise relevant economic interventions. Specifically position aviation as a strategic tool to grow the South African economy.

**ii). Reduce poverty and tackle cost of living**

Promote the catalytic role of provincial and municipal airports that are underutilized.

**iii). Build a capable, ethical and developmental state**

Plays a key role (direct & indirect) within the economy through regulation, network industries and by creating an enabling environment and ensuring law & order is maintained. Specifically ensure ethical conduct in the procurement and service delivery environment and consolidate aviation training programmes.

**KEY SHAREHOLDER TARGETS FOR FY2029/30**



# 06



## PRIORITIES FOR THE FIVE-YEAR TERM

# VISION OF THE FUTURE OF AIRPORTS COMPANY SOUTH AFRICA:



## INTERMODALISM AND RAIL SECTOR COLLABORATION



# 07



## KEY STRATEGIC RISKS

## RISK THEMES

Airports Company South Africa (ACSA) has identified six ACSA-wide risk themes to ensure the sustainability of the business. These themes are Safety, Human Capital, Reputation Management, Resilience, Competitiveness and Sustainability, and Security. The Risks Identified in this period are classified under these themes:

Figure: ACSA Risk Themes



## RISK HEAT MAP

The 12 risks are distributed as follows when plotted on the heatmap based on their consequences and likelihood to materialise; all the risks have a priority 1 rating. Risk ratings are further informed by the risk appetite and tolerance thresholds established by the Board, indicating the level of seriousness attributed to risk exposure.

Figure: ACSA Risk Heatmap (note legend: C: consequence, L: Likelihood)

CONSEQUENCES	CATASTROPHIC	5				S1	
	CRITICAL	4			S7, S8, S9, S10, S11, S12	S2, S3, S4, S5	
	SIGNIFICANT	3				S6	
	MODERATE	2					
	MINOR	1					
			1	2	3	4	5
			NOT LIKELY	SLIGHT	LIKELY	HIGHLY LIKELY	EXPECTED
			LIKELIHOOD				

## RISK PROFILE

The risks are summarised below; note the legend for the ratings: IR- Inherent Risk, RR- Residual Risk:

Figure: ACSA Risk Profile

	RISK NAME	LIKELIHOOD	CONSEQUENCES	IR	RR
<b>S1</b>	Acts of Unlawful interference within Aviation operations.	Highly Likely	Catastrophic	✓	✓
<b>S2</b>	Ageing Infrastructure resulting in increased maintenance costs and service unavailability.	Highly Likely	Critical	✓	✓
<b>S3</b>	Failure to execute capex plan impacting responsiveness to growth, leading to internal constraints.	Highly Likely	Critical	✓	✓
<b>S4</b>	Ineffective contract management characterised by revenue leakages, inflated costs, and emergency procurement risk.	Highly Likely	Critical	✓	✓
<b>S5</b>	Inability to consistently maintain ACSA's reputation.	Highly Likely	Critical	✓	✓
<b>S6</b>	Cyber threats and regulatory safeguard requirements.	Highly Likely	Significant	✓	✓
<b>S7</b>	ACSA's inability to achieve sustainable financial growth.	Likely	Critical	✓	✓
<b>S8</b>	Loss of key industry-wide skills, including inability to retain talent and fill vacancies in a highly competitive recruitment environment.	Likely	Critical	✓	✓
<b>S9</b>	Inefficient or ineffective business continuity response plans to support ACSA during a business disruption in an agile manner.	Likely	Critical	✓	✓
<b>S10</b>	Non-adherence to relevant legislation, regulations, policies, \$10 and procedures.	Likely	Critical	✓	✓
<b>S11</b>	Material effects of global geopolitical confrontations on S11 ACSA and it's ecosystem.	Likely	Critical	✓	✓

# 08

## INTERNAL OPERATING ENVIRONMENT OUTLOOK

### OUR SWOT ANALYSIS

The SWOT analysis provides a comprehensive view of the internal and external factors influencing ACSA's performance and strategic direction. It identifies strengths to build upon, weaknesses to address, opportunities for growth, and threats that may pose challenges.

#### STRENGTHS



- **Established infrastructure** as a solid foundation with state-of-the-art terminals, airfield systems, and operational facilities across the network of airports, which allows the Company to handle significant passenger and cargo volumes efficiently.
- **Good reputation** for commitment to safety, service quality, and environmental sustainability.
- **Strong financial position** to sustain profitability and pay dividends again since 2019, signalling financial stability and investor confidence.
- **Experienced management** with deep knowledge of the aviation industry and a strong track record in managing large-scale infrastructure and service operations.

#### WEAKNESSES



- **Heavy reliance on traditional revenue streams** such as landing fees, passenger service charges, and aircraft parking fees. This dependency leaves the Company vulnerable to external factors such as fluctuations in air travel demand and global disruptions, including pandemics and geopolitical events.
- **Supply Chain Management** inefficiencies and lack of transparency hinder cost optimisation and the effective execution of enterprise-wide strategic priorities.
- **ICT inefficiencies** with outdated ICT systems and fragmented digital infrastructure that are not fully integrated. This affects operational efficiency, data sharing, and customer service, hindering ACSA's ability to innovate and keep up with the rapidly evolving technological landscape. Priority has been given to accelerating the modernisation of outdated ICT systems and infrastructure.
- **Silo mentality and fragmented collaboration** with functions/divisions often operating in isolation, which can lead to inefficiencies, delays, and missed opportunities.
- **Aging infrastructure and lack of predictive maintenance** are increasing the risk of operational disruptions and maintenance costs, undermining service quality and operational efficiency.
- **Reliance on outsourcing** due to historic skills gaps within the organisation affecting quality control, increasing costs, and limiting internal capabilities in certain areas.
- **Poor coordination between divisions** undermines alignment between objectives, and overall priorities.
- **Delivery expectations on new projects** are not reconciling with human resource capacity





## OPPORTUNITIES



- **Insourcing of core and relevant activities** of the airport in a phased approach to align with functional capacitation, with the aim to enhance efficiency and reinforce operational integrity, ensuring a secure and safe environment.
- **Expansion of route network** as travel demand increases, ACSA can capitalise on growing opportunities such as the African Continental Free Trade Area (AfCFTA) and the Single African Air Transport Market (SAATM), which will help boost regional and international connectivity.
- **Aerotropolis developments** to unlock new business districts that attract industries such as logistics, manufacturing, and commercial real estate, further driving local economic growth and generating new revenue streams.
- **Smart airport definition and development** by outlining the smart airport blueprint and investing in smart airport technologies such as IoT, AI, and automation to enhance operational efficiency, improve passenger experiences, and increase capacity without the need for massive physical expansions.
- **Developing the cargo value chain** by enhancing infrastructure and services for cargo handling. Investments in logistics and cold storage facilities will support industries such as agriculture, e-commerce, and pharmaceuticals, increasing non-aeronautical revenue.
- **Hydrogen and energy diversification** as part of ACSA's commitment to net-zero emissions, for airport operations and ground vehicles, further bolsters the Company's environmental credentials.
- **Airport real estate** to expand non-aeronautical revenue streams, creating dynamic, multi-use spaces that contribute to the region's economic development.
- **Localisation of procurement** through prioritisation of local suppliers for goods and services, to promote regional economic growth, create jobs, and ensure supply chain sustainability while also potentially reducing operational costs.
- **Streamlining and standardisation** of processes through innovation for operational excellence

## THREATS



- **Security risks** such as unauthorised landing of aircraft, baggage pilferage, insider threats, and cyberattacks pose significant risks to ACSA's operations.
- **Land invasions around** airport properties affect real estate development projects and impact airport operations, requiring careful management of land use policies and local government cooperation.
- **Limited competition in the domestic market** where two airline operators hold 2/3 market share which poses short- to medium-term revenue challenges in the event of disruptions (operational and/or financial).
- **Energy insecurity** marked by load shedding and unstable energy supply (electricity and fuel import) does disrupt airport operations. ACSA is diversifying its energy sources through by scaling up renewable energy projects to ensure business continuity.
- **Climate change** poses significant risks to infrastructure, safety, and operational costs. ACSA is exploring more resilient infrastructure and mechanisms to integrate climate risk mitigation measures into planning.
- **Competition in consultancy work** from other international and regional players, which could reduce ACSA's market share and limit growth opportunities in this sector.
- **Procurement compliance issues and litigation risks** resulting in legal challenges, delays, and financial penalties, thus ensuring strict adherence to procurement protocols and improvement of transparency is crucial to mitigate these risks.
- **Slow refurbishment of infrastructure** inhibiting ACSA's revenue potential and operations.
- **Revenue leakage** due to inaccurate accounting and inefficiencies in revenue collection. A Commercial contract management system has been procured to improve contract management, revenue tracking, auditing systems, and automated billing processes to address this risk.
- **Loss of hub status** may offer more competitive pricing or convenience for passengers, potentially reducing demand for some local and regional routes or services – a 10 to 20-year view.

# 09



## OPERATING PRINCIPLES OF ACSA

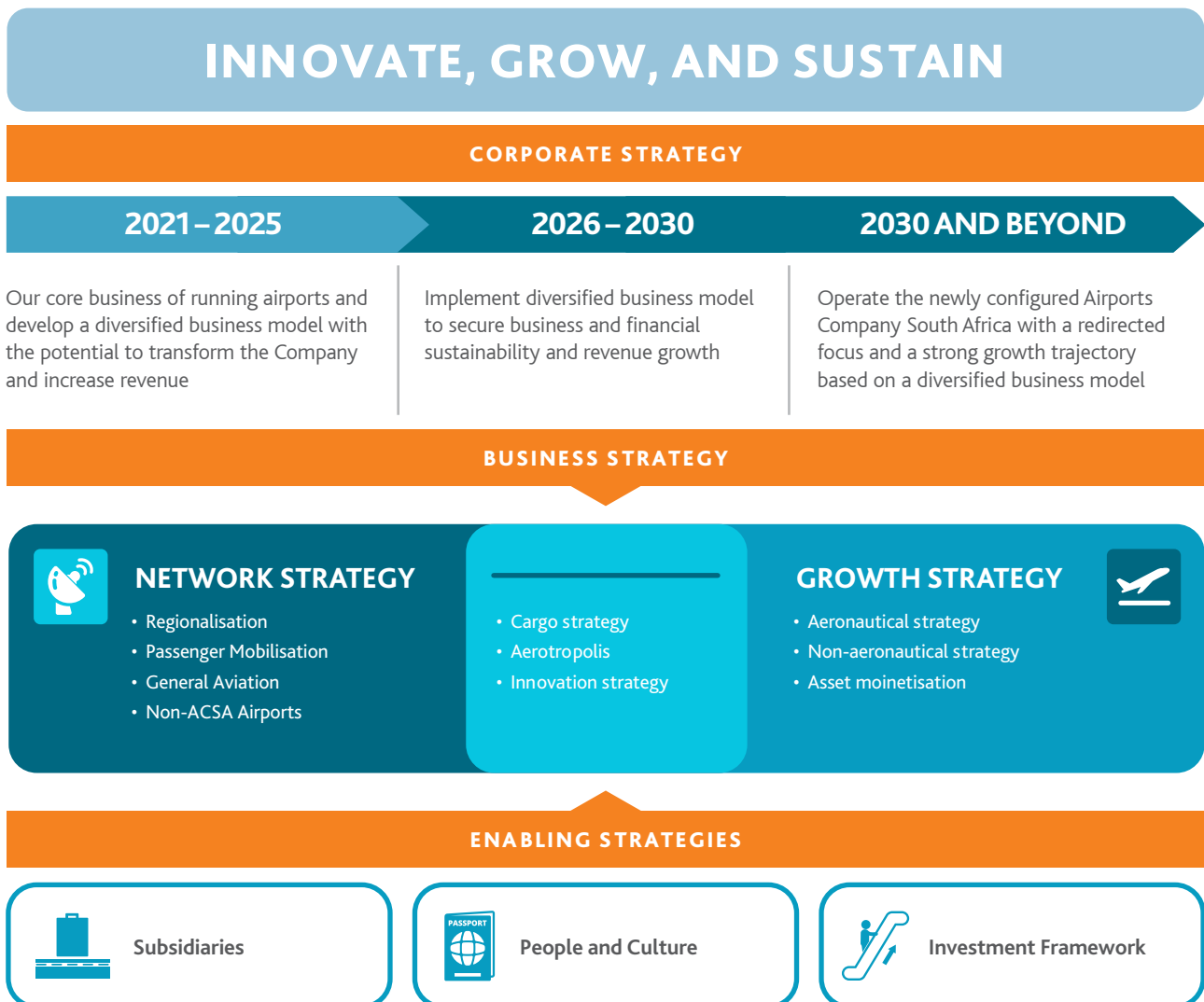
## OUR NETWORK STRATEGY

The Company has undertaken a significant initiative to craft a network strategy, serving as a foundational framework for the development of ACSA's airports. This strategy thoughtfully considers a range of factors, including the dynamic interplay of demand and supply, the demographics of the nation, migration patterns, urbanisation trends, and the evolving nature of cities. A pivotal aspect of this strategic blueprint is its adaptability to emerging technologies and advancements in air transport and urban mobility, with the goal of facilitating the establishment of an air transport infrastructure that seamlessly aligns with future needs.

Integral to the country's spatial and town planning, this network strategy is designed to synchronise airport infrastructure development with the broader evolution of cities and growth and development of provinces. This alignment is crucial for efficiently managing the movement of people and goods, as it serves as a vital factor of production within the country and across borders. Essentially, the network strategy embodies a forward-looking approach, ensuring that aviation infrastructure evolves harmoniously with the changing landscape of the country, optimising the efficiency and effectiveness of both transportation and urban development. The figure below provides an indication of how the network strategy is positioned relative to the Company's overall strategy and other concurrent pursuits:

## OUR STRATEGY FRAMEWORK

Figure: Positioning of the Network Strategy in the overall ACSA Strategy

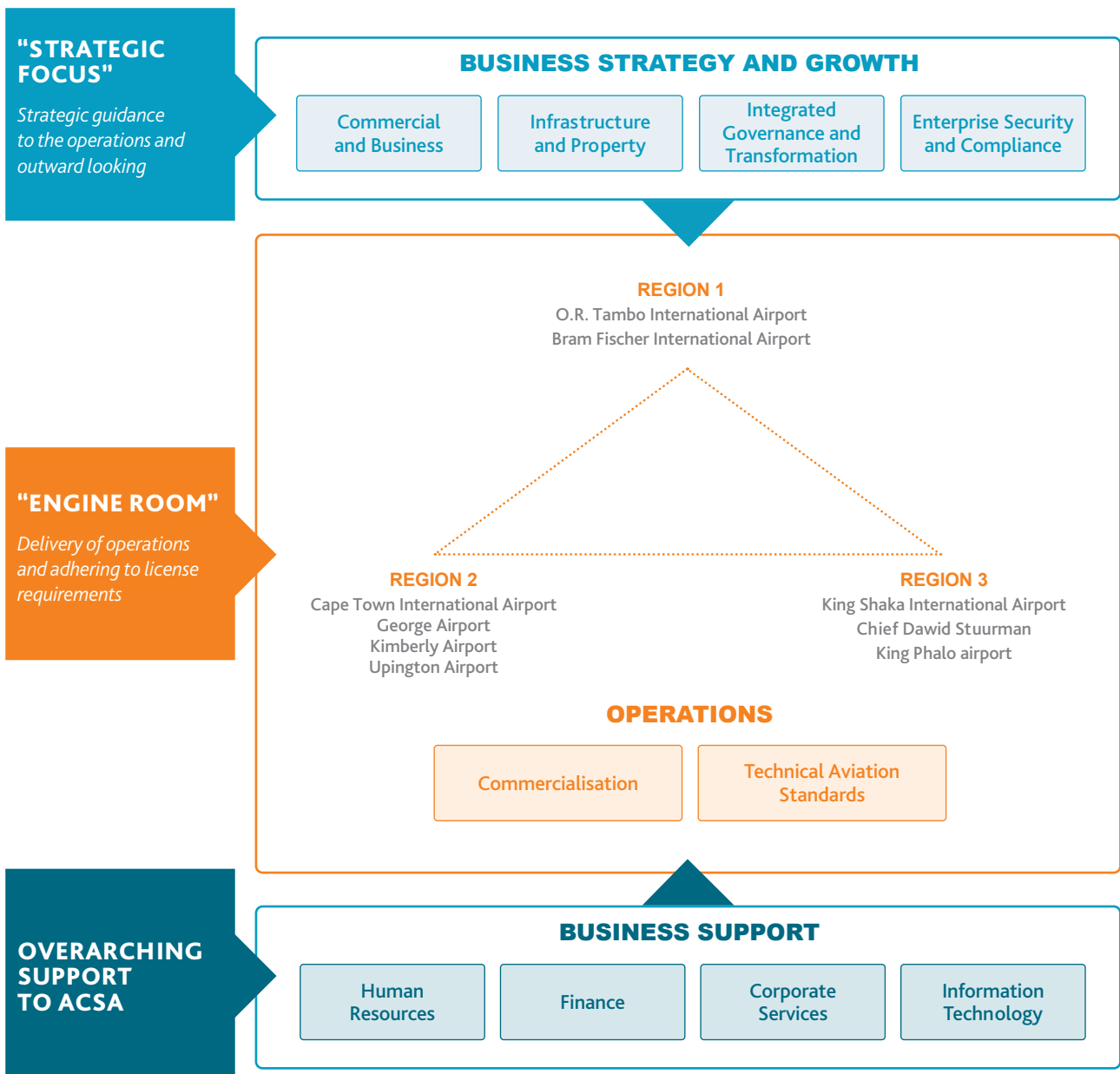


## REGIONALISATION

The regionalisation approach strategically reorganised airport operations into three geographical clusters to optimise key processes. By decentralising day to day responsibilities to the specific sites where activities occur, the model streamlines operations and enhances responsiveness. Functional accountability is shared across divisions at both airport and head office levels, fostering greater efficiency and organisational agility.

The structure below visually outlines how the regionalisation model is arranged across these operational clusters. It illustrates the distribution of responsibilities, reporting lines, and functional connections between airports and head office, demonstrating how this devolved model supports faster decision making and more effective operational execution.

### REGIONALISATION OPERATING MODEL OVERVIEW



The primary goal is to ensure seamless integration of airports within the ACSA network with a clear process of accountability and to foster collaboration with local government structures and businesses to better address the needs of local travellers and communities. This approach leverages pooled resources within a cluster, streamlining processes for optimal operational efficiency.

The regionalisation model has led to the categorisation of airports, as illustrated in the diagram above. The tangible benefits derived from this model include:

- Economies of scale – by clustering airports, the envisaged benefit is enhanced economies of scale, which included devolution of the Regional Airports structure, dissolving the Regional Office, and integrating the Regional Airport Centre of Excellence (COE) functions into the Cluster.
- Resource pooling and optimisation – the regionalisation model facilitates the redeployment of regional office staff, promotes resource sharing across the cluster, and emphasises capacity building.
- Regional integration – fostering a standardised operation, the cluster model promotes regional integration by sharing and implementing best practices. It aims to align engagements between Provincial and Local government stakeholders, embed and collaborate on growth and development strategies and Local Economic Development and Integrated Transport Plans fostering harmonisation.

Furthermore, as part of Supply Chain Management (SCM) transformation, the devolution of SCM to sites is a key strategic initiative to enhance operational efficiency and seamlessly implement the Corporate Plan. This localised approach ensures

that procurement and logistics functions at airports align with the needs and demand of the local airport. The localized procurement and resource allocation will support infrastructure development, while addressing key challenges such as rising operational costs. This strategic shift enables our airports to respond swiftly to local needs, optimise capital and operational expenditure, and enhance passenger experience, positioning the Company for long-term sustainability.

ACSA understands that the surge in traffic across its network as anticipated requires a more agile and site-driven SCM framework. By empowering airport sites with greater procurement autonomy, enable the Company to efficiently execute key infrastructure investments, fleet expansions, and operational improvements and reduction of delays in critical projects such as terminal upgrades, runway expansions, and baggage handling system enhancements.

ACSA's regionalisation approach aims to bolster operational efficiency, optimisation of resources and productivity, and encourage collaboration.

In line with the Company's statutory mandate, ACSA continue to deliver a safe and secure airport operations environment for all users across South Africa. This includes planning and executing major airport upgrades and expansions in line with demand for travel driven by increasing air connectivity with major global destinations. Expansions of ACSA's airport infrastructure continue to play an important role in implementing the African Continental Free Trade Area (AfCFTA) treaty to unlock the region's economic potential.



# 10



## STAKEHOLDER MANAGEMENT

## STAKEHOLDER AND PARTNERSHIP APPROACH

The strategy is built on the RepTrak model, encompassing seven pillars that reflect the business's strategic intent: These pillars include Leadership; Performance; Innovation; Products and Services; Workplace; Governance; and Citizenship.

### PERFORMANCE MEASUREMENT OF STAKEHOLDER AND PARTNERSHIP STRATEGIES:

The Reputation Index Measure evaluates stakeholder perceptions, focusing on admiration, trust, respect, and overall sentiment towards ACSA. This is tracked through:

- Annual assessments against the Reputation Index model.
- Reputation Remedial plan is crafted from the Reprtrak results to ensure that stakeholder concerns are addressed and ACSA reputation score is improved
- Quarterly internal stakeholder pulse surveys to monitor progress and address gaps.

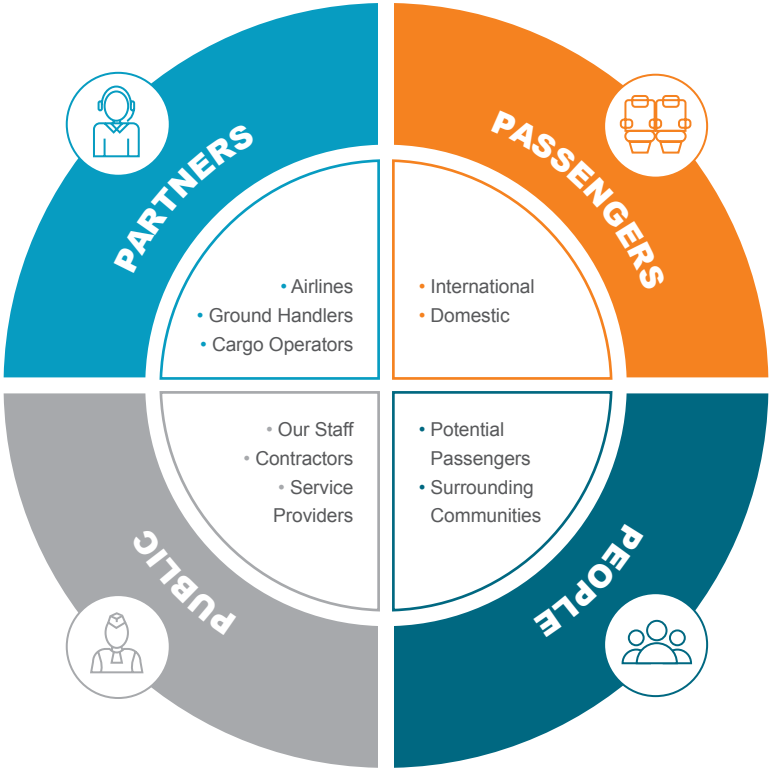
Operationally, divisional Stakeholder Engagement Plans are developed and reviewed annually. These outcome-based plans address critical issues within ACSA's value chain, with clear metrics to measure and monitor the success of engagements.

As the operator of South Africa's nine largest public airports, ACSA engages a wide spectrum of stakeholders.

This structured stakeholder engagement ensures alignment with ACSA's goals, reinforces accountability, and builds trust across the ecosystem. The ecosystem includes:



# OUR PARTNERS, PEOPLE, PASSENGERS AND THE PUBLIC



# STAKEHOLDER ENGAGEMENT FRAMEWORK

OUR STAKEHOLDERS AND PARTNERS	STAKEHOLDERS FOCUS AREAS	EXAMPLES OF ENGAGEMENT	EXAMPLES OF CONCERNS	BENCHMARKING
Government agencies, public sector partners, private sector partners, Economic Regulating Committee	Policy, industry partnerships, economic regulation, operational excellence, and licence to operate	<ul style="list-style-type: none"> <li>Quarterly reviews with Regulating Committee</li> <li>Reports and engagements with the key national government departments</li> <li>Active participation in industry forums</li> <li>Oversight visits</li> <li>Parliament presentation</li> </ul>	<ul style="list-style-type: none"> <li>Long-term industry sustainability and licence to operate.</li> <li>Business growth opportunities</li> <li>Alignment to the South African Government's mandates and social development programmes (NDP and UN Sustainable Development Goals)</li> <li>Regulatory compliance</li> </ul>	<ul style="list-style-type: none"> <li>Internal quarterly reputation surveys</li> <li>Annual Reputation Index Survey</li> <li>Tariff Permission</li> <li>Aeronautical Revenue</li> <li>None-Core Revenue</li> <li>Social Return on Investment</li> </ul>
Employees, unions, suppliers	Input: Operations	<ul style="list-style-type: none"> <li>Employee roadshows, internal broadcasts, and Town Halls</li> <li>Union consultation and collaborations</li> <li>Preferential procurement programmes and tender processes for suppliers</li> </ul>	<ul style="list-style-type: none"> <li>Fair and transparent remuneration with job security and career progression</li> <li>Transformation and ease of doing business for suppliers</li> </ul>	<ul style="list-style-type: none"> <li>Reputation Index Survey</li> <li>Leadership culture index</li> <li>Employee satisfaction survey</li> <li>B-BBEE</li> </ul>
Passengers, airlines, tenants, and concessionaires	Output: Clients and customers	<ul style="list-style-type: none"> <li>Airline operating committees</li> <li>External stakeholder newsletter, traditional Media, and digital platforms,</li> <li>Engagement sessions</li> </ul>	<ul style="list-style-type: none"> <li>Negotiated low airport charges for airlines.</li> <li>Traffic development and operational efficiency</li> <li>Access to infrastructure, support, and information for tenants</li> <li>Impact of the Commercial tender programme for existing tenants</li> </ul>	<ul style="list-style-type: none"> <li>Internal quarterly reputation surveys</li> <li>Annual Reputation Index Survey</li> <li>Airport stakeholder survey</li> <li>Airport Service Quality (ASQ) Survey</li> </ul>
Community, NGOs, environmentalists	Dependent: Vested interests	<ul style="list-style-type: none"> <li>External stakeholder newsletter, website, and events</li> <li>Stakeholder meetings and task team forums</li> </ul>	<ul style="list-style-type: none"> <li>Job creation</li> <li>Community development and programmes</li> <li>Transformation and creating sustainable livelihoods.</li> <li>Environmental sustainability</li> </ul>	<ul style="list-style-type: none"> <li>Internal quarterly reputation surveys</li> <li>Annual Reputation Index Survey</li> <li>B-BBEE</li> <li>ACI Carbon Accreditation</li> </ul>
Media and special interest groups	Independent: Influencers	<ul style="list-style-type: none"> <li>Brand awareness, networking, and stakeholder hospitality</li> <li>Stakeholder meetings</li> <li>Media briefings and interviews</li> </ul>	<ul style="list-style-type: none"> <li>Airline performance</li> <li>Unethical business practices</li> <li>Airport safety and security</li> <li>Customer satisfaction</li> <li>Information sharing on business developments.</li> <li>Alignment with our business approach on key issues</li> </ul>	<ul style="list-style-type: none"> <li>Internal quarterly reputation surveys</li> <li>Annual Reputation Index Survey</li> <li>Airport Service Quality (ASQ) Survey</li> <li>Airport Stakeholder Survey</li> <li>Measure positive publicity through media monitoring</li> </ul>
Associations, partners	Partnerships	<ul style="list-style-type: none"> <li>Providing input for International Civil Aviation Organisation (ICAO) regional bodies</li> <li>African Civil Aviation Commission (AFCAC) of the AU</li> <li>Airports Council International (ACI)</li> <li>Meeting with airline associations</li> <li>Meeting with security agencies</li> <li>Meeting with Joint venture partners</li> </ul>	<ul style="list-style-type: none"> <li>Long-term industry sustainability</li> <li>Compliance with regulatory licensing requirements</li> <li>Industry safety and security</li> <li>Legally binding service level agreements with partners</li> <li>Global Innovation</li> <li>Defining future travel</li> <li>Traffic and route development</li> <li>Improve passenger experience</li> <li>Equity investments and concession partnerships</li> </ul>	<ul style="list-style-type: none"> <li>Internal quarterly reputation surveys</li> <li>Annual Reputation Index Survey</li> <li>Airport Stakeholder Survey</li> </ul>
Shareholders, investors	Capital and funding providers	<ul style="list-style-type: none"> <li>Roadshows, results presentations, and annual general meetings</li> <li>Rating reviews</li> <li>Meetings with institutional bondholders, funders, and investors</li> </ul>	<ul style="list-style-type: none"> <li>Sound financial performance, return on equity and dividends.</li> <li>Strong governance and regulatory compliance</li> </ul>	<ul style="list-style-type: none"> <li>Assurance of annual financial statements</li> <li>Credit rating agency assessments</li> <li>Internal quarterly reputation surveys</li> <li>Annual Reputation Index Survey</li> <li>Internal quarterly reputation surveys</li> </ul>

# 11

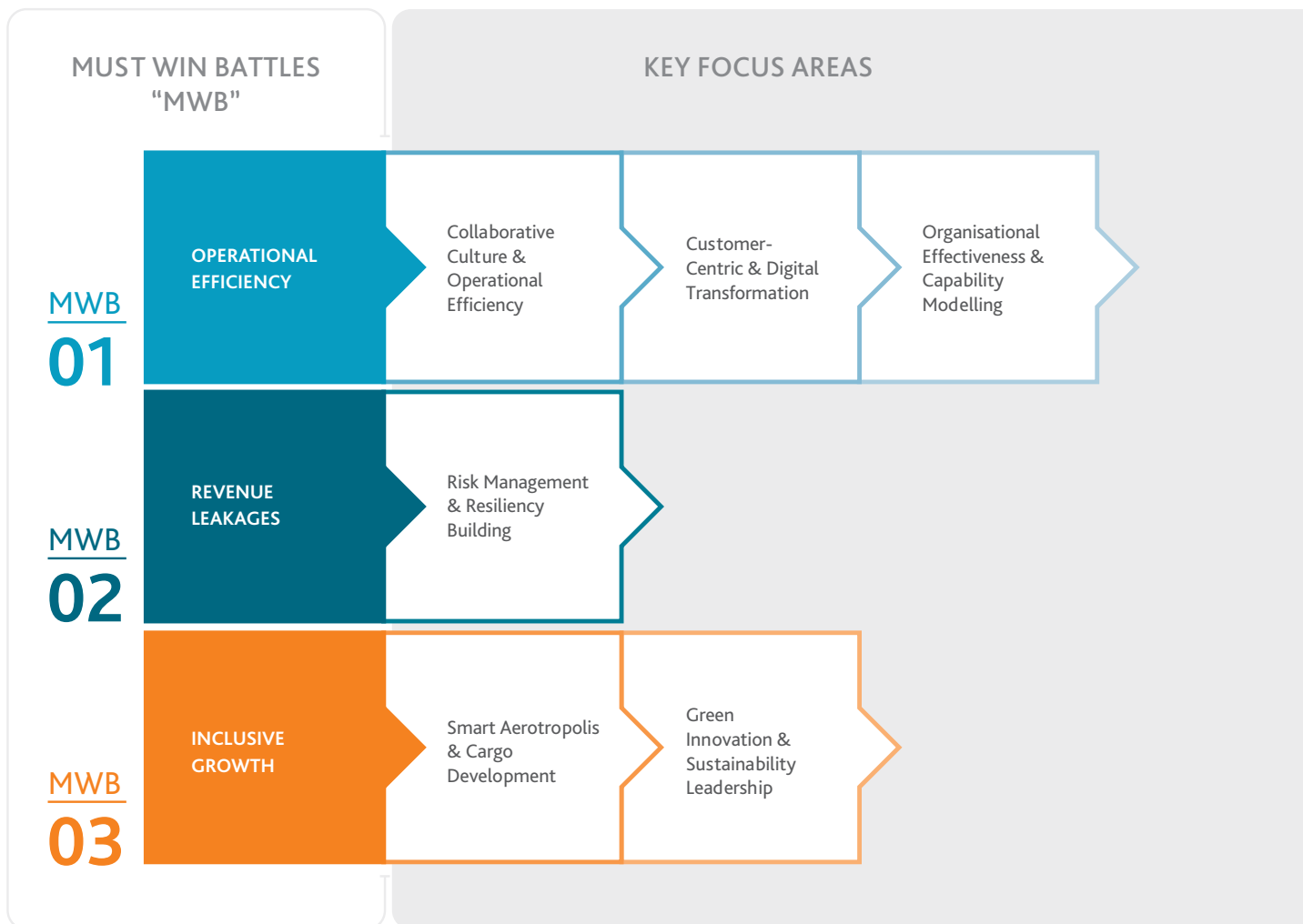


## OUR STRATEGIC PRIORITIES

## DRIVING GROWTH, CONNECTIVITY AND OPERATIONAL EXCELLENCE: ACSA'S MUST-WIN BATTLES ("MWB")

ACSA remains steadfast in its mission to create, capture, and deliver sustainable value to all stakeholders, through a well-defined and robust strategic focus to navigate the evolving landscape of the aviation industry while optimising airport operations. The Company has identified "Must-Win Battles" ("MWB") as critical strategic imperatives necessary for achieving its goals and maintaining its status as a globally competitive airport operator. These battles are organised around three core objectives: enhancing operational efficiency, eliminating revenue leakages, and fostering inclusive growth. This approach underscores the Company's commitment to streamlining processes, addressing inefficiencies, and promoting equitable development throughout its network of airports and the broader aviation ecosystem.

Figure: ACSA's Must Win Battles



## CORE PRINCIPLES TO PROPEL ACSA'S GROWTH INCLUDE:

### Enhancing operational efficiency

Operational efficiency is at the heart of ACSA's operations, recognising the need to deliver seamless, reliable, and high-quality services to travellers, airlines, and business partners. The Company aims to continue optimising its day-to-day operations through streamlining of processes, adopting best-in-class practices in airport operations and management, and harnessing innovative technologies. The adoption of digital and data-driven solutions is expected to play a critical role in enabling the Company's continuous monitoring and evaluation of operational performance and enabling predictive maintenance programmes across all airport functions.

### Eliminating revenue leakages

A critical component of ACSA's strategic focus is addressing and eliminating revenue leaks in the non-aeronautical area, stemming from a range of inefficiencies, including poor contract management, outdated systems, procedural lapses, and operational redundancies that result in lost revenue opportunities. The Company's efforts continue to be centred on robust financial oversight, automation

of billing systems for airlines and other airport users, and the adoption of integrated systems that provide end-to-end visibility across financial transactions. Addressing these gaps is important for maximising revenue streams and reinvesting these gains into further enhancing airport infrastructure and systems. A comprehensive refurbishment project for Commercial facilities will further enhance non-aeronautical revenues and allow ACSA to command market-related rentals which is not possible given current property conditions.

### Fostering inclusive growth

ACSA's long-term success is inextricably linked to fostering inclusive economic growth to benefit all stakeholders, including local communities, employees, business partners, and travellers. The Company is committed to building equitable opportunities across its airport ecosystem, advancing socio-economic development, and promoting diversity and inclusion. This focus extends to initiatives that empower women, youth, and persons living with disabilities, as well as supporting community-based projects aligned with ACSA's Social Economic Development (SED) priorities. Inclusive growth is not merely a goal but a foundational principle driving the Company's engagement with all stakeholders, ensuring shared prosperity and resilience.



## KEY FOCUS AREAS FOR SUCCESS

ACSA's "Must-Win Battles" are supported by key focus areas that serve as critical enablers of success across ACSA's business operations:

### Nurturing a collaborative culture

Building a collaborative and inclusive workplace culture is essential to assist the Company in realising its strategic goals through the creation of a harmonious work environment where employees are empowered to collaborate, innovate, and excel. Open communication, encouraging cross-functional teamwork, and recognising individual and collective contributions are the key pillars cultivating a collaborative culture that supports continuous improvement and operational excellence.

### Enhancing operational excellence

ACSA is committed to delivering superior services to its customers through continuous optimisation of processes across all facets of airport management and operations, including passenger facilitation, processing and handling of baggage, and related ground services.

### Embedding customer-centric practices

ACSA strives to understand and meet the needs of its customers by offering personalised, seamless, and memorable experiences for all airport users, through an iterative process to understand the needs of the customers, leveraging data analytics to anticipate needs, and enhancing customer touchpoints. The needs of customers continue to be at the centre of ACSA's operations as it seeks to differentiate itself in a competitive regional and global market.

### Embracing digital transformation

Digital transformation will continue to be key to enhancement of ACSA's operations and services with the aim of improving operational efficiency, enhancing security protocols, and delivering a more connected and intuitive passenger journey. The Company's digital transformation journey encompasses the development of smart infrastructure and the integration of digital solutions that improve operational agility and responsiveness, while embracing innovative technologies that enhance passenger experience and airport operations.

### Organisational effectiveness through capability development

The Company aims to achieve its strategic goals by developing a skilled and agile workforce capable of navigating the rapidly changing aviation industry landscape. ACSA is committed to continuing to invest in its employees through training, and leadership development programmes. This will enhance the Company's functional capability and enhance organisational effectiveness as well as ensure that ACSA remains adaptable, resilient, and well-positioned to respond to evolving challenges and opportunities.

### Proactive risk management and resilience building

In an industry marked by volatility and uncertainty, proactive risk management and resilience building are essential to mitigate and respond to potential risks that could impact ACSA's operations and long-term sustainability. Building resilience extends to the Company's infrastructure, systems, and workforce, ensuring that ACSA is able to adapt to changing market conditions, emerging threats, and new opportunities.

### Developing smart aerotropolis infrastructure and expanding cargo services

In partnership with various local governments, ACSA will continue to enhance the planning and development of smart aerotropolis infrastructure to promote connectivity, facilitate economic growth, and create vibrant airport cities to unlock trade opportunities and support regional economic integration.

### Driving green innovation and sustainability leadership

Sustainability is a guiding principle of ACSA's business driving green innovation, reducing the Company's environmental footprint, and promoting energy efficiency across its operations. This includes expanding the use of renewable energy, minimising carbon emissions, and adopting environmentally friendly practices. Through sustainability leadership, ACSA aims to contribute to a more sustainable and resilient aviation industry while meeting the expectations of stakeholders and regulators.

# 12

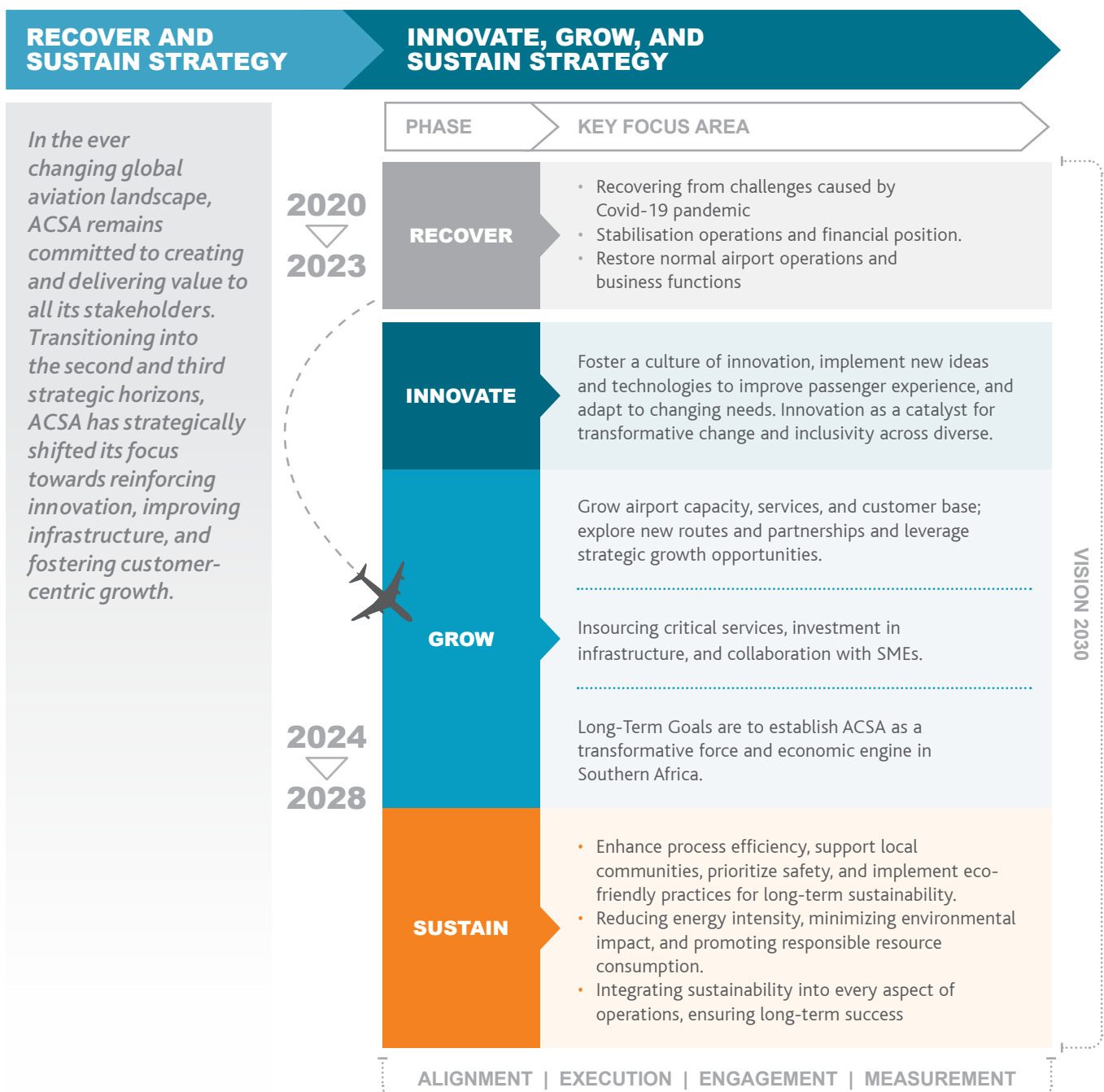


## INNOVATE, GROW AND SUSTAIN STRATEGY

In the ever-changing global aviation landscape, ACSA remains committed to creating and delivering value to all its stakeholders. The Company's vision 2030 is to be the best run, smart airport network in Africa, offering the most diverse, sought after services and experience.

This journey is now steered by a pivotal strategy – Innovate, Grow and Sustain. This strategic approach is poised not only to shape the Company's trajectory but also to contribute to the broader transformation and growth within the aviation industry and the Southern Africa region. ACSA has strategically shifted its focus towards reinforcing innovation, improving infrastructure, and fostering community-centric growth. The Company recognises that innovation is the catalyst for transformative change and inclusivity, beyond mere technological advancements; to encompass a diverse range of innovations aligning with the Company's growth and sustainability objectives.

Figure: Representation of a shift from a defensive posture to a more proactive and forward-looking approach – Innovate, Grow and Sustain.



Sustainability is woven into the fabric of ACSA's operations, and as a result, the Company continues to pursue initiatives to reduce energy intensity, minimise environmental impact, and promote responsible resource consumption. The evolving strategy emphasises that innovation is a crucial prerequisite for sustainability, and that sustainability extends beyond a singular goal into a holistic, all-encompassing commitment. On growth, ACSA's ultimate objective is pursued holistically, leveraging technological progress at both micro and macro levels. The strategy recognises the non-uniform nature of technological innovations, giving precedence to technology-related advancements. This approach is designed to enhance the passenger and user experience, paving the way for sustainable growth.

ACSA aspires to evolve beyond being just a transportation hub to becoming a transformative force and an economic engine in the Southern African region. This strategic direction underscores the Company's unwavering commitment to embracing the future while upholding the core values of safety, efficiency, and inclusivity.

To realise its vision of being **the best run smart airport network in Africa, offering the most diverse, sought-after services and experience**, ACSA emphasises the effective and efficient implementation of key interventions. These include streamlining ground handling operations, investing in and operating fixed base operator facilities, and the establishing comprehensive cargo and logistics infrastructure. These interventions serve as the building blocks for ACSA's journey towards sustainability, innovation, and sustained growth.

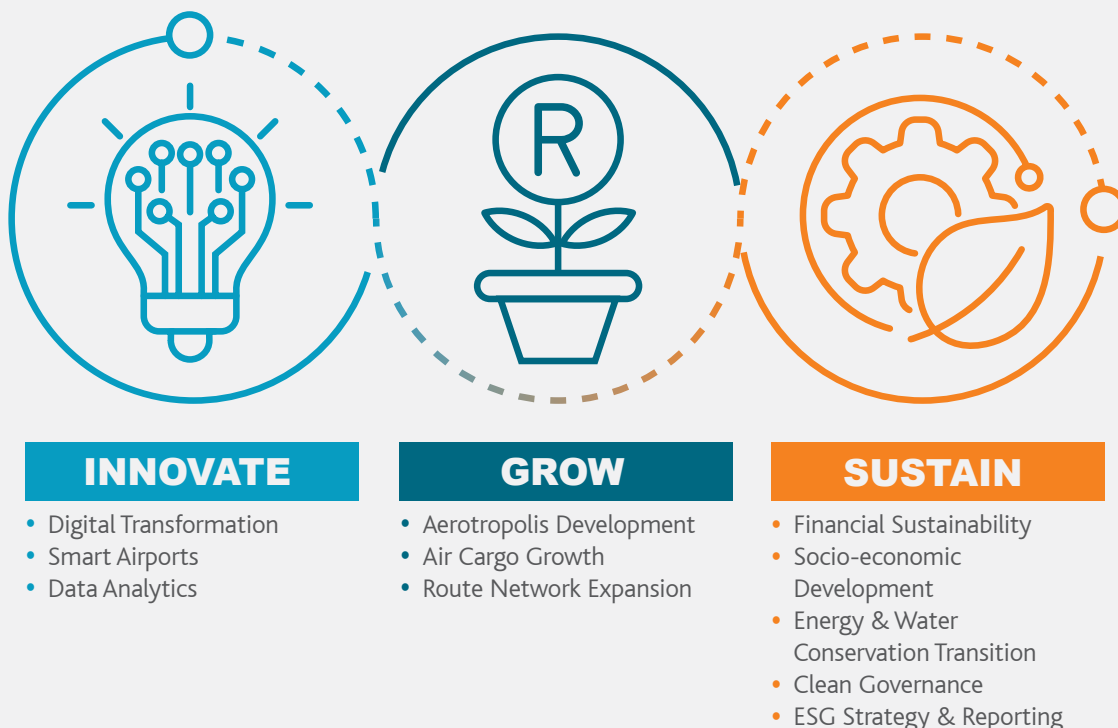
Airports are vital to economic development and growth, with their roles extending beyond air travel to encompass trade and tourism facilitation, development, and modernisation of transport infrastructure, and have a lasting socio-economic impact. As South Africa seeks to enhance its competitiveness within the global economy, ACSA recognises that to contribute meaningfully to the country's developmental and transformation agenda, it must adapt and evolve.

ACSA's long-term success is tied to embracing innovation, fostering growth through expanded air connectivity, and ensuring sustainability through financial, environmental, and social responsibility. This comprehensive strategic plan aims to leverage the power of innovation, growth, and sustainability to position ACSA as a leader in airport operations, while fostering inclusive growth.

**The strategy is anchored in three pillars:**

- **Innovate** – Innovate operations, processes and enhance utilisation of digitisation, digitalisation and advanced technologies.
- **Grow** – Enhancing connectivity, increasing revenue streams, and expanding partnerships globally.
- **Sustain** – Prioritising financial, environmental, and social sustainability while driving inclusive development.

Figure: ACSA's Strategic Pillars



## INNOVATE PILLAR

### DIGITAL TRANSFORMATION

Leveraging technology for efficiency and service delivery is one of the foundational components of ACSA's strategy, integrating ICT systems across all facets of the business to enable data-driven decision-making, allowing the Company to operate more efficiently while also enhancing customer experience. Key aspects of digital transformation include modernisation of ACSA's information technology infrastructure and systems to ensure a seamless flow of data across airport operations for better planning, allocation resources, and improved service delivery to the users.

The adoption of the unsolicited bid policy is intended to foster innovation by creating a structured pathway for new ideas and solutions, encouraging open collaboration and industry-driven innovation.

### A CATALYST FOR SUSTAINABLE GROWTH

ACSA has committed to not making innovation just a buzzword, but a critical pillar of the Company's strategy to drive sustainable growth, enhance efficiency, and transform the airport experience for our customers. The Company believes that as the aviation industry evolves, so too must be the approach to technology adoption, as well as to processes, and customer engagement. Subsequently, ACSA has embarked on a strategic partnership with the Council for Scientific and Industrial Research (CSIR) and the Innovation Hub Management Company (TIHMC) to solidify the Company's commitment to innovation and understanding that it is a deliberate and phased journey of discovery, collaboration, and refinement for fit-for-purpose solutions to better serve customers. The partners are working together to identify key areas of innovation critical to ACSA's operations and growth, establishing structured programmes for research and development. This approach ensures that every idea is thoroughly explored, tested, and aligned with our strategic objectives before implementation.



## ICT TRANSFORMATION, FROM VERTICAL TO HORIZONTAL INTEGRATION

To enable innovation and ensure the scalability of our initiatives, ACSA has undertaken a comprehensive review of its ICT architecture. This has resulted in:

- An updated enterprise architecture (EA) plan
- A refined EA framework.
- Developed business capability model
- Developed smart airport blueprint/architecture

These documents and artefacts collectively guide the horizontal integrations of systems, eliminating the issue of siloed technology. This enables IT to adopt a business-led approach to technology implementation. Through our innovation partnership and vision for transformation of our airports into smart airports, we will explore mechanisms to transition to a horizontally integrated ICT architecture. This transformation will break down silos and create a cohesive digital ecosystem that enables seamless communication across all operational domains. A horizontally integrated ICT model with the aim to:

- Enhance efficiency by streamlining processes and eliminating redundancies.
- Support scalability, allowing ACSA to adapt swiftly to changing demands and technological advancements.
- Facilitate innovation by providing a flexible platform for deploying cutting-edge solutions, such as artificial intelligence, machine learning, and the Internet of Things (IoT).

ACSA will prioritise the inclusion of SMMEs in technology-driven projects, providing opportunities for small businesses to contribute to the ICT and innovation ecosystem to promote inclusive growth and job creation.

### SMART AIRPORTS

In the next five years ACSA aims to become among the leading airport operators in smart airport technology through the integration of Artificial Intelligence (AI), Internet of Things (IoT), blockchain solutions, and robotics for optimisation of airport operations and improvement of the passenger experience. Areas of focus to include:

- AI will become a prominent feature in key functions and processes of the Company's operation for efficiency and enhanced decision-making. This includes key passenger touchpoints such as check-in, security processes, baggage handling and parking. This technology will play a key role in helping the Company predict passenger behaviour, identify bottlenecks, and optimise the overall airport experience and operation.
- IoT-enabled devices will provide real-time insights into ACSA's airport operations, from monitoring air quality, and energy usage to optimising space usage within terminals, enabling the Company to operate more efficiently while maintaining high levels of customer satisfaction.

- Blockchain technology will be implemented to enable an effective management of ACSA's airport operations in a secure, transparent, and efficient manner, from baggage tracking to financial transactions, smart contracting, and operations. This will help ACSA reduce administrative overhead costs and enhance transparency, ultimately improving stakeholder trust.

Robotics will be integrated into airport operations to elevate the passenger experience by providing entertainment, engagement, and information, and by educating airport users. Additionally, these robotic systems will support security by patrolling terminals, detecting, and reporting any suspicious or malicious behaviour.

## DATA-CENTRIC APPROACH

The Company continues to adopt data analytics across key areas of the business to enable more informed decisions on performance, passenger insights, airport infrastructure, and allocation of resources. The key areas of focus include:

- Analysis of passenger trends to enable the Company to better tailor services and facilities to improve the passenger experience, increase operational efficiency, and drive additional revenue streams.
- Real-time data on infrastructure usage (e.g., asset performance, gate allocation, terminal capacity) to allow for better resource management and more efficient operation as well as optimisation of space utilisation and improve turnaround times for aircraft.
- Predictive maintenance leveraging data analytics, IoT sensors, and machine learning models to anticipate equipment failures before they occur, to minimise unplanned downtimes, optimise asset lifespan, reduce costs while ensuring uninterrupted passenger services.

## ACSA-VERSE, PIONEERING THE FUTURE OF AVIATION EXPERIENCES

One of the primary outcomes of this partnership is the development of the ACSA-Verse – a Metaverse platform envisioned to redefine the customer journey, operational management, and stakeholder engagement within the aviation ecosystem. Over the first year, the alliance will focus on creating a proof of concept for the first phase of the ACSA-Verse, anchoring it as a flagship initiative in our innovation agenda.

The ACSA-Verse will integrate immersive technologies to simulate, optimise, and enhance various facets of airport operations. This innovation aims to improve passenger experiences, provide real-time operational insights, and enable more interactive engagement with stakeholders. By leveraging the potential of the Metaverse ACSA and its partners are setting the stage for transformative advancements in how airports operate and interact with their environments.

## A VISION FOR THE FUTURE

The ACSA-Verse is just the beginning of our innovation journey. As we move forward, the lessons learned and the foundations built in this process will drive us toward new opportunities and breakthroughs. ACSA's innovation efforts are deeply intertwined

with its vision for sustainable growth, ensuring that every step it takes today contributes to a brighter, more connected future.

Together, with our partners, employees, and stakeholders, we are transforming challenges into opportunities, creating value through innovation, and shaping the future of aviation on the continent.

## GROW PILLAR

### AEROTROPOLIS DEVELOPMENT

The development of aerotropolises is a forward-thinking strategy intended to transform ACSA's airports into vibrant economic zones, driving industrial growth, job creation, and small-business empowerment. Aerotropolis development represents a strategic shift in how airports are integrated into the broader economic landscape. The key to its success is the creation of economic zones around key airports with the aim to transform these important ports into thriving urban hubs that drive business, logistics, and industrial growth. The aerotropolis models for ACSA not only optimise the functionality of airports but will also create a dynamic ecosystem that supports both local and global economic activities. The benefits of aerotropolis development extend far beyond ACSA's airport gates, but contribute to regional economic growth, job creation, and the empowerment of small and medium-sized enterprises (SMMEs).

At our main International Airports O.R. Tambo International Airport (ORTIA), Cape Town International Airport (CTIA) and King Shaka International Airport (KSIA); Aerotropolis related development will be advanced both inside and outside the "airport fence" while Airport Cities development will be the focus at our Regional Airports mainly inside (on airport) the airports' fence.

### AIR CARGO GROWTH

ACSA's expansion of air cargo capacity will unlock significant opportunities, as industries such as agriculture, manufacturing, and e-commerce continue to grow; the need for efficient and reliable air cargo services will increase, making this expansion vital to South Africa's economic future. Air cargo plays an important role in facilitating global trade, particularly for high-value, time-sensitive goods such as electronics, perishables, pharmaceuticals, and automotive parts.

The Company's investment in cargo infrastructure supported by the establishment of strategic partnerships with local and global logistics players, industry partners that actively utilise air cargo, key government entities such as Transnet and South African Airways Cargo, will strengthen O.R. Tambo International Airport and South Africa's position as an important hub for international trade in the Southern Hemisphere. The Mid-field cargo holds significant potential to drive intra-continental trade and economic integration, aligning with enabling policies such as AfCFTA and SAATM. However, poor implementation mechanisms of these policies remain a critical challenge, undermining their full impact. Compounding this issue is the continent's economic landscape, characterised by widespread poverty, low social mobility, and a large portion of the workforce employed in the informal sector. These factors limit the growth of air travel and, by extension, air cargo demand.

In the medium-term, the development of Mid-field Cargo Terminal must consider the growing demand to be brought by the AfCFTA, which will result in intra-South Africa and Intra-African Trade. This will increase export capabilities and diversification of revenue streams with the focus on export-dependent services. This could include exploring opportunities for logistics and transit services to facilitate regional imports, thereby necessitating investment in technology for efficient cargo handling and customs processes.

Despite the opportunities presented by rapid urbanisation and a growing consumer base, Africa faces a long journey toward realizing the full potential of its aviation and logistics sectors. Infrastructure development and Foreign Direct Investment (FDI), while promising, lag the levels seen in other emerging markets due to the complexities of doing business on the continent, including regulatory hurdles, fragmented markets, and political instability.

### ADDRESSING THESE ISSUES REQUIRES COORDINATED EFFORTS TO:

- Enhance policy implementation frameworks for AfCFTA and SAATM.
- Invest in infrastructure development, particularly in underutilised and emerging economic hubs.
- Foster an enabling environment for FDI by streamlining regulations and improving ease of doing business.
- Strengthening SAA's Cargo capacity and network access into African markets
- Leverage Mid-field cargo operations as a cost-efficient and scalable solution to support trade connectivity, particularly for small and medium-sized enterprises (SMEs).

Such measures would contribute to unlocking Africa's full potential as a unified trade bloc and position the aviation industry as a key driver of socio-economic transformation across the continent.

### THE KEY FOCUS AREAS FOR ACSA'S AIR CARGO DEVELOPMENT INCLUDE:

- Development of Mid-field cargo terminal at O.R Tambo International, which will include larger warehousing space, dedicated areas for perishable goods, and enhanced facilities for hazardous materials to ensure that the airport is equipped to handle a wide variety of cargo types, including those requiring temperature-controlled environments, which is critical for industries such as agriculture and pharmaceuticals.
- Advanced cargo and logistics technology to streamline cargo handling and improve operational efficiency by integrating cutting-edge technologies such as automation, real-time tracking, and robotics into the cargo operations of the planned facilities. This will help reduce transit times, improve air cargo security and handling, and minimize delays. Through the advanced data analytics under the Innovate pillar, ACSA will be able to predict cargo flow, optimize space usage and efficiencies for maximum revenue generation.
- E-commerce and cross-border logistics for efficient air cargo services to enable seamless movement of goods across international borders. The planned facilities will be

developed in consultation with local and global e-commerce businesses to incorporate their requirements enabling faster order fulfilment and more reliable delivery times for international customers.

### ROUTE NETWORK EXPANSION

ACSA will continue its efforts to expand its route network to key global markets and destinations, particularly in Africa, Latin America, North America, Asia-Pacific, and Europe. This expansion will be achieved through strategic partnerships with local and international airlines to increase passenger traffic, boost tourism, and facilitate greater trade opportunities for South Africa and the region.

- Enhancing South Africa's connectivity with core markets through expansion of direct routes will facilitate easier access for business and leisure travellers, enhancing ACSA's aeronautical and non-aeronautical revenues.
- Promote regional connectivity to enhance intra-Africa trade and travel in line with the African Union's agenda for the African Continental Free Trade Area (AfCFTA) and contribute to the growth of the African aviation.

**After Phase one (1) of Mid-field cargo in FY29/30, the cargo throughput capacity across the ACSA network, will increase to 1.2 million metric tonnes. Phase two (2) of Mid-field cargo will further increase the throughput capacity across the ACSA network, to 2 million metric tonnes by the next permission cycle (FY2026/27 – FY2030/31).**



## SUSTAIN PILLAR

ACSA recognises that its long-term success is intrinsically linked to its ability to balance economic, environmental, and social sustainability. This approach not only positions the Company as a responsible corporate entity but also strengthens its role in fostering a more inclusive, resilient, and sustainable future for South Africa. ACSA will support both its financial sustainability and mission to serve society and the environment harmoniously, through energy transition initiatives, socio-economic development programs, and alignment with global Environmental, Social, and Governance (ESG) standards.

### COMMITMENT TO A NET-ZERO

As part of ACSA's commitment to sustainability, the Company is prioritizing the energy transition to renewable energy sources to reduce dependency on fossil fuels, lower operational costs, and the Company's carbon footprint and contribute to global climate change goals. ACSA's commitment to advancing sustainability and ensuring the long-term viability of its operations in a rapidly changing world for achieving Net Zero by 2050, is centred around the following technologies:

- **Energy Efficiency Initiatives** – Using new technologies and practices to fix problems that waste energy, like upgrading indoor and outdoor lighting to LED, adding motion sensors in less-trafficked areas, optimising HVAC systems, upgrading water and energy metering and using heat pumps for heating purposes.
- **Alternative Energy Sources** – Promoting energy offset and reducing grid dependency through the integration of renewable energy solutions, including solar PV, Gas-to-Power systems, green hydrogen, geothermal energy, and waste-to-energy technologies. These will also support the future integration of electric vehicles and aircraft ground support charging stations. Scaling solar projects across major airports to reduce reliance on coal-based energy grids, lower operational energy costs, and reduce carbon emissions. Natural Gas and Solar PV technologies are expected to cover a substantial portion of the energy demand for ACSA airports helping future-proof the Company's operations against rising energy costs while meeting its long-term sustainability goals and South Africa's Just Transition Energy strategy.
- **Energy Storage** – Implementing energy storage systems to ensure resilience and provide redundancy for critical operations and infrastructure.
- **Green Building Standards** – Using energy-efficient technology to make the design and operation of new and existing buildings as good as they can be. This involves choosing environmentally friendly construction materials, improving building envelopes, and improving the building's overall environmental performance.
- **Low Carbon Transportation** – Transitioning to low-emission vehicles, such as electric or hybrid cars, and compressed natural gas (CNG) vehicles for airport transportation and ground support equipment.

- **Green Hydrogen and SAF** – Exploring the use of green hydrogen and SAF to power aircraft and ground support equipment, reducing carbon emissions across the aviation industry. Commitment to exploring Hydrogen infrastructure in line with global trends in clean energy, as an alternative fuel source for ground operations i.e., airport vehicles, equipment, and machinery
- **Machine Learning for Operations Optimisation** – Leveraging machine learning to enhance airport operations and planning. By analysing historical and real-time data, ACSA can optimise passenger journeys and improve ramp operations, enhancing overall efficiency and customer experience.

### SOCIO-ECONOMIC DEVELOPMENT

ACSA understands that the success of its operations is deeply connected to the well-being of the surrounding communities. Through targeted Socio-Economic Development initiatives, ACSA will uplift the socio-economic fabric of these communities and create opportunities for empowerment and economic growth. Areas of focus include:

- Poverty alleviation through direct investments in communities to address critical issues such as education, community development food security, entrepreneurial support and environmental sustainability targeting disadvantaged areas, particularly those in proximity to airports, with the aim of enhancing the quality of life for residents. The funding of identified community programs such as Early Childhood Education (ECD), Science, Technology and Engineering learner development, energy demand, waste management and recycling and entrepreneurial support, building essential infrastructure, and supporting local housing projects, fosters a greater economic participation and social mobility.
- Gender equality through implementation of gender mainstreaming in the workplace and empowerment for women, youth, and marginalised groups within the regions the Company operates.
- Education and skills development in partnership with local schools, universities, and vocational training centres to equip community members with the skills needed for employment in the aviation and logistics sectors. These programmes are tailored to address the growing demand for skilled workers in the region, ensuring that communities are equipped to participate in and benefit from the economic opportunities created by ACSA's operations.
- Support for local community SMMEs to drive the township economy by offering opportunities for them to provide goods and services for the Company's operations. This will include promoting local procurement and offering training and capacity-building programmes to help small township businesses grow and drive economic participation within the communities surrounding its airports.

## ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (ESG) ALIGNMENT: LEADING BY EXAMPLE

ACSA acknowledges that its long-term sustainability depends on its ability to meet the expectations of investors, shareholders, regulators, and communities, while maintaining the highest standards of environmental responsibility, social equity, and corporate governance. Aligning with global ESG best practices is not just about regulatory compliance, but also about ensuring the Company remains competitive, attracts investment, and strengthens its social license to operate. The focus areas will include:

- ESG reporting for transparency and accountability by publishing regular and detailed reports that outline the Company's environmental impact, social contributions, and governance practices. These reports will be aligned with internationally recognised ESG standards, ensuring that stakeholders, investors, and the public have access to accurate, timely, and meaningful data on ACSA's sustainability efforts. Providing comprehensive insights into

the Company's operations will foster trust and confidence among all ACSA's stakeholders, including shareholders, employees, and the communities in which it operates.

- Green financing to serve as ACSA's commitment to sustainable practices by exploring green and sustainable investments with investors. This will include seeking financing opportunities for infrastructure projects such as expanding renewable energy systems and sustainable airport development. Green financing will enable ACSA to access capital at favourable terms while ensuring that its projects align with global sustainability goals. Additionally, it will provide an opportunity to attract international investors who are increasingly looking for socially and environmentally responsible investment opportunities.
- Community engagement and stakeholder collaboration as part of the Company's ESG alignment to ensure that sustainability efforts are in harmony with broader social and environmental goals. Through public consultations, collaborative initiatives, and partnerships, ACSA will continue to refine its sustainability approach, ensuring its operations have a positive impact on society and the environment.



# 13

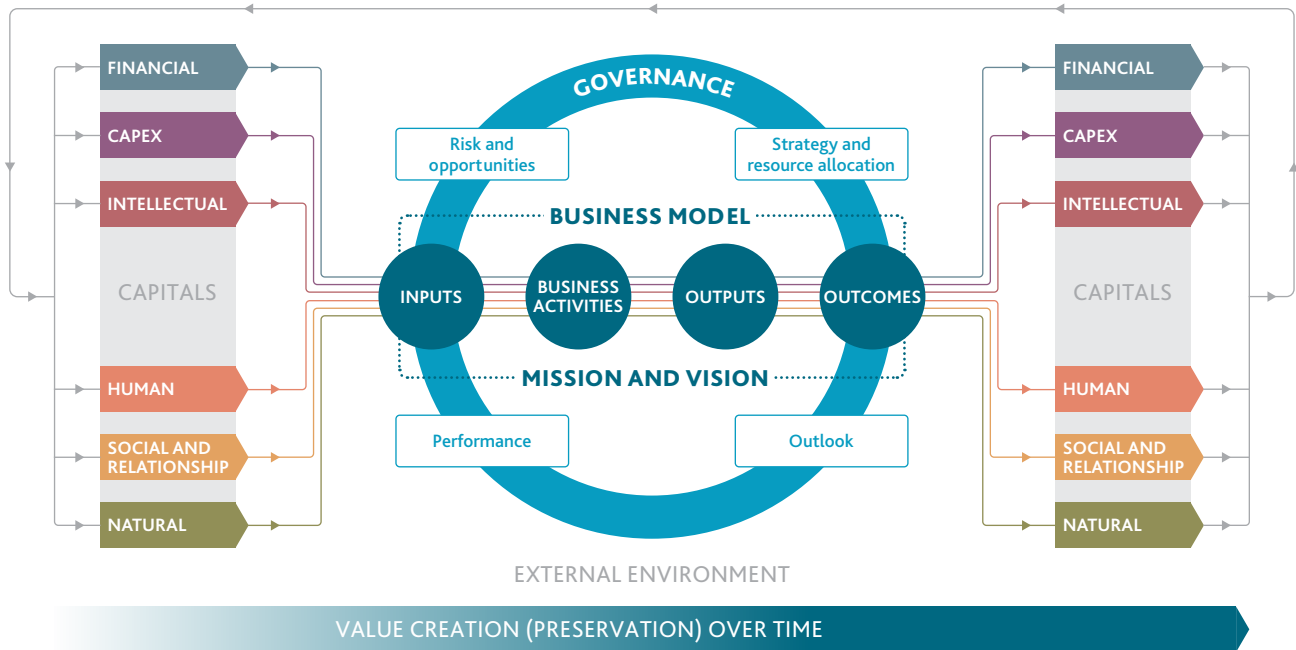


## OUR METHODOLOGY

## EMBEDDING THE SIX CAPITALS FRAMEWORK

As Airports Company South Africa transitions its strategic posture from "Recover and Sustain" to "Innovate, Grow, and Sustain," adopting the Six Capitals Framework serves as a vital blueprint for the next three-year cycle (FY 2026/27–FY 2028/29). This framework moves beyond traditional outcome-based reporting to provide a holistic view of how ACSA creates value through its dependencies on Financial, CAPEX, Intellectual, Human, Social and Relationship, and Natural capitals to operate, innovate, and grow in alignment with ethical, professional, and performance-driven standards.

Figure: ACSA's Six Capitals Framework



## OUR SIX CAPITALS FRAMEWORK

Figure: ACSA's Six Capitals Framework defined

CAPITAL INPUT	FOCUS AREA	DESIRED OUTCOME
FINANCIAL	Cost management and optimisation of revenue. Investment in infrastructure.	Long-term financial sustainability and creation of value for stakeholders (Secure diverse revenue streams)
CAPEX	Infrastructure development and maintenance (runways, terminals, parking, ground transport etc.)	Quality service, efficient airport infrastructure supporting growth and aviation safety (optimal operation of runways, terminals, hangars, and cargo facilities etc.)
INTELLECTUAL	Data analytics, innovation, and operational excellence	Enhanced decision-making and operational innovation for improved service to users of our airports (data-driven decision-making processes, innovation hubs, and collaboration with R&D institutions)
HUMAN	Workforce training, safety, personal development, diversity, inclusion, and integrity, BBBEE business share and job opportunities	Development of a motivated, skilled, and safety-conscious workforce as well as fostering a culture of teamwork (training workshops, certification programmes, employee recognition, and building safety-focused protocols).
SOCIAL AND RELATIONSHIP	Engagement with key stakeholders (airlines, passengers, regulatory bodies, government agencies, NGOs, communities etc).	Strengthened partnerships, harmony and improved delivery of service and collaboration (Regular stakeholder forums, partnerships with local communities, SED initiatives, and transparent communication channels)
NATURAL	Environmental impact management and sustainability initiatives	Minimised environmental footprint and enhanced resource efficiency (Focus on carbon neutrality, waste reduction, and water conservation - Solar and energy efficient systems, recycling programs, green technologies for noise pollution reduction etc.)

# 14



## STRATEGIC GOALS (LONG-TERM)

## The long-term strategic goals of ACSA are designed to ensure that the organisation remains at the forefront of the global and regional aviation industry while contributing to broader societal and economic objectives of South Africa.

ACSA will continue to drive innovation, growth, and transformation within the aviation by focusing on operational excellence, customer satisfaction, financial responsibility, talent attraction, retention, and development, adherence to sustainability principles, and good governance. The Company is cognisant of the fact that these goals are both ambitious and realistic, however, they offer a clear roadmap for ACSA to position itself as a leader in the global and regional aviation industry while supporting the economic and social development of South Africa.

### **Inclusive Economic Growth and Development of Cargo**

A cornerstone of ACSA's long-term strategic vision is to maintain financial responsibility while maximising the creation and delivery of value derived from its assets for key stakeholders and communities within which it operates. Continued strategic investment in infrastructure in line with improving economic conditions of Sub-Saharan Africa driving demand for travel, for sustainable growth. The Company places a strong emphasis on creating diverse revenue streams, which include not only the maximisation of aeronautical income but also the expansion of its non-aeronautical revenue base.

Central to the strategy is the development and growth of cargo and ground handling operations in the next five (5) years, which is expected to play a crucial role in diversifying ACSA's revenue sources. The development of the Mid-field cargo facility will provide much-needed capacity relief for users while transforming the cargo sector. This strategic intervention will create a platform that fosters the participation of small and medium enterprises (SMEs) and open the space for innovation, ultimately enhancing South Africa's competitiveness within Africa. Additionally, the project is expected to improve operational efficiencies, drive growth, and strengthen the country's position as a key player in regional and global trade. Through this project, ACSA aims to build more resilient financial foundations that are less vulnerable to fluctuations in air travel demand, thus reducing its reliance on passenger traffic. Therefore, strengthening the Company's cargo operations is particularly vital in a rapidly growing global trade environment, which will allow ACSA to capitalise on the growing need for efficient, reliable air cargo services.

### **Progress towards Carbon Neutrality**

As part of the Company's commitment to sustainability, ACSA aims to minimise its environmental impact by adopting green technologies and sustainable practices. The objective is to achieve 50% carbon neutrality in the next ten years, with full carbon neutrality targeted for 2050. Through investments in renewable energy, waste management, and energy efficiency initiatives, ACSA aims to significantly contribute to a more sustainable future, reducing its environmental footprint and aligning with global sustainability trends and regulations.

### **Delivery of Major Infrastructure Projects**

ACSA's key objectives in the short to medium term emphasise the enhancement of investment decision-making driven by improved project planning, early-stage development and procurement outcomes.

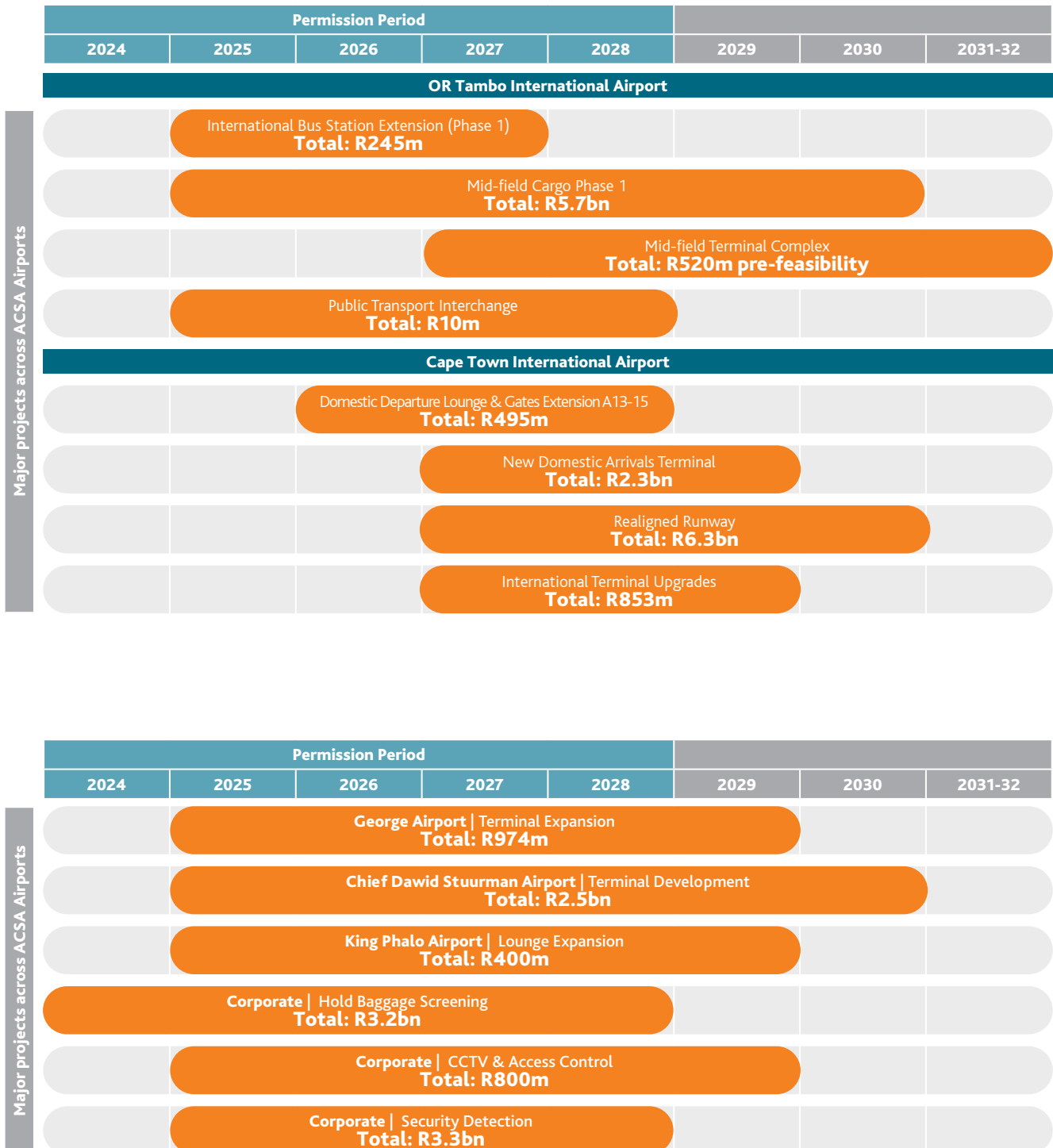


# MAJOR CAPITAL PROJECTS PIPELINE ACROSS THE NETWORK OVER THE PERMISSION PERIOD



The Company understands that prioritisation of the accuracy and reliability of project execution will drive ACSA's capital projects performance delivery to at least 90% of the top value contracted projects by the end of year five of the permission. This target is important because it helps ensure that all projects align with critical asset performance targets (CAPT) and meet the requirements for successful execution. The Company will conduct a comprehensive review at the three-year mark to assess progress, with the expectation that these efforts will result in more efficient, effective project rollouts.

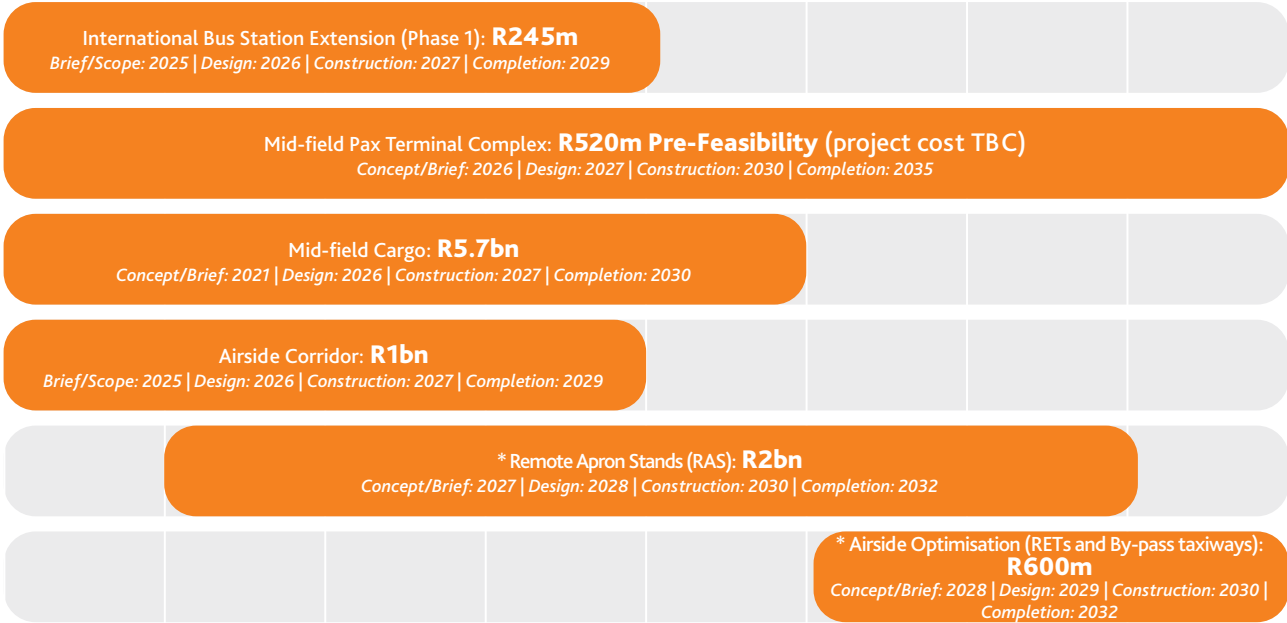
Figure: Capital Projects by Airport



	Permission Period						
2026	2027	2028	2029	2030	2031	2032	2033-36

**CONSOLIDATED VIEW: CLUSTER 1**

ORTIA

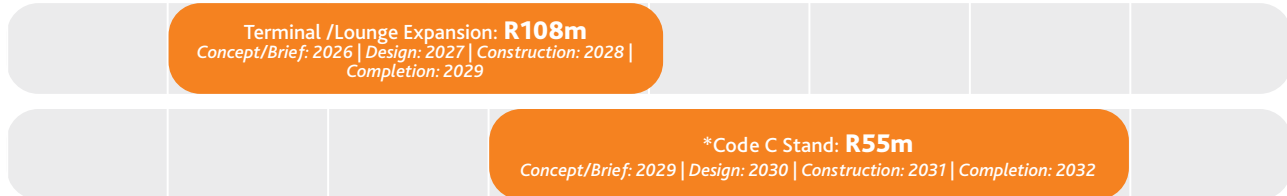


\* New Projects/not included in previous Permission (2024-2028)

	Permission Period						
2026	2027	2028	2029	2030	2031	2032	2033-36

**CONSOLIDATED VIEW: CLUSTER 1**

BFIA



\* New Projects/not included in previous Permission (2024-2028)

		Permission Period						
2026	2027	2028	2029	2030	2031	2032	2033-36	

**CONSOLIDATED VIEW: CLUSTER 2**

CTIA	*International Terminal Upgrade (ITU): <b>R853m</b> <i>Phase 1: Brief/Scope: 2024   Design: 2026   Construction: 2027   Completion: 2028 to 2031</i>						
	Domestic Departure Lounge & Gates Extension A13-15: <b>R495m</b> <i>Concept/Brief: 2024   Design: 2026   Construction: 2027   Completion: 2029</i>						
	New Domestic Arrivals Terminal: <b>R2.3bn</b> <i>Concept/Brief: 2024   Design: 2026   Construction: 2027   Completion: 2031</i>						
	* New Realigned Runway: <b>R6.3bn</b> <i>Revised Brief: 2024   Design: 2026   Construction: 2027   Completion: 2030</i>						
	* Apron Development Bravo South (Phase 1 A): <b>R389m</b> <i>Brief: 2026   Design: 2028   Construction: 2029   Completion: 2030</i>						

\* New Projects/not included in previous Permission (2024-2028)

		Permission Period						
2027	2028	2029	2030	2031	2032	2033-36		

**CONSOLIDATED VIEW: CLUSTER 2**

CTIA	Code F Stands (A1 to A3) (Phase 1 A): <b>R462m</b> <i>Concept/Brief: 2025   Design: 2027   Construction: 2028   Completion: 2030</i>						
						New Parallel Runway: <b>R6.3bn</b> <i>Phase 1: Brief/Scope: 2032   Design: 2033   Construction: 2036   Completion: 2038</i>	
					Central Pier: <b>R2.9bn</b> <i>Concept/Brief: 2024   Design: 2026   Construction: 2027   Completion: 2029</i>		
		Delta Bussing Gates: <b>R257m</b> <i>Concept/Brief: 2027   Design: 2028   Construction: 2030   Completion: 2031</i>					

	Permission Period							
2026	2027	2028	2029	2030	2031	2032	2033-36	

**CONSOLIDATED VIEW: CLUSTER 2**

GEORGE	Terminal Expansion: <b>R974m</b> <i>Concept/Brief: 2024   Design: 2026   Construction: 2027   Completion: 2029</i>							
	Parking Reconfiguration: <b>R211m</b> <i>Revised Brief: 2028   Design: 2029   Construction: 2030   Completion: 2031</i>							
	*Code C Stands: <b>R257m</b> <i>Brief: 2028   Design: 2029   Construction: 2030   Completion: 2031</i>							
	ATC Tower Relocation: <b>R76m</b> <i>Brief: 2023   Design: 2033   Construction: 2034   Completion: 2036</i>							

\* New Projects/not included in previous Permission (2024-2028)

	Permission Period						
2027	2028	2029	2030	2031	2032	2033-36	

**CONSOLIDATED VIEW: CLUSTER 2**

GEORGE							*Runway Extension: <b>R1.6bn</b> <i>Concept/Brief: 2033   Design: 2034   Construction: 2036   Completion: 2038</i>
KIM	Baggage Belt and Lounge Extension: <b>R10m</b> <i>Concept/Brief: 2026   Design: 2027   Construction: 2028   Completion: 2028</i>						
Upington	CSP and Ablution Facilities: <b>R13m</b> <i>Concept/Brief: 2026   Design: 2027   Construction: 2028   Completion: 2028</i>						

\* New Projects/not included in previous Permission (2024-2028)

	Permission Period							
2026	2027	2028	2029	2030	2031	2032	2033-36	

**CONSOLIDATED VIEW: CLUSTER 3**

CDSIA	Terminal Expansion: <b>R2.5bn</b> <i>Concept/Brief: 2024   Design: 2025   Construction: 2027   Completion: 2030</i>							
	Departure Lounge Expansion: <b>R400m</b> <i>Concept/Brief: 2025   Design: 2026   Construction: 2027   Completion: 2030</i>							
CDSIA	*Runway Extension: <b>R1bn</b> <i>Concept/Brief: 2028   Design: 2029   Construction: 2031   Completion: 2033</i>							
	*Landside Upgrade (MSP): <b>R520m</b> <i>Concept/Brief: 2027   Design: 2028   Construction: 2030   Completion: 2032</i>							
KPA	*Code C Stand: <b>R55m</b> <i>Revised Brief: 2030   Design: 2031   Construction: 2032   Completion: 2033</i>							
	*ATC Tower Relocation: <b>R30m</b> <i>Brief: 2030   Design: 2031   Construction: 2032   Completion: 2033</i>							

\* New Projects/not included in previous Permission (2024-2028)

	Permission Period							
2026	2027	2028	2029	2030	2031	2032	2033-36	

**CONSOLIDATED VIEW: CLUSTER 3**

KPA	*Arrivals Upgrade: <b>R83m</b> <i>Concept/Brief: 2026   Design: 2027   Construction: 2028   Completion: 2029</i>							
KSIA	*International Terminal Expansion: <b>R2.4bn</b> <i>Concept/Brief: 2029   Design: 2030   Construction: 2032   Completion: 2036</i>							

\* New Projects/not included in previous Permission (2024-2028)

## IMPLEMENTATION OF ASSET MANAGEMENT AND PERFORMANCE MONITORING SYSTEM

The Company will adopt and implement an advanced information technology system for asset management and performance monitoring aligning with international standards to improve operational efficiency. The first phase of this intervention is planned for completion in the next three (3) years, with full implementation of the network-wide system in year five (5) of the permission. The adoption of IT-enabled systems will improve transparency, enhance monitoring, and enable data-driven decision-making, ensuring that ACSA effectively manages its assets and performance over time to enhance integrity and reliability over its useful life.

## CUSTOMER AND STAKEHOLDER ENGAGEMENT

ACSA is committed to delivering exceptional customer satisfaction and ensuring the highest standards of service quality across its network of airports, focusing on operational excellence, innovative solutions, and the seamless integration of cutting-edge technologies at enhance the passenger experience. This aligns with the Company's long-term vision of establishing itself among the world's leading airports. To achieve this ambitious goal, and as part of the Company's ongoing digital transformation, ACSA invests in advanced technologies to streamline passenger processes, optimise airport operations, and minimise waiting times. These technological advancements, such as automated check-in systems, and self-service kiosks, are designed to improve operational efficiency and enhance travel experience. The Company's focus on reducing delays and wait times contributes significantly to the overall satisfaction of travellers, ensuring that they have a positive and efficient journey through ACSA's airports.

To maintain and build on the Company's reputation as a leading airport operator in Africa, ACSA places strong emphasis on stakeholder engagement. This includes fostering and maintaining positive relationships with airlines, government agencies, service providers, and the local communities around its airports. ACSA will continue regular consultation and collaboration with these stakeholders to address their concerns and evolving challenges and needs and ensure that the Company's services align with the expectations of all parties involved. These relationships will continue to be top priority to ensure that ACSA not only enhances its customer service but also strengthens its role as a vital hub for facilitation of regional and international tourism and trade.

## NON-AERONAUTICAL REVENUE – CORE AND NON-CORE

Non-aeronautical revenue is a critical component of airport operations, representing nearly half of ACSA's total revenue. This revenue stream plays an essential role in supporting the airport's infrastructure, ensuring seamless operations. To maximise the potential of this important revenue segment, ACSA is committed to prioritising and evolving the non-aeronautical space in line with global best practices. This involves adopting innovative approaches

to enhance customer experiences, diversify offerings, and position the airport as both a destination of choice and a critical transit hub for Southern Africa.

### KEY FOCUS AREAS INCLUDE:

- Data-driven decision-making to better understand passenger behaviours, preferences, and trends. These insights will inform the continuous refinement of commercial offerings, ensuring relevance and appeal to diverse customer segments.
- Development of ACSA main airports as a destination by creating a vibrant environment that goes beyond functionality, offering a blend of retail, dining, entertainment, and cultural experiences.
- Enhanced transit experience by positioning the airports as a preferred transit point in the region by offering premium facilities, seamless connections, and amenities tailored to international and regional travellers.

By aligning non-aeronautical initiatives with data insights and industry-leading practices, the Company aims to sustain its position as a driver of economic activity and a key enabler of trade and tourism in Southern Africa.

## COMMERCIAL REVENUE PROFILE:

### Property Development, segmented into:

- Diverse Properties – Fuel stations, hotels, conferencing facilities, and more.
- Industrial Properties – Warehouses, cargo facilities, and general aviation infrastructure.
- Terminal Properties – Lounges, offices, and related amenities.

### Property Management, segmented into:

- Commercialisation to monetise ICT infrastructure, services and capabilities.
- Advertising: Capitalising on brand exposure across airport spaces.
- Retail, which encompasses core duty-free, food and beverage outlets, and specialty offerings etc.
- Airport access aiming at enhancing commercial offerings such as car rentals, e-hailing services, valet parking, and public parking facilities.

ACSA's approach emphasises balancing diversification with incremental growth of the regulated asset base to ensure sustainable value creation.

Furthermore, ACSA understands that providing high-quality service extends beyond technological advancements, but most importantly includes the creation of an enabling environment that supports economic growth, through positioning of South Africa as a key gateway to Africa and the global market. Through continuous investment in infrastructure and service excellence, ACSA's airports will remain vital, efficient, and accessible, helping to foster a positive image of South Africa on the global stage.

The Company's long-term strategic goals are grounded in the vision of becoming a leading global player in airport and aviation operations while fostering sustainable growth and supporting

broader socio-economic development. As a public entity with numerous stakeholders, ACSA must align its goals with national priorities, such as economic growth, job creation, social equity, and innovation. These goals are designed to be specific, measurable, and realistic, enabling ACSA to continuously adapt to a rapidly changing business environment, emerging technologies, and evolving customer expectations.

**The roadmap to enable future capabilities:**

The revised I.T roadmap is guided by the new Corporate Plan and divisional priorities, laying out a clear vision for the next five years. Key initiatives within the roadmap include:

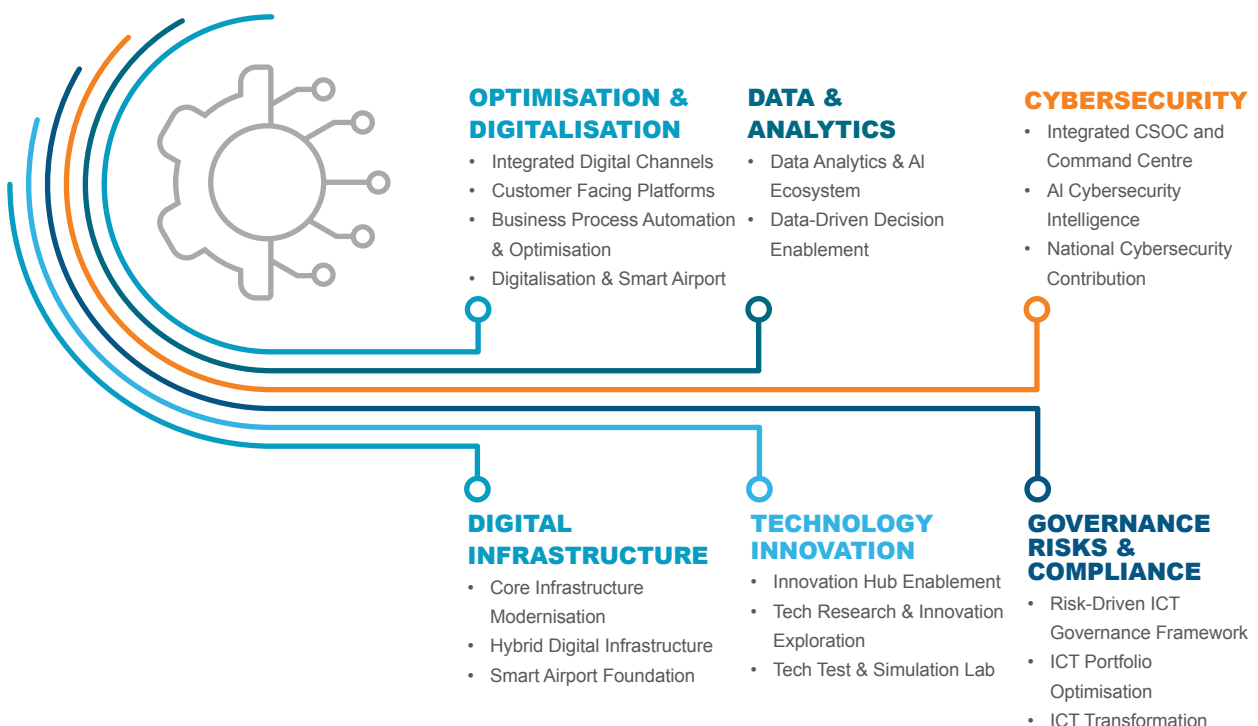
- Modernisation of infrastructure to support scalability and operational efficiency.
- Enhancing the digital workplace to empower employees with modern, collaborative tools.
- Implementing automation and artificial intelligence to optimise back-office processes and applications.
- Strengthening cybersecurity frameworks to protect the enterprise from emerging threats.
- Building advanced data ecosystems to support predictive analytics, customer insights, and strategic forecasting.

These initiatives aim to future-proof ACSA’s operations, enhance passenger experiences, and ensure long-term business sustainability..

The six IT strategic themes that were used to shape the business-enabling IT capabilities are as follows:



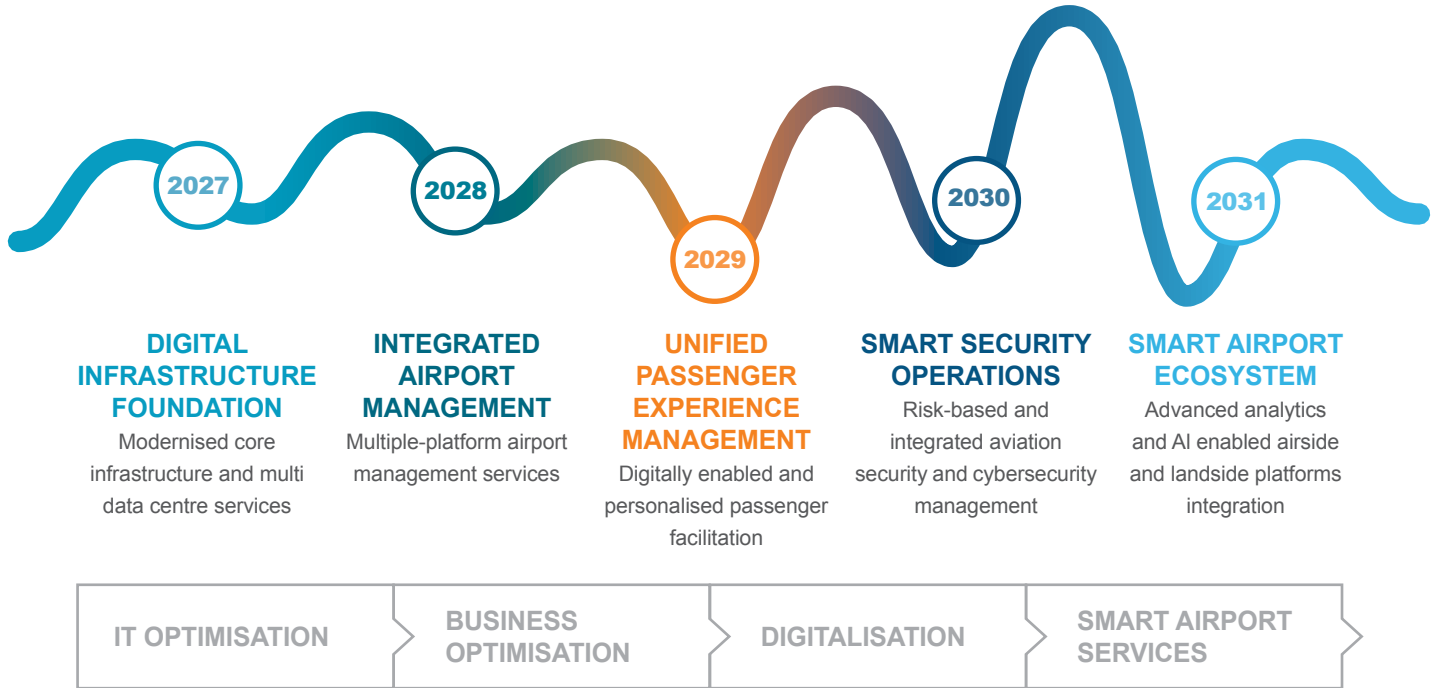
Figure: ICT strategic focus areas



ACSA seeks to build a future ready, digitally enabled airport enterprise through the modernisation and integration of core infrastructure, systems, and services.

The strategy is anchored on establishing a robust digital infrastructure foundation, enabling resilient, secure, and scalable multi data centre operations that support mission critical airport functions and long term growth.

Figure: 5-Year business enablement journey to airport 4.0





# 15



## STRATEGIC GOALS (SHORT TO MEDIUM-TERM)

## The short to medium term objectives outlined in this Corporate Plan reflect ACSA's urgent priorities for restoring operational strength, accelerating growth, and securing long term sustainability.

In the short-term (0-1 year) the Company will focus on developing an agile and high performing organization to drive its long-term ambitions of becoming the world sought after airport Company. This involves streamlining the workforce, enhancing performance management systems, and developing robust talent pipelines to support future growth. ACSA's organisational design strategy focuses on ensuring that its structure aligns with the strategic priorities of the business, enabling flexibility in adapting to changing market conditions and customer demands. The goal is to enhance both the efficiency and the effectiveness of operations, ensuring that resources are allocated where they are most needed while fostering a culture of high performance and accountability.

Furthermore, the objectives include prioritisation of the core of airport services with a particular focus on security, safety, and health perspectives for the benefit of all our stakeholders, both internal and external. This will include a clear and consistent communication of these priorities to ensure all personnel are aligned, resilient, and able to respond effectively during challenging times. Identify and remove performance barriers while providing the necessary tools and support systems, such as connectivity and enhanced digital solutions across all sites, and improved connectivity for both employees and users of our airports.

In partnership with the CSIR and The Innovation Hub, ACSA has established multidisciplinary agile teams to drive improvements

in customer experience, business processes, and technological systems. These teams' focus is on rapid prototyping, collaboration, and flexibility, enabling quick responses to evolving customer needs and operational demands. The executive leadership of ACSA is modelling agile practices through setting clear priorities, minimising bureaucratic obstacles, and fostering a culture of support and innovation.

### The objectives below are designed to address the organisation's most pressing strategic inflection points:

1. **Restoring Hub Status** by accelerating infrastructure upgrades, improving facilitation and security, strengthening airline incentives, and aggressively developing new regional and long haul routes.
2. **Reinforcing Air Freight Strategy** by modernising infrastructure, adopting advanced technologies, and shifting high value commodities to secure Africa's leading cargo hub position.
3. **Strengthening Stakeholder Engagement** through proactive, transparent engagement to build trust, strengthen alliances, manage high influence partners and ultimately improve coordination across aviation value chains, advancing ACSA's strategic objectives.
4. **Strengthening Innovation, Cyber Resilience, and Predictive Intelligence for Sustainable Aviation Operations** by fostering high trust stakeholder partnerships and steering technology adoption through robust, future focused governance practices.
5. **Strengthening Resilience Through Jet Fuel Infrastructure and Predictive Risk Management** by addressing critical supply risks and upgrading ageing infrastructure, adding redundancy, and expanding storage to stabilise operations, while also shifting toward predictive, intelligence led risk management practices.



# 16



## SUPPORTING VALUES

Our vision of becoming the best run, smart airport network in Africa, offering the most diverse, sought after services, and experience is underpinned by our core values – PRIDE: Passion, Results, Integrity, Diversity, and Excellence. These values drive our commitment to developing and managing airports that serve all stakeholders while contributing to South Africa’s socio-economic growth.

ACSA upholds its promise to connect people to places, dreams, and opportunities. Guided by the PRIDE values, the Company management and staff conduct business with professionalism, ethical integrity, respect, competence, and a spirit of innovation. These values are deeply embedded in every aspect of the Company’s operations, ensuring alignment with its strategic objectives, and contributing meaningfully to South Africa’s socio-economic development.

ACSA’s strategic focus areas are aligned with the broader national goals of fostering inclusive economic growth, job creation, and social development. These values are central to how the Company engage with both internal and external stakeholders and are key to the mission of delivering exceptional public service. The Group’s values include:

- Commitment to a high performing organisation driven by innovation to enhance operational efficiency, and sustainability. This includes agile workforce equipped to respond effectively to external challenges and opportunities, as well as commitment to developing leaders who exemplify professionalism, respect, and accountability.
- Attracting and retaining talent is the cornerstone of our success and to foster an inclusive work environment that prioritises employee well-being, and we aim to position ourselves as an employer of choice.
- The Company is committed to continuing to equip its workforce with the necessary skills to succeed in a technology-driven environment, integrating competencies from the Fourth Industrial Revolution (4IR). This will ensure that ACSA is prepared to adapt to emerging trends and future business needs.
- Upholding ethical standards in all aspects of our operations, including recruitment, performance management, and leadership development is important to position ACSA as a model for integrity and governance.
- Commitment to transformation is key for diversity, equity, and inclusion in all our operations, ensuring compliance with Broad-Based Black Economic Empowerment (B-BBEE) regulations and promoting youth employment. This also aligns with South Africa’s broader socio-economic development agenda.
- Respectful engagement with our customers and stakeholders is central to how the Company operate, whether in delivering

infrastructure, managing public resources, or engaging with local businesses, the priority is always respect for meaningful relationships, ensuring that our work is accessible, inclusive, and impactful.

- Balancing social responsibility with financial sustainability is crucial as we actively pursue commercially viable projects and services that contribute to socio-economic development while ensuring the long-term sustainability of the Company.

Employees and people in general are at the heart of the Company’s business. As ACSA pursues the implementation of the Innovate, Grow, and Sustain strategy, it is imperative that prioritisation is given to the development, engagement, and well-being of employees.

- As the Company evolves to meet the demands of the rapidly changing operating environment, it is crucial to foster a culture where talent is continuously developed, and organisational agility is prioritised through integration of innovative strategies and practical interventions that align with ACSA’s broader goals, driven by the Innovate, Grow, and Sustain strategy. The 2027 People and Culture Strategy core focus areas that will continue to play a pivotal part in addressing both current and future challenges while ensuring alignment with ACSA’s mission.

## ENHANCEMENT OF PROFESSIONAL DEVELOPMENT AND KNOWLEDGE SHARING

ACSA’s learning and development approach will play a crucial role in leveraging the ACSA Training Academy as a platform to deliver dynamic training programs that equip staff with the skills required for agile operations, technological innovation, and customer-focused practices. The Company’s digital platforms and physical meetings continue to play a critical role in fostering a collaborative culture that encourages knowledge exchange, team integration, and collective problem-solving across divisions. Additionally, cross-functional collaboration is important for seamless access to information and resources, improving communication and fostering innovation across teams.

## TRANSPARENCY AND EMPLOYEE SUPPORT

The Company promotes open communication through by providing regular updates on operations, business health, and strategic changes to both external and internal stakeholders. Transparency is important for reducing uncertainties, strengthening trust, and building resilience among the Company’s workforces. Additionally, as part of the innovation strategic pillar, the Company will establish forums for after-action reviews to capture lessons learned from innovative projects; and thus encourage a culture that views failure as an opportunity for growth and improvement.

Over the Corporate Plan period, as part of capability modelling ACSA will develop a framework that organises functions into customer experience, business process, and innovation teams, enabling targeted benefits from agile practices.

## PROMOTION OF DIVERSITY AND INCLUSIVE GROWTH

The Company will, over the Corporate Plan period and beyond, continue to drive diversity by prioritising the recruitment, retention, and promotion of underrepresented groups, aligning with the Company's sustainable growth and socio-economic development goals. This includes empowering employees by creating an environment that encourages them to make decisions, innovate, and contribute, supported by psychological safety and a focus on continuous learning.

### ORGANISATIONAL DESIGN FOR EFFICIENCY AND AGILITY

Organisational design remains a critical lever for building a flexible, high-performing business that adapts to internal growth priorities and external market shifts. The Company continues to strengthen operational efficiency through:

- Continuous alignment of the organisational structure with strategic and operational priorities.
- Exploration of flexible workforce models to improve scalability and cost effectiveness.
- Implementation of performance management systems that link structure, productivity, and accountability to business outcomes.
- 

### INTEGRATED WORKFORCE AND TALENT STRATEGY

Workforce planning and talent management remain central to sustaining capability and enabling growth. The attraction, development, and retention of the right skills entail:

- Regular review of the talent acquisition strategy to ensure access to high-potential and diverse talent.
- Identification of critical and emerging roles to build organisational resilience and business continuity.
- Implementation of integrated development pathways that strengthen internal mobility and build future leadership capacity.

### LEADERSHIP ACCOUNTABILITY AND CULTURE OF PERFORMANCE

Leadership effectiveness continues to underpin a culture of high performance and ethical responsibility. The Company drives leadership excellence through:

- Clear performance standards for all leadership levels linked to business delivery.
- Development programmes focused on strategic thinking, accountability, and ethical leadership.
- Ongoing measurement of leadership effectiveness and employee engagement to ensure alignment with organisational values and strategic goals.

## FUTURE SKILLS AND 4IR CAPABILITY DEVELOPMENT

The development of future-ready skills remains a strategic priority to ensure competitiveness in a rapidly evolving environment. The Company invests in building a digitally enabled workforce which involves:

- Targeted learning in data analytics, AI, automation, cybersecurity, sustainability, and green technologies.
- Establishing reskilling and upskilling pathways aligned with Airport 4.0 transformation.
- Leveraging partnerships with learning institutions to close critical skills gaps across the aviation sector.

### PEOPLE TRANSFORMATION, DIVERSITY, AND INCLUSION

An inclusive and empowered workforce remains key to organisational sustainability and innovation. The Company continues to advance transformation through:

- Active implementation of diversity, equity, and inclusion initiatives across all business units.
- Embedding transformation as an enabler of organisational and socio-economic growth.
- Fostering a psychologically safe and engaging work environment that encourages innovation and collaboration.

### CULTURE OF CHANGE AND INNOVATION

A culture that embraces change, innovation, and continuous improvement remains central to business success. The promotion of adaptability and innovation is done through:

- Change-leadership training that equips leaders to drive transformation effectively.
- Embedding innovation leadership as a core organisational capability.
- Encouraging employees to contribute ideas and participate in change initiatives across all levels.

### HUMAN CAPITAL IMPACT AND BUSINESS VALUE

Human Resources continues to position itself as a strategic enabler of business performance. This is achieved through:

- Monitoring key HR and financial metrics such as employee cost-to-revenue, training ROI, retention of critical skills, and absenteeism.
- Demonstrating return on human capital investment through improved performance, productivity, and engagement.
- Aligning people outcomes with the organisation's strategic and financial objectives.

## ACSA SUCCESSIVE EMPLOYMENT EQUITY PLAN

ACSA's talent acquisition policies and procedures are designed to actively support and promote the appointment of suitably qualified individuals from previously disadvantaged backgrounds. This commitment is integral to the Company's strategy of fostering a diverse and inclusive workforce that reflects the demographics of South Africa. When positions become vacant, the Company prioritizes candidates from underrepresented groups to ensure equitable opportunities.

Consistent with the requirements for Section 20, ACSA, as a designated employer, continuously prepares and implements an Employment Equity Plan that will achieve reasonable progress towards employment equity.

The development of previously disadvantaged individuals through the provision of skills training, employment of previously disadvantaged individuals both in terms of race and gender, the Successive Employment Equity Plan seeks to achieve the following objectives:

- Diversity Management; Cohesion and Corporate Culture awareness
- Job Access and Disability Empowerment
- Unlocking Skills and Young Talent Development – Career Progression
- Gender Equality inclusive of Women Empowerment
- Structured and planned Communication and engagement with all staff on the implementation of the EE Plan.

ACSA's approach is further demonstrated during peak season recruitment drives, where we localise hiring efforts to focus on geographical areas with a higher representation of previously disadvantaged individuals. This targeted approach not only supports employment in local communities but also aligns with our commitment to transformation and empowerment.

In addition to recruitment, we address long-term equity through structured succession programmes that aim to redress imbalances within ACSA. These programmes are designed to build robust talent pipelines, ensuring that our potential successor pools are rich with candidates from previously disadvantaged backgrounds. We invest in the training, development, and mentorship of these individuals to prepare them for future leadership roles and enable them to meet the qualifications and experience required when positions become available.

### Employment Equity progress against Numerical Goals and Targets

A comparative analysis against the National Economic Active Population (EAP) targets as at end of Q2 in the FY 2025/6 reflects a positive progress in achieving employment equity objectives. In some designated occupational categories as show in the lists below, ACSA is making significant progress:

The representation of black employees (A,C,I) is 95,7% which is higher than the National Economic Active Population (NEAP) target of 92,3%.

The representation of black (A, C, I) female employees is 45,9%, which is slightly higher than the National EAP target of 42,8%. This is a positive reflection.

The representation of African female employees is 44,2%, which is significantly higher than the National EAP target of 37,6%. This is a positive reflection.

Nonetheless, ACSA continues to experience areas of underrepresentation's. For example, White Males' representation which stands at 1,2% against the required NEAP of 4,2% and White Females' representation which stands at 0,9% against required NEAP of 3,5%. These gaps will be prioritised in the revised 5-year successive EE Plan for the period 2025 -2030.



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## TRANSFORMATION

Advancing the South African transformation agenda remains a central objective for ACSA. The Company has woven an inclusive, collaborative, and sustainable approach into its strategy and business model, aiming to propel transformation across its operations and communities. ACSA's transformation strategy aligns seamlessly with the United Nations Sustainable Development Goals and the National Development Plan, underlining the Company's integral role in creating and delivering value to its stakeholders.

Acknowledging the ever-changing dynamics of the business and industry, ACSA has formulated a strategic plan designed to adapt to evolving needs and challenges. This undertaking is particularly significant as it coincides with the alignment process of integrated transport charter codes, as outlined in the

amended B-BBEE (Broad-Based Black Economic Empowerment) Codes of Good Practice. The proactive integration reflects ACSA's commitment to compliance with the laws and regulations of the land, while emphasising its dedication to fostering comprehensive transformation and throughout the broader society.

Black participation within the economy remains a major challenge and requires the urgent attention and coordination of all key stakeholders to exploit strategic partnership opportunities and collaborations to reduce unemployment and ensure economic empowerment. The involvement and commitment of social partners are imperative to achieving all the goals as set out in the economic transformation strategy of the organisation. We further acknowledge the important and significant role of small, medium, and micro enterprises (SMMEs) and co-operatives in our economy, and are committed to invest, support, and develop SMMEs and co-operatives, those that are owned and/ or managed by black people, specifically the priority population groups such as women, youth, and people with disabilities.

To ensure a focused and conscious drive, transformational strategic objectives have been identified as crucial to assist in accelerating the Company's transformation agenda. The advancement of our transformation agenda spans across four key areas:

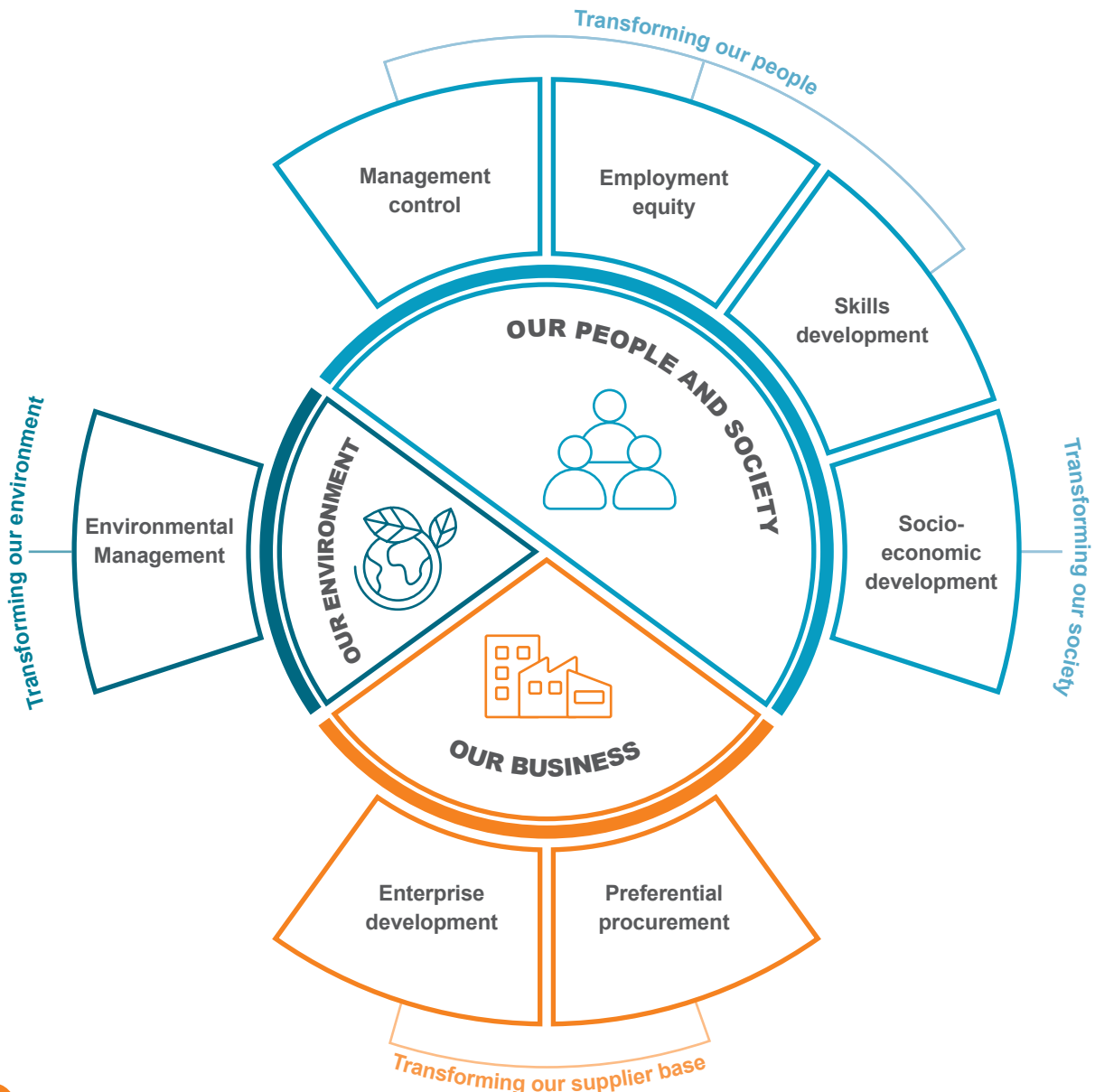
INCREASED MARKET ACCESS	BUILD CAPACITY	CONTRIBUTE TO SECTOR PARTICIPATION	PROMOTE ACCESS TO FUNDING
<ul style="list-style-type: none"> <li>• Number of new Black-owned service providers introduced into the industry.</li> <li>• % of procurement goods/ services issued and completed with Black-owned partnership requirement</li> </ul>	<ul style="list-style-type: none"> <li>• Number of Black professionals and/or small and medium enterprises (SMMEs) provided with training and up-skilling opportunities</li> </ul>	<ul style="list-style-type: none"> <li>• % of sector spend channelled toward SMMEs and black-owned service providers</li> <li>• % of sector revenue (where applicable) provided by Black-owned and SMME vendors</li> </ul>	<ul style="list-style-type: none"> <li>• % of QSE and EME supported in contract funding through direct spend</li> <li>• Number of Black-owned service providers supported with funding through leveraging of funding network (such as DFIs)</li> </ul>



The Company's integrated transformation agenda is demonstrated in the following figure:



**ACSA'S TRANSFORMATION PROCESS**



## ESG REPORTING STRATEGY

Sustainable airport development with stable economic growth, consistent with our organisational goals requires a broad set of actions in line with the needs and values of society. This is where the adoption of an environmental, social and governance framework is required, ACSA has embarked on an ESG and Sustainability journey, and a phased approach has been followed in line with the available resources to realise the ESG and sustainability ambition. Therefore, sustainable development and growth must strive to strike a balance between the needs of shareholders, stakeholders, and the communities within which the Company operates.

Alignment of the ESG reporting strategy with the Company's core business, and its adaptability across all three strategic horizons for continuous innovation and growth, is underway. The ESG programme will be an integral part of the Corporate Plan implementation. ESG priority focus areas have been identified,

and the materiality assessment including the Company's maturity level to adapt and adopt, has been conducted. The double materiality assessment has been concluded as part of phase two implementation of the ESG project. The outcomes of the double materiality assessment have informed the development of the ESG key performance indicators with targets, focused interventions, action plans and milestone timelines. The development of the sustainability framework will inform the revised ESG reporting strategy roadmap for the next horizon. A stakeholder engagement programme will be the key enabler for the full implementation of the programme. This will include the commitment of various stakeholders from shareholders, regulators, airlines, ground handlers, passengers, employees, suppliers and local communities amongst many stakeholders involved to make the change management process effective and ESG goals achieved collectively.



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## ACSA'S BUSINESS STANDARDS

The Company's business standards are rooted in sustainable, effective governance, stakeholder engagement, and continuous improvement, allowing us to add value for stakeholders while minimising negative impacts where possible.

## COMMITMENT TO BUSINESS STANDARDS

ACSA is committed to maintaining financial sustainability through ethical, professional, and responsible management of its resources. This includes ensuring robust governance over financial decisions, strategic investments, and transparent financial reporting. The Company will effectively manage its revenue streams encompassing aeronautical, non-aeronautical, and non-core activities, thereby making a significant contribution to South Africa's and the region's GDP.

ACSA's continued unqualified audits, conducted by the Auditor General of South Africa, reflect the Company's sound governance, further strengthening stakeholders and investors' trust. While the financial strain caused by the pandemic presented challenges, the Company's "Recover and Sustain Strategy" successfully mitigated losses, and ACSA has made significant progress in reversing the revenue downturn.

## MAINTENANCE AND INVESTMENT IN INFRASTRUCTURE

Post COVID-19 pandemic, ACSA has prioritised the maintenance of high-performing and critical infrastructure and technology to ensure that its assets meet international standards and operational excellence. Safety and operational integrity remain at the core of ACSA's service offerings, supported by efficient management systems that ensure compliance with global health and environmental standards. Although development projects were temporarily paused during the pandemic, the Company has reassessed and reinitiated them, reaffirming ACSA's commitment to innovation and service improvement.

## GOOD GOVERNANCE AND WORKFORCE DEVELOPMENT

ACSA is committed to ethical governance frameworks, innovative systems, and knowledge-sharing to ensure compliance with both local and international regulations. The Company fosters a culture of data-driven decision-making that enhances ACSA's ability to deliver high-quality service to airport users. The Company recognises that the headcount rationalisation programme during the peak of the pandemic led to a loss of key organisational skills and knowledge. ACSA is actively rebuilding this through targeted recruitment and

training programmes to advance innovation while maintaining high governance standards. Our strategic focus on "Innovate, Grow, and Sustain" is addressing these gaps to ensure continuous improvement and alignment with transformation initiatives.

Workforce development remains a priority for ACSA, with a key focus on skills training, equity, and the creation of an ethical, inclusive environment. The Company continues to develop and implement programmes that keep its workforce motivated, well-trained, and aligned with national developmental goals and priorities.

## OUR RELATIONSHIP WITH STAKEHOLDERS

ACSA is committed to actively engaging with stakeholders to build strong relationships through proactive collaboration and alignment with both local and international bodies. The Company's Social Economic Development (SED) programme continues to contribute positively to social upliftment and the enhancement of socio-economic development throughout the Corporate Plan period.

## ENVIRONMENTAL SUSTAINABILITY

Environmental sustainability is central to ACSA's strategy, with a focus on the efficient use of resources and the adoption of innovative practices to reduce environmental impact while supporting biodiversity across our network of airports. The Company's initiatives, including ACI's carbon accreditation, ISO 14001 certification, and solar farm expansions, highlight ACSA's commitment to sustainability. Although environmental challenges persist, ACSA will continue to proactively manage these risks and drive innovation to continuously improve our environmental performance.

## ISO STANDARDS

To ensure that we meet international best practices, ACSA adheres to several key ISO standards that enhance operational efficiency, environmental sustainability, and overall quality management:

- ISO 9001 Quality Management Systems (QMS) – to ensure that ACSA maintains high-quality management systems across all airport processes, including customer satisfaction, continuous improvement, and regulatory compliance.
- ISO 14001 Environmental Management Systems (EMS) – helps ACSA in managing and minimising the environmental impacts while enhancing sustainability, focusing on pollution control, waste management, energy efficiency, and reducing the environmental footprint.

Through our sustainability framework (Environment, Social, and Governance – ESG), ACSA creates and preserves value by responsibly leveraging these standards, building resilience within the business, contributing to societal well-being, and ensuring compliance with environmental standards.

# 19



## PERFORMANCE INFORMATION

## EMBEDDING THE SIX CAPITALS FRAMEWORK

At Airports Company South Africa (ACSA), our role as a global gateway requires a management approach that transcends traditional financial reporting. To ensure our FY2026/27-FY2028/29 Corporate Plan delivers on our mandate, we have anchored our performance monitoring in the Six Capitals Framework.

CAPITALS	STRATEGIC OBJECTIVE	INPUTS	OUTCOMES	FY 2026/27	FY 2027/28	FY 2028/29
FINANCIAL	Financial Sustainability	Increase Financial sustainability	EBITDA	R3 306m	R3 995m	R4 541m
			ROCE	6.3%	7.6%	5.9%
	Diversify the business portfolio	Increase aeronautical revenue	Aeronautical revenue	R5 285m	R5 718m	R6 178m
		Increase non-aeronautical revenue	Non-aeronautical revenue	R4 263m	R4 668m	R5 077m
	Increase cargo throughput across the ACSA network	Cargo throughput	548 278 Metric tonnes	649 638 Metric tonnes	757 911 Metric tonnes	
CAPEX	Asset Creation	Increase airport capacity	CAPEX Spend	R1 291m	R6 382m	R11 915m
INTELLECTUAL	Smart Airport	Increase the number of Innovation initiatives	Innovation Impact Index	40	40	40
		Fully digitised airport operations, customer-facing platforms and enterprise business capabilities	% implementation of optimisation and digitalisation of airport operations, customer facing platforms and enterprise business capabilities	60%	80%	>80%
HUMAN	Transform ACSA business	Increase job opportunities	Number of job opportunities	29 656	51 535	76 389
		Achieve BBBEE Level	BBBEE Level	Level 1	Level 1	Level 1
		Increase Black Business Share of Commercial Revenue	Black Business Share of Commercial Revenue	60%	60%	65%
		Increase Employee Productivity	Labour Productivity Index	3,2	3,3	3,5
SOCIAL AND RELATIONSHIP	Increase reputation	Maintain efficiency factor as per permission	Efficiency factor	2,75%	2,75%	2,75%
		Maintain a secure airport	Airport Security Performance Index (ASPI)	50	50	50
		Maintain a positive reputation with all stakeholders	Reputation Index	65%	70%	70%
		Increase customer service excellence across the network	Airport Service Quality (ASQ) Level	3,95	4,0	4,5
NATURAL		Reduce environmental impact	Carbon Accreditation	Maintain ACI Level 2 >=2 Airports. Attain level 3 >=2 airports.	Maintain ACI Level 2 >=3 Airports. Attain level 3 >=2 airports.	Maintain ACI Level 2 >=3 Airports. Attain level 3 >=2 airports.

## ALIGNMENT TO DEPARTMENTAL STRATEGIC FOCUS AREAS

ACSA's strategic objectives and KPI's give effect to the Department of Transport's focus areas—particularly financial sustainability, safety and security, economic growth, transformation, environmental stewardship, and innovation—thereby reinforcing the company's mandate as a critical enabler of South Africa's aviation and economic ecosystem.

The Department of Transport's strategic objectives establish the national policy direction for advancing a safe, reliable, integrated, and economically enabling transport system. Within this framework, ACSA aligns its strategic pillars and performance indicators to ensure that its operations, investments, and transformation efforts meaningfully contribute to these priorities.

CORE PILLAR	STRATEGIC OBJECTIVE NAME	DEFINITION	LINK TO THE DEPARTMENT OF TRANSPORT MANDATE	KEY PERFORMANCE INDICATOR
INNOVATE, GROW AND SUSTAIN	Financial sustainability	Financial sustainability is the ability to weather unforeseen times of financial hardship such as COVID-19 and its impact.  Measures are designed to allow the Company to allocate resources to priorities or core activities to ensure long-term sustainability for stakeholders.	<ul style="list-style-type: none"> <li>Safety and security</li> <li>Economic growth and job creation</li> <li>Seamless integration of public transport across modes</li> <li>Accelerating transformation towards greater economic participation</li> </ul>	<ul style="list-style-type: none"> <li>EBITDA</li> <li>ROCE</li> <li>Capex Allocation Target</li> </ul>
	Diversify the business portfolio	Growing our footprint not only includes expanding our geographic presence, but includes packaging innovative products and services towards diversifying our business portfolio as well as development of Mid-field Cargo	<ul style="list-style-type: none"> <li>Economic growth and job creation</li> <li>Accelerating transformation towards greater economic participation</li> </ul>	<ul style="list-style-type: none"> <li>Aeronautical Revenue</li> <li>Non-aeronautical revenue</li> <li>Cargo Throughput</li> </ul>
	Increase our reputation through demonstrated business excellence.	Increasing our reputation is securing an emotional bond that ensures people use our airports, buy our products and services, our investors support us, policymakers and regulators give us benefit of the doubt and our employees are aligned and deliver on our strategy.	<ul style="list-style-type: none"> <li>Safety and security</li> <li>Seamless integration of public transport across modes</li> </ul>	<ul style="list-style-type: none"> <li>Reputation index</li> <li>Security Index</li> </ul>
		Concerted effort to ensure passenger safety at our airports. Benchmarked and aligned with international standards, the focus of the current initiatives is to prioritise the passenger satisfaction drivers, which include infrastructure improvements, security processes, technological enhancements to ease passenger facilitation, wellness, cleanliness, and sanitation to create confidence, loyalty and enhance the overall customer experience.	<ul style="list-style-type: none"> <li>Safety and security</li> <li>Seamless integration of public transport across modes</li> </ul>	<ul style="list-style-type: none"> <li>ACI Passenger satisfaction</li> <li>Efficiency Factor</li> </ul>
	Reduce environmental impact	Be a responsible airport operator with the obligation of minimising the impact our operations may have on the environment. Committing to reduce our carbon emissions with the goal to become carbon neutral. In addition, focusing on energy conservation, climate change, water, waste, air, air quality, noise management and biodiversity.	<ul style="list-style-type: none"> <li>Just Energy Transition</li> </ul>	<ul style="list-style-type: none"> <li>ACI Carbon Accreditation Footprint level</li> </ul>
	Transform ACSA business	Increase participation of designated groups within the Company's operations  Increasing economic participation in the Company's value chain (supply chain and commercial)  Empower designated groups so that they can harness better work opportunities (attract, develop, and retain)  Socially responsible business in South Africa	<ul style="list-style-type: none"> <li>Economic growth and job creation</li> <li>Accelerating transformation towards greater economic participation</li> </ul>	<ul style="list-style-type: none"> <li>B-BBEE level</li> <li>% Black business share of Commercial Revenue generated</li> <li># of job opportunities created</li> <li>Labour Productivity Index</li> </ul>
Smart Airport	Effectiveness and outcomes of innovation initiatives in driving organizational growth, operational efficiency, and customer satisfaction. Index serves as a holistic measure to track progress, assess the return on innovation investments, and align them with strategic objectives.	<ul style="list-style-type: none"> <li>Economic growth and job creation</li> <li>Acceleration of transformation for greater economic participation of SMMEs</li> </ul>	<ul style="list-style-type: none"> <li>Innovation Impact Index</li> <li>% implementation of optimisation and digitalisation of airport operations and customer facing platforms enhancements and integrations for enterprise resource planning and management platforms</li> </ul>	

CORE PILLAR	STRATEGIC OBJECTIVE NAME	DEFINITION	LINK TO THE DEPARTMENT OF TRANSPORT MANDATE	KEY PERFORMANCE INDICATOR
INNOVATE, GROW AND SUSTAIN	Business digitisation	Rapid advances in technology represent a competitive threat and opportunity. Technology heightens the threat of business disruption and cyber-crime. Enables our airports to improve operational efficiency and management of safety and security. Allows ACSA to increase demand by our customers and commercial partners for automated services and digital enablement, including data analysis.		
	People and culture	ACSA is committed to attracting and retaining key talent through the effective management of employment equity, focusing on people with disabilities, youth development, improving the lives of our employees and ensuring a stable employee relations environment.		
	Knowledge management and innovation	To cultivate a culture of innovation and lead the way in innovative thinking and creative problem-solving. The creation and enablement of an environment to experiment with creative and innovative ideas to deliver sustainable business outcomes.		
	Supply chain management	To enhance corporate and operational supply chain processes in line with best practice in a manner that facilitates the development and management of world-class airports		



## KEY PERFORMANCE INDICATOR INFORMATION FOR THE PERIOD FY 2026/27 – FY 2028/29

KEY PERFORMANCE INDICATOR		BASELINE FY2024/25 (AUDITED)	BASELINE (FY 2025/26) (TARGET)	FY 2026/27	FY 2027/28	FY 2028/29
<b>STRATEGIC OBJECTIVE</b>						
<b>FINANCIAL SUSTAINABILITY</b>						
<b>KPI name</b>	<b>EBITDA</b>	R2 844 m	R 2 907m	R3 306m	R3 995m	R4 541m
<b>KPI definition</b>	Company Earnings before interest, taxes, depreciation, and amortisation					
<b>KPI formula</b>	EBIDTA target is considered achieved when actual performance reaches or exceeds target					
<b>KPI name</b>	<b>ROCE</b>	N/A	5.7%	6.3%	7.6%	5.9%
<b>KPI definition</b>	Return on Capital Employed - ROCE is a key performance measure because it focuses on the relationship between the inputs and outputs of the business.					
<b>KPI formula</b>	ROCE = Earnings Before Interest and Tax (EBIT)/ Capital Employed					
<b>STRATEGIC OBJECTIVE</b>						
<b>DIVERSIFY THE BUSINESS PORTFOLIO</b>						
<b>KPI name</b>	<b>AERONAUTICAL REVENUE</b>	R4 061m	R 4 746m	R5 285m	R5 718m	R6 178m
<b>KPI definition</b>	Revenue derived from aeronautical activities (landing, passenger fees, and parking fees)					
<b>KPI formula</b>	Revenue from departing passengers and air traffic movements					
<b>KPI name</b>	<b>NON-AERONAUTICAL REVENUE</b>	R3 636m	R 3 818m	R4 263m	R4 668m	R5 077m
<b>KPI definition</b>	Commercial revenue that includes retail, advertising, car rental, car parking, property, consultancy and advisory, training and IT revenues earned					
<b>KPI formula</b>	Non-aeronautical revenue target is considered achieved when actual performance reaches or exceeds target					
<b>KPI name</b>	<b>CARGO THROUGHPUT</b>	New KPI	520 000 Metric Tonnes	548 278 Metric tonnes	649 638 Metric tonnes	757 911 Metric tonnes
<b>KPI definition</b>	Total annual volume of cargo handled across ACSA network of airports, including freight, mail, and express parcels, reflecting ACSA's role in supporting logistics and trade					
<b>KPI formula</b>	Cargo declared by airlines					
<b>STRATEGIC OBJECTIVE</b>						
<b>ASSET CREATION</b>						
<b>KPI name</b>	<b>CAPITAL EXPENDITURE (CAPEX)</b>	R850m	R 1 850 m	R1 291m	R6 382m	R11 915m
<b>KPI definition</b>	Targeted capital expenditure					
<b>KPI formula</b>	The CAPEX target is considered achieved when actual performance reaches or exceeds target					

KEY PERFORMANCE INDICATOR		BASELINE FY2024/25 (AUDITED)	BASELINE (FY 2025/26) (TARGET)	FY 2026/27	FY 2027/28	FY 2028/29
STRATEGIC OBJECTIVE <b>INCREASE REPUTATION</b>						
<b>KPI name</b>	<b>REPUTATION INDEX</b>	61.5%	60%	65%	70%	70%
<b>KPI definition</b>	Reputation Index Measure comprises of the perceptions and the degree to which stakeholders admire, trust, respect and have an overall good feeling towards the Company.	Reputational Index Survey	Reputational Index Survey	Reputation index survey	Reputation index survey	Reputation index survey
<b>KPI formula</b>	Reputation survey data is captured in the RepTrak® Pulse, and an outcome score from 0–100, with 100 being the best, is computed. Every second year of the measure will be based on a peer review of the Company					
<b>KPI name</b>	<b>ASQ INDEX</b>	3,92	3,74	3,95	4,0	4,0
<b>KPI definition</b>	Indicator illustrates the passenger view and assessment of our airports' delivery of airport customer-focused services. This indicator is derived from the independent and approved ASQ programme managed by ACI.					
<b>KPI formula</b>	ASQ survey covers thirty-four service areas clustered across the following categories access, airline service, security, finding your way, airport facilities, airport environment and airport arrivals services. ASQ survey findings are administered by an external firm on behalf of ACI. Scoring scale: 1–5 with one being poor and five being excellent. The Group ASQ score takes an average of the nine airports ASQ scores.					
<b>KPI name</b>	<b>EFFICIENCY FACTOR</b>	1.7%	1,5%	2,75%	2,75%	2,75%
<b>KPI definition</b>	Efficiency factor serves as an evaluation of the Company's ability to optimize revenue generation while managing costs.					
<b>KPI formula</b>	Efficiency Index and Financial Outputs					

STRATEGIC OBJECTIVE <b>INCREASE REPUTATION</b>						
<b>KPI name</b>	<b>AIRPORT SECURITY PERFORMANCE INDEX (ASPI)</b>	N/A	50	50	50	50
<b>KPI definition</b>	ASPI is a comprehensive metric designed to monitor and improve the effectiveness of security measures and protocols at the airport. It ensures alignment with international standards, fosters a secure environment for passengers and staff, and mitigates risks.  Aggregates critical security performance indicators, such as incident response times, compliance with regulatory audits, detection efficiency, and passenger/ staff safety metrics. This holistic index provides insights into operational risks and the effectiveness of preventive measures.					
<b>KPI formula</b>	ASPI target is considered achieved when the actual performance reaches or exceeds an index of 50  ASPI will be calculated using a weighted scoring system based on the following metrics (weight): <ul style="list-style-type: none"> <li>• Security Incident Rate - Number of security breaches or threats per 1,000 passengers. (30%)</li> <li>• Compliance Rate - Percentage of successful audits or inspections against ICAO and local regulatory standards. (35%)</li> <li>• Staff Training Completion - Percentage of security personnel with up-to-date training certificates. (35%)</li> </ul>					

## KEY PERFORMANCE INDICATOR INFORMATION FOR THE PERIOD FY 2026/27 – FY 2028/29 (CONTINUED)

KEY PERFORMANCE INDICATOR		BASELINE FY2024/25 (AUDITED)	BASELINE (FY 2025/26) (TARGET)	FY 2026/27	FY 2027/28	FY 2028/29
<b>STRATEGIC OBJECTIVE</b>						
<b>TRANSFORM ACSA BUSINESS</b>						
<b>KPI name</b>	<b>B-BBEE LEVEL</b>	Level 2	Level 1	Level 1	Level 1	Level 1
<b>KPI definition</b>	Company's B-BBEE recognition level is based on a public-sector scorecard framework which reflects the Company's contribution to broad-based Black economic empowerment.  NB: The set targets are subjected to change when the amended Integrated Transport Sector Codes are promulgated by the DTI Minister. B-BBEE level targets as the amended codes are still in the process of review. ACSA is using the old targets					
<b>KPI formula</b>	B-BBEE Rating (Use DTI Qualification Scoring and Independently Approved Score)					
<b>KPI name</b>	<b>% BLACK BUSINESS SHARE OF COMMERCIAL REVENUE GENERATED</b>	68%	60%	60%	60%	60%
<b>KPI definition</b>	Indicator informs stakeholders of the Company's intent to further Black business entrepreneurship through increasing the share of commercial revenue opportunities awarded to Black businesses.					
<b>KPI formula</b>	Commercial revenue to Black business X 100) / (Total commercial revenue generated)  Where "Black business" is defined as one where the Company has >51% Black management control and ownership. And commercial revenue is defined as revenue generated from revenue-sharing models, i.e. – retail, car hire/rental, and advertising.					
<b>KPI name</b>	<b># OF JOB OPPORTUNITIES CREATED</b>	23 959	18 705	29 656	51 535	76 389
<b>KPI definition</b>	Measure indicates number of job opportunities created by the Company.					
<b>KPI formula</b>	The # of Job opportunities calculated using direct jobs through CAPEX and OPEX spend including employee costs and indirect jobs SED, procurement etc.					
<b>KPI name</b>	<b>LABOUR PRODUCTIVITY INDEX</b>	New KPI	New KPI	3,2	3,3	3,5
<b>KPI definition</b>	Measures workforce cost efficiency and capacity sustainability to support strategic decisions on affordability, resourcing, and workforce optimisation.  Strategic value: Enables leadership to evaluate affordability and scalability of the workforce model, identify structural cost pressures early, and support decisions on workforce planning, resourcing, automation, and cost containment without undermining capability and employee engagement..					
<b>KPI formula</b>	[Workforce Cost to Revenue x 70% + Absenteeism Rate x 5% + Capability Programme Coverage x 15% + Organisational Vacancy Rate x 10%]/4					

KEY PERFORMANCE INDICATOR		BASELINE FY2024/25 (AUDITED)	BASELINE (FY 2025/26) (TARGET)	FY 2026/27	FY 2027/28	FY 2028/29
<b>STRATEGIC OBJECTIVE</b>						
<b>SMART AIRPORT</b>						
<b>KPI name</b>	<b>INNOVATION IMPACT INDEX</b>	N/A	30	30	40	40
<b>KPI definition</b>	Innovation Impact Index evaluates the effectiveness and outcomes of innovation initiatives in driving organizational growth, operational efficiency, and customer satisfaction. Serves as a holistic measure to track progress, assess the return on innovation investments, and align them with strategic objectives.					
<b>KPI formula</b>	Annual weighted scoring system that includes number of innovative ideas explored (30%), number of innovations implemented (20%), revenue/cost impact of innovations (20%), customer experience improvement (20%), sustainability contributions (10%), with each component scored on a 100-point scale and combined into a single index value					
<b>KPI name</b>	<b>FULLY DIGITISED AIRPORT OPERATIONS, CUSTOMER FACING PLATFORMS AND ENTERPRISE BUSINESS CAPABILITIES</b>	New KPI	New KPI	60	80	>80
<b>KPI definition</b>	% implementation of optimisation and digitalisation of airport operations, customer facing platforms and enterprise business capabilities					
<b>KPI formula</b>	(Total number of digitised customer-facing capabilities, and enterprise support capabilities) / (Total number of customer-facing capabilities and enterprise support capabilities) * 100					
<b>STRATEGIC OBJECTIVE</b>						
<b>REDUCE ENVIRONMENTAL IMPACT</b>						
<b>KPI name</b>	<b>ACI CARBON ACCREDITATION LEVEL</b>	Maintain ACI level 2 accreditation for O.R Tambo, Cape Town and Chief Dawid Stuurman international airports and attain level 3 for King Shaka International Airport	Maintain ACI Level 2 Certification for at least 2 Airports and attain level 3 for at least one airport	Maintain ACI Level 2 Certification for at least 2 Airports and attain level 3 for at least one airport	Maintain ACI Level 2 Certification for at least 2 Airports and attain level 3 for at least two airports.	Certification for at least 3 Airports and attain level 3 for at least two airports.
<b>KPI definition</b>	Assessment and recognition of our airports' efforts to manage and reduce our CO <sub>2</sub> emissions.					
<b>KPI formula</b>	ACI's, Airport Carbon Accreditation – recognises and accredits the efforts of airports to manage and reduce their carbon emissions. There are four levels of certification: Mapping, Reduction, Optimisation and Neutrality. Airport Carbon Accreditation is based on existing international standards in the reporting and accounting of greenhouse gas emissions.					

## QUARTERLY PERFORMANCE INFORMATION FOR THE PERIOD FY 2026/27

CORE PILLAR	STRATEGIC OBJECTIVE NAME	KEY PERFORMANCE INDICATOR	Q1	Q2	Q3	Q4
INNOVATE, GROW AND SUSTAIN	Financial Sustainability	EBITDA (Cumulative)	R826m	R1653m	R2480m	R3306m
		ROCE	6.3%	6.3%	6.3%	6.3%
		Capital Expenditure (CAPEX) (Cumulative)	R253m	R528m	R821m	R1 291m
	Diversify the business portfolio	Aeronautical revenue (Cumulative)	R1321m	R2642m	R3963m	R5285m
		Non-aeronautical revenue (Cumulative)	R1066m	R2132m	R3198m	R4263m
		Cargo Throughput (Cumulative in Metrics Tonnes) (ANNUAL)				548 278 Metric Tonnes
	Increase reputation	Reputation index (ANNUAL)				65% Reputation index survey
		ASQ Index	3,95	3,95	3,95	3,95
		Efficiency Factor	2,75%	2,75%	2,75%	2,75%
		Airport Security Performance Index (ASPI)	50	50	50	50
	Transform ACSA business	B-BBEE Level (ANNUAL)				Level 1
		% Black business share of commercial revenue generated	60%	60%	60%	60%
		# of job opportunities created (Cumulative)	9573	15 904	22547	29 656
		Labour Productivity Index (ANNUAL)				3,2
	Smart Airport	Innovation Impact Index (ANNUAL)				30
		Fully digitise airport operations, customer-facing and enterprise support business capabilities (ANNUAL)				60%
	Reduce environmental impact	ACI Carbon Accreditation Footprint Level (ANNUAL)				Maintain ACI Level 2 Certification for at least 2 Airports and attain level 3 for at least one airport

## SHAREHOLDER MANDATE KPI

OUTPUT INDICATOR	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30
Cargo throughput	548 278 Metric Tonnes	649 638 Metric Tonnes	757 911 Metric Tonnes	1 239 071 metric tonnes exceeding the shareholders target of 1,2 million Metric Tonnes
Cargo capacity across the ACSA network	1 082 730 Metric Tonnes	1 082 730 Metric Tonnes	1 082 730 Metric Tonnes	1 457 730 Metric Tonnes
Passenger capacity across the ACSA network	54 million	54 million	54 million	63 million
Passenger throughput	37 million	38 million	41 million	42 million
ROCE	6.3%	7.6%	5.9%	
Internationally benchmarked - customer experience (ASQ)	3,95	4,0	4,0	4,0
# of severe and major SACAA safety audit findings (including Apron Operations, ARFF, QMS, Civil & Electrical)	60	60	50	40
# of Level 1 security audit findings, SACAA, TSA, FAA, ICAO	0 Level 1 repeat findings	0 Level 1 repeat findings	0 Level 1 repeat findings	0 Level 1 repeat findings



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## RISK MATERIAL MATTERS

## ACSA RISK MANAGEMENT OVERVIEW

Identifying risks to the Company is part of the standard operating procedures and remains a key priority at ACSA. The ACSA risk universe has remained dynamic and continues to be influenced by multiple external factors, including natural disasters and geopolitical risks.

Below is the detailed table of risk material matters:

Table: Risk Material Matters

#	STRATEGIC OBJECTIVE	RISK THEME	RISK DESCRIPTION	RISK MITIGATION
1	Increase reputation through demonstrated excellence.	Security	Acts of Unlawful interference within Aviation operations.	<ul style="list-style-type: none"> <li>Implement continuous threat and vulnerability monitoring, leveraging insights from relevant security agencies and stakeholders to enhance risk awareness and inform proactive aviation security actions.</li> <li>Continuously oversee and manage pending critical security breach cases to strengthen accountability and reinforce security controls.</li> <li>Strengthen and expand Multidisciplinary Task Teams across all ACSA airports to ensure coordinated oversight and effective management of security risks.</li> <li>Replacement of obsolete x-ray machines with Smart Security technology.</li> <li>Implement innovative security solutions within the aviation environment to enhance surveillance capability and strengthen overall aviation security resilience.</li> <li>Implement minimum General Aviation Security measures as per the approved GA strategy.</li> <li>Implement Integrated National Command Centre with an Intelligent Integrated Security System. i.e. Integrated Security Surveillance, advance access systems, PIDS, LPR and Panic Alarms, Facial recognition and behaviour monitoring technologies. Deployment of a tactical Crime prevention and intervention unit for high-Risk areas Protection of all critical assets and infrastructure Critical analysis and its consequential impact of high impact crimes, especially organised crime, and syndicates.</li> <li>Development of MOAs with Law Enforcement agencies as per partnership strategy.</li> </ul>
2	Increase reputation through demonstrated excellence.	Reputation Management	Ageing Infrastructure resulting in increased maintenance costs and service unavailability.	<ul style="list-style-type: none"> <li>Request additional budget for both OPEX and CAPEX for critical asset refurbishment/replacement/maintenance.</li> <li>Recruitment for critical skills to enable execution.</li> <li>Prioritisation of maintenance requirements based on review.</li> <li>Prioritisation of maintenance services for all key and core assets together with adequate support from OEMs and/or SMEs requirements based on review.</li> <li>Continue with asset assurance and performance program to identify challenges and assess progress</li> <li>Condition assessment to proactively reveal defects.</li> </ul>
3	Innovate, Grow and Sustain.	Resilience	Failure to execute capex plan impacting responsiveness to growth, leading to internal constraints.	<ul style="list-style-type: none"> <li>Consolidation of multidisciplinary teams to remove silos.</li> <li>Improve accuracy of information by implementing a CAPEX management process.</li> <li>Create enabling policy documents to achieve synergies between CAPEX execution and approval processes.</li> <li>Centralise Enterprise Project Management Office administration to effectively manage the function specific project management offices previously operating independently.</li> <li>Implement full EPM standards in all PMOs</li> <li>Implement Category Management to centralise the efficient planning of procurement and improve the responsive bids rate</li> <li>Implement an annual SCM led annual procurement plan that aligns with the capital program, delivers resources in advance of the need and focusses on the provision supply that meets business needs and objectives</li> <li>Align an integrate SCM process with project process and integrate SCM business partners with PMOs</li> <li>Optimise the use of SCM resources by implementing SCM led term contracts for routine procurement is stationary, grass cutting</li> <li>Implement a SCM performance office that monitors the total SCM lifecycle from the original DR to the final PO.</li> <li>Improved probity processes to improve chances of successful appointment of service providers.</li> <li>Improved bid specifications documents to reduce errors in the procurement process.</li> </ul>
4	Increase reputation through demonstrated excellence.	Resilience	Ineffective contract management characterised by revenue leakages, inflated costs, and emergency procurement risk.	<ul style="list-style-type: none"> <li>End to end management of contracts starting with drafting until day-to-day management of contracted parties.</li> <li>Reconsider outsourcing and other arrangements in line with the aspirations of legislation</li> <li>Management of potential irregularities and expenditures.</li> <li>Review of operating and service delivery model in line with ACSA mandate.</li> <li>Review of sourcing value chain to ensure alignment and efficiency.</li> </ul>

#	STRATEGIC OBJECTIVE	RISK THEME	RISK DESCRIPTION	RISK MITIGATION
5	Increase reputation through demonstrated excellence.	Reputation Management	Inability to consistently maintain ACSA's reputation.	<ul style="list-style-type: none"> <li>Implement proposals from customers on how to improve the service offered to them.</li> <li>Acknowledge customer, staff, and stakeholder feedback, both positive and negative.</li> <li>Intentionally remain present at industry gatherings and platforms to tell the ACSA story first hand.</li> <li>Creating media partnerships with journalists so they reach out to ACSA for accurate information. A Media Engagement Plan is in place to ensure that healthy partnerships with editors, journalists, field reporters, and producers are created.</li> <li>Media Releases, Media engagements through different platforms</li> <li>Proactively profiling ACSA externally</li> <li>The digital and media relations team responds to social media/traditional media queries timeously with accurate information.</li> <li>Training and Internal Communication drive on protocols of responding to media queries</li> <li>Interdepartmental approach on how to deal with approach towards handling of media queries.</li> <li>Encourage voluntary compliance to rules regarding communication by staff with external parties, (In the absence of change in behaviour report staff to their line managers to collectively determine further action to be taken).</li> <li>Research to improve various brand touchpoints (Brand touchpoint audit) (Brand Health-assessment, Customer Experience Research, Brand Touch-points Refresher)</li> <li>Platforms for dissemination and collaboration on information/queries from stakeholders (including newsletters: ground-up). •Review of stakeholder relations management procedure.</li> <li>Socialization of brand reputation internally (BMS Internal Roadshows).</li> </ul>
6	Increase reputation through demonstrated excellence.	Security	Cyber threats and regulatory safeguard requirements.	<ul style="list-style-type: none"> <li>Security modernisation enablement.</li> <li>Implementation of information protection and data classification controls.</li> <li>Security operation centre enabled, penetration testing services acquired, email security capabilities improved.</li> <li>Enabled increased PKI digital certificates for both confidentiality and integrity.</li> <li>Three-year roadmap in placed and approved by board, roles, and responsibilities as well as structure defined, cyber services and controls defined and enabled.</li> <li>Enablement of cloud application security along with identity protection.</li> <li>Third-party service provider risk mitigations in place.</li> <li>Periodically assess cyber insurance coverage for current and emerging risks</li> <li>Regular assessment of cyber security contractors.</li> </ul>
7	Innovate, Grow and Sustain.	Resilience	ACSA's inability to achieve sustainable financial growth.	<ul style="list-style-type: none"> <li>Partnerships to facilitate trade and promote new global and domestic tourism.</li> <li>ESG framework development and implementation.</li> <li>Review and implementation of commercial Strategy 2025 – 2030.</li> <li>Marketing, passenger, and non-traveller growth strategy.</li> <li>Planning and implementation of ACSA growth strategy initiatives (ACSA global L11 aerropolis strategy, cargo strategy, ground handling strategy, fuel strategy, and training academy strategy).</li> <li>Pursue South Africa's foreign policy and bilateral relations in trade, tourism, agriculture and air transportation for new traffic and route development initiatives.</li> <li>Implementation of energy security and efficiency measures for all ACSA Airports.</li> <li>Contribute to development of tourism strategy and air freight strategy to promote trade facilitation.</li> </ul>
8	Foster a positive employee workforce and environment.	Human Capital	Loss of key industry-wide skills, including inability to retain talent and fill vacancies in a highly competitive recruitment environment.	<ul style="list-style-type: none"> <li>Implementation and monitoring of HR Optimization Plan</li> <li>Continuous implementation of ACSA Recruitment policy, procedures, and practices to adhere to the Recruitment turnaround time (72 days)</li> <li>Implementation of succession planning.</li> <li>Implementation of the resourcing plan.</li> <li>Development of staff including learnerships and internships - keep a talent pipeline.</li> <li>Workplace orientation programmes for all permanent employees.</li> <li>Monitoring of the ACSA ecosystem for key risk indicators relating to skills shortages.</li> </ul>
9	Increase reputation through demonstrated excellence.	Resilience	Inefficient or ineffective business continuity response plans to support ACSA during a business disruption in an agile manner.	<ul style="list-style-type: none"> <li>Continuous Implementation and monitoring of BCM programme including creating a culture of BCM policy voluntary compliance.</li> <li>Monitoring of BCM related and emerging incidents</li> <li>Airports continuously report on catastrophic events and deployment of contingency and continuity plans.</li> <li>Conduct simulations for both emergency evacuation and critical business processes.</li> <li>Increase the pool of Business Continuity savvy staff through training and development.</li> <li>Monitor continuity risks exposure as a result of ACSA stakeholders.</li> </ul>

#	STRATEGIC OBJECTIVE	RISK THEME	RISK DESCRIPTION	RISK MITIGATION
10	Increase reputation through demonstrated excellence.	Reputation Management	Non-adherence to relevant legislation, regulations, policies, and procedures.	<ul style="list-style-type: none"> <li>Regulatory framework organization-wide workshops.</li> <li>Identify and provide key role players within the line's assurance with an understanding of the regulatory universe (e.g., Internal Audit, Quality functions, etc).</li> <li>Ensure effective monitoring and reporting on performance against policies and procedures (one of the monitoring mechanisms is through combined assurance and compliance reviews). Review current AG &amp; IA findings organisation wide for continuous improvement.</li> <li>Effective implementation of Compliance Management procedure (to put in place CRMPs for all core legislations).</li> <li>Ongoing training and awareness (Inculcate compliance culture)</li> <li>Compliance audit finding tracking monthly reporting.</li> <li>Continuous engagement of staff over the Optimisation Management Initiatives as envisioned in the policy.</li> </ul>
11	Innovate Grow and Sustain.	Resilience	Material effects of global geopolitical confrontations on ACSA and its ecosystem.	<ul style="list-style-type: none"> <li>Monitoring of official reports on geopolitical tensions and the impact on Airports Company South Africa's universe (e.g., supply chain, route development initiatives, stakeholders).</li> <li>Continuous monitoring and reporting of any disruptions that may impact business continuity.</li> </ul>
12	Increase reputation through demonstrated excellence.	Security	Escalation of employee costs due to insourcing of security personnel.	<ul style="list-style-type: none"> <li>HR off boarding - Reduction of insourced headcount.</li> <li>HR repurposing - ESC and HR tasked team to re-evaluate existing security operations through a risk assessment to identify areas where efficiency can be improved, thereby minimising the need for a large internal workforce, automating routine security tasks.</li> <li>Outsourced sources - Tender of guarding bill of quantities to be reduced to ensure that there are no headcount duplications between the ACSA permanent resources and contracted security services.</li> <li>Cost reduction exercise to be conducted to ensure that there are no cost duplications between the ACSA permanent resources and outsourced bill of quantities.</li> </ul>

ACSA has strengthened its risk controls and continues to mature from merely managing risks to proactively leveraging opportunities. While notable progress has been made in reducing operational vulnerabilities, further improvement is needed to ensure service availability and protect the organisational brand. Through enhanced business continuity practices, staff training, and forward looking mitigation measures. ACSA is building resilience, diversifying stakeholders, expanding infrastructure, and developing new revenue streams—establishing a solid foundation for long term sustainability in a challenging operating environment.



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## DIVISIONAL COMMITMENTS

## DIVISION: INFORMATION TECHNOLOGY

### A STRATEGIC BLUEPRINT FOR ACSA'S DIGITAL TRANSFORMATION JOURNEY

ACSA's proposed I.T strategy for the Corporate Plan period positions technology as a catalyst for enterprise wide transformation. It focuses on optimising and digitalising critical airport operations, enabling real time data intelligence, and strengthening governance to ensure compliance across the organisation. Central to this strategy is the modernisation of digital infrastructure to support operational efficiency, enhanced cybersecurity to safeguard systems and information, and an innovation driven agenda that explores emerging technologies through pilots and proofs of concept. Together, these pillars form a coherent roadmap that equips ACSA to operate as a smarter, more secure, and insight driven enterprise capable of meeting evolving operational, regulatory, and customer centric demands.

#### INFORMATION TECHNOLOGY FY2026/27-2028/29 PRIORITY AREAS

Enabling a connected, Intelligent Airport and Aerotropolis



# INFORMATION TECHNOLOGY DIVISIONAL COMMITMENTS OVER THE NEXT 3 YEARS

## INPUTS FOR FY2026/27-FY2028/29

FY2026/27	FY2027/28	FY2028/29	FY2029/30 (End of Term)
<ul style="list-style-type: none"> <li>Digitise &amp; automate airport operations &amp; customer facing platforms</li> <li>Optimise enterprise resource management</li> <li>Enable digital workplace</li> <li>Automate business process</li> <li>Enable data governance</li> <li>Implement data hub, knowledge hub, records management</li> <li>Awareness programme</li> <li>Implement IT governance framework</li> <li>Improve cybersecurity controls</li> <li>Integrated smart security</li> <li>Integrate CSOC to National command center</li> <li>Modernise core infrastructure &amp; connectivity</li> <li>Execute technology innovations programme</li> </ul>	<ul style="list-style-type: none"> <li>Digitise &amp; automate airport operations &amp; customer facing platforms</li> <li>Optimise enterprise resource management</li> <li>Enable digital workplace</li> <li>Enable data governance</li> <li>Awareness programme</li> <li>Implement data hub, knowledge hub, records management</li> <li>Implement IT governance framework</li> <li>Improve cybersecurity controls</li> <li>Maintain IT infrastructure lifecycle</li> <li>Execute technology innovations programme</li> <li>Integrate CSOC to National command center</li> <li>Workplace tools replacement</li> </ul>	<ul style="list-style-type: none"> <li>Digitise &amp; automate airport operations &amp; customer facing platforms</li> <li>Data monetisation</li> <li>Awareness programmes</li> <li>Implement IT governance framework</li> <li>Improve cybersecurity controls</li> <li>Maintain IT infrastructure lifecycle</li> <li>Workplace tools replacement</li> <li>Execute technology innovations programme</li> </ul>	<ul style="list-style-type: none"> <li>Digitise &amp; automate airport operations &amp; customer facing platforms</li> <li>Data monetisation</li> <li>Implement IT governance framework</li> <li>Improve cybersecurity controls</li> <li>Maintain IT infrastructure lifecycle</li> <li>Execute technology innovations programme</li> </ul>

# INFORMATION TECHNOLOGY DIVISIONAL COMMITMENTS OVER THE NEXT 3 YEARS

## OUTCOMES FOR FY2026/27-FY2028/29

FY2026/27	FY2027/28	FY2028/29	FY2029/30 (End of Term)
<ul style="list-style-type: none"> <li>• Open Innovation Ecosystem</li> <li>• Innovation Centre</li> <li>• Virtual Airport</li> <li>• Smart Airport 4.0</li> <li>• Intelligent AOCC</li> <li>• Aviation Data Ecosystem</li> <li>• Smart Security</li> <li>• Integrated GRC Platforms</li> <li>• Digital transformation</li> <li>• Hybrid workplace</li> </ul>	<ul style="list-style-type: none"> <li>• Open Innovation Ecosystem</li> <li>• Digital Monenisation</li> <li>• Smart Airport 4.0</li> <li>• Aviation Data Ecosystem</li> <li>• Digital Twin</li> <li>• Digital Skills Development</li> <li>• Digitised Resources &amp; Finance Management</li> <li>• Intelligent AOCC</li> <li>• Digital Awareness and Adoption</li> <li>• Digital transformation</li> </ul>	<ul style="list-style-type: none"> <li>• Open Innovation Ecosystem</li> <li>• AI and Autonomous Platforms</li> <li>• Connected Airport &amp; Aerotropolis Ecosystem</li> <li>• Digital Retail</li> <li>• Aviation Payment Platforms</li> <li>• Aviation Data Ecosystem</li> <li>• Smart Airport 4.0</li> <li>• Digital Awareness and Adoption</li> <li>• Digital transformation</li> </ul>	<ul style="list-style-type: none"> <li>• Open Innovation Ecosystem</li> <li>• AI and Autonomous Platforms</li> <li>• Connected Airport &amp; Aerotropolis Ecosystem</li> <li>• Aviation Payment Platforms</li> <li>• Aviation Data Ecosystem</li> <li>• Smart Airport 4.0</li> <li>• Digital Awareness and Adoption</li> </ul>

# DIVISION: ENTERPRISE SECURITY AND COMPLIANCE

## ENHANCEMENT OF AVIATION SECURITY AND COMPLIANCE

ACSA's short- and long-term strategic goals focus on advancing secure, resilient airport operations through stringent security, regulatory compliance, and a culture of integrity that supports seamless national and global connectivity. The Company will enhance operational efficiency and security by adopting advanced technologies, automation, data analytics, and real-time monitoring across airport processes, including strengthened cargo security systems.

ACSA aims to strengthen resilience by insourcing security personnel, reinforcing ethical conduct through stronger controls and targeted procurement training, and sustaining compliance through audits and accountability. These measures, supported by cross training and transparent performance communication, are designed to reduce risk, uphold integrity, and ensure long term organisational stability.

Figure: An integrated approach to excellence in security & compliance





### SHARED OWNERSHIP

Enhancing accountability for security outcomes across multiple partners to optimize control effectiveness.



### TRAINING CONSISTENCY

Continuous improvement in refresher training and competency checks to enhance screening effectiveness.



### VETTING STANDARDS

Consistent rigor and enforcement in vetting standards to strengthen internal security.



### REGULATORY ENGAGEMENTS

Demonstrating compliance excellence through increased audits and oversight engagement.



### INCIDENT RESPONSE

Streamlining escalation paths for quicker decision-making and enhanced safety outcomes.

## ENTERPRISE SECURITY AND COMPLIANCE DIVISIONAL COMMITMENTS OVER THE NEXT 3 YEARS

### INPUTS FOR FY2026/27-FY2028/29

FY2026/27	FY2027/28	FY2028/29	FY2029/30 (End of Term)
<ul style="list-style-type: none"> <li>• Replacement of Security Detection Equipment programme (R367m).</li> <li>• Hold Baggage System (HBS) (R126m).</li> <li>• Replacement and Extension of Perimeter Fence (CORP, CTIA, GRG, KIM and UPN) (R240m)</li> <li>• Installation of Security Access Control Equipment at the General Aviation (R17m).</li> <li>• National Command Center (R30m)</li> <li>• Implement ICM system</li> <li>• Security Services (Outsourced &amp; Guarding) (R389m)</li> <li>• Deployment of K9 EDD &amp; Explosive Trace Detection.</li> <li>• Implement an integrated compliance model</li> <li>• Develop risk-based oversight model</li> <li>• Develop Insider Threat Program</li> </ul>	<ul style="list-style-type: none"> <li>• Replacement of Security Detection Equipment programme ((R490m).</li> <li>• Hold Baggage System (HBS) (R458m).</li> <li>• Replacement and Extension of Perimeter Fence (CORP, CTIA, GRG, KIM and UPN) (R580m)</li> <li>• installation of Security Access Control Equipment at the General Aviation (R42m).</li> <li>• National Command Center (R20m)</li> <li>• Security Services (Outsourced &amp; Guarding) (R414m)</li> <li>• Deployment of K9 EDD &amp; Explosive Detection Systems.</li> <li>• Implementation and continuous improvement of the Risk-Based oversight model</li> <li>• Implement Insider Threat Program</li> </ul>	<ul style="list-style-type: none"> <li>• Replacement of Security Detection Equipment programme (R654m).</li> <li>• Hold Baggage System (HBS) (R917m)</li> <li>• Replacement and Extension of Perimeter Fence (CORP, CTIA, GRG, KIM and UPN) (R923m)</li> <li>• Installation of Security Access Control Equipment at the General Aviation (R155m).</li> <li>• National Command Center (R0m)</li> <li>• Security Services (Outsourced K9 EDD &amp; Guarding) (R441m)</li> <li>• Deployment of K9 EDD &amp; Explosive Detection Systems</li> <li>• Continuous monitoring of the Risk-Based oversight model</li> <li>• Maturity assessment on Enterprise Compliance and Enforcement.</li> </ul>	<ul style="list-style-type: none"> <li>• Maturity assessment for National Security</li> <li>• Assess Risk-Based oversight model effectiveness</li> <li>• Assess Insider Threat Program effectiveness</li> </ul>

FINANCIAL CAPITAL

CAPEX

INTELLECTUAL CAPITAL

HUMAN CAPITAL

SOCIAL AND RELATIONSHIP CAPITAL

NATURAL CAPITAL

# ENTERPRISE SECURITY AND COMPLIANCE DIVISIONAL COMMITMENTS OVER THE NEXT 3 YEARS

## OUTCOMES FOR FY2026/27-FY2028/29

FY2026/27	FY2027/28	FY2028/29	FY2029/30 (End of Term)
<ul style="list-style-type: none"> <li>• Seamless screening efficiency through smart technologies, resulting in increased throughput, enhanced passenger experience and robust aviation security Stronger aviation security with improved baggage flow and system resilience.</li> <li>• Modernised perimeter fencing that strengthens access control, improves the airport security index, and ensures secure and continuous operations</li> <li>• Reduced security vulnerabilities and improved safety across General Aviation operations and strengthened national aviation security and public safety</li> <li>• Improved national security and public safety outcomes through coordinated, real-time situational awareness, rapid decision-making, and integrated multi-agency response</li> <li>• Operational Resilience</li> <li>• Enhanced and robust security coverage and the creation of job opportunities</li> <li>• Improve oversight and quality Assurance</li> <li>• Visible Security and deterrence of terror attacks</li> </ul>	<ul style="list-style-type: none"> <li>• Seamless screening efficiency through smart technologies, resulting in increased throughput, enhanced passenger experience and robust aviation security Stronger aviation security with improved baggage flow and system resilience.</li> <li>• Modernised perimeter fencing that strengthens access control, improves the airport security index, and ensures secure and continuous operations</li> <li>• Reduced security vulnerabilities and improved safety across General Aviation operations and strengthened national aviation security and public safety</li> <li>• Improved national security and public safety outcomes through coordinated, real-time situational awareness, rapid decision-making, and integrated multi-agency response</li> <li>• Improve technology and foster innovation aligned to ICAO GAsEP</li> <li>• Enhanced and robust security coverage and the creation of job opportunities</li> </ul>	<ul style="list-style-type: none"> <li>• Seamless screening efficiency through smart technologies, resulting in increased throughput, enhanced passenger experience and robust aviation security Stronger aviation security with improved baggage flow and system resilience.</li> <li>• Modernised perimeter fencing that strengthens access control, improves the airport security index, and ensures secure and continuous operations</li> <li>• Reduced security vulnerabilities and improved safety across General Aviation operations and strengthened national aviation security and public safety</li> <li>• Improved national security and public safety outcomes through coordinated, real-time situational awareness, rapid decision-making, and integrated multi-agency response</li> <li>• Institutionalised Voluntary Compliance and accountability</li> <li>• Enhanced and robust security coverage and the creation of job opportunities</li> </ul>	<ul style="list-style-type: none"> <li>• Reduced Risk and Threat vulnerabilities</li> <li>• Reduced Insider Risks</li> <li>• Enhanced Security Awareness and Response</li> <li>• Increased Cooperation and Support with Security agencies</li> <li>• Enhanced Compliance and accountability</li> </ul>

## DIVISION: OPERATIONS MANAGEMENT

### DRIVING OPERATIONAL EXCELLENCE AND SUSTAINABLE GROWTH ACROSS THE AIRPORT NETWORK

Operations Management (O.M) is a critical enabler of ACSA's licence to operate, driving operational efficiency, service excellence, revenue growth, and long-term sustainability. Over the FY2026/27 – FY2028/29 Corporate Plan period, OM will prioritise strengthening operational efficiency and resilience, improving infrastructure reliability and service delivery, enhancing the customer service and experience, and deepening the integration of airports into regional and national economic systems.

The Operations Management strategy is anchored in a well-organised asset management, robust capital and project execution, operational standardisation, and regional integration. These priorities directly support ACSA's strategic objectives of operational efficiency, enhanced aeronautical performance, cargo growth, improved intermodal accessibility, and inclusive economic development.

#### OPERATIONS MANAGEMENT FY2026/27-2028/29 PRIORITY AREAS



##### INFRASTRUCTURE AND CAPACITY

Modernising infrastructure at O.R. Tambo and major airports to enhance long-term reliability and operational efficiency, supporting future growth.

Busses as PLBs for remote stands.



##### OPERATIONAL EXCELLENCE

Embed improvements through refined processes and strengthen collective effectiveness across airports and conditions.

Implement regionalization and track benefits.

Business re-engineering



##### MAINTENANCE INVESTMENT

Balancing cost optimization with proactive maintenance to safeguard asset health and ensure long-term cost effectiveness.



##### STAKEHOLDER EXPECTATIONS AND MANAGEMENT

Developing capabilities to meet and exceed evolving expectations for world-class service at competitive costs.

Structured airline engagements.

# OPERATIONS MANAGEMENT DIVISIONAL COMMITMENTS OVER THE NEXT 3 YEARS

## INPUTS FOR FY2026/27-FY2028/29

FY2026/27	FY2027/28	FY2028/29	FY2029/30 (End of Term)
<ul style="list-style-type: none"> <li>• Build a thriving customer service and experience</li> <li>• Operations Management Human Resource Capacitation</li> <li>• Efficient maintenance engineering function</li> <li>• Execute the capital programme</li> <li>• Drive aeronautical revenue</li> <li>• Drive Cargo growth / tonnage</li> </ul> <p>Operations Management Strategies:</p> <ul style="list-style-type: none"> <li>• Implement Business re-engineering</li> <li>• Implement Network strategy</li> <li>• Implement operational technology and systems</li> <li>• Initiate Phase 2 Ground Handling Strategy</li> <li>• Review Cargo Strategy</li> <li>• Develop Ground Access Strategy</li> <li>• Develop Regional Integration Strategy</li> </ul>	<ul style="list-style-type: none"> <li>• Standardise customer service and experience</li> <li>• Operations Management Human Resource Capacitation</li> <li>• Improve the reliability of the infrastructure</li> <li>• Execute the capital programme</li> <li>• Drive aeronautical revenue</li> <li>• Drive Cargo growth / tonnage</li> </ul> <p>Operations Management Strategies:</p> <ul style="list-style-type: none"> <li>• Implement of Business Re-engineering</li> <li>• Implement Network strategy</li> <li>• Implement operational technology and systems</li> <li>• Initiate Phase 2 Ground Handling Strategy</li> <li>• Implement Cargo Strategy</li> <li>• Implement Ground Access Strategy</li> <li>• Implement Regional Integration Strategy</li> </ul>	<ul style="list-style-type: none"> <li>• Enhance customer service &amp; experience</li> <li>• Operations Management Human Resource Capacitation</li> <li>• Maintain the reliability of the infrastructure</li> <li>• Execute the capital programme</li> <li>• Drive aeronautical revenue</li> <li>• Drive Cargo growth / tonnage</li> </ul> <p>Operations Management Strategies:</p> <ul style="list-style-type: none"> <li>• Review of Business Re-engineering</li> <li>• Implement Network strategy</li> <li>• Implement operational technology and systems</li> <li>• Implementation of Phase 2 Ground Handling Strategy</li> <li>• Implement Cargo Strategy</li> <li>• Implement Ground Access Strategy</li> <li>• Implement Regional Integration Strategy</li> </ul>	<ul style="list-style-type: none"> <li>• Review customer service &amp; experience</li> <li>• Maintain the reliability of the infrastructure</li> <li>• Execute the capital programme</li> <li>• Drive aeronautical revenue</li> <li>• Drive Cargo growth / tonnage</li> <li>• Review the effectiveness of all OM Strategies</li> </ul>

# OPERATIONS MANAGEMENT DIVISIONAL COMMITMENTS OVER THE NEXT 3 YEARS

## OUTCOMES FOR FY2026/27-FY2028/29

FY2026/27	FY2027/28	FY2028/29	FY2029/30 (End of Term)
<ul style="list-style-type: none"> <li>• Service excellence</li> <li>• Operational efficiency and effectiveness</li> <li>• Reliable infrastructure</li> <li>• Refurbished infrastructure</li> <li>• Maximise aeronautical revenue</li> <li>• Increase cargo growth/tonnage</li> </ul> <p>Operations Management Strategies:</p> <ul style="list-style-type: none"> <li>• Operational efficiency and effectiveness</li> <li>• Grow connectivity to drive revenue</li> <li>• Operational efficiency and effectiveness</li> <li>• Improve customer service and experience</li> <li>• Create a Cargo Business Model</li> <li>• Ensure intermodal accessibility to airports</li> <li>• Embed and integrate airports into regional economies and communities</li> </ul>	<ul style="list-style-type: none"> <li>• Service Excellence and standardisation</li> <li>• Operational efficiency and effectiveness</li> <li>• Improve infrastructure service delivery</li> <li>• Refurbished infrastructure</li> <li>• Maximise aeronautical revenue</li> <li>• Increase cargo growth/tonnage</li> </ul> <p>Operations Management Strategies:</p> <ul style="list-style-type: none"> <li>• Operational efficiency and effectiveness</li> <li>• Grow connectivity to drive revenue</li> <li>• Operational efficiency and effectiveness</li> <li>• Improve customer service and experience</li> <li>• Create a Cargo Business Model</li> <li>• Ensure intermodal accessibility to airports</li> <li>• Embed and integrate airports into regional economies and communities</li> </ul>	<ul style="list-style-type: none"> <li>• Satisfied customer and stakeholders</li> <li>• Operational efficiency and effectiveness</li> <li>• Improve infrastructure service delivery</li> <li>• Refurbished infrastructure</li> <li>• Maximise aeronautical revenue</li> <li>• Increase cargo growth/tonnage</li> </ul> <p>Operations Management Strategies:</p> <ul style="list-style-type: none"> <li>• Operational efficiency and effectiveness</li> <li>• Grow connectivity to drive revenue</li> <li>• Operational efficiency and effectiveness</li> <li>• Improve customer service and experience</li> <li>• Create a Cargo Business Model</li> <li>• Ensure intermodal accessibility to airports</li> <li>• Embed and integrate airports into regional economies and communities</li> </ul>	<ul style="list-style-type: none"> <li>• Improved service delivery</li> <li>• Improve infrastructure service delivery</li> <li>• Refurbished infrastructure</li> <li>• Maximise aeronautical revenue</li> <li>• Increase cargo growth/tonnage</li> <li>• Improve Operational Efficiency</li> </ul>

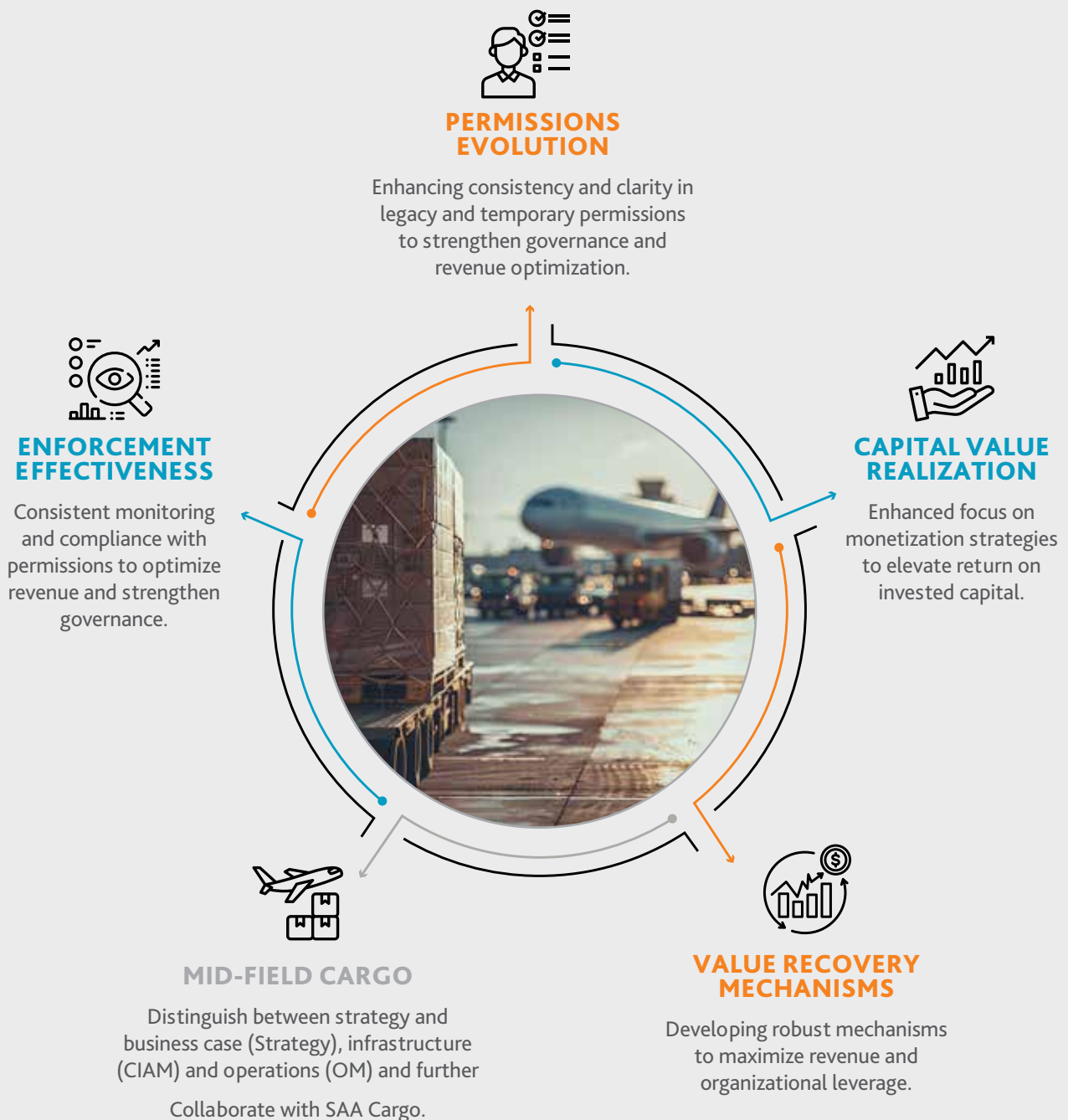
## DIVISION: CAPITAL INFRASTRUCTURE AND ASSET MANAGEMENT

### CATALYSING GROWTH THROUGH COORDINATED CAPITAL INFRASTRUCTURE INVESTMENT

ACSA's Horizontal Capital Programme groups similar asset projects to speed up approvals, streamline procurement, and improve execution. It addresses ageing, failure prone assets by strengthening collaboration across teams and aligning with National Treasury principles to reduce costs and improve consistency.

The R5.7 billion Mid-field Cargo Project will expand long term cargo capacity at O.R. Tambo International Airport through new taxiways, roads, warehouses, and support facilities. Completion is targeted for FY2029/30, with construction beginning in FY2026/27. The project is progressing through design, environmental approvals, and procurement, and requires strong cross functional coordination to manage operational impacts.

### CAPITAL INFRASTRUCTURE FY2026/27-2028/29 PRIORITY AREAS



# CAPITAL INFRASTRUCTURE AND ASSET MANAGEMENT DIVISIONAL COMMITMENTS OVER THE NEXT 3 YEARS

## INPUTS FOR FY2026/27-FY2028/29

FY2026/27	FY2027/28	FY2028/29	FY2029/30 (End of Term)
<ul style="list-style-type: none"> <li>Enterprise Project Management (EPM) E-Learning Training Launched</li> <li>Capex Key Performance Indicator modelling review</li> <li>EPM Subject Matter Experts (SME) Support Procured</li> <li>Frame and conceptualise existing technology intensive capital programs (e.g. PLBs, AGL, FDS, FMS) for investment decisions</li> <li>Investment decision for new fuel farm at ORTIA, CTIA &amp; Regional capacities expansions</li> <li>Complete feasibility and proposed operating &amp; ownership structure for CTIA jet pipeline. Approach Board for Final Investment Decision</li> <li>Review and redesign capital expenditure execution structure</li> <li>Competency assessments, capability planning and resourcing</li> <li>Compile National Airports Master and Precinct Plans</li> <li>Investment Decision for implementation of Artificial Intelligence (AI)</li> <li>Resourcing of Chief Engineering function to support projects</li> <li>Fully implement jet fuel strategy at International Airports</li> <li>Enrol SADC players and Govts to position Sustainable Aviation Fuels (SAF) (incl. costs)</li> <li>Conclude key land acquisitions of CTIA, ORTIA, KPA, CDSIA portions of land required for masterplan implementation and compliances</li> <li>Implement an environmental approval management system for capital projects</li> <li>Feasibility studies for water resources availability</li> <li>Implement an integrated ALL waste management system</li> </ul>	<ul style="list-style-type: none"> <li>EPM E-learning training at 50%</li> <li>Successful transitioning Hold Baggage Screening (HBS) services into ACSA plus initiation of re-furbishment program</li> <li>All Transversal Asset Programs procured</li> <li>Implementation effort for the Group Rolling Capital Programme</li> <li>Change management and training on Governance and Framework for Infrastructure Delivery Project Management (FIDPM) processes</li> <li>Commence CDSIA &amp; KPA Master Plans</li> <li>Finalise land acquisition of CTIA Farm 544</li> <li>Consolidation of CoCT purchased land.</li> <li>Continued support for the court process &amp; relocation of land invaders.</li> <li>Implement portable and waste water management system for the three international airports</li> </ul>	<ul style="list-style-type: none"> <li>EPM E-learning at 100%</li> <li>Remote monitoring capability and centralised billing for energy, fuel, and bulk services at all Airports</li> <li>Ongoing performance monitoring and refinement of portfolio controls</li> <li>Stabilisation of best-practice organisational and delivery structures</li> <li>Compile CTIA Master Plan</li> <li>Implement portable and waste water management system for the six regional airports</li> </ul>	<ul style="list-style-type: none"> <li>EPM E-Learning at 100%</li> <li>Ongoing refinement of value- and complexity-weighted portfolio management</li> <li>Continuous improvement through lessons learned and performance feedback</li> </ul>

# CAPITAL INFRASTRUCTURE AND ASSET MANAGEMENT DIVISIONAL COMMITMENTS OVER THE NEXT 3 YEARS

## OUTCOMES FOR FY2026/27-FY2028/29

FY2026/27	FY2027/28	FY2028/29	FY2029/30 (End of Term)
<ul style="list-style-type: none"> <li>• EPM Maturity Level 3 in CIAM, IT and OM</li> <li>• Capex R660m</li> <li>• Key capital Transversal programs pass investment decision and enter procurement</li> <li>• A fit-for-purpose capex execution structure aligned to best practice</li> <li>• A replicable and scalable capital projects portfolio delivery model</li> <li>• Approved Master Plans to guide orderly and coordinated Airport Development for BFIA, GRJ, KIM and UPN Airports</li> <li>• Implement Gas-to-power Engineering Procurement Construction Management (EPCM) contracts</li> <li>• Implement Solar PV power projects at ORTIA, CTIA and KSIA</li> <li>• Jet Fuel Remediation works and automation at Regional Airports</li> <li>• Into-plane equipment – replacement program for Regional airports</li> <li>• Replace hydrant lines at ORTIA</li> <li>• Mid-field Cargo enablement design stages 1-3 completed</li> <li>• Secure land parcels required for masterplan implementation:</li> <li>• CoCT – acquisition of CTIA portions of land required for permission projects and masterplan implementation</li> </ul>	<ul style="list-style-type: none"> <li>• EPM Maturity Level 3 in all Project Management Offices (PMO)</li> <li>• Capex R2 804m</li> <li>• ACSA takes responsibility for HBS and refurbishment program in progress</li> <li>• <b>Research &amp; Development (R&amp;D) innovation funnel established</b></li> <li>• ISO55000 certification for 2-ACSA Airports –structured asset management framework</li> <li>• Transversal programs in implementation</li> <li>• An institutionalised and consistently applied portfolio management framework</li> <li>• Improved predictability of capital planning and approvals</li> <li>• Guide orderly and coordinated development of CDSIA and KPA</li> <li>• Implement Gas-to-power EPCM contracts</li> <li>• Implement Solar PV projects at ORTIA, CTIA and KSIA</li> <li>• Implement standard designs library for fuel tanks, Aircraft gates, fire pump stations, sewer sumps</li> <li>• Implement green Hydrogen initiatives</li> <li>• ORTIA Fuel Farm One Renovation Program goes into construction</li> <li>• CTIA, CDSIA, KP and GRJ additional jet fuel tankage</li> <li>• Readiness for SAF at ORTIA and likely CTIA</li> <li>• Mid-field Cargo enablement works implementation stage</li> <li>• Secure land parcels required for CTIA realigned runway</li> <li>• Timous achievement of environmental approvals and record of decisions for capital projects</li> <li>• Different Waste categories quantification for better management, monetisation, and job creation</li> </ul>	<ul style="list-style-type: none"> <li>• Maintain EPM Maturity level 3 in all PMOs</li> <li>• Capex R5 236m</li> <li>• Pavement Management Research Centre established at an SA tertiary institution in collaboration with ACSA Training Academy</li> <li>• ORTIA Tank Farm-1 Refurbishment complete</li> <li>• Efficient, predictable delivery of the Group Rolling Capital Programme</li> <li>• A mature, optimised project portfolio management function operating as a centre of excellence</li> <li>• Approved Master Plan to guide orderly and coordinated development of CTIA</li> <li>• Implement Gas-to-power in KSIA, ORTIA and CTIA</li> <li>• Implement AI in control of centralised Heating, Ventilation, and Air Conditioning (HVAC) systems</li> <li>• Implement AI in the operation of People mover systems</li> <li>• Additional Fuel Farm for ORTIA</li> <li>• Expansion program for jet fuel holding at BFN, KSIA, KIM</li> <li>• UPN Aviation Park enablement works.</li> <li>• Negotiations for various land parcels</li> <li>• Secure land parcels required for masterplan implementation:</li> <li>• Enable airport developments e.g. UPN Aviation Park</li> <li>• Mid-field Cargo works non-aeronautical works design stages 1-3 for phase 1 completed</li> <li>• Portable and waste water management system results in guaranteed availability at three international airports with less dependency on municipal services</li> </ul>	<ul style="list-style-type: none"> <li>• Maintain EPM Maturity level-3 in all PMOs</li> <li>• Capex R19 514m</li> <li>• Predictable, repeatable capital delivery with embedded assurance</li> <li>• Reduced long-term delivery and governance risk</li> <li>• Mid-field Cargo phase one 1 non-aeronautical works construction starts</li> <li>• Portable and waste water management system results in guaranteed availability at six regional airports with less dependency on municipal services</li> </ul>

## DIVISION: SUPPLY CHAIN MANAGEMENT

### ACSA ELEVATES SUPPLY CHAIN MANAGEMENT (SCM) TO STRATEGIC PRIORITY

Airports Company South Africa (ACSA) has elevated Supply Chain Management (SCM) as a strategic priority, restructuring it into a standalone division led by a Chief Procurement Officer reporting directly to the CEO to strengthen focus, governance, and alignment with organisational goals. This shift has enhanced procurement efficiency, supported strategic execution, and has positioned SCM as a driver of innovation and accountability. Complementing this, ACSA has adopted a targeted localization strategy to develop local industries, empower SMMEs, reduce dependence on foreign suppliers, and contribute to national socio economic development through job creation, capability building, and inclusive economic growth.

The specific goals in ACSA's bids will be determined by the Bid Specification Committee in line with its terms of reference and, where necessary, informed by considering market / industry analysis:

Figure: High-level scoring criteria to promote transformation in procurement of goods and services.

Below R5 000 000		R5 000 000- R50 000 000		Above R50 000 000	
Specific Goals	Points*	Specific Goals	Points*	Specific Goals	Points*
B-BBEE Status Level 1	5	B-BBEE Status Level 1	5	B-BBEE Status Level 1	5
B-BBEE Status Level 2	4.5	B-BBEE Status Level 2	4.5	B-BBEE Status Level 2	4.5
B-BBEE Status Level 3	4	B-BBEE Status Level 3	4	B-BBEE Status Level 3	4
B-BBEE Status Level 4	3	B-BBEE Status Level 4	3	B-BBEE Status Level 4	3
B-BBEE Status Level 5	2	B-BBEE Status Level 5	2	B-BBEE Status Level 5	2
B-BBEE Status Level 6	0.5	B-BBEE Status Level 6	0.5	B-BBEE Status Level 6	0.5
B-BBEE Status Level 7	0.3	B-BBEE Status Level 7	0.3	B-BBEE Status Level 7	0.3
B-BBEE Status Level 8	0.1	B-BBEE Status Level 8	0.1	B-BBEE Status Level 8	0.1
Black youth majority-owned entities	5	Black youth majority-owned entities	5	Black youth majority-owned entities	5
Black women majority-owned entities	5	Black women majority-owned entities	5	Black women majority-owned entities	5
Company majority owned by people with disabilities	5	Company majority owned by people with disabilities	5	Company majority owned by people with disabilities	5
Entity located in provincial/municipal/district where services or assets are procured	5	Entity located in provincial/municipal/district where services or assets are procured	5	Entity located in provincial/municipal/district where services or assets are procured	5
		Sub-contracting of South African EMEs and/or QSEs 51% owned by black people, youth, women or disabled people	5	Sub-contracting of South African EMEs and/or QSEs 51% owned by black people, youth, women or disabled people	5
Non-compliant contributor	0	Non-compliant contributor	0	Non-compliant contributor	0
*Number of points (80/20 system)		*Number of points (80/20 system)		*Number of points (90/10 system)	



**GOVERNANCE STRENGTHENING**

Enhanced supply chain governance ensuring SMES benefit from procurement with improved compliance and social impact.



**SOE PERFORMANCE RECOGNITION**

Continuous recognition as one of South Africa's best-performing state-owned entities, building institutional credibility.



**PROCESS IMPROVEMENT**

Improved controls enabling margin improvement and cost discipline for operational excellence.



**CAPACITY BUILDING**

SCM capability supporting 52% CAPEX execution growth, demonstrating delivery confidence.



**COMPLIANCE FRAMEWORK**

Strengthened financial controls and accountability enhancing financial stability.



**STAKEHOLDER CONFIDENCE**

Strong lender appetite demonstrating governance credibility and market trust.



# SUPPLY CHAIN MANAGEMENT DIVISIONAL COMMITMENTS OVER THE NEXT 3 YEARS

## INPUTS FOR FY2026/27-FY2028/29

FY2026/27	FY2027/28	FY2028/29	FY2029/30 (End of Term)
<ul style="list-style-type: none"> <li>• Stop corruption</li> <li>• Strengthen Intellectual Capital through ERP integration, market intelligence, and digital supply chain optimisation.</li> <li>• Enable high-performing SCM through skilled talent, integrated collaboration, and a continuous improvement culture</li> <li>• Build a strong Category Management capability</li> <li>• Enhance demand forecasting through advanced analytics, stakeholder collaboration, and scenario planning</li> <li>• Enable effective SCM delivery through strategic supplier partnerships, diversification, and performance oversight.</li> <li>• Drive localisation via ABC e-gates, local baggage trolley solutions, and inclusive commercial participation</li> </ul>	<ul style="list-style-type: none"> <li>• Stop corruption</li> <li>• Leverage advanced analytics, end-user insights, and scenario planning to improve demand planning accuracy.</li> <li>• Build SCM resilience through contingency plans, buffer stock, and risk audits.</li> <li>• Embed sustainable SCM practices by adopting green logistics, ensuring regulatory compliance, and advancing transformation targets.</li> <li>• Drive localisation via ABC e-gates, local baggage trolley solutions, and inclusive commercial participation.</li> <li>• A seamless, fully automated e-tender process with zero disruptions.</li> <li>• Performance Monitoring &amp; Reporting</li> </ul>	<ul style="list-style-type: none"> <li>• Stop corruption</li> <li>• Fully Digitised SCM</li> <li>• Embed sustainable SCM practices by adopting green logistics, ensuring regulatory compliance, and advancing transformation targets.</li> <li>• Drive inclusive growth</li> <li>• Build a Customer-Centric Supply Chain Management</li> <li>• Ensure a fully transformed Supplier Base</li> <li>• Performance Monitoring &amp; Reporting</li> </ul>	<ul style="list-style-type: none"> <li>• Stop corruption</li> <li>• Systematic review and realignment of the SCM strategy to ensure continued relevance</li> <li>• Embed sustainable SCM practices by adopting green logistics, ensuring regulatory compliance, and advancing transformation targets.</li> <li>• Performance Monitoring &amp; Reporting</li> <li>• Ensure Uninterrupted SCM operations via contingency, alternative sourcing</li> <li>• Monitor supplier relations and improvement opportunities</li> </ul>

# SUPPLY CHAIN MANAGEMENT DIVISIONAL COMMITMENTS OVER THE NEXT 3 YEARS

## OUTCOMES FOR FY2026/27-FY2028/29

FY2026/27	FY2027/28	FY2028/29	FY2029/30 (End of Term)
<ul style="list-style-type: none"> <li>Enhanced ethical conduct and accountability across suppliers and internal users</li> <li>Lower costs, improved price assurance, optimised working capital, and stronger CAPEX/OPEX governance.</li> <li>Higher digital proficiency, stronger cross-functional collaboration, improved engagement/retention, and increased productivity.</li> <li>Fully established strategic lead Supply Chain department</li> <li>Collaborative demand insights enhance service, reputation, experience</li> <li>Strengthen trusted supplier relationships to improve reliability, service delivery, and stakeholder confidence</li> <li>Increase innovation capability and locally developed smart solutions that enhance digital and operational intellectual capital.</li> </ul>	<ul style="list-style-type: none"> <li>Enhanced ethical conduct and accountability across suppliers and internal users</li> <li>Build advanced analytical capability and organisational knowledge to improve demand planning accuracy and decision-making</li> <li>Reduce unplanned CAPEX through proactive risk mitigation and asset availability assurance.</li> <li>Strengthen regulatory trust and stakeholder relationships by demonstrating sustainable, compliant, and inclusive SCM practices.</li> <li>Reduction of environmental impact through paperless procurement and lower operational emission</li> <li>Real time visibility of SCM outcomes</li> </ul>	<ul style="list-style-type: none"> <li>Enhanced ethical conduct and accountability across suppliers and internal users</li> <li>End-to-end transparency drives governance, speed, integrity outcomes</li> <li>Strengthen regulatory trust and stakeholder relationships by demonstrating sustainable, compliant, and inclusive SCM practices</li> <li>Transform the Supplier Base Sustainably</li> <li>Customer-centric service delivery</li> <li>A fully transformed supplier base enables a diverse, capable, and ethical supplier that supports localisation, inclusive growth, improved service delivery, reduced risk, and sustainable value creation</li> <li>Real time visibility of SCM outcomes</li> </ul>	<ul style="list-style-type: none"> <li>Enhanced ethical conduct and accountability across suppliers and internal users</li> <li>Future-fit, governance-aligned SCM strategy responsive to change</li> <li>Strengthen regulatory trust and stakeholder relationships by demonstrating sustainable, compliant, and inclusive SCM practices</li> <li>Real time visibility of SCM outcomes</li> <li>Resilient SCM operations ensuring compliant CAPEX continuity</li> <li>Stronger suppliers, improved performance, reduced risk, sustained value</li> </ul>

## DIVISION: COMMERCIAL AND BUSINESS DEVELOPMENT

### BUILDING A FUTURE READY COMMERCIAL ECOSYSTEM

ACSA's Commercial & Business Development team is on a bold journey to reshape how the organisation grows, innovates, and competes—starting with reimagined retail spaces inspired by global best practice, a cleaner and smarter advertising model that boosts revenue, and a hospitality portfolio being transformed into a streamlined, modern subsidiary. As the airports evolve into Aerotropolis hubs, major precinct developments across O.R. Tambo International Airport (ORTIA), Cape Town International Airport (CTIA) and King Shaka International Airport (KSA) signal a future of integrated commercial, logistics, and high end passenger experiences.

Figure: Commercial and Business Development Growth and Focus Areas

Alongside this, advisory and consulting services are expanding ACSA's influence beyond its own airports, while new legislation unlocks deeper transformation and inclusive growth. However, the journey is strained by significant resource gaps, outdated processes, and capacity constraints—requiring a new subsidiary structure, stronger governance, and better aligned operating models to succeed. Together, these initiatives tell a story of an organisation pushing hard to modernise, diversify revenue, and position itself as a continental leader in airport management and commercial excellence.

#### REVENUE OPTIMISATION

Increase non-aeronautical revenues through the implementation of:

- Alternative and Optimised Pricing Models based on benchmarking (Migration from fixed rentals to variable rentals and review fixed rental rates and turnover % applicable to different categories of the Commercial portfolio)
- Review of Business Models (route to market for Commercial portfolio)
- Propose Commercial models for ACSA Growth Strategies
- Commercialisation of Western Precinct

#### COMMERCIAL SYSTEMS

Identify and Procure systems that will enable Commercial to:

- Enhance revenues (e.g., RTMS)
- Deliver business intelligence (e.g. Property Management System)
- Commercialise operational and other IT equipment (IT services delivered to Commercial tenants)

#### COMMERCIAL FACILITIES MANAGEMENT

- Conditions assessment for commercial facilities
- Refurbishment programme for ACSA hangars
- Repairs and maintenance programme for commercial facilities

#### GLOBAL STRATEGY

Advisory & Consultancy Projects:

- Targeting of local municipal airports and African airports that have route linkages to ACSA's network of airports for the provision of technical & business services

Traffic Development Projects:

- Drive the implementation of an Airline Incentive Scheme to reduce barriers of entry for new airlines launching new routes
- Development of direct routes to ACSA's network of airports

#### CORE DUTY FREE STRATEGY

ACSA appointed a Consultant to structure the CDF tenders in line with the Board-approved strategy to achieve:

- Migration from single operator model to a multi-tenant strategy
- Enhanced revenues through spatial planning, rental modelling & optimised tenant mix
- Localisation of the CDF offering

#### COMMERCIAL TENDERS

ACSA is in the process of issuing Commercial Tenders across the following portfolios to optimise its revenue:

- Advertising
- Airport Access: Car Rental, E-hailing and Valet Services
- Property: Terminal, Diverse and Industrial
- Retail

#### AEROTROPOLIS CONCEPT

- Support & collaborate with local stakeholders/municipalities regarding implementation of aerotropolis at ORTIA, CTIA & KSA.
- Appoint a Lead Developer to drive this initiative
- Development of Hotels, FBOs and MROs

COMMERCIAL AND BUSINESS DEVELOPMENT GROWTH INITIATIVES

# DIVISION: COMMERCIAL AND BUSINESS DEVELOPMENT

## COMMERCIAL AND BUSINESS DEVELOPMENT FY2026/27-2028/29 PRIORITY AREAS



### ROUTE DEVELOPMENT

Partnership negotiations for route development.

Considerations to isolate BD with Marketing from Commercial portfolio



### UNLOCK COMMERCIAL POTENTIAL

- Enhancing passenger experience
- Enhance eCommerce opportunities
- Leverage technology (AI)
- Extract Commercial elements from ASQ report



### INFRASTRUCTURE VALUE

- Unlocking full potential of infrastructure investments to drive enhanced commercial returns:
- Leverage off valuers appointed by Finance
- Benefits of tenancy at Airports to justify premium charges



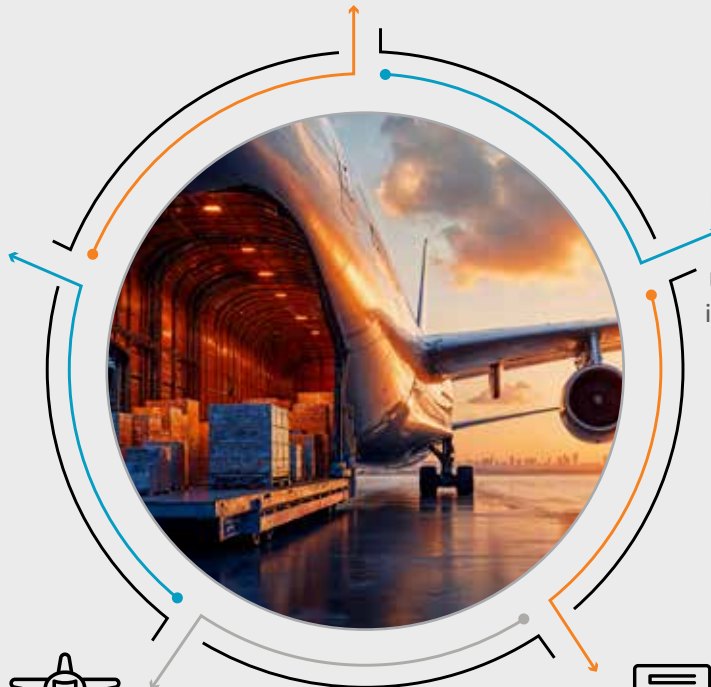
### NON-ACSA AIRPORTS

- Enhance ACSA support (non-financial) for Non-ACSA airports.
- Review current model, strategy and investment framework.



### COMMERCIAL AGREEMENTS

- Aligning contracts for future growth to optimize revenue.
- Model for Commercial rate determination (Business model review)



## COMMERCIAL AND BUSINESS DEVELOPMENT DIVISIONAL COMMITMENTS OVER THE NEXT 3 YEARS

### INPUTS FOR FY2026/27-FY2028/29

FY2026/27	FY2027/28	FY2028/29	FY2029/30 (End of Term)
<ul style="list-style-type: none"> <li>• Address revenue leakages through occupancy audits and ICT Infrastructure audits</li> <li>• Rollout of the Parking Strategy / New Operating Model</li> <li>• Issue Commercial Tenders.</li> <li>• Review Commercial Strategies</li> <li>• Appoint Service Providers (Aerotropolis, Parking, Hotels, Facilities Management etc.)</li> <li>• Define and Implement the Commercial Transformation Plan</li> <li>• Review of the BD Strategy and Investment Framework.</li> <li>• Drive network expansion and market stimulation by strengthening direct international connectivity</li> <li>• Commercialise Western Precinct</li> <li>• Retail CDF Design Development</li> <li>• Roll out Phase 1 of the Subsidiary Strategy</li> <li>• Enablement of Swartklip site</li> <li>• Build a resilient, export-driven air cargo network leveraging ACSA's cargo infrastructure</li> <li>• Design &amp; Implement cargo business model</li> </ul>	<ul style="list-style-type: none"> <li>• Issue and Award Commercial Tenders</li> <li>• Incremental execution of commercial assets refurbishment (industrial, P2A, Denel)</li> <li>• Appoint Professional Service providers for Retail CDF rollout</li> <li>• Award online car rental</li> <li>• Commercialise Western Precinct</li> <li>• Protect and optimise the core long-haul network while selectively expanding into high-growth and strategic markets, leveraging international connectivity to maximise passenger, cargo, and generating value for NAR</li> <li>• Roll out of the Subsidiary Strategy</li> <li>• Commercialisation of Swartklip site</li> </ul>	<ul style="list-style-type: none"> <li>• Incremental execution of commercial assets refurbishment (industrial, P2A, Denel)</li> <li>• Roll out of the Retail Optimisation Project</li> <li>• Introduce Passenger parking membership programme</li> <li>• Commercialise Western Precinct</li> <li>• Drive balanced network diversification and connectivity across international, domestic, and regional markets to translate traffic growth into sustainable aeronautical and non-aeronautical value across the airport system</li> <li>• Roll out of the Subsidiary Strategy</li> <li>• Commercialisation of Swartklip site</li> </ul>	<ul style="list-style-type: none"> <li>• Incremental execution of commercial assets refurbishment (industrial, P2A, Denel)</li> <li>• Commercialise Western Precinct</li> <li>• Roll out of CDF Tenders</li> </ul>

## COMMERCIAL AND BUSINESS DEVELOPMENT DIVISIONAL COMMITMENTS OVER THE NEXT 3 YEARS

### OUTCOMES FOR FY2026/27-FY2028/29

FY2026/27	FY2027/28	FY2028/29	FY2029/30 (End of Term)
<ul style="list-style-type: none"> <li>• Revision of the Commercial operating models and strategies will ensure revenue optimisation</li> <li>• Commercial audits will ensure that revenue leakages are minimised</li> <li>• The Commercial Tenders are expected to increase revenues through the competitive bid process</li> <li>• <b>Property development initiatives seek to create future revenue streams.</b></li> <li>• Refurbishment of Commercial facilities will optimise revenues and ensure compliance to relevant legislation and contractual obligations.</li> <li>• <b>Review of the BD Strategy and Investment Framework will define ACSA's role in supporting Non-ACSA airports and growing Non-Aeronautical revenue.</b></li> <li>• Traffic Development initiatives seek to increase aeronautical and non-aeronautical revenues both from passengers and cargo operations</li> </ul>	<ul style="list-style-type: none"> <li>• Revision of the Commercial operating models and strategies will ensure revenue optimisation</li> <li>• Commercial audits will ensure that revenue leakages are minimised</li> <li>• The Commercial Tenders are expected to increase revenues through the competitive bid process</li> <li>• <b>Property development initiatives seek to create future revenue streams.</b></li> <li>• Refurbishment of Commercial facilities will optimise revenues and ensure compliance to relevant legislation and contractual obligations.</li> <li>• <b>Review of the BD Strategy and Investment Framework will define ACSA's role in supporting Non-ACSA airports and growing Non-Aeronautical revenue.</b></li> <li>• Traffic Development initiatives seek to increase aeronautical and non-aeronautical revenues both from passengers and cargo operations</li> </ul>	<ul style="list-style-type: none"> <li>• Revision of the Commercial operating models and strategies will ensure revenue optimisation</li> <li>• Commercial audits will ensure that revenue leakages are minimised</li> <li>• The Commercial Tenders are expected to increase revenues through the competitive bid process</li> <li>• <b>Property development initiatives seek to create future revenue streams.</b></li> <li>• Refurbishment of Commercial facilities will optimise revenues and ensure compliance to relevant legislation and contractual obligations.</li> <li>• <b>Review of the BD Strategy and Investment Framework will define ACSA's role in supporting Non-ACSA airports and growing Non-Aeronautical revenue.</b></li> <li>• Traffic Development initiatives seek to increase aeronautical and non-aeronautical revenues both from passengers and cargo operations</li> </ul>	<ul style="list-style-type: none"> <li>• Revision of the Commercial operating models and strategies will ensure revenue optimisation</li> <li>• Commercial audits will ensure that revenue leakages are minimised</li> <li>• The Commercial Tenders are expected to increase revenues through the competitive bid process</li> <li>• <b>Property development initiatives seek to create future revenue streams.</b></li> <li>• Refurbishment of Commercial facilities will optimise revenues and ensure compliance to relevant legislation and contractual obligations.</li> <li>• <b>Review of the BD Strategy and Investment Framework will define ACSA's role in supporting Non-ACSA airports and growing Non-Aeronautical revenue.</b></li> <li>• Traffic Development initiatives seek to increase aeronautical and non-aeronautical revenues both from passengers and cargo operations</li> </ul>

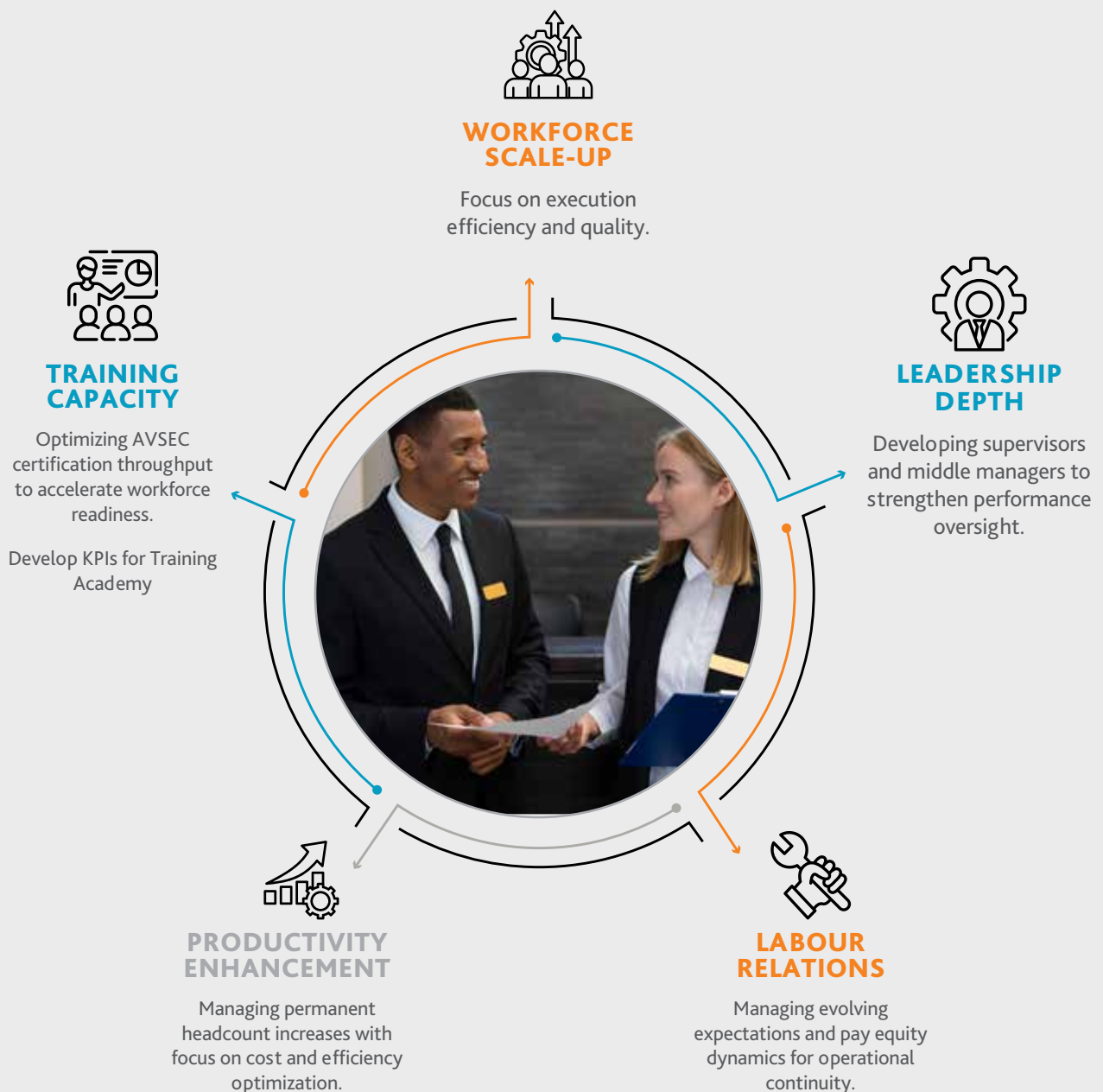
## DIVISION: HUMAN RESOURCES

### BUILDING A FUTURE READY WORKFORCE TO DRIVE ACSA'S STRATEGIC EXCELLENCE

The People & Culture Strategy positions HR as a central enabler of ACSA's operational excellence, growth and long term sustainability by aligning organisational design, capability development, leadership effectiveness, culture, productivity and governance to the company's strategic pillars. The strategy emphasises disciplined governance, data driven decision making, talent acceleration, culture reinforcement and shared value creation to ensure ACSA remains competitive, financially resilient, and people centred as it prepares for the 2026–2031 horizon.

Furthermore, the ACSA Aviation Academy's strategy positions the organisation to become Africa's leading, commercially agile, and digitally enabled aviation training centre of excellence by strengthening operational efficiency, eliminating financial leakages, and driving inclusive, regionally scalable growth.

### HUMAN RESOURCES FY2026/27-2028/29 PRIORITY AREAS



# HUMAN RESOURCES DIVISIONAL COMMITMENTS OVER THE NEXT 3 YEARS

## INPUTS FOR FY2026/27-FY2028/29

FY2026/27	FY2027/28	FY2028/29	FY2029/30 (End of Term)
<ul style="list-style-type: none"> <li>• Improve workforce productivity: Labor Cost 30% of Revenue</li> <li>• GFOM 2026 Project Plan implementation</li> <li>• Align the Competency Framework to fit future skills for SMART airports including Jet fuel, Cargo and Green skills</li> <li>• Embed Leadership Culture Index and assessment roll-out (PRIDE, Behaviours, Ethics)</li> <li>• Align People Reporting to 6 Capitals Framework</li> <li>• Reduce environmental impact through digital skills and automation</li> </ul>	<ul style="list-style-type: none"> <li>• Maintain a workforce productivity: Labor Cost 30% of Revenue</li> <li>• Implement Workplace Skills Plan for current and future capacity</li> <li>• Maintain a constructive employee relations and industrial peace</li> <li>• Manage and recognise performance and productivity</li> <li>• Drive an integrated change management and transformation programme</li> <li>• Integrate employee health and wellness initiatives that encourage sustainability of natural resources</li> </ul>	<ul style="list-style-type: none"> <li>• Maintain a workforce productivity: Labor Cost 30% of Revenue</li> <li>• Maximise Skills Development Grant clawback</li> <li>• Embed a high performance culture through skills development and flexible workforce programmes</li> <li>• Implement a comprehensive ACSA DNA programme</li> <li>• Elevate Digital maturity to level 3 (data-driven management practices)</li> <li>• Integrate employee health and wellness initiatives that encourage sustainability of natural resources</li> </ul>	<ul style="list-style-type: none"> <li>• Maximise HR ROI</li> <li>• Maintain a high performance culture supported by continuous learning</li> <li>• Maintain a fair, respectful, and inclusive work environment</li> <li>• Optimise Employee Engagement by rejuvenating the employee value proposition</li> <li>• Integrate employee health and wellness initiatives that encourage sustainability of natural resources</li> </ul>

# HUMAN RESOURCES DIVISIONAL COMMITMENTS OVER THE NEXT 3 YEARS

## OUTCOMES FOR FY2026/27-FY2028/29

FY2026/27	FY2027/28	FY2028/29	FY2029/30 (End of Term)
<ul style="list-style-type: none"> <li>• Sustainable profitability and productivity through the management of a cost efficient headcount and workforce planning</li> <li>• Improved operational performance through functional capacity and capability modelling</li> <li>• Updated competency framework supporting future capability needs</li> <li>• Measurable leadership culture maturity with standardized leadership assessments implemented</li> <li>• Integrated people analytics reporting aligned to ESG/Integrated Reporting standards</li> <li>• Reduced resource waste through process digitisation and automation</li> </ul>	<ul style="list-style-type: none"> <li>• Sustainable profitability and productivity through the management of a cost efficient headcount and workforce planning</li> <li>• Skills pipeline aligned to current operational needs and improving workforce readiness for SMART operations</li> <li>• Reduced labour disputes and disruptions through stable union engagement and improved dispute resolution,</li> <li>• Stronger performance culture with measurable productivity improvements, consistent performance management</li> <li>• Embedding sustainability-conscious behaviours into workplace practices.</li> </ul>	<ul style="list-style-type: none"> <li>• Sustainable profitability and productivity through the management of a cost efficient headcount and workforce planning</li> <li>• Increased recovery of skills levy funding through improved compliance, accurate reporting, and maximized training claim submissions.</li> <li>• Improved productivity and agility through upskilling and flexible workforce models</li> <li>• Alignment of organisational culture and values resulting in common identity, accountability, and behavioural consistency across ACSA.</li> <li>• Improved decision-making through stronger data governance, analytics adoption, and digital capability</li> <li>• Healthier workforce with reduced absenteeism while embedding environmentally responsible behaviours through wellness and sustainability-linked initiatives.</li> </ul>	<ul style="list-style-type: none"> <li>• Improved return on HR investment through measurable impact on productivity, retention, capability development, and reduced people-related costs</li> <li>• Performance delivery enabled by ongoing upskilling, improved capability levels, and a culture of continuous improvement</li> <li>• Reduced employee relations risk and improved workplace harmony through strengthened inclusion practices, fair treatment, and consistent policy adherence</li> <li>• Higher engagement and retention levels through a refreshed EVP that improves employee experience, attraction of talent, and organisational commitment.</li> <li>• Improved employee wellbeing and resilience, while reinforcing sustainability awareness and responsible resource usage behaviours.</li> </ul>

## DIVISION: CORPORATE SERVICES

### DRIVING REPUTATION, TRUST AND TRANSFORMATION AT STRATEGIC LEVEL

Corporate Services is repositioning itself as a strategic enabler of ACSA's 2028 vision, focused on rebuilding reputation, strengthening ethics, driving transformation, enhancing brand relevance, and advancing digital and customer centric innovation. The division highlights key risks—including reputation decline, stakeholder trust erosion, operational inefficiencies, brand capacity gaps, B BEE risks, and weak internal communication—while outlining clear plans to restore airline relationships, unify communications, implement ESG and ISO frameworks, reposition the brand, and scale youth, governance, and stakeholder programmes to strengthen organisational resilience and trust.

#### CORPORATE SERVICES FY2026/27-2028/29 PRIORITY AREAS



# CORPORATE SERVICES DIVISIONAL COMMITMENTS OVER THE NEXT 3 YEARS

## INPUTS FOR FY2026/27-FY2028/29

FY2026/27	FY2027/28	FY2028/29	FY2029/30 (End of Term)
<ul style="list-style-type: none"> <li>• Provision of Legal support to CIAM, Commercial and SCM to achieve the Capex objectives.</li> <li>• Provision of legal support through alternative dispute resolution by decreasing legal costs and managing reputational risk.</li> <li>• Develop Communications Strategy.</li> <li>• Establish Social Listening Tools</li> <li>• Crisis Communications Policy</li> <li>• Internal &amp; External Communications Procedure</li> <li>• Media Training for SMEs</li> <li>• Media Engagements</li> </ul>	<ul style="list-style-type: none"> <li>• Provision of Legal support to CIAM, Commercial and SCM to achieve the Capex objectives.</li> <li>• Provision of legal support through alternative dispute resolution by decreasing legal costs and managing reputational risk.</li> <li>• Roll out Communications Strategy with divisional action plans and KPIs.</li> <li>• Integrate Social Listening Tools into daily operations and stakeholder dashboards.</li> <li>• Test and refine Crisis Communications Policy through simulations and drills.</li> <li>• Standardise Internal &amp; External Procedures via templates and compliance audits.</li> <li>• Scale Media Training for SMEs to all staff levels with a certification program.</li> <li>• Launch structured Media Engagements calendar targeting key aviation events.</li> </ul>	<ul style="list-style-type: none"> <li>• Provision of Legal support to CIAM, Commercial and SCM to achieve the Capex objectives.</li> <li>• Provision of legal support through alternative dispute resolution by decreasing legal costs and managing reputational risk.</li> <li>• Monitor strategy effectiveness with analytics and annual reviews.</li> <li>• Optimise social listening with predictive alerts.</li> <li>• Update crisis policy based on post-incident reviews and benchmarking.</li> <li>• Audit procedures for efficiency; automate routine communications.</li> <li>• Evaluate training impact via surveys; introduce advanced modules (e.g., digital media).</li> <li>• Analyse media engagement ROI; pivot to high-impact channels like LinkedIn and podcasts.</li> </ul>	<ul style="list-style-type: none"> <li>• Provision of Legal support to CIAM, Commercial and SCM to achieve the Capex objectives.</li> <li>• Provision of legal support through alternative dispute resolution by decreasing legal costs and managing reputational risk.</li> <li>• Innovate strategy with emerging tech (e.g., VR stakeholder tours).</li> <li>• Expand listening to real-time sentiment across ACSA network and partners.</li> <li>• Develop an advanced crisis playbook for aviation-specific risks (e.g., cyber threats).</li> <li>• Lead cross-functional comms hubs for seamless internal-external flow.</li> <li>• Establish SME media ambassador program with peer coaching.</li> <li>• Spearhead thought leadership</li> </ul>

## CORPORATE SERVICES DEPARTMENTAL COMMITMENTS OVER THE NEXT 3 YEARS:

- A. BRAND AND MARKETING
- B. STAKEHOLDER MANAGEMENT

### OUTCOMES FOR FY2026/27-FY2028/29

FY2026/27	FY2027/28	FY2028/29	FY2029/30 (End of Term)
<ul style="list-style-type: none"> <li>• Brand Health and Customer Experience (CX) research</li> <li>• Brand Strategy Review</li> <li>• Brand Touchpoint Updating -Refresh and brand consistency</li> <li>• Rebranding Phase 1 - development</li> <li>• Passenger Mobilisation – Awareness drives/ activations</li> <li>• RepTrak Study 2025/2026</li> <li>• Stakeholder Quarterly Pulse Survey and Remedial Plan management</li> <li>• ACSA Excellence Awards implementation</li> <li>• Commercial Marketing Tactical Support – Non aeronautical revenue increase</li> </ul>	<ul style="list-style-type: none"> <li>• Passenger Mobilisation unflow conversion implementation</li> <li>• Phase 2 Brand and CX implementation</li> <li>• Rebranding Phase 2 – Airport brand touch point implementation</li> <li>• RepTrak Study 2026/2027</li> <li>• Stakeholder Quarterly Pulse Survey and Remedial Plan management</li> <li>• Brand and CX recommendations implementation in line with new brand</li> <li>• ACSA Excellence Awards implementation</li> <li>• Commercial Marketing Tactical Support – Non aeronautical revenue increase</li> <li>• Stakeholder Management Strategy Review and update</li> </ul>	<ul style="list-style-type: none"> <li>• Passenger Mobilisation unflow conversion monitoring and evaluation</li> <li>• Rebranding Phase 3 - impact analysis and Rebranding strategy monitoring</li> <li>• Brand Health and CX Research</li> <li>• RepTrak Study 2027/2028</li> <li>• Stakeholder Quarterly Pulse Survey and Remedial Plan management</li> <li>• ACSA Excellence Awards implementation</li> <li>• Commercial Marketing Tactical Support – Non aeronautical revenue increase</li> </ul>	<ul style="list-style-type: none"> <li>• Passenger Mobilisation Review</li> <li>• Review of Passenger mobilisation strategy</li> <li>• Rebranding Phase Final - Rebranding strategy Review</li> <li>• Brand Health and CX Research implementation</li> <li>• RepTrak Study 2028/2029</li> <li>• Stakeholder Quarterly Pulse Survey and Remedial Plan management</li> <li>• ACSA Excellence Awards implementation</li> <li>• Commercial Marketing Tactical Support – Non aeronautical revenue increase</li> </ul>

# CORPORATE SERVICES DIVISIONAL COMMITMENTS OVER THE NEXT 3 YEARS

## OUTCOMES FOR FY2026/27-FY2028/29

FY2026/27	FY2027/28	FY2028/29	FY2029/30 (End of Term)
<ul style="list-style-type: none"> <li>• Successful facilitation of Capex expenditure through provision of strategic legal services.</li> <li>• Reduction of legal costs through empowerment of ACSA business units and management of legal disputes</li> <li>• Reduced Negative Sentiment by 20%</li> <li>• Improved Positive Sentiment by 20%</li> <li>• B-BBEE impact analysis report against Draft Revised Transport codes and desired BEE level</li> <li>• Ethics management strategy and management implemented</li> <li>• 30% target for youth and 10% for persons with disabilities suppliers representation on supplier value chain and across all occupational levels</li> <li>• 80% procurement spend on black-owned suppliers to ensure maximum value in transforming supplier base</li> <li>• Year 1 of youth development and empowerment strategy implemented</li> <li>• Revised ESG Strategy and Sustainability framework approved by Board</li> </ul> <p>Economic transformation impact analysis report</p>	<ul style="list-style-type: none"> <li>• Successful facilitation of Capex expenditure through provision of strategic legal services.</li> <li>• Reduction of legal costs through empowerment of ACSA business units and management of legal disputes</li> <li>• Reduced Negative Sentiment by 10%</li> <li>• Improved Positive Sentiment by 10%</li> <li>• Revised comprehensive economic transformation strategy</li> <li>• Sustainable community development programs implemented</li> <li>• Organisational Ethics culture embedded and improved</li> <li>• Improved adherence to organisational policies and procedures</li> <li>• Improved monitoring and reporting on ESG KPI targets</li> </ul>	<ul style="list-style-type: none"> <li>• Successful facilitation of Capex expenditure through provision of strategic legal services.</li> <li>• Reduction of legal costs through empowerment of ACSA business units and management of legal disputes</li> <li>• Reduced Negative Sentiment by 10%</li> <li>• Improved Positive Sentiment by 10%</li> <li>• Organisational Ethics profile and opportunities report</li> <li>• Reduction of fraud and corruption related cases within the business</li> <li>• Socio-economic impact assessment report.</li> <li>• SED strategy 2025-2029 Reviewed</li> <li>• Improved adherence to governance and control framework requirements</li> </ul>	<ul style="list-style-type: none"> <li>• Successful facilitation of Capex expenditure through provision of strategic legal services.</li> <li>• Reduction of legal costs through empowerment of ACSA business units and management of legal disputes</li> <li>• Reduced Negative Sentiment by 10%</li> <li>• Improved Positive Sentiment by 10%</li> <li>• Approved Revised SED strategy 2030-2035</li> <li>• ESG Strategy and Sustainability Reporting Framework Reviewed</li> <li>• Improved Organisational ethical culture across the airport's ecosystem</li> <li>• Regulatory compliance and transformation targets achieved</li> </ul>

## INTERNAL AUDIT FUNCTION

### INTERNAL AUDIT & FORENSICS STRATEGIC ROADMAP FY2026/27–FY 2028/29

The Internal Audit and Forensics function is advancing toward a modern, technology enabled capability that strengthens governance, reduces financial risk, and enhances value for the organisation. By focusing on risk based reviews, probity support, proactive fraud detection, and data driven forensic investigations, the function will improve cost control and minimise financial losses.

Investment in specialist skills—spanning forensics, I.T audit, cyber security, AI governance, and data analytics—will build a future ready team supported by strong succession planning and knowledge transfer. Strengthened collaboration with management, EXCO and assurance partners, alongside integrated assurance reporting, will improve transparency, elevate audit outcomes, and reduce repeat findings. Through continuous maturation of tools, processes, and combined assurance practices, the function aims to deliver timely, insightful assurance that enhances internal controls and supports informed decision making across the airport environment.

### INTERNAL AUDIT FY2026/27-2028/29 PRIORITY AREAS



#### MODERNISING INTERNAL AUDIT AND FORENSICS FOR STRONGER GOVERNANCE

Technology-enabled, risk-driven assurance that strengthens governance and reduces risk.



#### FUTURE-READY AUDIT CAPABILITY AND INTEGRATED ASSURANCE

Enhanced skills and collaboration to deliver a future-ready, high-impact audit function.

#### DELIVERING TIMELY, INSIGHTFUL INTEGRATED ASSURANCE

Delivering timely, data-driven assurance that strengthens controls and supports informed decisions.

## INTERNAL AUDIT DIVISIONAL COMMITMENTS OVER THE NEXT 3 YEARS

### INPUTS FOR FY2026/27-FY2028/29

FY2026/27	FY2027/28	FY2028/29	FY2029/30 (End of Term)
<ul style="list-style-type: none"> <li>Strengthen cost optimisation and value-for-money assurance through risk-based Internal Audit and Probity reviews over major projects, procurement, contracts and CAPEX spend.</li> <li>Enhance fraud risk management and minimise financial losses through proactive forensic audits, data analytics and targeted investigations focused on high-risk areas.</li> <li>Increase overall assurance through implementation of Combined Assurance</li> <li>Timeous execution of audit plan</li> <li>Acquire and implement audit tools to increase efficiency</li> <li>Build and sustain specialist capability in forensics, IT audit, cyber security, AI governance and data analytics through targeted training, skills development and professional certifications.</li> <li>Strengthen succession planning, knowledge transfer and capacity building within Internal Audit, Forensics and Probity functions.</li> <li>Strengthen relationships with management and EXCO through advisory engagements, probity support and timely communication of emerging risks and control weaknesses.</li> <li>Improve audit outcomes through external audit liaison</li> <li>Improve internal controls through resolution of open audit findings</li> <li>Conduct Internal Quality Assurance on Internal Audit activities</li> </ul>	<ul style="list-style-type: none"> <li>Strengthen cost optimisation and value-for-money assurance through risk-based Internal Audit and Probity reviews over major projects, procurement, contracts and CAPEX spend.</li> <li>Enhance fraud risk management and minimise financial losses through proactive forensic audits, data analytics and targeted investigations focused on high-risk areas.</li> <li>Increase overall assurance through implementation of Combined Assurance</li> <li>Timeous execution of audit plan</li> <li>Acquire and implement audit tools to increase efficiency</li> <li>Build and sustain specialist capability in forensics, IT audit, cyber security, AI governance 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● FINANCIAL CAPITAL   
 ● CAPEX   
 ● INTELLECTUAL CAPITAL   
 ● HUMAN CAPITAL   
 ● SOCIAL AND RELATIONSHIP CAPITAL   
 ● NATURAL CAPITAL

## INTERNAL AUDIT DIVISIONAL COMMITMENTS OVER THE NEXT 3 YEARS

### OUTCOMES FOR FY2026/27-FY2028/29

FY2026/27	FY2027/28	FY2028/29	FY2029/30 (End of Term)
<ul style="list-style-type: none"> <li>• Reduced financial losses, improved cost control, and enhanced value realisation from projects and operations.</li> <li>• A modern, technology-enabled Internal Audit and Forensics function aligned with international standards.</li> <li>• Improved assurance coverage and insight through data-driven and AI-enabled audits.</li> <li>• A highly skilled, future-ready audit and forensics team with strong specialist capability.</li> <li>• Increased confidence by the Board, ARC, and EXCO in the effectiveness and independence of assurance activities.</li> <li>• Improved audit outcomes and reduced repeat findings.</li> </ul>	<ul style="list-style-type: none"> <li>• Focus on international audits and benchmarking to build the Internal Audit team's skills and expertise, leveraging global insights and best practices to strengthen knowledge across the airport environment</li> <li>• Full Operational Combined Assurance to strengthen our team and our clients relationships by building skilled audit capabilities and fostering collaboration across all assurance providers.</li> <li>• Advance forensic analytics and continuous auditing pilots to build Internal Audit's specialist skills and analytical knowledge, strengthening our expertise and people skills across the airport environment</li> </ul>	<ul style="list-style-type: none"> <li>• Focus on maturing the Internal Audit and Forensics team with AI enabled skills on auditing and continuous assurance.</li> <li>• Achieve fully integrated assurance reporting across the airport environment, leveraging Combined Assurance to provide timely execution of the audit plan, proactive fraud risk management, and targeted forensic investigations in high-risk areas.</li> <li>• Strengthen trust and collaboration with management and stakeholders through clear, timely, and integrated assurance reporting that highlights emerging risks and control gaps</li> <li>• Sustain improvement in internal control maturity and audit outcomes through implementation of audit tools, enhanced cyber, IT, and AI governance, knowledge transfer, succession planning, and professional skills development in forensics and data analytics.</li> </ul>	<ul style="list-style-type: none"> <li>• A mature, integrated, and future-focused Internal Audit and Forensics function that provides proactive, technology-enabled assurance and advisory services, protects organisational value, and supports sound governance and strategic decision-making.</li> </ul>

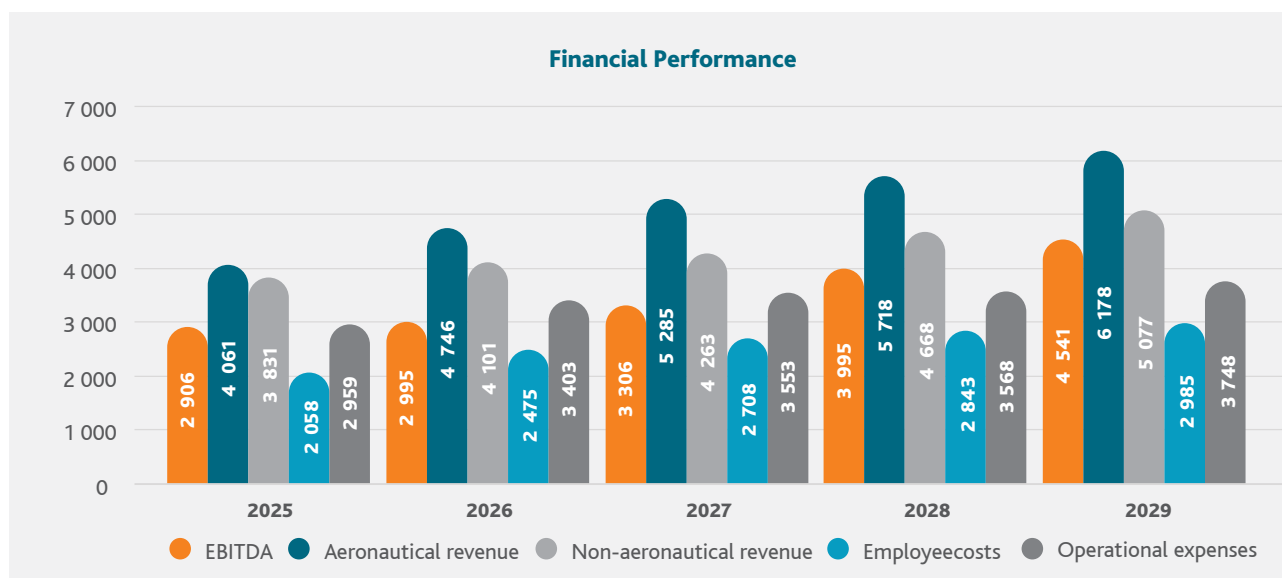
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## FINANCIAL PLAN

## LONG-TERM SHAREHOLDER VALUE THROUGH FINANCIAL SELF SUFFICIENCY

Shareholder value creation over the long term is fundamental to our ability to be self-sufficient. ACSA's financial independence enables the continuous delivery of major infrastructure requirements against the demand of the aviation industry, supporting our vision of being a world-leading airport business. Failure to be self-sufficient would introduce funding risk for future major infrastructure investments.



## ECONOMIC ASSUMPTIONS

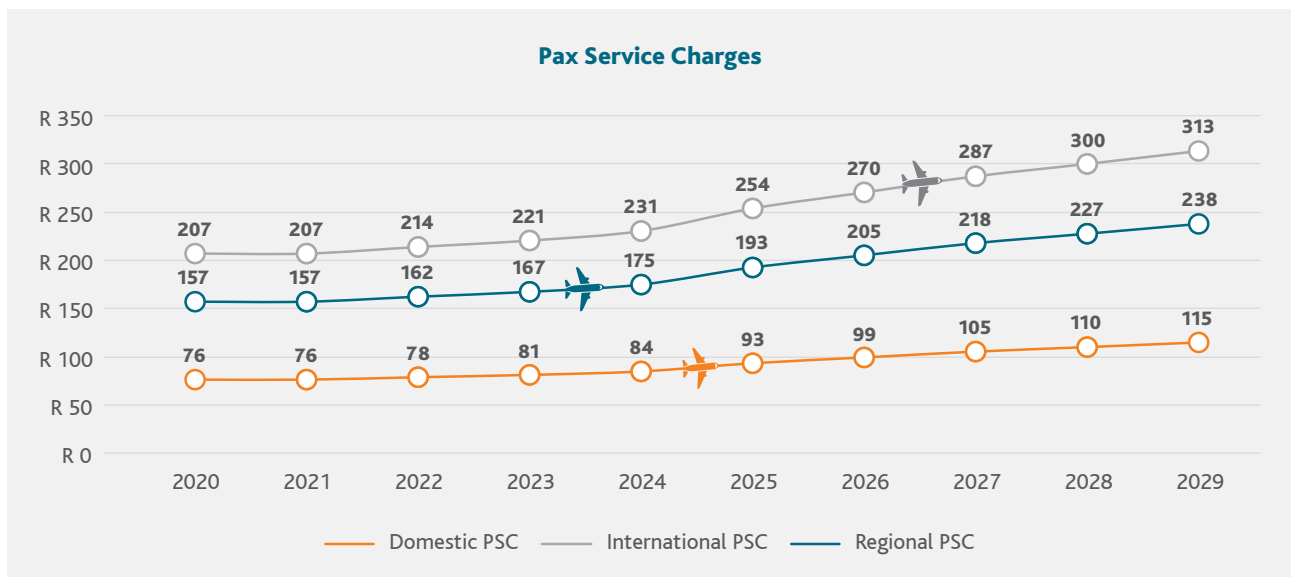
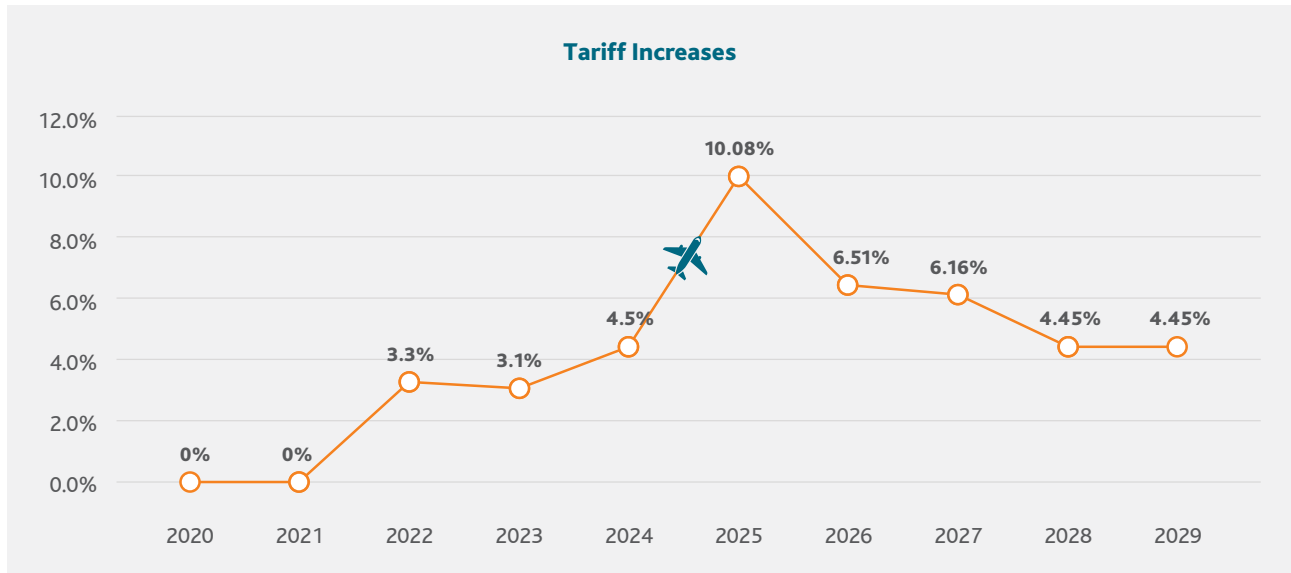
The key assumptions that were made in the Financial Plan are provided in the table below:

ASSUMPTION	FORECAST		BUDGET/PLAN	
	2025/26	2026/27	2027/28	2028/29
Traffic growth, %	10,2%	3,5%	0,5%	3,4%
CPI, %	3,3%	3,5%	3,2%	3,1%
Interest rate, %	10,0%	10,0%	10,0%	10,0%
Tariff increase, %	6,51%	6,16%	4,45%	4,45%
Capex, Rm	2,313	1,840	6,792	12 445
Dividends*, %	0,0%	0,0%	0,0%	0,0%

\*The Company does not budget for dividends; however, the dividends distribution is considered based on audited financial statements considering the prevailing dividends policy.

## TARIFFS

The current Permission is approved for financial periods FY24 to FY28. We can open the Permission consultation after the 3rd year of the permission which will therefore allow us to re-engage for periods after FY26. Due to unforeseen delays the 2027- 2031 Permission has not been finalised. Tariffs of the fourth and fifth years of the 2024–2028 Permission have been applied for the Aeronautical revenues. In the absence of a new tariff, an inflation linked increase has been applied to the last year of this financial plan.



## CAPITAL EXPENDITURE PROGRAMME

The capital expenditure programme provides for investments of approximately R19 billion over the Corporate Plan period. Most of the capex spend in the three-year planning period, up to 58%, is planned for refurbishments and replacement projects with capacity projects accounting for a further 23%.

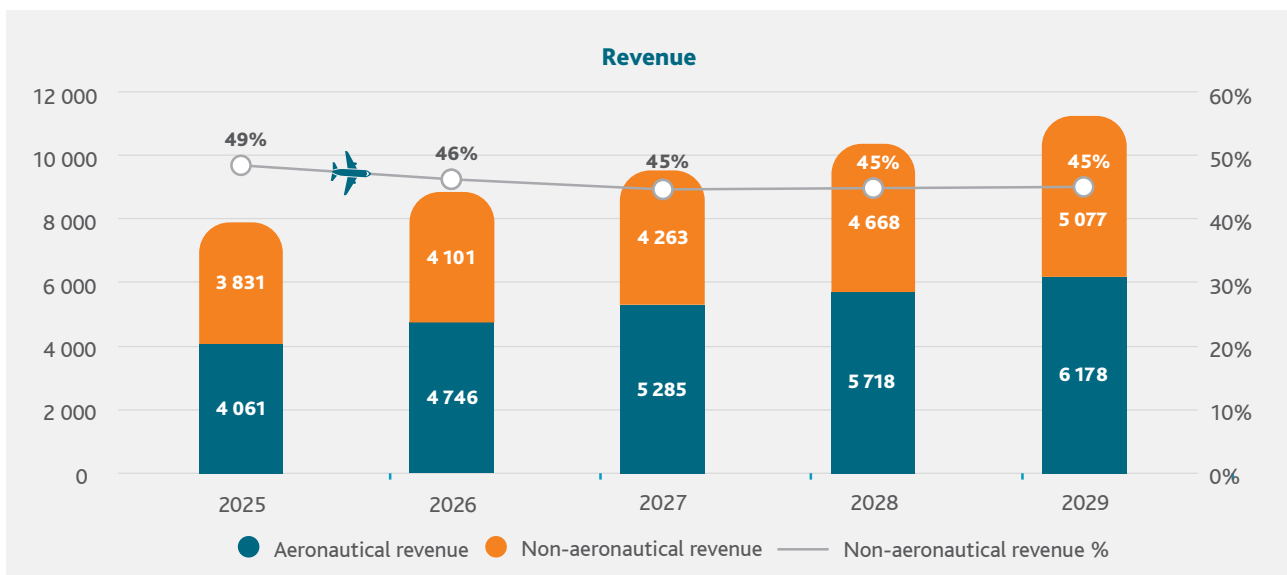
DIVISION	T BUDGET 2027	T BUDGET FY 2028	T BUDGET FY 2029	TOTAL
CBD	91 163 143	952 636 354	1 107 325 861	2 151 125 358
CIAM	660 053 377	2 804 252 443	5 236 181 973	8 700 487 793
ESC	4 250 000	546 808 344	885 169 784	1 436 228 128
IT	201 278 218	586 258 467	706 515 927	1 494 052 612
OM	764 989 806	1 277 753 040	3 764 881 594	5 807 624 440
<b>Grand Total</b>	<b>1 721 734 544</b>	<b>6 167 708 648</b>	<b>11 700 075 139</b>	<b>19 589 518 331</b>

## REVENUE

The Group's revenue comprises of both aeronautical and non-aeronautical revenue. Aeronautical revenue relates to passenger facilitation services for which passenger service charges are collected, and airline services in the form of landing and aircraft parking fees. Non-aeronautical revenue includes all other revenue streams, such as concessionaire revenues, i.e., retail, car rental, advertising, and parking revenues, as well as office rental and property development revenue streams.

The Group is forecasting revenue of R9,547 billion in 2026/27FY. This follows a 6.12% increase in aeronautical charges granted by the Regulating Committee in the 2024-2028 Permission.

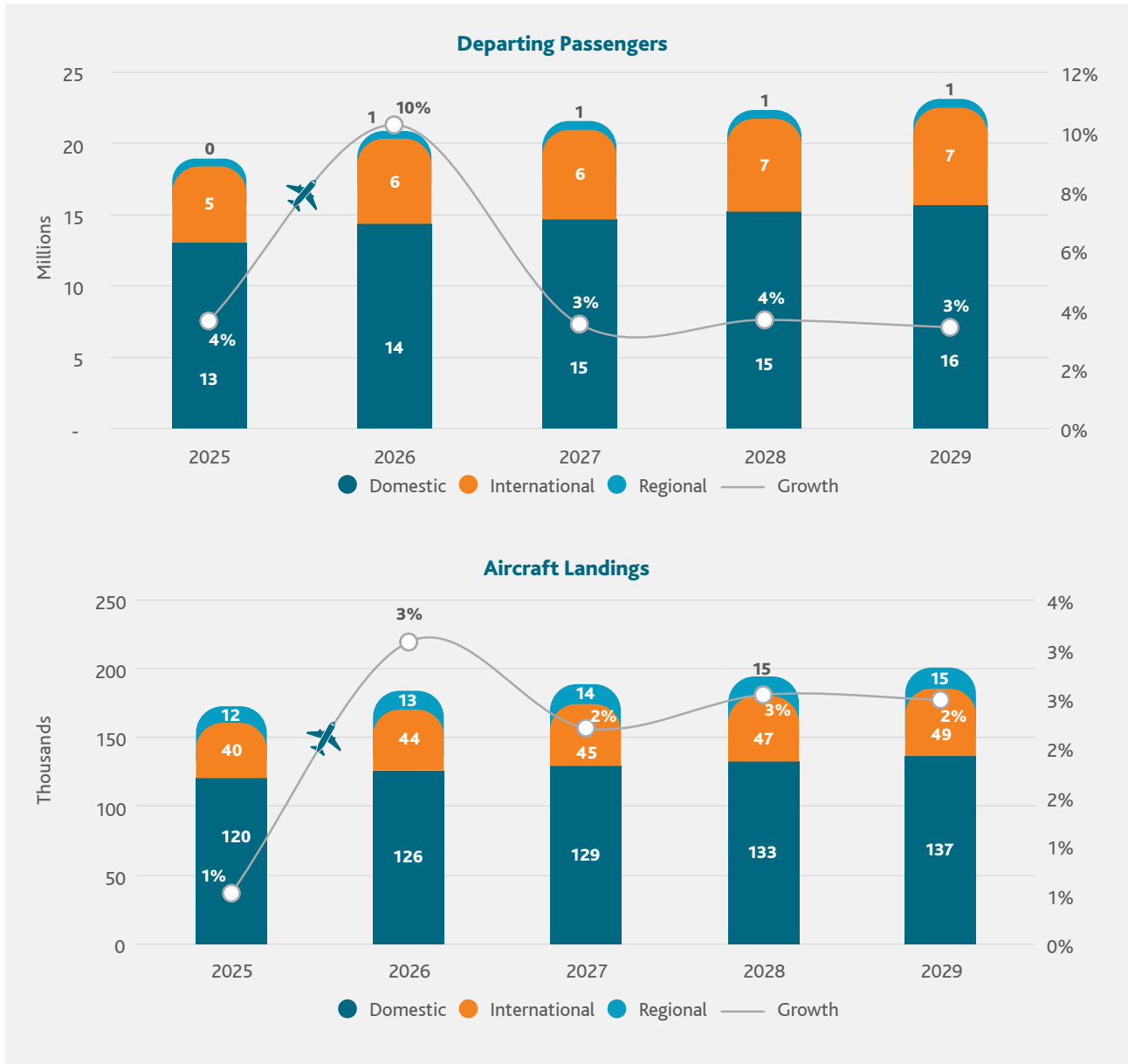
Non-aeronautical revenue is projected to be 45% of total revenues over the Corporate Plan period.



## AERONAUTICAL REVENUE

Aeronautical revenue is forecasted to increase by 11,3% in 2026/27FY compared with the previous financial year forecast. The is driven by largely anticipated increase in tariff of 6.12% and growth in traffic of 3,5% for Pax and 2,2% for ATM growth.

The drivers of aeronautical revenue are depicted in the graphs below:



Departing Passengers are expected to grow by 3,5% compared to forecast and 3% higher than 2019/20 levels.

**101%**  
INTERNATIONAL

**108%**  
DOMESTIC

Aircraft Landings are expected to grow by 2,2%% compared to forecast and reach 97,3% of 2019/20 levels.

**117.9%**  
INTERNATIONAL

**98.6%**  
DOMESTIC

## NON-AERONAUTICAL REVENUE

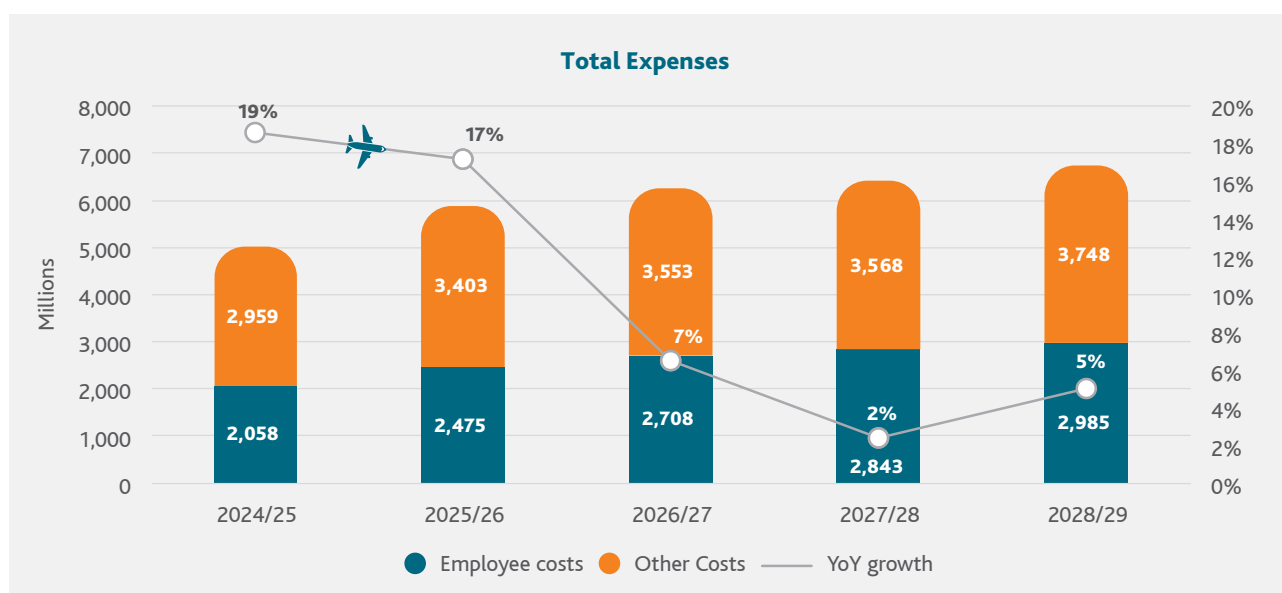
Non-aeronautical revenue increases by 3,9% in 2026/27FY compared with the 2025/26FY forecast.

When comparison is drawn between the 2025/26FY forecast and the 2026/27FY budget:

- Retail revenue is estimated to decrease by 2%.
- Car parking is estimated to increase by 8%.
- Advertising revenue is estimated to increase by 14%.
- Car rental revenue is estimated to decrease by 2%; and
- Property rentals and property development are estimated to decrease by 9%
- Other revenue includes new business income stream from the provision of Jet Fuel and hotel operations

## OPERATING EXPENDITURE

The operating expenditure for FY2026/27 is estimated at R6 261 million at Group and represents a 6,5% year-on-year increase when compared to FY2025/26.



The major cost components are as follows:

- Employee costs (including other employee costs) increase by 9,4% at Group from R2,475 million to R2,708 million. Employee costs include insourced heads for security personnel in the critical areas. This is funded by the reduction in outsourced contractor costs. New capacity resources for CIAM have been included for new Capex implementation over the Permission period.
- Repairs & maintenance costs increase by 4,9% to R726 million due to new asset lifecycle management approaches being introduced as well as increased maintenance because of our ageing infrastructure.
- Utilities increase by 12,3% to R366 million in line with annual tariff increases and expected volume growth.
- Security costs increase by 3,5% to R351 million. Increases are based on CPI applied to current year forecast
- Rates and taxes increase by 17,4% to R430 million based on the expected increases as promulgated by municipalities. The Budget also allows for rates for the Western Precinct which has not yet been billed in the current FY.
- Information systems expenditure increases by 3,62% to R472 million because of the continuing delivery against the digitisation strategy particularly the move to cloud services.
- Cross subsidy assessment between Employee Costs and Operational Expenses will be conducted on a regular basis, to achieve the optimal cost structure.

## DEPRECIATION

The depreciation charge for the 2026/27 financial year is estimated at R1,325 million. This represents a marginal difference to the 2025/26 forecast of R1, 272 million due to low levels of capital expenditure.

## FINANCING COSTS

Financing cost continues to reduce over the first two years of the Corporate Plan period due to the impact of debt redemptions. In FY 2029, the increase Capex programme will additional funding resulting in an increase in interest costs.

## EARNINGS

A profit after tax of R1,440 billion is budgeted, which represents a 18% increase when compared with the 2025/26 forecast. EBITDA growth is budgeted at 10% when compared to 2025/26 Forecast. Profitability is expected to improve during the Corporate Plan period on the back of traffic volume growth returning to pre-pandemic levels and the benefits from realizing new strategies and new revenue streams.

## GROUP BALANCE SHEET

FIGURES IN R MILLION	2025/26	2026/27	2027/28	2028/29
<b>ASSETS</b>				
<b>Non-current assets</b>	<b>29 042</b>	29 439	<b>30 967</b>	41 125
Property, plant & equipment	<b>25 124</b>	25 521	<b>30 260</b>	40 418
Other non-current assets	<b>3 918</b>	3 918	<b>707</b>	707
<b>Current assets</b>	<b>1 802</b>	1 944	<b>2 114</b>	2 291
<b>TOTAL ASSETS</b>	<b>30 844</b>	<b>31 383</b>	<b>33 081</b>	<b>43 416</b>
<b>EQUITY AND LIABILITIES</b>				
Capital & reserves	<b>21 195</b>	22 635	<b>24 572</b>	26 373
Non-current liabilities	<b>7 004</b>	6 058	<b>4954</b>	12 451
Current liabilities	<b>2 644</b>	2 690	<b>3 556</b>	4 592
<b>TOTAL EQUITIES AND LIABILITIES</b>	<b>30 844</b>	<b>31 383</b>	<b>33 081</b>	<b>43 416</b>

## GROUP INCOME STATEMENT

FIGURES IN R MILLION	2025/26	2026/27	2027/28	2028/29
Landing fees	1 536	1 727	1 864	2 011
Passenger service charges	3 146	3 491	3 686	4 097
Parking fees	65	66	68	70
<b>Aeronautical Revenue</b>	<b>4 746</b>	<b>5 285</b>	<b>5 718</b>	<b>6 178</b>
Retail	1 335	1 311	1 450	1 577
Car rental	409	402	440	476
Car parking	610	659	712	767
Advertising	205	233	288	305
Property rentals	1 160	1 061	1 136	1 263
Other commercial	382	596	642	689
<b>Non-aeronautical Revenue</b>	<b>4 101</b>	<b>4 263</b>	<b>4 668</b>	<b>5 077</b>
<b>TOTAL REVENUE</b>	<b>8 847</b>	<b>9 547</b>	<b>10 386</b>	<b>11 254</b>
<b>Employee costs</b>	<b>2 475</b>	<b>2 708</b>	<b>2 843</b>	<b>2 985</b>
<b>Operating expenses</b>	<b>3 403</b>	<b>3 553</b>	<b>3 568</b>	<b>3 748</b>
<b>EBITDA</b>	<b>2 995</b>	<b>3 306</b>	<b>3 995</b>	<b>4 541</b>
Depreciation	1 272	1 325	1 429	1 543
<b>PROFIT BEFORE INTEREST &amp; TAX</b>	<b>1 723</b>	<b>1 972</b>	<b>2 566</b>	<b>2 998</b>
Net interest received /paid	-417	-367	-132	-613
Investment income / capitalised interest	356	358	219	81
<b>PROFIT BEFORE TAX</b>	<b>1 662</b>	<b>1 963</b>	<b>2 653</b>	<b>2 466</b>
Taxation	449	530	716	666
<b>PROFIT AFTER TAX</b>	<b>1 213</b>	<b>1 433</b>	<b>1 937</b>	<b>1 800</b>

## GROUP CASHFLOW STATEMENT

FIGURES IN R MILLION	2025/26	2026/27	2027/28	2028/29
EBITDA	2 995	3 306	3 995	4 541
Taxation	-490	-516	-680	-676
Dividends	0	0	0	0
Working capital changes:				
Receivables	251	-86	-103	-107
Payables	480	29	828	1 046
<b>Net cash from operations</b>	<b>3 236</b>	<b>2 733</b>	<b>4 040</b>	<b>4 804</b>
<b>Net cash from operations</b>	<b>-2 313</b>	<b>-1 722</b>	<b>-6 168</b>	<b>-11 700</b>
<b>Net cash from operations</b>	<b>-2 888</b>	<b>-955</b>	<b>2 194</b>	<b>7 160</b>
Borrowings	-2 720	-946	2 107	7 692
Net interest	-168	-9	88	-532
<b>Cash flows</b>	<b>-1 965</b>	<b>55</b>	<b>67</b>	<b>264</b>
Opening cash	2 673	708	764	831
<b>Closing cash</b>	<b>708</b>	<b>764</b>	<b>831</b>	<b>1 095</b>

## BORROWING PLAN

The Company is required to develop a Borrowing Plan in terms of Public Finance Management Act and Section 29.1.3 of the Treasury Regulations. The Board as the Accounting Authority is required to approve the Borrowing Plan in line with Section 66(31) of the PFMA. The Borrowing Plan is developed considering the capital expenditure, operational requirements, interest payments and debt redemptions over the three-year period. The Board as the Accounting Authority is required to approve the Borrowing Plan in line with Section 66(31) of the PFMA. Airports Company South Africa's Borrowing Plan is attached as Annexure G.



# 23



## CONCLUSION

The FY2026/27– FY2028/29 Corporate Plan underscores a decisive pivot to enhance value creation through the strategic execution of capital projects and the leveraging non-aeronautical revenue opportunities. By adopting a data-driven approach to better understand consumer behaviour and optimising value propositions, the Company aims to curb financial leakages and establish a foundation for sustainable growth. ACSA's commitment to creating an environment that supports SMMEs, and fosters innovation reflects its broader mission to integrate community-driven development into its operational framework.

The capital investment program prioritises expediting groundwork for Mid-field terminal development, beginning with an environmental impact study and comprehensive consultations with stakeholders. These efforts align with the Company's long-term vision of positioning its airports as gateways to regional and global destinations while ensuring environmental sustainability and regulatory compliance. Amidst a challenging macroeconomic landscape characterised by geopolitical tensions and climate change pressures, ACSA remains vigilant to the threats posed by oligopolistic competition, therefore, such market concentration underscores the need for collaborative partnerships and win-win interventions to improve operational coordination and promote its airports as pivotal trade and tourism hubs. These partnerships are critical for sustaining competitiveness and aligning with global trends in infrastructure modernisation and climate-conscious development.

Revenue growth over the corporate plan period is projected to be robust, with EBITDA and Profit after Tax expected to grow by of 10% and 18%, respectively. Aeronautical revenue is forecast to increase by 11.3%, primarily driven by traffic growth and tariff adjustments, while non-aeronautical revenue is expected to grow by 3.9% through organic growth and new ventures such as a revised model for jet fuel supply. Operational expenses are anticipated to grow by 4.4%, while employee costs are forecast to grow by 9.4%.

To navigate these dynamics, ACSA's transition from its "Recover and Sustain" to "Innovate, Grow, and Sustain" strategy emphasises agility and resilience. Key initiatives include digital transformation, insourcing critical airport activities, and enhancing cargo and logistics infrastructure. The integration of digital tools will optimise operations, improve passenger experiences, and drive efficiency gains. To this end, ACSA recognises the importance of aligning airport development with urban spatial planning, responding to migration patterns, and embracing a dynamic regulatory framework. By advancing strategic pillars on Innovate, Grow, and Sustain, ACSA is poised to deliver a competitive, sustainable, and inclusive future for South Africa's aviation industry.



# A



## ANNEXURE A: SHAREHOLDER COMPACT



## **SHAREHOLDER COMPACT**

Entered into by and between

**GOVERNMENT OF THE REPUBLIC OF SOUTH AFRICA**

**HEREIN REPRESENTED BY THE MINISTER OF TRANSPORT**

And

**AIRPORTS COMPANY SOUTH AFRICA LIMITED**

**FOR THE 2026/27 FINANCIAL YEAR**

## 1. INTRODUCTION

- 1.1 The Company has been established in terms of the Act and is listed in Part 2 Schedule 2 of the PFMA and the Objectives and the functions of the Company are governed by the Act.
- 1.2 In terms of Regulation 29.2 of the Regulations –
- 1.3 the Accounting Authority for a public company listed in Schedule 2, 3B and 3D must, in consultation with its Executive Authority, annually conclude a Shareholder Compact; and
- 1.4 the Shareholder compact must document the mandated key performance measures and indicators to be attained by the public company as agreed between the Accounting Authority and the Executive Authority. The Accounting Authority must, in terms of the PFMA, comply with its fiduciary duties and manage all revenue, expenditure, assets and liabilities of the Company effectively and efficiently.
- 1.5 The Executive Authority and the Accounting Authority wish to:
  - 1.5.1 establish a transparent and accountable working relationship on matters relating to the implementation of the provisions of the PFMA, the Companies Act, the Act and the memorandum of incorporation;
  - 1.5.2 enter into this Shareholder Compact to assist the Parties to measure the Accounting Authority and the Company's performance, and to support and manage the working relationship between them; and
  - 1.5.3 enter into this Shareholder Compact to execute their obligations in terms of Regulation 29.2 of the Regulations for the 2025/26 financial year.

## 2. DEFINITIONS AND INTERPRETATION

### 2.1 Definitions

In this Shareholder Agreement, the following expressions and words have the meaning assigned to them below and derivative expressions and words will have a corresponding meaning, unless inconsistent with or otherwise indicated by the context –

- 2.1.1 “**Accounting Authority**” means the Board of Directors of the Company as appointed in accordance with the Act;
- 2.1.2 “**Act**” means the Airports Company Act (Act No. 44 of 1993);
- 2.1.3 “**Chairman**” means the Chairman of the Accounting Authority;
- 2.1.4 “**Committee**” means a Committee of the Accounting Authority required in terms of the PFMA and the Regulations and Companies Act;
- 2.1.5 “**Companies Act**” means the Companies Act, Act No. 71 of 2008 amended;
- 2.1.6 “**Company Secretary**” means the person appointed as the secretary of the Accounting Authority as defined in the Companies Act;
- 2.1.7 “**Corporate Plan**” means the corporate plan as stated in section 52(b) of the PFMA;
- 2.1.8 “**Department**” means the Department of Transport;
- 2.1.9 “**Director**” means a member of the Accounting Authority as referred to in the Act and Companies Act;
- 2.1.10 “**Company**” means Airports Company South Africa SOC Limited;
- 2.1.11 “**Effective Date**” means date of signature of this Agreement by the last Party signing in time;

- 2.1.12 “**Executive Authority**” means the Minister of Transport or his delegate;
- 2.1.13 “**CEO**” means the Chief Executive Officer and Accounting Officer in terms of the PFMA; the Managing Director as specified in the Airports Company Act or person who has been appointed to act in the position of Chief Financial Officer;
- 2.1.14 “**CFO**” means the Chief Financial Officer of the Company or person who has been appointed to act in the position of the Chief Financial Officer;
- 2.1.15 “**Financial Year**” means the Financial Year beginning on 1 April of a specific year and ending on 31 March of the following year;
- 2.1.16 “**King Report**” means the King Report IV on Corporate Governance for South Africa, 2016 as updated and amended;
- 2.1.17 “**Member**” means a member of a Committee;
- 2.1.18 “**Memorandum/MOI**” means the memorandum of incorporation of the Company;
- 2.1.19 “**Month**” means a calendar month;
- 2.1.20 “**Parties**” means the Executive Authority and the Accounting Authority or any one of them as the context may indicate;
- 2.1.21 “**PFMA**” means the Public Finance Management Act, Act No, 1 of 1999 as amended;
- 2.1.22 “**Regulations**” means the Treasury Regulations to the PFMA initially published under GNR 345 of 9 April 2001, as amended;
- 2.1.23 “**Representative**” means a person appointed by the Parties in terms of this Shareholder Compact to fulfil and administer the functions set out herein on behalf of the Party which appointed such person;
- 2.1.24 “**Shareholder Compact**” means this document, as required in terms of Regulation 29.2 of the Regulations, including all annexures hereto;
- 2.1.25 “**Statute**” means any act of Parliament or regulation thereto or any other enactment having the force of law;
- 2.1.26 “**Strategic Plan**” means the Strategic Plan of the Company, under Regulations 5 and 30.1.3 of the Regulations; and
- 2.1.27 “**Writing**” means handwritten, type-written or printed communication, including telegram, facsimile transmission, electronic transmission or any like communication and “in Writing” and “Written” shall have corresponding meanings.

## 2.2 Interpretation

In this Shareholder Compact –

- 2.2.1 unless the context indicates a contrary intention, an expression which denotes –
  - 2.2.1.1 any reference to the singular includes the plural and vice versa;
  - 2.2.1.2 any reference to the natural person includes legal person and *vice versa*; and
  - 2.2.1.3 any reference to a gender includes the other genders;
- 2.2.2 when any number of days is prescribed same shall, unless otherwise specifically stated, be reckoned exclusively of the first and inclusively of the last day;
- 2.2.3 where words have been defined in the body of this Shareholder Compact, such words shall, unless otherwise required by the context, have the meanings so assigned to them throughout this Shareholder Compact;

- 2.2.4 where any provision contemplates a notice to be given or agreement to be reached between the Parties, such notice or agreement shall be in writing, unless expressly provided otherwise;
- 2.2.5 if any provision of this Shareholder Compact is in any way inconsistent with the provisions of the PFMA, the Companies Act, the relevant provision of the PFMA, the Companies Act, or the Act shall prevail, and this Shareholder Compact shall be read in respects subject thereto; and
- 2.2.6 if any provision of this Shareholder Compact is in any way inconsistent with the memorandum of incorporation of the Company, the provision of memorandum of incorporation shall prevail. In the event of such conflict, the Company agrees to take all such necessary actions, and such actions as are conducive, to ensure alignment with the memorandum of incorporation as necessary under this clause 2.2.6

### **3. PURPOSE OF SHAREHOLDER COMPACT**

- 3.1 The purpose of this Shareholder Compact is to –
  - 3.1.1 formalise and regulate the working relationship between the Executive Authority and the Accounting Authority;
  - 3.1.2 give effect to the mandate of the Company as outlined in the Act; and
  - 3.1.3 give effect to the obligations of the Parties to conclude a Shareholders Compact as stated in Regulation 29.2 of the Regulations.
- 3.2 In a mutual effort to enhance business performance and good corporate governance within the Company, the parties to this Agreement hereby agree to the terms and conditions set out below.

### **4. LEGISLATIVE MANDATE OF THE COMPANY**

- 4.1 The legislative mandate of the Company is set out in the Act and the Company is required to perform and comply with such legislative mandate as read in the Act in conjunction with the MOI.
- 4.2 In terms of section 4 of our enabling Act, the objectives of the Airports Company South Africa are:
  - “the acquisition, establishment, development, provision, maintenance, management, control or operation of any airport, part of the airport or any facility or service normally related to the functioning of an airport”*
- 4.3 Concurrent with achieving the legislative mandate, the Company shall deliver on and adhere to the national priorities of Government.
- 4.4 The Accounting Authority shall integrate any governmental policy, relating to the Company, into its corporate plan, key performance measures and indicators and borrowing programme in order to execute its legislative mandate.

### **5. CRITICAL ASSUMPTIONS**

The Parties have assumed that the timeous submission of the document under this Shareholder Compact being provided to the Accounting Authority is critical to;

- 5.1 the Department making informed decisions; and
- 5.2 providing the National Treasury and the Executive Authority with information which enables the

efficient execution of the Executives Authority's mandate.

## **6. ROLES AND RESPONSIBILITIES OF THE EXECUTIVE AUTHORITY**

- 6.1 The point of departure for establishing clear relationships between the Executive Authority and the Accounting Authority is that sufficient freedom of action should be allowed to enable each of them to achieve their respective objectives and to carry out their respective functions in ensuring effective corporate governance of the Company in line with recommendations and principles of the King Report.
- 6.2 As stated in section 63 of the PFMA, the role and responsibility of the Executive Authority is to exercise the Executive Authority's ownership powers to ensure that the Company complies with the Act, PFMA and the financial policies of the Executive Authority.
- 6.3 The Minister is accountable to Parliament for the exercise of his powers and the performance of his duties.
- 6.4 The Minister will communicate with the Chairperson of the Accounting Authority on issues relating to the Company.
- 6.5 The Executive Authority may, subject to 1.4 and 1.5, in writing, instruct the Accounting Authority to discontinue any activity of the Accounting Authority within a specified period, where such activity is contrary to the strategic or economic interest of the Republic of South Africa and the Accounting Authority.
- 6.6 The Executive Authority may intervene in the following as the Executive Authority sees fit:
  - 6.6.1 the overall assessment of the Accounting Authority's performance on the basis of the Company's actual performance in delivering the desired outcomes and objectives of the Company and pre-agreed objectives of Government; and
  - 6.6.2 the overall monitoring and reporting to Parliament of the financial, commercial and socio-economic strategic performance of the Company.
- 6.7 For this purpose, the Accounting Authority shall report to the Executive Authority on the matters and at the intervals stipulated in the PFMA and the Shareholder Compact.
- 6.7 The Executive Authority has the right to solicit independent advice and audit support in the discharge of the Executive Authority role and functions in terms of the Shareholder Compact.

## **7. UNDERTAKINGS BY THE EXECUTIVE AUTHORITY**

- 7.1 The Executive Authority undertakes to –
  - 7.1.1 provide an environment that encourages the discretion of the Accounting Authority regarding matters falling within its authority, as provided for in the Act, the Memorandum and this Shareholder Compact;
  - 7.1.2 expedite the implementation of critical decisions and for this financial year these are set in Annexure A1 hereto;
  - 7.1.3 facilitate the proper constitution of the Accounting Authority and to fill vacancies that arise promptly;
  - 7.1.4 promote the Company's programmes in Cabinet where such programmes have been approved by the Executive Authority;
  - 7.1.5 engage with the Accounting Authority, before exercising any of his or her powers in

terms of the Act, if the exercise of such will –

7.1.5.1 affect the performance of the Company's functions;

7.1.5.2 commit the Company to implement or give effect to a decision made by the Executive Authority; or

7.1.5.3 have a substantial financial impact on the Company; and

7.1.6 facilitate the adjustment of agreed measures and indicators and / or provide the resources to enable the Company to meet any such issued directives or any agreed plans.

## **8. THE COMPANY**

### **8.1 Role of the Accounting Authority**

The Accounting Authority collectively represents the Company and all acts of or under the Company.

### **8.2 Responsibilities of the Accounting Authority**

8.2.1 The Accounting Authority is responsible for the performance of the Company and is fully accountable to the Executive Authority for such performance.

8.2.2 In executing its responsibilities, the Accounting Authority and each individual member of the Accounting Authority undertake to;

8.2.2.1 act in good faith and for a proper purpose;

8.2.2.2 in the best interests of the Company;

8.2.2.3 with care, skill and diligence;

8.2.2.4 avoid conflict of interest; and

8.2.2.5 act in a manner based on honesty, fairness, transparency, accountability and responsibility;

8.2.3 The Directors of the Accounting Authority will disclose any personal interest in decisions taken by the Accounting Authority in the conflict register referred to in clause 12.2.5 below.

8.2.4 The Directors of the Accounting Authority agree to be individually and severally liable pursuant to the PFMA and the Companies Act, for fraud, reckless trading, failure to disclose interest in contracts, falsifying books and records, or making false statements.

8.2.5 The Directors agree that, with respect to negligence by a Director, the level of such liability referred to in 8.2.2.7 above, will vary according to the degree of a Directors' compliance with Section 76(3) and 76(4) of the Companies Act.

8.2.6 The Accounting Authority is responsible for timeously and prudently undertaking all key activities required for the efficient and effective running of the Company, including but not limited to the appointment of Executive Directors to the Company and capital decisions within the ordinary course of business;

8.2.7 The Accounting Authority shall provide a quarterly reporting package 30 days after the end of the quarter, to the Executive Authority on the matters and in the approved format.

- 8.2.8 The Accounting Authority will, at its discretion, report to the Executive Authority on matters of strategic importance that fall outside the agreed framework of this Shareholders Compact and the PFMA as agreed from time to time during its Board Meetings.
- 8.2.9 In order to facilitate effective performance monitoring, evaluation and corrective action, the report will cover the following:
- 8.2.9.1 actual performance against key performance indicators that were planned for the quarter as well as an explanation for any deviations and the corrective action that will be taken;
  - 8.2.9.2 financial performance against budget as well as an explanation for any deviations and the corrective action that will be taken;
  - 8.2.9.3 financial position; and
  - 8.2.9.4 liquidity position and progress in implementing the Borrowing Plan, if any as well as an explanation for any deviations and the corrective action that will be taken.
- 8.2.10 The Accounting Authority commits itself to exercising ethical leadership, integrity and business judgment in directing the Company so as to achieve continuing prosperity for the Company.

**8.3 The Accounting Authority shall ensure that:**

- 8.3.1 each member of the Accounting Authority is fully aware of, and complies with all applicable Statutes, Government Policies and codes of business practices.
- 8.3.2 it concludes a Shareholder Compact with the Executive Authority on or before the start of the new financial year.
- 8.3.3 the Directors of the Accounting Authority have unrestricted access to accurate, relevant information of the Company.
- 8.3.4 there is appropriate and effective induction, education and training offered to new and existing Directors of the Accounting Authority.
- 8.3.5 the Directors of the Accounting Authority act on a fully informed basis, in good faith, with diligence, care and skill and in the best interest of the Company, whilst taking account the interests of all stakeholders, including employees, creditors, customers, suppliers and local communities.
- 8.3.6 the Company acts in accordance with, and achieves the key performance measures and indicators as set out in the corporate plan.
- 8.3.7 the key performance measures and indicators the Executive Authority requires, as set out in the corporate plan are achieved and can be measured.
- 8.3.8 the Company maintains adequate accounting records and the Company prepares financial statements for each Financial Year, which fairly presents the affairs of the Company.
- 8.3.9 the Company consistently applies suitable accounting policies, supported by reasonable and prudent judgement and estimates in the preparation of the financial statements.
- 8.3.10 the Company maximises the benefits from the resources allocated to it and undertakes

rigorous auditing processes and proactive financial management.

- 8.3.11 the Company pursues efficiency through developing enhanced administrative, evaluation, information and technical processes.
- 8.3.12 the Company holds an annual general meeting at least once a year as prescribed in the Companies Act.
- 8.3.13 it develops a clear definition of the levels of materiality or significance in order to determine the scope of delegation of authority and ensures that it reserves specific powers and authority to itself.
- 8.3.14 all delegations of authority are reduced to writing and kept under review; and
- 8.3.15 the Company –
  - 8.3.15.1 investigates and where appropriate, researches or employs methodologies that will be to the national benefit or could contribute to alleviating the financial burden of those to whom the Company provides services;
  - 8.3.15.2 diligently adheres to the corporate objectives statement, corporate plan, reporting requirements and borrowing programme for the relevant Financial Year;
  - 8.3.15.3 diligently carries out all necessary actions of the Company in accordance with PFMA, the Companies Act, the Regulations and this Shareholders Compact; and
  - 8.3.15.4 only disposes of assets in accordance with the PFMA and the Act, within normal course of business;
- 8.3.16 it gives strategic direction to and controls the Company.
- 8.3.17 it monitors the Company's management closely by implementing the Accounting Authority's plans and strategies.
- 8.3.18 the Company complies with statutes, government policies and codes of business practice;
- 8.3.19 it develops and implements an effective succession plan for Executive Directors and adheres thereto;
- 8.3.20 the Company develops and implements effective internal control procedures in accordance with PFMA, the Regulations, the King Report and best practice governance;
- 8.3.21 it communicates with the Executive Authority and relevant stakeholders openly and promptly;
- 8.3.22 the Company formulates, monitors and reviews corporate strategy, major plans of action, risk policy, annual budgets and business plans;
- 8.3.23 the Company maintains adequate accounting records on an annual or such more frequent basis as the Accounting Authority may determine;
- 8.3.24 at least annually, it appraises the performance of the Company Secretary, Directors and Chairperson;

- 8.3.25 it reviews and evaluates its required mix of skills and experiences and other qualities in order to assess the effectiveness of the entire Accounting Authority, its committees and the contribution of each individual Director during his / her term of office;
- 8.3.26 the Company establishes an appropriate mechanism for reporting the results of the Accounting Authority assessment to the Executive Authority.
- 8.3.27 the Company monitors and manages potential conflicts of interest of the Directors and Management promptly and keeps a register of the conflicts of interests of all its employees;
- 8.3.28 it always maintains the highest standard of integrity, responsibility, and accountability and ensure it finds a fair balance between conforming to corporate governance principles and the performance of the Company;
- 8.3.29 it closely monitors the process of disclosure and communication and exercises objective judgement on the affairs of the Company and its management;
- 8.3.30 it deals expeditiously with the directives given by the Executive Authority and promotes and supports the policies of Government; and
- 8.3.31 it supports the Executive Authority and the Department with the development and implementation of the national strategic objectives such as the New Growth Path and the National Development Plan;
- 8.4 The Accounting Authority warrants that it is fully conversant with all relevant statutory and fiduciary requirements having a direct or indirect bearing on –
  - 8.4.1 the Shareholder Compact; and
  - 8.4.2 the Accounting Authority's fiduciary duties.
- 8.5 Should the Accounting Authority become aware of any circumstances or problems, which prevent it, is preventing it or will prevent it from performing its duties or functions, that will have a significant effect on such duties and functions, its shall, as soon as it is reasonable possible after becoming aware thereof, advise the Executive Authority in writing of such circumstances or problems.
- 8.6 The Accounting Authority undertakes not to delegate responsibility under the PFMA requirements stated below –
  - 8.6.1 development of the annual corporate plan for the Company;
  - 8.6.2 carrying out the quarterly reporting;
  - 8.6.3 preparation of the annual report and financial statements;
  - 8.6.4 submissions in terms of Section 54 (2) of the PFMA;
  - 8.6.5 development of the Materiality Framework; and
  - 8.6.6 applications for variation or renegotiation of the Shareholder Compact.
- 8.7 Services by the Company to the Executive Authority and the Department**
  - 8.7.1 The Company will provide those services as are required in terms of its legislative mandate in the Act and the Executive Authority's objectives.

- 8.7.2 The Company will make itself aware of any changes to its service obligations, but subject to the provisions of clause 7.1.6 above, take all necessary steps to efficiently begin providing such services.
- 8.7.3 The Company will provide technical support as required by the Department when the latter is negotiating and concluding international agreements with other states.
- 8.7.4 The Company will remain abreast with international and national affairs in the aviation industry and make recommendations to the Executive Authority and the Department with regards to matters connected with aviation policy.
- 8.7.5 The Company shall, upon request of the Executive Authority –
  - 8.7.5.1 assist the Executive Authority, or any other person whom the Executive Authority may designate, in any investigation, prosecution or any other steps resulting from occurrence of any industry matter; or
  - 8.7.5.2 furnish the Executive Authority, or such other person, with information, documents, written declarations or any other evidence which it has in its possession and which is related to such incident.
- 8.7.6 The Company undertakes to cooperate and liaise with relevant law enforcement agencies regarding information in their possession that may be required by a court of law.
- 8.7.7 The Accounting Authority will keep the Executive Authority informed on matters of concern between the Company and other state departments and authorities within the republic of South Africa.
- 8.7.8 The Accounting Authority shall notify the Executive Authority of any agreements, which the Company may enter into, with other state departments.
- 8.7.9 The Company will provide the information necessary to execute departmental function and responsibilities as and when requested.
- 8.7.10 The Company will provide Board resolutions under signature of the Board Secretary or Chairperson to accompany documentation and submission where approval by the Minister is necessary.

## **8.8 National Strategic Objectives**

- 8.8.1 The Accounting Authority shall support and undertake to assist the Executive Authority and the Department with the development and implementation of National Strategic Objectives.
- 8.8.2 The Executive Authority shall formally document and communicate to the Accounting Authority any national strategic objective to ensure that the strategic objectives of the Company coincide with the national policy.
- 8.8.3 The Accounting Authority shall ensure that the Company shall implement such policies, to promote and support certain specified key objectives of Government and shall report through its Chairperson to the Executive Authority.
- 8.8.4 The Accounting Authority shall implement at least the following policies –
  - 8.8.4.1 those which the Executive Authority requires;
  - 8.8.4.2 those which are legislated;

8.8.4.3 employment equity policy;

8.8.4.4 procurement policy, which takes into account broad-based black economic empowerment and a fair and objective procurement process in terms of the broad-based black economic empowerment (B-BBEE) guidelines set by the Department of Trade and Industry;

8.8.4.5 those which position the Company to deal with the global and economic challenges facing the aviation industry by delivering a predictable safe, efficient and reliable service to all the Company users;

8.8.4.6 code of ethics; and

8.8.4.7 policies which align the Company's overall operations with global aviation matters and trends as well as aligning the operations cluster with the Company's strategies and all relevant stakeholders like the Department, and those who use its services.

## **9. FACILITATION OF PRIMARY RELATIONSHIP**

In order to facilitate effective communication and accountability between the Executive Authority and the Accounting Authority, regular meetings shall be held between the Executive Authority and the Chairperson of the Accounting Authority as and when required, and the Chairperson shall provide feedback to the Accounting Authority.

## **10. CORPORATE GOVERNANCE**

10.1 Subject to the provisions of the Act, the Company shall comply with the PFMA and the Regulations and will comply, as far as is reasonably possible, with the King Report. The Accounting Authority must establish committees to improve its effectiveness. Committees shall be formed as required by the business, provided that no less committees shall be formed than the minimum set out by the PFMA and the Regulations.

10.2 The Parties shall, where applicable, implement good practice guidelines as recommended in the King Report and the Protocol on Governance in the Public Sector, 2002.

10.3 Appointment of the CEO:

10.3.1 The Accounting Authority is required to initiate the recruitment process and recommend suitable candidates for consent of the Executive Authority prior to the appointment; and

10.3.2 Upon consent, the Accounting Authority shall ensure that the employment contract is concluded and a copy is provided to the Executive Authority.

## **11. TREATMENT OF DEVELOPMENTAL OBJECTIVES**

The Parties agree that the Company's corporate objectives shall include developmental and socio-economic objectives and that the achievement of all such objectives shall be measured through quarterly and annual reports encompassing reports on the reporting system and;

11.1 Key performance indicators and PFMA reports; and

11.2 Governance report.

## **12. DURATION AND PROCESS OF CONCLUDING SHAREHOLDER COMPACT**

- 12.1 The content of the Shareholder Compact shall remain the same but will be reviewed by the Parties annually, in accordance with Regulation 29.2 of the Regulations;
- 12.2 The following minimum supporting documentation relating to this Shareholder Compact is to be maintained by the Accounting Authority and access thereto is to be provided to the Executive Authority and/or the Department on any reasonable request thereof;
  - 12.2.1 corporate plan covering at least a three-year period;
  - 12.2.2 fraud prevention plan;
  - 12.2.3 any approved amendments to the documents stated in 12.1 above;
  - 12.2.4 code of ethics;
  - 12.2.5 Accounting Authority's register of conflicts of interest;
  - 12.2.6 risk management plan; and
  - 12.2.7 the signed statement of responsibility and delegations.

## **13. QUARTERLY EVALUATION**

If the Executive Authority establishes that, after any quarterly assessment of the measures and indicators, the Company fails –

- 13.1 To meet any one or more of the agreed measures and indicators by 25% or more for two (2) successive quarters, or for the year as a whole taking into account the results to date and future forecasts; or
- 13.2 To meet the projected income or net cash; or
- 13.3 To adhere to the corporate objectives statement; or
- 13.4 To comply with the PFMA; or
- 13.5 To comply with relevant legislation and MOI;
- 13.6 To comply with quarterly key performance indicators and measures as set out in the corporate plan; or
- 13.7 To comply with Governance matters, then the Executive Authority may execute his/her authority in a manner that is consistent with his/her mandate.

## **14. BUDGETING AND FINANCING CYCLE**

- 14.1 The Parties recognise that the Executive Authority, before the commencement of the new Financial Year, must be provided with the Company's annual budget and corporate plan; and
- 14.2 Parties agree that the annual budget of the Company shall include a projection of revenue and expenditure for that year.

## **15. PERFORMANCE OBJECTIVES AND KEY PERFORMANCE INDICATORS**

- 15.1 The Parties acknowledge that any significant deviation from the assumptions made in the corporate plan as a result of factors outside of the Company's control may require a review of

the key performance indicators set out in the corporate plan. The Parties undertake to renegotiate those key performance indicators to the extent that the changes have caused, or may cause or result in any prejudice, or benefit, to the Company.

- 15.2 The Company will submit the Draft Corporate Plan by 31 January each year. After the submission of the Draft Corporate Plan, feedback if any, on the corporate plan will be provided to the Company in writing.
- 15.3 The Company will consider the written inputs of the Executive Authority before submitting the final corporate plan to the Executive Authority within one month of the start of the financial year in line with the provisions of the PFMA.

## **16. COMMUNICATION BETWEEN EXECUTIVE AUTHORITY AND ACCOUNTING AUTHORITY**

- 16.1 The Executive Authority may interact with the Accounting Authority and/or the Chairperson as the Executive Authority sees fit.
- 16.2 There shall be communication between the Executive Authority and the Chairperson, with respect to the national agenda and the matters relating to the Executive Authority and the Chairperson as and when required.
- 16.3 The Chairperson of the Board undertakes to represent the Accounting Authority, in the carrying out of the terms of this Shareholder Compact and in cascading the spirit of the Agreement throughout the Company.
- 16.4 The Executive Authority approves of this approach and looks forward to the successful implementation of the undertaking embodied in this Shareholder Compact.

## **17. GENERAL OBLIGATIONS AND UNDERTAKINGS BY THE PARTIES TO ONE ANOTHER**

### **17.1 Liaison with the Media**

- 17.1.1 The Parties agree to advise each other in advance of any intention to liaise with the media, where the subject matter to be addressed may have an adverse effect on the powers, rights and privileges of the other Party.
- 17.1.2 However, the above does not in any way deprive a Party of its right to freely communicate with the public on matters that relate to its core function.
- 17.1.3 The Parties shall maintain an open and transparent relationship and apprise each other of decisions or planned decisions timeously, to avoid the occurrence of embarrassment and surprises with regards to dealings with the media and other third parties.

### **17.2 Interaction with Foreign States and International Organisations**

Before any agreements representing South Africa's interest are binding to the country are negotiated or entered into, permission from the Executive Authority must be sought, clearly outlining the Company's intentions and the implications for the Executive Authority and South Africa.

### **17.3 Access to Information**

With reference to section 8.3.9 and in addition to information referred to in the Act and this Shareholder Compact relating to the annexures hereto, the Accounting Authority undertakes to, on reasonable request -

- 17.3.1 furnish the Executive Authority and / or the Department, with any such information as may be reasonably required from time to time; and

17.3.2 provide the Executive Authority and / or the Department with an updated report or information on the Company's activities and financial position.

## **18. GENERAL**

### **18.1 No Variation**

18.1.1 Except for as provided for previously in this Shareholder Compact relating to the annexures hereto, no variation or consensual cancellation of this Shareholder Compact, and no addition to this Shareholder Compact, including this clause, shall be of any force or effect unless reduced to writing and signed by the Parties.

18.1.2 The Parties shall follow a process to be determined by the Department to effect any variations to this Shareholder Compact.

### **18.2 Conflict Resolution**

18.2.1 In the event that either Party fails to comply with any provision of this Shareholder Compact, or if any dispute arises between the Parties as to the interpretation, application or performance of any provision of this Shareholder Compact (including, but not limited to, whether or not we have met our measures and indicators, proposed or new regulations and / or a decision by the Executive Authority affecting the agreed measures and indicators), the matter shall first be referred to the Representatives of the Parties who will use their best endeavours to resolve the dispute within 14 (fourteen) working days of the dispute having been referred to them.

18.2.2 Should the Parties' Representatives fail to resolve the dispute within 14 (fourteen) working days, the Parties' Representatives shall refer the dispute to the Executive Authority and the Chairperson, who shall use their best endeavours to resolve the Dispute.

18.2.3 Should the Executive Authority and the Chairperson fail to reach an agreement in regard to the resolution of the dispute, the Executive Authority may refer the matter to an independent third party appointed by the Executive Authority or his delegate (where allowed).

18.2.4 The matter shall be resolved by the decision of the Executive Authority, or where applicable, the person appointed in terms of clause 18.2.3 above.

18.2.5 The matter shall be resolved at the Executive Authority's discretion and any decision by the Executive Authority or such person shall be final and binding on the Parties.

### **18.3 Whole Agreement**

18.3.1 This Shareholder Compact, together with the annexures hereto (and any amendments or later annexures as approved by the Company's relevant Executive Authority), constitutes the whole of the agreement between the Parties. No instructions, agreements, representations or warranties between the Parties other than those set out herein, are binding on the Parties.

18.3.2 All undertakings and annexures to this Shareholder Compact are declared active when this document is signed.

### **18.4 Domicilia and Notices**

18.4.1 The Parties choose as their domicilia citandi et executandi their respective addresses set out in this clause for all purposes arising out of or in connection with this Shareholder

Compact at which addresses all processes and notices arising out of or in connection with this Shareholder Compact, may validly be served upon or delivered to the Parties.

18.4.2 For purposes of this Shareholder Compact the Parties respective addresses shall be –

**18.5 Executive Authority**

**Department of Transport  
Cnr Bosman and Struben  
Pretoria  
0001**

Marked for the attention of the **Acting Director General**

**E-mail:** [mokonyaM@dot.gov.za](mailto:mokonyaM@dot.gov.za)

**18.6 The Company**

**Airports Company South Africa SOC Ltd  
Western Precinct, Aviation Park, O.R. Tambo International Airport  
1 Jones Road  
Kempton Park  
1632**

Marked for the attention of the **Company Secretary**

**E-mail:** [fefekazi.sefara@airports.co.za](mailto:fefekazi.sefara@airports.co.za)

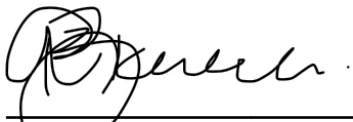
Or at such other address in the Republic of South Africa of which the Party concerned may notify the other in Writing provided that no street address mentioned in this sub-clause shall be changed to a post office box or poste restante.

18.7 Any notice given in terms of this Shareholder Compact shall be in Writing and shall –

18.7.1 if delivered by hand, be deemed to have been duly received by the addressee on the date of delivery; and

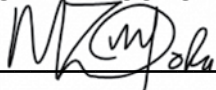
18.7.2 if transmitted by electronic mail, be deemed to have been received by the addressee on the date of transmission, unless the contrary is proved.

**THUS, DONE AND SIGNED at** <sup>Kempton</sup> ~~at~~ <sup>Park</sup> **on this 26<sup>th</sup> day of February 2026.**



**CHAIRPERSON OF THE BOARD  
AIRPORTS COMPANY SOUTH AFRICA SOC LTD**

**AS WITNESSES:**

1  \_\_\_\_\_

2  \_\_\_\_\_

THUS, DONE AND SIGNED at \_\_\_\_\_ on this \_\_\_\_\_ day  
of \_\_\_\_\_ 2026.

\_\_\_\_\_  
MINISTER OF TRANSPORT

AS WITNESSES:

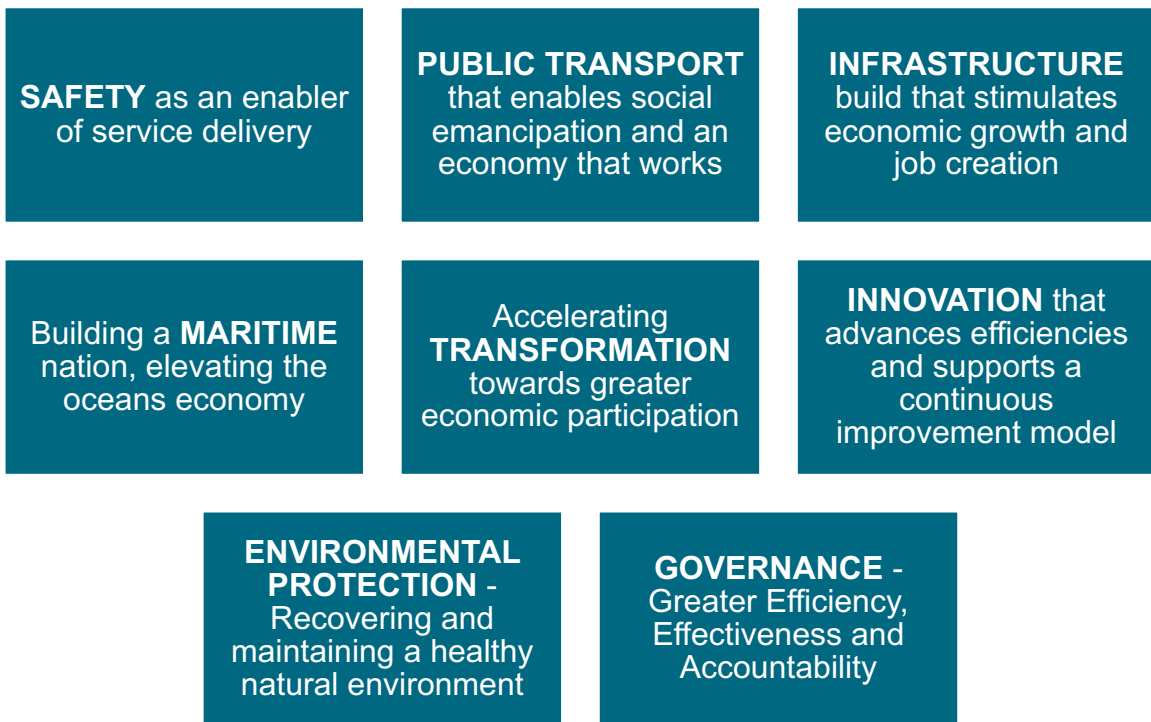
1 \_\_\_\_\_

2 \_\_\_\_\_

**ANNEXURE A1. – KEY PERFORMANCE INDICATORS**

**1. ALIGNMENT TO THE DEPARTMENT OF TRANSPORT’S STRATEGIC FOCUS AREAS**

We are intent on strengthening and contributing to the African and international agenda of a better Africa and the world. This in turn will assist us in contributing to economic growth through tourism and trade; particularly harnessing opportunities presented by the African Free Trade Agreement, cargo exports in sectors and destinations targeted for diversification, and together with the Ministry of Tourism driving growth in domestic and international tourism. We will continue to contribute through leadership to the National Spatial Development Framework and the development of Aerotropoli in KSIA, ORTIA and CTIA. The integration of our airports to affordable, safe and reliable transport remains our focus.



***Department of Transport Strategic Focus Areas***

ACSA's contribution to the Department of Transport's strategic thrusts to be the following:

**a. Safety as an enabler of service delivery**

- Aviation authorities to act in concert with other law enforcement authorities to arrest the escalation of crimes against international and domestic travellers, robbery of valuable cargo and facilitation of contraband and illegal immigrants;
- 365-Days Action Agenda which seeks to create a vertical alignment of policing activity through syndicated themes and activities;
- In-source security. The annual ACSA investment of approximately R437 million must be directed toward creating permanent jobs and sustainable livelihoods for those entrusted with securing our airports;
- Rolling out of a security model in aviation that is vertically and horizontally integrated with other law enforcement authorities, initially focusing on passenger security then broadened to include cargo and infrastructure using the US, Canada and Brazil similar models, which rely on internal capacity, rather than outsourced security arrangements; and
- Contribute to a new institutional arrangement that seamlessly integrates transport security and safety in a single entity.

**b. Infrastructure build that stimulates economic growth and job creation**

- Wall-to-wall approach to Integrated Public Transport Networks infrastructure planning and delivery to enable seamless mobility and efficiencies in public transport; and
- New institutional arrangement in the form of an Enterprise Project Management Office (EPMO) to support entities and establish a repository of project management expertise with a mandate to ensure capital projects contribute towards economic growth and job creation.

**c. Public transport that enables social emancipation and an economy that works**

- Seamless integration of public transport across all mode

## PERFORMANCE INFORMATION FY2026/27 – FY2028/29

### EMBEDDING THE SIX CAPITALS FRAMEWORK

At Airports Company South Africa (ACSA), our role as a global gateway requires a management approach that transcends traditional financial reporting. To ensure our FY2026/27 – FY2028/29 Corporate Plan delivers on our mandate, we have anchored our performance monitoring in the Six Capitals Framework.







Capitals	Strategic Objective	INPUTS	OUTCOMES	FY2026/27	FY2027/28	FY2028/29	
Financial	Financial Sustainability	Increase Financial sustainability	EBITDA	R3 306m	R3 995m	R4 541m	
			ROCE	6.3%	7.6%	5.9%	
	Diversify the business portfolio	Increase aeronautical revenue	Aeronautical revenue		R5 285m	R5 718m	R6 178m
		Increase non-aeronautical revenue	Non-aeronautical revenue		R4 263m	R4 668m	R5 077m
		Increase cargo throughput across the ACSA network	Cargo throughput		548 278 Metric Tonnes	649 638 Metric Tonnes	757 911 Metric Tonnes

Capitals	Strategic Objective	INPUTS	OUTCOMES	FY2026/27	FY2027/28	FY2028/29
CAPEX	Asset Creation	Increase airport capacity	CAPEX Spend	R1 291m	R6 382m	R11 915m
		Increase the number of Innovation initiatives	Innovation Impact Index	40	40	40
Intellectual	Smart Airport	Fully digitised airport operations, customer facing platforms and enterprise business capabilities	% implementation of optimisation and digitalisation of airport operations, customer facing platforms and enterprise business capabilities	60%	80%	>80%
		Increase job opportunities	Number of job opportunities	29 656	51 535	76 389
Human	Transform ACSA business	Achieve BBBEE Level	BBBEE Level	Level 1	Level 1	Level 1
		Increase Black	Black Business Share of Commercial Revenue	60%	60%	65%

Capitals	Strategic Objective	INPUTS	OUTCOMES	FY2026/27	FY2027/28	FY2028/29
		Business Share of Commercial Revenue				
		Increase Employee Productivity	Labour Productivity Index	3,2	3,3	3,5
		Maintain efficiency factor as per permission	Efficiency factor	2,75%	2,75%	2,75%
		Maintain a secure airport	Airport Security Performance Index (ASPI)	50	50	50
		Maintain a positive reputation with all stakeholders	Reputation Index	65%	70%	70%
Social and Relationships	Increase reputation	Increase customer service excellence	Airport Service Quality (ASQ) Level	3,95	4,0	4,5

Capitals	Strategic Objective	INPUTS	OUTCOMES	FY2026/27	FY2027/28	FY2028/29
Natural		across the network Reduce environmental impact	Carbon Accreditation	Maintain ACI Level 2 >=2 Airports Attain level 3 >=2 airports.	Maintain ACI Level 2 >=3 Airports Attain level 3 >=2 airports.	Maintain ACI Level 2 >=3 Airports Attain level 3 >=2 airports.

**LEGEND:**

-  Financial Capital
-  CAPEX
-  Intellectual Capital
-  Human Capital
-  Social and Relationship Capital
-  Natural Capital

## ALIGNMENT TO DEPARTMENTAL STRATEGIC FOCUS AREAS

ACSA's strategic objectives and KPI's give effect to the Department's focus areas—particularly financial sustainability, safety and security, economic growth, transformation, environmental stewardship, and innovation—thereby reinforcing the company's mandate as a critical enabler of South Africa's aviation and economic ecosystem.

The Department of Transport's strategic objectives establish the national policy direction for advancing a safe, reliable, integrated, and economically enabling transport system. Within this framework, ACSA aligns its strategic pillars and performance indicators to ensure that its operations, investments, and transformation efforts meaningfully contribute to these priorities.

Core Pillar	Strategic objective		Key performance indicator
	Strategic objective name	Definition	
Innovate, Grow and Sustain	Financial sustainability	Financial sustainability is the ability to weather unforeseen times of financial hardship such as COVID-19 and its impact.  Measures are designed to allow the Company to allocate resources to priorities or core activities to ensure long-term sustainability for stakeholders.	<ul style="list-style-type: none"> <li>• EBITDA</li> <li>• ROCE</li> <li>• Capex Allocation</li> <li>• Target</li> </ul>
	Diversified the business portfolio	Growing our footprint not only includes expanding our geographic presence, but includes packaging innovative products and services towards diversifying our business portfolio as well as development of Mid-field Cargo	<ul style="list-style-type: none"> <li>• Aeronautical Revenue</li> <li>• Non-aeronautical revenue</li> <li>• Cargo</li> <li>• Throughput</li> </ul>
	Increase our reputation through demonstrated business excellence.	Increasing our reputation is securing an emotional bond that ensures people use our airports, buy our products and services, our investors support us, policymakers and regulators give us benefit of the doubt and our employees are aligned and deliver on our strategy.  Concerted effort to ensure passenger safety at our airports. Benchmarked and aligned with international standards, the focus of the current initiatives is to prioritise the passenger satisfaction drivers, which include infrastructure improvements, security processes, technological enhancements to ease passenger facilitation, wellness, cleanliness,	<ul style="list-style-type: none"> <li>• Reputation index</li> <li>• Security Index</li> </ul>
			<ul style="list-style-type: none"> <li>• Safety and security</li> <li>• Economic growth and job creation</li> <li>• Seamless integration of public transport across modes</li> <li>• Accelerating transformation towards greater economic participation</li> </ul>
			<ul style="list-style-type: none"> <li>• Safety and security</li> <li>• Seamless integration of public transport across modes</li> </ul>
			<ul style="list-style-type: none"> <li>• ACI Passenger satisfaction</li> <li>• Efficiency Factor</li> </ul>

Core Pillar	Strategic objective		Key performance indicator
	Strategic objective name	Definition	
Innovate, Grow and Sustain		and sanitation to create confidence, loyalty and enhance the overall customer experience.	
	Reduce environmental impact	Be a responsible airport operator with the obligation of minimising the impact our operations may have on the environment. Committing to reduce our carbon emissions with the goal to become carbon neutral. In addition, focusing on energy conservation, climate change, water, waste, air, air quality, noise management and biodiversity.	<ul style="list-style-type: none"> <li>Just Energy Transition</li> <li>ACI Carbon Accreditation Footprint level</li> </ul>
Innovate, Grow and Sustain	Transform ACSA business	<p>Increase participation of designated groups within the Company's operations</p> <p>Increasing economic participation in the Company's value chain (supply chain and commercial)</p> <p>Empower designated groups so that they can harness better work opportunities (attract, develop, and retain)</p> <p>Socially responsible business in South Africa</p>	<ul style="list-style-type: none"> <li>Economic growth and job creation</li> <li>Accelerating transformation towards greater economic participation</li> <li>B-BBEE level</li> <li>% Black business share of Commercial Revenue generated</li> <li># of job opportunities created</li> <li>Labour Productivity Index</li> </ul>
	Smart Airport	Effectiveness and outcomes of innovation initiatives in driving organizational growth, operational efficiency, and customer satisfaction. Index serves as a holistic measure to track progress, assess the return on innovation investments, and align them with strategic objectives.	<ul style="list-style-type: none"> <li>Economic growth and job creation</li> <li>Acceleration of transformation for greater economic participation of SMMEs</li> <li>Innovation Impact Index</li> <li>% implementation of optimisation and digitalisation of airport operations and customer facing platforms</li> <li>enhancements and integrations for enterprise resource planning and management platforms</li> </ul>
Innovate, Grow and Sustain			

Core Pillar	Strategic objective		Key performance indicator
	Strategic objective name	Definition	
	Business digitisation	Rapid advances in technology represent a competitive threat and opportunity. Technology heightens the threat of business disruption and cyber-crime. Enables our airports to improve operational efficiency and management of safety and security. Allows ACSA to increase demand by our customers and commercial partners for automated services and digital enablement, including data analysis.	Link to the Department of Transport mandate
	People and culture	ACSA is committed to attracting and retaining key talent through the effective management of employment equity, focusing on people with disabilities, youth development, improving the lives of our employees and ensuring a stable employee relations environment.	
	Knowledge management and innovation	To cultivate a culture of innovation and lead the way in innovative thinking and creative problem-solving. The creation and enablement of an environment to experiment with creative and innovative ideas to deliver sustainable business outcomes.	
	Supply chain management	To enhance corporate and operational supply chain processes in line with best practice in a manner that facilitates the development and management of world-class airports	

### KEY PERFORMANCE INDICATOR INFORMATION FOR THE PERIOD FY2026/27 - FY2028/29

Core pillar	Strategic objective	Key performance indicator	Baseline FY 2024/25 (Audited)	Baseline (FY 2025/26) (Target)	FY 2026/27	FY 2027/28	FY 2028/29
			Innovate Grow and Sustain	Financial sustainability and Asset Creation	EBITDA Company Earnings before interest, taxes, depreciation, and amortisation EBIDTA target is considered achieved when actual performance reaches or exceeds target ROCE	R2 844 m	R 2 907m
			N/A	5.7%	6.3%	7.6%	5.9%

Core pillar	Strategic objective	Key performance indicator	Baseline					
			FY 2024/25 (Audited)	Baseline (FY 2025/26) (Target)	FY 2026/27	FY 2027/28	FY 2028/29	
		<p>Return on Capital Employed - ROCE is a key performance measure because it focuses on the relationship between the inputs and outputs of the business.</p> <p>ROCE = Earnings Before Interest and Tax (EBIT)/ Capital Employed</p> <p>Capital Expenditure (CAPEX)</p> <p>Targeted capital expenditure</p> <p>The CAPEX target is considered achieved when actual performance reaches or exceeds target</p> <p>Aeronautical revenue</p> <p>Revenue derived from aeronautical activities (landing, passenger fees, and parking fees)</p> <p>Revenue from departing passengers and air traffic movements</p> <p>Non-aeronautical revenue</p> <p>Commercial revenue that includes retail, advertising, car rental, car parking, property, consultancy and advisory, training and IT revenues earned</p>						
			KPI definition					
			KPI formula					
			KPI name					
			KPI definition	R850m	R 1 850 m	R1 291m	R6 382m	R11 915m
			KPI formula					
			KPI name					
			KPI definition					
			KPI formula	R4 061m	R 4 746m	R5 285m	R5 718m	R6 178m
			KPI name					
Diversify the business portfolio								
			KPI definition					
			KPI formula					
			KPI name	R3 636m	R 3 818m	R4 263m	R4 668m	R5 077m

Core pillar	Strategic objective	Key performance indicator				Baseline FY 2024/25 (Audited)	Baseline (FY 2025/26) (Target)	FY 2026/27	FY 2027/28	FY 2028/29
				KPI formula	Non-aeronautical revenue target is considered achieved when actual performance reaches or exceeds target					
		KPI name	Cargo Throughput							
		KPI definition	Total annual volume of cargo handled across ACSA network of airports, including freight, mail, and express parcels, reflecting ACSA's role in supporting logistics and trade		New KPI	520 000 Metric Tonnes	548 278 Metric tonnes	649 638 Metric tonnes	757 911 Metric tonnes	
		KPI formula	Cargo declared by airlines							
		KPI name	Reputation index							
		KPI definition	Reputation Index Measure comprises of the perceptions and the degree to which stakeholders admire, trust, respect and have an overall good feeling towards the Company.							
		KPI formula	Reputation survey data is captured in the RepTrak® Pulse, and an outcome score from 0–100, with 100 being the best, is computed. Every second year of the measure will be based on a peer review of the Company		61.5% Reputation Index Survey	60% Reputation Index Survey	65% Reputation index survey	70% Reputation index survey	70% Reputation index survey	
		KPI name	ASQ Index		3,92	3,74	3,95	4,0	4,0	
Innovate Grow and Sustain	Increase reputation.									
Innovate Grow										

Core pillar	Strategic objective	Key performance indicator	Baseline FY (Audited) 2024/25	Baseline (FY 2025/26) (Target)	FY 2026/27	FY 2027/28	FY 2028/29	
and Sustain		KPI definition	Indicator illustrates the passenger view and assessment of our airports' delivery of airport customer-focused services. This indicator is derived from the independent and approved ASQ programme managed by ACI.					
		KPI formula						ASQ survey covers thirty-four service areas clustered across the following categories access, airline service, security, finding your way, airport facilities, airport environment and airport arrivals services. ASQ survey findings are administered by an external firm on behalf of ACI. Scoring scale: 1–5 with one being poor and five being excellent. The Group ASQ score takes an average of the nine airports ASQ scores.
Innovate Grow and Sustain		KPI name	Efficiency Factor					
		KPI definition						Efficiency factor serves as an evaluation of the Company's ability to optimize revenue generation while managing costs.
		KPI formula						Efficiency Index and Financial Outputs
			1.7%	1,5%	2,75%	2,75%	2,75%	

Core pillar	Strategic objective	Key performance indicator		Baseline FY (Audited)	Baseline (FY 2025/26) (Target)	FY 2026/27	FY 2027/28	FY 2028/29
		KPI name	Airport Security Performance Index (ASPI)					
			<p>ASPI is a comprehensive metric designed to monitor and improve the effectiveness of security measures and protocols at the airport. It ensures alignment with international standards, fosters a secure environment for passengers and staff, and mitigates risks.</p> <p>Aggregates critical security performance indicators, such as incident response times, compliance with regulatory audits, detection efficiency, and passenger/staff safety metrics. This holistic index provides insights into operational risks and the effectiveness of preventive measures.</p>	N/A	50	50	50	50
Innovate Grow and Sustain	Increase reputation.	KPI formula	<p>ASPI target is considered achieved when the actual performance reaches or exceeds an index of 50</p> <p>ASPI will be calculated using a weighted scoring system based on the following metrics (weight):</p>					

Core pillar	Strategic objective	Key performance indicator	Baseline FY 2024/25 (Audited)	Baseline (FY 2025/26) (Target)	FY 2026/27	FY 2027/28	FY 2028/29
		<ul style="list-style-type: none"> <li>Security Incident Rate - Number of security breaches or threats per 1,000 passengers. (30%)</li> <li>Compliance Rate - Percentage of successful audits or inspections against ICAO and local regulatory standards. (35%)</li> <li>Staff Training Completion - Percentage of security personnel with up-to-date training certificates. (35%)</li> </ul>					
Innovate Grow and Sustain	Transform ACSA business	KPI name	B-BBEE level				
		KPI definition	<p>Company's B-BBEE recognition level is based on a public-sector scorecard framework which reflects the Company's contribution to broad-based Black economic empowerment.</p> <p>NB: <u>The set targets are subjected to change when the amended Integrated Transport Sector Codes are promulgated by the DTI Minister. B-BBEE level targets as the amended codes are still in the process of review. ACSA is using the old targets</u></p>	Level 2	Level 1	Level 1	Level 1

Core pillar	Strategic objective	Key performance indicator		Baseline FY 2024/25 (Audited)	Baseline (FY 2025/26) (Target)	FY 2026/27	FY 2027/28	FY 2028/29
Innovate Grow and Sustain	Transform ACSA business	KPI formula	B-BBEE Rating (Use DTI Qualification Scoring and Independently Approved Score)					
		KPI name	% Black business share of commercial revenue generated					
		KPI definition	Indicator informs stakeholders of the Company's intent to further Black business entrepreneurship through increasing the share of commercial revenue opportunities awarded to Black businesses.					
		KPI formula	Commercial revenue to Black business X 100) / (Total commercial revenue generated)	68%	60%	60%	60%	60%
		KPI name	Where "Black business" is defined as one where the Company has >51% Black management control and ownership. And commercial revenue is defined as revenue generated from revenue-sharing models, i.e. – retail, car hire/rental, and advertising.					
		KPI definition	# of Job opportunities created	23 959	18 705	29 656	51 535	76 389
			Measure indicates number of job opportunities created by the Company.					

Core pillar	Strategic objective	Key performance indicator	Baseline					
			FY 2024/25 (Audited)	Baseline (FY 2025/26) (Target)	FY 2026/27	FY 2027/28	FY 2028/29	
		KPI formula						
		KPI name	Labour Productivity Index					
		KPI definition	Measures workforce cost efficiency and capacity sustainability to support strategic decisions on affordability, resourcing, and workforce optimisation. <b>Strategic value:</b> Enables leadership to evaluate affordability and scalability of the workforce model, identify structural cost pressures early, and support decisions on workforce planning, resourcing, automation, and cost containment without undermining capability and employee engagement.	New KPI	New KPI	3,2	3,3	3,5
		KPI formula	[Workforce Cost to Revenue x 70% + Absenteeism Rate x 5% + Capability Programme Coverage x 15% + Organisational Vacancy Rate x 10%]/4					
Smart Airport		Innovation Impact Index	N/A	30	30	40	40	

Core pillar	Strategic objective	Key performance indicator		Baseline FY 2024/25 (Audited)	Baseline (FY 2025/26) (Target)	FY 2026/27	FY 2027/28	FY 2028/29
Innovate Grow and Sustain	Smart Airport	KPI definition	Innovation Impact Index evaluates the effectiveness and outcomes of innovation initiatives in driving organizational growth, operational efficiency, and customer satisfaction. Serves as a holistic measure to track progress, assess the return on innovation investments, and align them with strategic objectives.					
			KPI formula	Annual weighted scoring system that includes number of innovative ideas explored (30%), number of innovations implemented (20%), revenue/cost impact of innovations (20%), customer experience improvement (20%), sustainability contributions (10%), with each component scored on a 100-point scale and combined into a single index value				
		KPI name	Fully digitised airport operations, customer facing platforms and enterprise business capabilities	New KPI	New KPI	60	80	>80
		KPI definition	% implementation of optimisation and digitalisation of airport operations, customer facing platforms and enterprise business capabilities					
		KPI formula	(Total number of digitised customer-facing capabilities, and enterprise					

Core pillar	Strategic objective	Key performance indicator	Baseline FY 2024/25 (Audited)	Baseline (FY 2025/26) (Target)	FY 2026/27	FY 2027/28	FY 2028/29
					support capabilities) / (Total number of customer-facing capabilities and enterprise support capabilities) * 100		
Innovate Grow and Sustain	Reduce environmental impact	KPI name	Maintain ACI level 2 accreditation for O.R Tambo, Cape Town and Chief Dawid Stuurman international airports and attain level 3 for King Shaka International Airport	Maintain ACI Level 2 Certification for at least 2 Airports and attain level 3 for at least one airport	Maintain ACI Level 2 Certification for at least 2 Airports and attain level 3 for at least one airport	Maintain ACI Level 2 Certification for at least 2 Airports and attain level 3 for at least two airports.	Maintain ACI Level 2 Certification for at least 3 Airports and attain level 3 for at least two airports.
		KPI definition	Assessment and recognition of our airports' efforts to manage and reduce our CO <sub>2</sub> emissions.				
		KPI formula	ACI's, Airport Carbon Accreditation – recognises and accredits the efforts of airports to manage and reduce their carbon emissions. There are four levels of certification: Mapping, Reduction, Optimisation and Neutrality. Airport Carbon Accreditation is based on existing international standards in the reporting and accounting of greenhouse gas emissions.				

### QUARTERLY PERFORMANCE INFORMATION FOR THE PERIOD FY2026/27

Core pillar	Strategic objective	Key performance indicator	Q1	Q2	Q3	Q4
Innovate, Grow and Sustain	Financial Sustainability	EBITDA (Cumulative)	R826m	R1653m	R2480m	R3306m
		ROCE	6.3%	6.3%	6.3%	6.3%
	Diversify the business portfolio	Capital Expenditure (CAPEX) (Cumulative)	R253m	R528m	R821m	R1 291m
		Aeronautical revenue (Cumulative)	R1321m	R2642m	R3963m	R5285m
		Non-aeronautical revenue (Cumulative)	R1066m	R2132m	R3198m	R4263m
		Cargo Throughput (Cumulative in Metrics Tonnes) <b>(ANNUAL)</b>				548 278 Metric Tonnes
Innovate, Grow and Sustain	Increase reputation	Reputation index <b>(ANNUAL)</b>				65% Reputation index survey
		ASQ Index	3,95	3,95	3,95	3,95
		Efficiency Factor	2,75%	2,75%	2,75%	2,75%
		Airport Security Performance Index (ASPI)	50	50	50	50
Innovate, Grow and Sustain	Transform ACSA business	B-BBEE Level <b>(ANNUAL)</b>				Level 1
		% Black business share of commercial revenue generated	60%	60%	60%	60%
		# of job opportunities created (Cumulative) Labour	9573	15 904	22547	29 656
		Productivity Index <b>(ANNUAL)</b>				3,2
	Smart Airport	Innovation Impact Index <b>(ANNUAL)</b>				30

		Fully digitise airport operations, customer-facing and enterprise support business capabilities <b>(ANNUAL)</b>					60%
Innovate, Grow and Sustain	Reduce environmental impact	ACI Carbon Accreditation Footprint Level <b>(ANNUAL)</b>					Maintain ACI Level 2 Certification for at least 2 Airports and attain level 3 for at least one airport

## SHAREHOLDER MANDATE KPI

OUTPUT INDICATOR	FY2026/27	FY2027/28	FY2028/29	FY2029/30
Cargo throughput	548 278 Metric Tonnes	649 638 Metric Tonnes	757 911 Metric Tonnes	1 239 071 metric tonnes exceeding the shareholders target of 1,2 million Metric Tonnes
Cargo capacity across the ACSA network	1 082 730 Metric Tonnes	1 082 730 Metric Tonnes	1 082 730 Metric Tonnes	1 457 730 Metric Tonnes
Passenger capacity across the ACSA network	54 million	54 million	54 million	63 million
Passenger throughput	37 million	38 million	41 million	42 million
ROCE	6.3%	7.6%	5.9%	

Internationally benchmarked - customer experience (ASQ)	3,95	4,0	4,0	4,0
# of severe and major SACAA safety audit findings (including Apron Operations, ARFF, QMS, Civil & Electrical)	60	60	50	40
# of Level 1 security audit findings, SACAA, TSA, FAA, ICAO	0 Level 1 repeat findings	0 Level 1 repeat findings	0 Level 1 repeat findings	0 Level 1 repeat findings

# B



## ANNEXURE B: GOVERNANCE

## ANNEXURE B – GOVERNANCE

### 1. GOVERNANCE PHILOSOPHY

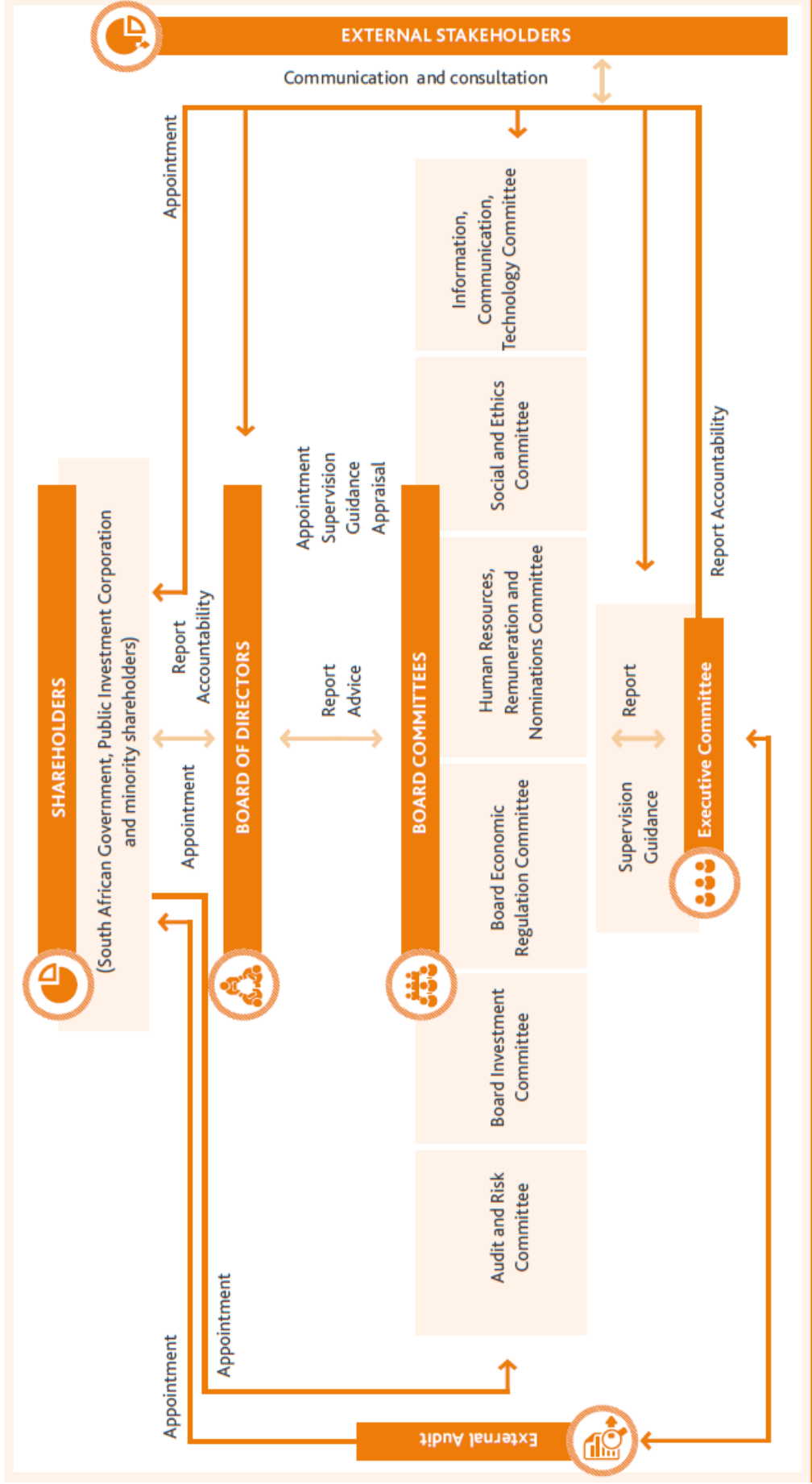
Airports Company South Africa SOC Limited is registered as a public company under the Companies Act and is listed as a major public entity in terms of Schedule 2 of the Public Finance Management Act 1 of 1999 (PFMA). Sound corporate governance is implicit in the Group's values, principles, and processes. Open and honest dialogue is the appropriate process to test decisions, reach consensus and accept responsibility.

Our ethics management policy which includes the code of ethics sets out the values that drive the ethical and responsible business conduct of the Company. Endeavours are made to create fraud and ethics awareness throughout the Company to influence ethical behaviour. We are committed to continually enhancing ACSA's corporate governance processes in line with best practice in a manner that facilitates the development and management of world-class airports, whilst ensuring that operations are ethically conducted within the regulatory framework.

Our approach to corporate governance is based on six fundamental principles: accountability, transparency, responsibility, independence, ethical fairness, and social development. These principles enhance our values expressed in the acronym PRIDE (Passion, Results, Integrity, Diversity and Excellence). Furthermore, the Social and Ethics Committee monitors implementation of the ethics management policy, while the Audit and Risk Committee looks at legal and regulatory compliance.

### 2. GOVERNANCE STRUCTURE

Our Board is responsible for strategic direction and oversight of the Group. The Minister appoints non-executive directors to the Board, and the PIC nominates non-executive directors for appointment in accordance with the Companies Act. The Executive Committee, under the leadership of the CEO, is responsible for the day-to-day management of the Company.



To effectively provide oversight and guidance to the Group, the Board remains acutely aware of various legislations and relevant codes of best practice, including but not limited to:

- Airports Company Act, No. 44 of 1993.
- Civil Aviation Act, No. 13 of 2009.
- King Report on Corporate Governance for South Africa 2016 (King IV).
- Protocol on Corporate Governance for the Public Sector 2002.
- Public Finance Management Act, No.1 of 1999.
- Treasury Regulations.
- Companies Act, No 71 of 2008.
- Income Tax Act, No 58 of 1962.
- Value Added Tax Act, No. 89 of 1991; and
- Protection of Personal Information Act 2013.

### 3. BOARD COMMITTEES

The six committees established by the Board play a vital role in enhancing standards of governance and effectiveness within the Group. The establishment of the committees is not an abrogation of the Board's responsibilities. The committees report back on their activities to the Board at all meetings. The committees focus on key functional areas where specialist expertise is required. All the committees are chaired by non-executive directors and the committee members are mostly non-executive directors. The CEO is a member of the Social and Ethics Committee and Board Investment Committee. The Committees do not assume the functions of management, which remain the responsibility of the executive directors, officers, and other members of senior management.

To ensure that the terms of reference of the committees remain current and comply with best practice, they are reviewed annually and, where necessary, amended. The committees are:

- Audit and Risk Committee.
- Board Economic Regulation Committee.
- Board Investment Committee.
- Information, Communication, Technology Committee.
- Human Resources, Remuneration and Nominations Committee; and
- Social and Ethics Committee.

#### Audit and Risk Committee

The Committee is constituted as a statutory committee of Airports Company South Africa SOC Limited in line with the Companies Act and Public Finance Management Act and is accountable in this regard to both the Board and our shareholders. It is a committee of the Board in respect of all other duties the Board assigns to it and has been delegated extensive powers to perform its functions in accordance with the Companies Act, PFMA and National Treasury Regulations.

The Audit and Risk Committee meets at least quarterly to consider, among others, annual and quarterly financial statements, accounting policies, internal audit plan and progress reports against the plan, external audit strategy, findings of external and internal auditors and management's response plans to the findings, management of strategic enterprise-wide risks within the risk management framework and their impact on achieving the Group's strategy, adequacy of controls combined assurance and supply chain management. The committee also monitors governance and reports received on the Vuvuzela Hotline.

All members of this committee are independent directors. Both external and internal auditors have unrestricted access to the Chairperson and meet *in committee* with the committee when required, and formally at least once a year.

The Auditor-General South Africa is the current auditor of the Company.

### **Board Investment Committee**

The primary purpose of the Committee is to assist the Board in discharging its duties relating capital projects, commercial activities, diversification of revenue, investments, and treasury activities of the Company.

The Committee is accountable to the Board and makes recommendations for approval by the Board. The Committee operates independently of management and is free of any organisational impairment. It acts in accordance with its delegated authority of the Board as recorded in its Terms of Reference.

### **Board Economic Regulation Committee**

The Board Economic Regulation Committee has oversight over the development and implementation of the economic regulatory strategy and ensures compliance with all regulatory legislation and/or requirements and any matters incidental thereto. At the core of its function is the deliberation of the approach leading to the permission application which is submitted to the Regulating Committee which determines airport tariffs for the Group.

The Committee is accountable to the Board and makes recommendations for approval by the Board. The Committee operates independently of management and is free of any organisational impairment. It acts in accordance with its delegated authority of the Board as recorded in its Terms of Reference.

### **Human Resources, Remuneration and Nominations Committee**

The committee ensures that employees are fairly rewarded for the value they create, and the amount and types of pay used to motivate and compensate employees protect value for shareholders and other stakeholders, both today and in the future.

The committee assists the Board on matters of strategic remuneration, retention of employees, composition of board committees, recruitment of executive directors and performance management. The committee ensures that an adequate and appropriate succession plan for the CEO, CFO and executives is in place. In addition, the committee provides guidelines and procedures to ensure that human resourcing and remuneration strategies are aligned to the Company's objectives, including addressing past workplace inequalities.

The committee assists the Board in ensuring that the Company remunerates fairly, responsibly, and transparently to promote achievement of strategic objectives and positive outcomes in the short, medium, and long term.

The Committee is accountable to the Board and makes recommendations for approval by the Board. The Committee operates independently of management and is free of any organisational impairment. It acts in accordance with its delegated authority of the Board as recorded in its Terms of Reference.

### **Social and Ethics Committee**

The committee is responsible for monitoring the non-financial aspects of the Group's sustainability, specifically the Group's performance in terms of social, ethical, and environmental matters. The committee is the social conscience of the Company in ensuring that it conducts its business as a responsible corporate citizen, and creates value and contributes to the health of our economy, our people, our communities, broad-based black economic empowerment (B-BBEE), health and safety practices, and the environment and all matters incidental thereto, namely:

- Ethics
- Social and economic development
- Good corporate citizenship
- Stakeholder relationships
- Labour and employment
- Environmental, Social and Governance (ESG)

The committee oversees enterprise security, consequence management and transformation.

The Committee is accountable to the Board and makes recommendations for approval by the Board. The Committee operates independently of management and is free of any organisational impairment. It acts in accordance with its delegated authority of the Board as recorded in its Terms of Reference.

#### **Information, Communication, Technology Committee**

The key mandate of this committee is to oversee that the information and communication technology (“ICT”) policies and practices comply with best practice and that the IT Strategy of the Group is implemented.

The primary function of the Committee is to ensure implementation of the Company’s overall IT strategy; robust information security and protection of intellectual property in ICT systems; oversee that the IT innovation strategy and related policies are in place and implemented; and ensure opportunities to improve performance and sustainability of the Company through the use of ICT are exploited.

The Committee is accountable to the Board and makes recommendations for approval by the Board. The Committee operates independently of management and is free of any organisational impairment. It acts in accordance with its delegated authority of the Board as recorded in its Terms of Reference.

#### **4. EXECUTIVE COMMITTEE**

The executive committee deals with all the general management activities involved with leading and managing the Company towards achieving our core outcomes whilst upholding all the applicable legislation and regulation that pertains to our operation. This committee is chaired by the CEO and is supported by other executive led operational management subcommittees to effectively manage the business.

#### **5. ETHICS MANAGEMENT**

King IV defines corporate governance as the exercise of ethical and effective leadership by the governing body towards the achievement of an ethical culture, good performance, effective control and legitimacy. The Board is accountable for ensuring that management actively cultivates a culture of ethical conduct that is adhered to by all employees and associates of the Company. This is attained by delegating oversight of ethics management to the Social and Ethics Committee.

Our ethics management policy outlines standards expected from directors, managers, employees, service providers, suppliers, and trading partners. This code entrenches our values of behaviour.

##### **Training and awareness**

We conduct ongoing ethics training for employees and external parties (stakeholders) including training on our ethics management policy which covers code of ethics, interpersonal relationships, conflict of interest, anti-corruption and fraud, employee pursuance by external influences, gift and entertainment management and whistleblowing management plan, and the Domestic Prominent Influential Person Policy.

##### **Ethics Management programme**

The Ethics Institute conducted an ethics technical gap analysis and ethics risk assessment. The gap analysis assessed the extent to which we have implemented the basic elements of an ethics risk management programme. The outcome of the gap analysis and risk assessment shaped our ethics management strategy and determined the scope and content of subsequent ethics management interventions. We will continue to:

- Train employees including relevant stakeholders on ethics related policies and matters.
- Monitor implementation of the ethics programme through submission of comprehensive reports on trends, fraud, and corruption cases to the Social and Ethics Committee for monitoring.

- Actively engage with divisional appointed ethics champions to promote and support ethics initiatives in business units.
- Maintain and accelerate ethics communication for awareness; and
- Ensure recently approved conflict of interest policy and the code of ethics are embedded within our operations.

#### **Whistleblowing and fraud prevention programmes**

We have a whistleblowing management policy that provides employees with various avenues such as our anti-corruption hotline to report any unethical conduct. The anti-corruption hotline is independently administered by an external company that submits daily reports for review and investigation. A preliminary investigation is conducted to establish whether there is a prima facie case of misconduct. If there is, a further investigation is conducted with recommendations of appropriate action including, where necessary, referrals to external law enforcement agencies.

## 6. DIRECTORS DETAILS

Name	Position	Race	Gender	Qualifications, Experience, Responsibilities
Ms Phydels Ntombifuthi Zikalala Mvelase (60)	Non-executive Director and Interim Chairman	African	Female	<p><b>Qualifications</b></p> <ul style="list-style-type: none"> <li>Admitted Attorney of the High Court of South Africa</li> <li>LLB</li> <li>B. Proc</li> </ul> <p><b>Areas of Expertise</b></p> <ul style="list-style-type: none"> <li>Legal</li> <li>Business Management</li> <li>Diamond Trading</li> <li>Corporate Governance</li> </ul> <p><b>Appointment date</b> 01 September 2018</p> <p><b>Responsibilities</b> Chairman of the Board Economic Regulation Committee Member of the Human Resources, Remuneration and Nominations Committee</p> <p><b>Other Directorships</b></p> <ul style="list-style-type: none"> <li>Fueleth Projects (Pty) Ltd</li> <li>Limpopo Jewellery Business Incubator (formerly: SEDA Limpopo Jewellery Incubator) (SOE)</li> <li>Fuhaja (Pty) Ltd</li> <li>AU Jewellery (Pty) Ltd</li> </ul>
Mr Yershen Pillay (41)	Non-executive Director	Indian	Male	<p><b>Qualifications</b></p> <ul style="list-style-type: none"> <li>Master of Business Administration (MBA)</li> <li>Post Graduate Diploma in Business Administration</li> <li>BSocSc Politics and Economics</li> </ul> <p><b>Areas of Expertise</b></p> <ul style="list-style-type: none"> <li>Strategy</li> <li>Business Administration</li> <li>Skills Development</li> <li>Corporate Finance</li> </ul>

Name	Position	Race	Gender	Qualifications, Experience, Responsibilities
Ms Mpumi Mpofo (58)	Executive and Chief Executive Officer	African	Female	<ul style="list-style-type: none"> <li>• IT Governance</li> <li>• Digital Transformation</li> <li>• Cybersecurity</li> <li>• Digital Innovation</li> <li>• Logistics and Distribution</li> </ul> <p><b>Appointment date</b> 01 September 2018</p> <p><b>Responsibilities</b> Chairman of the Information Communication Technology Committee Member of the Audit and Risk Committee Member of the Board Economic Regulation Committee Member of the Board Investment Committee</p> <p><b>Other Directorships</b></p> <ul style="list-style-type: none"> <li>• SAFCOL SOC Ltd</li> <li>• K3 Logistics</li> <li>• CHIETA</li> </ul>
				<p><b>Qualifications</b></p> <ul style="list-style-type: none"> <li>• Postgraduate Degree - Town Planning</li> <li>• BA Honours, Urban and Regional Planning</li> </ul> <p><b>Areas of Expertise</b></p> <ul style="list-style-type: none"> <li>• Aviation</li> <li>• Strategy coordination</li> <li>• Planning</li> <li>• Monitoring</li> <li>• Evaluation</li> <li>• Policy Development</li> <li>• Corporate Governance</li> <li>• Project Management</li> <li>• Transport and Infrastructure Development</li> <li>• Airport Planning</li> <li>• Residential Property Development</li> </ul>

Name	Position	Race	Gender	Qualifications, Experience, Responsibilities
Dudu Hlatshwayo (61)	Non-executive Director	African	Female	<ul style="list-style-type: none"> <li>• Liaison and cooperation</li> <li>• Stakeholder Management</li> <li>• Programme Management</li> <li>• Human Resources Development</li> <li>• Urban Design</li> <li>• Town Planning</li> </ul> <p><b>Appointment date</b> 01 February 2020</p> <p><b>Responsibilities</b> Member of the Board Investment Committee Member of the Social and Ethics Committee</p> <p><b>Other directorships</b></p> <ul style="list-style-type: none"> <li>• Mediterranean Homes</li> <li>• Sunrise Bay Estate Management</li> <li>• Camel Rock</li> <li>• Skylite Investment</li> </ul>
				<p><b>Qualifications</b></p> <ul style="list-style-type: none"> <li>• MBL</li> <li>• BSocSc (Honours)</li> </ul> <p><b>Areas of Expertise</b></p> <ul style="list-style-type: none"> <li>• Advanced Corporate Finance</li> <li>• Valuation and Structuring</li> <li>• Business Turnaround and Workout</li> <li>• Investment Analysis and Management</li> <li>• Corporate Governance</li> <li>• Business Process Re-engineering</li> <li>• Organizational Design</li> <li>• Corporate Strategy Development Marketing</li> </ul> <p><b>Appointment date</b> 06 August 2020</p>

Name	Position	Race	Gender	Qualifications, Experience, Responsibilities
Dr Kgabo H Badimo (65)	Non-executive Director	African	Male	<p><b>Responsibilities</b>  Chairman of the Board Investment Committee  Member of the Audit and Risk Committee  Member of the Board Economic Regulation Committee  Member of the Information, Communication, Technology Committee</p> <p><b>Current Directorships</b></p> <ul style="list-style-type: none"> <li>• Change EQ Corporate Advisors</li> <li>• African Exploration and Mining Corporation</li> <li>• CNG Holdings (Pty) Ltd</li> <li>• Petroleum Agency of SA (PASA)</li> </ul> <p><b>Qualifications</b></p> <ul style="list-style-type: none"> <li>• PhD Information Systems Knowledge Management</li> <li>• MSc Data Engineering</li> <li>• BSc Computer Science</li> <li>• Diploma in Business Administration</li> <li>• Diploma in French Language</li> </ul> <p><b>Areas of Expertise</b></p> <ul style="list-style-type: none"> <li>• Executive Management and Leadership</li> <li>• Project Management – ICT Applications</li> <li>• Human Resources Management (ICT)</li> <li>• Computer Operations</li> <li>• ICT Customer Services and Support</li> <li>• Knowledge management</li> <li>• Business Intelligence</li> <li>• Artificial Intelligence</li> <li>• Customer and Information Systems</li> <li>• Decision Support Systems</li> <li>• Management Information Systems</li> <li>• ICT Standards (COBIT, ITIL, PMBOK)</li> <li>• IT Quality Assurance and Quality Control</li> <li>• IT Governance, Risk and Compliance</li> <li>• Defence Command and Controls Systems</li> <li>• Electronic Document Management System</li> </ul>

Name	Position	Race	Gender	Qualifications, Experience, Responsibilities
Nonzukiso Siyotula (40)	Non-Executive Director	Black	Female	<ul style="list-style-type: none"> <li>• Defence Logistics Systems (CALMIS, SLIS, NLIS)</li> <li>• Telecommunications and Networks</li> <li>• Global System for Mobile telecoms</li> <li>• Financial Management</li> <li>• Managerial and Financial Accounting and Auditing</li> <li>• Corporate Financial Strategy</li> </ul> <p><b>Appointment date</b> 06 August 2020</p> <p><b>Responsibilities</b> Member of the Social and Ethics Committee Member of the Human Resources, Remuneration and Nominations Committee Member of the Information, Communication, Technology Committee</p> <p><b>Other Directorships</b></p> <ul style="list-style-type: none"> <li>• DrTemp (Pty) Ltd</li> <li>• Badimo Group Consulting</li> <li>• Melodi Jazz and Fusion Brothers</li> <li>• South African Reserve Bank</li> <li>• Member of the Audit and Risk Committee - Government Communications and Information Systems (GCIS)</li> </ul>
				<p><b>Qualifications</b></p> <ul style="list-style-type: none"> <li>• CA (SA)</li> <li>• MBA</li> <li>• BAcc</li> </ul> <p><b>Areas of Expertise/Skills</b></p> <ul style="list-style-type: none"> <li>• General management</li> <li>• Finance</li> <li>• Corporate governance</li> <li>• Strategy</li> <li>• Restructuring</li> <li>• Business Development</li> <li>• Sales and Distribution</li> <li>• Strategy</li> </ul>

Name	Position	Race	Gender	Qualifications, Experience, Responsibilities
Sibongile Sambo (50)	Non-Executive Director	Black	Female	<ul style="list-style-type: none"> <li>• Stakeholder Management</li> <li>• Human Resources</li> <li>• Project Management</li> </ul> <p><b>Responsibilities</b>  Chairman of the Audit and Risk Committee  Member of the Information, Communication, Technology Committee  Member of the Human Resources, Remuneration and Nominations Committee  Member of the Board Economic Regulation Committee</p> <p><b>Other Directorships</b></p> <ul style="list-style-type: none"> <li>• Sable Global Resources</li> <li>• Payliquid Capital Partners</li> <li>• Shout-IT-Now</li> <li>• Toyota Financial Services Ltd</li> <li>• African Bank Ltd</li> <li>• Ogilvy and Mather South Africa</li> <li>• Siyotula Holdings</li> <li>• Nampak</li> <li>• Take Over Regulation Panel (Trustee)</li> <li>• Nelson Mandela Children's Hospital</li> </ul>
				<p><b>Qualifications</b></p> <ul style="list-style-type: none"> <li>• MBA</li> <li>• Post Graduate Diploma in General Management</li> <li>• B. Admin Honours</li> <li>• B. Admin</li> </ul> <p><b>Areas of Expertise/Skills</b></p> <ul style="list-style-type: none"> <li>• Aviation</li> <li>• Human resources</li> <li>• Organisational Development</li> <li>• Business Management</li> <li>• Project Management</li> <li>• Strategy</li> <li>• Mining</li> <li>• Telecommunication</li> </ul>

Name	Position	Race	Gender	Qualifications, Experience, Responsibilities
Gcobani Mancotywa (57)	Non-Executive Director	Black	Male	<ul style="list-style-type: none"> <li>• Manufacturing</li> <li>• Business Development</li> </ul> <p><b>Appointment date</b> 2 March 2023</p> <p><b>Responsibilities</b> Chairman of the Human Resources, Remuneration and Nominations Committee Member of the Board Economic Regulation Committee Member of the Social and Ethics Committee Member of the Information, Communication, Technology Committee</p> <p><b>Other directorships</b></p> <ul style="list-style-type: none"> <li>• Aero Metals (Pty) Ltd</li> <li>• SRS Aviation (Pty) Ltd</li> <li>• SRS Aero Technical (Pty) Ltd</li> <li>• SRS Petroleum (Pty) Ltd</li> <li>• Dyonzo Technical Training Academy</li> </ul> <p><b>Qualifications</b></p> <ul style="list-style-type: none"> <li>• Master's in management</li> <li>• Post Graduate Diploma in Management</li> <li>• B. Com (Economics and Commercial Law)</li> <li>• Board Banking Leadership Certificate</li> <li>• Certificate in Financial Management</li> <li>• Certified Director</li> </ul> <p><b>Areas of Expertise/Skills</b></p> <ul style="list-style-type: none"> <li>• Aviation</li> <li>• Banking</li> <li>• Project Management</li> <li>• Business Transformation</li> <li>• Business Restructuring</li> <li>• Business Modelling</li> <li>• Stakeholder Management</li> <li>• Communication</li> <li>• Capacity building</li> </ul>

Name	Position	Race	Gender	Qualifications, Experience, Responsibilities
Andile Khumalo (46)	Non-Executive Director	Black	Male	<p><b>Appointment date</b> 2 March 2023</p> <p><b>Responsibilities</b> Chairman of the Social and Ethics Committee Member of the Board Investment Committee Member of the Human Resources, Remuneration and Nominations Committee Member of the Board Economic Regulation Committee</p> <p><b>Other Directorships</b></p> <ul style="list-style-type: none"> <li>• Somlolo Group Investment Holdings Pty Ltd</li> <li>• Somlolo Steel Manufacturing Pty Ltd</li> </ul>
				<p><b>Qualifications</b></p> <ul style="list-style-type: none"> <li>• Chartered Accountant (South Africa)</li> <li>• Post Graduate Diploma in Accountancy</li> <li>• B. Com (Accounting)</li> </ul> <p><b>Areas of Expertise/Skills</b></p> <ul style="list-style-type: none"> <li>• Mergers and Acquisitions</li> <li>• Corporate Finance</li> <li>• Financial Management</li> <li>• Strategy</li> <li>• Media</li> <li>• Communications</li> </ul> <p><b>Appointment date</b> 3 March 2023</p> <p><b>Responsibilities</b> Member of the Audit and Risk Committee Member of the Board Investment Committee Member of the Social and Ethics Committee</p> <p><b>Other directorships</b></p>

Name	Position	Race	Gender	Qualifications, Experience, Responsibilities
Luzuko Mbotya (40)	Executive Director and Chief Financial Officer	Black	Male	<ul style="list-style-type: none"> <li>• Mzilikazi Trust</li> <li>• KhumaloCo (Pty) Ltd</li> <li>• KhumaloCo Properties Pty Ltd - HOB Group (Pty) Ltd</li> <li>• House of Brave (Pty) Ltd</li> <li>• Ince (Pty) Ltd</li> <li>• Gemelli Cucina Bar (Pty) Ltd</li> <li>• Therapy Restaurant &amp; Bar Pty Ltd</li> <li>• I AM AN ENTREPRENEUR (Pty) Ltd</li> <li>• Immersion UX (Pty) Ltd</li> <li>• Quizzical Pictures Pty Ltd</li> <li>• Grindrod Limited (Effective 1 November 2024)</li> </ul>
				<p><b>Qualifications</b></p> <ul style="list-style-type: none"> <li>• Chartered Accountant (SAICA)</li> <li>• Master of Philosophy in Development Finance</li> <li>• Post Graduate Diploma – Accountancy / CTA</li> <li>• Bachelor of Commerce</li> </ul> <p><b>Areas of Expertise/Skills</b></p> <ul style="list-style-type: none"> <li>• Balance Sheet Management</li> <li>• Financial Analysis</li> <li>• Financial Planning and Budgeting</li> <li>• Financial Transformation</li> <li>• Strategic Finance</li> <li>• Tax and Accounting</li> <li>• Financial and Executive Reporting</li> </ul> <p><b>Appointment date</b> 1 December 2023</p> <p><b>Responsibilities</b> Member of Board</p> <p><b>Other directorships</b></p> <ul style="list-style-type: none"> <li>• Buyaphi Financial Consultants</li> <li>• Thuthuka Business Consultants</li> </ul>

# C



## ANNEXURE C: ANTI-CORRUPTION STRATEGY

# ANNEXURE C – ANTI-CORRUPTION STRATEGY

## 1. INTRODUCTION

We have developed the Anti-Corruption Management Plan (ACMP) with an aim of complying with the PFMA and Treasury Regulations obligation of ensuring that the Accounting Authority implements controls that ensure that Fraud and corruption risk assessment is conducted regularly to identify emerging Fraud and Corruption risks of the institution. A risk management strategy, which must include an Anti-Corruption Management Plan, shall be used to direct Compliance and Ethics effort and priority, and to determine the skills required of managers and staff to improve controls and to manage these risks. The risk management strategy must be clearly communicated to all officials to ensure that the risk management strategy is incorporated into the language and culture of the institution. This document should be read in conjunction with the HR Manual, Conflict of interest policy, Whistle blowing policy, Supply Chain Management policy, Code of Ethics, Gift and Entertainment policy as well as the Domestic Prominent Influential Person policy i.e., Political Exposed Person.

The Anti-Corruption Management Plan (ACMP) is a dynamic plan that shall continuously advance as the Company makes change and improvements in its drive to promote ethics or ethical conducts, as well as to fight fraud and corruption.

The terms “corruption” and “fraud” in this document include, but are not limited to the following acts:

- a) Any dishonest, fraudulent, or corrupt act;
- b) Theft of funds, supplies or other assets;
- c) Financial misconduct relating to the handling or reporting of money, financial transactions and other assets;
- d) Receipt of money in exchange for divulging Company information;
- e) Unauthorised disclosure of classified information to external parties;
- f) Irregular acceptance, request or offering of anything of material value to or from contractors, suppliers, or other persons providing services to the Company;
- g) Embezzlement of funds;
- h) Irregular destruction, removal or abuse of records, furniture and equipment;
- i) Deliberately omitting or refusing to report or act upon reports of any such irregular or dishonest conduct;
- j) Bribery;
- k) Conspiracy to commit fraud and or corruption;
- l) Acts of financial misconduct contemplated in terms of sections 83 -85 of the PFMA;
- m) Incidents of unauthorised, irregular, or fruitless and wasteful expenditure as defined by the PFMA; and
- n) Any similar or related irregularity.

The main objectives of the ACMP are as follows:

- a) Create a culture that is intolerant to fraud, corruption, theft, and maladministration and encourage employees, stakeholders to behave ethically in their details with or on behalf of the Company; and
- b) Prevent, detect, investigate, and resolve fraudulent and corrupt activities.

## 2. THE STRATEGY

Airports Company South Africa supports and fosters a culture of “*zero tolerance of fraud and corruption*” in all our activities. The primary objective of the ACMP is to change the attitudes of employees, service providers and other stakeholders towards corruption and fraud. The first step in bringing about such change is by creating awareness. Awareness is created through education and communication and is essential to the whole ACMP. All components depend on each other for the fulfilment of the ACMP. The following are components of the ACMP:

1. Demonstrating leadership to combat and eradicate corruption by continually improving governance and risk management processes;
2. Creating a climate that promotes transparency, accountability and integrity;
3. Maintaining effective systems of internal controls and compliance with those controls;

4. Conducting independent periodic fraud and corruption risk assessments to identify opportunities for fraud and corruption;
5. Implementing prevention and minimisation procedures in day-to-day operations;
6. Establishing budgetary and financial transparency and strong financial management systems;
7. Enacting and enforcing a disciplinary code that will deal effectively with corruption offences;
8. Eliminating conflicts and/or potential conflicts of interest by adopting and enforcing effective guidelines, ethical regulations, and a Code of Conduct for all Directors and employees;
9. Promoting transparency in policies and procedures for procurement;
10. Maintaining adequate and accurate financial records and adhere to prescribed International Financial Reporting Standards (IFRS);
11. Enforcing a code of ethics containing a set of values in which management believes, and require their employees to subscribe to;
12. Promoting good standards for corporate governance and the protection of shareholder value;
13. Cultivating and maintaining an environment in which dishonest and fraudulent behaviour is actively discouraged;
14. Prohibiting individuals found guilty of corruption from doing business with Airports Company South Africa. Record blacklisted vendors in the delinquency register to discourage the Company from conducting future business with those entities;
15. Supporting accountability and oversight mechanisms such as the Compliance and Ethics as well as an independent Internal Audit and external audit function.
16. Adopting mechanisms and procedures for the public and personnel to report fraudulent and corrupt practices. These mechanisms include measures to protect witnesses and whistle blowers against victimisations, harassment or occupational detriment;
17. Facilitating the cooperative investigation of cases involving fraud and corruption;
18. Providing assistance in the investigation, recovery, seizure, freezing, forfeiture, and confiscation of property in respect of the proceeds of corruption as well as the reciprocal enforcement of forfeiture and other such orders;
19. Establishing mechanisms to monitor implementation of these principles, including a reporting and evaluation process; and
20. Providing an independent probity audit to ensure that procurement guidelines and procedures are adhered to for the procurement of goods or services of a high value or great significance.

### 3. LEGISLATIVE FRAMEWORK

The ACMP incorporates principles contained in the following legislative framework:

Instruments	Applicable Legislation/Regulation	Purpose
Bill of Rights	The Constitution of the Republic of South Africa, 1996	Bill of rights is a cornerstone of democracy in South Africa. It enshrines the rights of all people in our country and affirms the democratic values of human dignity, equality, and freedom.
Anti-Corruption	Public Service Anti-Corruption Strategy (DPSA:2002)	The Strategy provides a framework for the Public Service through which corruption is addressed in a systematic and coordinated manner using a three-fold approach of preventing, combating, and creating awareness of corruption.
Public Finance	Public Finance Management Act, 1999 (Act 1 of 1999)	Establishes the framework for accountable management of public funds and provides for criminal Prosecution of Heads of Department if found guilty of financial negligence, unauthorized, fruitless, or wasteful expenditure.

Instruments	Applicable Legislation/Regulation	Purpose
Transparency	The Promotion of Access to Information Act, 2000 (Act 2 of 2000)	Promotes transparency within Airports Company South Africa.
Accountability	The Promotion of Administrative Justice Act, 2000 (Act 3 of 2000)	Promotes fair administrative procedures and redress for citizens. The Act requires government to follow fair procedures when taking decisions that affect the public or an individual. Citizens have the right to request written reasons for decisions they disagree with, which enables one to judge whether the decision was influenced by corruption.
Whistleblowing	Protected Disclosures Amendment Act No. 05 of 2017.	Promotes whistleblowing as a preventative anti-corruption measure and protects whistle-blowers from “occupational detriment” as a result of blowing the whistle in good faith.
Corruption	The Prevention and Combating of Corrupt Activities Act, 2004 (Act 12 of 2004)	Provides effective legislation to combat corruption in all its forms. Reintroduces the common law act of bribery.
Financial Misconduct	Treasury Regulation	Monitor the incidents and trends of financial misconduct and make recommendations thereto.
Professional Ethics	Code of Conduct for the Public Service	The Code of Conduct and its explanatory manual is a useful guide in the promotion of good governance and ethical conduct of public servants. It promotes honesty and integrity in the workplace.
Information Security	Minimum Information Security Standards	The Minimum Information Security Standards provides the necessary procedures and measures to protect information pertaining to the Republic of South Africa.
Protection of personal information	Protection of Personal Information Act No. 4 of 2013	It promotes protection of personal information processed by the public and private bodies. It introduces minimum requirements for processing of personal information.
Integrity	Public Sector Integrity Management Framework (DPSA: 2013)	To strengthen measures and standards for managing integrity and promoting ethical conduct in the public Sector. This Framework entails measures for managing unethical conduct that may arise as a result of financial interests, gifts, hospitality and other benefits, post-public employment and remunerative work outside the public Sector. Further proposals are made in respect of deployment of ethics officers in the public Sector and minimum conduct requirements.

### International Instruments

South Africa, as part of the global community, has signed and ratified international instruments in the fight against fraud and corruption. We take cognisance of such. The instruments include the following:

The United Nations Convention Against Transnational Organised Crime;  
The United Nations Convention Against Corruption (UNCAC).

The Organisation of Economic Cooperation and Development Convention on Bribery of Foreign Public Officials in International Business Transactions.

The African Union (AU) Convention on Preventing and Combating Corruption; and  
 The Southern African Development Community (SADC) Protocol Against Corruption.

**4. PRINCIPLES OF FRAUD PREVENTION STRATEGY**

The anti-fraud and anti-corruption components of this Plan are illustrated in figure 1 below. Airports Company South Africa’s ACMP comprises of the following key principles of a Fraud and Corruption Prevention Strategy:

- a) Prevention;
- b) Detection;
- c) Investigation; and
- d) Resolution.

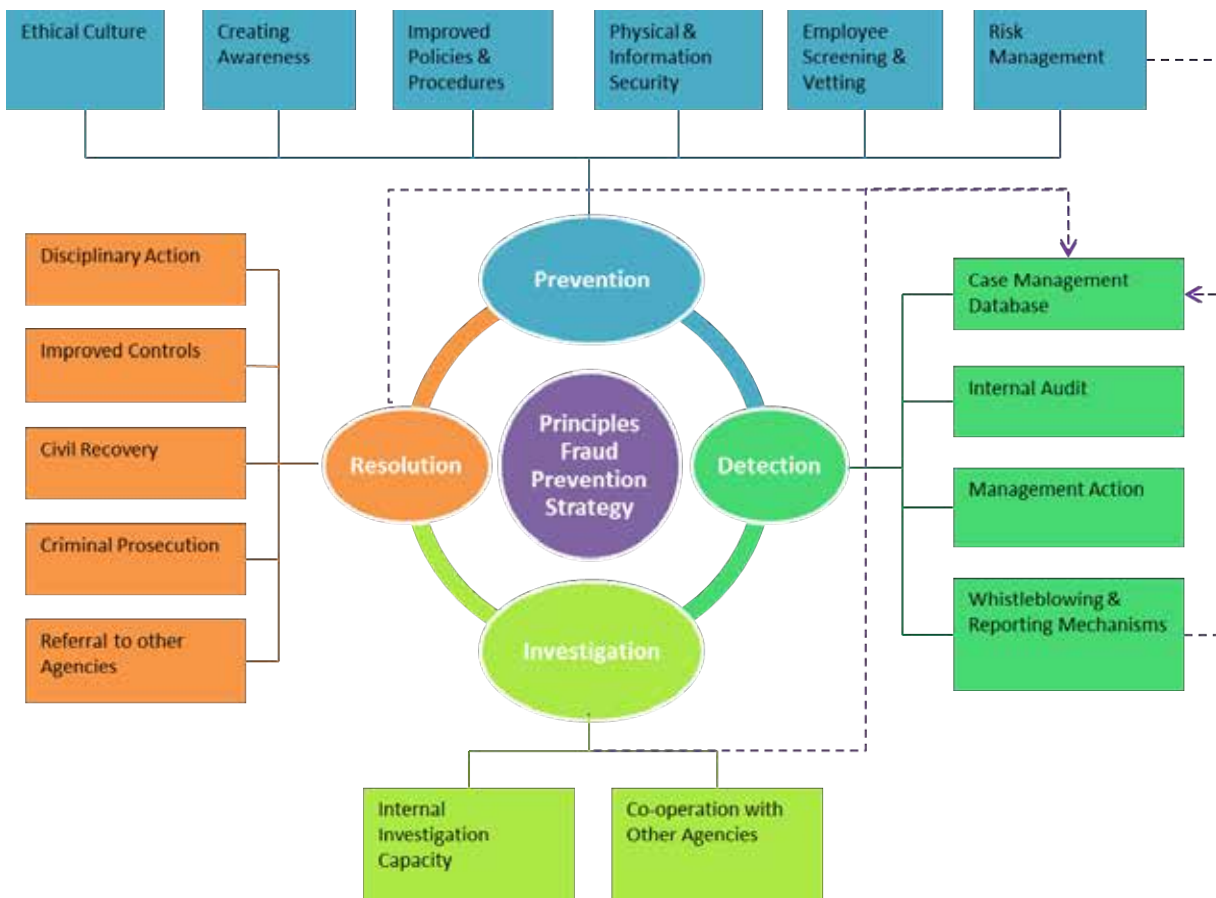


Figure 1: Components of the principles of a Fraud Prevention Strategy

**A. PREVENTION**

We will ensure that preventative mechanisms are in place to prevent opportunities for fraud and corruption. Below (figure 2) are the key features of the prevention component.

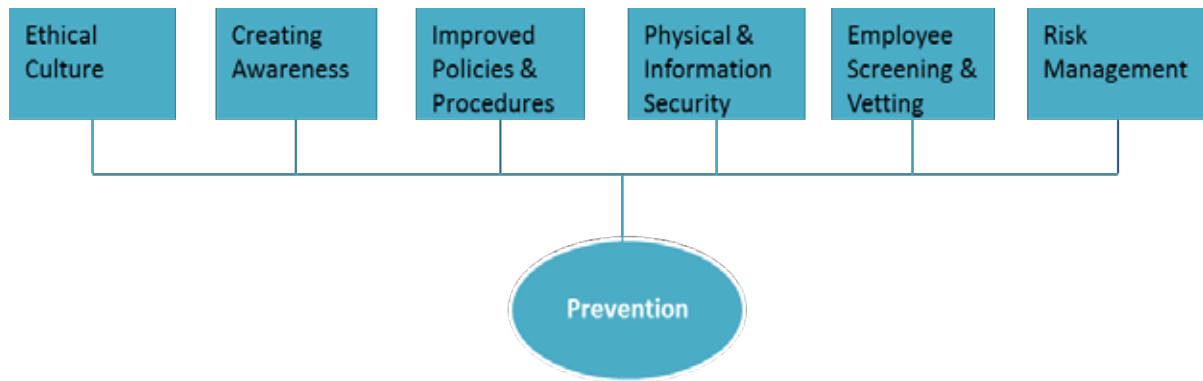


Figure 2: Prevention component with its features

### Ethical Culture

Our Code of Conduct sets out the values that drive the ethical and responsible business conduct of the Company. It is expected that all employees and stakeholders commit to the Code of Conduct by taking accountability and responsibility for their own actions. Further to providing all current and new employees with a copy of the code, we secure signatures from all employees as an indication of their understanding of, and commitment to, the Code of Conduct. We are establishing the following to communicate the principles contained in the Code of Conduct:

- a) Include relevant aspects of the Code of Conduct in awareness presentations, training sessions and communication programmes to create awareness thereof among employees and other stakeholders. Further objectives of this training will be the following:
  - Helping employees to understand the meaning of unethical behaviour in line with the expectations of Airports Company South Africa;
  - Presenting case studies which will assist in developing behaviour to articulate and encourage attitudes and values which support ethical business conduct;
  - Helping employees to understand issues involved in making ethical judgements; and
  - Communicating the implications of unethical behaviour and its impact on individuals, the workplace, professional relationships, Airports Company South Africa as an entity and external stakeholders.

We will ensure that all employees submit declarations of private business interests (actual or potential conflicts of interest). A centralised record will be kept, and we will annually secure the services of an independent service provider to test and ascertain whether conflicts exist or not.

### Creating Awareness

An anti-fraud and anti-corruption awareness programme will be rolled out across Airports Company South Africa in conjunction with identified units. Although the roll out of the programme will be coordinated by the Compliance and Ethics division with assistance of Corporate Services, the creation of awareness among all employees is the responsibility of all managers.

The creation of awareness among employees will address the following issues:

- a) What constitutes fraud and corruption;
- b) Fraud and corruption risk factors and main indicators of fraud and corruption;
- c) Specific fraud and corruption risks to which we may be exposed, thus enhancing the prospect of detecting irregularities earlier;
- d) Employee awareness of the current systems and internal policies and procedures as they relate to fraud and corruption, and their rights should they blow the whistle on such acts; and

- e) Employee awareness of their responsibility to report fraud and corruption within their work environment and encouraging employees to blow the whistle using the available reporting channels.

### Education

A mixture of both virtual and formal fraud and corruption training sessions will be conducted for all our employees. Above-mentioned awareness campaigns will also contribute to the education of employees.

### Communication Strategy

A communication strategy to create awareness among employees, the public and other stakeholders will be implemented to facilitate a culture where all stakeholders strive to contribute towards the success of the ACMP. This will increase the prospect of fraud and corruption being reported and improve our prevention and detection ability.

Communication strategies that will be used include among others:

- a) Posters, newsletters, and pamphlets to market the Code of Conduct, Fraud Hotline and the ACMP. These will be aimed at internal and external stakeholders.
- b) Screensavers with appropriate anti-corruption and pro-ethics messages;
- c) Attachments to tender invitations relating to our stance on fraud and corruption, where such irregularities can be reported and the actions which will be considered;
- d) Appropriate attachments to offers of employment and inclusion of appropriate items in induction and training programmes;
- e) Prudent terms in contracts with providers relating to the offering of gifts to employees of the Airports Company South Africa;
- f) Signing of declarations of commitment to the ACMP and the Code of Ethics by all employees;
- g) Endorsements of correspondence directed at service providers with anti-corruption and pro-ethics messages; and
- h) Publishing our commitment to anti-corruption and our progress in the implementation of the ACMP in the Annual Report.

### Improved Policies and Procedures

It is essential that our policies and procedures reflect the values held by the Company, regulate processes, and enhance the ethical culture of Airports Company South Africa. Fundamentally, all our employees must comply with the principles inherent in the PFMA and the supporting Rules and Treasury Regulations. They are also expected to adhere to the organisation's policies, procedures, and other relevant government legislative prescripts.

We have several systems, policies, procedures, rules, and regulations designed to ensure compliance with relevant legislations and prescripts.

Our management is committed to improving awareness and knowledge of the relevant systems, policies, procedures, rules, and regulations. We will engage in clearly defined communication and training strategies to create awareness of existing and new policies and procedures to ensure that all employees are made aware of, and adequately trained in the implementation of policies and procedures relevant to their duties and responsibilities, including:

1. Provisions for all employees to acknowledge, in writing, that they have read the policies and procedures applicable to their duties, have undergone relevant training and/or are aware of these policies and procedures;
2. The keeping of adequate records serving as proof that employees have been made aware of the policies and procedures relevant to their duties; and
3. The development and distribution of a regular communiqué outlining the importance of complying with policies and procedures and the implications of non-compliance for employees.

A structured monitoring mechanism will be developed for keeping proper record of approved policies and procedures, those that are being updated and newly introduced policies and procedures to set clear targets and monitor progress.

We will ensure that policies and procedures are easily accessible by all employees.

Management will be held accountable for failure to complying with, and implementing our systems, policies, procedures, rules, and regulations and for preventing fraud. This will be addressed in job descriptions and performance contracts.

### **Employee Screening and Vetting**

The risk of employing corrupt and/or unsuitably qualified persons is inherently high in all organisations. To address this risk, we have implemented a security screening process of employees consisting of qualification verification, credit check, reference, and criminal record checks.

We will include in employment contracts as well as in the code of ethics, a clause that reserves our right to conduct lifestyle audits of employees where there are informed suspicions of possible fraud and corruption.

### **Risk Management**

We acknowledge that the company faces diverse business risks from both internal and external sources and to comply with the requirements of the Treasury Regulations to the PFMA, the company conducts annual risk assessments. With risk management being an on-going and dynamic process, the outputs and information thereof are used to assist management with the following:

1. Prioritising areas for attention and subsequently developing appropriate controls to limit the material risks identified; and
2. To enable management to continually assess and update the risk profile of the Company.

The fraud and corruption risk register will be shared with management as a means of creating awareness about fraud and corruption risks and schemes facing Airports Company South Africa. Employees will be informed regularly of fraud and corruption risks as contained in the risk register to enhance prospects of detection.

We will consider updating the current fraud risk register with operational fraud and corruption risks. The fraud risk register will be updated on an annual basis along with other business risks.

## **B. DETECTION**

Detection involves establishing means by which to expose instances of fraud and corruption. The four features for the Detection component are illustrated in figure 3 below.

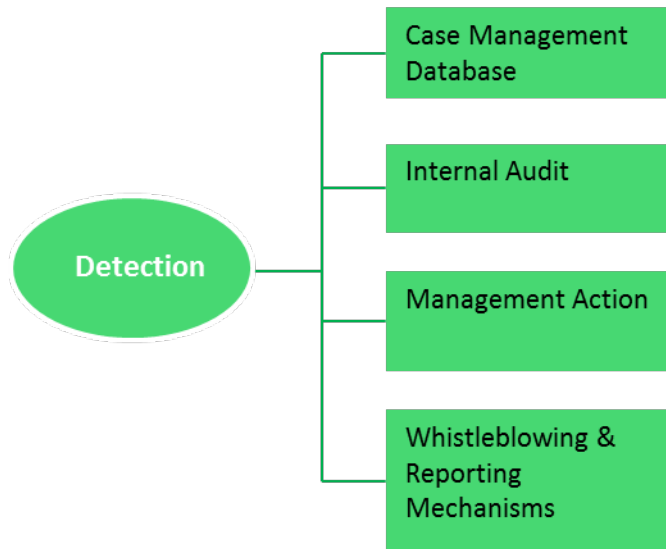


Figure 3: Detection component with its features

### Case Management Database

We keep a consolidated record of allegations of fraud and corruption perpetrated against it. This assists in identifying patterns and trends that might indicate control or procedural weaknesses, syndicate activity or collusion.

We shall develop a detailed case management database of all cases identified through the various detection channels available to us. The database shall include the results of investigations conducted and the outcome of resolution processes, including disciplinary and recovery processes. The database shall ensure that:

1. There is a record of all allegations;
2. We can track the progress of each allegation;
3. Weaknesses and recurring risks are systematically revealed and reported on; and
4. Feedback is provided to employees on the management of fraud and corruption allegations.

### Internal Audit

Our Internal Audit function operates in accordance with an approved Internal Audit Charter and a Coverage Plan. It reports administratively to the CEO and functionally to the Chairman of the ARC. The Internal Audit function must assist the executive management and the Board to maintain efficient and effective controls by evaluating the adequacy and effectiveness of such controls and by making recommendations for enhancing or improving said controls.

In accordance with the International Standards for the Professional Practice of Internal Auditing Standards (IIAS), Internal Auditors may not be held accountable for the detection and prevention of fraud; however, they are expected to exercise due professional care and to be alert to any symptoms of fraud and corruption when conducting their normal duties.

We do not have internal investigative capacity. As such Internal Audit is responsible for obtaining the services of independent experts to assist with conducting forensic investigations where appropriate.

We will regularly re-emphasize to all managers that consistent compliance with internal controls is one of the fundamental controls in place to prevent fraud and corruption. Managers will be encouraged to strive to identify and address causes of internal control weaknesses in addition to addressing identified control weaknesses.

## Management Action

The identification, detection, investigation, prevention and resolving of fraud and corruption cases are line function. None of the actions performed by the Internal Audit and the Ethics function should lessen this responsibility. Managers will be made aware through education and training campaigns about their non-negotiable responsibility to:

1. Establish and maintain an ethical culture in their divisions/units;
2. Assess, be aware of, and report fraud and corruption risks in their area of responsibility;
3. Ensure compliance with policies, establish processes, systems, and procedures to prevent possible fraud and corruption; and
4. Prevent and detect fraud and corruption within their division/units.

Continuous education training and awareness campaigns will assist management to fulfil their responsibility by providing them with information on ethics, what constitute fraud and corruption, disciplinary processes, etc.

## Whistle Blowing and Reporting Mechanisms

Whistle blowing is a valuable detection, prevention, and deterrent mechanism in as far as fraud and corruption are concerned. Our Whistleblowing Policy provides for overall guidance for the reporting of concerns. It furthermore encourages and enables staff to raise concerns within us.

We have reporting lines, authority levels and responsibilities for actions in the case of a suspected fraud and corruption. We will be consistent in taking allegations seriously, protecting the identity of people who prefer anonymity, ensuring confidentiality, and following through with investigations, disciplinary actions and other means of resolution or recourse.

Education, training, and awareness will be provided to all employees and stakeholders on available reporting channels and on our Whistle Blowing Policy.

## C. INVESTIGATION

Investigation is the actual and possible forensic investigation of acts of fraud and corruption. There are two features of the investigation component as illustrated in figure 4.

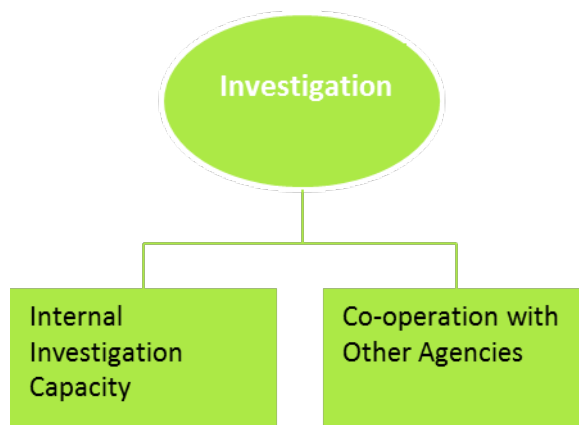


Figure 4: Investigation component with its features

### Internal Investigation Capacity

We have an internal investigative capacity. As such we appoint independent external experts to conduct forensic investigations into reported allegations of irregularities, fraud, and corruption.

Investigation outcomes will not be disclosed to or discussed with anyone other than those who have a legitimate need to know. This is important to avoid damaging the reputations of suspected persons, particularly those who were subsequently found innocent of wrongful conduct, and to protect us from potential civil liability.

### Cooperation with Other Agencies

We will refer cases for further criminal investigation to the relevant Law Enforcement Agency as well as the Liaison with other external forensic audit firms. Formal relationships with relevant agencies and institutions will be built to enhance investigative and resolution capacities and to improve turn-around time in finalizing cases.

## D. RESOLUTION

Resolution is the process of resolving verified cases of fraud and corruption in terms of disciplinary or criminal action and the recovery of losses. The four features of the Resolution component are illustrated in figure 6.

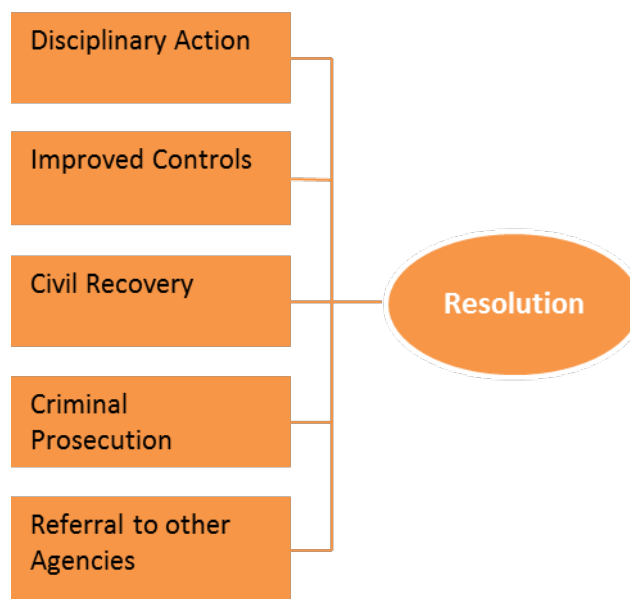


Figure 6: Resolution component with its features

Any fraud and corruption committed by an employee or any other person will be pursued thorough investigation and to the full extent of the law, including (where appropriate) consideration of:

- a) In case of employees, taking disciplinary action within a reasonable period after the incident;
- b) Instituting civil action to recover losses;
- c) Initiating criminal prosecution by reporting the matter to the SAPS or any other relevant Law Enforcement Agency; and
- d) Any other appropriate and legal remedy available.

### Disciplinary Action

We recognise the fact that the consistent and efficient application of disciplinary measures is an integral component of effective fraud and corruption prevention. We shall initiate and accelerate the following steps to expedite the consistent, efficient, effective, and speedy application of disciplinary measures:

1. On-going training of managers in the application of disciplinary measures and the disciplinary process, and sustaining this training;
2. Developing and enhancing a process/system to facilitate the consistent application of disciplinary measures;

3. Regular monitoring and review of the application of discipline with the objective of improving weaknesses identified; and
4. Where managers are found to be inconsistent and/or inefficient in the application of discipline, we will consider firm action.

Where cases of alleged fraud or corruption have been referred to Law Enforcement Agencies for criminal prosecution, internal disciplinary action will still be taken against offenders, with both processes running concurrently. A finding in one process may not have an impact on the finding in the other.

### Improved Controls

In respect of all reported incidents of fraud and corruption, managers are required to immediately implement corrective measures, review, and where possible, improve the effectiveness of the controls which have been breached to prevent similar irregularities from taking place.

The process of enhancing processes, systems and internal controls should be aligned to the prevention and detection components, specifically policies and procedures.

We shall continue to emphasize to all managers that employees' consistent compliance with internal controls is one of the fundamental controls in place to prevent fraud and corruption. Managers shall be encouraged to identify and address the causes of internal control weaknesses, in addition to addressing control weaknesses.

Furthermore, we shall develop a formal system by which the performance of managers is appraised by considering the number of audit queries raised and the level of seriousness of the consequent risk to Airports Company South Africa as a result of an identified internal control deficiency. This is intended to raise the level of manager accountability for internal controls.

Where managers do not comply with basic internal controls, e.g. non-adherence to the delegation of authority limits, firm disciplinary action will be considered.

### Civil Recovery

Procedures for determining liability and recovery of losses or damages suffered as a result of a fraudulent or corrupt act committed by an employee or non-employee will be considered for development and implementation. Currently this is based on the disciplinary code and procedures and debt recovery processes of Airports Company South Africa. We will enforce civil recovery where necessary.

### Criminal Prosecution

We shall develop procedures for the reporting of cases of fraud and corruption that involve R100 000 or more by the CEO or a delegated official, to Law Enforcement Agencies in terms of the Prevention and Combating of Corrupt Activities Act, 2004 (Act No. 12 of 2004).

In instances where we have suffered losses through criminal acts or possible criminal acts or omissions, the matter will be reported in writing to the SAPS in compliance with Treasury Regulation 12.5.1.

### Monitoring

We will maintain a consolidated record of allegations of fraud and corruption by means of a fraud and corruption information management system to limit the risk of threats to Airports Company South Africa being overlooked.

## 5. STRUCTURE AND ANTI-FRAUD AND –CORRUPTION RESPONSIBILITIES

The responsibility for preventing, detecting, and monitoring fraud and corruption risks in Airports Company South Africa lies with every Airports Company South Africa Director and employee. See Annexure A for the detailed responsibilities of stakeholders in this regard.

## **6. MONITORING AND MAINTENANCE**

Progress with the implementation of the ACMP will be monitored by the Social and Ethics Committee.

The CEO is the custodian of this Plan and is responsible for its administration, revision, and interpretation. The ACMP shall be reviewed regularly and appropriate changes applied when required.



# D



## ANNEXURE D: SIGNIFICANCE AND MATERIALITY FRAMEWORK

# ANNEXURE D – SIGNIFICANCE AND MATERIALITY FRAMEWORK

## 1. PREAMBLE

Whereas in terms of section 54(2) of the PFMA before a public entity conclude certain listed significant transactions, the accounting authority of that public entity must inform the relevant treasury and apply to the executive authority for approval of that transaction.

Therefore, the parties hereby agree to set out the guidelines for the treatment of material and significant transactions and to determine significance levels for the Airports Company South Africa in terms of Section 54(2) as well as materiality levels as they relate to material losses in terms of section 55(2) of the PFMA.

### DEFINITIONS AND INTERPRETATIONS

“**Corporate plan**” shall mean a corporate plan submitted annually in terms of section 52 of the PFMA

“**DOT**” shall mean the Department of Transport

“**Executive authority**” shall mean the Minister of Transport

“**Accounting Authority**” shall mean the board of directors of the Airports Company South Africa

“**PFMA**” shall mean Public Finance Management Act No 1 of 1999

## 2. PURPOSE

The purpose of this framework is to:

1. Set out guidelines for significant transactions in terms of section 54(2) of the PFMA that Airports Company South Africa must seek for approval from the Minister of Transport as outlined in Table A.
2. Outlining a process to be followed and information needed to be submitted in support of an application in terms of section 54(2) of the PFMA; and
3. Setting significance and materiality levels for transactions for the purposes of section 54(2) of the PFMA.
4. Set out materiality levels for losses for purposes of section 55(2) of the PFMA.

## 3. BACKGROUND

Section 54(2) of the PFMA states that: “before a public entity concludes any of the following transactions, the accounting for the public entity must promptly and in writing inform the relevant treasury of the transaction and submit relevant particulars of the transaction to its executive authority for approval of the transactions:

- a) Establishment or participation in the establishment of a company;
- b) Participation in a significant partnership, trust, unincorporated joint venture or similar arrangement;
- c) Acquisition or disposal of a significant shareholding in a company;
- d) Acquisition or disposal of a significant asset;
- e) Commencement or cessation of a significant business activity; and
- f) A significant change in the nature or extent of its interest in a significant partnership, trust, unincorporated partnership, trust, unincorporated joint venture or similar arrangement.

Section 55 of the Public Finance Management Act (PFMA), 1 of 1999, requires the accounting authority of a public entity to submit to the executive authority responsible for that public entity:

- (i) an annual report on the activities of that public entity during the financial year;
- (ii) the financial statements for that financial year after the statements have been audited; and
- (iii) The report of the auditors on those statements.

Paragraph 27.1.10 of the Treasury Regulations (TR) states that the Audit Committee of a public entity must:

report and make recommendations to the accounting authority;

report on the effectiveness of internal controls in the annual report of the entity; and

comment on its evaluation of the financial statements in the annual report.

In addition, TR paragraph 27.1.12 requires the Audit Committee to communicate any concerns it deems necessary to the executive authority and the auditors.

The executive authority may, based on the above information, decide to conduct further investigations into the activities of the public entity. It is therefore important that all reports include all material financial as well as non-financial information.

TR paragraph 28.3 states that the accounting authority must develop and agree a framework of acceptable levels of materiality and significance with the relevant executive authority. Although this paragraph refers to section within the PFMA that specifically compels entities to report on certain material transactions and / or events the framework should not be limited to these transactions and / or events.

The material and / or significant information specifically mentioned in the PFMA and TR is included below:

S55 (2) (b) (i) of the PFMA: “The annual report and financial statements referred to in subsection (1) (d) must –

a) .....

b) *Include particulars of –*

(i) *Any **material** losses through criminal conduct and any irregular expenditure and fruitless and wasteful expenditure that occurred during the financial year;*

TR 28.2.1: *“Any material losses through criminal conduct and any irregular and fruitless and wasteful expenditure must be disclosed as a note to the annual financial statements of the public entity.*

TR 29.1.1(f): *The corporate plan must cover a period of three years and must include –*

(f) *a materiality / significance framework, referred to in Treasury Regulation 28.3.1”*

TR 30.1.3(e): *“The strategic plan must –*

(e) *include the materiality / significance framework, referred to in Treasury Regulation 28.3.1”*

#### **4. GENERAL OBLIGATIONS OF THE PARTIES**

The parties agree that:

Airports Company South Africa shall follow the procedures as set out in this framework in making an application for approval for significant transactions.

For the purpose of the guidelines and transactions listed in the table below, qualitative and quantitative guidelines may either be applied concurrently or separately as the context requires.

In so far as the quantitative guidelines relating to the total assets, total revenue and profit after tax are concerned where rand values are used, these may be adjusted annually in accordance with the information contained in the latest annual financial statements.

## **5. PROCEDURE FOR NOTIFICATION OR APPLICATION FOR APPROVAL**

### ***Phase one: Pre-Notification***

In so far as significant transactions are covered in the corporate plan that will serve as pre-notification for an in-principle approval, provided that all the information required in terms of 6.1.3 is fully set out in the corporate plan.

In so far as the significant transactions are not covered in the corporate plan, Airports Company South Africa shall notify the Minister of Transport by a letter seeking as in-principle approval.

The letter shall contain the following information:

5. Airports Company South Africa's objectives on wanting to pursue the transaction and its relation to the core business of the entity.
6. The anticipated transaction process, phases, milestones and timelines.
7. The profile of interested parties, purchasers and information regarding any unsolicited expression of interest received (where applicable).
8. The impact of the transaction on Airports Company South Africa and Government.

The DoT shall consider the application for in-principle approval and advise Airports Company South Africa in writing whether or not the in-principle approval has been granted within 30 days.

### ***Phase Two: Final application for approval:***

Airports Company South Africa shall upon finalising the significant transaction's details and structure apply to the Executive Authority in writing for approval of the transaction.

The application shall include a certified board resolution and such information pack containing the materials on which the Board based its resolution. The company secretary or duly delegated official shall sign the extracts on behalf of the Board.

The Department of Transport shall then determine whether Airports Company South Africa's Board has considered the following:

9. Compliance with applicable laws.
10. Financial viability (i.e. cash flow analysis; estimates of future revenue; investment analysis vs. investment framework; fair value of the transaction).
11. Risks pertaining to the proposed transaction and strategies to mitigate those risks.

Airports Company South Africa shall copy the final application with the board resolutions and submit these directly to the National Treasury.

The DoT shall on receipt of the application for final approval consider the following:

12. Whether the Board has complied with the list of considerations outlined above, as well as an applicable legislation in respect of each transaction.
13. Whether, based on the information received, the transaction is financially viable or whether Airports Company South Africa will achieve fair value through the specified transaction.
14. All material liabilities (actual or contingent) and risks resulting from the transactions.
15. Industry and /or sector impact and considerations; and
16. Whether the Board has established strategies and / or measures to mitigate any risk identified in the transaction.

The DoT shall use its best endeavours to process the application timeously, within 30 days of receipt as specified in section 54(3) of the PFMA advise Airports Company South Africa if the transaction cannot be processed within this time-period.

Should the DoT require further information from Airports Company South Africa to process and finalise the application, the 30-day period shall be extended by such period as it takes for the DoT to receive the information.

The DoT shall advise Airports Company South Africa in writing whether the application has been approved or not approved.

Should approval not be granted, the DoT shall furnish reasons in writing for not approving the transaction.

### ***Phase Three: Post application principles***

Airports Company South Africa shall report on a quarterly basis on the progress made in executing the transaction and the fulfilment of any conditions that were part of the approval.

Should the transaction not be concluded within six months of approval, Airports Company South Africa should provide the DoT with a report detailing the reasons thereof.

Should Airports Company South Africa make an application or submit reports to the regulatory authorities, it will furnish a copy of such to DoT for information purposes.

## **6. MATERIALITY**

We have adopted International Financial Reporting Standards (IFRS) as a recognised reporting framework. Materiality in the context of IFRS is similar to Generally Recognised Accounting Practice (GRAP) (applied in terms of public sector reporting) on the Presentation of Financial Statements states that information is material if its non-disclosure could influence the decision-making and evaluations of users about the allocation and stewardship of resources, and the performance of the entity, made on the basis of the financial statements. A misstatement is material if it could also influence the decisions or assessments of users.

Assessing materiality depends on the size and nature of the omission or misstatement judged in the particular circumstances. In addition, the characteristics of the users of the information must be considered. Users are assumed to have a reasonable knowledge of accounting, the business and economic activities of the entity and possess a willingness to study the information with reasonable diligence. The assessment should therefore consider how users with such attributes could reasonably be expected to be influenced in making and evaluating decisions.

## **7. FACTORS CONSIDERED IN DETERMINING THE MATERIALITY LEVELS**

### ***Nature of the Company's business***

The nature of our business may have an impact on the framework. We should be guided by its public accountability and the sensitivity of our account, activities and functions regarding matters of public interest.

The materiality framework also impacts on the information reported to its executive authority because the reported information influences the decisions and actions taken by the executive authority.

### ***Statutory Requirements***

The framework could be influenced by considerations such as the legal and regularity requirements. We should therefore consider all the appropriate laws and regulations when developing the framework.

### ***Risk associated with our business***

There is an inverse relationship between materiality and the level of risk. The lower the risk the higher the materiality level, and vice versa. We need to consider various risks when developing a materiality framework. This could include:

<b>Risk</b>	<b>Explanation</b>
Operational risk	The risk arising from the day to day operational activities which may result in a direct or indirect loss
Liquidity risk	The inability of our company to meet obligations when they are due
Credit risk	The risk that a borrower or debtor fails to meet when the obligation is due
Human resources risk	The risk that adequate quantities of appropriate qualified and skilled staff and resources are not available within our company
Legal and documentation risk	The risk that a transaction or contract could not be consummated because of some legal barrier
Regulatory and compliance risk	The risk of incurring penalties or restrictions as a result of non-compliance with legal requirements
Information risk	The risk that confidentiality will be breached or the unavailability of information when required
Insurance risk	The risk that the we are not adequately insured against losses or claims
Technology risk	The risk that systems are not adequately monitored, accounted for or serviced to deliver a service
Reputational risk	The risk of damaging the Company's image

### ***Quantitative and qualitative factors***

When setting the framework, we should take both quantitative (amount) and qualitative (nature) factors into consideration.

Quantitative factors related to the size of the company or the value of an item to the value of the financial statements. The two aspects that should be considered when determining the materiality figure is the amount of the item to the financial information and second the special characteristics of the item.

As a guide the rand amount (before any qualitative adjustments) may be calculated as follows:

Element	% Range to be applied against Rand value in AFS	Airports Company South Africa Rand value applied per 2023/24 AFS (rounded)
Total assets	1% - 2%	R314m – R629m
Total revenue	0.5% - 1%	R35m – R70m
Surplus / Deficit	2% - 5%	R9m – R24m

From a company perspective, quantitative materiality is set at **R60 million**.

From a company perspective, significance level is set at **R500 million**.

Qualitative materiality focuses on the inherent nature of the item under consideration. These items do not necessarily influence the reasonableness of the financial statements, but due to their nature they are of importance to the users of the financial statements. The following factors could be taken into consideration when determining qualitative materiality:

- a) Statutory requirements: compliance with legislative requirement, regulations, policy control measures, procedures, instructions and authorisation (including budgets) which reasonably have direct financial impact;
- b) Unusual items: items that are of a non-recurring or exceptional nature or arise from unusual circumstances;
- c) Degree of estimation: the risk of material misstatement
- d) Related amounts: the relationship of the item to other amounts that appear in the financial statements
- e) Critical points: an item that would otherwise be regarded as insignificant, may, if corrected or disclosed, have a critical impact on the overall view; and
- f) Disclosure requirements – deviations from accepted accounting practices.

### ***Nature of the transactions***

The Company should consider the importance of the transaction, (i.e. the transaction's impact on the Company as a whole), as well as any possible impact the transaction could have on a decision or action taken by the Company's executive authority in the development of the materiality framework.

A distinction should also be made between transactions that are operational in nature and transactions that are approved within a very specific framework, i.e. the annual budget, the Company's corporate plan, or strategic plan.

## **8. EVALUATING THE FRAMEWORK**

The significance and materiality framework must be updated annually before the start of the financial year, taking into account the results of the previous year's audit and any new developments in the Company.

The following additional qualitative items are to be considered in establishing materiality:

No.	Reference	Nature of transaction	Qualitative guidelines	Quantitative guidelines
1	54(2)(a)	Establishment or participation in the establishment of a company.	<ul style="list-style-type: none"> <li>• Participation as a founding shareholder; or</li> <li>• Having a right to acquire shares; or</li> </ul>	<ul style="list-style-type: none"> <li>• Any level of shareholding; or</li> <li>• Any level of loan or quasi-equity</li> </ul>

No.	Reference	Nature of transaction	Qualitative guidelines	Quantitative guidelines
			<ul style="list-style-type: none"> <li>• Having a right to nominate a director; or</li> <li>• Where Airports Company South Africa commits to enter into a management contract in respect of the company</li> </ul>	<p>finance obligation by Airports Company South Africa arises; or</p> <ul style="list-style-type: none"> <li>• Airports Company South Africa commits to guarantee any obligations of the company (includes financial performance guarantee) at any level.</li> </ul>
2	54(2)(b)	Participation in a significant partnership, trust, unincorporated joint venture or similar arrangement.	<ul style="list-style-type: none"> <li>• Partnership, trust, unincorporated joint venture or similar arrangements that is established, located or intended to operate outside the Republic of South Africa; or</li> <li>• Airports Company South Africa's contribution in a partnership, trust, unincorporated joint venture or similar arrangements includes Airports Company South Africa's proprietary intellectual property; or</li> <li>• Participation in a partnership, trust, unincorporated joint venture or similar arrangement that may result in anti-competition behaviour and /or is subject to competition commission regulations.</li> </ul>	<ul style="list-style-type: none"> <li>• Airports Company South Africa's contribution results in disposal / disbursed of assets in excess of 1% of the total assets; or</li> <li>• Airports Company South Africa enters a long-term contract with the partnership, trust, unincorporated joint venture or similar arrangement more than 0.5% of the total revenue</li> </ul>
3	54(2)(c)	Acquisition or disposal of significant shareholding in a company	<ul style="list-style-type: none"> <li>• Acquisition of any level or shareholding in a company where such acquisition is not in pursuit of Airports Company South Africa's core business; or</li> <li>• Acquisition or disposal where Airports Company South Africa's ownership control and right to pass or block a special resolution is affected; or</li> <li>• Acquisition or disposal of any level of shareholding in a company domiciled outside of the Republic of South Africa</li> </ul>	<ul style="list-style-type: none"> <li>• Acquisition or disposal of more than 20% of the issued shares in a company; or</li> <li>• Where Airports Company South Africa already owns shares in the company, acquisition or disposal of the number of shares that will give rise to a shareholding more or less than 20% of the issued</li> </ul>

No.	Reference	Nature of transaction	Qualitative guidelines	Quantitative guidelines
				shares in a company.
4.	54(2)(d)	Acquisition or disposal of a significant asset <i>(NB: for the purpose of this subsection, assets include both current and non-current)</i>	<ul style="list-style-type: none"> <li>• Acquisition or disposal of assets which are located in a foreign jurisdiction, however excludes office equipment and motor vehicles necessary to conduct business in a foreign jurisdiction; or</li> <li>• Disposal of assets that impact or has a potential impact on the continued ability of Airports Company South Africa to do business or provide its core service; or</li> <li>• Disposal of non-core assets in line with Airports Company South Africa' strategy; or</li> <li>• Commercial agreements which allow for the right of use of a third party of Airports Company South Africa's brand, logo, licences and similar rights, intellectual property; trademark and patents.</li> </ul>	<ul style="list-style-type: none"> <li>• Significance level is R500 million</li> </ul>
5	54(2) (e)	Commencement or cessation of a significant business activity; and	<ul style="list-style-type: none"> <li>• Commencement or cessation of a business activity outside of the republic; or</li> <li>• Cessation of a business activity where such cessation has or may have an adverse impact on its key stakeholders.</li> </ul>	<ul style="list-style-type: none"> <li>• Significance level is set at R500 million</li> </ul>
6	54(2)(f)	A significant change in the nature or extent of its interest in a significant partnership, trust, unincorporated joint venture or similar arrangement	<ul style="list-style-type: none"> <li>• Changes that affect Airports Company South Africa's ownership control type reserved through the Trust deed, the partnership or joint venture agreement; or</li> <li>• Change that involves the partnership, trust, unincorporated joint venture or similar arrangement commencing or ceasing to do business outside South Africa.</li> </ul>	<ul style="list-style-type: none"> <li>• Significance level is set at R500 million</li> </ul>



# E



## ANNEXURE E: ENTERPRISE RISK MANAGEMENT FRAMEWORK NOTE

# ANNEXURE E – ENTERPRISE RISK MANAGEMENT FRAMEWORK NOTE

**\*NOTE (the framework is regarded as current and is subject to change at the next review cycle).**

## 1. Introduction

The effective management of risks and identification of opportunities are key elements to the successful achievement of the Airports Company South Africa SOC Limited (hereinafter referred to as the company's) Corporate Strategy. The Risk Management framework provides a guideline to direct the integration of risk management processes into established business processes as envisioned by the organization. The framework is based on the outcomes of best practice reviews, maturity assessments and continuous interaction with the company's governance structures.

## 2. Purpose

The purpose of the Enterprise Risk Management Framework is to guide the implementation of the board approved Enterprise Risk Management Policy, to ensure Airports Company South Africa SOC Limited becomes a Risk Intelligent organisation. The risk intelligence measure is detailed in the Airports Company South Africa SOC Limited Enterprise Risk Management Plan.

## 3. Objective

The objective for implementing the Enterprise Risk Management Framework is to:

- Provide support in the achievement of objectives, through transparent identification and management of acceptable risks and opportunities.
- Enhance risk response decisions through encouraging pro-active management.
- Reduce operational surprises and losses.
- Improve the identification of opportunities and threats.
- Improve deployment of capital through support for effective decision making.
- Ensure compliance with laws and regulations.
- Increasing probability of achieving objectives; and
- Improve stakeholder confidence and trust.

The company has adopted an integrated process to effectively manage risks within the business which has an impact, positive or negative on the achievement of its strategic objectives. Risks can have negative consequences or can result in good opportunities for the company if well identified and managed. This document outlines the framework adopted by the company to ensure the effective management of risks to achieve desired results.

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Version: 3

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Enterprise Risk Management Framework

Group Internal Audit & Risk

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#### 4. Integrated Enterprise Risk Management Architecture

The Integrated Enterprise Risk Management framework supports the following:

- Effective management of risks across the organisation.
- An integrated approach to managing risk; and
- Compliance to applicable legislation.

The framework is separated into two (2) distinct components:

##### **a) Risk governance**

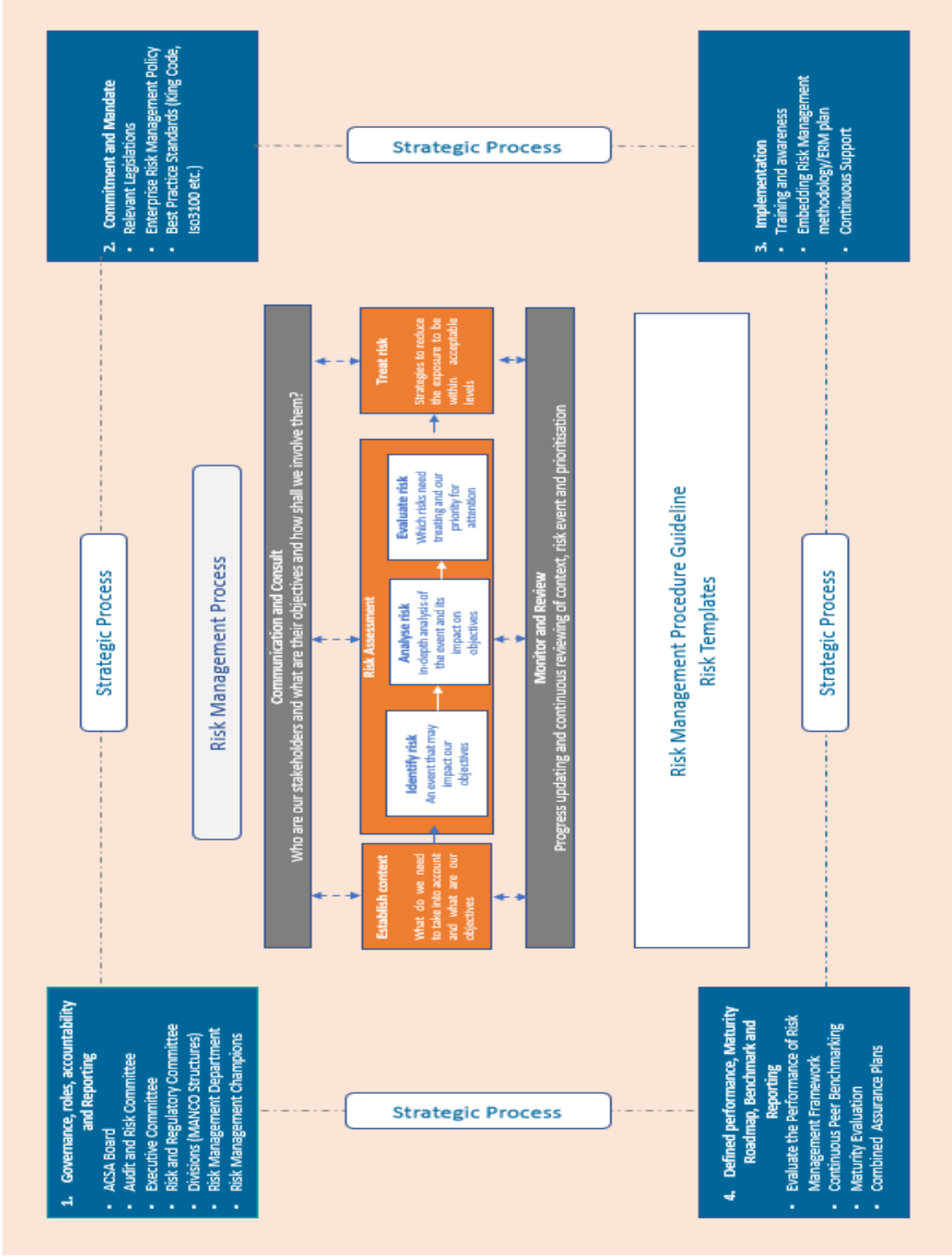
Four (4) pillars or building blocks which provide for the foundations and organisational arrangements for designing, implementing, monitoring, reviewing and continually improving risk management throughout the organisation. The foundations include the policy, objectives, mandate, and commitment to manage risk. The organisational arrangements include plans, relationships, accountabilities, resources, processes, and activities.

##### **b) Risk methodology process**

The risk management process or methodology, which is the systematic application of management standards, procedures, guidelines, and practices to the activities of communicating, consulting, environmental analysis, and identifying, analysing, evaluating, treating, monitoring, and reviewing risk.

The components of the framework are summarised below in the Enterprise risk management (ERM) framework architecture:

# Enterprise Risk Management Framework Architecture



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## 5. Mandate and Commitment

Airports Company South Africa SOC Limited Leadership is committed to the management of risks to ensure the achievement of its objectives. Through the ERM policy, management has committed to the adoption of a structured approach to risk management; using consistent approaches to the assessment, treatment and to effectively communicate on the management of these risks. The policy is aligned to the Public Finance Management Act of 1999 as amended and other relevant legislative requirements.

The Organisation has committed to managing risk to be within defined appetite and tolerance levels as detailed in the Risk Appetite and Tolerance Framework document - J010 003FW.

## 6. Implementation of the Enterprise Risk Management Program

To implement the ERM process the organisation will focus on defining the context for risk management process by developing a risk management plan, conducting training and awareness to ensure that the components of the risk management process are understood as well as ensuring risk management support is provided to the relevant stakeholders/users on an ongoing basis. The Risk Management team is responsible, in consultation with business, for the design and coordination of the Risk Management training program. Training will be conducted as per the Risk Management training plan.

## 7. Risk Management Process/Methodology

The risk management process adopted throughout the Group is founded on the ISO 31000 standard. All steps in the risk management process below shall be applied:



**Figure 2: Risk Management Process**

## **8. Risk Assessment**

This component of the Framework focuses on Enterprise Risk Management practices that support the company in making decisions and achieving strategy and business objectives. Because risk emanates from a variety of sources and requires a range of responses, the process of identifying, analysing, evaluating and responding to risk is undertaken across the entity and at all levels. To that end, the company's current operating model is used to implement an iterative process, with the inputs in one step of the process typically being the outputs of the previous step. This process is performed across all levels and with responsibilities and accountabilities for appropriate Enterprise Risk Management defined and aligned with the severity of the risk.

## **9. Risk Assessment Process Output: Risk Register**

A risk register is a document used as risk management tool and to fulfil regulatory compliance acting as a repository for all risks identified and includes additional information about each risk. The below table demonstrates the link between the ERM process and the output, risk register.

## **10. Process for monitoring**

Audits to ensure the effectiveness of enterprise risk management shall be initiated by the Executive Committee, Chief Internal and Risk Officer, the Board Audit and Risk Committee, Business Unit Risk Committees, or the Group Manager: Risk Management. This shall be in addition to the annual audits scheduled by Group Internal Audit (in this case audits are conducted by external auditors).

## **11. Roles and responsibilities of the Governance Structures**

The organisational governance structures are key to the successful implementation of the Risk Management Program. Roles and responsibilities have been allocated in ensuring the successful embedding of the risk management process.

## **12. Accountabilities and Responsibilities**

The Board is accountable for strategic oversight of Risk Management in the organization. The overall accountability for the risk management framework at ACSA lies with the Chief Executive Officer and is supported by the Risk Management function and all management; as tasked with the responsibility for implementation.

# F



## ANNEXURE F: DIVIDEND POLICY

## ANNEXURE F – DIVIDEND POLICY

Airports Company South Africa acknowledges the requirement to focus on value creation and maximisation for shareholders. The policy takes into account the shareholders preference for dividends as a return on their equity investment in the company.

In determining an appropriate dividend policy, the following factors are taken into account:

- Economic factors such as economy growth, traffic growth, level of interest rates etc.;
- Current financial position and forecasted financial performance;
- Compliance with debt covenants;
- An optimal capital structure;
- An investment grade credit rating;
- Funding requirements of our capital expenditure programme;
- Economic regulatory environment;
- Financing of new investments opportunities that meet the Company's hurdle rates defined using the Weighted Average Cost of Capital; and
- Shareholders preferences and National Treasury guidelines on financial distribution policy for Government Business Enterprises (July 2005).

The above factors support a prudent approach to the declaration of dividends. This approach is necessary to meet shareholders expectations and ensure flexibility in negotiating dividend targets on a case-by-case basis consistently and predictably. The targets shall be negotiated with reference to after - tax profits, underlying cash position, capital structure and the preferences of the shareholders. Consideration of underlying cash position is important as increases in reported profits may not be supported by increased cash flow.

The dividend policy shall be addressed in the Corporate Plan covering a period of three (3) years and agreed between Airports Company South Africa and its Board representing shareholders in the Shareholder Compact.

A dividend shall be paid only if the following conditions are met:

- There are adequate retained earnings left after we have financed investments projects that meet hurdle rates using the Weighted Average Cost of Capital. The adequacy of retained earnings shall be measured by reference to the net debt to capitalisation ratio (level of gearing) for the year following the dividend declaration.
- There is sufficient cash to meet operational needs (working capital requirements), as contingency for financial flexibility and as well as to make the agreed dividend payments. This shall be reviewed on an annual basis.
- Fulfilment of required debt covenants (Refer Appendix A),
- An optimal capital structure, the Net Debt to Capitalisation ratio shall not exceed 60%. The capital structure and debt to capitalisation ratio shall be reviewed periodically and linked to the investment cycle.
- The Net debt to Earnings before interest, taxes, depreciation and amortisation (EBITDA) shall not exceed three (3) times.
- A long - term credit rating of minimum AA - or equivalent for the company and the country.
- Our Board has approved the declaration and resolved that considering all reasonably foreseeable financial circumstances of the Company after the distribution; Airports Company South Africa shall pass the solvency and liquidity test.

The dividend pay-out ratios shall be as follows:

- Dividend Payment in an amount ranging from 10% to 25% of the net income (dividend pay - out ratio); calculated as dividend payment divided by profit after - tax.

The distribution shall be executed in line with the Company's Memorandum of Incorporation.

Our management acknowledges that the implementation of this Policy is their responsibility and is committed to it. This policy shall be reviewed by Management and Board of Directors on an annual basis and made available to any interested parties on request.



# G



## **ANNEXURE G: AIRPORTS COMPANY SOUTH AFRICA LIMITED BORROWING PLAN 2026/27 TO 2028/29**

# ANNEXURE G – AIRPORTS COMPANY SOUTH AFRICA LIMITED BORROWING PLAN 2026/27 TO 2028/29

## 1. INTRODUCTION

Airports Company South Africa as a scheduled 2 entity in terms of the Public Finance Management (PFMA) and Treasury Management Regulations is required to develop a three-year Borrowing Plan to be submitted to the National Treasury as part of the Corporate Plan. In accordance with Section 29.1 of the Treasury Regulation, a Borrowing Plan takes into consideration the capital expenditure, operational requirements, interest payments and debt redemptions over the three-year period.

It is worth noting that the Borrowing Plan is predicated on the Corporate Plan assumptions such as traffic growth, tariff increases, operational requirements, inflation and capex programme. Airports Company South Africa's recovery from Covid-19 pandemic continued to gather momentum as reflected by the following milestones:

- The average recovery rate for first nine months of 2025/26FY was 94% up from 87% recorded in the previous period.
- Improvement in financial performance as underscored by notable increase in profitability during the financial year ending March 2025FY.
- In March 2025, the entity complied with all the financial covenants for the third conservative financial year since the advent of Covid-19 pandemic.
- ACSA's credit rating remain unchanged at Ba2 corporate family rating (CFR) with a stable outlook
- ACSA paid both preference share dividends (R198 million) and ordinary share dividends (R112 million) for the second consecutive year.

The ability of the company to raise funding and achieve the lowest possible cost including favourable terms depends on the following factors:

- Airports Company South Africa's credit rating;
- Investor sentiment towards the credit profile of the entity which is underpinned by financial performance and corporate governance;
- Liquidity (marketability) of the company's listed bonds;
- Economic environment which drives consumer spending;
- Investor sentiment towards other State-Owned Companies particularly regarding corporate governance.

The Borrowing Plan is developed in terms of Public Finance Management Act and Section 29.1.3 of the Treasury Regulations. The Board of Airports Company South Africa, as the Accounting Authority, is required to approve the Borrowing Plan in line with Section 66(31) of the PFMA. Section 29.1.6 of the Treasury Regulation stipulates that the Borrowing Plan must comprise of the following:

- Terms and conditions on which money is borrowed;
- Proposed domestic borrowing;
- Information on proposed foreign borrowing;
- Short, medium, and long-term borrowing;
- Borrowing in relation to a pre-approved corporate plan;
- Maturity profile of debt;
- Confirmation of compliance with existing and proposed loan covenants;
- Debts guaranteed by government if any;
- Motivations for government guarantees, if required and
- Executive Authority's approval of Borrowing Plan if required by the legislation in terms of which the public entity was established.

## **2. TERMS AND CONDITIONS ON WHICH MONEY IS BORROWED**

Airports Company South Africa's Borrowing Plan is prepared in terms of the principles stipulated in the Treasury Risk Management Framework approved by the Board. The company raises funding through the following approved financial instruments stipulated in the Borrowing Policy:

- Bonds (Domestic or International);
- Repurchase agreements (buy and sell back and repo's);
- Term loans in foreign currency and Rand;
- Banking facilities i.e. overdrafts;
- Call Loans;
- Commercial paper;
- Structured finance transactions;
- Project finance loans;
- Bank guarantees;
- Financial Leases; and
- Operational Leases.
- Green bonds (Domestic and International)
- Sustainability linked bonds or loans
- Sukuk (Islamic bonds or loans)

Airports Company South Africa manages its financial risks, borrowing and investment activities in line with its Board approved treasury policies. The entity always strives to have diversified sources of funding to achieve the lowest cost possible and favourable terms.

### 3. DEBT MANAGEMENT REVIEW

Airports Company South Africa's debt trajectory is driven by capex programme which tends to follow cyclical pattern. For instance, the company's debt level increased considerably leading up to the 2010 Soccer World Cup with Net debt-to-capitalisation peaking at 60% by the end of March 2012.

In 2012/13FY, ACSA adopted an early debt redemption strategy supported by favourable cash position and limited capex requirements. Consequently, the entity paid R10 billion worth of debt between 2012/13FY and 2019/20FY. This reduced the debt service costs allowing the balance sheet to absorb new debt funding during the Covid-19 pandemic.

In 2025/26FY, Airports Company South Africa's debt level has decreased due to the following repayments:

- AFD loan – R195 million
- DBSA loan - R160 million
- Accrued preference shares dividends – R198 million

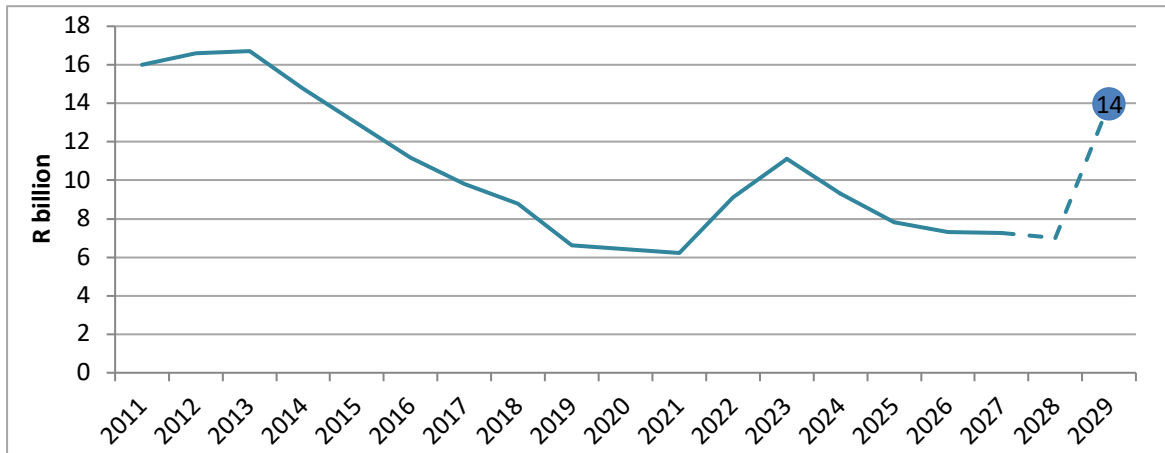
It is worth noting that ACSA's debt level is currently only R1 billion above that pre-pandemic levels which reflect ACSA's commitment to prudent debt management. Over the three-year plan, the entity is expected to repay almost R3 billion worth of debt comprising of the following:

- AIRL01 inflation linked bond – R2.3 billion
- AIRF02 floating rate note – R356 million
- DBSA loan (amortizing loan) – R366 million

ACSA will however, continuously assess the company's financial position during the corporate plan cycle and consider repaying more or less debt based on the changing cash position and capex requirements.

The company deferred large portion of its capex program to last year (2028/29FY) of the three-year plan and subsequent years. As a result, the company's debt level is expected to increase notably reaching R14 billion by end of 2028/29FY due to new debt funding (refer to Figure 1 below).

Figure 1: Airports Company South Africa Debt Evolution



#### 4. CREDIT RATINGS

On the 29 September 2025, Moodys announced the completion of the periodic review of ratings for Airports Company South Africa. All ratings of the entity including the Ba2 corporate family rating (CFR), ba2 Baseline Credit Assessment (BCA), and the Aa1.za national scale long-term issuer rating including the stable outlook, remained unchanged.

It is worth noting that that the periodic review is a regulatory requirement and does not constitute a rating action or indication that company's rating will be changed in the future. The purpose of the periodic rating review is to assess the appropriateness of ACSA ratings considering recent developments.

According to Moodys, ACSA's Ba2 corporate family rating reflects its standalone credit quality and does not include any uplift for the possibility of extraordinary government support, given that the company's rating is currently at the same level as the Sovereign rating (Ba2 stable). According to Moody's, ACSA's ratings are supported by its ownership of key airports in country, large and diverse service area and moderate financial leverage and good level of liquidity. The periodic review was followed by publication of the Credit Opinion which considered the latest developments and 2025 Annual Financial Results.

Moody's listed the following factors that could lead to the upgrade of the credit rating:

- An upgrade of the rating of the Government of South Africa, and
- Funds from operations (FFO) interest coverage consistently above 2.5x and FFO/debt above the low teens

On the contrary, the credit rating of the company could be downgraded due to the following:

- A downgrade of the rating of the Government of South Africa, or
- FFO interest coverage consistently below 2.0x or FFO/debt consistently below 10%

Table 1: Airports Company South Africa's credit ratings:

Credit rating agency	Date	Rating Action	Long-term national scale	Global scale	Outlook
Moody's	09 Jan 2024	Affirmed	Aa1.za*	Ba2	Stable

\*Footnote - rating upgraded on 09 Jan 2024

## 5. CAPITAL STRUCTURE

The company minimises the weighted average cost of capital (WACC) by setting a target for net debt/capitalisation ratio not to exceed 60 per cent. The entity can only exceed the 60% target under extraordinary circumstances with the Board approval. The gearing ratio is expected to remain below the threshold of 60 per cent increasing to 33 per cent by end of March 2029.

Table 2: Estimated Gearing Ratio

	2026/27	2027/28	2028/29
Net Debt/Capitalization	8%	17%	33%

## 6. FUNDING REQUIREMENTS

Airports Company South Africa's financial performance continued to improve, underpinned by a recovery in traffic volumes and tariff increases. As a result, investor appetite for ACSA's credit remained strong. The company continued to receive reverse enquiries for new debt funding from investors and Development Finance Institutions (DFIs).

The entity will continue to engage with investors, DFIs and banks to ensure that ACSA is able to access various funding sources to achieve the lowest cost possible and favourable terms. Airports Company South Africa's Borrowing Plan is predicated on the following assumptions:

- Capital expenditure programme of R19.6 billion (excluding capitalised interest);
- Debt redemptions totalling R3.0 billion (including R2.3 billion of AIRL01 inflation linked bond and R356 million of the AIRF04 floating rate note);
- Interest payments of R1.9 billion (including interest on new debt);
- Dividends (preference and ordinary share dividends) are excluded in Borrowing Plan given that payment is subject to ACSA complying with Section 46 of Companies Act.

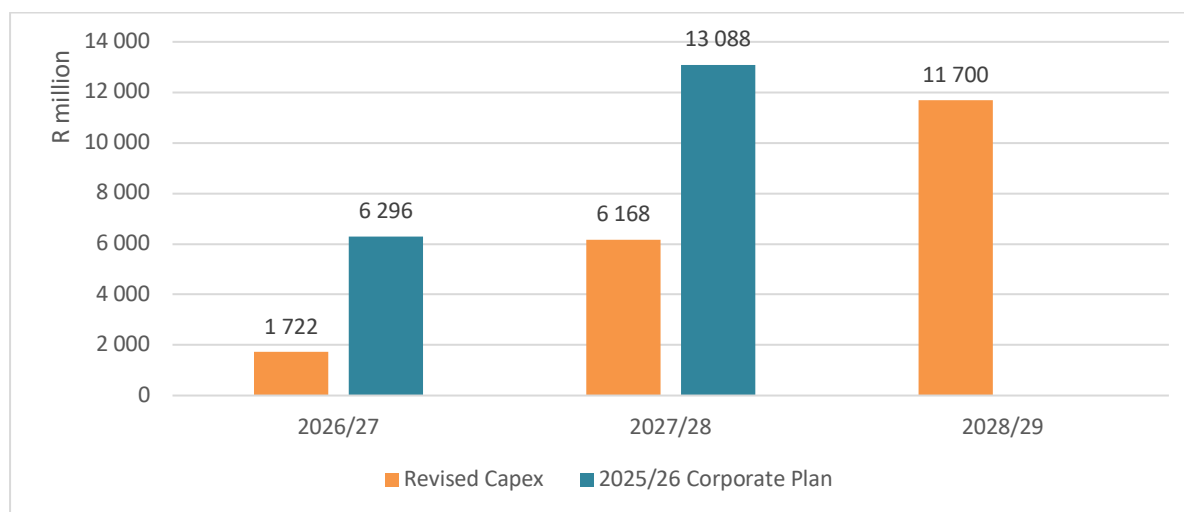
Table 3: Gross Funding Requirements

(ZAR million)	2026/27	2027/28	2028/29
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Cash Carried Forward – 31 March 2026	4 861	5 330	2 311
EBITDA	3 306	3 995	4 541
Capital Expenditure	-1 722	-6 168	-11 700
Loan Redemptions	-175	-547	-2 275
Net Interest Payout	-354	-333	-1 200
WC Changes	-57	725	939
Dividends payout - Preference Shares	0	0	0
Tax Payout/Refund	-516	-680	-676
<b>Cumulative Gross Funding Requirement surplus/(shortage)</b>	<b>5 330</b>	<b>2 311</b>	<b>-8 060</b>
New Gross Funding	0	0	9 000
<b>Cash Position after Gross Funding</b>	<b>5 330</b>	<b>2 311</b>	<b>940</b>

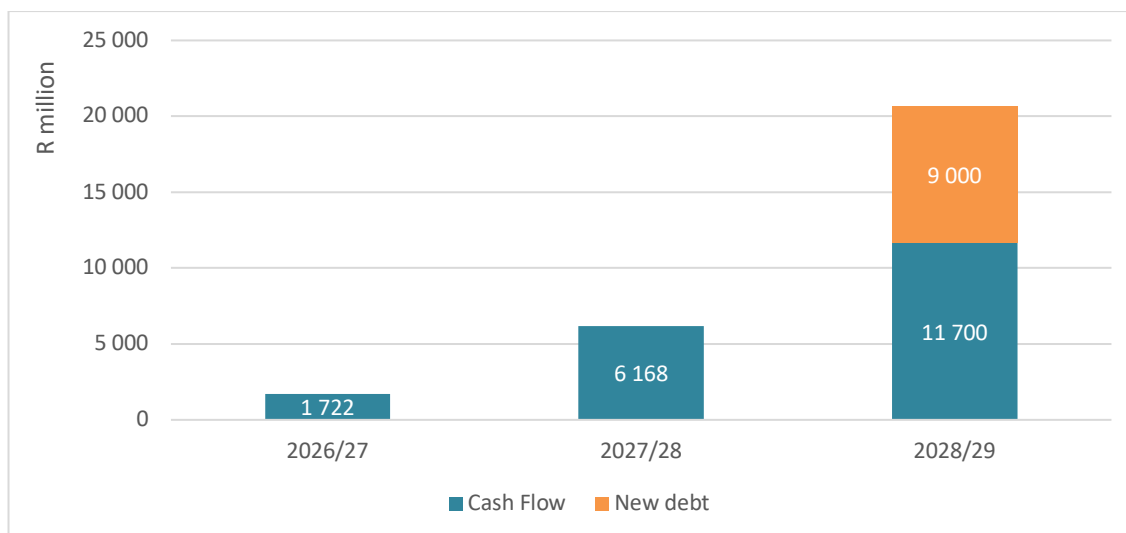
The company is expected to spend R19.6 billion on Capex over the three-year period with the large percentage of projects planned in the last two years. It is important to note that ACSA has revised down its planned permission Capex for the 2026/27 and 2027/28 financial years, as illustrated in Figure 2 below. The Capex for 2026/27FY was reduced from R6.3 billion to R1.7 billion, while the Capex for 2027/28FY was revised from R13.1 billion to R6.2 billion. The deferred projects will be executed in 2028/29FY and subsequent financial years.

Figure 2: Planned Capex programme 2026/27FY – 2028/29FY



As a result of improved cash flow due to the revised planned Capex, ACSA will not require any new debt funding in the 2027/28FY, as previously projected in the 2025/26 Borrowing Plan. The borrowing requirement for 2027/28FY was initially estimated at R10.5 billion. In a nutshell, ACSA will not need new debt funding in the first two years of the Corporate Plan. However, the company will need to raise R9 billion to fund its capex programme in the final year of the Corporate Plan period.

Figure 3: Funding Requirements: 2025/26FY – 2028/29FY



Airports Company South Africa raises funding using approved financial instruments listed in the Board approved Borrowing Policy which include among others, bank loans, DFI loans, bonds and commercial paper.

It should be noted that the company does not pre-determined the allocation of funding across financial instruments. The choice of funding instruments is informed by prevailing market conditions, required tenor, funding costs including associated terms and conditions.

## 7. GOVERNMENT GUARANTEE

Over the Corporate Plan period, ACSA will not require any financial support from its shareholders in any form including government guarantee, preference share issuances, or ordinary share issuances. The company's balance sheet is strong enough to absorb projected new debt funding (R11 billion) over the three-year plan period.

## 8. DEBT MANAGEMENT

### LIQUIDITY MANAGEMENT

The cash generated from Operations and Debt capital market will remain an important source of funding for capex and debt refinancing. This is primarily due to relatively less onerous terms and conditions associated with bonds compared to funding from banks and DFIs. For instance, bonds normally do not attract financial covenants as opposed to DFIs and banks loans.

Nevertheless, the company will continue to engage with various lenders i.e. banks and DFIs to ensure diversification of funding sources to achieve favourable terms including tenor and interest cost. ACSA has the registered a R30 billion DMTN programme with the JSE which requires the entity to comply with the JSE Limited Debt and Specialist Securities Listings Requirements.

The nominal amount issued under the DMTN programme is approximately R2.4 billion leaving sufficient headroom (R27.6 billion) for the company to still raise funding.

Table 4: DMTN Programme Facility

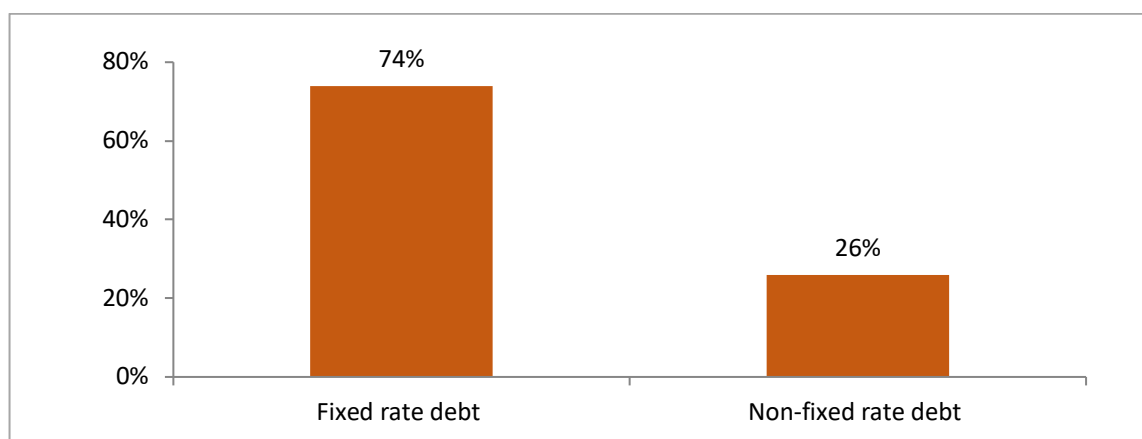
Borrowing Programme	Facility Amount	Utilised	Available
DMTN	R30 billion	R2.4 billion	R27.6 billion

## 10. INTEREST RATE COMPOSITION OF THE DEBT PORTFOLIO

ACSA mitigates interest risk to the debt portfolio by allowing the share of the floating rate debt not to exceed 50% while the fixed rate debt is not allowed to be less than 50% (excluding inflation linked debt).

As at 31 January 2026, the interest composition of debt portfolio was within the thresholds with the share of fixed rate debt at 74% while floating rate debt accounted for 26% of the portfolio (excluding inflation linked debt), slightly changed compared to March 2025.

Figure 4: Interest rate composition – 31 January 2026



## 11. DEBT REFINANCING

In 2024, the Board approved a refinancing strategy for the AIRL01 inflation bond maturing in April 2028. The company is expected to repay approximately R2.5 billion worth of AIRL01 bond in 2028/29FY which will be covered partially by funds invested in the Debt Redemption Fund (R400 million). Considering market volatility, the Board will continuously review its decision on a regular basis. Moreover, the entity will continue to gauge the investor appetite to refinance the AIRL01 bond either through switch and/or buybacks.

In 2026, the Board will be reviewing the debt/equity structure of the company, and ensure that an optimal structure is in place for ACSA.

The current debt redemption amount in 2030/31FY is currently R3.3 billion comprising of the following:

- AIR05 fixed-rate bond - R864 million
- Preference Shares - R2.3 billion
- Accrued dividends on Preferences Shares – R64 million

The redemption timelines will be reviewed on an ongoing basis based on the market dynamics.

## 12. INVESTMENT PLAN

Airports Company South Africa will continue to invest surplus cash in line with the Board approved Investment Policy to achieve the following objectives:

- Capital preservation;
- Maintain sufficient liquidity to meet debt maturing obligations, capital, and operational expenses; and
- Optimise risk-adjusted returns.

Surplus cash is invested in approved financial instruments in line with the thresholds set out in the Board Approved Investment Policy to ensure that returns are optimised within acceptable risk limits such as:

- Weighted average duration, as approved by Board;
- Limits in respect of short-, medium- and long-term investments, per Board approval;
- Counterparty limits;
- Credit rating limits; and
- Asset allocation.

The entity will continue to invest surplus over the three-year plan in the following approved financial products:

- Term investments;
- Income funds;
- Money market funds;
- Call deposits;
- Debt capital markets instruments such as bonds;
- Government backed Investments such as the T-bills; and
- Commercial Paper.

All investment will be in line with the Investment Policy of the company. These limits exclude the Debt Redemption Plan as a separate asset allocation is applied as per the policy guidelines.

The company will consider increasing the allocation into Debt Redemption Fund given limited capex requirement in the next two years of the Corporate Plan period. This will allow the company to optimise returns by investing funds in investment instruments with longer duration.

### 13. DEBT REDEMPTION STRATEGY

#### 13.1 AIRL01 REFINANCING STRATEGIES

In 2024, the company invested R348 million in the R210 bond (benchmark government bond to partially hedge the AIRL01 inflation linked bond maturing in April 2028). The investment value has increased to R400 million by end of January 2026 primarily due to inflation accretion and reinvestment of interest received on the R210 bond.

The investment amount currently covers approximately 19% of the amount outstanding (R2.1 billion) on the AIRL01 bond. ACSA will continue considering interest (coupon) earned to reinvest buy more of the R210 bond.

Over the Corporate Plan period, the entity will continue explore the possibility of implementing the following refinancing strategies:

##### a) Investing in the R210 inflation linked government bond

Airports Company South Africa will consider increasing its exposure to R210 government inflation linked bond maturing in March 2028. The primary purpose of buying the R210 government bond is to mitigate inflation accretion ensuring cash flow match between the assets and liabilities. Moreover, the company will continue to make use of buy/sell-back or repos market to optimise return or access funds without outright selling the R210 bond.

##### b) Prefunding of the AIRL01 inflation linked bond.

This entails raising funds through issuance of new bonds in the debt capital market and using the proceeds to repay maturing bond. The company will consider implementing this strategy closer to the maturity of the bond to avoid negative cost of carry unless it is established with certainty that bondholders will be willing to sell back the AIRL01 bond.

##### c) Switch auction of the AIRL01 inflation linked bond

This strategy will allow ACSA to issue a new bond in exchange of an existing one. Therefore, existing shareholders will have an opportunity to exchange the AIRL01 bond for any bond on offer. Nonetheless, the success of this strategy depends on the willingness of bondholders to participate. The advantage is that the strategy is cash neutral and can be executed at any time. Following engagements with the noteholders, the sentiments is that they to prefer to hold the AIRL01 bond until maturity. Nonetheless, the company will continue to engage with noteholders to gauge if there is any change in sentiments.

##### d) Buyback of AIRL01 inflation linked bond

The buyback strategy entails buying back the AIRL01 bond from existing noteholders. However, the success of the strategy depends on the willingness of the noteholders to participate. Noteholders have

indicated that they prefer to hold the AIRL01 bond until maturity. Nevertheless, the entity will continue to engage with noteholders to gauge if there is any change in sentiments. The strategy can be executed on reverse enquiry basis allowing the company to manage its cashflow effectively.

### **13.2 REFINANCING STRATEGY - 2030/31 FINANCIAL YEAR**

#### **Paying preference share**

The company paid accrued preference share dividends in September 2025 for the second consecutive year which allows the entity to manage its redemption amount in 2027/28FY. The redemption amount is expected to increase to R3.6 billion if the company elects not to pay preference dividends going forward.

Consequently, the redemption amount in 2030/31FY will increase to R4.5 billion including the outstanding value of R864 million on the AIR05 fixed rate bond. Therefore, the payment of preference share dividends goes a long way in mitigating refinancing risk in 2030/31FY. Nonetheless, the payment of preference shares depends on the company complying with the following conditions outlined in the subscription agreement:

- “The company and the Board shall each comply with the requirements of section 46 of the Companies Act in respect of the payment of each Preference Dividend”
- “The Company shall, on or before each Dividend Payment Date, apply the Solvency and Liquidity Test and if the Board is reasonably satisfied that the Company will satisfy the Solvency and Liquidity Test immediately after paying Preference Dividends”
- “The Board shall pass a resolution acknowledging that the Board has applied the Solvency and Liquidity Test and has reasonably concluded that the Company will satisfy the Solvency and Liquidity Test immediately after paying the Preference Dividends”;

#### **Prefunding of the AIR05 fixed rate bond**

This will involve issuing new debt and using the proceeds to repay the AIR05 bond. The strategy could be supplemented by combining a switch auction with outright issuance of new bonds. The existing noteholders of the AIR05 bond will have an option to switch into new bonds while new investors can participate in the outright auction of the new bonds. This strategy will be considered for execution from 2029/30FY.

### **13.3 EARLY DEBT REPAYMENT**

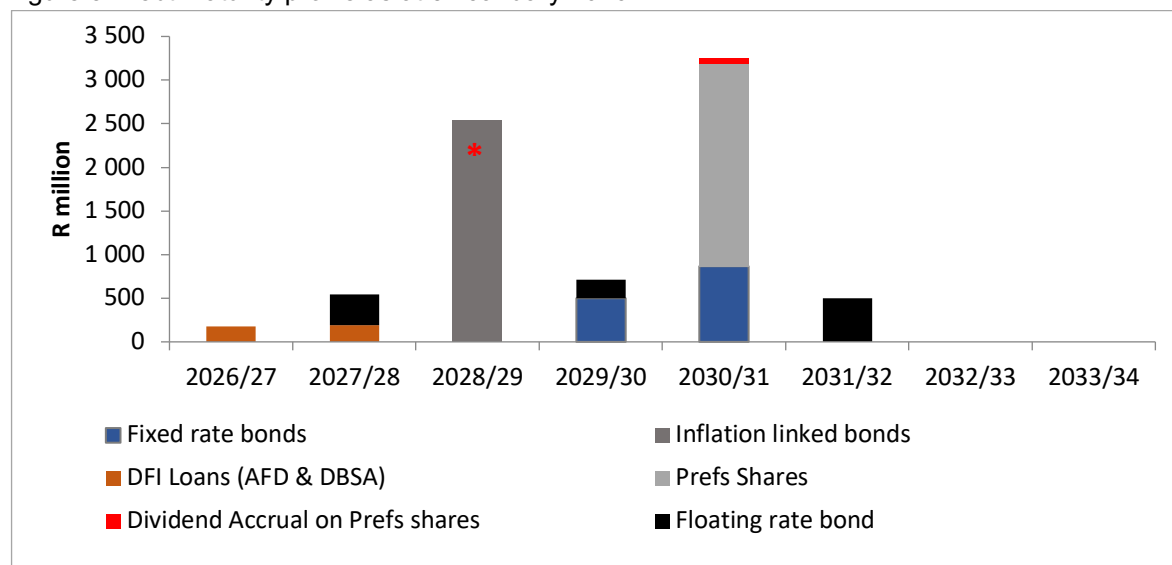
The company has revised down its capex for 2026/27FY from R6.3 billion to R1.7 billion, while the Capex for 2027/28FY was reduced from R13.1 billion to R6.2 billion. Therefore, ACSA will not need any new debt funding in the first two years of the three-year plan as deferred projects will only be executed in 2028/29FY and subsequent financial years.

In light of this, it would be prudent for the entity to consider early debt repayment, as this would reduce interest cost and create additional funding capacity in the future. However, existing debt instruments do not include early redemption provisions with the exception for preference shares, which may only be redeemed after meeting liquidity and solvency requirements. Therefore, any early debt redemption initiative would require active engagement with lenders to obtain the necessary consent.

#### 14. DEBT MATURITY PROFILE

ACSA's debt redemptions remains manageable over the next two years with annual repayments below R600 million. However, the company is expected to repay approximately R2.5 billion worth of AIRL01 bond in 2028/29FY which will be covered partially by funds invested in the Debt Redemption Fund (R400 million).

Figure 5: Debt maturity profile as at 31 January 2026



\* Projected inflation accretion added to AIRL01 in 2029E

Airports Company South Africa will repay R3.0 billion worth of debt over the corporate plan period comprising of the following:

- AIRL01 inflation linked bond – R2.3 billion
- AIRF02 floating rate note – R356 million
- DBSA loan (amortizing loan) – R366 million

#### 15. FOREIGN DEBT FUNDING OPPORTUNITY

Airports Company South Africa ensures that the debt is denominated in local currency to eliminate foreign exchange risk. The Treasury Risk Management Framework stipulates that for funding purposes the company will not be exposed foreign exchange risk.

Therefore, all loans or borrowing denominated in foreign currency are 100% hedged to mitigate foreign exchange rate risk. The company will continue to explore funding opportunities in the international market. As part of its investor relation program, ACSA is open to exploring funding opportunities with potential international lenders such as DFIs and banks to ensure diverse funding sources.

## **16. ACTIVE INVESTOR RELATIONS**

The company will continue to engage with investors such as banks, lenders and fund managers as part of the annual investor roadshow. The entity will consider hosting investor days to provide more information on infrastructure projects. This could entail possible project site and airport workabouts with investors. The following platform will be used to communicate and engage with investors:

- Annual Investor Roadshows;
- One-on-one meetings;
- Commination through the JSE Stock Exchange News Services (SENS);
- Uploading of information on the company's Investor Web Page.
- Hosting of investor days

## **17. Short-term Banking Facilities**

The company will continue to maintain uncommitted credit facilities amounting to about R1.8 billion. This decision was predicated on favourable projected cashflow over the first two years of the corporate plan period. However, the entity still has a leeway to review its short-term facilities should the need arise.

ACSA issues bank guarantees from time-to-time in the ordinary course of business to support operations. The company has performance guarantee relating to GRU consortium amounting to BRL151 million (R463 million using exchange as at 10 February 2025). This guarantee is renewed on an annual basis by the GRU concession. The company will continue to maintain other uncommitted facilities such as derivative facility, asset-based finance facility and credit card facility to support business operations.

## **18. RISK MANAGEMENT**

### **18.1 POLICY REVIEW AND GOVERNANCE**

The oversight role relating to treasury activities is played by the Financial Risk Management and Regulatory Committee, chaired by the Chief Financial Officer, and the Board Investment Committee, a sub-committee of the Board. The oversight function performed by these committees entails the assessment of treasury-related risks and ensuring compliance with the guidelines set out in the following Board-approved policies:

- Treasury Risk Management Framework;
- Cash Management Policy;
- Investment Policy; and
- Borrowing Policy.

### **18.2 HEDGING OF TREASURY RISKS**

All interest rate risk hedging strategies shall be approved in writing by the Board Investment Committee. Moreover, the accounting and risk implication of each transaction will be analysed before any hedge strategy is recommended to the Board Investment Committee. The main objective of hedge strategies is to bring certainty of future cash flow and minimise volatility in the company's income statement.

### **18.3 DEBT COVENANTS**

Airports Company South Africa paid the last tranche of the AFD loan on 15 January 2026. As a result, the loan covenants and associated undertaking set in the AFD loan agreement no longer apply. The company currently does not have any loans that require compliance with financial covenants.

## **19. CONCLUSION**

The company will undertake borrowing activities in line stipulated parameters set in the Treasury Risk Management Framework and Borrowing Policy. This Borrowing Plan will ensure that the company meet its funding requirements and delivery on its infrastructure projects. The implementation of the Borrowing Plan will be in line governing legislation i.e. PFMA and Treasury Regulations.

**Appendix A: Three-Year Borrowing Plan**

<b>(ZAR Million)</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/298</b>
Cash Carried forward – 31 March 2026	4 861	5 330	2 311
<b>New Gross Funding</b>	0	0	9 000
EBITDA	3 306	3 995	4 541
<b>Capital Expenditure</b>	-1 722	-6 168	-11 700
Loan Redemptions	-175	-547	-2 275
Net Interest Payment	-354	-333	-1 200
Dividends Payout - Preference Shares	0	0	0
Tax Payout	-516	-680	-676
Dividends Payout – Ordinary Shares	0	0	0
WC Changes	-57	725	939
<b>Cash Position after Gross Funding</b>	<b>5 330</b>	<b>2 311</b>	<b>940</b>
Inflation accretion y-o-y	71	73	0
Accrued dividends on Preference Shares	198	215	234
<b>Total Closing Gross Debt incl Preference Shares</b>	<b>7 261</b>	<b>7 002</b>	<b>13 962</b>

## Appendix B: Debt Portfolio as at 31 January 2026

Issue Date	Maturity Date	Financial Institution/ Instrument	Type	Outstanding Amount	Interest Rate	WACOF NACS
<b>FIXED RATE DEBT</b>						
29 May 14	29 May 30	AIR05	Listed Bond	R864 000 000	10.00%	10.00%
26 Oct 09	26 Oct 29	AIR04U	Fixed Rate Note	R500 000 000	11.590%	11.590%
05-Mar-21	05-Mar-31	Preference Shares	Preference Shares	R2 389 125 086	8.200%	8.200%
02-Feb-21	30-Nov-27	DBSA loan	DBSA loan	R365 943 940	8.74%	8.744%
<b>FLOATING RATE DEBT</b>						
16-Nov-22	16-Nov-27	AIRF02	Fixed Rate Note	R356 000 000	10,310%	9,41%
16-Nov-22	16-Nov-29	AIRF03	Fixed Rate Note	R210 000 000	10,630%	9,74%
05-Dec-22	05-Dec-32	AIRF04	Fixed Rate Note	R500 000 000	11,060%	10,18%
<b>INFLATION LINKED DEBT</b>						
30 Apr 08	30 Apr 28	AIRL01	Listed Inflation	R2 125 582 586	3.64%	3.64%
<b>TOTAL FUNDING</b>				<b>R7 310 651 612</b>		<b>WACOD</b>
						<b>7,58%</b>



# H



## ANNEXURE H: CORPORATE PLANS OF SUBSIDIARIES

# **ANNEXURE H**

## **SUBSIDIARY (SPV) – SAKHISIZWE COMMUNITY PROGRAMME NPC**

**SAKHISIZWE COMMUNITY  
PROGRAMME NPC (SAKHISIZWE)  
CORPORATE PLAN 2025 - 2029**



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## OVERVIEW & BACKGROUND

Sakhisizwe currently exists only as a financial assistance vehicle intended to provide bursaries and scholarships to academically deserving applicants from previously disadvantaged background, requiring financial assistance to enable them to pursue careers in the aviation industry. The financial assistance is provided in a non-profit manner and with an altruistic and philanthropic intent.

The Company's sustainability for the foreseeable future is uncertain as it is likely to run out of funds and be required to wind-up.

## CORPORATE PROFILE

Sakhisizwe, which is 100% owned by Airports Company South Africa SOC (ACSA), is a non-profit company which was formed under section 21 of the Companies Act No. 61 of 1973.

## GOVERNANCE STRUCTURE

### BOARD OF DIRECTORS

- **Director: (Chairperson)** **Ms Ele Tshikovhi**
  - Age:** - 53
  - Qualifications:** - Master of Technology Degree in Human Resources Development (UNISA)
  - Masters Diploma in HR Management Development (UNISA)
  - Executive Leadership Programme for HR Leasers (Stellenbosch Business School)
  - B-Tech In Human Resources Development (UNISA)
- Areas of expertise:** - Transformation, Human Resources, Corporate Governance, ESG and Sustainability
- Date of appointment** - 14 May 2019
  
- **Director:** **Mr Thabo Johannes Phateng**
- **Age:** - 49
- **Qualifications:** - Hons Industrial Psych
- **Areas of expertise:** - Human Resources Management and Airport Operations
- **Date of appointment** - 19 May 2021
  
- **Director:** **Mr Nkosinathi Mzwamahlubi Myatza**
- Age:** - 59
- Qualifications:** - NHD Mechanical Engineering, GCC (Factories), BSc, Advanced Programme in Risk Management, MSc in Operational Research, Post Graduate Certificate in Business

Research Methods, Executive Development Programme, Artificial Intelligence: Implications on Strategy, Big Data and Social Analytics, The Fundamentals of Values-Based Leadership, Africa Directors Programme, Professional Certificated Engineer (Mechanical); (Pr Cert Eng), Certified Risk Management Practitioner; (CRM Prac), Certified Director; (Cert Dir™)

**Areas of expertise:** Engineering, Operations Research, Risk Management, Corporate Governance, Values-Based Leadership, Artificial Intelligence

**Date of appointment** - 17 August 2021

- **Company Secretary:** **Ms Nozizwe Ncayiyana**
- Age:** - 40
- Qualifications:** - LLB
- Areas of expertise:** - Law, Corporate Governance, and Company Secretariat
- Date of appointment** - 1 April 2023

### OUR VISION

To assist ACSA in being at the forefront of contributing to the advancement and transformation of the aviation industry.

### OUR MISSION

To contribute to UNSDG 5 on Quality Education through the provision of bursaries or scholarships to deserving applicants from previously disadvantaged backgrounds, to enable them to pursue careers in the aviation industry.

### OUR VALUES

To assist ACSA in living its values of Passion, Results, Integrity, Diversity and Excellence (PRIDE).

### OUR OPERATING ENVIRONMENT

Sakhisizwe currently exists only as a financial assistance vehicle intended to provide bursaries and scholarships to academically deserving applicants from previously disadvantaged background, requiring financial assistance to enable them to pursue careers in the aviation industry. This bursary programme allows the Company to create a talent pipeline for future recruitment of students that are equipped with aviation industry specific skills and knowledge that are attractive to the business. The Company will have the advantage of being able to access a talent pool that other businesses don't have.

The only transactions that it has are interest income and expenses in respect of bursaries or scholarships for successful bursars in respect of their tuition, textbooks, accommodation etc. The Company's receipts are exempt from Income Tax in terms of section 10(1)(cN) of the Income Tax Act No. 58 of 1962 (Income Tax Act).

### OUR STRATEGIC OBJECTIVE

- To enhance transformation in careers which contribute significantly to the advancement of the aviation industry.
- To promote participation of previously disadvantaged women in highly technical aviation careers.

### OUR KEY PERFORMANCE INDICATOR

- Number of sponsored bursars successfully completing their studies.
- Sakhisizwe NPC currently sponsors 30 students and plans to add 10 more in the next academic year. The organisation can support a maximum of 40 students at any given time.

The Company's performance is measured against its Memorandum of Incorporation and the relevant legislation.

## ANNUAL PERFORMANCE PLANS

## PROJECTED INCOME STATEMENT 2025 – 2029

	Forecast/ Actual	Budget		
	2025/26 R	2026/27 R	2027/28 R	2028/29 R
<b>REVENUE</b>				
Sponsorship Revenue	3 483 884	4 645 179	4 877 437	5 121 309
Other income	163 816	172 007	180 608	189 638
<b>EXPENDITURE</b>				
Operational expenditure	-3 500 611	-4 667 481	-4 900 855	-5 145 898
<b>PROFIT (LOSS)</b>				
<b>BEFORE INTEREST &amp; TAX</b>	<b>147 089</b>	<b>149 705</b>	<b>157 190</b>	<b>165 049</b>
Interest paid	-	-	-	-
<b>PROFIT (LOSS) BEFORE TAX</b>	<b>147 089</b>	<b>149 705</b>	<b>157 190</b>	<b>165 049</b>
Taxation	-	-	-	-
<b>PROFIT (LOSS) FOR THE YEAR</b>	<b>147 089</b>	<b>149 705</b>	<b>157 190</b>	<b>165 049</b>

## PROJECTED BALANCE SHEET 2025 – 2029

	Forecast	Budget		
	2025/26 R	2026/27 R	2027/28 R	2028/29 R
<b>ASSETS</b>				
<b>Current assets</b>	<b>1 465 508</b>	<b>1 676 384</b>	<b>1 826 089</b>	<b>1 983 279</b>
Prepayments		-	-	-
Cash and cash equivalents	1 465 508	1 676 384	1 826 089	1 983 279
Receivables				
<b>Total Assets</b>	<b>1 465 508</b>	<b>1 676 384</b>	<b>1 826 089</b>	<b>1 983 279</b>

<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>	<b>859 205</b>	<b>1 008 910</b>	<b>1 166 099</b>	<b>1 331 149</b>
Accumulated Fund	859 205	1 008 910	1 166 099	1 331 149
<b>Liabilities</b>	<b>606 303</b>	<b>687 474</b>	<b>659 990</b>	<b>652 130</b>
Deferred Revenue	606 303	687 474	659 990	652 130
<b>Total Equity and Liabilities</b>	<b>1 465 508</b>	<b>1 676 384</b>	<b>1 826 089</b>	<b>1 983 279</b>

### **BORROWING PLAN - 2025 – 2029**

Sakhisizwe does not require funding for the 2025 - 2029 Corporate Plan period.

### **SPONSORSHIP REVENUE - 2025 – 2029**

- **Socio Economic Development Funding**

ACSA's Socio-economic development (SED) will make an annual contribution to the Sakhisizwe Bursary Scheme to support the progression and graduation of beneficiaries from the Learner/Teacher Development (STEM) Programme. This initiative aims to create an integrated pathway from STEM-supported schools to tertiary education, including Technical Vocational Education and Training (TVET), ultimately enabling careers within airport-related fields.

Each year, SED will sponsor up to ten (10) students from each STEM-supported school. Selection will be based on academic performance and/or financial need, ensuring that deserving candidates receive the necessary support to pursue higher education. Allocation per student will be capped at R 100 000.00 per student per year.

Funding will be allocated in line with the annual SED projected budgets, reinforcing ACSA's commitment to socio-economic development and skills pipeline creation for the aviation sector.

- **Learning and Development Funding**

The Company has consistently demonstrated its dedication to empowering young talent within the aviation industry through impactful youth development initiatives. Skills development lies at the heart of South Africa's economic transformation, offering the business the opportunity to enhance its workforce's competencies while contributing to empowerment. The Company uses bursaries as a strategic tool for capitalising on the return on investment (ROI) of skills development initiatives as a form of financial assistance provided to previously disadvantaged individuals to support their education and skills development. The financial assistance covers various educational expenses, including tuition fees, books, and living allowances.

Broad-Based Black Economic Empowerment (B-BBEE) is a cornerstone of South Africa's commitment to addressing historical inequalities. Sakhisizwe serves as a third-party vehicle to drive

skills development sub element of bursaries which forms a crucial component of the B-BBEE framework. This encourages the Company to invest in the growth and development of the unemployed people and employees while fostering inclusivity.

The Human Resources Learning and Development function of the Company contributes to the Sakhisizwe NPC on a yearly basis to sponsor bursary students who are studying towards aviation related specific skills to increase the internal talent pipeline, this is performed through financial support from the funds received from TETA (rebates)

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#### **1. OVERVIEW OF BUSINESS**

JIA Piazza Park Proprietary Limited (“Piazza Park”) is a full subsidiary of the Airports Company South Africa Limited (“ACSA”) and appointed Southern Sun Hotel Interests to manage a hotel and hotel business as an InterContinental (“InterContinental Hotel Group” or “IHG”) hotel, under the name InterContinental Johannesburg O.R. Tambo Airport (“The hotel” or “IC OR Tambo”). The hotel was opened on 16 March 2001 with 138 rooms and has been managed by Southern Sun since then.

Although the current management contract expires 31 December 2026, the Corporate Plan has been prepared for the three-year period up to the end of March 2029 (FY2027 to FY2029). The assumptions are based on the same terms as the current management and franchise agreements for the period January 2027 to March 2029. The planned bedroom refurbishment in the Corporate Plan is deferred to FY2028 in consideration of the management and franchise agreements.

The FY2026 occupancy and average room rate are at all-time high levels. This Corporate Plan assumes the trend to continue for the foreseeable future. During FY2026 the hotel frequently traded at capacity and consideration should be given towards expanding the hotel room stock with a second tower, as was envisioned when the hotel was opened.

Southern Sun is Southern Africa’s leading hospitality group, comprising 95 hotels and resorts, a wide selection of restaurants and more than 300 conference and banqueting venues located in South Africa, Africa, Seychelles, and the Middle East. Southern Sun offers a wide selection of restaurants and bars, and strategically located conference and banqueting facilities, providing exceptional hospitality products of unparalleled variety and scale. <sup>(1)</sup>

IHG is a global hotel company with a diverse portfolio of brands, including 6,760 open hotels and 998,647 rooms around the world on 30 September 2025. <sup>(2)</sup>

South Africa’s only luxury airport hotel, the InterContinental Johannesburg O.R. Tambo Airport, is less than 70 metres from the International Arrivals Hall at Johannesburg’s O.R. Tambo International Airport. The Sandton Central Business District can easily be accessed via the Gautrain rapid rail system or by car, making this location ideal for all kinds of travellers.

There are a total of 138 furnished ensuite rooms, comprising of Standard Classic and Junior Suite rooms as well as two luxurious Presidential Suites. Accommodation features in each room include writing desk, complimentary Wi-Fi, coffee machine, mini-bar, interactive television with DSTV and live streaming capability, Bose Bluetooth Sound Dock System, electronic safe, 24-hour room service, porter service and wake-up facility.

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Services and facilities throughout the rest of the hotel are geared towards meeting the needs of guests. Highlights include the Camelot Spa offering a comprehensive selection of pampering treatments, an indoor heated swimming pool, conferencing facilities and a uniquely African dining experience at Quills Restaurant and Bar, which serves a range of breakfast, lunch and dinner options as well as light meals and drinks.

## 2. STRATEGY

### 2.1. Environmental overview

The environmental overview provides background on the current and future IC OR Tambo trading conditions as influenced by:

- The South African macro-economic environment,
- The economic conditions in source countries, such as the UK, USA, Europe, and Middle East,
- International travel to South Africa and surrounding countries,
- The Hotel industry, including new entrants and existing market participants,

#### COVID-19 Hospitality Recovery:

The Cape Town and the OR Tambo nodes have recovered however, the overall for South Africa has not entirely recovered. Piazza Park has fully recovered from the impact of the Covid-19 pandemic and is forecasting FY2026 to be the best year since opening. According to the Tourism report published by Statistics South Africa (Stats SA) as of July 2025, income from accommodation increased by 10.4% year-on-year and is the result of a 7.9% increase in the number of stay units sold and an increase of 2.4% in the average income per stay unit sold. Figure 1 illustrates the dramatic decrease in the occupancy rate for the South African accommodation industry following the onset of the Covid-19 pandemic and the subsequent occupancy levels over the last five years. <sup>(3)</sup>

Figure 1 – Seasonally adjusted occupancy rate for the accommodation industry



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#### **Macro-economic environment**

According to the South African Reserve Bank (SARB) monetary policy statement of 18 September 2025, the global economy appears resilient amidst a difficult geopolitical environment. Across major advanced economies, policy rates were cut, weakening the dollar and causing an increase in various commodity prices. While oil prices remain contained, these conditions are supportive for emerging markets like South Africa. The shift to higher long-term interest rates in several major economies reflects a range of pressures, especially high and rising debt levels as well as inflation risks.

For South Africa, facing a weaker export outlook and given higher tariffs, there was positive indicators for output in the second quarter with GDP performing on the upside reflecting the highest quarterly growth rate in two years boosting growth forecasts for the year from 0.9% to 1.2%. The modest output gains forecasted over the next few years, helped by structural reforms continues to be prevalent and the risk to growth forecast are assessed as balanced.

Headline inflation is expected to average 3.4% this year, and 3.6% next year before reverting to 3% during 2027. <sup>(4)</sup>

#### **Hotel industry**

Observation of trading as indicated in The Smith Travel Research (STR) Benchmark report, the hotel is trading favourably when compared to its competitor set in terms of market penetration and relative growth index.

IC OR Tambo continues to benefit from consistent base business and is reflecting remarkable occupancy and high average room rates.

IC OR Tambo remains in quite a unique position in the local hotel industry.

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**2.2. SWOT analysis**

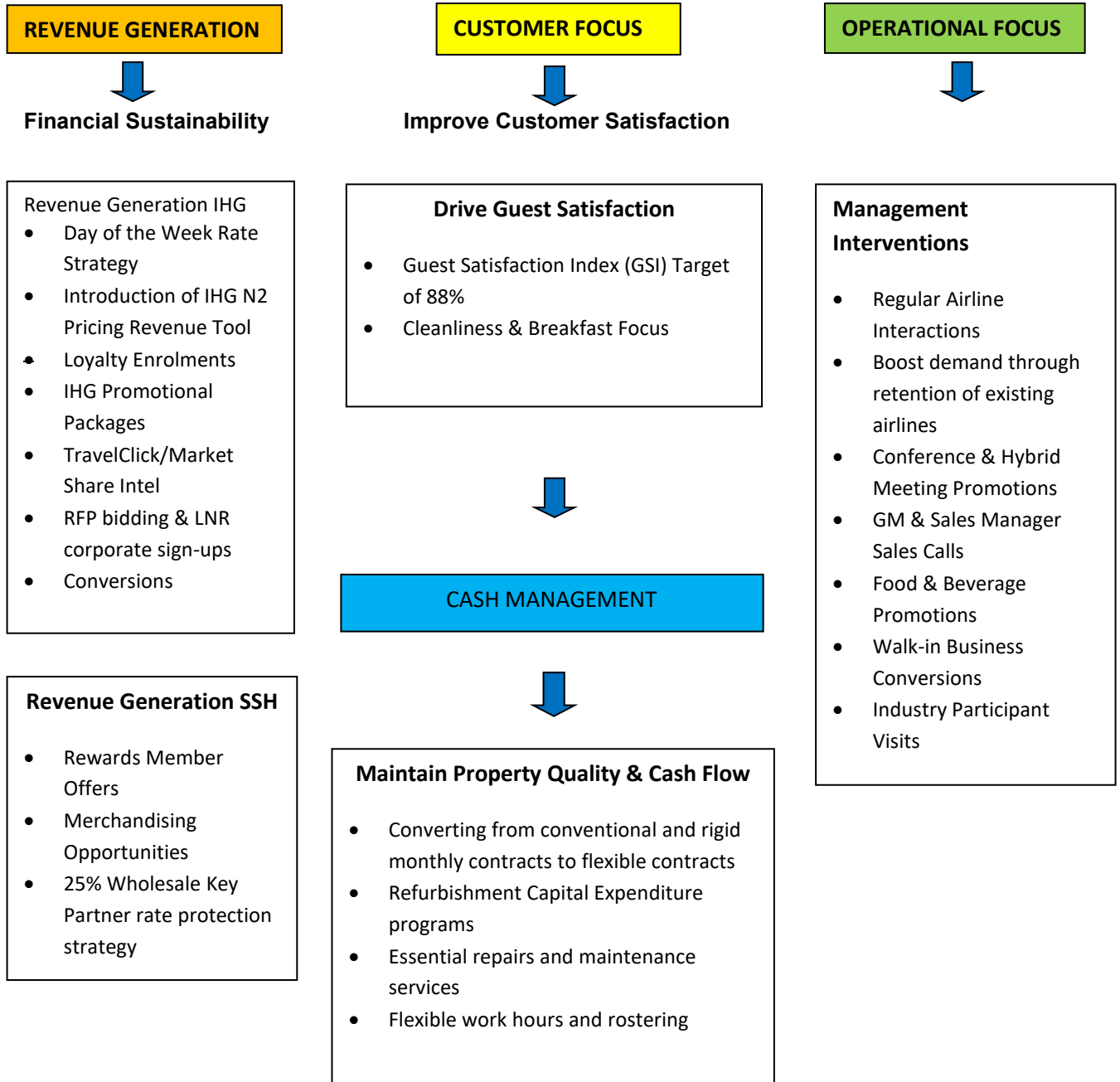
An analysis of the hotel's strengths, weaknesses, opportunities, and threats are set out in the table below.

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>• Prime location of hotel, being less than 70 metres from the O.R. Tambo International Arrivals Hall.</li> <li>• Ideally placed for cargo crew related business.</li> <li>• Southern Sun is the largest hotel operator and owner in South Africa and has more than 50 years of intellectual capital, industry presence, buying power, strong partnerships with local &amp; international markets, commercial platforms, people value system, and learning and development platforms.</li> <li>• The InterContinental branding, with an international platform, brand standards, global commercial channels and presence, training access.</li> <li>• Quality of the physical product.</li> <li>• Dedicated team with talent, experience, and stability.</li> <li>• Exceptional guest satisfaction reviews.</li> <li>• Environmental initiatives.</li> <li>• Excellent sound proofing of bedrooms due to triple glazed glass encasing.</li> <li>• Safety aspects around proximity to the airport as national key point for international airline crews</li> <li>• <b>Strong social media visibility and reviews</b></li> </ul>	<ul style="list-style-type: none"> <li>• Property room types limited to 3.</li> <li>• Rate resistance from the local corporate segment</li> <li>• High ratio of international guests.</li> <li>• Decline in Groups and Conferences overnight stay.</li> <li>• Lack of hotel specific parking for guests.</li> <li>• The immediate local community to the hotel is not patrons of the hotel.</li> <li>• Location restrictive to local leisure market promotions and campaigns.</li> <li>• Dependence on airlift.</li> </ul>
Opportunities	Threats / Challenges
<ul style="list-style-type: none"> <li>• O.R. Tambo International Airport aerotropolis expansion and associated commercial benefits.</li> <li>• The possible expansion of the property to include a second tower.</li> <li>• Gautrain availability 24 hours per day.</li> <li>• Further IHG exposure – both locally and internationally with regards to leveraging structures in marketing, public relations, commercial opportunities, and technology developments.</li> <li>• Further environmental initiatives with both cost and carbon footprint reductions.</li> <li>• Guests making use of conferencing venues for the purpose to provide mandatory services for travellers in transit creating footfall for the restaurant.</li> <li>• Day Conference Package e.g., Vehicle Launches and Elite Incentive groups.</li> <li>• Renewal of Management Agreement with Southern Sun.</li> <li>• Renewal of Licence Agreement with the InterContinental Hotel Group.</li> <li>• Potential synergy from the newly completed International Conference Centre at OR Tambo Airport.</li> <li>• <b>Business shown away due to inventory selling out on many days.</b></li> </ul>	<ul style="list-style-type: none"> <li>• International geo-political climate.</li> <li>• Local and international economic uncertainty, exchange rate fluctuations and reduction in disposable income.</li> <li>• Local “scares”, for instance xenophobic incidents, political unrest, virus outbreaks.</li> <li>• Effect of energy and water supply interruption on local business and the economy.</li> <li>• Change in strategy for some airlines to fly direct to destinations such as Cape Town, Kruger and Vic Falls.</li> <li>• Additional beds or new entrants to the node.</li> <li>• Development of another fully-fledged 5 star offering in the node.</li> <li>• Security concerns – regarding airport locations globally and tourist destinations within South Africa.</li> <li>• Staff turnover due to competitor poaching.</li> <li>• Roll-out of SARS voluntary traveller declarations</li> <li>• Loss of preferred trade agreements and reduced travel from key markets.</li> <li>• Development of the new mid-field terminal.</li> <li>• Connecting flights taking air traffic away from ORTIA and connecting directly to SADEC countries.</li> <li>• <b>Cancellation of USAID and strained trade relationship with the USA</b></li> </ul>

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**2.3. Strategic goals and initiatives**

The strategic goals and initiatives for Piazza Park are set out in the tables below. The core business of Piazza Park remains the operation of an effective hotel business, achieved through continued focus on four strategic goals, around Product, Profitability, People and Marketing & Sales.



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Goal	Initiatives
<p><b><i>Maintain <u>product</u> relevance to customer experience.</i></b></p> <p><b><i><u>(product cont.)</u></i></b></p>	<ul style="list-style-type: none"> <li>• Maintain the physical product in the short term to cater to the customer, including hotel operating equipment. Initiatives to monitor this are:               <ul style="list-style-type: none"> <li>- Hotel property and product audits (Both Southern Sun and IHG)</li> <li>- Capital expenditure plan review.</li> <li>- Monthly operating equipment review and replacement.</li> </ul> </li> <li>• Understand customers’ needs, perceptions, and behaviours, to deliver experiences relevant to them, thereby driving revenue. This is achieved through:               <ul style="list-style-type: none"> <li>- Satisfaction surveys in the form of Heartbeat (IHG) and TripAdvisor</li> <li>- Customer rewards programme (Both Southern Sun and IHG)</li> <li>- One-on-one interaction</li> <li>- Customer relationship managers</li> </ul> </li> <li>• Continued investment in Technology such as the installation of “IHG Connect” (an interactive guest program), that works for the customer and makes the product work through guest facing systems, channel, and customer relationship management.               <ul style="list-style-type: none"> <li>- Maintain and develop accessibility to website and other booking channels.</li> </ul> </li> </ul>
<p><b><i>Grow financial <u>profitability</u></i></b></p>	<ul style="list-style-type: none"> <li>• Sustainable growth and return on investment.               <ul style="list-style-type: none"> <li>- Monthly and quarterly review of financial performance</li> <li>- Utilising revenue management systems available through Southern Sun and IHG</li> <li>- Benchmarking expenses against other five-star properties within Southern Sun</li> </ul> </li> </ul>
<p><b><i>Develop <u>people</u></i></b></p>	<ul style="list-style-type: none"> <li>• Hotel employees are core to delivering great customer experiences and management need to understand their needs, challenges, and aspirations. This is achieved through:               <ul style="list-style-type: none"> <li>- Communication from the management team</li> <li>- Induction programmes</li> <li>- Annual training needs identification and programme</li> <li>- Performance management programmes</li> <li>- Anti-fraud, ethics, and corruption hotline</li> <li>- Attract and retain the highest calibre staff and redressing historical imbalances.</li> </ul> </li> </ul>

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**Marketing & Sales**

- Boost travel demand and awareness through:
  - Domestic leisure and Government rates on Southern Sun Website
  - Reduced day conference packages targeted at local businesses with budget constraints.
  - Partner with Audio Visual companies to offer Hybrid Meeting Packages to boost venue hire.
  - Short term hire of banqueting venues
  - Food & Beverage campaigns targeted at the Airport Node including comp set hotels with limited Food & Beverage offering.
  - Inter-Provincial exposure through local DMO's for inbound domestic in transit travel
  - GM and Sales Manager sales calls
  - Regular airline partner interactions
  - Distressed airline business rate offers.
  - Ramp up operations corporate rate offer to airlines and companies.
  - Long stay reduced rate offer for clients.

**3. KEY PERFORMANCE INDICATORS**

The key performance indicators are included to gauge the efficacy of the corporate plan for the hotel and are attached as Annexure A.

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**4. GOVERNANCE STRUCTURES**

**4.1. Composition of the Board of Directors**

<p><b>Charles Masondzo Shilowa</b></p> <p>Director</p> <p><b>Qualifications:</b> B.Sc. (Chemistry &amp; Biochemistry), B.Sc. (Eng.) Chemical, Management Achievement Program, Masters of Business Administration, Higher Diploma in Tax Law (HDip Tax), Post Graduate Certificate: Project Finance, Corporate Finance and Private Equity</p> <p><b>Areas of expertise:</b> Project Management, Strategy Development &amp; Implementation, Mergers &amp; Acquisitions, Financial Analysis &amp; Management and Stakeholder Management</p> <p><b>Date of appointment:</b> 18 October 2021</p>	<p><b>Thembisa Fuzani</b></p> <p>Director</p> <p><b>Qualifications:</b> B Com, B Com Accounting, B Compt Honours, Certificate in Theory of Accounting, Qualified Chartered Accountant</p> <p><b>Areas of expertise:</b> Finance, Auditing, Financial and Management Accounting, Audit Committee Management.</p> <p><b>Date of appointment:</b> 15 July 2021</p>
<p><b>Aubrey Blom</b></p> <p>Alternate Director</p> <p><b>Qualifications:</b> B Com</p> <p><b>Areas of expertise:</b> Property Management, Asset Management, Facilities Management</p> <p><b>Date of appointment:</b> 15 July 2021</p>	<p><b>Livhuwani Tshikunde</b></p> <p>Alternate Director</p> <p><b>Qualifications:</b> B Com (Economics), B Com (Hons) Econometrics, Mcom (Economics)</p> <p><b>Areas of expertise:</b> Treasury and Risk Management Board of Trustee: ACSA Retirement Fund</p> <p><b>Date of appointment:</b> 15 July 2021</p>

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**4.2. Members of management team**

<p><b>Ayanda Vernon Mazibuko</b> General Manager</p> <p><b>Qualifications:</b> University of Cape Town – Graduate School of Business, Hospitality Leadership Short Course</p> <p><b>Date of appointment:</b> 3 June 2013</p>	<p><b>Julanie Fasen</b> Financial Controller</p> <p><b>Qualifications:</b> Matric</p> <p><b>Date of appointment:</b> 1 February 1993</p>
<p><b>Jake van Breda</b> Deputy General Manager</p> <p><b>Qualifications:</b> National Diploma Service Management – SAQA Program City &amp; Guilds; Food &amp; Beverage and Accommodation Operations</p> <p><b>Date of appointment:</b> 1 April 2022</p>	<p><b>Lerato Rakgosi</b> Sales Manager</p> <p><b>Qualifications:</b> B Com Marketing Management</p> <p><b>Date of appointment:</b> 1 January 2021</p>
<p><b>Elvis Bongani Ngwenya</b> Food and Beverage Manager</p> <p><b>Qualification:</b> National Certificate: Generic Management NQF Level 5</p> <p><b>Date of appointment:</b> 15 November 2024</p>	<p><b>Kenneth Ngubane</b> Executive Chef</p> <p><b>Qualification:</b> Diploma in Professional Cookery HITB</p> <p><b>Date of appointment:</b> 15 March 2021</p>
<p><b>Gerhard Marais</b> Maintenance Manager</p> <p><b>Qualifications:</b> Plumber</p> <p><b>Date of appointment:</b> 1 July 2025</p>	<p><b>Yvonne Prinsloo</b> Executive Housekeeper</p> <p><b>Qualifications:</b> Standard 8</p> <p><b>Date of appointment:</b> 1 March 2008</p>
<p><b>Megan Repsold</b> Reservations Manager</p> <p><b>Qualifications:</b> National Diploma in Hospitality Management</p> <p><b>Date of appointment:</b> 1 January 2024</p>	<p><b>Beauty Lebelo</b> Guest Relations Manager</p> <p><b>Qualifications:</b> Matric</p> <p><b>Date of appointment:</b> 1 August 2018</p>
<p><b>Tshepo Poo</b> Front Office Manager</p> <p><b>Qualifications:</b> National Diploma in Hospitality Management</p> <p><b>Date of appointment:</b> 1 June 2007</p>	

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**5. FINANCIAL PLAN**

**5.1. Projected Income Statement**

JIA Piazza Park (Pty) Ltd	Actual	Forecast	Forecast	Forecast	Forecast	YoY%	YoY%	YoY%	YoY%
IC - O.R.Tambo	FY2025	FY2026	FY2027	FY2028	FY2029	F26 v F25	F27 v F26	F28 v F27	F29 v F28
INCOME STATEMENTS - forecast	R'000	R'000	R'000	R'000	R'000				
<b>Gross Revenue</b>	269,026	290,783	302,812	271,669	321,571	8.1%	4.1%	-10.3%	18.4%
Cost of Sales	(14,394)	(15,451)	(16,081)	(14,322)	(17,044)	7.3%	4.1%	-10.9%	19.0%
Operating Expenses	(101,269)	(115,949)	(122,691)	(127,862)	(137,805)	14.5%	5.8%	4.2%	7.8%
<b>Gross Operating Profit</b>	153,363	159,383	164,040	129,484	166,722	3.9%	2.9%	-21.1%	28.8%
Capital Charges	(7,560)	(8,118)	(8,476)	(7,977)	(9,105)	7.4%	4.4%	-5.9%	14.1%
Management Fees Paid	(9,968)	(9,003)	(9,337)	(8,023)	(9,766)	-9.7%	3.7%	-14.1%	21.7%
<b>Ebitdar</b>	135,835	142,262	146,226	113,484	147,851	4.7%	2.8%	-22.4%	30.3%
Turnover rent	(24,053)	(26,170)	(27,253)	(24,450)	(28,941)	8.8%	4.1%	-10.3%	18.4%
Supplementary rent	(114,171)	(115,107)	(111,919)	(77,414)	(107,665)	0.8%	-2.8%	-30.8%	39.1%
<b>Ebitda</b>	(2,390)	984	7,055	11,620	11,245	-141.2%	616.9%	64.7%	-3.2%
Depreciation	(6,629)	(6,428)	(12,740)	(17,654)	(16,973)	-3.0%	98.2%	38.6%	-3.9%
<b>Ebit</b>	(9,019)	(5,444)	(5,685)	(6,034)	(5,728)	-39.6%	4.4%	6.1%	-5.1%
Profit/(Loss) on Disposal of Assets <sup>1</sup>	(333)	(0)	0	0	0	-100.0%	-100.0%	0.0%	0.0%
<b>Earnings before interest and tax</b>	(9,352)	(5,444)	(5,685)	(6,034)	(5,728)	-41.8%	4.4%	6.1%	-5.1%
Interest received / (paid)	10,513	6,816	6,816	6,816	6,816	-35.2%	0.0%	0.0%	0.0%
Interest expense - shareholder loan	(181)	(158)	(158)	(158)	(158)	-13.0%	0.0%	0.0%	0.0%
Taxation	(521)	(328)	(305)	(211)	(294)	-37.1%	-6.9%	-30.8%	39.1%
Minorities	0	0	0	0	0	0.0%	0.0%	0.0%	0.0%
Dividends	0	0	0	0	0	0.0%	0.0%	0.0%	0.0%
<b>Net retained earnings</b>	459	886	668	413	636	93.2%	-24.6%	-38.1%	54.0%
Room Nights Sold	42,051	42,055	42,087	36,200	41,837	0.0%	0.1%	-14.0%	15.6%
Room Nights Available	50,370	50,370	50,370	46,090	50,370	0.0%	0.0%	-8.5%	9.3%
Room Occupancy	83%	83%	84%	79%	83%	0.0%	0.1%	-6.0%	5.8%
Average Room Rate	5,093	5,473	5,692	5,891	6,068	7.5%	4.0%	3.5%	3.0%
Revenue per Available Room	4,252	4,570	4,756	4,627	5,040	7.5%	4.1%	-2.7%	8.9%
<b>EBITDAR MARGIN (%)</b>	50.5%	48.9%	48.3%	41.8%	46.0%	-3.1%	-1.3%	-13.5%	10.1%

**Disclaimer:** All calculations are purely indicative and prepared on request of the owner.

The forecast for FY2027 and FY2029 that includes January 2027 to March 2028, assumes that the InterContinental Hotel Group License Agreement as well as the Southern Sun Hotel Interests Management agreement is extended and/or renegotiated for a new term.

**Key assumptions –**

- The forecast for FY2026 is based on the latest profit forecast for the property (PF2) which includes six months' actual results and six months forecast.
- Occupancy for FY2027 through to FY2029 is based on FY2026 trends.

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- Occupancy for FY2028 is impacted by the refurbishment planned for this year. The project is estimated to span over 9 months, a reduction in the total room stock available for 7 months by 4,280 rooms during this period. This is expected to result in a decrease of 3,580 room nights sold or 7.1 percentage points in occupancy over the course of FY2028.
- Although the current management contract ends 31 December 2026, the forecast for the three-year period to March 2029 assumes the same terms as the current management and franchise agreement for the period January 2027 to March 2029.
- The FY2026 occupancy at 83.5% exceeds FY2020 occupancy of 75% and is 13.3 percentage points up on FY2019. Previous years where occupancies exceeded the 80% mark were FY2007, FY2008, FY2024 and FY2025 at 81%, 80%, 82% and 83.5% respectively.
- The average room rate forecast for FY2027 to FY2029 assumes growth of 3-4%. The projected FY2026 average room rate of R5,473.08 is 67.8% up on FY2020.
- Despite the International Air Transport Association (IATA) projecting a 5-year recovery to return to 2019 business levels, the hotel has surpassed expectations by exceeding pre-Covid trade levels in both occupancy and average room rate.
- ACSA passenger travel (Domestic and International) reported to return to 2019 levels by 2025.
- Expenses are increased by CPI at 5.5% during FY2027 and subsequent years and considers the following major exception:
  - Electricity increasing by 12.5% year on year.
  - Water increasing by 8% year on year.
- Basic rental is calculated at 9% of Gross Revenue.
- Supplementary rent is calculated at 99% of profit before tax.

## **5.2. Financial Scenario's**

The low, middle, and high road scenarios presented are indicative forecasts on various assumptions that may impact the business.

The Corporate Plan is based on the **“Middle Road”** scenario.

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## SCENARIO 1 - "LOW ROAD"

JIA Piazza Park (Pty) Ltd	Forecast	Forecast	Forecast	Forecast
IC - O.R.Tambo	FY2026	FY2027	FY2028	FY2029
<b>INCOME STATEMENTS - forecast</b>	R'm	R'm	R'm	R'm
<b>Gross Revenue</b>	291	278	247	286
<b>EBITDAR</b>	142	127	93	119
EBITDAR Margin	48.9%	45.6%	37.8%	41.7%
Occupancy %	83.5%	77.6%	73.0%	76.6%
ARR	5,473.08	5,609.91	5,722.10	5,825.10

**This model assumes:**

- 1 Economic decline.
- 2 Global rise in inflation stemming from central bank policy to fight inflation.
- 3 Local business is trading in an inflationary environment.
- 4 Appreciation of the Rand vs US Dollar/Euro reducing the appeal of South Africa as a tourist holiday
- 5 Limited international travel inbound travel.
- 6 Impact of air traffic movement.
- 7 Marked reduction in bookings from the USA related to reduced trade and aid.

**Disclaimer: All calculations are purely indicative and prepared on request of the owner.**

**The forecast for FY2027 to FY2029, that includes January 2027 to March 2028, assumes that the InterContinental Hotel Group License Agreement as well as the Southern Sun Hotel Interests Management agreement is extended and/or renegotiated for a new term.**

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<b>SCENARIO 2 - "MIDDLE ROAD"</b>				
JIA Piazza Park (Pty) Ltd	Forecast	Forecast	Forecast	Forecast
IC - O.R.Tambo	FY2026	FY2027	FY2028	FY2029
<b>INCOME STATEMENTS - forecast</b>	R'm	R'm	R'm	R'm
<b>Gross Revenue</b>	<b>291</b>	<b>303</b>	<b>272</b>	<b>322</b>
<b>EBITDAR</b>	<b>142</b>	<b>146</b>	<b>113</b>	<b>148</b>
EBITDAR Margin	48.9%	48.3%	41.8%	46.0%
Occupancy %	83.5%	83.6%	78.5%	83.1%
ARR	5,473.08	5,692.00	5,891.22	6,067.96
<p><b>This model assumes:</b></p> <ol style="list-style-type: none"> <li>1 Stable local economy, with muted growth.</li> <li>2 Stabilising global inflation.</li> <li>3 Stable local inflationary environment.</li> <li>4 Moderate international travel.</li> <li>5 Low but steady growth in air traffic movement.</li> <li>6 Bookings from the USA at the same or similar levels to the previous years.</li> </ol> <p><b>Disclaimer: All calculations are purely indicative and prepared on request of the owner.</b>  <b>The forecast for FY2027 to FY2029, that includes January 2027 to March 2028, assumes that the InterContinental Hotel Group License Agreement as well as the Southern Sun Hotel Interests Management agreement is extended and/or renegotiated for a new term.</b></p>				

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## SCENARIO 3 - "HIGH ROAD"

JIA Piazza Park (Pty) Ltd	Forecast	Forecast	Forecast	Forecast
IC - O.R.Tambo	FY2026	FY2027	FY2028	FY2029
INCOME STATEMENTS - forecast	R'm	R'm	R'm	R'm
<b>Gross Revenue</b>	<b>291</b>	<b>310</b>	<b>282</b>	<b>339</b>
<b>EBITDAR</b>	<b>142</b>	<b>152</b>	<b>122</b>	<b>163</b>
EBITDAR Margin	48.9%	49.1%	43.3%	48.0%
Occupancy %	83.5%	84.3%	79.3%	84.0%
ARR	5,473.08	5,774.10	6,062.80	6,335.63

**This model assumes:**

- 1 Moderate economic growth.
- 2 Stable inflationary environment with moderate CPI growth.
- 3 Thriving international travel.
- 4 No restrictions in air traffic movement.

**Disclaimer: All calculations are purely indicative and prepared on request of the owner.**

**The forecast for FY2027 to FY2029, that includes January 2027 to March 2028, assumes that the InterContinental Hotel Group License Agreement as well as the Southern Sun Hotel Interests Management agreement is extended and/or renegotiated for a new term.**

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**5.3. Projected Balance Sheet**

JIA Piazza Park (Pty) Ltd	Actual	Forecast	Forecast	Forecast	Forecast	YonY%	YonY%	YonY%	YonY%
IC - O.R.Tambo	FY2025	FY2026	FY2027	FY2028	FY2029	F26 v F25	F27 v F26	F28 v F27	F29 v F28
<b>BALANCE SHEET - forecast</b>	R'000	R'000	R'000	R'000	R'000				
<b>Non-Current Assets</b>									
Property and plant	36,228	90,120	91,312	130,015	123,385	148.8%	1.3%	42.4%	-5.1%
Operating equipment	7,701	8,278	8,179	8,179	7,645	7.5%	-1.2%	0.0%	-6.5%
Deferred tax	1,320	1,508	1,203	992	698	14.2%	-20.2%	-17.5%	-29.6%
	<b>45,267</b>	<b>99,912</b>	<b>100,714</b>	<b>139,206</b>	<b>131,748</b>	<b>120.7%</b>	<b>0.8%</b>	<b>38.2%</b>	<b>-5.4%</b>
<b>Current Assets</b>									
Inventories	1,811	2,931	3,052	2,738	3,241	61.8%	4.1%	-10.3%	18.4%
Trade and other receivables	6,793	6,204	6,409	5,882	6,746	-8.7%	3.3%	-8.2%	14.7%
Current tax receivable	0	0	0	0	0	0.0%	0.0%	0.0%	0.0%
Any other current assets	0	0	0	0	0	0.0%	0.0%	0.0%	0.0%
Cash and cash equivalents	121,153	100,030	103,739	34,011	73,195	-17.4%	3.7%	-67.2%	115.2%
	<b>129,757</b>	<b>109,164</b>	<b>113,200</b>	<b>42,631</b>	<b>83,182</b>	<b>-15.9%</b>	<b>3.7%</b>	<b>-62.3%</b>	<b>95.1%</b>
<b>TOTAL ASSETS</b>	<b>175,024</b>	<b>209,076</b>	<b>213,914</b>	<b>181,837</b>	<b>214,930</b>	<b>19.5%</b>	<b>2.3%</b>	<b>-15.0%</b>	<b>18.2%</b>
<b>Equity</b>									
Retained earnings opening	34,200	35,082	35,968	36,636	37,049	2.6%	2.5%	1.9%	1.1%
Profit for the year	0	886	668	413	636	0.0%	-24.7%	-38.1%	54.0%
	<b>34,200</b>	<b>35,968</b>	<b>36,636</b>	<b>37,049</b>	<b>37,686</b>	<b>5.2%</b>	<b>1.9%</b>	<b>1.1%</b>	<b>1.7%</b>
<b>Non-current liabilities</b>									
SSHI working capital loan	1,500	1,500	1,500	1,500	1,500	0.0%	0.0%	0.0%	0.0%
	<b>1,500</b>	<b>1,500</b>	<b>1,500</b>	<b>1,500</b>	<b>1,500</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>
<b>Current liabilities</b>									
Trade and other payables									
Trade payables	11,505	4,649	11,384	12,750	14,280	-59.6%	144.9%	12.0%	12.0%
Accrued expenses	25,237	33,578	33,579	33,580	33,581	33.0%	0.0%	0.0%	0.0%
Accrued payroll expense	0	0	0	0	0	0.0%	0.0%	0.0%	0.0%
Sundry creditors	414	697	698	699	700	68.5%	0.1%	0.1%	0.1%
Sundry creditors - tips	320	458	481	505	530	42.9%	5.0%	5.0%	5.0%
Supplementary rent due to ACSA	91,241	115,107	111,919	77,414	107,665	26.2%	-2.8%	-30.8%	39.1%
Deposits received	6,566	11,934	12,232	12,538	12,851	81.7%	2.5%	2.5%	2.5%
Other payables (incl. VAT F21)	264	1,174	1,233	1,294	1,359	345.2%	5.0%	5.0%	5.0%
Current tax payable	0	0	0	0	0	0.0%	0.0%	0.0%	0.0%
Provisions (STI and leave)	3,777	4,012	4,253	4,508	4,779	6.2%	6.0%	6.0%	6.0%
	<b>139,324</b>	<b>171,608</b>	<b>175,778</b>	<b>143,288</b>	<b>175,744</b>	<b>23.2%</b>	<b>2.4%</b>	<b>-18.5%</b>	<b>22.7%</b>
<b>TOTAL LIABILITIES</b>	<b>175,024</b>	<b>209,076</b>	<b>213,914</b>	<b>181,837</b>	<b>214,930</b>	<b>19.5%</b>	<b>2.3%</b>	<b>-15.0%</b>	<b>18.2%</b>

**Key assumptions –**

The following broad key assumptions apply to the balance sheet:

- Fixed assets movement – based on the Capital Expenditure plan (covered in more detail under section 7).
- Current assets movement – reflects trade.
- Trade Creditors, Provisions and Accruals movement – based on inflation related growth in balances.
- Impact of Supplementary Rent.

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**5.4. Projected Cash Flow statement**

JIA Piazza Park (Pty) Ltd	Forecast	Forecast	Forecast	Forecast
IC - O.R.Tambo	FY2026	FY2027	FY2028	FY2029
<b>CASH FLOW - forecast</b>	R'000	R'000	R'000	R'000
Cash from trading	142,262	146,226	113,484	147,851
Movement in working capital	(8,382)	4,074	(31,595)	31,760
<b>Cash from operations</b>	<b>133,880</b>	<b>150,300</b>	<b>81,889</b>	<b>179,611</b>
Interest	6,816	6,816	6,816	6,816
Tax	(328)	(305)	(211)	(294)
Cashflows from investing activities	(20,213)	(13,931)	(56,357)	(10,342)
<b>Free cash</b>	<b>120,155</b>	<b>142,880</b>	<b>32,136</b>	<b>175,791</b>
Financing activities	(141,278)	(139,172)	(101,864)	(136,606)
<b>Movement in cash</b>	<b>(21,123)</b>	<b>3,708</b>	<b>(69,728)</b>	<b>39,185</b>
Opening cash	121,153	100,030	103,738	34,010
<b>Surplus cash</b>	<b>100,030</b>	<b>103,738</b>	<b>34,010</b>	<b>73,195</b>

The FY2026 cash flow is assumed on the FY2026 capex programme and the cash flow over the FY2026 to FY2029 might differ based on the timing of the spend for Development related capex items, as noted under section 7 for the Capital Expenditure Plan.

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**6. DIVIDEND POLICY**

The Piazza Park practice is not to issue any dividends.

**7. CAPITAL EXPENDITURE PLAN**

The Capital Expenditure (“Capex”) plan is reflected in the annual budget and divided into Hotel Maintenance capex, Development capex and Information Technology capex. Where possible, the annually approved Capital Expenditure programme is funded through surplus cash generated by Piazza Park.

Hotel Maintenance Capex includes the replacement and addition of fixed assets required during the normal course of business. In the case of Piazza Park this also includes capital expenditure required to maintain IHG brand standards.

Health, Safety and Development Capex comprise non-recurring projects and typically covers the refurbishment of bedrooms, public areas, meeting rooms, restaurant, and kitchen. This category also includes major plant, machinery and structural changes or additions to the property as well as health and safety compliance related capex.

Information Technology Capex refers to the replacement and improvement of the technological infrastructure in the hotel, including both hardware and software.

Due to the expiration of the Management Agreement and Franchise License Agreement at the end of December 2026, the timing of the bedroom refurbishment is deferred to FY2028 in the Corporate Plan. The mock-up phase was completed in FY2025 enabling the business to swiftly commence with the refurbishment.

For the annual forecast periods covered by the Corporate Plan (FY2026 to FY 2029), the following major items are included:

- spa refurbishment of (R3m in FY2027)
- guest elevator upgrade (R2.2m in FY2027)
- gym refurbishment (R1.5m in FY2027)
- bedroom air-conditioning fan coil units planned for R4.2m in FY2026 to be carried forward to FY2028 in conjunction with the bedroom refurbishment,
- bedroom refurbishment (R46m in FY2028). The last bedroom refurbishment was in FY2016/FY2017 and included bedroom and corridor carpets, curtains, recovering of furniture, replacement of artwork, replacement of light fittings and modifications to building finishes required for IHG Brand Standard compliance.
- sprinkler head and pipe replacement (R5m in FY 2029).

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JIA Piazza Park (Pty) Ltd InterContinental - O.R.Tambo Capital Expenditure Plan	FY2026 Programme R'000	FY2026 Forecast (1) R'000	FY2027 Forecast R'000	FY2028 Forecast R'000	FY2029 Forecast R'000
<b>Hotel Maintenance Capex (2)</b>	<b>3,098</b>	<b>3,098</b>	<b>4,791</b>	<b>4,265</b>	<b>5,077</b>
<b>Health, Safety and Development Capex (3) listed below:-</b>	<b>12,585</b>	<b>3,412</b>	<b>7,200</b>	<b>51,135</b>	<b>5,000</b>
AHU, Chillers & Cooling Towers	7,272	59	-	-	-
Conference Centre Refurbishment	1,728	2,272	-	-	-
Service Lift Upgrade	2,350	644	-	-	-
Casegoods	493	7	500	500	-
Replace Fire Evacuation System	365	57	-	-	-
IHG Systems Upgrade	114	307	-	-	-
Terrace Enclosure	233	28	-	-	-
Public Area and Restaurant Refurbishment	29	39	-	-	-
Bedroom Refurbishment	-	-	-	46,410	-
Spa Refurb	-	-	3,000	-	-
Guest Elevator Upgrade	-	-	2,200	-	-
Gym Refurbishment	-	-	1,500	-	-
Bedroom Airconditioning Fan Coil Units	-	-	-	4,225	-
Sprinkler Head and Pipe Replacement	-	-	-	-	5,000
Other	-	-	-	-	-
	-	-	-	-	-
<b>Information Technology (4)</b>	<b>662</b>	<b>457</b>	<b>1,940</b>	<b>957</b>	<b>265</b>
<b>TOTAL CAPEX</b>	<b>16,344</b>	<b>6,966</b>	<b>13,931</b>	<b>56,357</b>	<b>10,342</b>
<b>Total Capex as % of EBITDAR</b>	<b>11.5%</b>	<b>4.9%</b>	<b>9.5%</b>	<b>49.7%</b>	<b>7.0%</b>

Notes:

- (1) **The FY2026 forecast** is based on a review of capex items in the current year programme.
- (2) **Hotel Maintenance capex** includes the replacement operational assets such as banqueting AV equipment, bedroom safes, BMS upgrade, luggage room and kitchen conversion, replacement of incandescent lights, kitchen equipment replacement including stoves and fridges, vacuum cleaners, split unit airconditioners, sewerage pumps, carpet tiles, steam room humidifier etc.
- (3) **Development capex** relates to non-recurring projects in terms of refurbishment of guest facing products, plant and machinery replacements as well as health and safety related items.
- (4) **Information technology capex** pertains to system software upgrades, desktop break and replace, server replacements/upgrades, connectivity/cable replacements and infrastructure upgrades.

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**8. BORROWING PROGRAMME**

Piazza Park is and intends to remain self-funded.

The management agreement determines that board approval is required for any borrowings, other than reasonably incidental to the ordinary course of conduct of the hotel business (clause 6.7.1. of the management agreement).

**9. FINANCIAL ASSISTANCE AND SUSTAINABILITY**

No financial assistance was received to date during FY2026 with no financial assistance required for the foreseeable future.

**10. RISK AND FRAUD PREVENTION PLAN**

The Risk and Fraud Prevention Management Plan for the IC OR Tambo hotel operations falls under the auspices of the Southern Sun programme and includes the following:

- Risk management is covered as part of the monthly Regional Operational Committee (OpCo) reviews where applicable. This level of management remains responsible for ensuring that risks are appropriately identified, assessed, mitigated / managed and reported on.
- Operational risk management includes the following five areas:
  - Fires and fire protection
  - Security
  - Fraud / theft
  - Safety
  - Organisational resilience programme (ORMS)
- The Southern Sun audit and risk forum meets twice a year and is attended by both the internal (GRIPP Advisory) as well as the external auditors (Deloitte).
- An internal audit programme is conducted by GRIPP Advisory on a 3-year rotation base and includes compliance as well as risk-based reviews.
- An internal audit programme is conducted by ACSA Internal Audit and includes compliance and risk-based reviews.
- Annual audit performed by The Auditor General of South Africa and includes compliance and risk-based reviews.
- The Best Practice Operating Procedures (BOP) team assist in the communication and training of the operating procedures.

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- A comprehensive internal control questionnaire to enable unit management to assess the control environment is completed monthly by the heads of department.
- Balance sheet reviews are conducted by the regional financial support structure at least twice per year.
- The Southern Sun Hotels ethics line service provider, namely Tip-Offs Anonymous, is managed by Deloitte.

## **11. OTHER SUPPORTING PLANS**

### **11.1. Human Resource and Employment Equity Plan**

People are at the core of delivering a Southern Sun experience, both front and back-of-house. A pool of qualified, trained, and talented people is required to deliver these experiences, supported by empowered management and relevant support services.

The focus areas for Human Resources include amongst others:

- Human capital management – Attract and retain the highest calibre staff and redressing historical imbalances, where they may exist.
- Employee development – All training and development activities are integrated through Southern Sun Hotels. Southern Sun was re-awarded accreditation as an official training provider.
- Employee engagement – Engagement surveys were deferred due to the practical impact of Covid-19 and will be reintroduced within the next year or so.
- Employee wellness – Southern Sun is committed to the wellness of our employees and provides services through employee assistance helpline and wellness days.
- Health and safety – Safety inspections through the ORMS audit process.

### **11.2. Environmental Plan**

The environmental plan for Piazza Park is governed by the various Southern Sun and IHG initiatives. Southern Sun made the commitment to reduce the impact that the business has on the environment and to encourage guests to embrace greener behaviour for the wellbeing of the environment.

The objectives of the environmental programme are met through a property-specific environmental management system aimed at:

- Energy
- Water
- Waste management
- Responsible procurement

Energy and water consumption is measured monthly and reviewed at the quarterly Energy Steerco meetings and corrective measures are put in place where required. The programme is managed as part of the

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Organisational Resilience Management Standard audit process and is verified by the German quality body, DQS-UL Group.

**11.3. Marketing and Communication Plan**

Both the Southern Sun and InterContinental brands are well recognised locally and internationally.

The InterContinental OR Tambo is uniquely positioned to benefit from the InterContinental brand's global recognition and at the same time have access to Southern Sun's local sales, marketing, and communication platform.

Marketing exposure includes:

- Web based and social media exposure
- Billboards
- Radio
- Loyalty programmes (Southern Sun Rewards programme and IHG Rewards Club)

**JIA Piazza Park Proprietary Limited**  
**Registration number 1998/004849/07**  
**Corporate Plan for the three-year period FY2027 to FY2029**

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**References:**

- (1) <https://www.southern.sun.com>
- (2) [Our global presence - About us - InterContinental Hotels Group PLC \(ihgplc.com\)](#)
- (3) [https://www.statssa.gov.za/?page\\_id=1854&PPN=P6410&SCH=73392](https://www.statssa.gov.za/?page_id=1854&PPN=P6410&SCH=73392)
- (4) <https://www.resbank.co.za/en/home/publications/publication-detail-pages/statements/monetary-policy-statements/2024/Statement-of-the-Monetary-Policy-Committee-September-2024>





# **ANNEXURE I: ACSA CORPORATE PLAN FY2026/27 – 2028/29 PERFORMANCE INFORMATION**

## ACSA CORPORATE PLAN FY2026/27 – 2028/29 PERFORMANCE INFORMATION

### EMBEDDING THE SIX CAPITALS FRAMEWORK

At Airports Company South Africa (ACSA), our role as a global gateway requires a management approach that transcends traditional financial reporting. To ensure our FY2026/27 – FY2028/29 Corporate Plan delivers on our mandate, we have anchored our performance monitoring in the Six Capitals Framework.

Capitals	Strategic Objective	INPUTS	OUTCOMES	FY2026/27	FY2027/28	FY2028/29
Financial	Financial Sustainability	Increase Financial sustainability	EBITDA	R3 306m	R3 995m	R4 541m
			ROCE	6.3%	7.6%	5.9%
	Diversify the business portfolio	Increase aeronautical revenue	Aeronautical revenue	R5 285m	R5 718m	R6 178m
		Increase non-aeronautical revenue	Non-aeronautical revenue	R4 263m	R4 668m	R5 077m
		Increase cargo	Cargo throughput	548 278 Metric Tonnes	649 638 Metric Tonnes	757 911 Metric Tonnes

Capitals	Strategic Objective	INPUTS	OUTCOMES	FY2026/27	FY2027/28	FY2028/29
		throughput across the ACSA network				
CAPEX	Asset Creation	Increase airport capacity	CAPEX Spend	R1 291m	R6 382m	R11 915m
		Increase the number of Innovation in initiatives	Innovation Impact Index	40	40	40
Intellectual	Smart Airport	Fully digitised airport operations, customer facing platforms and enterprise business capabilities	% implementation of optimisation and digitalisation of airport operations, customer facing platforms and enterprise business capabilities	60%	80%	>80%

Capitals	Strategic Objective	INPUTS	OUTCOMES	FY2026/27	FY2027/28	FY2028/29
Human	Transform ACSA business	Increase job opportunities	Number of job opportunities	29 656	51 535	76 389
		Achieve BBBEE Level	BBBEE Level	Level 1	Level 1	Level 1
		Increase Black Business Share of Commercial Revenue	Black Business Share of Commercial Revenue	60%	60%	65%
Social and Relationships	Increase reputation	Increase Employee Productivity	Labour Productivity Index	3,2	3,3	3,5
		Maintain efficiency factor as per permission	Efficiency factor	2,75%	2,75%	2,75%

Capitals	Strategic Objective	INPUTS	OUTCOMES	FY2026/27	FY2027/28	FY2028/29
		Maintain a secure airport	Airport Security Performance Index (ASPI)	50	50	50
		Maintain a positive reputation with all stakeholders	Reputation Index	65%	70%	70%
		Increase customer service excellence across the network	Airport Service Quality (ASQ) Level	3,95	4,0	4,5
Natural		Reduce environmental impact	Carbon Accreditation	Maintain ACI Level 2 >=2 Airports Attain level 3 >=2 airports.	Maintain ACI Level 2 >=3 Airports Attain level 3 >=2 airports.	Maintain ACI Level 2 >=3 Airports Attain level 3 >=2 airports.

**LEGEND:**

- Financial Capital
- CAPEX
- Intellectual Capital
- Human Capital
- Social and Relationship Capital
- Natural Capital

### ALIGNMENT TO DEPARTMENTAL STRATEGIC FOCUS AREAS

ACSA’s strategic objectives and KPI’s give effect to the Department’s focus areas—particularly financial sustainability, safety and security, economic growth, transformation, environmental stewardship, and innovation—thereby reinforcing the company’s mandate as a critical enabler of South Africa’s aviation and economic ecosystem.

The Department of Transport’s strategic objectives establish the national policy direction for advancing a safe, reliable, integrated, and economically enabling transport system. Within this framework, ACSA aligns its strategic pillars and performance indicators to ensure that its operations, investments, and transformation efforts meaningfully contribute to these priorities.

Core Pillar	Strategic objective		Key performance indicator
	Strategic objective name	Definition	
Innovate, Grow and Sustain	Financial sustainability	Financial sustainability is the ability to weather unforeseen times of financial hardship such as COVID-19 and its impact.  Measures are designed to allow the Company to allocate resources to priorities or core activities to ensure long-term sustainability for stakeholders.	<ul style="list-style-type: none"> <li>• EBITDA</li> <li>• ROCE</li> <li>• Capex Allocation Target</li> </ul>
	Diversified the business portfolio	Growing our footprint not only includes expanding our geographic presence, but includes packaging innovative products and services towards diversifying our business portfolio as well as development of Mid-field Cargo	

Core Pillar		Strategic objective		Key performance indicator
Strategic objective name	Definition	Link to the Department of Transport mandate		
Increase our reputation through demonstrated business excellence.	Increasing our reputation is securing an emotional bond that ensures people use our airports, buy our products and services, our investors support us, policymakers and regulators give us benefit of the doubt and our employees are aligned and deliver on our strategy. Concerted effort to ensure passenger safety at our airports. Benchmarked and aligned with international standards, the focus of the current initiatives is to prioritise the passenger satisfaction drivers, which include infrastructure improvements, security processes, technological enhancements to ease passenger facilitation, wellness, cleanliness, and sanitation to create confidence, loyalty and enhance the overall customer experience.	<ul style="list-style-type: none"> <li>Safety and security</li> <li>Seamless integration of public transport across modes</li> </ul>	<ul style="list-style-type: none"> <li>Reputation index</li> <li>Security Index</li> </ul>	
Innovate, Grow and Sustain	Reduce environmental impact	<ul style="list-style-type: none"> <li>Just Energy Transition</li> </ul>	<ul style="list-style-type: none"> <li>ACI Carbon Accreditation Footprint level</li> </ul>	
Innovate, Grow and Sustain	Transform ACSA business Empower designated groups so that they can harness better work opportunities (attract, develop, and retain) Socially responsible business in South Africa	<ul style="list-style-type: none"> <li>Economic growth and job creation</li> <li>Accelerating transformation towards greater economic participation</li> </ul>	<ul style="list-style-type: none"> <li>B-BBEE level</li> <li>% Black business share of Commercial Revenue generated</li> <li># of job opportunities created</li> <li>Labour Productivity Index</li> </ul>	
Innovate, Grow and Sustain	Smart Airport Effectiveness and outcomes of innovation initiatives in driving organizational growth, operational efficiency, and customer satisfaction. Index serves as a holistic measure to track progress, assess the return on innovation	<ul style="list-style-type: none"> <li>Economic growth and job creation</li> <li>Acceleration of transformation for greater economic participation of SMMEs</li> </ul>	<ul style="list-style-type: none"> <li>Innovation Impact Index</li> <li>% implementation of optimisation</li> </ul>	

Core Pillar	Strategic objective		Key performance indicator
	Strategic objective name	Definition	
		investments, and align them with strategic objectives.	and digitalisation of airport operations and customer facing platforms enhancements and integrations for enterprise resource planning and management platforms
	Business digitisation	Rapid advances in technology represent a competitive threat and opportunity. Technology heightens the threat of business disruption and cyber-crime. Enables our airports to improve operational efficiency and management of safety and security. Allows ACSA to increase demand by our customers and commercial partners for automated services and digital enablement, including data analysis.	
	People and culture	ACSA is committed to attracting and retaining key talent through the effective management of employment equity, focusing on people with disabilities, youth development, improving the lives of our employees and ensuring a stable employee relations environment.	
	Knowledge management and innovation	To cultivate a culture of innovation and lead the way in innovative thinking and creative problem-solving. The creation and enablement of an environment to experiment with creative and innovative ideas to deliver sustainable business outcomes.	
	Supply chain management	To enhance corporate and operational supply chain processes in line with best practice in a manner that facilitates the development and management of world-class airports	

**KEY PERFORMANCE INDICATOR INFORMATION FOR THE PERIOD FY2026/27- FY2028/29**

Core pillar	Strategic objective	Key performance indicator	Baseline				
			FY 2024/25 (Audited)	Baseline (FY 2025/26) (Target)	FY 2026/27	FY 2027/28	FY 2028/29
Innovate Grow and Sustain	Financial sustainability and Asset Creation	KPI name	EBITDA	R 2 907m	R 3 306m	R 3 995m	R 4 541m
		KPI definition	Company Earnings before interest, taxes, depreciation, and amortisation				
		KPI formula	EBITDA target is considered achieved when actual performance reaches or exceeds target				
		KPI name	ROCE				
		KPI definition	Return on Capital Employed - ROCE is a key performance measure because it focuses on the relationship between the inputs and outputs of the business.	5.7%	6.3%	7.6%	5.9%
		KPI formula	ROCE = Earnings Before Interest and Tax (EBIT)/ Capital Employed	N/A			
		KPI name	Capital Expenditure (CAPEX)				
		KPI definition	Targeted capital expenditure	R 850m	R 1 291m	R 6 382m	R 11 915m
		KPI formula	The CAPEX target is considered achieved when actual performance reaches or exceeds target				
		KPI name	Aeronautical revenue				
		KPI definition	Revenue derived from aeronautical activities (landing, passenger fees, and parking fees)	R 4 061m	R 5 285m	R 5 718m	R 6 178m

Core pillar	Strategic objective	Key performance indicator	Baseline					
			FY 2024/25 (Audited)	(FY 2025/26) (Target)	FY 2026/27	FY 2027/28	FY 2028/29	
Innovate Grow and Sustain		KPI formula						
		KPI name	Revenue from departing passengers and air traffic movements					
		KPI definition	Non-aeronautical revenue					
		KPI formula	Commercial revenue that includes retail, advertising, car rental, car parking, property, consultancy and advisory, training and IT revenues earned					
		KPI name	Non-aeronautical revenue target is considered achieved when actual performance reaches or exceeds target					
		KPI definition	Cargo Throughput	R3 636m	R 3 818m	R4 263m	R4 668m	R5 077m
		KPI formula	Total annual volume of cargo handled across ACSA network of airports, including freight, mail, and express parcels, reflecting ACSA's role in supporting logistics and trade					
		KPI name	Cargo declared by airlines					
		KPI definition	Reputation index	New KPI	520 000 Metric Tonnes	548 278 Metric tonnes	649 638 Metric tonnes	757 911 Metric tonnes
		KPI formula	Reputation Index Measure comprises of the perceptions and the degree to which stakeholders admire, trust, respect and have an overall good feeling towards the Company.	61.5% Reputation Index Survey	60% Reputation Index Survey	65% Reputation index survey	70% Reputation index survey	70% Reputation index survey

Core pillar	Strategic objective	Key performance indicator	Baseline FY 2024/25 (Audited)	Baseline (FY 2025/26) (Target)	FY 2026/27	FY 2027/28	FY 2028/29
Innovate Grow and Sustain	Increase reputation.	KPI formula	Reputation survey data is captured in the RepTrak® Pulse, and an outcome score from 0–100, with 100 being the best, is computed. Every second year of the measure will be based on a peer review of the Company				
		KPI name	ASQ Index				
		KPI definition	Indicator illustrates the passenger view and assessment of our airports' delivery of airport customer-focused services. This indicator is derived from the independent and approved ASQ programme managed by ACI.				
		KPI formula	ASQ survey covers thirty-four service areas clustered across the following categories access, airline service, security, finding your way, airport facilities, airport environment and airport arrivals services. ASQ survey findings are administered by an external firm on behalf of ACI. Scoring scale: 1–5 with one being poor and five being excellent. The Group ASQ score takes an average of the nine airports ASQ scores.	3,92	3,74	3,95	4,0
Innovate Grow		KPI name	Efficiency Factor	1,7%	1,5%	2,75%	2,75%

Core pillar	Strategic objective	Key performance indicator			Baseline FY (Audited)	Baseline (FY 2025/26) (Target)	FY 2026/27	FY 2027/28	FY 2028/29
		KPI definition	KPI formula	KPI name					
and Sustain		Efficiency factor serves as an evaluation of the Company's ability to optimize revenue generation while managing costs.	Efficiency Index and Financial Outputs	Airport Security Performance Index (ASPI)					
		KPI definition		ASPI is a comprehensive metric designed to monitor and improve the effectiveness of security measures and protocols at the airport. It ensures alignment with international standards, fosters a secure environment for passengers and staff, and mitigates risks.	N/A	50	50	50	50
		KPI definition		Aggregates critical security performance indicators, such as incident response times, compliance with regulatory audits, detection efficiency, and passenger/staff safety metrics. This holistic index provides insights into operational risks and the effectiveness of preventive measures.					

Core pillar	Strategic objective	Key performance indicator	Baseline FY 2024/25 (Audited)	Baseline (FY 2025/26) (Target)	FY 2026/27	FY 2027/28	FY 2028/29
Innovate Grow and Sustain	Increase reputation.	KPI formula	ASPI target is considered achieved when the actual performance reaches or exceeds an index of 50  ASPI will be calculated using a weighted scoring system based on the following metrics (weight): <ul style="list-style-type: none"> <li>Security Incident Rate - Number of security breaches or threats per 1,000 passengers. (30%)</li> <li>Compliance Rate - Percentage of successful audits or inspections against ICAO and local regulatory standards. (35%)</li> <li>Staff Training Completion - Percentage of security personnel with up-to-date training certificates. (35%)</li> </ul>				
		KPI name		B-BBEE level			
Innovate Grow	KPI definition		Level 2	Level 1	Level 1	Level 1	Level 1
			Company's B-BBEE recognition level is based on a public-sector scorecard framework which reflects the Company's contribution to broad-based Black economic empowerment.  NB: The set targets are subjected to <u>change when the amended Integrated</u>				

Core pillar	Strategic objective	Key performance indicator	Baseline FY 2024/25 (Audited)	Baseline (FY 2025/26) (Target)	FY 2026/27	FY 2027/28	FY 2028/29	
and Sustain	Transform ACSA business	<p><u>Transport Sector Codes</u> are promulgated by the DTI Minister. <u>B-BBEE level targets</u> as the amended codes are still in the process of review. ACSA is using the old targets</p>						
		KPI formula						
		KPI name	% Black business share of commercial revenue generated					
		KPI definition	Indicator informs stakeholders of the Company's intent to further Black business entrepreneurship through increasing the share of commercial revenue opportunities awarded to Black businesses.					
		KPI formula	<p>Commercial revenue to Black business X 100) / (Total commercial revenue generated)</p> <p>Where "Black business" is defined as one where the Company has &gt;51% Black management control and ownership. And commercial revenue is defined as revenue generated from revenue-sharing models, i.e. – retail, car hire/rental, and advertising.</p>	68%	60%	60%	60%	60%

Core pillar	Strategic objective	Key performance indicator				Baseline FY 2024/25 (Audited)	Baseline (FY 2025/26) (Target)	FY 2026/27	FY 2027/28	FY 2028/29
		KPI name	# of Job opportunities created	KPI definition	KPI formula	23 959	18 705	29 656	51 535	76 389
Innovate Grow and Sustain	Transform ACSA business	KPI name	# of Job opportunities created	Measure indicates number of job opportunities created by the Company.						
		KPI definition	The # of Job opportunities calculated using direct jobs through CAPEX and OPEX spend including employee costs and indirect jobs SED, procurement etc.							
		KPI formula	Labour Productivity Index							
		KPI name	Measures workforce cost efficiency and capacity sustainability to support strategic decisions on affordability, resourcing, and workforce optimisation.							
		KPI definition	<b>Strategic value:</b> Enables leadership to evaluate affordability and scalability of the workforce model, identify structural cost pressures early, and support decisions on workforce planning, resourcing, automation, and cost containment without undermining capability and employee engagement.		New KPI	New KPI	3,2	3,3	3,5	
		KPI formula	[Workforce Cost to Revenue x 70% + Absenteeism Rate x 5% + Capability							

Core pillar	Strategic objective	Key performance indicator	Baseline FY 2024/25 (Audited)	Baseline (FY 2025/26) (Target)	FY 2026/27	FY 2027/28	FY 2028/29
		Programme Coverage x 15% + Organisational Vacancy Rate x 10%]4					
		KPI name					
		KPI definition					
	Smart Airport		N/A	30	30	40	40
Innovate Grow and Sustain		KPI formula					
		KPI name					
		KPI definition					
	Smart Airport		New KPI	New KPI	60	80	>80

Core pillar	Strategic objective	Key performance indicator		Baseline FY 2024/25 (Audited)	Baseline (FY 2025/26) (Target)	FY 2026/27	FY 2027/28	FY 2028/29
Innovate Grow and Sustain	Reduce environmental impact	customer facing platforms and enterprise business capabilities	KPI formula	ACI Carbon Accreditation Level				
		KPI definition	Assessment and recognition of our airports' efforts to manage and reduce our CO <sub>2</sub> emissions.	Maintain ACI level 2 accreditation for O.R Tambo, Cape Town and Chief Dawid Stuurman international airports and attain level 3 for King Shaka International Airport	Maintain ACI Level 2 Certification for at least 2 Airports and attain level 3 for at least one airport	Maintain ACI Level 2 Certification for at least 2 Airports and attain level 3 for at least two airports.	Maintain ACI Level 2 Certification for at least 3 Airports and attain level 3 for at least two airports.	
								KPI formula

### QUARTERLY PERFORMANCE INFORMATION FOR THE PERIOD FY2026/27

Core pillar	Strategic objective	Key performance indicator	Q1	Q2	Q3	Q4
Innovate, Grow and Sustain	Financial Sustainability	EBITDA (Cumulative)	R826m	R1653m	R2480m	R3306m
		ROCE	6.3%	6.3%	6.3%	6.3%
	Diversify the business portfolio	Capital Expenditure (CAPEX) (Cumulative)	R253m	R528m	R821m	R1 291m
		Aeronautical revenue (Cumulative)	R1321m	R2642m	R3963m	R5285m
Innovate, Grow and Sustain	Increase reputation	Non-aeronautical revenue (Cumulative)	R1066m	R2132m	R3198m	R4263m
		Cargo Throughput (Cumulative in Metrics Tonnes) <b>(ANNUAL)</b>				548 278 Metric Tonnes
		Reputation index <b>(ANNUAL)</b>				65% Reputation index survey
		ASQ Index	3,95	3,95	3,95	3,95
Innovate, Grow and Sustain	Transform ACSA business	Efficiency Factor	2,75%	2,75%	2,75%	2,75%
		Airport Security Performance Index (ASPI)	50	50	50	50
		B-BBEE Level <b>(ANNUAL)</b>				Level 1
		% Black business share of commercial revenue generated	60%	60%	60%	60%
		# of job opportunities created (Cumulative)	9573	15 904	22547	29 656

Innovate, Grow and Sustain	Reduce environmental impact	ACI Carbon Accreditation Footprint Level <b>(ANNUAL)</b>	Fully digitise airport operations, customer- facing and enterprise support business capabilities <b>(ANNUAL)</b>	Labour Productivity Index <b>(ANNUAL)</b>				3,2
				Innovation Impact Index <b>(ANNUAL)</b>				30
								60%
								Maintain ACI Level 2 Certification for at least 2 Airports and attain level 3 for at least one airport

### SHAREHOLDER MANDATE KPI

OUTPUT INDICATOR	FY2026/27	FY2027/28	FY2028/29	FY2029/30
Cargo throughput	548 278 Metric Tonnes	649 638 Metric Tonnes	757 911 Metric Tonnes	1 239 071 metric tonnes exceeding the shareholders target of 1,2 million Metric Tonnes
Cargo capacity across the ACSA network	1 082 730 Metric Tonnes	1 082 730 Metric Tonnes	1 082 730 Metric Tonnes	1 457 730 Metric Tonnes
Passenger capacity across the ACSA network	54 million	54 million	54 million	63 million

Passenger throughput	37 million	38 million	41 million	42 million
ROCE	6.3%	7.6%	5.9%	
Internationally benchmarked - customer experience (ASQ)	3,95	4,0	4,0	4.0
# of severe and major SACAA safety audit findings (including Apron Operations, ARFF, QMS, Civil & Electrical)	60	60	50	40
# of Level 1 security audit findings, SACAA, TSA, FAA, ICAO	0 Level 1 repeat findings	0 Level 1 repeat findings	0 Level 1 repeat findings	0 Level 1 repeat findings











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