



North Queensland Airports Group Modern Slavery Statement

For the Financial Year ended 30 June 2023

Message from Our Board of Directors

The North Queensland Airports Group (NQA) is comprised of Cairns Airport, Mackay Airport, and the Mackay Airport IBIS Hotel. They collectively welcome over five million passengers each year, from both domestic and international destinations. Our airports service a range of carriers from major international and domestic airlines through to general aviation charter operators.

Our Board, shareholders and management teams are supportive of the *Modern Slavery Act 2018 (Cth) (Act)* and we are committed to addressing, managing and combatting the risks of modern slavery within our business and supply chains. We understand that modern slavery can occur in many forms such as forced labour, child labour, domestic servitude, sex trafficking, workplace abuse and human trafficking. Over the past three years, NQA has implemented several phases of work and activities that have enhanced and improved our approach to modern slavery. This has included developing and updating our policies to recognise and mitigate the risk of modern slavery, providing training to increase knowledge of modern slavery risk across our employee base and engaging with suppliers to enable the declaration and mitigation of possible modern slavery risks within their supply chain.

This is NQA's third annual modern slavery statement, submitted in accordance with section 13 of the Act for all applicable reporting entities in the NQA Group of Companies. In light of the current review of the Australian Modern Slavery Act, NQA welcomes any further changes or reform to the legislation. As a significant employer in far North Queensland, NQA is proud of its local community, its people and its partners. We are committed to ensuring that we identify, mitigate and eradicate any form of modern slavery in our operations or supply chain and we encourage our suppliers, customers, and partners to commence their own modern slavery journeys. In this way, we continue to demonstrate and live up to our core business values, of Caring Always, Strengthening the Community, Doing the Right Thing, Thinking Ahead, Creating Value and Safety Every day.

A handwritten signature in black ink, appearing to read 'Richard Barker', is positioned above the printed name.

Richard Barker

in his capacity as CEO, Cairns and Mackay Airports and responsible member of the Responsible Entities [Role]

Approved by the Boards of the NQA No 1 Entities Group (Comprising CAPT, MAPT and MAHT) on: **18 December 2023**

Approved by the Boards of the NQA No 2 Entities Group (Comprising CAPL, MAPL and MAPL Hotel) on: **18 December 2023**

Reporting Entity

In alignment to the requirements of the Modern Slavery Act (2018) (“the Act”), North Queensland NQA No 1 (Mackay) Pty Limited (ABN 134 137 312) and NQA No 2 Airports No. 2 (Mackay) Pty Limited (ABN 83 134 137 358) (“North Queensland Airports Group”) is publishing this statement to outline our position, actions and approach to modern slavery risk within our value chain.

The Act requires entities over the \$100 million annual consolidated revenue threshold that are either classed as an Australian entity or a foreign entity carrying on business in Australia during the reporting period to publish a statement on their actions taken to identify and manage modern slavery risk.

This statement covers the reporting period from 1 July 2022 to 30 June 2023 and was:

- approved by the Boards of the NQA No 1 Entities Group (Comprising CAPT, MAPT and MAHT) on **18 December 2023**
- approved by the Boards of the NQA No 2 Entities Group (Comprising CAPL, MAPL and MAPL Hotel) on **18 December 2023**

Structure, Operations & Supply Chains

Structure & Operations

The North Queensland Airports Group is comprised of Cairns Airport, Mackay Airport and Mackay Airport Hotel and Trustee Companies of CAPT, MAPT and MAHT. The North Queensland Airports Group is privately owned and held by a consortium of shareholders which include: IIF Cairns Mackay Investment Ltd (IIF) (which is managed by JP Morgan Asset Management), TIF Airports Pty Ltd as trustee of the TIF Airports Trust (TIF) (which is managed by Gardior Pty Ltd) and Perron Airports Holdings Pty Ltd (Perron).

Cairns Airport

Cairns Airport is one of Australia’s leading regional airports, providing air links regionally, domestically, and internationally. Situated at the gateway to Cape York and the Torres Strait Islands, Tablelands and Cassowary Coast, Cairns Airport is widely recognised as one of the most significant economic drivers in the region. Cairns is one of Australia’s most aviation-dependent communities, with more than three times as many passenger movements per resident than that of capital cities.

Mackay Airport

Mackay Airport sits at the heart of the Central Queensland resource centre adjacent to the Whitsundays tourist destination. Mackay Airport welcomes more than 850,000 passengers each year, with more than 70 flights arriving and departing each week.

Mackay Airport Hotel (Ibis Mackay)

Mackay Airport Hotel is owned by the MAPL Hotel Ltd entity and operated by the hotel manager Accor. It is located next to the terminal and offers 152 rooms with a 24-hour reception service.

NQA directly employs 121 employees across the two airports and the Mackay Airport Hotel employs 38. Of these, 2.48% identify as Aboriginal or Torres Strait Islander and 5% are from non-English speaking backgrounds.

Across our two airports and hotel, NQA employees undertake the following core business activities:

- Aviation services and facilities;
- Ground transport services and facilities;
- Airport food, beverage and retail offerings;
- Commercial and Property Leases for offices, industrial precincts, aviation related hangars and parking, storage facilities and in-terminal leased areas;
- Airport infrastructure development and property maintenance; and
- Airport hotel and accommodation services.

Supply Chain

NQA engages more than 500 Tier 1 suppliers, to provide a range of services, goods, works, plant and equipment, and material to support our operations. 97% of our Tier 1 suppliers are based in Australia.

Procurement is conducted through our corporate entities (**Figure 1**), detailed below:

Figure 1. NQA Procurement activities

Entity	Procurement
Cairns Airport Pty Ltd	Engages contractors, suppliers, and service providers to provide goods and services.
Cairns Airport Property Holding Pty Ltd ATF	Engages contractors and consultants to provide capital works, plant and equipment.
Mackay Airport Pty Ltd	Engages contractors, suppliers, and service providers to provide goods and services
Mackay Airport Property Holding Pty Ltd ATF	Engages contractors and consultants to provide capital works, plant, and equipment
Mackay Airport Hotel Pty Ltd	Acquires hotel related goods and services.
Mackay Airport Property Holding (Hotel) Pty Ltd	Acquires hotel related capital works, equipment, and plant.

Through conducting an initial supplier risk assessment in 2021, NQA was able to understand the profile of our Tier 1 suppliers. The majority of NQA's Top 20 Tier 1 suppliers are Queensland based companies. These suppliers account for 61% of our overall procurement spend.

Based on procurement spend, we have identified that our Tier 1 suppliers are predominantly from the following sectors:

- Security, cleaning, and other airport support services (including car parking management and bussing);
- Construction and infrastructure services;
- Products, materials and equipment and specialised parts for baggage handling systems, aerobridges and other specialised airport equipment and machinery;
- Hotel and hospitality services;
- IT hardware and software; and
- Other low value procurement items (covering safety uniforms, company t-shirts and office consumables).

NQA is taking the necessary steps to address risks within our supply chain and plans to conduct deep dives into our higher risk suppliers in the next financial year.

Modern Slavery

Operations

NQA acknowledges the potential presence of modern slavery risk within our value chain, and the devastating impact it can have on our global society. The infringement of human rights is an issue that affects all organisations, and a collective solution is required.

Given we are a regional gateway to the Asia-Pacific region, we acknowledge the potential of modern slavery and human rights risks in our airport terminals, particularly in the form of human trafficking. Training of our front-line staff to recognise and report potential signs of human trafficking in the Airport is essential to mitigating this risk. Our staff are aware of the Pacific Australian Labour Mobility (PALM) scheme, where approximately 480 labour workers including seasonal workers from the Asia-Pacific region pass through our terminals, as well as the associated risk of worker exploitation and modern slavery within the agriculture sector. We also maintain a close partnership with the AFP and the Queensland Police to manage and report any criminal activities in our airports.

In FY22, we finalised our 3-year Enterprise Agreements (EA) with our employees in Cairns and Mackay Airport. Mackay Airport Hotel is covered under a separate award. The EAs cover all our workforce except for the leadership team, who are covered under common law contracts. We ensure that we are paying our employees fairly and in accordance with their legal entitlements. Our EAs are negotiated with our employees, union representatives and employer representatives.

Supply Chain

NQA acknowledges the potential presence of modern slavery risk within our entire value chain and the negative impact it can have upon our global society. Given the varied nature of our core business activities, NQA is aware that modern slavery risk has potential to impact several aspects of our supply chain.

We recognise that the sectors in which our tier 1 suppliers operate may carry certain modern slavery risks. For example, hotel and hospitality services, airport support services, construction and infrastructure services and IT services may carry risks relating to labour hire, with a higher likelihood of a migrant based, lower socioeconomically diverse and/or casualised workforce employed.

Further, the manufacture of equipment used in hotel and hospitality services, airport support services, construction and infrastructure services and IT services has been linked with high modern slavery risk, relating to forced labour both in the extraction of raw materials and manufacture of material goods. The manufacture of textiles and commercial supplies identified in the low value procurement items sector has also been historically associated with a higher risk of forced labour. As 97% of NQA's Tier 1 suppliers are based in Australia, there is a presumed lower associated risk within our Tier 1 supply chain.

NQA has several controls in place to actively manage and mitigate modern slavery risks in our supply chain. To advance the management of modern slavery risk in our supply chains we work to employ suppliers that have demonstrated a commitment to managing and reporting risks of modern slavery. This is facilitated by an annual modern slavery questionnaire for suppliers. These controls allow for regular supplier engagement, which gives us targeted insight into the potential modern slavery risks, impacts and dependencies in the supply chains of our top suppliers. This process is supplemented by a declaration process for suppliers, alongside Modern Slavery specific policies, a Supplier Code of Conduct and a Whistleblower policy that suppliers can use to raise potential modern slavery risk related issues. In FY23, NQA worked to further understand the risks in our supply chain by seeking greater understanding of the supplier base and spend profile for our hotel managed through Accor.

In FY23, NQA did not identify or receive any notification of instances or allegations of modern slavery risk in our supply chains or operations. However, we recognise that our knowledge, practices and due diligence in these areas must be continuously evolving, in tandem with the nature of these areas to be constantly evolving. Accordingly, we continue to remain vigilant to the risks that exist in our operations and supply chain, given we are a gateway and significant regional port for trade, the movement of people, tourism and economic activity.

Policies & Governance

We are committed to high standards of corporate governance to ensure NQA remains both successful and sustainable. Our Boards and Committees provide strategic direction, vision, and leadership to implement these standards across all levels of our company. Our Audit and Risk Committee bears oversight of modern slavery risks on behalf of the Board. Our senior executive team is focused on working collaboratively with our suppliers to ensure that NQA's expectations and standards are understood, and to minimise potential exposures to modern slavery. In FY23, NQA's cross functional modern slavery working group had their first kick-off meeting. This working group is comprised of representation from legal, ICT, infrastructure, construction, operations, and ground transport committees, and meets quarterly.

NQA has several policies and procedures in place to support the management and ongoing monitoring of modern slavery risks. This includes a modern slavery framework, which outlines the key actions, deliverables, and accountabilities of NQA in relation to modern slavery. This framework is supported by the following policies, that provide ethical standards and outline our commitment to mitigating modern slavery risk:

- Supplier Code of Conduct
- Procurement Policy
- Enterprise Risk Management Framework
- Risk Appetite Protocol, and
- Whistleblower Policy.

In FY23, NQA benchmarked our performance against other peer airports and prepared the NQA Modern Slavery Improvement Action Plan, describing our actions for mitigating any identified modern slavery risks.

Reporting and Remediation

We maintain a confidential process where employees, suppliers, customers, and any other stakeholder can report instances of actual or suspected unethical or unlawful conduct. Our Whistleblower Policy describes steps for reporting any suspected or actual conduct which may be fraudulent, corrupt, illegal, or criminal in any way, according to our Speak Up policy.

Training and Awareness

Improving awareness is a critical step in identifying and addressing modern slavery risk. In FY23, NQA implemented in house training, lunch and learns and regular staff awareness sessions regarding the obligations of the Modern Slavery Act 2018 and how NQA can comply.

Effectiveness of Actions

We recognise that reviewing and assessing our actions to identify and address our modern slavery risks in our operations and across our supply chain will be an ongoing and evolving process that we are committed to continue to build upon.

We monitor the performance and effectiveness of our modern slavery actions, policies, and processes, on our biggest Tier 1 suppliers, to ensure there is continuous improvement and progress within the space. We have an Executive who champions and sponsors the integration of modern slavery risk within the wider business. We have further implemented a Modern Slavery Working Group, to enable accountability for modern slavery related activities across our business.

We have identified priority actions to undertake in the next financial year to support progress, change and impact in the organisation.

These include incorporating a procurement and modern slavery approach in our internal audit program, implementing a supplier engagement program, and engaging an external firm to undertake deep dives into high-risk suppliers and update our Modern Slavery Framework and Risk Management Approach. We will continually assess the effectiveness of these processes by tracking our actions and outcomes, partnering with suppliers and other external partners, and undertaking regular internal governance and external assurance processes. The results of these priority actions will allow us to adapt and strengthen our processes and to continuously improve our response to modern slavery.

Our Future Initiatives, Impact and Change

NQA is committed to minimising, mitigating, and eradicating the risk of modern slavery and human rights violations from within our operations and supply chain. We will continue to build on the work completed during this reporting year and further progress our actions.

In FY24, NQA will focus on the following actions:

Supplier Engagement & Deep Dives

NQA will implement a supplier engagement program, engaging selected high-risk suppliers through our Modern Slavery Questionnaire to gain insights into their supply chain and operational risks. We aim to expand our supplier questionnaire to further cover compliance obligations, policies and contracts, response mechanisms, training due diligence processes, and audits. This will enable NQA to undertake deep dives into our higher-risk suppliers, to understand how their supply chain and operational risks may impact NQA.

In FY23, NQA have included a request for evidence of responsible and ethical management of supply chain as part of all major Requests for Tender. Responses are evaluated as part of the tender evaluation process.

We also aim to review and implement a centralised supplier management system to collate procurement data and insights into our supplier base, to aid risk assessments.

Modern Slavery Framework and Risk Management Approach

NQA will continue to review and update our risk management approach to modern slavery, including updating our human rights policy and commitments, our Modern Slavery framework, our targeted modern slavery actions, our remediation mechanisms, and our supply chain grievance mechanisms. In FY24, we will engage an external Whistleblower service provider (Your Call) to launch and establish an external hotline and amend our Whistleblower policy.

We will also incorporate modern slavery into our internal audit program, for audit processes to be undertaken in FY25. This will aid NQA to consider more explicit references and explanations with respect to identifying, investigating, and addressing modern slavery risks and to enable our stakeholders to report instances of actual or suspected unethical or unlawful conduct without fear of recrimination or reprisals.

Resourcing and Awareness Raising

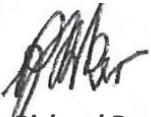
NQA will be engaging a third party provider to support with the implementation of modern slavery actions, in order to address a resourcing gap identified in FY23 and enable momentum and progress in the action areas. This will be supplemented with awareness raising and training undertaken with law enforcement agencies, human rights agencies, and staff. We also aim to increase our knowledge regarding human trafficking in the airport industry, through training sessions, engagement with other industry peers and increasing our partnership with the AFP.

Approval

This statement was approved by the Boards of Directors of each of these entities (altogether, Boards of NQA).

Signed for and on behalf of North Queensland Airports No.2 (Mackay) Pty Ltd and related companies North Queensland Airports No. 1 (Mackay) Pty Ltd and related sub-trustee companies under Delegated Authority by the Boards of Directors of each of these entities (altogether, Boards of NQA):

Richard Barker, Chief Executive Officer of Cairns Airport and Mackay Airport, under delegation of the Boards of NQA.

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Richard Barker

Chief Executive Officer

North Queensland Airports No.2 (Mackay) Pty Ltd

North Queensland Airports No.1 (Mackay) Pty Ltd