

NQA MODERN SLAVERY STATEMENT – FY20

1. INTRODUCTION

North Queensland Airports (**NQA**) which operates Cairns Airport, Mackay Airport and Mackay Hotel is a significant contributor to the local economy and major destination gateway to the Great Barrier Reef and Daintree Rainforest.

The Board, investors and management team at NQA are committed to addressing and combatting the risks of modern slavery in our business and procurement supply chains and to implement actions to address those risks wherever possible.

NQA supports the Aims of the *Modern Slavery Act 2018(Cth)* (**Act**).

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. As a significant employer in the region, NQA is proud of its local community, its people and its partners and wishes to ensure that its contributions continue to be a positive one and that no person is put at harm or risk of modern slavery either directly or indirectly through its operations or supply chain.

We also recognise that the Airport is well placed through its ongoing partnership with the Australian Federal Police, to support community initiatives and awareness campaigns regarding this issue.

This is NQA's first modern slavery statement for the financial year ending 30 June 2020 and is made pursuant to section 13 of the Act.

2. OUR STRUCTURE AND OPERATIONS

NQA which operates Cairns and Mackay Airports has a 99-year lease with a subsidiary of the Qld Treasury. The NQA Group owns and operates Cairns Airport, Mackay Airport and Mackay Airport Hotel (operated by Accor Group) and comprises of 12 group company entities. NQA is a dynamic player in the aviation industry.

Cairns Airport

Cairns Airport is one of Australia's leading regional airports, providing air links to a range of domestic and international locations. It is the gateway to World Heritage Great Barrier Reef and Tropical Rainforests of North Queensland and is just 7 kilometres from the Cairns CBD.

Pre-COVID, Cairns was the seventh busiest Airport and was on track to receiving over 5 million passengers each year. There were direct domestic flights to Brisbane, Gold Coast, Sydney, Melbourne, Adelaide, Perth, Darwin, Townsville and Toowoomba as well as to Alice Springs, Ayers Rock (Uluru) and regional centres across North Queensland as well as to international destinations including Japan, China, Singapore and Papua New Guinea.

Mackay Airport

Mackay Airport is located in central Queensland, servicing tourism to the Whitsunday region and is a hub for travel to the Bowen coal basin and beyond. Mackay Airport operates from a single terminal building and before COVID-19 in 2020, processed nearly 900,000 passengers per year.

Broadly, the Airport group's core business activities include:

- Aviation related activities – provision of services to airlines for facilitating aircraft, passenger and freight movements
- Ground transport – car parking, car rental, passenger pick-up services
- Retail – F&B, duty free and other specialty stores in terminal areas
- Property leases and tenancies for office space, lounges, storage areas and available space at the General Aviation precinct
- Construction, facilities management and property development -capex and opex projects to maintain, build, refurbish or upgrade existing or new assets and infrastructure
- Hotel business –owned by NQA but managed and operated by Accor Group

The Airports are required to submit a Land Use Plan. Information on the Plans can be found on the link here:

<https://www.cairnsairport.com.au/business/development-opportunities/land-use-plan/>
<https://www.mackayairport.com.au/business/development-opportunities/land-use-plan/>

NQA is wholly owned by a consortium of long-term infrastructure investors comprised of IIF, TIF and Perron Group.

OUR MISSION	Our customers arrive excited and depart delighted
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OUR VISION	Amazing memories for travellers, growth for our communities and returns for our shareholders
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OUR VALUES	<i>Integrity:</i> We always act responsibly and honestly
	<i>Achievement:</i> Through our work we deliver positive, sustainable results
	<i>Care:</i> We provide a positive customer experience and look after the safety and security of all airport users
	<i>Collaboration:</i> We respect everyone we are in contact with and work together to achieve our goals

3. POLICY FRAMEWORK

As a gateway to international and domestic routes, and the destination to world heritage rainforest and the great barrier reef, we recognise the importance of our corporate social responsibility which includes respecting human rights and protecting the rights of people including our employees, customers and the communities in which we operate, including those who may be impacted by our activities and those within our supply chains.

Our approach to managing modern slavery risks falls within our overall approach to protecting and upholding human rights. We have developed a **modern slavery framework and related policies as foundational documents for protecting of human rights.**

The framework, as well as the Code of Conduct and Procurement policy outlines our expectations of behaviour as well as standards of personal and corporate conduct. These documents also outline clear requirements and expectations on the identification and management of issues associated with modern slavery within NQA's operations and our supply chains.

4. GOVERNANCE

Good governance is a cornerstone to the Airports' long-term success and sustainability. The Boards' Audit and Risk Committee has oversight of this issue on behalf of the Boards. Our senior executive team is focussed on working collaboratively with our suppliers to ensure that NQA's expectations and standards are understood and to minimise potential exposures to modern slavery.

We are committed to high standards of corporate governance. NQA's Board and Committees provide strategic direction, vision and leadership to implement appropriate levels of governance across our company so that decisions and actions are based on transparency, integrity and value creation.

The following policies reflect NQA's ethics and values by providing guidance on the way we treat our employees, work with our customers and contribute to the communities in which we operate:

- Code of conduct
- Procurement policy
- Supplier code of conduct
- Whistleblower policy

5. OUR SUPPLIERS

We are committed to working with our suppliers to address modern slavery risks in our supply chain. We note that the majority (97%) of our third-party procurement for goods and services are based in Australia, with a considerable proportion within Qld.

We recognise, however, that we are in a global economy and this means that there may be indirect exposure to the risks of modern slavery through the goods and services that we procure from our third-party suppliers. We continue to work with our third-party suppliers to ascertain this risk.

By virtue of its diverse Airport business and operations, NQA directly engages, on average, 330 suppliers across Cairns Airport, Mackay Airport and Mackay Airport Hotel. We are committed to continuous improvement through maintaining responsible and transparent supply chains.

We recognise that responsible sourcing is essential to the responsible and long-term growth of our business.

Our responsible sourcing programme which is underpinned by our Procurement policy is premised on objectives including:

- Buying local and supporting the local economy, wherever possible
- Procure sustainably
- Requiring the use of local contractors and suppliers in significant infrastructure projects wherever possible
- Increasing procurement with Aboriginal and Torres Strait Island businesses
- Supporting and contributing to improvement in employment outcomes and opportunities for Aboriginal people and Torres Strait Island Peoples
- Supporting local job creation and development in Far North Queensland

We are further enhancing our responsible sourcing program by:

- Considering workplace policies and practices aimed at reducing and ending modern slavery practices as part of the procurement selection and evaluation criteria;
- Undertaking a comprehensive assessment of our top suppliers in key risk areas, to enable us to better understand our supply chain and the potential risks of modern slavery from our operations. The assessment includes a detailed questionnaire, a supplier declaration, and updates to our procurement documentation to enable us to pre-qualify and select partners which are aligned with our corporate values and standards of behaviour.

We have developed a Supplier Code of Conduct that sets out NQA's expectations for our supply chain and we will continue to make improvements to our due diligence processes for on-boarding suppliers. We aim to work collaboratively and proactively with our suppliers to contribute to meaningfully combatting the practice of modern slavery across our business and developing appropriate strategies and plans to combat it.

6. ASSESSMENT OF MODERN SLAVERY RISKS AND OUR APPROACH

We have taken a risk-based evaluation of our supply chain and the potential risks of modern slavery within our operations by segmenting our suppliers by spend, country, industry, product risk, entity risk on a desktop basis. From this we identified suppliers according to the following key risk categories by products and services as follows:

Products/services	Country	Industry	Key issues
Construction, maintenance activities	Aust	Construction	Labour rights and labour hire type issues, right to work in Aust
Business related services and professional services	Aust	Professional services Cleaning service, Security services Hospitality	Labour rights and labour hire type issues, right to work in Aust, health and safety, overseas supply chain in uniform manufacture
Plant, parts and equipment	Overseas	Construction Aviation Automation	Labour rights, health and safety, human rights, and governance in overseas supply chain of parts, equipment and components and other manufactured goods
Building materials	Aust (local supplier) + overseas	Construction	Labour rights, health and safety, human rights, overseas supply chain, other manufactured goods
IT products and services	Overseas	IT	Labour rights and health and safety in electronics and supply chain

We continue to work with our direct suppliers to understand the geographical risk of the extended supply chain.

7. DUE DILIGENCE PROCESSES AND TRAINING

Using our modern slavery framework, we are implementing/have implemented the following:

- Updating the procurement policy and code of conduct – update to outline the clear requirements and expectations on the identification and management of issues associated with modern slavery within NQA operations and supply chain
- Working with suppliers to ensure that NQA expectations and standards and potential exposures to modern slavery risks are understood. The Procurement Policy provides for:
 - Risk mitigation and compliance with regulatory requirements
 - A requirement for suppliers to act fairly, ethically and responsibly
- Management oversight in relation to employment contracting in accordance with applicable laws, awards
- Risk assessment of suppliers to MAPL, CAPL and MAPL Hotel and the Property Trusts – working with high risk suppliers and getting suppliers to self-assess their compliance with the Act and raising awareness about modern slavery
- Amending contracting and lease terms to include modern slavery compliance declaration and questionnaires

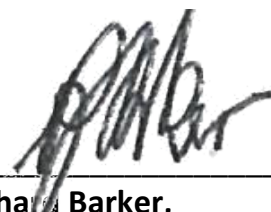
- Monitor and assess category of third-party procurement and spend for suppliers at risk to modern slavery
- Incorporate anti-modern slavery into policies and processes where relevant on a risk assessed basis
- Maintain whistle-blowing procedure so that concerns can be raised and addressed in a confidential manner
- Report commitments, policy, performance and action in tackling modern slavery to NQA's Audit & Risk Committee and the Boards
- CEO briefing to employees regarding NQA's commitment to preventing modern slavery and modern slavery statement
- All leadership roles and those personnel involved in procurement activities raised awareness of issue
- Internal audits of compliance to policies and procedures
- Providing compliance training from 2020-21 to all NQA employees that procure goods and services on behalf of NQA, which will include an overview of modern slavery, the forms that it can take, how to recognise the signs in the workplace and what employees and frontline workers can do if they suspect any incidents of slavery or human trafficking.

8. REPORTING

We will report on our approach annually at the end of each financial year, in accordance with the requirements of the Act and will include information about:

- Our business and the procurement supply chain;
- The due diligence process applied by NQA in sourcing its suppliers;
- The risk assessment methods and steps taken to manage the risks in both the business and the procurement supply chain;
- The effectiveness of ensuring that modern slavery is not taking place in any part of the business or its procurement supply chain;
- The adequacy of training arrangements to ensure that relevant staff have knowledge to fulfil their obligations.

**Signed for and on behalf of North Queensland
Airports No.2 (Mackay) Pty Ltd and
North Queensland Airports No. 1 (Mackay) Pty Ltd**



**Richard Barker,
CEO, Cairns Airport and Mackay
Airport**

DATE:

March 2021