

# North Queensland Airports

Modern Slavery Statement FY22



# Statement

*This is North Queensland Airport's modern slavery statement for the financial year ending 30 June 2022, pursuant to section 13 of the Modern Slavery Act 2018 (Cth) (Act)*

At the end of each financial year, and in accordance with the requirements of the Act, we have included 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 and appropriate skills 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 under Delegated Authority by the Boards of Directors of each of these entities (altogether, Boards of NQA).

Company Secretary under delegation of the Boards of NQA as minutes in the Boards duly held meeting convened on 9 December 2022







# About Us

The North Queensland Airports Group (**NQA**) owns and operates Cairns Airport, Mackay Airport and Mackay Hotel, and is a significant economic contributor to the regional economy in Far North Queensland. NQA provides critical infrastructure for trade and investment, movement of freight/local produce and business and leisure travel. The Airports support an eco-system of skills, jobs and employment opportunities for the local and regional community.

NQA is owned by a consortium of long-term institutional investors who are highly experienced in managing infrastructure assets and understand the importance of a well run airport infrastructure to the local and regional community.





# Our Commitment

Our Board, shareholders and management team support the aims of the *Modern Slavery Act 2018*(Cth) (**Act**) and are committed to addressing and combatting the risks of modern slavery in 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. 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.

The Airports are well placed through its ongoing partnership with the Australian Federal Police, to support community initiatives and awareness campaigns regarding this issue.



# Our Structure and Operations

*NQA 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 the gateway to the World Heritage Great Barrier Reef and Daintree Rainforest and is located in a region which is rich in its biodiversity, culture and history.

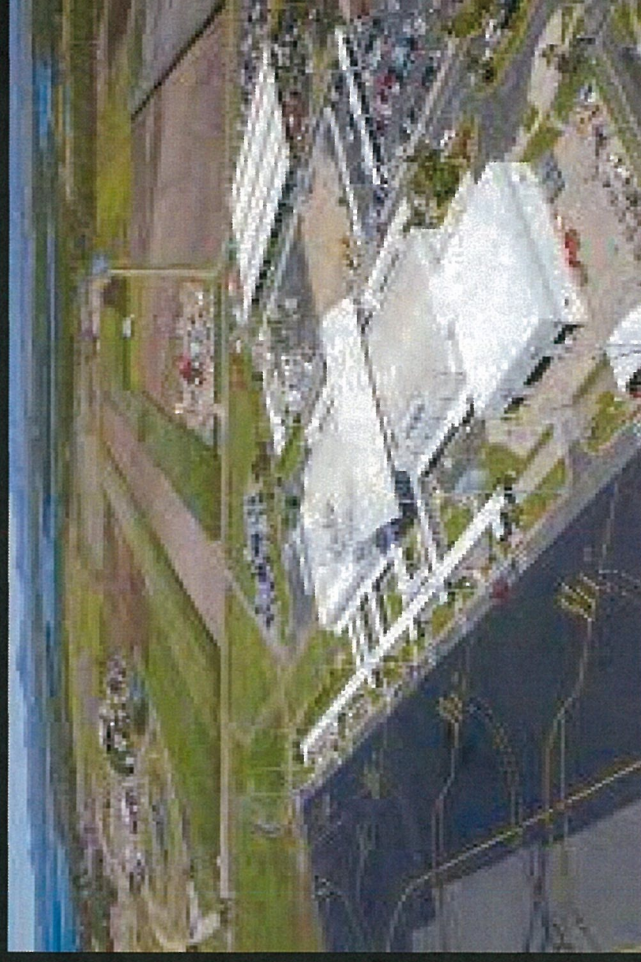
Pre-COVID, Cairns was the 7<sup>th</sup> busiest Airport and was on track to receive over 5 million passengers each year. We provide direct services to Brisbane, Gold Coast, Sydney, Melbourne, Adelaide, Perth, Darwin, Townsville and Toowoomba as well as to Alice Springs, Ayers Rock (Uluru) and other remote and regional centers across North and Far North Queensland. We also service flights to international destinations including Japan, China, Singapore and Papua New Guinea.

Cairns Airport is a significant GDP contributor to the Regional economy and enabler of critical and essential services to the Cape and remote communities. We continue to work with our airline partners and stakeholders to diversify, refresh and consolidate our network services and provide a world class customer experience to domestic and international travelers.



## Mackay Airport

Located in central Queensland, Mackay Airport provides 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.





# Core business activities

Broadly, the NQA core business activities include:

- Aviation services and facilities to assist the transport and movement of passengers, goods and livestock.
- Ground transport services and facilities including car parking, bus, limousine and other car rental options.
- Food, beverage and retail offering as part of the overall customer service experience when commuting through an Airport.
- Commercial and Property Leases for offices, industrial precincts, aviation related hangars and parking, storage facilities and in-terminal leased areas.
- Infrastructure development and property maintenance of airport assets and facilities.
- Hotel and accommodation services through the Mackay Airport Hotel (managed by Accor)



# Governance

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

We are committed to high standards of corporate governance. NQA's Boards 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.

We recognize the importance of our corporate social responsibility especially as it relates to:

- 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.





# Modern slavery framework

We use the Modern Slavery Framework to assist in the management and ongoing monitoring of our supplier's supply chain risks. The framework comprise of the following policies and procedures:

## Supplier Code of Conduct

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.

## Whistle-blower Policy

Provides our Speak Up policy, encourages reporting in anonymous fashion of suspected or actual conduct which may be fraudulent, corrupt, illegal or criminal in any way.

## Procurement Policy

Outlines the non-financial consideration/assessment for tender evaluation and procurement of suppliers.

## Supplier Engagement Programme

Documents how we will work with our Suppliers and our Programme of activities and improvement.

## Risk Management Systems

Provides a risk-based approach to the assessment of modern slavery risks in our supply chain and the process of documenting and reporting of those risks.





# Responsible Sourcing

Core to our Modern Slavery Framework is making sure that we carry out the procurement of goods and services responsibly and ethically. Given the employment and procurement opportunities at the Airport, we also try to ensure that we help to support and promote First Nations and local businesses, in our sourcing decisions.

**Buy Local, Support Local**



**Ethical and sustainable products, services and goods**



**Supporting First Nations' Businesses and Employment**



**Diversity, Equity and Inclusion**



**Due Diligence and Best Practice**





# Modern slavery due diligence



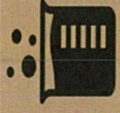


- Modern Slavery Questionnaire for existing and new suppliers
- Supplier annual declaration and commitment to the Supplier Code of Conduct and reporting of modern slavery risks to NQA
- Interviews and spot checks on site as part of contract administration/management
- Request for evidence-based artifacts of monitoring systems and modern slavery policies in the business





# Key risks

NQA is a dynamic business and directly and indirectly generates employment and procurement of goods and services through its aviation, terminal and airfield operations, property and general commercial businesses. Given the nature of our core business, we have identified the risks of modern slavery to be higher in certain sectors and industries. Below is a representation of those higher risk sectors/industries in our supply chain.

Security Services	Linen cleaning services	Cleaning services	IT and specialist equipment and parts	Construction and energy retailer
 <ul style="list-style-type: none"> <li>• Labour hire</li> <li>• Higher levels of immigrant and casual workforce</li> </ul>	 <ul style="list-style-type: none"> <li>• High proportion of base skilled workers from migrant or low socio-economically diverse background</li> </ul>	 <ul style="list-style-type: none"> <li>• High proportion of base skilled workers from migrant or low socio-economically diverse background</li> </ul>	 <p>Parts are sourced from high risk geographies with workforces often containing a large number of migrant workers, and higher risk of forced labour</p>	 <p>High risk business models with complex pipeline and subcontracting arrangements</p> <p>Complex subcontracting arrangements</p>





# Modern slavery – Key Controls

Our key controls for managing modern slavery risks in our supply chains are as follows:

- Using a human rights due diligence approach and on-boarding of our key suppliers
- Working with suppliers that have commitment to work with us to manage risk of modern slavery in their supply chain and reporting issues that arise as they arise
- Ongoing and regular supplier engagement between business owner and key supplier contact
- Annual questionnaires and supplier declaration
- Auditing our monitoring system and its effectiveness
- Modern Slavery Policies and Supplier Code of Conduct
- Supplier Engagement between Business Owners and Supplier representatives
- Whistle blower policies to enable reporting of modern slavery practices
- Processes to enable the remediation of adverse human rights impacts
- Ensuring that our recruitment practices /requirements to not inadvertently promote the use of cheap labour hire that may incentive modern slavery practices

We continue to review and improve these key controls through our Quality Assurance mechanism and have regard to best industry practice and the unique requirements of our business, given its size and operations.

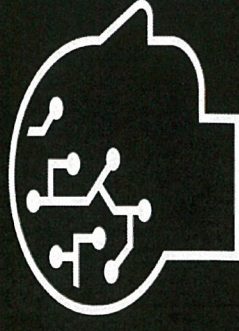


# Supplier Engagement Programme

The majority (97%) of our third-party procurement for goods and services are based in Australia, with a considerable proportion within Qld. We support local jobs and employment wherever possible in our procurement practices.

We are a diverse business and directly engage on average more than > 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 engage with First Nations businesses and employment and support better community and social outcomes in our region.





*This year, using a risk based approach, we engaged with 12 suppliers and for the first time included ICT contractors as part of our supplier base. The results have been encouraging. Nearly all suppliers indicated that they had policy and procedures in place to appropriately manage and address the risks of modern slavery in their supply chain.*

## **Supplier Selection Strategy**



# Supplier Selection

The suppliers were selected using the following criteria:

- Operations in a high-risk country/sector (eg cleaning, manufacture, construction);
- Complex/global supply chains;
- A workforce of low skilled, labour hire or migrant workers;
- Annual expenditure (capex/opex);
- Our ability to work with them and influence positive changes.





# FY 22 Results

## 12 Suppliers Participated in our Questionnaire

Geography	Public Disclosures	Sectors/Industries	Due diligence
<p> <b>5/12</b> respondents have suppliers and/or operations in high-risk countries (China, India and Malaysia)</p>	<p> <b>9/12</b> respondents publicly disclose information on its Modern Slavery Risks</p>	<p> <b>9/12</b> respondents operate in high-risk sectors including: Electrical Good Clothing / Linen / Laundry Manufacture of Specialized Machinery / Equipment / Parts / Construction of Materials / Goods</p>	<p> <b>1/12</b> respondents use a third party to conduct due diligence activities on their labour and direct and indirect supply chains</p>
Reporting	Training	Risk Assessment	Internal Accountability
<p> <b>10/12</b> respondents have a process for reporting incidents of modern slavery without fear or retaliation</p>	<p> <b>8/12</b> respondents provide training on mitigating risks of human trafficking and modern slavery</p>	<p> <b>2/12</b> respondents conduct vulnerability risk assessments of workers to modern slavery and human trafficking</p>	<p> <b>7/12</b> respondents have a procedure for internal accountability for workers who breach modern slavery processes and policies</p>



# Supplier Responses

Does your company have policies relating to the following areas:	How respondents answered
Engaging in child labour	8/12 (YES)
Withholding worker identity or immigration documents	8/12 (YES)
Using recruiters who do not comply with the local labour laws of the country in which they recruit	8/12 (YES)
Charging potential workers recruitment fees	8/12 (YES)
Procuring commercial activities which involve unethical, violent or sexual activities during the length of the contract	8/12 (YES)
Providing housing which meets the host country's housing and safety standards	7/12 (NO)
Workers can cancel their work contracts at any time with no financial penalty subject to reasonable notice requirements in line with local law and collective agreement	7/12 (YES)
Document checks (eg proof of age documents) of all workers before they begin working to ensure that they are allowed to work in compliance with applicable laws	2/12(NO)



# Stakeholder review and engagement

*The results were shared with the relevant internal relationship holders within NQA, and we conducted deep dives into the responses as it relates to individual suppliers. We will continue to work and engage in meaningful dialogue with our suppliers with the aim of ongoing improvement in the management and reporting of modern slavery risks in the supply chain.*

*The NQA cohort meets quarterly to understand, anticipate and respond to changes in the legal landscape as they relate to the management of modern slavery with the aim to positively influencing and managing our legal obligations with respect to modern slavery risks with our suppliers.*



## ADDENDUM TO NQA MODERN SLAVERY STATEMENT – FY22

This statement was approved by the Board of Directors (**Boards**) of each of the two reporting entities covered by this statement.

The Boards of North Queensland Airports No. 1 (Mackay) Pty Ltd and North Queensland Airports No. 2 (Mackay) Pty Ltd approved this statement by circulating resolution (2 March 2021) and a duly constituted board meeting of its directors on 9 December 2022.

Pursuant to the *Modern Slavery Act 2018* Section 14(2)(d)(ii) the Board of North Queensland Airports No. 1 (Mackay) Pty Ltd approved execution of this statement by a higher entity, namely the Company Secretary, as evidenced by a true and correct copy of the extract of the resolutions of meeting held on 9 December 2022 - **Extract 1**.

Pursuant to the *Modern Slavery Act 2018* Section 14(2)(d)(ii) the Board of North Queensland Airports No. 2 (Mackay) Pty Ltd approved execution of this statement by a higher entity, namely the Company Secretary, as evidenced by a true and correct copy of the extract of the resolution of meeting held on 9 December 2022 – **Extract 2**.



## EXTRACT 1

This is a true and correct copy of the extract of the Resolutions and authority to execute by the Board of Directors of North Queensland Airports No. 2 (Mackay) Pty Ltd (ACN 134 137 358) who approved execution by the Company Secretary of the Modern Slavery Statement at its duly constituted board meeting on 9 December 2022.

A handwritten signature in black ink, appearing to be a stylized 'S' or similar character.

**SIGNED BY COMPANY SECRETARY FOR NORTH QUEENSLAND AIRPORTS NO. 2 (MACKAY) PTY LTD  
(ACN 134 137 358)**

**DATED: 15 December 2022**

In compliance with the requirements under the *Modern Slavery Act*, it was RESOLVED to APPROVE AND AUTHORISE the Company Secretary doing everything necessary to sign and submit the Modern Slavery Statement for FY 21-22 in the form of Attachment 3 to the relevant Government Department; and to refer the Modern Slavery Statement for FY 21-22 to the Boards of NQA No 1 Entities for approval.

## EXTRACT 2

This is a true and correct copy of the extract of the Resolutions and authority to execute by the Board of Directors of Board of North Queensland Airports No. 1 (Mackay) Pty Ltd (ACN 134 137 312) who approved execution by the Company Secretary of the Modern Slavery Statement at its duly constituted board meeting on 9 December 2022.

A handwritten signature in black ink, appearing to be a stylized 'S' or similar character.

**SIGNED BY COMPANY SECRETARY FOR NORTH QUEENSLAND AIRPORTS NO. 1 (MACKAY) PTY LTD  
(ACN 134 137 312).**

**Dated: 15 December 2022**

In compliance with the requirements under the *Modern Slavery Act*, it was RESOLVED to APPROVE AND AUTHORISE the Company Secretary doing everything necessary to sign and submit the Modern Slavery Statement for FY 21-22 in the form of Attachment 3 to the relevant Government Department.