

FY23 Modern Slavery Statement



Auckland Airport supports Australia's Modern Slavery Act 2018 (Act). We are a business that strives for improvement and we are constantly reviewing our operations to identify and mitigate all aspects of risk. Our values of 'we care, respectful, collaborative, integrity and exceptional' underpin our commitment and approach to raising awareness of human rights violations in our supply chains and operations.

This Modern Slavery Statement is made by Auckland International Airport Limited (ARBN 085 819 156) ('Auckland Airport'), together with its subsidiaries, (the 'Auckland Airport Group'). It describes the actions Auckland Airport Group has taken to address potential human rights violations in our operations and supply chains during the financial year that ended 30 June 2023 (FY23).

Structure, operations and supply chains

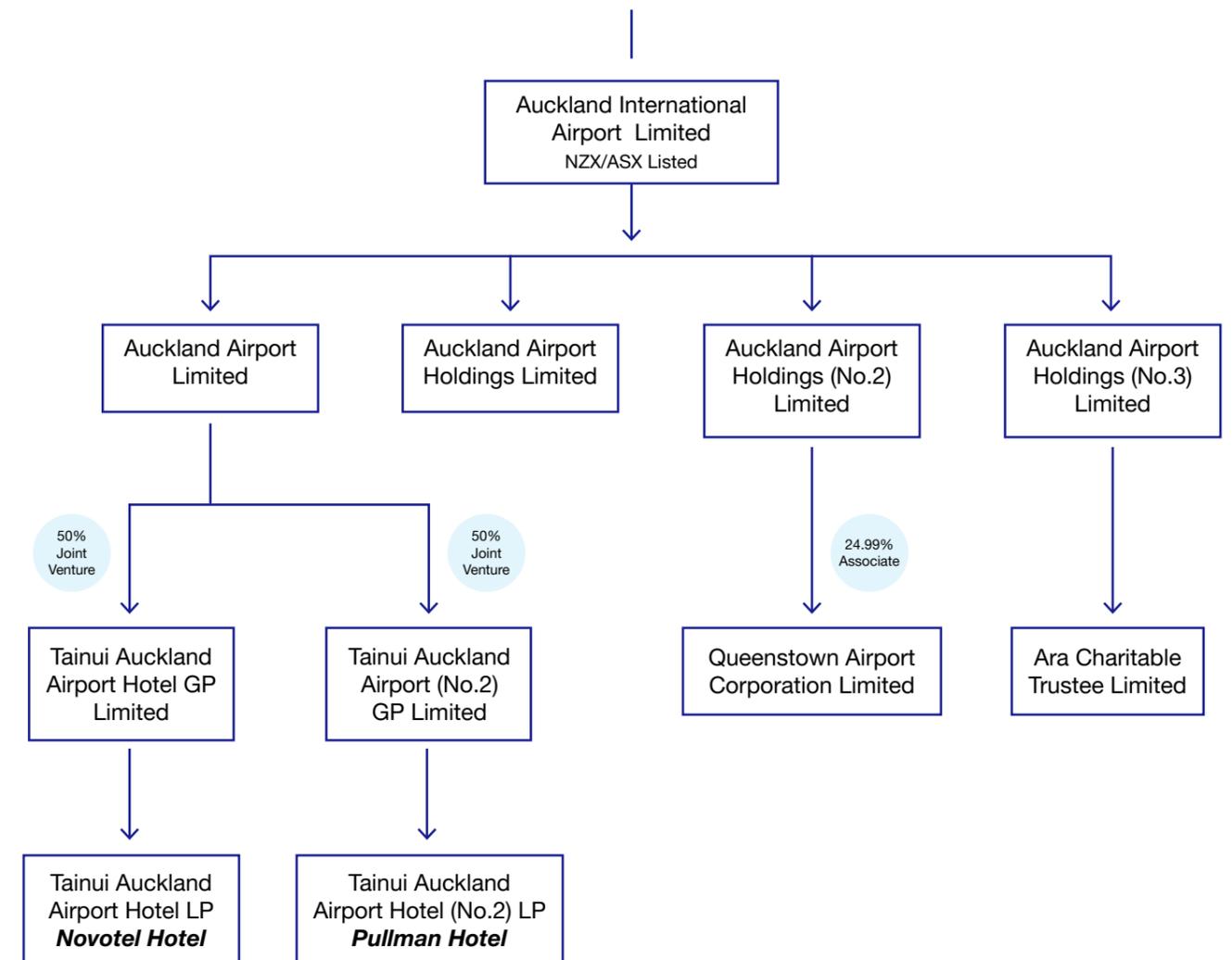
Our Structure

Auckland Airport is a limited liability company, incorporated in New Zealand on 20 January 1988 and listed on the New Zealand Stock Exchange on 28 July 1998. Auckland Airport was registered in Australia as a foreign company under the Corporations Law on 22 January 1999, was granted Foreign Exempt Listing Entity Status by the Australian Stock Exchange on 22 April 2016, with its shares quoted on the Australian Stock Exchange effective 1 July 2002.

The structure of the Auckland Airport Group is set out below. Auckland International Airport Limited is the holder of key infrastructure and assets of the Company, with the majority of the Auckland Airport Group business being undertaken by the parent company.

Auckland Airport Company Structure

as of 30 June 2023



Our operations

Our operations and revenue streams are¹:



Aeronautical

Auckland Airport is New Zealand's gateway airport, providing infrastructure and services to facilitate the movement of aircraft, passengers, and cargo.



Consumer

Auckland Airport's consumer segment includes the provision of amenities for retail businesses both in the terminal and within the surrounding precinct. There are 115 retail tenants (across both the domestic and international terminal). Of these, 47 sell various goods and 40 are food and beverage retailers. The balance of services included baggage wrapping, foreign currency exchange, storage lockers and telecommunication providers. There are also 11 hangars and 10 office tenancies located both within the terminal and the surrounding precinct. Outside of the terminal buildings we lease premises to 33 retailers. Of these, nine sell goods, 17 are food and beverage retailers, and seven provide services.

This segment of our business also includes the operation of car parking facilities and two hotels on the airport precinct, the Novotel and Ibis, as well as digital channels. These activities enhance Auckland Airport's customer proposition by providing important services in and around the airport that are valued by customers travelling through the precinct.



Investment property

The investment property portfolio has grown strongly to over 500,000m² of managed ew and existing facilities ranging from logistics and distribution warehouses to office buildings. The investment property portfolio is now valued at over \$2.9 billion, with an annual rent roll of \$129.5 million. Auckland Airport owns approximately 1,500 hectares of contiguous land, with 150 hectares of this still available for development.

Auckland Airport workforce

As at 30 June 2023, Auckland Airport employed 579 people. Approximately 68% of our people are employed on individual employment agreements and 32% on collective employment agreements.

All of our employees are based in New Zealand² and recruitment is either undertaken by our internal People & Capability Team or by external recruiters managed by our People & Capability Team.

We have an outsourced model for many services, including construction, business technology support, cleaning, property management, car park operations and maintenance, which are more fully described in the **supply chain section**. All recruiters, suppliers and consultants are bound by our Supplier Code of Conduct.

¹ For more detail, please refer to our annual report and financial statements available on our website
² We have one Contractor who is primarily based in China.

Our purpose and values

Auckland Airport is always working for New Zealand. Throughout our half-century of service, we've connected our nation to the world, linked our exporters to global markets, brought travellers to our shores and welcomed Kiwis home.

Auckland Airport's operation and strategic plans are all aligned to our guiding star: *"We are working for New Zealand. We are committed to growing our country's success in travel, trade and tourism, building a vibrant economic hub that will create enduring value for New Zealand for generations to come."*

Sustainability matters to Auckland Airport because we are a long-term multi-generational business. We are committed to making a positive contribution through our business activities, operating in a way that creates enduring value for New Zealand.

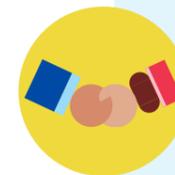
Our overarching business strategy is aligned with our sustainability strategy which has four key pillars: Purpose, Community, People and Place. For more information visit our website: <https://corporate.aucklandairport.co.nz/sustainability>

Our values are: we care, respectful, collaborative, integrity and exceptional, we expect our suppliers to share our values.



We Care

It's often the littlest things that make the biggest difference. That's why we take every opportunity to show manaakitanga to each other, our customers, our communities and our environment.



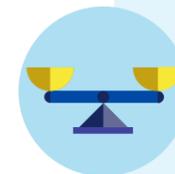
Respectful

We're inclusive and we listen, because we know that everyone's opinion counts. But, once a plan is decided on, we all commit to helping it succeed.



Collaborative

One team – we're stronger together. We're all working to make journeys better. We play to each other's strengths by bringing together the best team for every job.



Integrity

We will do the right thing. Even when it's hard. Even when nobody's watching. If things do go wrong or we make a mistake, we hold up our hands, own it and fix it.



Exceptional

Every day we strive to do a great job by taking ownership of everything we do, so that we can deliver outcomes we're proud of.

Supply Chain

In FY23, Auckland Airport Group engaged directly with more than 940 suppliers from 20 countries, spending NZ\$720,000,000. Auckland Airport's supply chain is diverse and includes both direct and indirect suppliers.

What we source

Auckland Airport procures services and goods not for resale:



Services

Includes construction services, building and grounds maintenance, roading services, car park operations, cleaning services, security, business technology services, baggage system maintenance services, medical support, employee assistance, bus operations, passenger lounge operations, utilities, marketing services, recruitment, and training.



Goods not for resale:

Includes Personal Protective Equipment (PPE), uniforms, office equipment, CCTV cameras, display screens (FIDS), IT hardware, vehicles, airbridges, EV chargers and new airport infrastructure built on site by construction contractors including roads, taxiways, airfield aprons, upgraded runway slabs, utility networks (eg water, wastewater, gas, electricity, aviation fuel), airport terminals, car parking facilities and industrial, commercial and office rental properties.

Where we source from

Approximately 95% of our direct procurement spend³ was with New Zealand suppliers. Some of our suppliers are New Zealand entities, being a company that is resident in New Zealand for income tax purposes, however, are head-quartered overseas.

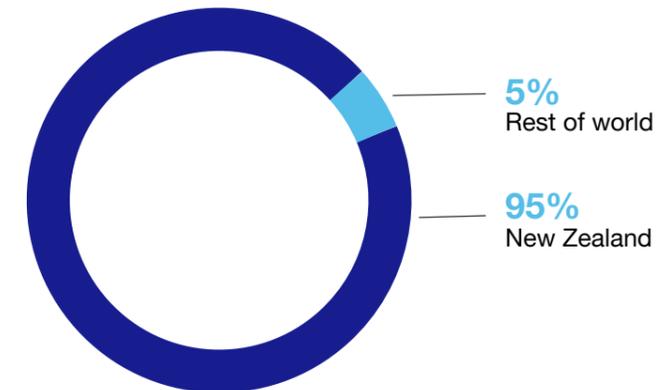
Operational expenditure represented 21% of our direct procurement spend:

- Outsourced operations represented 60% of direct operational expenditure including: cleaning, security, passenger facilitation, parking related services, utilities, and building asset maintenance.
- IT operational costs represented 20% of direct operational expenditure across provision of IT operations, system support, and licensing.
- Activities such as corporate travel, health and safety supplies, marketing and promotion, professional services, office supplies, and compliance costs represented 20% of total operational expenditure.

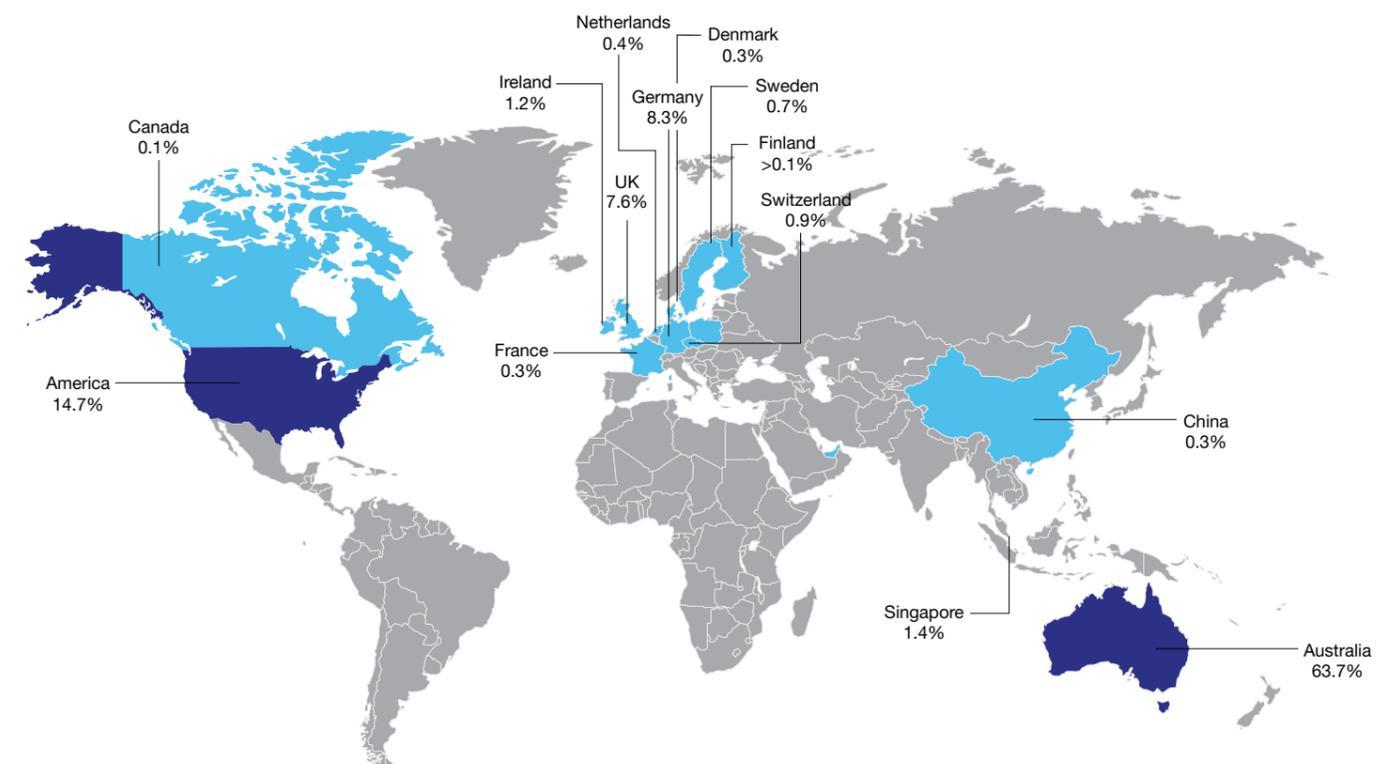
Capital expenditure represented 79% of our direct procurement spend including:

- Construction;
- Construction related professional services; and
- Technology systems and infrastructure.

Spend Breakdown



Spend by Country - Rest of World Summary



³Direct procurement spend refers to spend with suppliers that Auckland Airport has a direct contractual relationship with.



Policies and Governance

Auckland Airport Board's Safety and Operational Risk Committee (**SORC**) manages our operational risks. SORC has a specific responsibility to review and monitor the application of Auckland Airport's enterprise-wide processes relating to health and safety and operational risk, including Modern Slavery.

A number of policies, procedures and standards are in place to assist Auckland Airport in upholding and protecting human rights. These policies apply to directors, employees, contractors, and consultants. They also guide engagement with our suppliers.

Modern Slavery Policy

The Modern Slavery Policy details our commitment to identify, assess, prevent and remedy human rights violations across our business. The policy underpins our business engagement practices and guides our engagement with suppliers.

Supplier Code of Conduct

Our Supplier Code of Conduct is guided by the core principles in the UN Global Compact, the United Nations Universal Declaration of Human Rights, UN Convention of the Rights of the Child and the International Labour Organisation Core Conventions. The Supplier Code of Conduct details guiding principles and expectations in relation to the business practices of our suppliers, including the expectation that the business practices flow into their own supply chains.

The Code is publicly available on our online procurement portal, and referred to in all sourcing documents (e.g. Request for Proposal) and our Purchase Order terms and conditions.

Whistleblower Policy

The Whistleblower Policy includes protections for all staff who wish to raise concerns in relation to real or suspected human rights violations.

Ethics and Code of Conduct Policy

The Ethics and Code of Conduct Policy sets out the expectation of all Directors, managers, and employees to act ethically by engaging in sound practices, respecting others and accepting responsibility for their behaviour.

Risk Management Policy

The Risk Management Policy sets out the role all staff have in risk management. While the Board has ultimate responsibility for reviewing and ratifying the risk management structure, processes and guidelines which are to be developed, maintained and implemented by Management, the active identification of risks and implementation measures are the responsibility of all staff. The policy is designed to promote a culture which ensures a proactive and consistent approach to identifying, mitigating and managing risk (including that of any real or threatened human rights violations).

Procurement Policy

The Procurement Policy reflects Auckland Airport's commitment to best practice contracting and procurement principles. The policy details the governance and standards expected for procurement activities at Auckland Airport and requires adherence to our Supplier Code of Conduct.

Identification of modern slavery risks in our operations & supply chain

Auckland Airport has identified the following potential modern slavery risk areas in its operations and supply chains.

Operations

Employment:

As all Auckland Airport employees are either directly employed by Auckland Airport or under a collective employment agreement, we consider this aspect of our business as having a low modern slavery risk.

Subsidiaries:

Two of the Auckland Airport Group subsidiaries are partial owners of hotel and airport entities that have operations in New Zealand. Having limited control reduces the oversight of the day-to-day operations of these entities, which could pose a risk of modern slavery, albeit Auckland Airport employees appointed to the boards of these entities are able to question management about these risks and demand corrective action if necessary.

Supply chains

Contractor risk:

While we usually engage New Zealand based suppliers in our capital projects, we recognise that those suppliers typically have suppliers of their own who, in turn, rely on other suppliers. This depth poses a risk of modern slavery practices due to the lack of transparency of our Tier 14 suppliers' supply chains, so Auckland Airport is committed to constant engagement with our Tier 1 suppliers to identify and address potential risk.

A considerable portion of our operational expenditure is through engagement with New Zealand based suppliers for provision of outsourced services such as mechanical and electrical maintenance, cleaning, ground maintenance, and security but we recognise that many of these services rely upon the provision of low cost labour, so Auckland Airport intends to continue to work with our suppliers to identify and address labour related risk through their supply chain over the next two years.

Use of off-shore vendors to deliver certain IT, marketing and consultancy services also present a risk of modern slavery to Auckland Airport

Goods not for resale risk:

This area may also present a risk as items such as Personal Protective Equipment (PPE), uniforms, office equipment, CCTV cameras, display screens (FIDS), IT hardware, vehicles, airbridges, EV chargers will be influenced by the employment conditions where these products are made as well as the materials used

Human Trafficking:

We recognise that Auckland Airport is a major international gateway into New Zealand and a potential entry point for trafficked persons. We will continue to work with Government agencies who are responsible for protection of our border and support them in their efforts in this regard.



Actions taken to assess & address modern slavery risks

Auckland Airport's actions to assess and address modern slavery risks is an area of continuous improvement. In FY23 we continued to undertake steps to deepen our understanding and assessment of modern slavery risks in our supply chain. Auckland Airport has established a cross-functional working group to oversee Auckland Airport's ongoing obligations to manage modern slavery risks.

Supply Chains

Auckland Airport recognises that our suppliers often have suppliers of their own who, in turn, rely on other suppliers. This layering poses a risk of modern slavery practices due to the lack of transparency of these supplier processes. We are committed to working with our direct suppliers to identify and address this risk. This includes working with our supplier, where applicable, to look into the geographical location and nature of products and services sourced that may present greater modern slavery risks.

Software Solution for Supply Chain Monitoring - Informed 365

Auckland Airport has engaged the services of a third-party modern slavery assessment solution called Informed 365 to issue modern slavery surveys to existing and potential Tier 1 suppliers on Auckland Airport's behalf.

Supply Chain deep-dive

Auckland Airport is committed to reaching net zero direct (scope 1 & 2) emissions by 2030. This commitment has required the procurement of renewable equipment, such as solar panels. In FY23, Auckland Airport undertook a deep dive into the supply chains of a number of solar panel providers, where one on one engagement with solar panel providers was held to understand the nature of their supply chain. This exercise enabled Auckland Airport to reach an ethical decision in the selection of the solar panel provider.

Working with our suppliers

Auckland Airport requires all potential suppliers to complete a modern slavery questionnaire during the procurement process. All responses are reviewed in order to benchmark a potential supplier's maturity of modern slavery and are recorded in a central database hosted by the Procurement team and are available for our staff to reference as required.

Auckland Airport's precedent contracts include a modern slavery clause which underpins the requirements for a contractor to warrant that it does not, and will not, engage in modern slavery practices. It further imposes an

obligation on the supplier to report all instances of actual or suspected instances of modern slavery, and to provide ongoing training to its employees to identify instances of modern slavery. There is also an express requirement in Auckland Airport's procurement practices to oblige all suppliers to comply with our Supplier Code of Conduct.

Training and building awareness

Auckland Airport appreciates that a large portion of the suppliers it engages with are New Zealand based suppliers who are currently not subject to compliance with modern slavery laws.

Auckland Airport continues to provide modern slavery training to its key internal stakeholders. The training provides an understanding of modern slavery, how to recognise signs of modern slavery and the key risks and impacts to the business.

Auckland Airport has continued to provide its bespoke modern slavery guide to potential and current suppliers and has engaged in discussions to assist suppliers in their modern slavery awareness,

Auckland Airport will continue to work with both internal and external stakeholders to raise awareness of modern slavery, including providing annual refresher training.

Human trafficking

Auckland Airport recognises the unique role it has to play in eradicating modern slavery in its capacity as being New Zealand's largest owner and operator of an airport, with millions of customers travelling through our terminals every year. Both the New Zealand Police and New Zealand Customs Service have significant representation on Airport to facilitate oversight of the human trafficking risk.

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Assessing effectiveness of our actions

For FY23, assessing the effectiveness of each of the actions is summarised below:

- **Policies & procedures:** from a governance perspective, the Safety and Operational Risk Committee routinely reviews our risk position and effectiveness of policies and procedures in place to reduce and mitigate risk. Further, compliance with policies and procedures forms part of performance reviews for employees, contractors and relevant third parties. Particular to the Whistle-blower policy, we record any receipt of, and respon
- **Supply chains:** ensuring we are working directly with our suppliers and recording receipt, awareness and adherence to our commitment to protecting human rights under our Supplier Code of Conduct.
- **Human trafficking:** recording incidence rates of potential or suspected human trafficking by keeping open lines of communication with New Zealand Government agencies to make sure there is transparency throughout immigration procedures and Auckland Airport is aware of any such incidences

Auckland Airport is not aware of any instances of modern slavery in its operations or supply chain. During FY23, no whistle blower reports were received in relation to suspected or actual modern slavery breaches

Going forward

In parallel with the actions set out to mitigate any potential modern slavery risks in our supply chains, we plan to develop targets that will increase in sophistication to specifically measure our effectiveness in progressing towards a commitment of zero-tolerance to modern slavery and human rights violations.

Practical steps and targets for FY24

- To continue widening the use of the modern slavery software solution by assessing all current and future supplier modern slavery risk levels via the Informed 365 platform, and to further advance Auckland Airports maturity in understanding its Tier 2 and beyond supply chain. Auckland Airport will assess supplier maturity based on responses to Auckland

Airport's assessment criteria, and allocate a risk rating so that Auckland Airport can better understand the nature, scale, and likely impact of modern slavery risk through its supply chain; and develop mitigation strategies as appropriate.

- To continue to undertake deep dives into the supply chains of high risk goods.
- To continue to provide modern slavery training for new employees and contractors to complete as part of their induction, and ongoing 'refresher' training for existing employees and contractors who are involved in the management of supply contracts or sourcing activities.

To assess the effectiveness of our proposed actions, in FY24 we plan to:

- report on modern slavery as an 'identified risk' to the Board Safety and Operational Risk Committee;
- report on the progress against the short, medium and long term recommendations to Board Safety and Operational Risk Committee; and
- actively track the modern slavery training to ensure employees, contractors and consultants undertaking procurement activities have the requisite modern slavery risk awareness to be undertaking any business with suppliers.

Beyond FY24, Auckland Airport intends to track its performance and assess the quality and effectiveness of our actions by establishing sophisticated key performance indicators. These include, recording and reporting on the response rates to the Modern Slavery Supplier Questionnaire, monitoring the percentage of Auckland Airport employees undergoing modern slavery awareness training, monitoring the number of complaints received and remedied under Auckland Airport's whistle-blower policies, and continuing to encourage the reporting of any unethical behaviour or other wrongdoing.

Going forward, we also intend to develop a modern slavery monitoring process that will enable us to continuously monitor modern slavery risks in our supply chain and work with suppliers to mitigate identified risks in their supply chains, plus assist our decision making as part of sourcing projects.

Auckland Airport fully endorses the Modern Slavery Act and is committed to achieving a zero-tolerance approach to modern slavery through our operations and supply chains.

Consultation

Auckland Airport is committed to developing a robust and comprehensive response to modern slavery. The same policies, procedures and risk frameworks that are in place for Auckland Airport apply to the Auckland Airport Group. The Auckland Airport subsidiaries detailed above have directors that are all executive level employees of Auckland Airport. All directors of the subsidiaries have been consulted with in relation to this statement and are aware of their obligations in identifying, assessing and addressing risks posed by modern slavery to the entities they are directors of. All the directors of the subsidiaries have reviewed and endorse this statement.

This statement has been prepared in consultation with the cross-functional working group that work together to drive responsible procurement for Auckland Airport. It has been reviewed by our Chief Executive.

This statement was approved by the Board of Auckland International Airport on 21 November 2023.

Signed:



Patrick Strange
Chair
Auckland International Airport Limited

