



FY20 MODERN SLAVERY STATEMENT

MODERN SLAVERY ACT 2018 (CTH)



Brisbane Airport Corporation (BAC) respects the right to be free from slavery. We are committed to working with our suppliers and reviewing our operations to identify and address the modern slavery risk. Our commitment to this is anchored in our values of collaboration, communication, courage, and care.

REPORTING ENTITY AND PERIOD

This Modern Slavery Statement is made by Brisbane Airport Corporation Pty Limited (ABN 54 076 870 650) ('BAC'). It describes the actions BAC has taken to address modern slavery risks in our operations and supply chains during the financial year that ended 30 June 2020 (FY20).

This Statement was approved by BAC's Board of Directors.

BAC – OUR STRUCTURE AND BUSINESS

Our structure



FOUNDED
IN 1997



BRISBANE
BASED
PRIVATE
COMPANY



OPERATING
ENTITY OF THE
BAC GROUP



AUSTRALIAN AND
INTERNATIONAL
SHAREHOLDERS

- Founded in 1997, BAC is the long-term operator of Brisbane Airport.
- We are a private Brisbane-based company and the operating entity in a consolidated group, with the ultimate holding company being BAC Holdings Limited. We do not own or control any other entities.
- Our shareholders are major Australian and international organisations and significant institutional investors.

Our business



- **Major port for Queensland:** Brisbane Airport is a major port for passenger and freight movements into south east Queensland, operating 24/7, 365 days a year.



- **What we do:** Our primary function is the delivery of aviation services to the public, and the operation of our terminals and the aerodrome.



- In parallel we also develop and maintain all Airport infrastructure including runways, taxiways, aprons and roads, manage a large retail and commercial property portfolio and operate commercial parking facilities.



- **Who we are:** Our workforce at 30 June 2020 comprised 411 direct employees and 12 staff employed under labour hire contracts.

- As a direct result of COVID-19 impacts including the significant decrease in flight and passenger numbers, the ongoing business disruption and projected lengthy recovery period, an organisational restructure and reduction of existing roles across our workforce occurred shortly after the end of the FY20 Statement period.



- **Community:** We maintain ongoing programs that give back to the community in a variety of ways. Through our Community Giving Fund and Community Partnerships we donate to organisations that offer lifesaving services to people, improve the safety of Brisbane city, and generally make the community a better place to live. We also invest in our sponsorships program focusing on local arts and sporting organisations that enhance the cultural and physical life of our city and region.

For more information about our business structure and strategy, our approach to sustainability, and the ongoing impacts of COVID-19 on our operations, please refer to [our website](#).

OUR OPERATIONS AND SUPPLY CHAINS – FY20



1200+ SUPPLIERS
13 COUNTRIES



~96% AUSTRALIAN
SUPPLIERS



63% CAPEX
37% OPEX

- In FY20 BAC engaged directly with more than 1200 suppliers from 13 countries. Approximately 96 percent of our direct procurement spend was with Australian suppliers.
- We separate our spend into two categories – operational expenditure and capital expenditure.
- BAC acknowledges that some of its suppliers are Australian entities as defined by the Act i.e. a company that is resident in Australia for income tax purposes, however, are head-quartered overseas.

Operational expenditure represented 37 percent of our total procurement spend:



- **Outsourced contracted services ~31%:** Our largest category of operational spend is on outsourced contracted services including mandated security, cleaning, and parking services (collectively 31 percent). Security services are predominantly provided in our terminals to ensure we meet our aviation transport security obligations. Cleaning and parking services provide the hands and feet to keep our infrastructure clean and parking assets operating.



- **Technology 4%:** We procure technology (like laptops and phones) and network components for use in our business (making up 4% of operational spend as part the IT Services category). We purchase these items from large multinational companies who supply us with finished products.



- **Non-core activities 2%:** The balance of our operational spend includes non-core activities, such as professional services, utilities, travel, and uniforms.



- The technology and other goods we procure are manufactured across the world.

Capital expenditure represented 63 percent of our total procurement spend. This included:



- Construction activities



- Design consultancy



- Professional services

ACTIONS TAKEN TO ASSESS AND ADDRESS MODERN SLAVERY RISKS



BAC has a three-year strategy, built into our Sustainability Strategy, to address modern slavery risks. The Strategy was made together with an independent consultant who provided strategic advice regarding BAC's compliance with the Modern Slavery Act. Our Modern Slavery Working Group oversees the implementation of the Strategy and has executive level representation.

During the FY20 reporting period, BAC:

- Constituted a cross functional working group made up of members at the senior level from Procurement, Legal, Sustainability and Risk and Governance with input as required from other functional areas.
- Developed a three-year modern slavery strategy that was approved by the BAC Board.
- Developed a Modern Slavery Policy which applies organisation-wide and reaffirms BAC's commitment to eradicating modern slavery in its supply chain.
- Updated contract provisions for new contracts to include modern slavery requirements.
- Created modern slavery tender schedules with Procurement and Governance leaders.
- Developed supplier principles and content for BAC's website – <https://www.bne.com.au/corporate/community-and-environment/responsible-business>.
- Extended whistle-blower policies to protect staff who wish to raise concerns about modern slavery risks in BAC's business.

- Marked the International Day for the Abolition of Slavery (2 December) with all staff, using that day to raise awareness of modern slavery as an existing issue and to highlight the new focus on analysing our supply chains and operations to manage and mitigate that risk.
- Raised staff awareness by providing updates about BAC's modern slavery strategy throughout the development and approval process.

Supply chains



We are aiming to progressively develop a more comprehensive supply chain map to better define the spend categories (particularly within our capital expenditure classification) and demonstrate the geographic location and nature of the products and services sourced.

- While we typically engage Australian based suppliers in our capital projects, we recognise that our suppliers often have suppliers of their own who, in turn, rely on other suppliers. This depth (which is particularly common in the construction industry) poses a risk of modern slavery practices due to the lack of transparency of these supplier processes.
- BAC is committed to working with our direct suppliers to identify and address this risk.
- The case study below highlights the complexity of the project supply chain and outlines how this was managed for the Airfield Works contract, the final construction phase in the building of Brisbane's new runway.

Case study – Airfield Works

Brisbane's new runway officially opened on 12 July 2020.

The **Airfield Works** constituted the final phase of construction, delivering 3.3km of runway and 12km of taxiways, as well as all required airside infrastructure. The new runway project was the largest aviation construction project in Australia.

Contractual arrangements for the **Airfield Works** placed preference on ensuring the majority of project elements were locally sourced (**96%** of spend), including quarry materials and concrete and asphalt.

Airfield lighting components made up approx. 9% of total spend and given the niche market, required international supply of some elements. Any overseas lighting components were procured from an overseas supplier that complies with human rights laws and reports against corporate social responsibility criteria. Their CSR statements expressly address the management of modern slavery risk.



Human trafficking risk



We recognise that Brisbane Airport is a major international gateway into Australia and a potential entry point for trafficked persons. Both the Australian Federal Police and the Department of Home Affairs have significant representation on Airport to facilitate oversight of this human trafficking risk.

Case study – Tender for the Supply of Security Services Contract



Tenderers were required to demonstrate their approach to the following modern slavery and sustainability elements:

- Whether the tenderer is subject to the *Modern Slavery Act 2018* (Cth) or equivalent State/Territory legislation and has submitted a Modern Slavery Compliance Statement for the relevant reporting period under that legislation
- Provide a copy of their Modern Slavery Compliance Statement (if applicable).

Tenderers were also expected to provide full transparency and traceability of supply chains, including:

- Whether it has programmes or policies currently in place to ensure that human trafficking and slavery do not exist in its operations and supply chains
- Whether it works with third parties to identify the overall risks of slavery and human trafficking in its supply chains
- Whether it conducts independent, unannounced audits of its operations and suppliers
- Whether it requires certification that all materials incorporated into its products or services were sourced, processed, and manufactured in compliance with the human trafficking and slavery laws of the country or countries in which they operate
- Whether it provides training to employees, customers or suppliers on slavery and human trafficking in supply chains
- Whether it has had any instances of known or suspected modern slavery in its supply chain, claims or adverse media attention in relation to its human rights practices.

COVID-19 BUSINESS IMPACT AND IMPACTS ON PLANNED ACTIVITIES



Our business has been significantly impacted by COVID-19 and the closure of international and domestic borders. During the period from March to 30 June 2020, we reduced operational activities in our terminals, ceased most construction projects and reduced spend across other procurement categories.

- Despite a significant decline in passenger and flight numbers as a result of COVID-19, Brisbane Airport remained open and operational, albeit in a heavily reduced capacity.
- Unfortunately, the ongoing disruption and projected lengthy recovery period has resulted in an organisational restructure and a reduction of existing roles across our workforce after the end of the FY20 Statement period.
- Due to COVID-19, the business also had to re-assess expenditure and planned activities.
- One such activity was the planned provision of training about human trafficking to our customer service staff and our Airport Ambassadors working in our terminals, who are well placed to identify potential victims. However, due to the lack of passenger movements in the terminals, this activity has been deferred, pending the resumption of normal operations.
- We intend to revisit the training initiative for relevant staff as part of our modern slavery due diligence program in FY21.

DESCRIBE HOW THE REPORTING ENTITY ASSESSES THE EFFECTIVENESS OF THESE ACTIONS

Our progress against our modern slavery strategy is monitored by the Modern Slavery Steering Group, with executive oversight of the Steering Group provided by the Executive General Manager Governance.

Supported by a working group, the Steering Group provides a forum for discussion on consistency of practice and shared learnings. BAC will continue to explore further mechanisms to assess the effectiveness of actions we undertake to address modern slavery risk

For FY20, BAC met all strategic commitments outlined in the three-year strategy, except for training front facing customer service staff, which has been addressed above.

BAC has had no complaints to date in relation to modern slavery risks in our supply chains.

Signature – Chair of Board of Directors



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Mr David Peever
Chair of the BAC Board
Date: 17 December 2020