



Modern Slavery

Statement for FY22

November 2022

adelaideairport.com.au

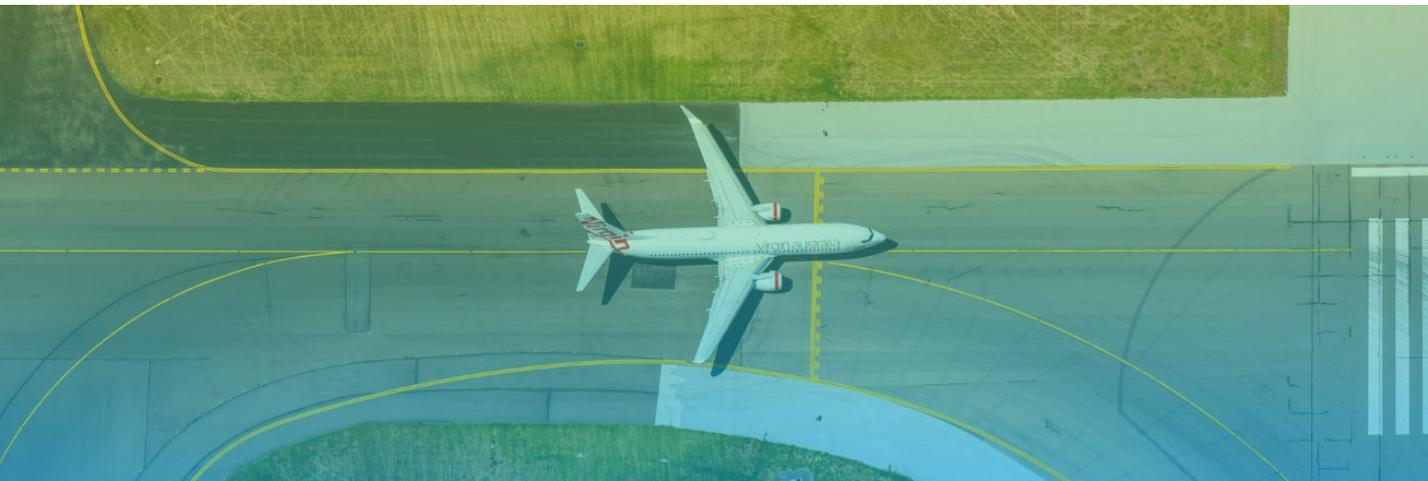
Our Company

Adelaide Airport Limited (AAL) is a private, unlisted South Australian Company, currently owned and supported by five long term shareholders. We were awarded the long-term leases of Adelaide and Parafield Airports, by the Commonwealth of Australia, in May 1998.

Adelaide Airport is the gateway to South Australia and prior to COVID impacts on the industry, was the fifth-largest airport in Australia. Parafield Airport is a wholly owned subsidiary of AAL and is South Australia's premier general aviation airport and is a major world standard training airport.

Adelaide Airport is South Australia's largest single employment site, directly employing more than 10,000 people on and off airport, and contributing to the generation of a further 12,700 induced jobs. It is currently undertaking an expansion of the main terminal to significantly upgrade international arrivals and departures and create more retail and dining options for both domestic and international travellers. Construction was completed in late 2021.

As a major business centre, Adelaide Airport is executing its vision to be a globally connected, next generation hub with designated industry clusters through its Airport Business District – attracting major companies like Mitsubishi, OZ Minerals, Otis, Australian Clinical Laboratories and Bunnings.



Our Company Structure

Adelaide and Parafield Airports are comprised of five entities. All group entities have common boards and board meetings are held contemporaneously.

Adelaide Airport Limited (AAL)

is the main operating entity holding the lease rights to manage and operate Adelaide Airport.

Adelaide Airport Management Limited

is responsible for the employment of all AAL group staff.

Parafield Airport Limited

holds the lease rights to manage and operate Parafield Airport.

New Terminal Financing Co Pty Ltd

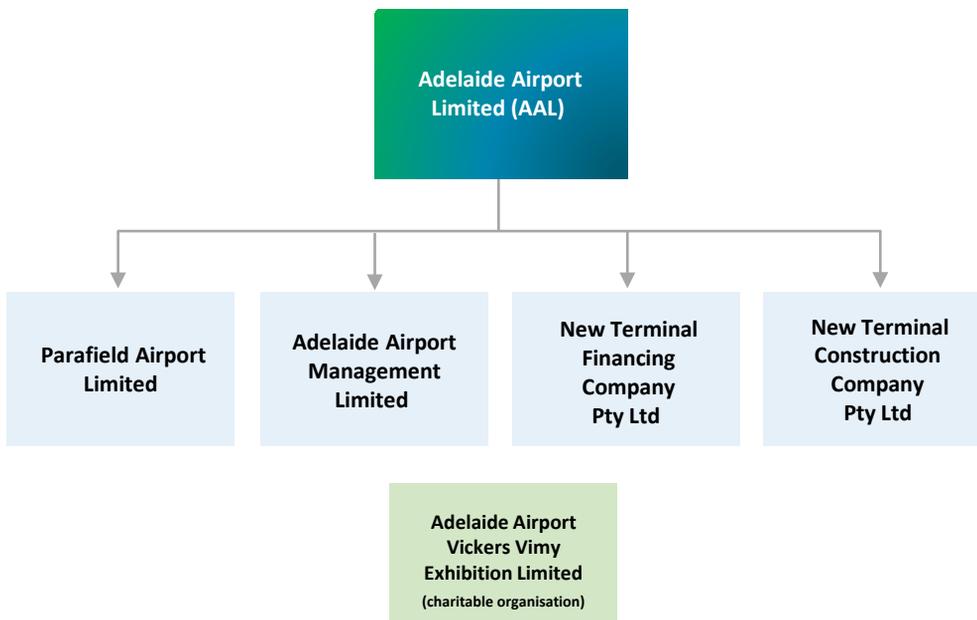
is the group financing vehicle and issues the group's external debt.

New Terminal Construction Co Pty Ltd

was the construction company responsible for the new terminal and holds the Redeemable Preference Shares.

Adelaide Airport Vickers Vimy Exhibition Limited

is a charitable organisation and receives and administers the State and Federal funding that has been secured to relocate the Vickers Vimy historical aircraft from its current location in an on-airport memorial building to a central location in the expanded Adelaide Airport terminal building.



Our Strategic Plan is at the heart of everything we do.

Our Purpose

Adelaide Airport – proudly connecting and shaping South Australia.

Our Vision

Everyone's favourite airport. Seamless. Connected. Easy.

Our Values

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Be **Accountable & Authentic**.

Conduct ourselves with **Integrity**.

Be **Responsive** efficient and **Respectful**.

Take **Pride** in our achievements.

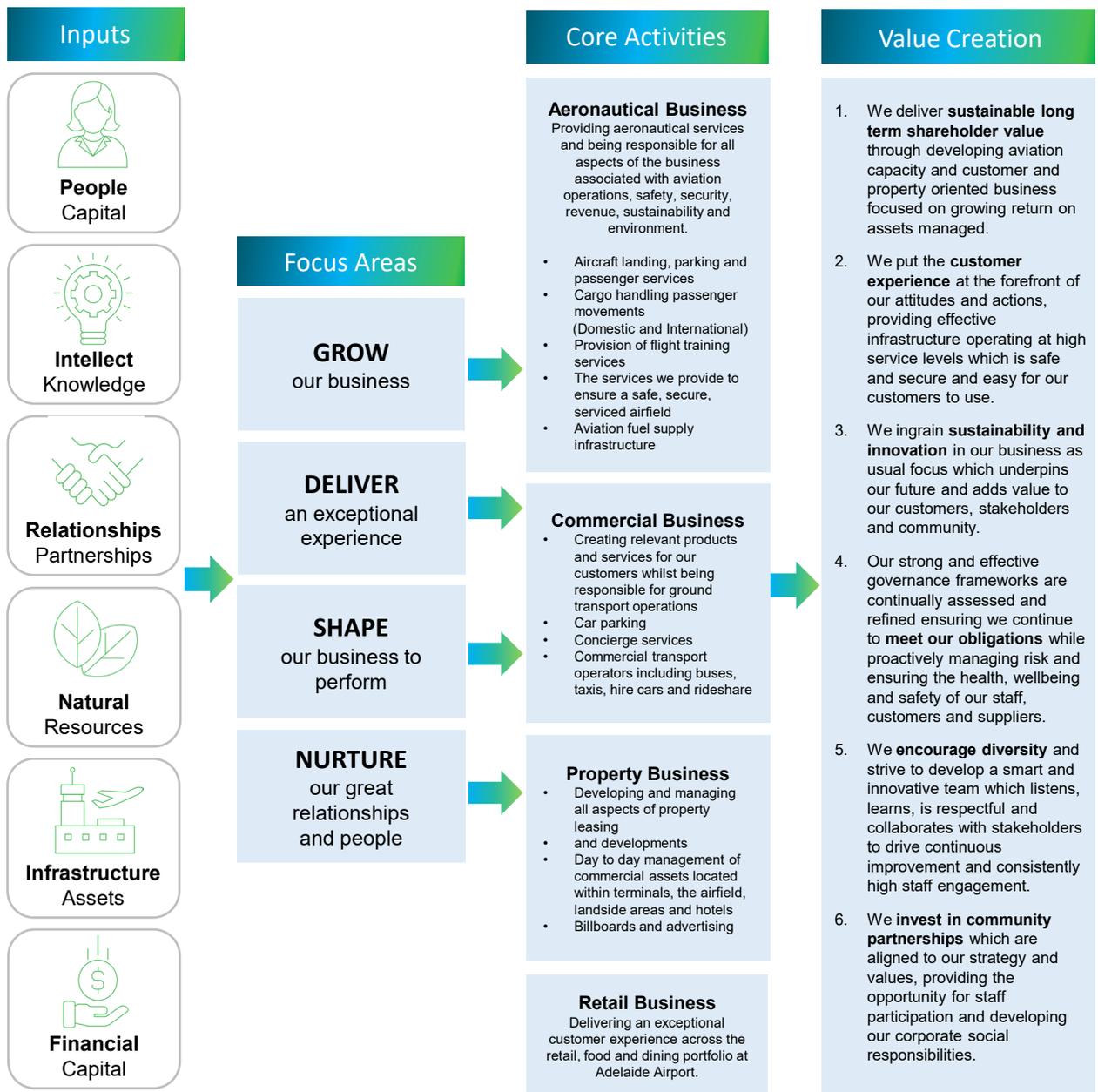
Be **Open** and friendly and encourage diversity.

Build **Relationships** based on trust.

Foster great **Teams**.

Our Value Creation Model identifies key inputs, actions performed and business value outcomes.

How We Create Value



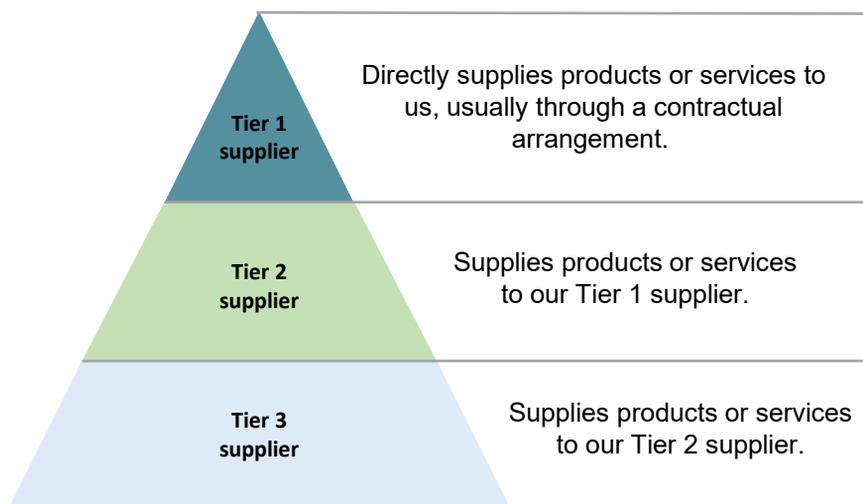
Our Supply Chain

Our supply chain is wide-ranging and global, and incorporates a range of products and services across various industry sectors, including Capital Construction & Property, Utilities, Airport Service Contracts, Consulting, IT Hardware and Software and Facilities Management and Maintenance. At its most complex, our supply chain is several tiers deep, and in multiple jurisdictions. The majority of our direct suppliers are based in Australia. Other regions that we are aware of products and services being sourced from include China, UK and Europe, North America, Malaysia and other parts of South East Asia.

In reviewing our supply chain we have adopted The United Nations Guiding Principles on Business and Human Rights, which recommends businesses focus on assessing general areas of operations and supply chains where modern slavery risks are likely to be most significant. In turn, risks are to be prioritised, focusing on the most 'severe' risks, i.e. those that would cause the most harm to people, have the gravest impact or scale, or where delayed response would make them irremediable.

Assessing our Modern Slavery Risk

We categorise our supply base by Tiers, whereby a Tier is the measure of the 'distance' of a supplier from the organisation.



We hold the greatest visibility and leverage over our Tier 1 suppliers and of course, our own operations. We have progressed our Modern Slavery risk assessment of our own operations and all critical suppliers where there was a potential for modern slavery.

Assessing our Modern Slavery Risk Cont.

The majority of our Tier 1 suppliers are based in Australia and supply goods and services that are procured and produced within Australia. The ongoing review of the Modern Slavery risk assessment through engagement with key stakeholders assessed that the risk of modern slavery in the majority of our operations and Tier 1 supply chain is low as:

- The work is predominantly skill based and requires industry and/or professional qualifications;
- With respect to our own operations, we have significant measures in place which aim to protect the human rights of workers and ensure compliance with labour laws;
- Our supply chains are usually short and we utilise established and consistent contractors;
- To work on our site, many contractors are subject to extensive background check requirements which confirm identity, right to work and any criminal record; and
- Our staff have regular visibility of the people and the work being undertaken.

We have classified our modern slavery risk areas as follows:

- Procurement and outsourcing of support services e.g. cleaning, trolley management, bussing, security etc.;
- Construction and Infrastructure including the products and raw materials in our supply chain;
- IT hardware and software;
- Other low value indirect procurement e.g. uniforms, safety clothing;
- Sub-contractors;
- Tenants and their contractors; and
- Human trafficking through the airport e.g. international arrivals.

We recognise that the global coronavirus pandemic has the potential to increase the risk of modern slavery in various parts of our business, particularly across vulnerable populations. We worked closely with key suppliers in the face of these unprecedented times to ensure the health, wellbeing and safety of our staff and customers, as well as the sustainability of our business.



Addressing our Modern Slavery Risk

Commitment



Sustainability is at the core of our business operations. The value we place on sustainability helps us respond to and pre-empt the complex social, environmental, market, and technological influences within which we operate. We recognise the importance of the introduction of the Commonwealth Modern Slavery Act 2018 (Act) and the integral role this will play in further solidifying the sustainability of the community and ethical business.

AAL places considerable importance on maintaining strong controls within our business. Our structure includes clearly drawn lines of accountability and delegation of authority. Adherence to the company Code of Conduct is required at all times and our Board actively promotes a culture of quality and integrity. As such, our primary focus in strengthening our sustainability posture in FY22 has been to continue the development of our modern slavery governance structure to ensure the effective implementation of our modern slavery action plan to mitigate this risk.

This included:

- Conducting regular reviews of the modern slavery risk register to ensure appropriate controls remain in place and are effective in managing modern slavery risk.
- Progress towards the achievement of actions identified in our modern slavery roadmap:
 - Continue towards the completion of the action plan, which outlines responsibilities and accountabilities across the organisation for the next two years;
 - Our Maturity Potential roadmap addresses gaps and augmentation of controls, and will be utilised to monitor and assess modern slavery compliance maturity over a longer-term planning horizon;
 - Our established Risk and Compliance governance framework was extended to cover oversight of modern slavery risk across our business and reported through to the Board;
 - Development and implementation of Modern Slavery Remediation procedure, which was incorporated into AAL's Modern Slavery Compliance Guidelines;
 - Implementation of improvements to the procurement risk assessment template to provide contract owners with clearer guidance to assess suppliers for modern slavery risk and provide steps to undertake additional due diligence at tendering stage for suppliers that are considered high risk; and
 - Continued implementation of a Modern Slavery Assurance Program, which assesses high risk contractors/suppliers for the controls they have in place to manage Modern Slavery risk in their operations and supply chain.

We have numerous policies and frameworks in place to mitigate human rights and modern slavery risks.

Addressing our Modern Slavery Risk

Supplier Code of Conduct



AAL's Supplier Code of Conduct has been established to ensure our suppliers and contractors are aware of their obligation to meet our expectations of responsible behaviour to their subcontractors and employees. This policy includes standards related to human rights, equality, ethics and ethical trading.

Failure by the supplier to adhere to the Supplier Code of Conduct can result in termination of the supply arrangement. In FY22, there have been no supplier terminations for non-compliance.

Whistleblowing Policy



We are committed to achieve high standards of ethical conduct and compliance with our legal obligations. This commitment includes creating and maintaining a working environment in which all people are able to freely raise concerns regarding actual or suspected unethical, unlawful or undesirable conduct in a safe, supportive and confidential environment.

Our Whistleblower Policy is underpinned by our values of being accountable and authentic, conducting ourselves with integrity, being responsible, efficient and respectful, taking pride in our achievements, and building relationships based on trust to foster great teams. The policy applies to any of our officers or employees, suppliers and associates, a relative of an employee and former employees.

The Whistleblower Policy was reviewed to ensure alignment with modern slavery requirements and best practice. The policy was communicated to all staff and major suppliers, and is published on our website.

An independent, externally managed Whistleblower Hotline, through which a whistleblower may make a disclosure by phone, email, mail and through a customised website is also available 24/7. It is promoted on our intranet, as well as signage in our buildings and site offices. People can make reports anonymously, and any individuals who report genuine concerns will be protected from reprisal or detriment.

Addressing our Modern Slavery Risk Cont.

Modern Slavery Guidelines



Our Modern Slavery Compliance Guidelines are designed to form part of our broader organisation-wide Procurement Policy and Framework and Corporate Social Responsibility Policy. They outline a uniform approach to engaging the market and managing contracts to mitigate the risk of modern slavery in our operations and supply chain.

The Guidelines provide information to:

- Explain the concept of modern slavery and what needs to be done where an individual suspects modern slavery is taking place in our operations or supply chains;
- Clarify each individual's role in complying with applicable legislation and policies, including key responsibilities of our executive team, management and other stakeholders;
- Outlines the response process upon receipt of a modern slavery incident; and
- Require that modern slavery is embedded into all procurement stages, from the development of sourcing strategies, tenders, evaluations, contract clauses and KPIs.

Sustainable Procurement Guidelines



Our Sustainable Procurement Guidelines are designed to ensure strategic, operational, legal, reputation, financial, climate and other Environmental, Social or Governance (ESG) related risks are identified, assessed, effectively managed and monitored to enable achievement of our business objectives.

Other Tools and Templates



We have developed a number of tools and templates to support a proactive approach to mitigating modern slavery risk.

These include:

- A Preliminary Risk Assessment template to aid identification of modern slavery risk. This is completed by our staff in the planning stage, prior to undertaking any procurement. Where applicable, this tool provides an immediate flag to the business that additional due diligence is required in the sourcing phase;

Addressing our Modern Slavery Risk Cont.

Other Tools And Templates cont.



- A detailed Procurement Risk Assessment template and prompt sheet for contract owners and operations managers that can be used to identify, assess and capture management of modern slavery risks associated with high risk suppliers, tenants and operators;
- A due diligence questionnaire to support tender evaluations;
- Contract clauses which require that minimum standards in ethical, human rights and health and safety are met;
- An Annual Compliance Commitment Declaration which requires suppliers to provide an annual declaration that they understand their obligations and have not contravened any laws, including Modern Slavery Laws and other Commonwealth Workplace Laws;
- A Modern Slavery Compliance Plan to ensure that AAL continues to discharge its responsibilities under the Act and that controls remain in place; and
- The Modern Slavery Assurance Program, which assesses high risk contractors/suppliers for the controls they have in place to manage Modern Slavery risk in their operations and supply chain.

Working with our suppliers

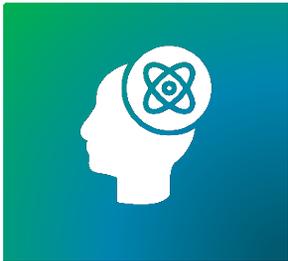


In preparation for the implementation of the Act, AAL distributed a pilot questionnaire to key suppliers. This sought to understand their maturity in mitigating the risks of modern slavery in their own supply chain. It was evident that many suppliers were still in the early stages of developing their systems, processes, policies and procedures and were facing challenges in responding effectively to modern slavery due diligence requirements. As such, we are now placing a greater emphasis on developing a closer relationship with our key suppliers to understand their business and help them to align with our expectations. We have done this by establishing an Assurance Program, which assesses controls in place for high risk suppliers and generates conversations, which allows us to continue to progress maturity in the management of Modern Slavery risk.

We will continue to adopt a flexible approach in the year ahead, in line with our goal of increased maturity and expectations of our suppliers over time. In the longer term, we intend to implement a more formalised and consistent approach to monitor and measure supplier adherence to a defined set of standards.

Addressing our Modern Slavery Risk Cont.

Raising awareness across our business



We recognise that long term sustainable change takes time, and to be successful in achieving our united goal with our suppliers to eradicate modern slavery in supply chains, it's important that our people are educated and informed as they are at the forefront of all interactions, and actively engage with customers and suppliers on a regular basis.

As such, we are actively raising awareness and understanding amongst our people on the importance of preventing modern slavery and human trafficking, the risk indicators and signs to look out for, and how to escalate concerns.

We will continue to raise awareness more broadly across employees, suppliers and the wider airport employee community. As our maturity develops, we anticipate that modern slavery may be identified in either our operations or supply chain.

Over the next 12 months, AAL plans to focus on implementing training for our security supplier and imbedding modern slavery into procurement training for AAL staff.



The Effectiveness of our Actions

Our Enterprise Risk Management Policy and Framework (Risk Framework) provides direction for an integrated and consistent approach to risk management practices across our business. The ongoing management of modern slavery risk and assurance activities will be carried out in accordance with the Risk Framework which includes dedicated modern slavery risk identification and assessment, modern slavery risk register reviews and focused control assurance reviews. Outcomes of these activities are captured in our risk and incident management system tool (CAMMS) and are reported to the Board through our established governance forums.

Modern-slavery actions are embedded as part of our 'business as usual' management practice integrated into operational activity. Our modern slavery compliance program delivery is led by our Risk and Compliance business unit. These governance forums include:

- The Risk Working Group is comprised of Senior Managers and meets monthly to address risk and compliance matters in accordance with a defined Terms of Reference; and
- The Risk Management Committee consisting of our Executive Management team, which reports into the Board Audit and Compliance Committee.

The Risk and Compliance business unit will measure our year-on-year growth using the maturity assessment, as outlined earlier in this statement, and will report on this at the governance forums outlined above.

Consultation

AAL and the entities it owns and controls have common boards which have oversight of risks of modern slavery across our operations.

Approval

Approved by the Board of Directors of Adelaide Airport Limited on 29 November 2022.



Brenton Cox
Managing Director

