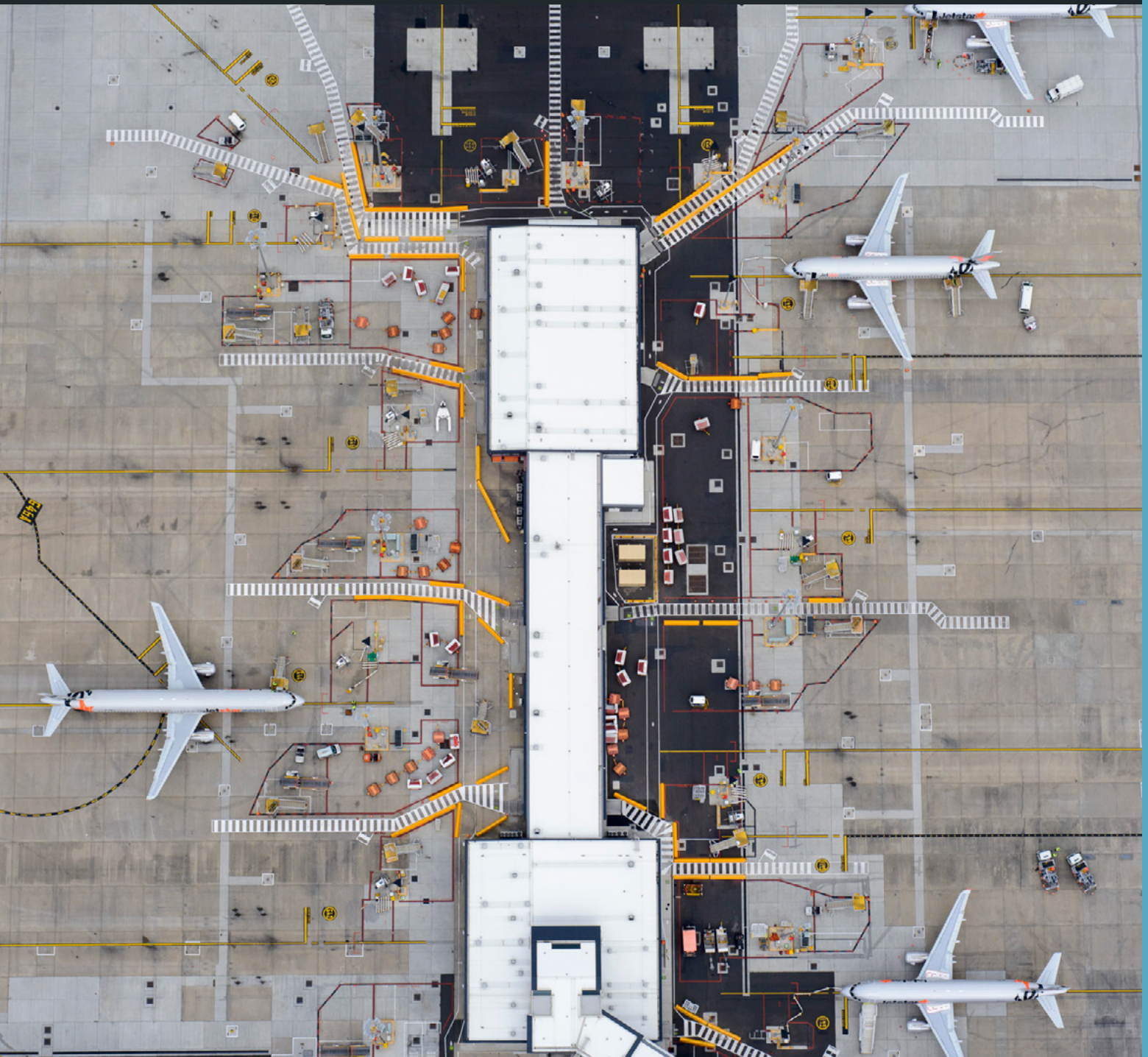


AUSTRALIA  
PACIFIC  
AIRPORTS  
CORPORATION

# FY21

## Modern Slavery Statement





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# Chief Executive Officer's

## Message

*Australia Pacific Airports Corporation (APAC) operates Melbourne Airport, the second largest airport in Australia, providing an essential link in the nation's transport industry and a significant driver in the Victorian economy.*



APAC also operates Launceston Airport providing a key linkage to Tasmania. APAC fully understands the moral, ethical, and human rights obligations it holds over the more than 20,000 people who work across both airports, employed either directly or indirectly, and the innumerable others through our supply chains.

We understand that over 45 million people around the world are victims of modern slavery and that these crimes are not always apparent. As a result, we are committed to working with our internal team members, service providers, contractors, consultants, and key partners to manage and mitigate modern slavery risks.

As a key contributor in the national and Victorian economy, APAC takes its responsibility of combatting modern slavery and its associated risks seriously. This statement builds on the foundations in the FY20 statement and describes the steps taken in FY21 to enhance our risk mitigations across our operations and supply chain.

APAC did not identify any instances of modern slavery within its operations or supply chain in FY21, however we acknowledge that we need to remain vigilant in monitoring and addressing these risks.

The global COVID-19 pandemic has placed additional pressure on each and every one of us, however this is especially so for the most vulnerable within our communities. This is likely to have increased the risk of exploitation of these people. APAC has taken significant steps to support our employees, service providers, contractors, and consultants to counter this.

This statement was approved by the Board of Australia Pacific Airports Corporation Limited on 8 December 2021.



**Lyell Strambi**

Chief Executive Officer  
Australia Pacific Airports  
Corporation Limited  
9 December 2021





1

# Introduction



*This statement, made pursuant to section 14 of the Modern Slavery Act 2018 (Cth), sets out the risk of modern slavery in APAC's operation and supply chain, the actions taken to assess and mitigate those risks during the financial year, and the effectiveness of those mitigations.*

For the purposes of this statement, 'APAC' refers to the Australia Pacific Airports Corporation Limited 89 069 775 266 and each relevant entity which it controls (the 'APAC Group'), being:

**Australia Pacific Airports (Melbourne) Pty Ltd**  
ABN 62 076 999 114 ("APAM")

**Australia Pacific Airports (Launceston) Pty Ltd**  
ABN 79 081 578 903 ("APAL")

**APAC (Holdings No. 2) Pty Ltd**  
ABN 78 136 451 959 ("AH2")

**APAC (Holdings) Pty Ltd**  
ABN 60 081 578 887 ("AH")

This statement was prepared by key personnel from across the APAC Group and has been approved by the APAC Board of Directors which has ultimate responsibility for all entities within the APAC Group.

## Our Approach to Human Rights

APAC strives to make a positive social, economic, and environmental contribution to the communities in which we operate. We recognise that to meet this goal, APAC must respect and uphold the dignity and human rights of all our employees, our service delivery partners, contractors, and the travelling public who utilise our airports.

## Our Vision

The APAC vision statement is "Airports to be proud of". This statement relates to our internal staff being proud of the company they work for and the extended workforce at Melbourne and Launceston Airports being proud to work at the airports. It also relates to the wider communities within Melbourne and Launceston being proud of their airports. This vision underpins our approach to mitigating modern slavery risks as the presence of modern slavery is not something to be proud of in any aspect of the APAC vision.

## Our Values

At APAC we have four core values that underpin how we interact with others, both internally within our staff and externally with our service providers, contractors, key partners, and the community. Our four core values are:

These values drive open and honest communication amongst all parties and a culture that constantly challenges itself to do better. We understand that an organisation underpinned by strong ethical behaviour is one of the best mitigations to modern slavery.



### Authentic

We celebrate diversity and earn the trust of our stakeholders by acting with integrity.



### Passionate

We are visionary, with the courage to innovate and achieve our goals.



### Accountable

We are results driven, make savvy decisions and take responsibility for our actions.



### Collaborative

We work together and communicate openly to achieve shared goals.

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# Our Structure, Operations and Supply Chain

## Structure

APAC is committed to delivering strong sustainable benefits for our diverse stakeholders through the performance of two key Australian aviation assets – Melbourne and Launceston Airports.

APAC is a privately held corporation owned by institutional investors, predominantly superannuation/pension funds.

The funds are owned, managed, or represented by the following five entities:

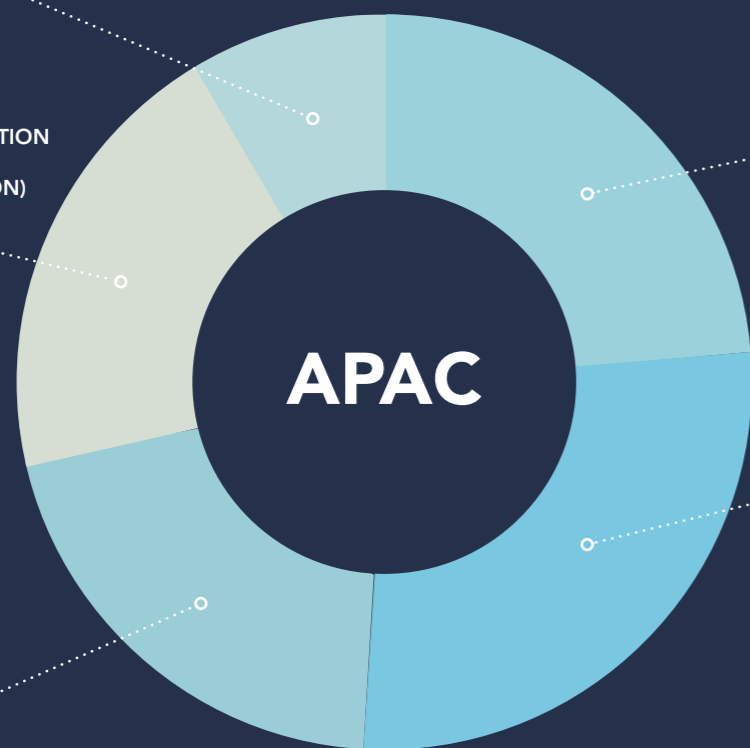
UTILITIES OF AUSTRALIA  
(MANAGED BY HRL MORRISON & CO)  
8.70%

SAS TRUSTEE CORPORATION  
(MANAGED BY NSW TREASURY CORPORATION)  
18.47%

FUTURE FUND  
20.34%

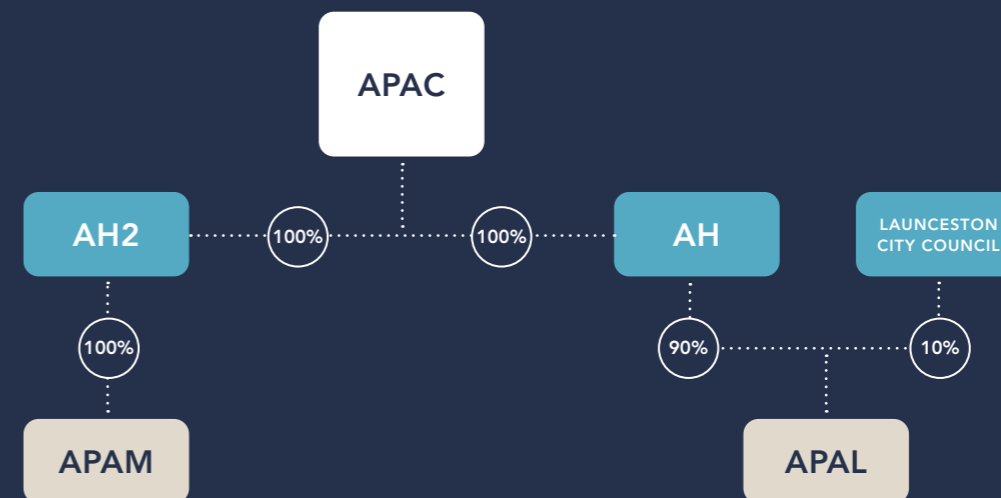
IFM INVESTORS  
25.17%

AMP  
27.32%



AH2 and AH are the immediate owners of each of APAM and APAL respectively and Launceston City Council has a 10% economic interest in APAL. APAC is the ultimate holding company of the corporate group.

APAM (in respect of Melbourne Airport) and APAL (in respect of Launceston Airport) are the airport lessee companies under a long-term lease with the Commonwealth of Australia. These leases grant each of these entities the right to manage Melbourne Airport (located in Tullamarine, Victoria) and Launceston Airport (located in Launceston, Tasmania).





## Launceston Airport

Launceston Airport is situated 15 kilometres south of the Launceston Central Business District, near the towns of Perth and Evandale.

The airport serves as a domestic, regional, and general aviation gateway to Northern Tasmania for commercial aircraft, airfreight, and private operators. Current facilities available to support aircraft operations include six domestic aircraft stands, three freight stands, and 15 general aviation stands. The three-storey terminal complex includes four dedicated boarding gates, and a temporary border arrivals processing annex. A separate terminal houses Sharp Airlines' maintenance facility, national reservations centre and departure lounge.

The airport also provides a range of facilities and office accommodation to ancillary non-aviation businesses which are attracted to the benefits of operating in an environment that has excellent connectivity and logistics links.

Launceston Airport is the second-busiest airport in Tasmania for passengers and provides the main aviation hub for Northern Tasmania. The airport is a key component of Tasmania's infrastructure providing access to national and international markets for both tourism and business. While some 30 staff are employed at Launceston Airport by APAC (and its operating subsidiary, APAL), pre-pandemic, the airport had an average daily workforce of around 500.

### Subsidiary Consultation

Key members from both APAM and APAL have been consulted in the development of this statement.



## Operations

### APAM

APAM operates through the coordinated efforts of 6 business units working to deliver against a corporate strategy. The business units and their functions are as follows:

**Aviation** – The Aviation business unit is responsible for the day-to-day operation of the airport terminal and airfield. This incorporates an Integrated Operations Centre responsible for managing incidents, allocating aircraft to aircraft parking stands and airline flights to check in zones within the terminal. It includes airfield safety, airfield maintenance and airfield ground lighting teams who ensure that aircraft, vehicles, and pedestrians can safely manoeuvre across the airfield. The aviation team also includes airport security and emergency response. They also take responsibility for the aeronautical business development and capacity planning responsibilities to continually grow the aviation business.

**Commercial Property** – The Commercial Property business unit has two key responsibilities being the management of the property development and management portfolio and the management of the retail offerings both inside the terminal and within the wider airport precinct. The property portfolio includes some of the largest warehouses in Australia within the Melbourne Airport Business Park, through to commercial office space, hotels, and Australia's first wave park. The retail component includes the food and beverage and specialty outlets spread throughout the terminals along with airline lounges and service stations.

**Ground Transport** – The Ground Transport business unit is responsible for the safe operation of the roads and carparks within the airport precinct. This includes road maintenance, marshalling to keep pedestrians and vehicles safely separated within the forecourt and management of the various carparking offerings across the airport.

**Infrastructure** – The Infrastructure Group is responsible for developing and maintaining the airport. This includes an airport planning team who forecast the infrastructure required to keep up with demand, a development and delivery team focussed on delivering the capital plan and a facilities maintenance team to maintain the asset and a utilities team to keep the lights on.

**Finance, Technology and Risk** – The Finance Technology and Risk business unit contains the majority of the corporate functions including treasury, finance, safety, risk, compliance, environment, legal and technology. The technology team maintain not only APAM's IT infrastructure but also provide the IT infrastructure to support almost all companies operating at the airport including critical systems like the baggage handling system and the airline check in systems.

**People Experience and Marketing** – The People Experience and Marketing business unit support the business from a human resources perspective and provide marketing support across the business.

### APAL

APAL operates in a similar fashion to APAM however on a smaller scale while being able to leverage many of the corporate functions from APAM.

## Destinations Served



OPEX (26%)		CAPEX (74%)	
Transport	12%	Head Contractors	61%
Security	9%	Consultants	7%
Facilities Maintenance and Utilities	3%	Project Management Services	4%
Technology	2%	Environmental	1%
Professional Services	1%	Quantity Surveying	1%

### Our supply chain

APAC has a global supply chain comprised of approximately 2,000 suppliers split across Operational Expenditure (OPEX) and Capital Expenditure (CAPEX).

These suppliers operate in a diverse range of industries, primarily service based and include technology support, consultancy, facilities management, construction and engineering, office supplies, cleaning, waste management and marketing. APAC delivers a significant capital works portfolio which draws on the Victorian and Tasmanian Construction Sectors and their associated supply chain.

Suppliers are generally engaged as independent contractors and may be contracted on a long or short-term basis depending on the nature of the services.

The majority of suppliers directly contracted by APAC are located in Australia. Other countries where suppliers directly contracted by APAC are located include the United States of America, New Zealand, European Union, India, Singapore and the United Kingdom.

APAC is committed to operating ethically, fairly, in compliance with all relevant laws and in a socially responsible manner consistent with the expectations of our local communities. We also expect suppliers within our supply chain to act in the same way.

### COVID-19

The Covid-19 pandemic has had an unprecedented impact on APAC and the wider aviation community.

With international and State border closures becoming common place throughout 2020 and 2021, the volume of traffic through both Melbourne Airport and Launceston Airport has been significantly impacted. Putting this in perspective, Melbourne Airport welcomed 3.32 million passengers in December 2019 and in stark contrast only 20,604 passengers passed through the airport in August 2021. Despite the huge challenge posed by the Covid-19 pandemic, Melbourne Airport remained open, with curfew-free operations continuing seven days a week.

The reduced operations at both airports had a significant impact on the entire workforce which could have resulted in an increased risk of modern slavery within the direct operations and the supporting supply chains. APAC took positive action to mitigate this risk by implementing numerous measures to take the financial strain off our service providers, tenants and key partners while structuring operations to allow these organisations to maintain their staffing levels as close to previous levels as possible.





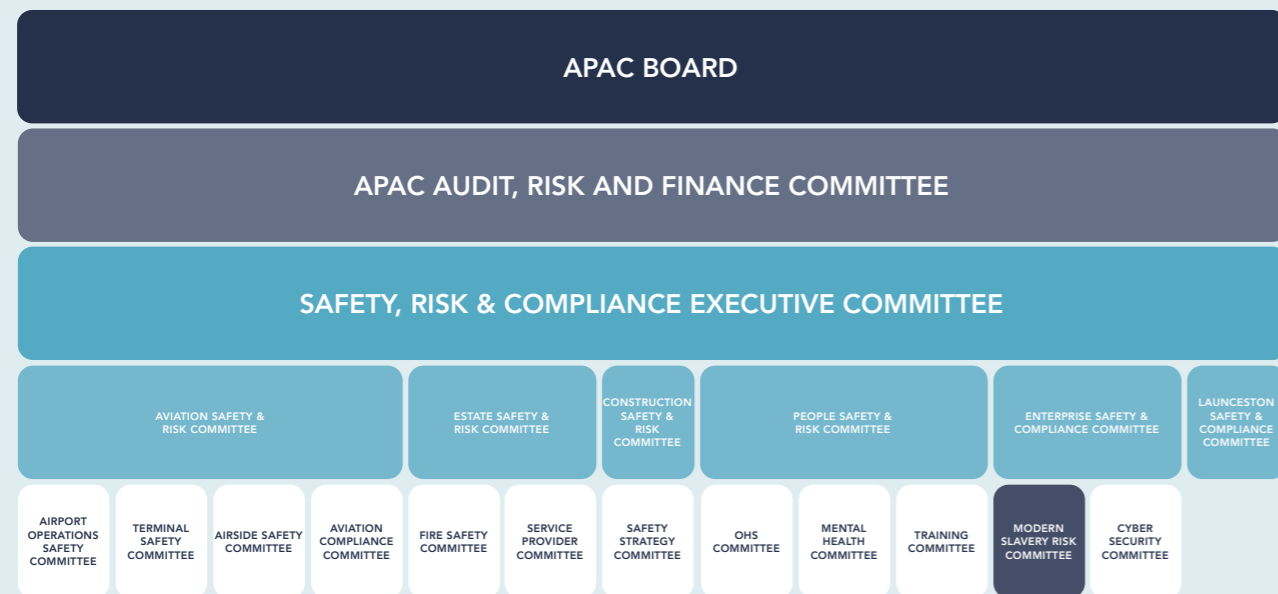
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# Modern Slavery Governance Framework

## Governance Structure

Risk management, including modern slavery risk management, is a key focus for APAC and is managed through the Safety, Risk and Compliance (SRC) governance structure. The SRC Governance structure is centred around the SRC Executive Committee that reports into the APAC Audit, Risk and Finance Committee and the APAC Board. The SRC Executive Committee meets on a monthly basis and consists of the APAC Senior Leadership Team. The SRC Executive Committee has a number of sub committees as depicted below.

The Modern Slavery Risk Committee is a sub committee under the Enterprise Risk and Compliance Committee and is focussed on assessing and mitigating modern slavery risks. The Modern Slavery Risk Committee consists of key personnel from the Risk, Procurement and Legal teams.



## Policies

The majority of policies are developed under the APAC banner and apply equally to APAM and APAL. Those policies not developed under the APAC banner are generally the specific operational policies relating to the specific operations of each airport. All policies go through a regular review process and a number of policies require sign off by the APAC Board due to their significance. The following three policies are particularly important to mitigating modern slavery risks and all three are approved by the APAC Board.

**Code of Conduct** – The APAC Code of Conduct underpins our ability to behave in a manner consistent with our shared values. It demonstrates how to practically apply those values in our day-to-day activities and as a result meet or exceed applicable legal requirements. The Code describes a common set of expectations for our conduct; however, it is not meant to provide specific guidance on every situation we may find ourselves. Rather, it is principle-based guidance that helps us think about “What is the right thing to do?”. It also provides guidance on where to go for further support and information if needed.

**Supplier Code of Conduct** – The Supplier code of conduct draws upon international standards and APAC’s Code of Conduct to set out the foundation of minimum standards and expectations of behaviour that APAC expects of its suppliers to meet in the areas of labour and human rights, health and safety, environment, business integrity, privacy and supplier diversity. APAC wish to partner with vendors, contractors and consultants who commit to observing these principles not only in its dealings with APAC but throughout its own supply chain.

**Speak Up** – This policy sets out how eligible parties can confidentially make disclosures of matters of concern involving misconduct of the Company or its officers or employees. This includes how this can be done on an anonymous basis via an independent avenue as well as the support that will be provided by the Company. Eligible parties include all current and former team members, relatives or dependants of a current or former team member as well as any person working at either Melbourne Airport or Launceston Airport regardless of their contractual relationship with APAC, APAM or APAL.



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# Identifying and Assessing Modern Slavery Risks



Modern slavery risks are assessed using the APAC enterprise risk management framework which aligns to the ISO 20400 guideline. In line with the Guidance for Reporting Entities provided by the Federal Government APAC uses the UN Guiding Principles on Business and Human Rights as a basis for assessing actual and potential human rights impacts, including modern slavery.

APAC's risk assessment focusses on three key elements; our internal workforce, our direct supply chain and beyond our direct supply chain to their suppliers and subcontractors. The risk assessment accounts for the following four key risk identifiers:

- **Vulnerable populations** – Groups of people more likely to be exposed to harm, or unable to advocate for themselves in exploitative situations. The level of worker vulnerability, and risk of poor labour practices and exploitation are recognised to be higher in contexts where base skill labour is relied upon.
- **High risk business models** – Business models that rely on third parties for the provision of services - often labour hire. Outsourcing reduces company visibility over third-party recruitment practices and provision of worker entitlements.
- **High risk sectors or categories** – Products and services regarded as having more significant inherent modern slavery risk – including industries that rely heavily on low- skilled labour and/or involve dirty, dangerous and difficult work.
- **High risk geographies** – Countries or regions which are known to have higher human rights (and modern slavery) violations or risks. High risk geographies include countries and regions vulnerable to bribery and corruption, or without strong labour laws and governance.



## Internal Workforce

APAC internal workforce are engaged on either a common law contract (66%) or under and single Enterprise Agreement (34%). Those engaged under a common law contract are a very low risk in terms of modern slavery due to the individually negotiated contract and the inherent protections provided under common law.

Our Enterprise Agreement is a fully negotiated agreement with significant consultation with the participants and their union representatives. The Enterprise Agreement is renegotiated every 2-4 years to ensure that it remains current in terms of remuneration, benefits and working conditions. The Enterprise Agreement must also comply with the Fair Work Act and be certified by the Fair Work Commission. As a result, the modern slavery risk within those engaged under the Enterprise Agreement is also assessed to be very low.

## Direct Supply Chain

APAC assesses the risk of modern slavery in our supply chain to be low, due largely to the fact that the majority of suppliers that we directly contract with are located in Australia. Desktop assessments across APACs major suppliers, indicate suppliers with modern slavery obligations have policies in place to deal with modern slavery.

APAC continues to develop its commercial arrangements to ensure suppliers have an obligation to inform APAC of any activities that are proposed to be conducted offshore.



## Indirect Supply Chain

Notwithstanding this, APAC recognises that there may be instances in which we are indirectly exposed to modern slavery practices in our supply chains. Specifically, the cleaning services, office supplies, IT services and construction industries are sectors that APAC considers more likely to be at risk of modern slavery practices occurring further down the supply chain, as follows:

- risk that raw materials used in office teas, coffees and foods are not fair trade, including that they may be obtained contrary to fair labour practices
- risk of labour exploitation in the production of company uniforms (where used)
- risk of unpaid or underpaid labour and excessive hours, including in relation to foreign workers and offshoring of any component of services, in connection with subcontracting in the construction, IT and/or cleaning sectors.



# 5

## Mitigation and Remediation

APAC has continued to build on the work that commenced in FY20 in order to mitigate the risk of modern slavery occurring in our supply chain. Our progress against mitigations identified in FY20 and the new initiatives raised in FY21 are described in the following sections.

### FY20 Mitigations

The primary mitigations identified in the FY20 statement relate to the APAC Code of Conduct, Supplier Code of Conduct and the Speak Up (Whistleblower) Policy. All three of these policies are due for formal review in FY22. The Modern Slavery Committee conducted an informal review of each of the policies to confirm that they continue to align with modern slavery risk mitigation.

The APAC Code of Conduct and the Supplier Code of Conduct were appropriate; however, a number of improvements were found in the Speak Up (Whistleblower) Policy relating to supply chain access to the policy. As a result, the Speak Up (Whistleblower) Policy is currently under review and will be presented to the APAC Audit, Risk and Finance Committee in FY22 for approval. In parallel, necessary changes to mitigate modern slavery risks through the Speak Up (Whistleblower) Policy are already in place.

**APAC Code of Conduct:** It is mandatory that APAC team members read and sign their acknowledgment of, and agreement to, this code of conduct. A breach of the code of conduct is viewed as a serious matter that must be addressed and may lead to disciplinary action, including dismissal where appropriate. The code of conduct mandates that only suppliers which share APAC's commitment to lawful and ethical practices are engaged and that any doubts as to this are immediately reported to a manager.

**Supplier Code of Conduct:** Suppliers wishing to contract with APAC must read and agree to the terms of APAC's Supplier Code of Conduct as a condition of providing APAC with services. This process is incorporated in APAC's Procurement Policy and is integrated in our procurement process. This code of conduct requires suppliers to agree to a number of integral requirements, including rejecting all forms of child labour and forced labour and ensuring fair remuneration and work conditions for all team members.

**Speak Up (Whistleblower) Policy:** APAC maintains an independent, externally resourced hotline to which suspected instances of misconduct, including violation of human rights or breach of labour laws, can be reported anonymously. Concerns can be raised via a number of methods including via telephone, email and online through the supplier's web portal.

### FY21 Mitigations

APAC recognises that mitigating modern slavery risks within its operation and supply chain is an ongoing task and requires constant attention. Noting the establishment of the Modern Slavery Committee within the SRC governance structure and the ongoing review of the relevant policies, APAC's focus in FY21 shifted to the procurement aspects of the supply chain.

**Supply Chain Modern Slavery Self Reporting Tools and Risk Assessments:** Major APAC suppliers across CAPEX and OPEX spend participate in a modern slavery maturity assessment. This tool serves to confirm effectiveness of downstream controls and measures with respect to modern slavery throughout the APAC supply chain. This process is completed on an annual basis and utilised to inform ongoing supply chain risk assessments and associated controls within APAC's enterprise risk management framework.

**Procurement and Supply Chain Controls:** APAC requires all major suppliers to provide transparency and seek approval for all activities that are to be subcontracted or proposed to be delivered or supported from offshore locations. APAC assesses the risks of these activities prior to contracting or permitting such arrangements. Specifically, for technology related activities, APAC's cyber security policy requires supply chain activities are not conducted in high-risk geographies.

### Remediation

APAC seeks to avoid causing or contributing to human rights violations across our or our business partners' operations and supply chains. We encourage all our service providers, contractors, consultants, and key partners to report and express any concerns relating to our activities and suspected violations of our policies, including via the mechanisms described in our Speak Up (Whistleblower) Policy.

As outlined in the Policy, if a grievance is raised, APAC establish a Speak Up Committee to assess the information reported and determine an appropriate course of action which depending upon severity may incorporate an independent external investigation. APAC is committed to investigating, addressing and responding to any concerns and taking the appropriate corrective actions if required.

No formal remediation plans were issued in FY21.



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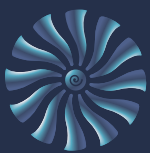
## Monitoring and Evaluating our Performance

*APAC recognises the need to continue to regularly review the measures we have implemented in order to ensure that they are effective at identifying any modern slavery taking place in our supply chain.*

To achieve this APAC has established a Modern Slavery Committee under the Enterprise Risk and Compliance Committee. The Modern Slavery Committee is responsible for:

- Regularly reviewing the internal risk assessment processes to ensure that they account for modern slavery risks and human rights more broadly.
- Regularly reviewing the supplier risk assessments developed during procurement activities to ensure modern slavery risks are mitigated in new contracts.
- Conducting regular assessments using the third-party risk assessment tool
- Monitoring the adherence to modern slavery mitigations within contracts by overseeing regular audits and inspections.
- Monitoring any modern slavery related disclosures made to our Speak Up Hotline and identifying any trends.
- Reviewing our modern slavery risk mitigations against industry best practice.
- Periodically reviewing key policies relating to modern slavery risk mitigation such as the Code of Conduct, Supplier Code of Conduct and the Speak Up (Whistleblower) Policy.





**AUSTRALIA  
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