Modern Slavery Statement

2022 Financial Year

Joint Message from Chairman & CEO

Queensland Airports Limited (QAL) is strongly opposed to modern slavery in all its forms. One of our five strategic pillars is Social Responsibility, and we are committed to respecting and supporting fundamental human rights and building relationships with businesses and stakeholders who share that commitment.

QAL has developed a strategic understanding of the risk of modern slavery relating to our operations and supply chain and the risks identified to date are outlined in this statement. However, we acknowledge that further risk management activities are required to establish a deeper understanding of our modern slavery risk and enable further improvements in our actions to be taken.

During 2022, we did not detect any instances of modern slavery in our operations or supply chain.

Modern slavery activities have been impacted by COVID-19, however we have established a foundation upon which to develop a mature and effective approach to managing modern slavery risks. This has included the Modern Slavery Improvement Plan (FY21-24), Modern Slavery Framework and Modern Slavery Working Group.

We recognise that as an airport, we may be used as a gateway for human trafficking and as our operations return to normal we will be working closely with the relevant agencies and NGOs to mitigate this risk.

This statement complies with the requirements of the Modern Slavery Act 2018 (the Act) and was developed by QAL's Modern Slavery Working Group, was endorsed by our Executive and Risk and Audit Committee and approved by our Board of Directors. It is signed by the Chairman of the Board, Ann Sherry AO, and Chief Executive Officer, Amelia Evans in accordance with section 14(2)(d)(iii) of the Act.

Ann Sherry AO
Chairman
Queensland Airports Limited

Amelia Evans
Chief Executive Officer
Queensland Airports Limited

Key Activities FY22

Modern Slavery Policy

Modern Slavery Working Group

Key Person Training

Ongoing Risk Assessments

Procurement Standards

Contract Clauses

About QAL

Our Airports

QAL is a privately owned public company that owns and operates Gold Coast, Townsville, Mt Isa and Longreach Airports. QAL shareholders include superannuation and investment funds.

GCA GOLD COAST AIRPORT

3 Million Passengers in FY22
97% Domestic & 3 % International.

TSV Townsville Airport

1.2 Million Passengers in FY22
100% Domestic.

Mount Isa AIRPORT

0.19 Million Passengers in FY22
100% Domestic.

LONGREACH AIRPORT

0.03 Million Passengers in FY22
100% Domestic.

Our Entities

Queensland Airports Limited (ACN 104 121 824)

QAL Finance Pty Ltd (ACN 113 941 512)

Gold Coast Airport Pty Ltd (ACN 077 200 821)

Townsville Airport Pty Ltd (ACN 081 257 490)

Mount Isa Airport Pty Ltd (ACN 081 257 552)

Longreach Airport Pty Ltd (ACN 138 820 854)

Australian Airports Pty Ltd (ACN 075 315 623)

Piggabeen Land Company Pty Ltd (ACN 073 959 618)

QAL Services Pty Ltd (ACN 113 518 639)

QAL Management Services Pty Ltd (ACN 133 656 872)

QAL Property Pty Ltd (ACN 096 916 193)

QAL Property No. 2 Pty Ltd (ACN 136 806 589)

Our Values

QAL's activities are guided by five strategic pillars. Each of these pillars is interrelated and the strength of QAL's performance is driven by and reliant upon strong performance in each pillar, including the Social Responsibility pillar. A key element of the Social Responsibility pillar is supporting and promoting fundamental human rights including the elimination of modern slavery from the operations and supply chains of QAL and its trading partners.

High Performance Workforce

Social Responsibility

Customer Experience

Accomplished Operators

Shareholder Value

Consultation

QAL utilises our established structure and reporting lines to enable effective consultation and collaboration in respect of modern slavery risks and activities across all QAL entities. This process is supported by the establishment of the Modern Slavery Working Group which includes key stakeholders from the QAL business, enabling effective cross business representation, consultation, and collaboration. The consultation process includes risk identification and assessment, determining actions and initiatives, training needs and performance monitoring.

QAL has also commenced external consultation with modern slavery non-governmental agency (NGO) and airport stakeholders including the Australian Federal Police.

Governance

QAL has a well-developed Governance Framework consisting of structure, reporting lines, systems and processes to ensure that our internal governance standards are met, our objectives are achieved, risks are managed, and regulatory requirements met. QAL utilises strategic level internal controls which apply across all airports, with operational level internal controls, as appropriate and required, for each airport.

The Framework utilises a three lines of defence model which supports effective governance throughout each tier of the organisation from senior management, through to the Board and Shareholders. The following internal controls apply to the management of modern slavery risk:

- Code of Conduct
- Modern Slavery Framework
- Fraud and Corruption Control Framework
- Whistleblower Framework
- Ongoing Stakeholder Engagement

Management of modern slavery risk is coordinated by Legal and Governance, with oversight by the Executive Committee, escalated to Risk and Audit Committee and Board as required and appropriate.
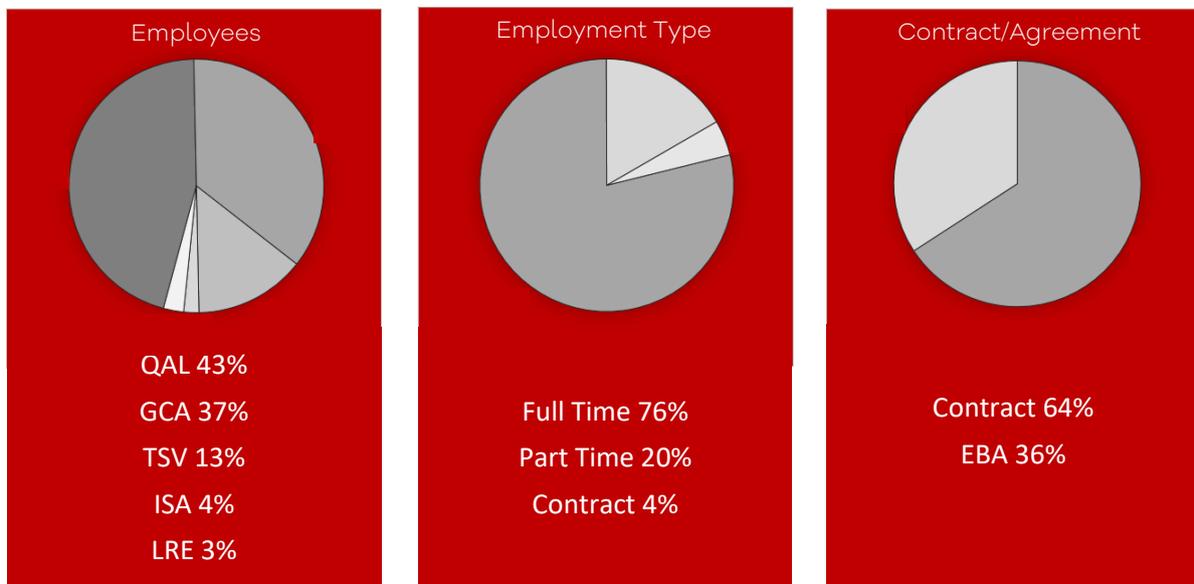
QAL Operations

As an airport operator, QAL derives the majority of its revenue from airport and airport related operations, with further revenue derived from property holdings.[1]

Operations (Revenue Streams)

Aviation operations with revenue derived from aeronautical services charges for RPT, GA and Freight.

Portfolio of leases for terminal food and beverage concessions.

Car park and ground transport servicing access to and from the airport.

Portfolio of leases for terminal retail concessions.

Property portfolio including university, hotel, medical, aviation, freight, car rental, retail and hospitality.

Portfolio of leases for terminal service providers.

Workforce

QAL's workforce is predominately employed under contract or enterprise bargaining agreement on a full-time or part-time basis. QAL also outsources a significant volume of services to third parties under contracts and agreements due to the nature and extent of its operations. In addition, QAL engages third parties under contract to provide security screening, cleaning and carpark management services.

Employees

QAL 43%
GCA 37%
TSV 13%
ISA 4%
LRE 3%

Employment Type

Full Time 76%
Part Time 20%
Contract 4%

Contract/Agreement

Contract 64%
EBA 36%

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[1] For further detail see Queensland Airports Limited Annual Report.

QAL Supply Chains

Products and Services

QAL's supply chain consists of goods and services provided to support airport operations.

Products

- Technology including computer hardware and mobile phones.
- Software, including software as a service.
- Assets and infrastructure and related replacement parts.
- Major capital projects under design and construct contracts.
- Promotional goods and materials (not for re-sale).
- Uniforms and PPE (not for re-sale).

Services

- Aviation security screening services.
- Cleaning services for terminal and administrative buildings.
- Curb-side concierge.
- Trades and trade related services.
- Car-park management.
- Major capital projects under design and construct contracts.
- Technology support services.
- Consultancy services.

Sectors and Source

QAL sources all products and services from Australian based companies, however some products are manufactured outside Australia and fall within higher risk sectors.

- Technology hardware manufactured in South East Asia.
- Promotional goods manufactured in South East Asia.
- Uniforms & PPE manufactured South East Asia.
- Single person IT Support in India.
- Assets and Infrastructure manufactured South East Asia.

GCA Terminal Expansion

QAL completed a significant expansion of the Gold Coast Airport in September 2022. The project was completed by Lendlease under a Design and Construct Contract. The project commenced prior to the Act's commencement, however QAL gained assurance in regard to the modern slavery supply chain risk presented by the project through our engagement with Lendlease and their contractors, their Modern Slavery Statement and their very pro-active approach to managing modern slavery risks.

Modern Slavery Risk

Risk Assessment

Risk Management activities are conducted in accordance with QAL's Risk Management Framework (aligned with ISO 31000:2018), with specific application to the external and internal modern slavery context and factors.

QAL has undertaken a strategic risk assessment in relation to modern slavery risks and has reviewed the risk assessment on an ongoing basis during the reporting period. In addition to this, QAL assesses any direct operational risks of modern slavery during our usual due diligence processes and approvals. Our reviews consider geographic, sector and product risks in addition to assessing the entity supplying the product or service.

QAL acknowledges that visibility and understanding of modern slavery risk is developing, albeit as a slower rate due to COVID-19 impacts. QAL currently utilises open-source data, including Walk Free Global Slavery Index[2] to assess the risk from modern slavery, however, as the impacts of COVID-19 continues to subside and our operations normalise, QAL will engage external subject matter experts to conduct a deeper dive into the risk areas identified in our risk assessments. In addition, QAL will continue to develop a clearer and deeper understanding of the materiality of any potential vulnerabilities or risks and just as importantly, the manner in which QAL potentially causes, contributes or is in some way linked to modern slavery.

Operational Risk

QAL did not detect any instances of modern slavery directly linked to our operations in the reporting period, however, we continue to monitor the following areas which present a heightened risk.

> Aviation security screening services are provided by a third party under contract (149 workers) and may present a heightened risk due to the sector risk. QAL is satisfied that the risk is well controlled, with recent assurance activities indicating there are no sub-contracted employees and/or employees without appropriate visas and that employee payments are made in accordance with the relevant award.
>
> Cleaning services are provided under contract by a number of third parties who service various QAL sites (49 workers) and presents a heightened risk due to the sector risk. QAL is satisfied that the risk is controlled, with recent assurance activities indicating there are no sub-contracted employees and/or employees without appropriate visas and that employee payments are made in accordance with the relevant award.

On-Airport Risk

QAL acknowledges that there is an indirect risk (low) of modern slavery from third party operations and leaseholders.

> Workers are engaged under contract to third parties operating on QAL properties. This includes airline baggage handlers, cleaners and caterers. There is a potential contingent workforce risk associated with these sectors.   QAL will continue to engage with third parties to promote and encourage practices to reduce the risk of modern slavery. QAL gains assurance by contracting only with sophisticated and reputable third parties.
>
> QAL leases premises to a broad range of businesses including food and beverage, catering, retail, general aviation, tertiary education, fuel supply, transport, childcare and medical services. The indirect risk of modern slavery is considered low, however QAL will continue to engage with tenants to promote and encourage practices to reduce the risk of modern slavery. QAL gains assurance by contracting only with sophisticated and reputable third parties.

[2] https://www.walkfree.org/projects/the-global-slavery-index/

Supply Chain Risk

QAL's operations have been severely impacted by COVID-19 and initiatives that we had planned have had to be delayed. As we now recover from those impacts, QAL continues to develop a greater understanding of the risk of modern slavery in its supply chain. Whilst the strategic assessment of our supply chain has indicated potential vulnerabilities in regard to technology and promotional products sourced from South East Asia, as is the case in most industries, further supply chain mapping and assessment of the risk will be undertaken to enable the actual risk to be fully understood and controlled more effectively. Through our procurement and assurance practices, risk associated with modern slavery in our supply chain is considered low.

QAL utilises an extensive range of technology (hardware and software) to conduct and support operations. Technology is generally sourced from established providers, however QAL acknowledges there is a heightened risk in relation to the materials used to manufacture some items and a potential labour risk depending upon the geographic origin of an item.

QAL has engaged in a number of major construction projects. Each project involved the engagement of a tier one or two construction contractor, generally under a design and construct contract. QAL acknowledges that a heightened supply chain risk exists with materials or construction elements potentially being sourced from geographic locations where the modern slavery index is high. However, this risk is mitigated by our engagement with those companies and sharing our concerns regarding modern slavery risk.

QAL purchases equipment, infrastructure, and components for use in airport operations. All purchases are from recognised Australian based companies with a low direct modern slavery risk, however, QAL acknowledges that there may be risks of modern slavery in the supply chain of goods which are purchased.

QAL purchases promotional goods and materials used to promote airport activities. All purchases are from Australian based companies; however, some items are manufactured in South East Asia with a heightened modern slavery supply chain risk.

QAL purchases uniform items and personal protective equipment for use in airport operations. All purchases are from Australian based companies; however, some items are manufactured in South East Asia with a heightened modern slavery supply chain risk.

QAL engages an Australian based company to provide IT Support services in relation to two software systems. The Australian based company utilises a subject matter expert in India to provide certain IT support services. QAL has been assured that the terms and conditions by which the subject matter expert are contracted are consistent with the market.

Gateway Risk

QAL airports service domestic and international markets and as a consequence, may serve as a gateway for a number of classes of modern slavery including servitude, forced labour, debt bondage, forced marriage and human trafficking. Due to its location, Gold Coast Airport presents a heightened gateway risk for human trafficking.

> **Human Trafficking Through Airports**[3]
>
> Globalisation and the increase in movement between countries via air travel has also increased the illegal movement of people. Human Trafficking is the movement of vulnerable persons by threat, force of coercion to control and exploit that person. Airports may be gateways for a range of human trafficking activities including sexual exploitation, debt bondage and servitude or forced begging. The aviation industry is able to mitigate the risk of human trafficking by raising awareness amongst employees and stakeholders to detect suspect activity, encourage reporting to relevant agencies on the ground, creating awareness for victims and active collaboration with relevant agencies.

Controlling the Risk

During the reporting period, QAL has continued to take action to manage the risk of modern slavery in accordance with our Modern Slavery Improvement Plan. Actions and activities continued to be negatively impacted by COVID-19, however as business recovers, we will look to continue to improve our performance in this important area.

Modern Slavery Improvement Plan

The Modern Slavery Improvement Plan is focused on achieving real and sustainable improvements. The actions detailed in the plan are risk based and have been developed through consultation with key stakeholders and championed by the Modern Slavery Working Group.

A key element of the improvement plan is integration of modern slavery considerations into current policies and practices to ensure effective utilisation. An example of this approach was the redrafting of our Airport Conditions of Use which includes requirements for air operators in relation to reporting and management of modern slavery risks as a condition of use for QAL's airports. We have taken a similar approach in updating our standard Purchase Order's terms and conditions.

Modern Slavery Framework

The QAL Modern Slavery Framework outlines the protocols and procedures to be applied to the management of the risk of modern slavery arising directly and indirectly from QAL operations. The framework includes:

- Definition of Modern Slavery.
- Risk Assessment.
- Risk Treatments and Mitigation Initiatives.
- Collaboration.
- Training and Awareness.
- Monitoring and Review.

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[3] IATA Guidance on Human Trafficking – First Edition, June 2018

Modern Slavery Working Group

A multi-disciplinary Modern Slavery Working Group has been formed with the General Counsel as the Chairman. The key objectives of the Working Group are to:

- Facilitate the assessment of modern slavery risks.
- Facilitate and monitor implementation of modern slavery risk treatments.
- Identify and facilitate opportunities to collaborate with agencies, business partners and/or non-government organisations to mitigate modern slavery risks.
- Monitor and review effectiveness of treatments and actions.
- Promote awareness and capability development in relation to modern slavery.
- Monitor and review effectiveness of Modern Slavery Framework.

The appointment of a QAL procurement manager was postponed due to adverse COVID-19 impacts. Subject to QAL's continued recovery, QAL will make that appointment in 2023 and that role will be an important member of this Group and will be integral to advancing a number of elements of our Modern Slavery Plan relating to QAL's procurement practices.

Key Person Training

Members of the Modern Slavery Working Group are key persons in managing modern slavery risks and have completed the comprehensive Airports Council International Combatting Human Trafficking Training. The Course includes:

- Policy.
- Signs of Human Trafficking.
- Staff Awareness.
- Public Awareness.
- Case Studies.

In addition, face to face training has been presented to the Finance Team on what modern slavery is and how to recognise warning flags of modern slavery risk.

Contract Terms & Conditions

QAL updates its suite of precedent contracts from time to time and in doing so, ensures that they include terms that impose obligations on suppliers to address modern slavery compliance requirements, assurance and notifications, and support QAL in completion of due diligence activities. These clauses are included in new and updated goods and services contracts. Furthermore, they are included in QAL's lease and licence agreements to provide a level of assurance in respect of tenant's on-airport activities.

Access Cards

QAL issues access identification cards for all stakeholders requiring access to the airport. Issue of the access card is subject to several conditions, including verification of identity and right to work status. The checks undertaken provide assurance and mitigate risk of modern slavery relating to the individuals involved.

Minimum Procurement Standards

QAL continues to improve its performance in relation to ESG including the development of a comprehensive ESG strategy. An important element of our ESG strategy will be embedding minimum human rights standards into our procurement practices. This will include:

- No direct modern slavery.
- No child labour.
- No forced/bonded labour.
- Compliance with local labour laws.
- Compliance with local awards.
- Records of wages, hours and benefits.
- No discrimination, harassment, or abuse.

- No violence or intimidation.
- No deceptive recruitment.
- Freedom of association.
- Proactively manage the indirect modern slavery risk in their Supply Chain.

Key Activities FY22

Supply Chain Mapping

Engagement with Law Enforcement Agencies

Ongoing Risk Reviews

Gateway Communications

Training & Awareness

Supplier/Contractor Assurance

Due Diligence & Assurance

Due Diligence

QAL has identified effective due diligence as a central element of the Modern Slavery Improvement Program. During the reporting period due diligence activities were limited to the use of open-source information, including review of Modern Slavery Statements and published information, and self-reporting from suppliers through questionnaire responses. Deeper dive due diligence activities are planned as we emerge and recover from the impacts of COVID-19.

The introduction of the Minimum Procurement Standards will assist QAL in screening suppliers and service providers before engagement so as to minimise the risk of modern slavery.

Assurance

QAL continues to develop and embed appropriate assurance requirements for our suppliers. This includes the provision of details of their practices to QAL in tenders, completion of self-assessments and provision of an assurance certificates confirming compliance with the principles of the Act.

QAL also works collaboratively with identified high risk suppliers to gain assurance that risks arising from modern slavery are being managed and that actions or remedies are effective.

Subject to QAL's COVID-19 recovery continuing, QAL intends to conduct a program of audits in relation to suppliers who employ contingent labour, major contracts and contracts which have been identified to present a heightened risk of modern slavery. This program will be established through collaboration with our business partners. Business partners will be encouraged to rectify identified non-conformance issues within a time frame commensurate with the risk associated with the non-conformance.

Grievance Reporting

QAL has a well-established Whistleblower Framework which is supported by a Whistleblower Hotline (FairCall). The FairCall service is provided for QAL under contract with KPMG. The QAL Whistleblower Framework provides a rigorous structure and clear mechanisms to enable matters to be reported, managed, investigated and resolved in an effective manner which maintains privacy and confidentiality.

QAL actively promotes the existence of the Hotline to ensure that employees and stakeholders are aware the FairCall Hotline may be utilised to report inappropriate behaviour including modern slavery related matters.

Control Effectiveness

In accordance with the QAL Risk Management Framework, the effectiveness of risk controls is monitored on an ongoing basis and reviewed periodically, usually quarterly. Control effectiveness is also reviewed periodically, including when an incident occurs to determine whether a control has been effective, implemented correctly or if there is a control deficiency. Where corrective action is required, corrective action will be taken in a timeframe commensurate with the risk presented by the deficiency. Control effectiveness in respect of all identified risks is an ongoing and dynamic process including those risks associated with modern slavery.

QAL has historically conducted compliance certifications for each business department on a quarterly basis and questions in relation to modern slavery control effectiveness will be included in the compliance certification which is currently being refreshed post-COVID-19. Certifications and non-conformances will be reported quarterly to the Executive and Risk and Audit Committees.

Remedial Action

QAL has not been required to seek and/or implement remedial action in relation to modern slavery during the reporting period. QAL will investigate all grievances or detected instances of modern slavery in accordance with the Modern Slavery Policy and determine the root cause and contributing factors. QAL will ensure corrective and remedial actions are developed to directly address the root cause and contributing factors to ensure that any further risk of modern slavery is reduced so far as reasonably practicable and appropriate remedies are implemented.

Where required, QAL will work collaboratively through this process with suppliers or service providers to enable meaningful and sustainable action is taken.

Performance Measurement

QAL monitors the performance of the Modern Slavery Framework through the use of lead and lag indicators. These indicators may include:

- Training Compliance.
- Procurement and Contract Non-Conformance.
- Supplier and Contractor Assurances.
- Audits and Questionnaire Completion.
- Audit Non-Conformances.
- Grievances.
- Corrective Actions.

- Detected Modern Slavery Issues.

Performance Measures will be monitored and reviewed by the Modern Slavery Working Group and reported to the Risk and Audit Committee and Board.

Continual Improvement

The Modern Slavery Framework, including risk management and controls, is subject to ongoing review and improvement. This process of continual improvement for modern slavery risk is championed by Legal and Governance and undertaken by the various QAL departments, all under oversight of the Modern Slavery Working Group. This process includes an annual review and non-scheduled reviews when regulatory amendments occur, when there is a regulatory action, upon introduction of new practices, when the external context changes or due to audit findings.

COVID-19

COVID-19 had an ongoing and significant adverse impact upon QAL's operations throughout the reporting period although the business is now in recovery mode. Impacts on QAL included large reductions in flights and passenger numbers and adverse impacts upon our tenants. International travel at QAL Airports is minimal with a slow ongoing recovery expected. In terms of workforce, QAL operated with a reduced workforce due to reduced operations however this is now returning to normal as the recovery continues to gain momentum. The current job market is proving challenging for QAL with job vacancies at all levels proving very difficult to fill.

Whilst QAL recognises that COVID-19 elevated the modern slavery risk for some sectors, this has not been the case for aviation, and QAL has not detected any heightened risk of modern slavery due to COVID-19. Additionally, adjustments to operational and capital expenditure to reduce costs have occurred within QAL's procurement requirements, including modern slavery initiatives.

As QAL continues to return to normal operations the risk may increase with increased expenditure and business activities, and the actions and practices detailed in our Modern Slavery Improvement Plan will enable QAL to assess and respond to this increased risk effectively.

QAL has been very mindful of the risk of debt bondage when negotiating and applying revised tenancy agreements and conditions and has explicitly approached negotiations in a collaborative manner aimed at providing the best possible outcome for all parties including in relation to mitigating modern slavery risk.