

2021

North Queensland Airports Modern Slavery Statement





Statement

This is North Queensland Airport's modern slavery statement for the financial year ending 30 June 2021, pursuant to section 13 of the Modern Slavery Act 2018 (Cth) (Act)

At the end of each financial year, and in accordance with the requirements of the Act, we have included information about:

- Our business and the procurement supply chain;
- The due diligence process applied by NQA in sourcing its suppliers;
- The risk assessment methods and steps taken to manage the risks in both the business and the procurement supply chain;
- The effectiveness of ensuring that modern slavery is not taking place in any part of the business or its procurement supply chain;
- The adequacy of training arrangements to ensure that relevant staff have knowledge and appropriate skills to fulfil their obligations.

Signed for and on behalf of

**North Queensland Airports No.2
(Mackay) Pty Ltd and North
Queensland Airports No. 1 (Mackay)
Pty Ltd under Delegated Authority by
the Boards of Directors of each of
these entities.**



Joanne Khoo, Company Secretary

Dated

16 December 2021

About Us

North Queensland Airports (**NQA**) operates Cairns international Airport, Mackay Airport and Mackay Hotel and is a significant economic contributor to the local economy, provides critical infrastructure for investment, trade and is a major destination gateway to the World Heritage Listed Great Barrier Reef and Daintree Rainforest.

Our Values



Our Commitment

Our Board, shareholders and management team at NQA support the aims of the *Modern Slavery Act 2018(Cth)* (**Act**) and are committed to addressing and combatting the risks of modern slavery in our business and procurement supply chains and to implement actions to address those risks wherever possible.

We understand that modern slavery can occur in many forms such as forced labour, child labour, domestic servitude, sex trafficking, workplace abuse and human trafficking. As a significant employer in the region, NQA is proud of its local community, its people and its partners and wishes to ensure that its contributions continue to be a positive one and that no person is put at harm or risk of modern slavery either directly or indirectly through its operations or supply chain.

We also recognise that the Airport is well placed through its ongoing partnership with the Australian Federal Police, to support community initiatives and awareness campaigns regarding this issue.

Our Structure and Operations

NQA operates Cairns and Mackay Airports has a 99-year lease with a subsidiary of the Qld Treasury. The NQA Group owns and operates Cairns Airport, Mackay Airport and Mackay Airport Hotel (operated by Accor Group) and comprises of 12 group company entities. NQA is a dynamic player in the aviation industry.



Cairns International Airport

Cairns International Airport is located in a strategically significant and beautiful part of Australia and provides the gateway to significant SE Asian economic trading partners as well as access to the Cape York and Torres Strait Island Communities along with many other Pacific island nations.

Described as ‘descending into paradise’, Cairns Airport is the gateway to the World Heritage Great Barrier Reef and Tropical Rainforests of North Queensland and is just 7km from the Cairns CBD, it’s also a great place to connect with and celebrate Aboriginal and Torres Strait Islander cultures.

Pre-COVID, Cairns was the seventh busiest Airport and was on track to receiving over 5 million passengers each year. We provide direct services to Brisbane, Gold Coast, Sydney, Melbourne, Adelaide, Perth, Darwin, Townsville and Toowoomba as well as to Alice Springs, Ayers Rock (Uluru) and other remote and regional centers across North and Far North Queensland. We also service flights to international destinations including Japan, China, Singapore and Papua New Guinea.

During the 2020/21 COVID-19 and State lockdowns, the Brisbane-Cairns route was and remains one of the busiest routes in Australia, overtaking Sydney-Melbourne traffic.



Mackay Airport

Mackay Airport is located in central Queensland, servicing tourism to the Whitsunday region

and is a hub for travel to the Bowen coal basin and beyond. Mackay Airport operates from a single terminal building and before COVID-19 in 2020, processed nearly 900,000 passengers per year.

Broadly, our core business activities include:

- Aviation related activities – provision of services to airlines for facilitating aircraft, passenger and freight movements
- Ground transport – car parking, car rental, passenger pick-up services
- Retail – F&B, duty free and other specialty stores in terminal areas
- Property leases and tenancies for office space, lounges, storage areas and available space at the General Aviation precinct
- Construction, facilities management and property development -capex and opex projects to maintain, build, refurbish or upgrade existing or new assets and infrastructure
- Hotel business – owned by NQA but managed and operated by Accor Group

Land Use Plan

Our Airports are an important fabric of our regional cities, we are proud of the important economic and social benefits that they deliver not only to our investors, but also to the consumers of the Airport services and its surrounding communities.

We believe in the sustainable growth and development of the Airports for years to come. Our Land Use Plans provides an overview of the future direction and development of the Airports which supports regional growth and local employment:

<https://www.cairnsairport.com.au/business/development-opportunities/land-use-plan/> <https://www.mackayairport.com.au/business/development-opportunities/land-use-plan/>

Governance

Good governance is a cornerstone to the Airports' long-term success and sustainability. The Boards' Audit and Risk Committee has oversight of this issue on behalf of the Boards. Our senior executive team is focussed on working collaboratively with our suppliers to ensure that NQA's expectations and standards are understood and to minimise potential exposures to modern slavery.

We are committed to high standards of corporate governance. NQA's Boards and Committees provide strategic direction, vision and leadership to implement appropriate levels of governance across our company so that decisions and actions are based on transparency, integrity and value creation.

As part of this endeavor, we recognise the importance of our corporate social responsibility especially as it relates to:

- respecting human rights; and
- protecting the rights of people including our employees, customers and the communities

in which we operate, including those who may be impacted by our activities and those within our supply chains.

Policy Framework

Our approach to managing modern slavery risks falls within our overall approach to protecting and upholding human rights and is managed within the following Policies and Documents:

Modern Slavery Framework

Sets out our overall framework for managing issues relating to modern slavery risks in our suppliers' operations and businesses and its impact on NQA.

Supplier Code of Conduct

We have developed a Supplier Code of Conduct that sets out NQA's expectations for our supply chain and we will continue to make improvements to our due diligence processes for on-boarding suppliers.

Supplier Engagement Programme

Documents how we will work with our Suppliers and our Programme of activities and improvement.

Procurement Policy

Outlines the non-financial consideration/assessment for tender evaluation and procurement of suppliers.

Whistleblower Policy

Provides our Speak Up policy, encourages reporting in anonymous fashion of suspected or actual conduct which may be fraudulent, corrupt, illegal or criminal in any way.

Enterprise Risk Management Framework + Risk Assessments

Provides a risk based approach to the assessment of modern slavery risks in our supply chain and the process of documenting and reporting of those risks.

These documents also outline clear requirements and expectations on the identification and management of issues associated with modern slavery within NQA's operations and our supply chains.



Responsible Sourcing

We recognize that responsible sourcing is essential to the responsible and long-term growth of our business. Our responsible sourcing programme which is underpinned by our Procurement policy has the following Objectives:



Buy local, support local, wherever possible



Ethical and sustainable procurement practices – working with businesses that respect basic human rights and are aligned with our values around providing safe workplace conditions and engage in fair workplace and employment practices.



Support indigenous businesses to provide community benefits and employment outcomes - we are uniquely placed to work with local businesses and to promote indigenous employment outcomes in our region.



Consider Diversity, Equity and Inclusion outcomes in supplier engagement and decisions – we value stakeholders and suppliers who are committed to incorporating Diversity, Equity and Inclusion in to their hiring and employment practices.



Due diligence - Undertaking a comprehensive assessment of our top suppliers in key risk areas, to enable us to better understand our supply chain and the potential risks of modern slavery from our operations. The assessment includes a detailed questionnaire, a supplier declaration, and updates to our procurement documentation to enable us to pre-qualify and select partners which are aligned with our corporate values and standards of behaviour.

We have developed a Supplier Code of Conduct that sets out NQA's expectations for our supply chain and we will continue to make improvements to our due diligence processes for on-boarding suppliers.

Key Controls

Our key controls for managing modern slavery risks in our supply chains are as follows:

- Using a human rights due diligence approach and on-boarding of our key suppliers
- Working with suppliers that have commitment to work with us to manage risk of modern slavery in their supply chain and reporting issues that arise as they arise
- Ongoing and regular supplier engagement between business owner and key supplier contact
- Annual questionnaires and supplier declaration
- Auditing our monitoring system and its effectiveness
- Modern Slavery Policies and Supplier Code of Conduct
- Supplier Engagement between Business Owners and Supplier representatives
- Whistle blower policies to enable reporting of modern slavery practices
- Processes to enable the remediation of adverse human rights impacts
- Ensuring that our recruitment practices /requirements to not inadvertently promote the use of cheap labour hire that may incentive modern slavery practices

We continue to review and improve these key controls through our Quality Assurance mechanism and have regard to best industry practice and the unique requirements of our business, given its size and operations.

Managing Modern Slavery Due Diligence

Our due diligence includes:

- Modern Slavery Questionnaire for existing and new suppliers
- Supplier annual declaration and commitment to the Supplier Code of Conduct and reporting of modern slavery risks to NQA
- Interviews and spot checks on site as part of contract administration/management
- Request for evidence based artifacts of monitoring systems and modern slavery policies in the business

Our Progress so far

Our journey in establishing and working with our Suppliers to manage, identify and mitigate the risks of modern slavery are summarized below:

Timeline	Portfolio of Initiatives	Status
Priority: Build team capability and response to Modern Slavery Reporting		
2020	Enterprise Risk Assessment and document Modern Slavery Risks in corporate Risk Registers	✓
	Undertake Supply Chain mapping based on available information	✓
	Review Policies and Procedures	✓
Priority: Establish and identify key suppliers for deep and ongoing engagement		
2021	Modern Slavery Statement – FY 21 and FY 22	✓
	Assess and review Supplier responses to modern slavery questionnaire	✓
	Prepare Supplier Code of Conduct	✓
	Prepare Supplier Engagement Programme	✓
	Amend Contracts /Procurement terms to reflect Modern Slavery Reporting requirements	✓
	Prepare Annual Supplier Declaration	✓
Priority: strengthen supplier engagement and build stakeholder awareness		
2022	Launch Supplier Engagement Programme and Code of Conduct (Internal only)	Q1-FY 22
	Form cross functional team comprised of contract owners with supplier relationship to meet on qtrly basis with GCCS	Q1-FY 22
	Launch Modern Slavery Training and Awareness Programme	Q2-FY22
	Develop Monitoring System to assess the effectiveness of the systems	Q4-FY 22/23
Other initiatives		
2022/23	<ul style="list-style-type: none"> Report commitments, policy, performance and action in tackling modern slavery to NQA's Boards and Audit & Risk Committee Dissemination of information through CEO's briefing to employees regarding NQA's commitment to preventing modern slavery and modern slavery statement All leadership roles and personnel responsible for procurement activities have a full appreciation and understanding of the Modern Slavery Act Internal audits of compliance to policies and procedure 	

Who are our Suppliers

- We note that the majority (97%) of our third-party procurement for goods and services are based in Australia, with a considerable proportion within Qld. We support local jobs and employment wherever possible in our procurement practices.
- We are a diverse business and directly engage on average more than > 330 suppliers across Cairns Airport, Mackay Airport and Mackay Airport Hotel. We are committed to continuous improvement through maintaining responsible and transparent supply chains.
- We engage with First Nations businesses and employment and support better community and social outcomes in our region.

We aim to work collaboratively and proactively with our suppliers to contribute to meaningfully combatting modern slavery practices across our business and by developing appropriate strategies and plans.

We recognise that we are in a global economy and this means that there may be indirect exposure to the risks of modern slavery through the goods and services that we procure from our third-party suppliers.

We continue to work with our third-party suppliers to ascertain this risk.

Risks in our Supply Chains

We are currently working with key suppliers in the following sectors to improve reporting and management of modern slavery risks in the supply chain. We have selected suppliers from the high-risk industries/country of operations as well as long term suppliers, in order to have the most impact.

We have taken a risk-based evaluation of our supply chain and the potential risks of modern slavery within our operations by segmenting our suppliers by spend, country, industry, product risk, entity risk on a desktop basis:

Products/services	Country	Industry	Key issues
Construction, maintenance activities	Aust	Construction	Labour rights and labour hire type issues, right to work in Aust
Business related services and professional services	Aust	Professional services Cleaning service, Security services Hospitality	Labour rights and labour hire type issues, right to work in Aust, health and safety, overseas supply chain in uniform manufacture
Plant, parts and equipment	Overseas	Construction Aviation Automation	Labour rights, health and safety, human rights, and governance in overseas supply chain of parts, equipment and components and other manufactured goods
Building materials	Aust <i>(local supplier)</i> + Overseas	Construction	Labour rights, health and safety, human rights, overseas supply chain, other manufactured goods
IT products and services	Overseas	IT	Labour rights and health and safety in electronics and supply chain

FY 21 Results

The results of the FY 21 exercise is summarized below – pleasingly, the majority of the key suppliers have indicated that they have systems and procedures in place to monitor and manage modern slavery risks in their supply chain.

The suppliers who currently do not have monitoring systems and policies in place have indicated to us that they are developing this over the course of a 12 month period. We will work with these suppliers to encourage the development of these monitoring systems and practices.

We are engaging with Suppliers to confirm whether or not they have identified additional or new/potential risks of modern slavery in their supply chain.

Risk		Systems and Processes				
Industry	Goods/ Services	Operations/ sourcing from high risk countries	Low skilled / Migrant / labour hire	Policies	Due Diligence	Public Disclosures – FY20 Statement Aust or UK
Security	Security	✗	✓	✗	✗	✗
Construction	Construction works	✓	✗	✓	✗	✓
Equipment suppliers/ Manufacturers	Baggage handling systems/ maintenance	✓	✗	✓	✓	✓
Cleaners	Cleaning services	✗	✓	✓	✓	✓
Services	Hotel linen and Laundry	✗	✓	✓	✓	✓
Hotel	Hotel services	✓	✓	✓	✓	✓

Legend	✗ Denotes - NO	✓ Denotes - YES
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ADDENDUM TO NQA MODERN SLAVERY STATEMENT – FY21

This statement was approved by the Board of Directors (**Boards**) of each of the two reporting entities covered by this statement.

The Boards of North Queensland Airports No. 1 (Mackay) Pty Ltd and North Queensland Airports No. 2 (Mackay) Pty Ltd approved this statement by circulating resolution (2 March 2021) at a duly constituted board meeting of its directors on 21 February 2021.

Pursuant to the *Modern Slavery Act 2018* Section 14(2)(d)(ii) the Board of North Queensland Airports No. 1 (Mackay) Pty Ltd approved execution of this statement by a higher entity, namely the CEO or Company Secretary, as evidenced by a true and correct copy of the extract of the resolutions – **Extract 1**.

Pursuant to the *Modern Slavery Act 2018* Section 14(2)(d)(ii) the Board of North Queensland Airports No. 2 (Mackay) Pty Ltd approved execution of this statement by a higher entity, namely the CEO or Company Secretary, as evidenced by a true and correct copy of the extract of the resolution of meeting held on 26 February 2021 – **Extract 2**.

Extract 1

This is a true and correct copy of the extract of the Circulating Resolutions (dated 2 March 2021) passed by the Board of Directors of North Queensland Airports No. 1 (Mackay) Pty Ltd ACN 134 137 312 who approved execution by the CEO/Company Secretary of the Modern Slavery Statement.


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Signed by Company Secretary for North Queensland Airports No. 1 (Mackay) Pty Ltd ACN 134 137 312

Dated: 22 February 2022

The directors NOTED the report about Modern Slavery Framework, and

- (a) RESOLVED to approve the Modern Slavery Framework
- (b) RESOLVED to approve execution by either the CEO/Company Secretary and lodgement of the Modern Slavery Statement with the Department of Home Affairs; and
- (c) RESOLVED to endorse management's recommendations in relation to the preparation and submission of the Modern Slavery Statement for FY21.

Extract 2

This is a true and correct copy of the extract of the Resolutions and authority to execute by the Board of Directors of North Queensland Airports No. 2 (Mackay) Pty Ltd ACN 134 137 358 who approved execution by the CEO/Company Secretary of the Modern Slavery Statement at its duly constituted board meeting on 26 February 2021.


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Signed by Company Secretary for North Queensland Airports No. 2 (Mackay) Pty Ltd ACN 134 137 358

Dated: 22 February 2022

It is RESOLVED to NOTE the report about Modern Slavery Framework, and

- (a) APPROVE the Modern Slavery Framework
- (b) APPROVE execution by either the CEO/Company Secretary and lodgement of the Modern Slavery Statement with the Department of Home Affairs; and
- (c) APPROVE management's recommendations in relation to the preparation and submission of the Modern Slavery Statement for FY21.