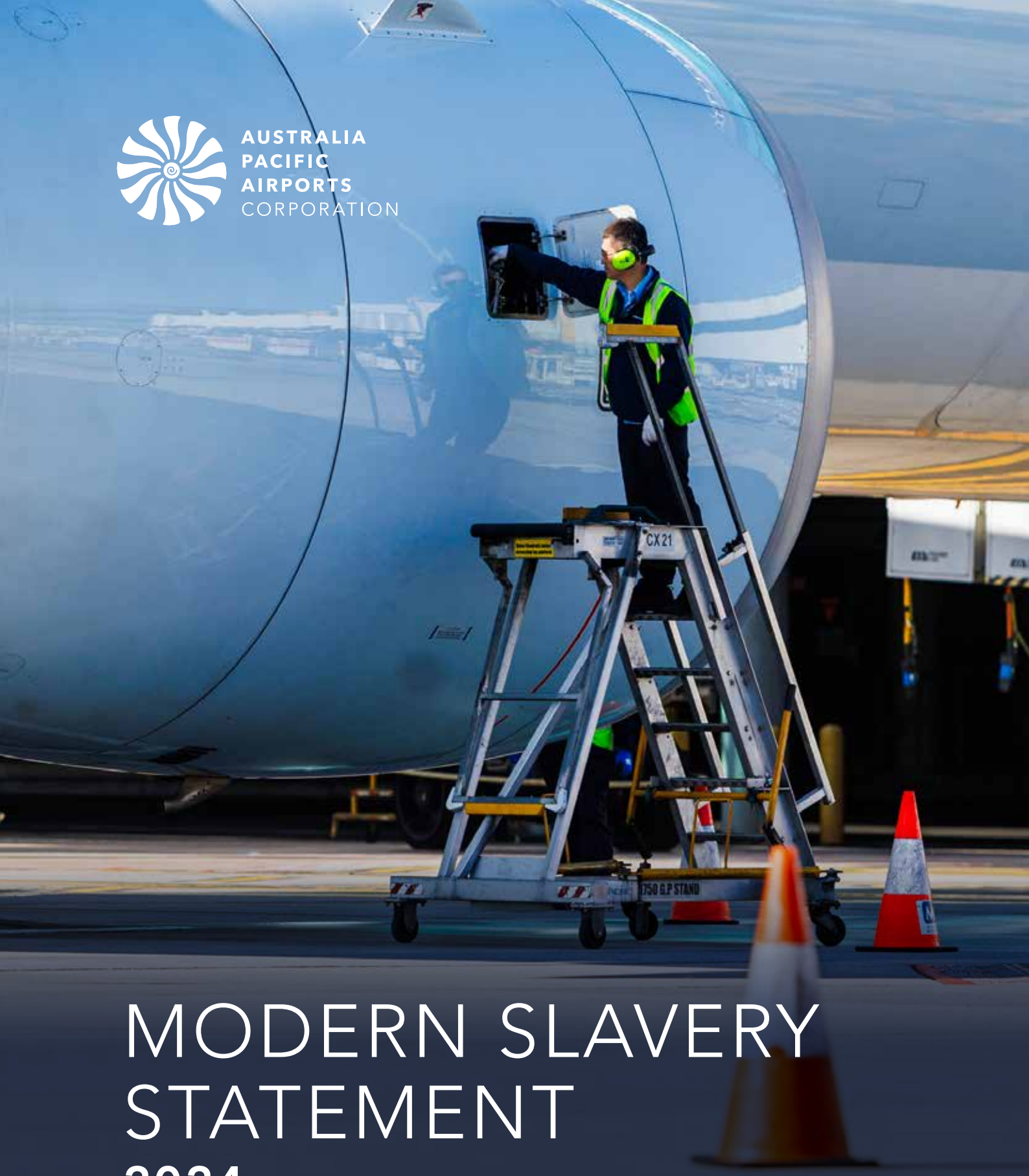

AUSTRALIA PACIFIC AIRPORTS CORPORATION

MODERN SLAVERY STATEMENT

2024

MELBOURNE AIRPORT | LAUNCESTON AIRPORT

First Nations

Acknowledgement

Australia Pacific Airports Corporation acknowledges the First Nations of the lands on which our airports operate. APAC is committed to working closely with First Nations peoples in Melbourne and Launceston to deepen our understanding about how our airports can continue to operate and develop in a way that recognises and celebrates the airports' First Nations cultural heritage.

APAC pays respect to their Elders past, present and emerging.

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CEO's Message

LORIE ARGUS

I am pleased to present Australia Pacific Airports Corporation's (APAC) 2024 Modern Slavery Statement.

At APAC, we are committed to playing our part in upholding the highest standards of integrity, responsibility and respect for human rights to the best of our ability across every aspect of our operations. We recognise that airports are pivotal points of connection, where people and goods move across borders every day. With this role comes a significant responsibility to use our best efforts to ensure that our business and supply chains are free from practices that exploit or endanger human dignity.

Modern slavery, in all its forms, has no place in our world today. As a major airport operator, we are committed to endeavour to identifying, addressing, and mitigating the risks of modern slavery within our operations, our supply chain and beyond.

In preparing this statement, we have conducted an analysis of our supply chains, business practices, and key risk areas. We have implemented robust processes, engaged in staff training, and established partnerships with organisations dedicated to fighting modern slavery. These efforts are ongoing, and we are committed to continuously improving our practices to make a meaningful impact.

This statement reflects our commitment to creating an ethical, transparent, and safe operating environment. Together with our partners, suppliers, and stakeholders, we are dedicated to leading with integrity and working collaboratively to eradicate modern slavery to the best of our ability.

Thank you for joining us on this journey of accountability, awareness, and positive change.

Lorie Argus
Chief Executive Officer

Key Areas of Action

FY24

ENHANCED PROCUREMENT PROCESS

APAC's Procurement Process Maps have been updated to ensure mandatory and enhanced modern slavery due diligence and compliance checks for all new suppliers.

iPRO MODERN SLAVERY SUPPLIER RISK SELF-ASSESSMENT TOOL

APAC now has better oversight of the current risk exposures associated with our supply chain for new and existing suppliers.

SUPPLY CHAIN MODERN SLAVERY REVIEW CRITERIA

Updates to the current suite of request for tender and internal tender evaluation templates to include a more detailed modern slavery review criteria.

INCREASED TRAINING AND SUPPORT

APAC has partnered with third party providers to facilitate the implementation of supply chain and internal training for a new mandated modern slavery training module.

MODERN SLAVERY WORKING GROUP

The Modern Slavery Working Group which is a subset of the Modern Slavery Committee, has been enhanced to provide cross-functional awareness and drive business-wide initiatives to reduce the risks of modern slavery within our supply chain.

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', 'the company' or 'we' 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.

This Statement covers the period 1 July 2023 to 30 June 2024.

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 but also the airport community, including our service delivery partners, contractors, tenants and the travelling public that utilise our airports.

Freedom from slavery is a fundamental human right. APAC accepts the responsibility outlined in the UN Guiding Principles on Business and Human Rights in taking action to prevent, mitigate and, where appropriate, remedy modern slavery in our operations and supply chains. APAC respects all human rights and recognises that we have the ability to shape and influence actions of other entities in its supply chain by the way in which we conduct our business.

APAC acknowledges that modern slavery practices may be present within our operations and supply chains.

Modern slavery refers to various forms of severe exploitation and coercion that exist in contemporary society, all around the world. It is a term used to describe situations where individuals are exploited and controlled for the purpose of forced labour, servitude, human trafficking or other forms of exploitation. Modern slavery can take many forms, including but not limited to:

FORCED LABOUR	People are coerced or deceived into working under exploitative conditions, often without pay or with very low wages. They may be subjected to physical or psychological abuse, restricted freedom of movement and harsh working conditions.
HUMAN TRAFFICKING	The recruitment, transportation, transfer or harbouring of individuals through threat, force or deception for the purpose of exploitation. This can include forced labour, sexual exploitation or forced marriage.
DEBT BONDAGE	People are trapped in a cycle of debt and forced to work to repay it. Their labour is used as a means of repaying the debt, but the terms are exploitative, and they often cannot escape the situation.
CHILD LABOUR	The involvement of children in work that is harmful to their physical or mental development, deprives them of education, and exploits them in various industries, such as agriculture, mining, manufacturing and domestic work.
FORCED MARRIAGE	Individuals, often women and girls, are coerced or forced into marriages against their will. They may face physical, sexual and emotional abuse, and their freedom and autonomy are severely restricted.

Modern slavery is a violation of human rights and a serious criminal offence in most countries. It is a global issue that affects millions of people, with cases found in both developed and developing countries. Efforts to combat modern slavery involve legal frameworks, awareness campaigns, supply chain risk assessments and reporting, and international cooperation to identify and support victims and prosecute perpetrators.

APAC Behaviour Framework

OUR VALUES

Our purpose is to create connections that matter

Be You

- Self-aware
- Learn continuously
- Motivate and support high performance
- Develop others

Think Big

- Demonstrate courage
- Champion safety and wellbeing
- Focus on the customer experience
- Business savvy

Own It

- Align performance
- Prioritise the important stuff
- Make things happen
- Decision maker

Work Together

- Team player
- Connect with others
- Communicate with respect

APAC's Facts and Figures

FY24

TOTAL REVENUE
$1,227.3m

EBITDA
$841.2m

NET PROFIT AFTER TAX
$311.9m

CAPITAL EXPENDITURE
$801.7m

AIR FREIGHT EXPORT MELBOURNE AIRPORT
147.48m tonnes

AIR FREIGHT IMPORT MELBOURNE AIRPORT
101.52m tonnes

PASSENGERS

TOTAL (EX TRANSITS)	MELBOURNE AIRPORT INTERNATIONAL	MELBOURNE AIRPORT DOMESTIC	LAUNCESTON AIRPORT DOMESTIC
36.5m	**11.0m**	**24.1m**	**1.4m**

20,000 jobs
ON THE MELBOURNE AIRPORT PRECINCT
supporting
146,000
VICTORIAN JOBS

COMMUNITY INVESTMENT
$676.5k

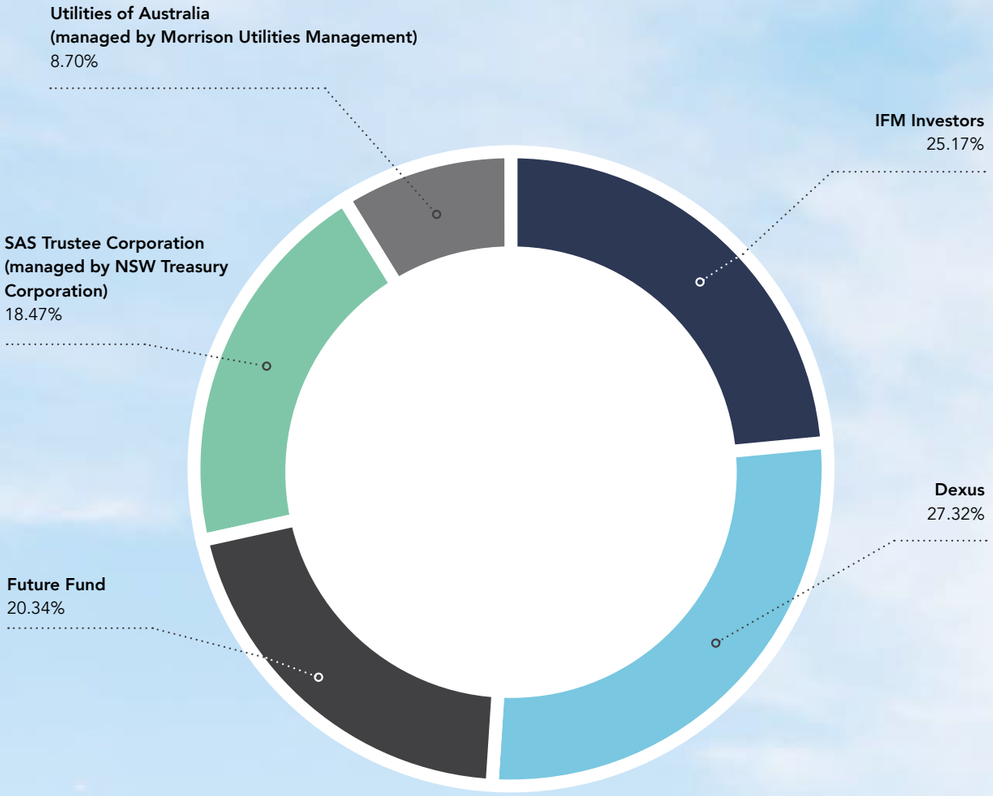
NUMBER OF APAC EMPLOYEES
450

2 Our Structure, Operations and Supply Chain

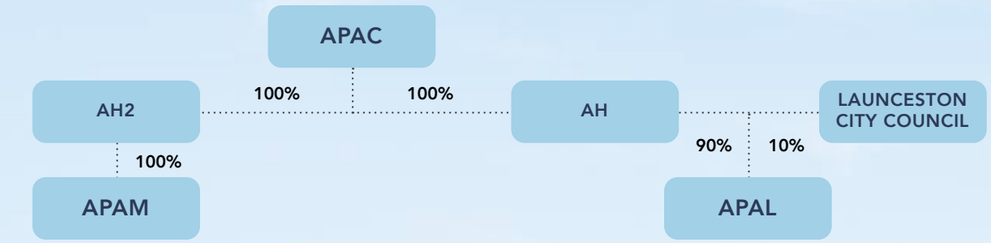
Australia Pacific Airports Corporation

APAC is committed to delivering strong, sustainable returns for the benefit of our diverse stakeholders through the performance of two key Australian aviation assets.

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



APAC Holdings 2 and APAC Holdings are the immediate owners of each of Australia Pacific Airports Melbourne (APAM) and Australia Pacific Airports Launceston (APAL) respectively and Launceston City Council has a 10% economic interest in APAL. APAC is the ultimate holding company of the corporate group.



MELBOURNE AIRPORT

Melbourne Airport

Our vision is to be Australia's favourite airport destination.

About

MELBOURNE AIRPORT

Melbourne Airport has been Victoria's gateway to the world since 1970, operating curfew-free, 24 hours per day, seven days a week. The airport is located 22 kilometres north-west of Melbourne's central business district and is well connected to the city's freeway and arterial road network. There are plans for a rail link connecting the airport to the suburban train system via Sunshine. The airport is close to major industrial areas and serves as a hub for freight and logistics, while providing employment to thousands of residents in nearby suburban growth corridors.

The Melbourne Airport site is approximately 2,740 hectares and is predominantly surrounded by non-urban properties to the immediate north and west. This helps protect the community and safeguards the airport from encroachment by sensitive and incompatible uses. There is urban development to the east and south of the airport, comprising a mix of residential and industrial properties.

The airport has two intersecting runways, which are operated in different modes in response to wind direction or to reduce aircraft noise impacts. Plans for Melbourne Airport's third runway have been approved by the Federal Government in September 2024 (with conditions). The new north-south runway would be located 1.3kms to the west of the existing north-south runway.

The terminal complex is located on the east side of the airfield and combines international facilities (Terminal 2) with three domestic terminals (Terminals 1, 3 and 4). This integrated terminal precinct enables Melbourne Airport to provide the shortest minimum connection times between domestic and international flights of all major Australian airports.

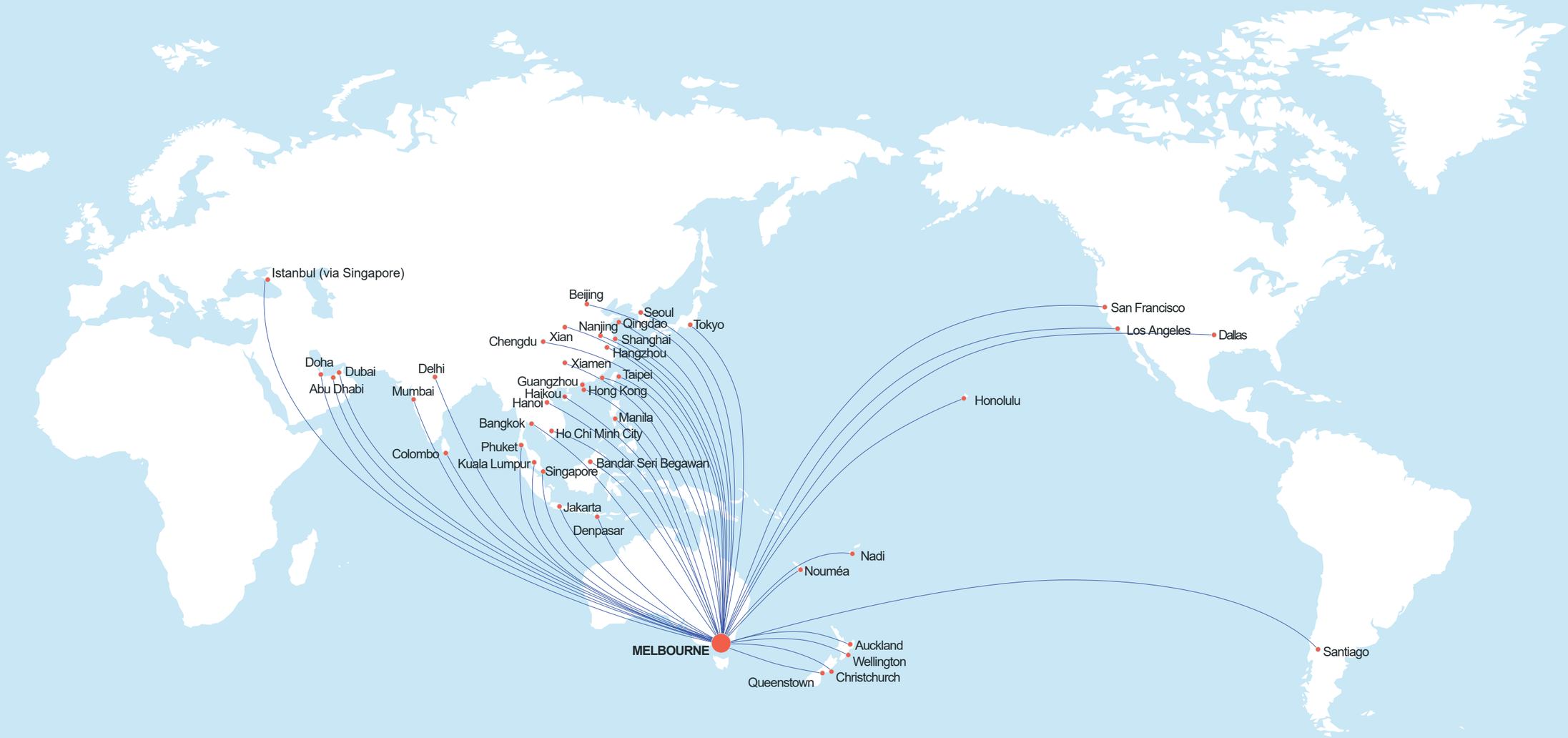
85 aircraft parking stands serve the terminal precinct and accommodate the embarkation or disembarkation of passengers, loading or unloading of mail or freight, and fuelling, parking and maintenance. Air traffic control, aeronautical information services, airport rescue and firefighting and navigation services are provided by Airservices Australia from facilities located in the airport midfield. Aircraft maintenance, repair and overhaul facilities are provided to the south of the airfield.

As the largest Victorian employment hub outside of the Melbourne CBD, the airport precinct supports more than 20,000 jobs. Melbourne Airport makes a significant contribution to both the state and national economies as a key driver of tourism and trade-based industries that support jobs and generate growth.

Domestic routes served

International Routes

MELBOURNE - VICTORIA'S GATEWAY TO THE WORLD



APAC Modern Slavery Statement 2024

LAUNCESTON
AIRPORT

Launceston Airport

Our vision is to be Australia's leading regional airport.

About

LAUNCESTON AIRPORT

Located next to the Midland Highway and trunk routes servicing the north, north-west, north-east and south of Tasmania, Launceston Airport is well positioned to connect the state to the mainland and beyond. The airport is close to many popular Tasmanian tourist destinations including Cradle Mountain, Freycinet National Park, Cataract Gorge and world-famous golf courses.

The airport site occupies 180 hectares with a single north-west runway and full-length taxiway. Facilities include six domestic aircraft stands, three freight stands, and 15 general aviation stands. The three-storey terminal complex includes four dedicated boarding gates. A separate terminal houses Sharp Airlines' maintenance facilities, national reservations centre and departure lounge.

The airport also provides a range of facilities and office accommodation to ancillary non-aviation businesses attracted to the benefits of operating in an environment that has excellent connectivity and logistics links. As the main aviation hub for Northern Tasmania, Launceston Airport is the second-busiest airport in the state. A key economic driver, the airport contributes $81 million annually to the Northern Tasmania economy, with tourists arriving through the airport contributing more than a billion dollars to the states economy. The airport has a workforce of more than 550 direct and indirect employees.

Destinations served

APAC Functions

Anchored by aviation operations, APAC's diverse business also includes ground transport operations, retail businesses and commercial property tenancies across the precinct. Each of these business streams is supported and served by a number of business functions.

Aviation

The Aviation business is responsible for all aviation activities. This includes attracting new airlines and routes to Melbourne as well as working with airlines to maintain existing services and managing capacity planning. The Aviation team oversees the day-to-day operation of the airport terminals and airfield. This incorporates an Integrated Operations Centre responsible for allocating aircraft to parking bays and airlines to check-in zones within the terminals, and managing incidents. This team also includes airfield safety, airfield maintenance and airfield ground lighting teams that ensure that aircraft, vehicles and people can safely manoeuvre across the airfield. The Aviation team also includes airport security, business resilience and emergency response. The development and delivery of all aviation related infrastructure is also managed by this team.

Ground Transport

The Ground Transport team ensures travellers have access to transport options to and from the airport. The team oversees the airport's car park business - which includes an undercover valet parking service - as well as relationships with commercial operators such as SkyBus, rideshare and taxi services. Ground Transport also oversees road maintenance and pedestrian and vehicle safety, and leads the development and delivery of road and car parking infrastructure to keep up with the demand within the precinct.

Engineering and Asset Management

The Engineering and Asset Management business unit is responsible for ensuring the airport runs smoothly and safely. This includes the utilities team that manage the water, waste water, electricity, gas and HVAC systems and the facilities maintenance team that maintain and clean the terminal buildings. This team also includes the engineering services development and delivery team who are responsible for ensuring that the services infrastructure is capable of supporting the future growth of the airport.

This business also includes an embedded electricity network that provides electricity to more than 180 tenants across the airport precinct.

Commercial Property and Retail

The Commercial Property and Retail business team manages the food and beverage and specialty outlets spread throughout the terminals, along with airline lounges and service stations. The Commercial Property team has responsibility for a large property portfolio, which includes some of the largest warehouses in Australia through to commercial office space, hotels and Australia's first wave park.

Finance, Technology and Risk

The Finance, Technology and Risk business unit contains the majority of the corporate functions including treasury, finance, procurement, safety, risk, compliance, legal and technology. The technology team maintain not only APAC'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 & Culture

The People & Culture team supports the business's hiring and retention programs. The team provides employment guidance regarding employment related policies, and facilitates the negotiation of APAC's enterprise bargaining agreement.

Strategy, Planning and Community

The Strategy, Planning and Community team is responsible for setting and monitoring the business's achievement of the corporate strategy in addition to supporting the development and achievement of the individual business unit strategies. The team includes communication and community engagement functions.

Our Supply Chain

APAC has a global supply chain comprised of approximately 1,500 suppliers split across operational expenditure (OPEX) and capital expenditure (CAPEX).

OPEX (27%)		CAPEX (73%)	
Security	8.7%	**Security**	3.1%
Facilities	7.1%	**Facilities**	5.1%
Other	5.2%	**Other**	7.3%
Transport	1.4%	**Transport**	0.1%
Technology	2.1%	**Technology**	2.1%
Professional Services	1.6%	**Professional Services**	1.9%
Construction	0.4%	**Construction**	53.6%
Corporate Services	0.1%	**Corporate Services**	0.0%
Property	0.1%	**Property**	0.1%

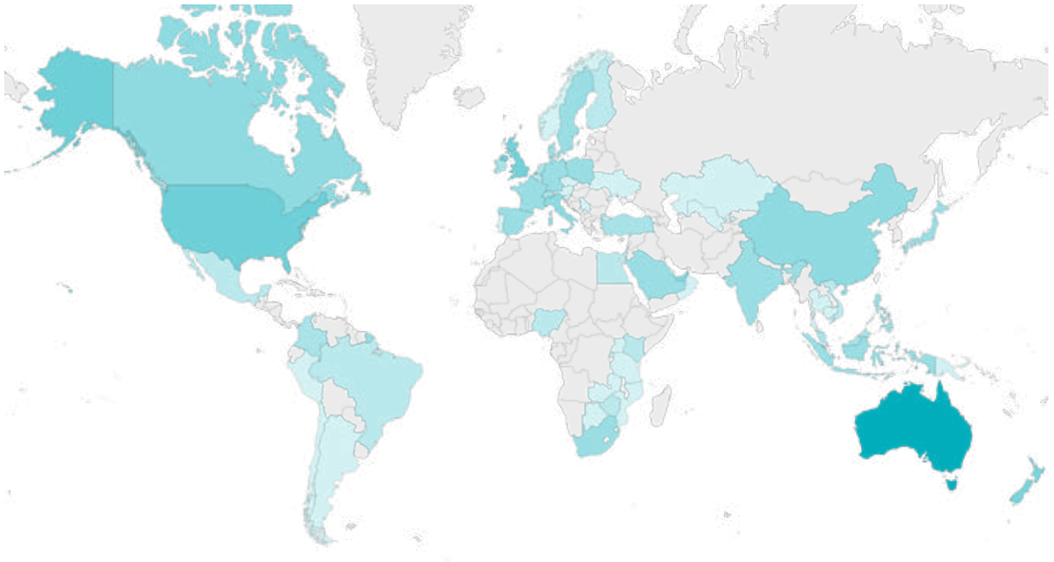
These suppliers operate in a diverse range of industries, primarily service-based, and include technology support, consultancy, facilities management, construction and engineering, office supplies, cleaning, waste management and marketing. Our suppliers deliver a range of goods and services to the airport as part of the overall operation. APAC delivers a significant capital works portfolio which draws on the Victorian and Tasmanian construction sectors and their associated supply chains.

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.

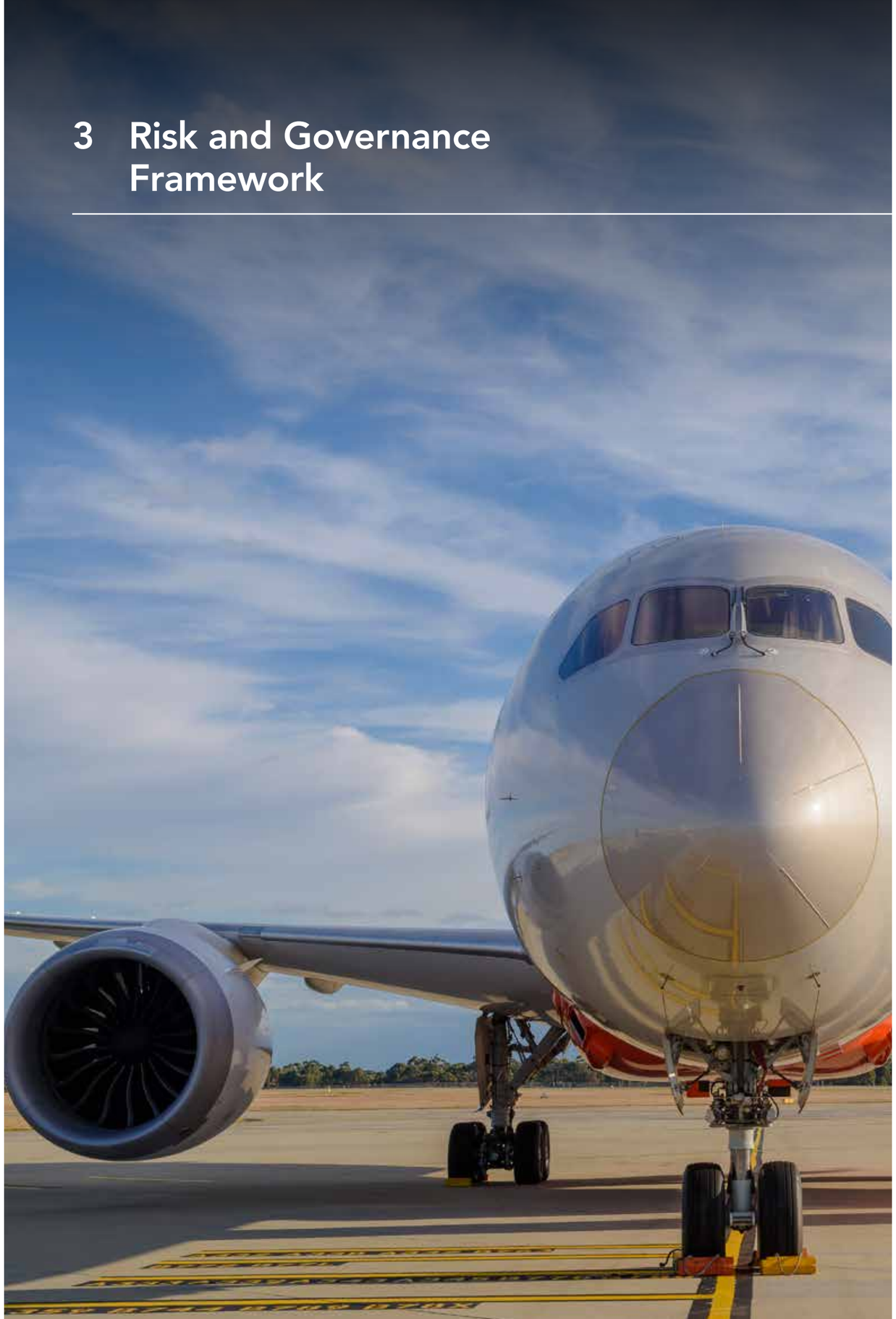
The majority of suppliers directly contracted by APAC are located in Australia.

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.

Our suppliers operate in many locations in the world. For further details regarding the locations and associated risk, please refer to pages 34 and 35 of the Statement.

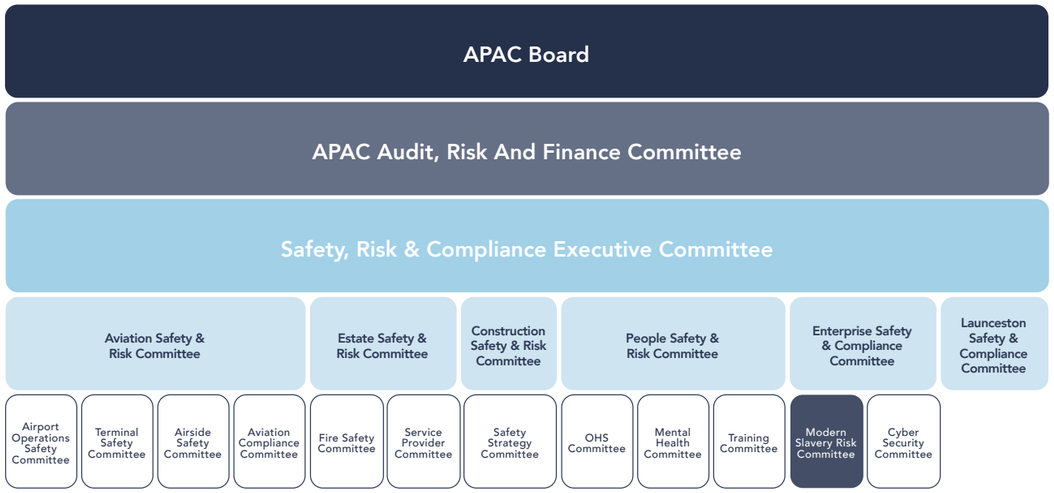


3 Risk and Governance Framework



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 ultimately the APAC Board. The SRC Executive Committee meets on a bimonthly basis and consists of the APAC Executive Leadership Team. The SRC Executive Committee has several sub-committees as depicted below:



The Modern Slavery Risk Committee is a sub-committee under the Enterprise Risk and Compliance Committee and is focused on assessing and mitigating modern slavery risks. The Modern Slavery Risk Committee consists of key personnel from the Risk, Procurement, Legal, Security, Asset Management and Ground Transport teams and meets on a quarterly basis.

Modern slavery related risks are managed in accordance with APAC's Risk Management Policy and Framework. Business units are responsible for identifying, assessing and monitoring modern slavery risks and their treatment on an ongoing basis through the risk champion network embedded into the business units.

The Risk, Legal and Procurement teams are responsible for monitoring compliance and organisational wide policies, such as the Procurement Policy which incorporates supplier risk assessments and standardised contractual terms in our contract suite.

Risk Management

Rigorous risk management, governance and assurance are essential for safety, corporate stability and for sustaining long-term performance.

Risk management

APAC's risk management framework provides a sound basis for good corporate governance, supports the business in achieving its objectives and fosters a positive risk culture.

APAC's philosophy to achieving effective risk management is underpinned by three key principles:

- Culture: APAC seeks to build a strong risk management and control culture thorough awareness, ownership and proactive management of key risks.
- Structure: APAC seeks to put in place an organisational structure that promotes good corporate governance, provides for appropriate segregation of duties, defines responsibilities and authorities, and promotes awareness, ownership, and accountability for risk management.
- Process: APAC seeks to implement robust processes and systems for effective identification, analysis, evaluation, treatment and monitoring of risks. This is done in a holistic and consistent manner and emphasises the integrated nature of risk management within the APAC business. APAC seeks to improve risk management and internal control policies and procedures on an ongoing basis and ensure that they remain sound and robust.

Organisational risks are managed collaboratively, and APAC's corporate risk profile is regularly reported to the Executive Leadership Team, the Audit, Risk and Finance Committee, and the Board.

APAC's Board and Executive Leadership Team has responsibility for driving and supporting risk management across the business.

The Audit, Risk and Finance Committee has responsibility for the oversight of risk management and regularly reviews the Corporate Risk Profile, supported by "deep dives" on key risks, as part of a continuous improvement cycle to enhance overall risk maturity.

4 Risks of Modern Slavery Practices

Risk Assessment

Whilst APAC's operations are confined to Australia, a low-risk geographical location for human rights and modern slavery violations or risks, it is acknowledged that it operates in a high risk sector. APAC's diverse business operations face distinct modern slavery risks, largely due to their reliance on complex supply chains, transient or vulnerable workforces, and high volumes of outsourced labour from other high risk sectors. These risks are discussed below and over the page.

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 menial and repetitive work, often performed at night-time or in remote areas.

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's internal workforce is engaged on either a common law contract (76%) or under and single Enterprise Agreement (24%). Those engaged under a common law contract are a very low risk in terms of modern slavery due to the individually negotiated contracts 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 3-4 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 associated with the Enterprise Agreement is also assessed to be very low.

Direct Supply Chain

APAC has conducted a combination of supplier self-assessments and targeted risk assessments to assess the risk of modern slavery within our direct supply chain. The risk assessments have been conducted in accordance with the APAC Risk Management Policy and Framework, utilising Global Slavery Index to support likelihood assessments based on the prevalence and vulnerability factors for the suppliers' country of origin, including any parent companies.

APAC assesses the risk of modern slavery in our supply chain to be low. This is because the majority of suppliers that we directly contract with are located within Australia.

Additionally, APAC's major suppliers have policies in place to mitigate modern slavery risks under their own modern slavery obligations. APAC periodically reviews their policies and Modern Slavery Statements to ensure that they are meeting their obligations.

This is achieved through the inclusion of specific clauses in our suite of standard contracts and through the legal review of any non-standard contracts. 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

APAC recognises that there may be instances in which we are indirectly exposed to modern slavery practices from within 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, for example:

- 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); and
- risk of unpaid or underpaid labour and excessive hours, including in relation to foreign workers and off-shoring of any component of services in connection with subcontracting in the construction, IT and/or cleaning sectors.

APAC also acknowledges that solar installations are considered an area of modern slavery risk in the construction sector. Solar installation works include complex and informal subcontracting, labour hire, often involving multiple sub-contracting arrangements, and low barriers to entry for labour hire providers. A predominantly migrant workforce also increases the risk in this area, due to worker reliance on recruitment intermediaries who may exploit this reliance, and / or due to language barriers.

Human Trafficking Risk

Human trafficking is a modern slavery risk that is present within the airport environment. The primary responsibility for mitigating the human trafficking risk is the Australian Border Force under the Department of Home Affairs National Action Plan to combat Modern Slavery 2020-25. APAC has established regular coordination meetings with senior Australian Border Force personnel to support the implementation of local measure to mitigate human trafficking. An example of this is provision of infrastructure and equipment to display digital messaging at key control points.

Our Global Supply Chain Risks

The International Labour Organisation estimates that over 50 million people around the world are victims of modern slavery. In recent years, supply chain transparency is a key policy strategy used by governments to identify and prevent business practices that lead to modern slavery.

APAC has assessed the risks of modern slavery practices in its supply chain using the iPRO Modern Slavery Assessment Tool (MSAT). The assessment has required APAC's 'tier 1' participating suppliers to complete a self-assessment questionnaire online. After each supplier completed and submitted the questionnaire, their responses were assessed to determine their modern slavery risk scores and associated risk category.

Each supplier that completed the assessment was assigned one of the following risk categories:

- High-risk (high levels of inherent risk)
- High-risk (inadequate risk control)
- Medium-risk (partial risk control)
- Low-risk (adequate risk control)
- Low-risk (low levels of inherent risk)

To determine the appropriate risk category, responses were first evaluated for risks inherent to a

supplier's operations, production, and sourcing. This is referred to as the Inherent Risk Score. The Inherent Risk Score was calculated based on the geographical, type of goods, industry sector, and workforce parameters that the supplier indicated in the MSAT.

Next, the Unmitigated Risk Score was evaluated. This score was calculated based on the policy and procedure responses on the questionnaire. A supplier's Unmitigated Risk Score determined whether they were categorised as having inadequate, partial, or adequate risk control.

Then, the risk scores for each assessed supplier were aggregated and averaged, resulting in an Aggregated Inherent Risk Score and an Aggregated Unmitigated Risk Score for the overall supply chain.

We intend to carry this process forward as an annual assessment of our operations and supply chain.

The response rate for the supplier assessments was approximately 50% for APAC's first year of using MSAT. However, as advised by iPro, this is not uncommon. As this is the first year we have conducted this self-assessment process, APAC will review the list of participants and the approach to improve the response rate for FY25.

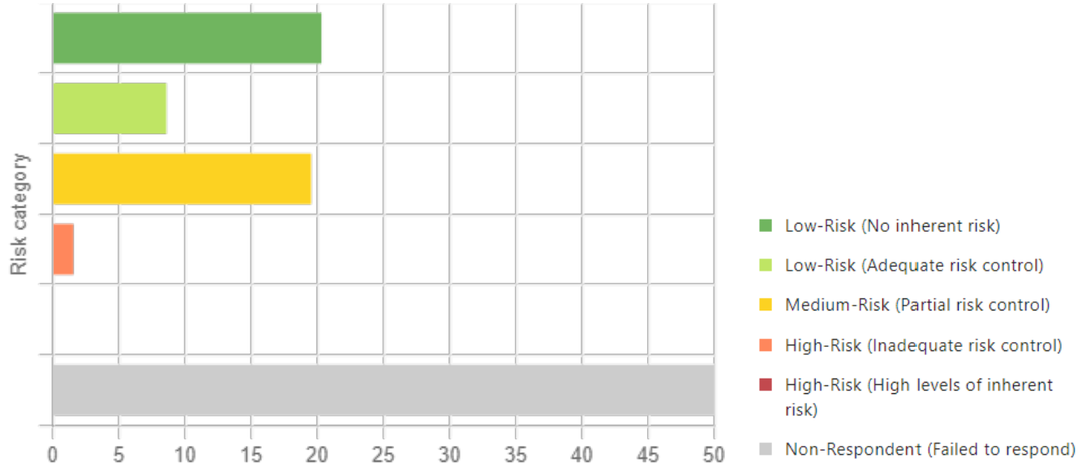
The results for FY24 indicate that the majority of suppliers who completed the assessment, were in the low to medium risk categories. Of 64 respondents, only two respondents were considered to be in the high risk (inadequate controls) category due to a lack of internal training on modern slavery practices. During FY25, APAC will engage those suppliers and seek to understand how this could be improved.

The results were as follows (as at 11 November 2024):

AGGREGATED SUPPLY CHAIN RISK SCORES	
Inherent Risk Score	24.22 /100
Unmitigated Risk Score	25.89/100

SUPPLIER ASSESSMENT COMPLETIONS	
Completions	64/128
Completion Rate	50%

The aggregated spread of our supply chain's risk categorisation is as follows (based on responses received):



Percentage (%) of suppliers that responded per risk catagory

Our suppliers operate, produce and source across several different sectors. Some of these sectors can be described as high-risk. High-risk sectors are those in which human trafficking activities are known to occur. These sectors include:

- Agriculture and Fishing
- Construction
- Manufacturing
- Mining and Quarrying
- Domestic Work
- Sex Industry
- Hospitality (hotels, restaurants, etc.)
- Garment and Textile Industry
- Informal and Family-Owned Businesses

These sectors are prone to exploitation due to factors such as low wages, informal work arrangements, poor regulation, and demand for cheap labour.

The below graphics show the high-risk sectors of operation, production and sourcing for our suppliers. The numbers in the following graphics describe how many suppliers are in the corresponding sectors.

High-Risk Sectors of Operation

We asked suppliers about their sectors of operation. Assessed suppliers provided the following insights:

	Accommodation and Food Service Activities	1		Agriculture, Forestries and Fishing	1
	Construction	22		Maintenance and Repair of Motor Vehicles	2
	Manufacturing	3		Mining and Quarrying	4
	Retail	1		Transportation and Storage	3
	Wholesale	2			

Production of Goods and/or Services in High-Risk Sectors

Question 2 asked suppliers in which high-risk sector/s their organisation produced goods and/or services. Assessed suppliers provided the following insights.

	Accommodation and Food Service Activities	1		Agriculture, Forestries and Fishing	1
	Cleaning	1		Construction	12
	Manufacturing	3		Mining and Quarrying	3
	Personal Services	1		Retail	2
	Transportation and Storage	2		Wholesale	1

Suppliers Sourcing Goods and/Services in High-Risk Sectors

Asked from which high-risk sector/s their organisation sourced goods and/or services, assessed suppliers provided the following insights:

	Accommodation and Food Service Activities	7		Agriculture, Forestries and Fishing	1
	Construction	15		Maintenance and Repair of Motor Vehicles	5
	Manufacturing	5		Mining and Quarrying	2
	Personal Services	1		Retail	3
	Transportation and Storage	7			

In light of APAC's significant program of capital projects (including the third runway), a large number of APAC's Tier-1 suppliers are involved in the construction sector.

The findings in the tables opposite and above confirm that construction activity and the modern slavery risks linked to that section should remain a key focus area for APAC moving forward.

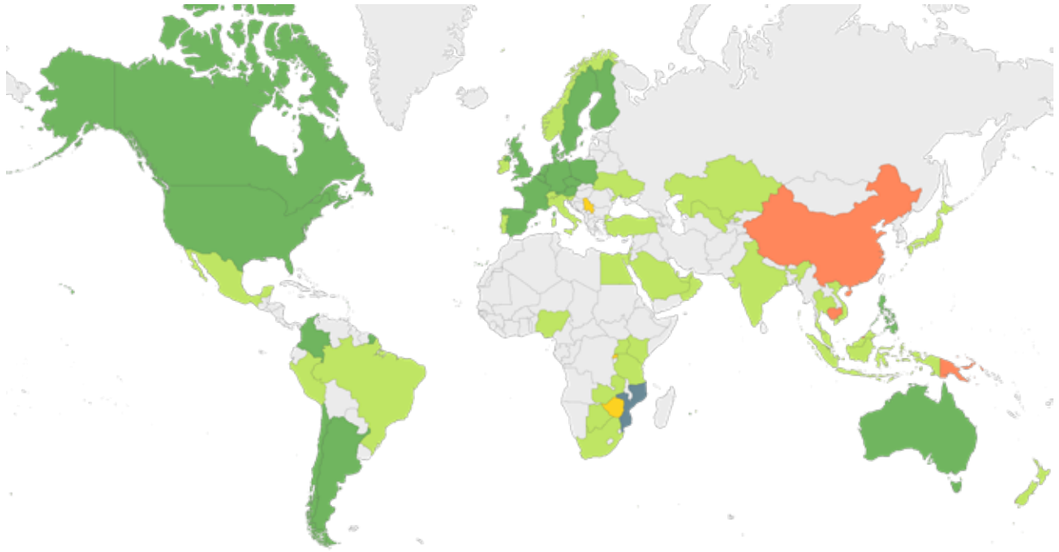
Supply Chain - Geographical Risk Profile

Some countries or regions where our suppliers operate, as well as some goods produced and sourced by our suppliers, can be described as high-risk due to the possibility of a link to modern slavery practices such as forced labour, human trafficking, child labour and debt bondage.

The geographical regions where our supply chain partners operate are shown in the map opposite. This map has been overlaid with the colour tier system of the Trafficking-in Persons Report.

- Argentina (1)
- Belgium (2)
- Brunei Darussalam (1)
- Chile (1)
- Czech Republic (1)
- Finland (2)
- Hong Kong (1)
- Ireland (3)
- Japan (4)
- Luxembourg (1)
- Mexico (2)
- New Zealand (7)
- Oman (1)
- Philippines (4)
- Qatar (2)
- Saudi Arabia (4)
- Slovenia (1)
- Sweden (4)
- Thailand (1)
- Ukraine (1)
- United States of America (9)
- Zambia (1)
- Australia (56)
- Botswana (1)
- Cambodia (1)
- China (5)
- Denmark (4)
- France (4)
- India (4)
- Israel (1)
- Kazakhstan (1)
- Malaysia (3)
- Mozambique (1)
- Nigeria (2)
- Papua New Guinea (1)
- Poland (4)
- Republic of Korea (South Korea) (4)
- Serbia (1)
- South Africa (4)
- Switzerland (3)
- Turkey (3)
- United Arab Emirates (6)
- Uzbekistan (1)
- Zimbabwe (2)
- Austria (1)
- Brazil (2)
- Canada (5)
- Colombia (3)
- Egypt (2)
- Germany (4)
- Indonesia (4)
- Italy (5)
- Kenya (2)
- Mauritius (1)
- Netherlands (3)
- Norway (1)
- Peru (1)
- Portugal (1)
- Rwanda (1)
- Singapore (6)
- Spain (4)
- Tanzania, United Republic of (1)
- Uganda (1)
- United Kingdom of Great Britain and Northern Ireland (8)
- Vietnam (2)

The number shown next to each country or region above represents the number of suppliers with operations in that location.



Tier 1 - Countries and regions whose governments, at the date of this assessment, fully meet the Trafficking Victims Protection Act's (TVPA) minimum standards.

Tier SC - Due to civil conflict and humanitarian crisis, gaining information is difficult and a tier has not been assigned.

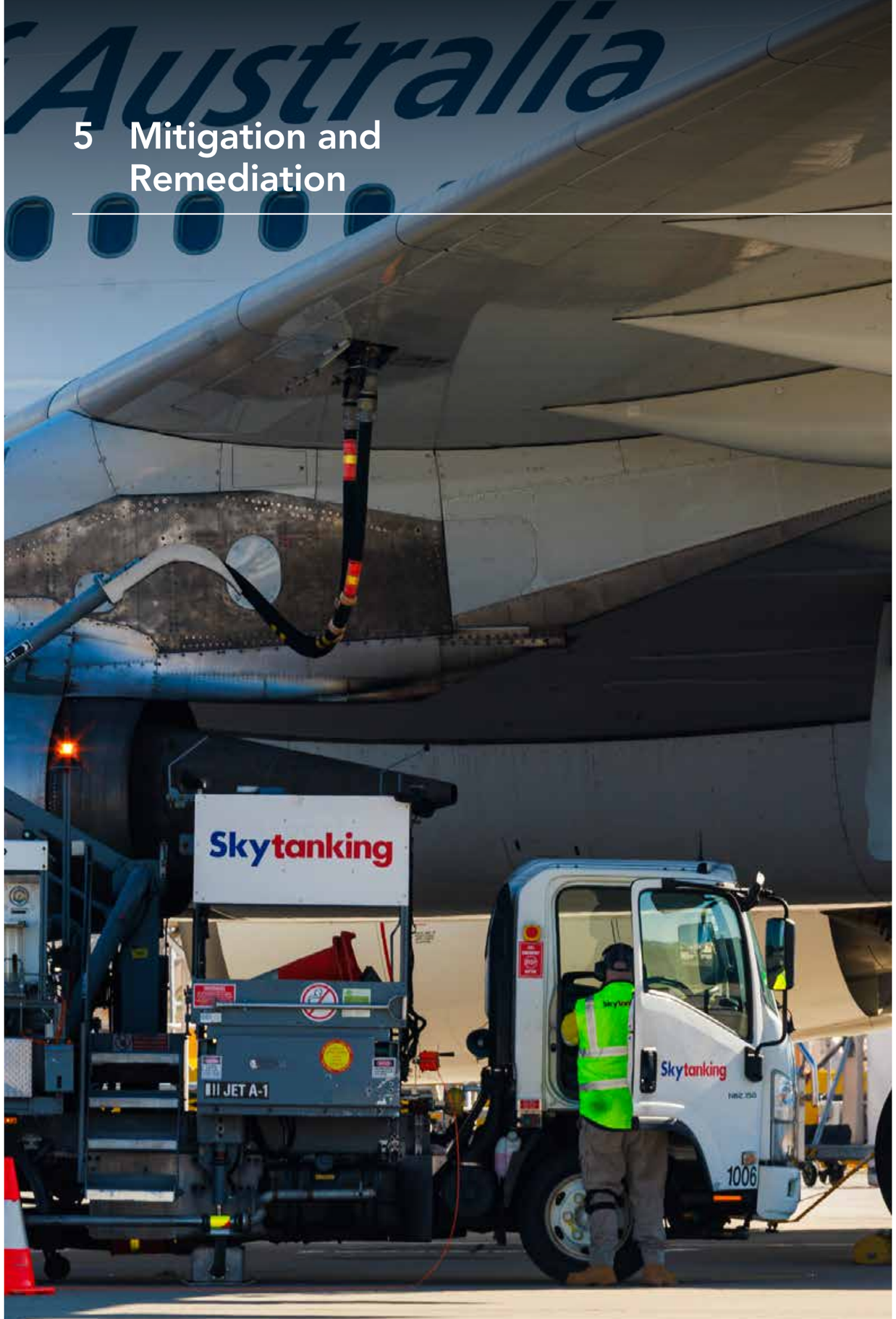
Tier 3 - Countries and regions whose governments do not, at the date of this assessment, fully meet the minimum standards and are not yet making significant efforts to do so.

Tier 2WL - Countries and regions whose governments, at the date of this assessment, do not fully meet the TVPA's minimum standards, and as the (increasing) number of victims is significant without proportional action, and/or no evidence of increased efforts to combat trafficking has been provided.

Tier 2 - Countries and regions whose governments, at the date of this assessment, do not fully meet the TVPA's minimum standards, but are making significant efforts to meet those standards.

Uncategorised - At this date of assessment, insufficient information is available about these countries or regions and a tier has not been assigned.

5 Mitigation and Remediation



Mitigating Risk

APAC has a number of key controls that aim to limit, reduce or prevent modern slavery practices, these are outlined below.

APAC has continued to build on the work completed in 2023 to mitigate the risk of modern slavery occurring in our supply chain. Our progress against mitigations identified in 2023 and the new initiatives raised for FY25 are described in the following sections.

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.

Current Mitigations (continued)

Aviation Security Identification Card (ASIC):	The legal requirement to obtain and display an Aviation Security Identification Card (ASIC) can help reduce modern slavery risks in Australian airports by ensuring that workers meet strict security, identity and background verification standards. The ASIC application process involves rigorous checks. These screenings make it more challenging for traffickers or exploitative employers to place undocumented workers or individuals under duress in these roles, as fraudulent identities are more likely to be detected. The requirement to obtain an ASIC presents significant legal and logistical barriers to employing workers under exploitative conditions.
Australian Federal Police (AFP) Presence at Melbourne Airport	The Australian Federal Police (AFP) plays a critical role at international airports including Melbourne Airport, focusing on maintaining safety, enforcing laws and preventing threats. The AFP works to detect and respond to serious crimes, including human trafficking, child exploitation, organised crime and modern slavery. By investigating suspected criminal activities within the airport environment, the AFP helps maintain lawful and safe travel.
Chaplain Service	The chaplaincy service at Melbourne Airport plays a significant role in combating human trafficking and modern slavery through support, awareness and advocacy. Its mission centres on providing care to vulnerable individuals, which includes travellers and airport workers who may be at risk of exploitation or in need of assistance. Chaplains are trained to recognise signs of human trafficking and modern slavery, such as fear, anxiety or restricted movement in travellers or workers. By maintaining a visible and approachable presence, they can observe and identify individuals who may require help, and can coordinate with airport security, the AFP and other agencies when they identify someone in immediate danger. They also work with anti-trafficking organisations, enabling effective support and safe intervention.
Modern Slavery Training Module	APAC's modern slavery course provides all employees with the essential knowledge and tools to identify and address modern slavery within our operations and supply chain. It explores the various forms of modern slavery, the factors that elevate its risks, and the critical responsibilities APAC has in mitigating these risks.
Anti-Modern Slavery Provisions	APAC standard suite of contract clauses include anti-modern slavery provisions to ensure that the suppliers we engage clearly define the organisation's stance on forced labour, human trafficking and exploitation. This communicates to suppliers that APAC holds suppliers accountable, expects compliance with ethical labour practices and has zero tolerance for modern slavery.

Local Employment Targets	Melbourne Airport is one of the largest single site employment hubs in Victoria, and roughly 70% of the airport workforce live in the seven surrounding local government areas. As the aviation sector worked to rebuild from the impacts of COVID-19, Melbourne Airport looked for opportunities to link local jobseekers with potential employers. Melbourne Airport is also working towards local procurement targets for major projects such as the proposed third runway, to ensure nearby businesses and communities' benefit from the increase in activity on the airport precinct.
Enterprise Agreement	APAC successfully negotiated a new four-year Enterprise Agreement, which received formal approval in May 2022. The vote received a 95.5% response rate – a clear demonstration of a highly-engaged workforce – with an overwhelming 94.3% of voters endorsing the agreement. APAC will begin its next negotiations in 2025.
Stepping Forward Program	APAC implemented a program to support airport staff (internal staff and key service providers) in engaging with passengers. This has mitigated modern slavery risk in two ways. Firstly, airport staff are more likely to interact with passengers who may be passing through the airport under duress and can alert Australian Federal Police or Australian Border Force to act. Secondly, the program has created direct connections between our service providers staff at all levels with the APAC management team enabling issues to be raised directly.

Policies

APAC has a number of key corporate internal and external policies that it has implemented. All policies go through a regular review process and several policies require sign off by the APAC Board due to their significance. As part of its modern slavery risk mitigations, APAC is committed in FY25 to developing a key corporate policy addressing its commitment to anti-slavery.

The following six policies are particularly important to mitigating modern slavery risks:

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. This policy is approved by the Board of Directors.
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 partners with vendors, contractors and consultants who commit to observing these principles not only in its dealings with APAC but throughout its own supply chain. This policy is approved by the CEO.
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. This policy is approved by the Board of Directors.

Risk Management Policy and Framework	The Risk Management Policy and Framework details the risk management process followed by APAC and defines the likelihood and consequence ratings to be used when assessing enterprise risks. Consequence ratings are categorised across the following metrics: safety, reputation, regulatory, environment, business interruption and people. This policy and the associated framework are approved by the Board of Directors.
Compliance Management Policy and Framework	The Compliance Management Policy and Framework formalises the approach to compliance management across each of the business units. This policy requires each business unit to develop specific plans on how they will comply with their obligations (legislative or otherwise). This policy and the associated framework are approved by the Board of Directors.
Procurement Policy	The Procurement Policy sets out the operational and behavioural standards that must be adhered to when procuring goods and services or engaging third party suppliers on behalf of APAC. This policy includes considerations for ethical sourcing (including modern slavery). This policy is approved by the CEO.

2024 Mitigations

APAC recognises that mitigating modern slavery risks within its operation and supply chain is an ongoing task and requires constant attention. The following key mitigations were implemented in 2024.

Enhanced Procurement Process	APAC's Procurement Process Maps have been updated to ensure mandatory and enhanced modern slavery due diligence and compliance checks for all new suppliers. APAC developed a Modern Slavery Supplier Form to be completed by all new suppliers, including all parties submitting pricing as part of a tender processes.
Supply Chain Modern Slavery Review Criteria	Updates to the current suite of request for tender documentation and internal tender evaluation templates to include a more detailed modern slavery review criteria.
iPro Modern Slavery Supplier Risk Assessment Tool	By engaging with iPro, an external software provider, APAC now has better oversight of the current risk exposures associated with our supply chain. The new platform will drive better governance and reporting on current supply chain modern slavery risks and exposures. This tool is currently being used to assess new suppliers and existing tier-1 suppliers but will be expanded to better capture modern slavery risk insights related to APAC's supply chain. This software will also enable future audits of current suppliers.
Increased Training and Support	APAC has partnered with third party providers to facilitate the implementation of supply chain and internal training for a new mandated modern slavery training module. 98% of APAC staff have completed this training at the time of reporting.
Modern Slavery Committee Refreshed	The Modern Slavery Committee has been refreshed to provide cross functional awareness and drive business wide initiatives to reduce the risks of modern slavery within our supply chain. APAC has ensured representatives from all relevant business units across APAC attend. The Committee is chaired by the General Counsel and meets quarterly to review APAC Modern Slavery risk, responsibilities and any potential gaps in process. Members attended a modern slavery workshop provided by Corrs Chambers Westgarth to enhance understanding of modern slavery risk and obligations as an airport operator.

Proposed 2025 Mitigations

The following key mitigations are planned to be implemented in FY25:

ACTION ITEMS
Partnership with Sydney Airport and anti-human trafficking organisation A21 to launch a public awareness campaign to fight human trafficking. This initiative aims to educate the public on how to recognise and report the signs of human trafficking.
Partner with an external third party to provide education seminars regarding the risks of modern slavery.
Provision of an express modern slavery clause in the upcoming 2025 Aeronautical Service Agreements with all airlines.
Modern slavery clauses prepared for use in all new APAC lease agreements across retail, food & beverage and property tenancies.
Improve APAC policies regarding the use of recruiters and their recruitment activities with a modern slavery focus.
APAC to recommend training and policies to a number of identified suppliers to improve their unmitigated modern slavery risks.
Assess modern slavery risks associated with APAC's new hotel, the Novotel and ibis Styles Melbourne Airport, and its Greenpower electricity generation and sales operation.
Increase the number of existing incumbent suppliers requested to complete iPro supply chain risk assessment, beyond existing 'Tier 1' suppliers. We will work with our suppliers to improve the iPro assessment completion rate.
Develop a modern slavery framework and policy to apply across APAC outlining zero tolerance for exploitation. Clearly communicate these standards to all employees, contractors and other partners.
Engage with Monash University to provide a review of APAC's modern slavery statement against the ASX top 200 as part of its Modern Slavery Research Program.
Partnership with industrial relations consultant to facilitate EBA strategy to ensure all Fair Work requirements are incorporated and address in our next enterprise bargaining agreement.

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.

APAC is committed to investigating, addressing and responding to any concerns and taking the appropriate corrective actions if required.

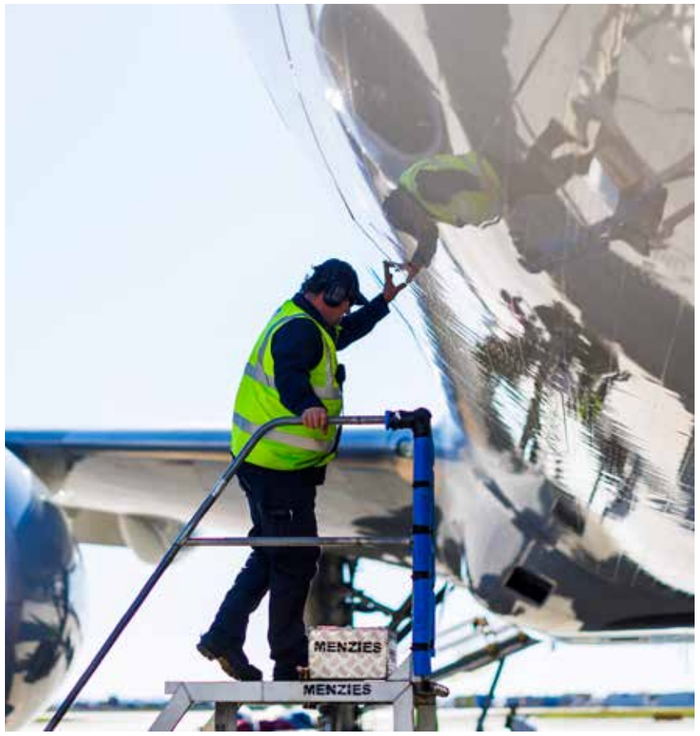
No modern slavery related issues were reported to APAC and no formal remediation plans were issued in 2024.

Consultation with reporting entities

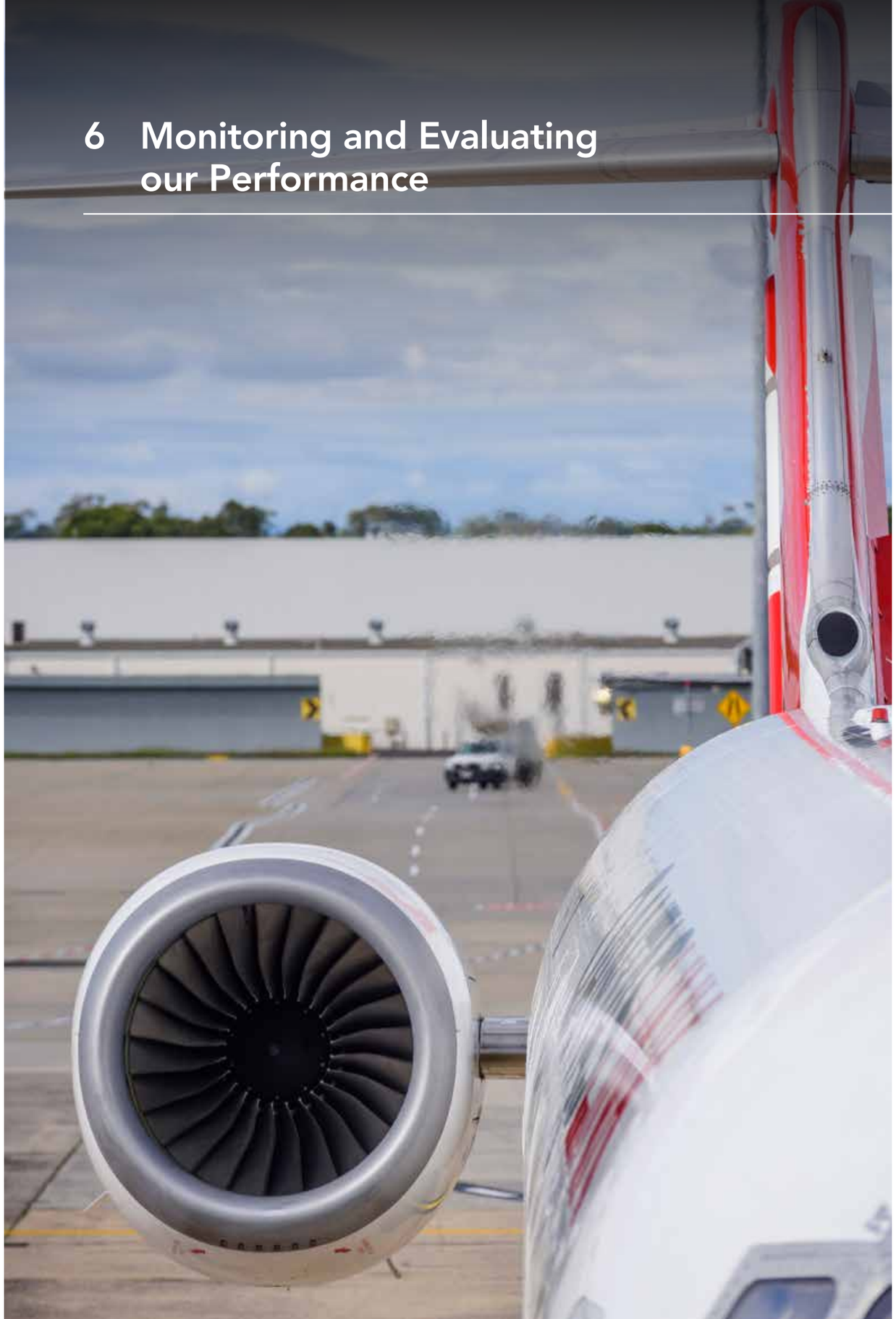
APAC is dedicated to developing and upholding a comprehensive response to modern slavery across the group. Consultation was conducted for each reporting entity included in this statement, so its content applies to both APAM and APAL.

During the reporting period, we actively engaged and consulted with all entities we own or control (listed on page 6) in the development of this statement. We discussed the reporting requirements of the Modern Slavery Act 2018, our planned actions to meet these requirements, and provided relevant updates and materials.

This statement was developed with input from key teams, including Procurement, Legal, and Risk, that collectively drive responsible procurement for Melbourne and Launceston Airports. It has been reviewed by our CEO and approved by the Directors of the covered entities.



6 Monitoring and Evaluating our Performance



Regular Review

APAC recognises the need to continue to regularly review the measures we have implemented 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 Risk Committee under the Enterprise Risk and Compliance Committee. The Modern Slavery Risk 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.

Performance Indicators

APAC measures the effectiveness of its modern slavery risk management using the performance indicators listed below.

Percentage of new contracts in 2024 with modern slavery clauses included	**100%**
Number of Employees completing modern slavery awareness training	**98%**
Number of Tier 1 in-scope suppliers completing modern risk assessment (iPro)	**64/128 (50%)**
Number of modern slavery cases remediated	**0/0**
Aggregated Supply Chain Unmitigated Risk Score	**25.59/100 *NEW***

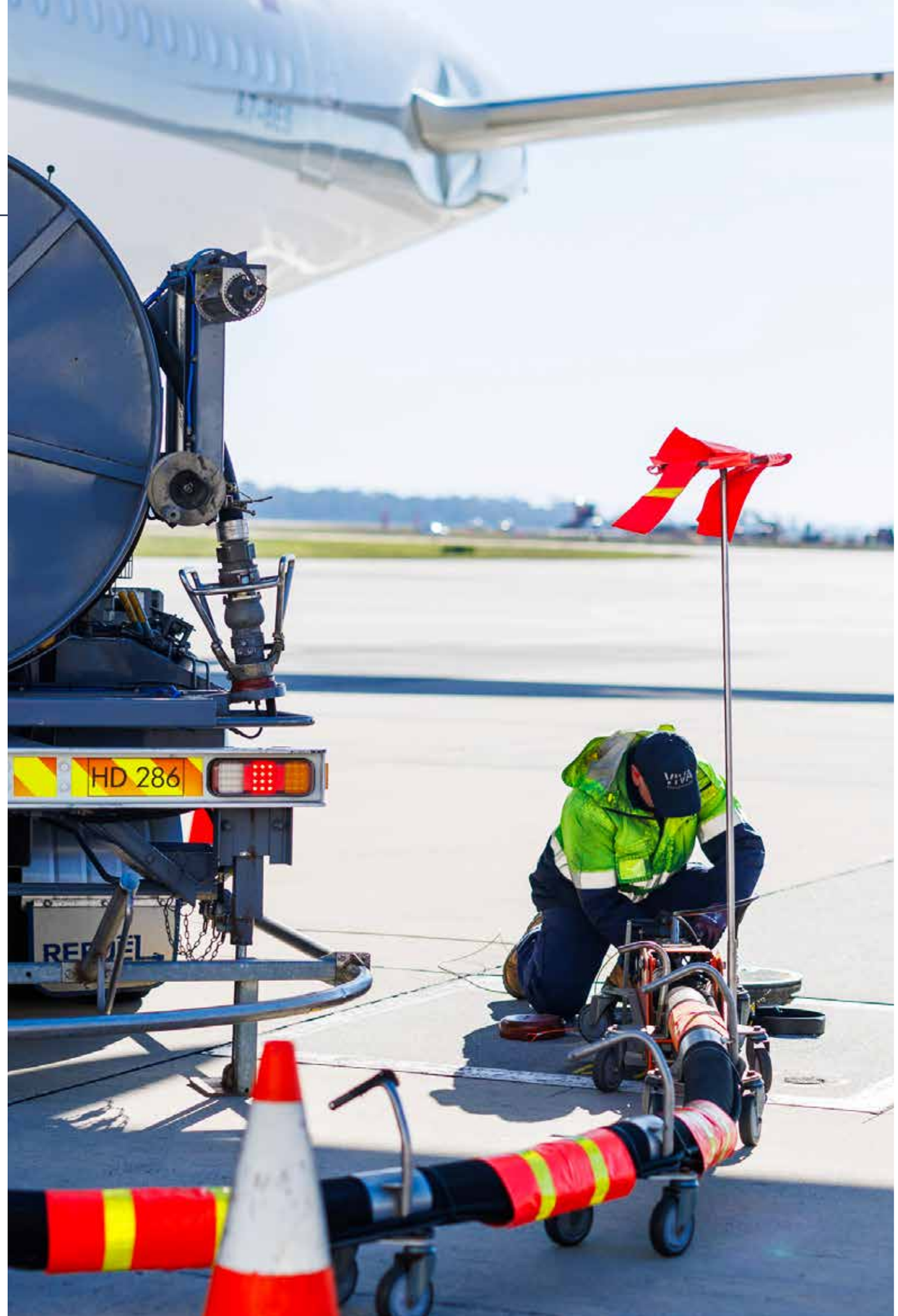
APAC has introduced a new supplier-centric performance measures that we aim should be continuously improved. As this is the first year we have used the iPro platform to conduct our assessments and due diligence, we will be able to objectively measure the effect when the assessments are completed during the next reporting period. As we take actions within our organisation and with our suppliers, we will be able to assess the effectiveness of our modern slavery action plan to reduce the Unmitigated Risk Score by introducing relevant policies and procedures.

We also measure the effectiveness of our engagement with suppliers and will continue to encourage participation in our assessment program to better identify and mitigate modern slavery risks in our supply chain.

Compliance with Mandatory Reporting Criteria

Mandatory Criteria Reference in this Statement:

Criteria		Page reference
1	Identify the reporting entity	6
2	Describe the reporting entity's structure, operations and supply chains	10 - 21
3	Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns or controls	26 - 35
4	Describe the actions taken by the reporting entity and any entities it owns or controls to assess and address these risks, including due diligence and remediation processes	36 - 45
5	Describe how the reporting entity assesses the effectiveness of these actions	47
6	Describe the process of consultation with any entities the reporting entity owns or controls (a joint statement must also describe consultation with the entity giving the statement)	44
7	Provide any other relevant information	N/A



AUSTRALIA PACIFIC AIRPORTS CORPORATION

MELBOURNE AIRPORT

LAUNCESTON AIRPORT