

# Modern Slavery Statement

FY2020





# INTRODUCTION

Perth Airport Pty Ltd (PAPL), the operator of Perth Airport, is a company limited by shares, incorporated and domiciled in Australia. It is a wholly owned subsidiary of Perth Airport Development Group Pty Ltd (PADG).

This is our first statement, pursuant to section 13 of the Australian Modern Slavery Act 2018 (Cth) and sets out the actions taken by PAPL and PADG to address modern slavery risks in our business and supply chain for the financial year ending 30 June 2020.

As a socially responsible organisation, we adopt the highest professional standards and comply with all laws, regulations and codes applicable to our business. In addition, we expect those companies within our supply chain to do the same, as set out in our Supplier Code of Conduct.

We are committed to running our business ethically and responsibly. As part of our broader human rights program, this includes taking steps to continuously improve our practices to identify and address modern slavery which may occur within our business, supply chains and across our airport operations.

During FY20:

- No incidents of modern slavery were identified or reported to us.
- It was determined that we have a low risk of modern slavery in relation to our direct team members.
- Using a third-party risk intelligence software solution to analyse our existing supplier base, we identified a number of suppliers that exhibited comparatively high modern slavery risk in their operations and supply chains. These suppliers are predominately in the electronics, cleaning, security and construction industries and a supplier self-assessment questionnaire was sent to certain suppliers in these categories requesting information regarding their modern slavery processes and practices.





# ABOUT PERTH AIRPORT

Our primary function is the delivery of aviation services to the public, and the operation and maintenance of our terminals and aerodrome.

Perth Airport provides numerous economic, social and cultural benefits to Western Australians by connecting their communities to critical services. This not only strengthens cultural, family and social ties, but also supports tourism, education and leisure.

Most importantly, Perth Airport plays an essential role in the State's economic development by providing transport services for companies; supporting them to undertake their operations, service their customers and grow their businesses.

Within Australia, Perth Airport provides an access point to Western Australia from interstate locations and serves as the central transportation hub for regional destinations, including significant mining regions and popular tourist destinations.

The airport is a vital link in the resources sector supply chain, providing connectivity for the fly-in fly-out (FIFO) workforce and for Western Australians who live in remote communities.

Internationally, Perth Airport is strategically located for access to Southeast Asia, the Middle East, Europe and Africa.

Perth Airport's contribution to tourism is significant. Approximately 93 per cent of people visiting Western Australia arrived by air and contributed more than \$4.1 billion to the Western Australian economy in 2018.

## Our Supply Chain

In FY20 we made purchases with more than 400 direct suppliers, with a large proportion being Australian suppliers. Our supply chain incorporates a wide range of products and services spanning a variety of industry sectors, broadly grouped as follows:

- Capital expenditure, which represented approximately 42% of our procurement spend and includes construction activities, design consultancy and professional services.
- Contracted support services, which includes security services to help keep our terminals safe and secure 24/7, cleaning services to ensure our infrastructure is clean and hygienic and baggage handling and aerobridge maintenance to maintain reliable operations.
- Information and communications technology (such as laptops, phones and CCTV), which are generally purchased from large multinational companies who supply us with finished products.
- Office supplies, uniforms & travel.
- Group Service Contracts (including statutory services, rent, rates, utilities, etc).



# ACTIONS TAKEN TO ASSESS AND ADDRESS MODERN SLAVERY RISKS

## Policies and Governance Approach

Strong governance is embedded within our business and is essential to our sustainable, long-term success, driving value creation and positive outcomes for our customers, stakeholders and shareholders.

We have a robust corporate governance framework in place, with the Board overseeing our broader Environment, Sustainability, People and Governance (ESPG) program which includes identifying, assessing and mitigating human rights issues (encompassing modern slavery).

Underpinning this framework are our suite of policies, several of which are relevant to modern slavery. This includes our Code of Conduct, our Procurement Policy and our Whistleblower Policy, which were all updated in the reporting period to include modern slavery and human rights provisions.

During the reporting period, we created a Supplier Code of Conduct, which is available on our website and articulates our minimum expectations to suppliers on issues such as labour practices, human rights and modern slavery. Our Supplier Code outlines our governance framework including undertaking site-based reviews of supplier operations (if required), working with suppliers to remediate if operations have fallen short of expectations, continuing to evaluate performance, and invoking audit and review powers to address specific concerns.

We also updated our standard construction, services and consultancy contracts requiring suppliers to comply with the Supplier Code of Conduct and modern slavery laws.

### **Cross Functional Working Group**

Accountability for addressing modern slavery and human rights risk is cross-functional and our internal teams work together to embed our initiatives and supporting processes. In recognition of the complexity of this issue, a cross functional working group including members of our Governance & Legal, Procurement, Projects & Development and People & Culture teams was created in FY20 to lead PAPL's efforts.

### **Team Members**

We consider we have a low risk of modern slavery in relation to our direct team members based on location and workplace environment. This is due to our adherence to Australian labour laws and robust internal hiring procedures that reflect the values set out in our Code of Conduct and are supported by our Equal Opportunities, Diversity, Anti-Harassment and remuneration policies. We understand that vigilance is important and ongoing training with team members will continue to ensure this remains the case.

# Assessment of Modern Slavery Risk

## Identification of High-Risk Suppliers

We have tailored our risk processes to ensure that we are focussing our efforts on those areas that present an elevated risk of exposure.

In 2020 we started our modern slavery risk analysis by utilising FRDM, a third-party risk intelligence software solution to analyse our existing supplier base.

FRDM is a platform designed to identify and quantify the inherent risks of human rights abuses across the complete supply chain, based on the following:

- Sector and industry risks.
- Products and services risks.
- Geographic risks.
- Entity (supplier) risks.
- Labour indicators.

The results from the FRDM platform analysis identified a number of suppliers that exhibited comparatively high modern slavery risk in their operations and supply chains. These suppliers are predominately in the electronics, cleaning, security and construction industries and are higher risk due to the factors listed above rather than due to historical misconduct.

## Self- Assessment Questionnaire piloted

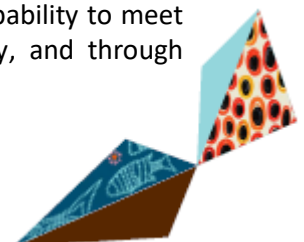
A supplier self-assessment questionnaire containing our Supplier Code of Conduct was piloted with a selection of suppliers identified as being in the high risk/high spend categories identified above, requesting information regarding their modern slavery processes and practices. Over the course of FY21, we will be reviewing and assessing the results of the supplier self-assessment project. This process will continue for all existing and new high-risk suppliers and a periodic review across all suppliers will become part of our standard business practices.

## Working with Suppliers

Where the FRDM risk analysis shows gaps in supplier processes to identify and address the risk of modern slavery in their operations and/or the operations of their suppliers, we will take appropriate and reasonably practicable actions to resolve or substantially mitigate issues. This action includes working with suppliers to strengthen their internal policies and procedures and using our leverage to work with the supplier to implement solutions that meet international human rights standards.

We favour working with suppliers to resolve or substantially mitigate issues instead of ending the relationship with the supplier because of the potential adverse effects on the livelihood of the supplier's employees.

Additionally, we share our expertise with suppliers (who require support) to build their capability to meet international standards through periodic engagement and discussion on modern slavery, and through provision of guidance and tools.



Following a high-level overview and assessment of our supply chains, the following parts of PAPL's supply chain were deemed to exhibit comparatively higher modern slavery risk:



### **ELECTRONICS**

The information and communications technology sector is at high risk of forced labour. A significant number of workers in electronics supply chains are migrant workers who are particularly vulnerable to exploitation.

In addition to the operational issues in the sector, there are raw material challenges with significant risks of conflict minerals and child labour in the production of critical components such as cobalt.

### **CLEANING AND SECURITY**

Services such as cleaning, property maintenance and security exist in a price competitive market, sometimes relying on low-skilled migrant labour for viability.

This, in combination with the multiple tiers of contracting, creates preconditions for vulnerable workers to be exposed to a range of modern slavery practices.

### **CONSTRUCTION**

The construction industry comprises contractors sometimes using migrant workers, with labour recruited by sub-contractors using labour hire providers.

In addition, the supply chain comprises a significant number of raw materials and components that go into a project.

It is opaque, fragmented and complex. Materials are sourced, processed, assembled and finished, traversing several countries, some of which have an elevated risk of modern slavery. These production phases are transient and are not been readily traceable to the end user.



# Remediation

Remediation in a human rights context is about 'putting things right' for the person(s) experiencing a human rights breach. As the circumstances surrounding a modern slavery incident are likely to be unique, a response will be determined on a case-by-case basis and may involve a business process change, an education campaign or corrective action.

We have established reporting procedures and mechanisms where team members and third parties can report any concerns regarding unethical or illegal conduct, including in relation to modern slavery or human trafficking.

Team Members can report to their manager, or if they wish to remain anonymous, team members and third parties are able to report through our independently operated Whistleblower system, via phone, email or an online portal.

Investigations will be undertaken with care and, where substantiated, we will report to our Board and take appropriate action.

# Human Trafficking

We recognise that Perth Airport is a major international gateway into Australia and a potential entry point for trafficked persons. Both the Australian Federal Police and the Department of Home Affairs have significant representation on Airport to facilitate oversight of this human trafficking risk.

# TRAINING

Training and awareness are key controls in addressing the risk of modern slavery and human trafficking. We recognise the need to build the capability of our team members, particularly our procurement practitioners/project managers and our front-line team-members, to identify potential red flags of modern slavery and human trafficking and the actions required to respond appropriately.

In FY20, we developed a training module to help build their awareness of global modern slavery and human trafficking so team members are in a better position to understand, identify and report incidents. Our goal is for all team members to complete this training by the end of the next reporting period and it will be mandatory for new team members.





# EFFECTIVENESS

In the short-term we will measure the effectiveness of our actions by reviewing and assessing:

- the number of responses from supplier questionnaires in relation to modern slavery and labour hire practices;
- the number and types of actions taken to work with suppliers to improve their capacity to respond to modern slavery risks; and
- team member completion rate of training module.

# CONTINUOUS IMPROVEMENT

We are committed to a program of continuous improvement to ensure that our efforts to identify, assess and address modern slavery are effective. A range of additional actions have commenced, or are planned, and will be reported in subsequent statements.

These include the below activities:

- Ongoing review and enhancement of modern slavery framework, risk management processes and associated policies.
- Completion of supplier assessments for high risk suppliers.
- Reviewing and assessing the results of the supplier self-assessment project.
- Embedding the supplier self-assessment into our tender process.
- Introduction of auditing program for high-risk suppliers.
- Completion of modern slavery training by all team members within the next reporting period.
- Continued and proactive supplier engagement relating to modern slavery practices thereby improving overall transparency relating to labour and human rights practices.
- Further collaboration with industry with intention to contribute to more ethical and sustainable practices with the industries in which we operate.
- Development of additional ways to measure effectiveness.





This statement was approved by the Board of Perth Airport Pty Ltd

Signed



Neville Power

Chairman

March 2021

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