

Tax Strategy

Company Policy

Purpose

As New Zealand's largest airport and transportation hub, Auckland International Airport Limited ("**Auckland Airport**" or "**the company**") strives to be a great New Zealand business, recognised for displaying social responsibility beyond supporting business activity and contributing to New Zealand's long-term prosperity.

Auckland Airport is a tax resident in New Zealand and listed on both the NZX and ASX. Tax is a critical source of government revenue and it is becoming increasingly important for large businesses to clearly articulate their approach to corporate tax strategy and governance, to provide certainty and confidence to all stakeholders.

Tax Strategy

Auckland Airport's tax strategy is set by the Auckland Airport Board of Directors (the "**Board**") and is based on established approaches of responsible compliance and tax risk management.

The underlying core principles of Auckland Airport's tax strategy, which set the foundations for the company's Tax Governance Policy, are as follows:

- a) **Compliance**
Complying with all relevant tax laws and statutory reporting obligations, acknowledging not only the pure interpretation but also the intent of the legislation, resulting in the correct amount of tax being lodged, paid and reported in the appropriate jurisdictions;
- b) **Tax Risk Management**
Maintaining and monitoring a tax governance framework and supporting policies, being sure to only enter into arrangements and adopt positions that exhibit clear commercial objectives, as opposed to transactions that rely on their tax effect to be viable;
- c) **Transparency with the Revenue Authorities**
Approaching all tax authority relationships in a constructive and open manner, promoting early interaction and constructive co-operation, with the aim of ensuring full transparency on any tax position taken by the company; and
- d) **Assurance**
Providing key stakeholders with confidence that the company's tax profile is being managed in accordance with good corporate governance practices and that material tax risks are being considered and addressed.

Approach to Risk Management

Auckland Airport's Board and leadership team are strongly committed to ensuring that the company maintains a high standard of corporate governance and ethical conduct. The Board regularly reviews and assesses governance structures and processes to ensure that they are consistent with internationally accepted best practice, in both form and substance, as well as considering the company's responsibilities of being listed on both the NZX and the ASX.

Auckland Airport's Risk Management Policy provides clarity on roles and responsibilities to minimise the impact of financial, operational and sustainability risk on the company. Under this policy, the Board is responsible for reviewing and ratifying the risk management structure, processes and guidelines which are developed, maintained and implemented by management.

The Board has delegated certain responsibilities to its Audit and Financial Risk Committee (“**AFRC**”) and the Safety and Operational Risk Committee (“**SORC**”).

The Risk Management Policy combines with the tax strategy to set the principal governance foundations for the design of Auckland Airport's Tax Governance Policy.

The company's constitution, charters and policies are all available on the Auckland Airport corporate website: <https://corporate.aucklandairport.co.nz/about/corporate-governance>.

Tax Governance Policy

The Tax Governance Policy brings the tax strategy to life through a comprehensive tax risk management framework that recognises Auckland Airport's broader approach to governance and ethical standards by requiring a high level of tax certainty in its tax positions.

Auckland Airport's tax affairs must be managed in accordance with the company's low risk appetite. An assessment of tax risk must be undertaken at the time a risk arises or when a transaction or arrangement is being contemplated. Through this approach, any tax planning is inherently aligned to the commercial objectives of Auckland Airport, such that it cannot, by design, result in uncertain outcomes or abusive structures.

External tax advice is engaged on an annual basis to review the validity and accuracy of the company's tax returns. External tax advice is also sought in situations where material, uncertain or complex issues potentially exist, in addition to being filing documentation.

For the tax risk management process, the following categories of risks are considered:

Risk Category	Risk Nature
Operational	Arising from the application of tax law to routine business operations.
Strategic / Transactional	Arising as a result of major, non-routine events or activities.
Compliance	Arising in connection with tax compliance obligations (e.g., tax risks from incorrect disclosure, late filing, etc.).
Financial Reporting	Arising in connection with tax controls and tax estimations used for accounting (e.g., differing treatment for accounting and tax).
Financial Impact	Arising in connection with the ability (or inability) to meet the financial obligations imposed by tax legislation (e.g., financial loss in the form of increased tax costs, interest and penalties).
Reputational	Arising in connection with public perception of Auckland Airport's brand / image (including the perception of relevant tax authorities).

Related Documents

Risk Management Policy
Tax Governance Policy

Next Review

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