Sustainability Report | **2018**

SYD
A I R P O R T

This is an interactive PDF designed to make it easy to navigate. The best way to view this report is with Adobe Acrobat Reader. Click on the links on the contents page or use the home button ⌂ in the footer to navigate the report, and use the underlined text links throughout the report to view related content online.

About this report

This 2018 Sustainability Report covers the year 1 January 2018 to 31 December 2018, with the exception of environmental data sets (emissions, energy, waste, water, noise and environmental spills) which are reported for 1 July 2017 to 30 June 2018, in line with Sydney Airport's other external environmental reporting. This report is prepared with reference to GRI Standards, selected Disclosures 102 and Disclosures 103-1, 103-2 and 103-3 from GRI 103 Management Approach 2016. It covers all of Sydney Airport's operations and aligns with the reporting scope of our Annual Report. There has been no change in reporting scope from our 2017 Sustainability Report. In addition, we have used the UN Sustainable Development Goals to guide our reporting of relevant global issues.

Whilst the report does not provide 100% coverage of our sustainability performance it sets out our current level of knowledge and understanding of our sustainability issues and initiatives for our stakeholders.

To provide confidence in our reporting, we have engaged KPMG to provide limited assurance over selected data sets within our 2018 Sustainability Report including, safety, customer satisfaction, energy and carbon, female representation and waste. KPMG's assurance statement is included at the end of this report.

We welcome feedback on our sustainability reporting and performance. Please email us at sustainability@syd.com.au

Contents

Chairman and CEO message

We recognise that the world around us is rapidly evolving.

Sydney Airport plays a vital role in the transport value chain, bringing together a wide range of parties that jointly facilitate tourism, business travel and logistics. With more than 40 million passengers moving through our airport each year, our efficient and effective operations create value for the economy as we provide a gateway for other sectors and industries that depend on a reliable flow of people and goods.

During 2018, Sydney Airport maintained its strong focus on financial and operational performance. We have also continued to build a business that considers and responds to broader socio-environmental risks and opportunities and are keenly aware that the support of our community is crucial to our future growth and success.

Our ongoing commitment to sustainability in the transport infrastructure sector continued to gain worldwide recognition in 2018. We moved to seventh from tenth in the global transportation and transport infrastructure sector of the Dow Jones Sustainability Index (DJSI World). MSCI upgraded our rating 'AA' to 'AAA'. Sustainalytics upgraded us to 'Outperformer' level on the basis of our ESG practices and our reporting was awarded the 'Leading' rating by the Australian Council of Superannuation Investors.

This Sustainability Report, Sydney Airport's fourth, provides a window into our strategic objectives, initiatives and performance over 2018. Whilst there is still much to do, we are proud of the progress we have made and are pleased to invite you to explore the details of our efforts in the following pages.

Responsible business

- We are committed to the highest levels of safety across our operations and have introduced executive and people leadership safety KPIs to continue to drive safety culture and best practice

- Our response to the Taskforce on Climate-related Financial Disclosures (TCFD) recommendations, including our TCFD roadmap to 2020, is contained in this report. We have introduced a new commitment to achieve carbon neutral operations, in line with the Airport Council International Airport Carbon Accreditation program, by 2025

- During 2018 we entered into a Power Purchase Agreement (PPA) to contract up to 75% of our current electricity load from renewable energy

- We developed our first 'Innovate' Reconciliation Action Plan. We recognise we can and should play a strong role in advancing human rights and improving outcomes for Aboriginal and Torres Strait Islander peoples

- The number of female employees across our business increased to 38.8% in 2018. This continues our trend, with female representation rising by approximately 26% over the past five years.

Planning for the future

- With passenger numbers growing year on year, increasing and supporting landside efficiency is a key focus area. This year we completed our precinct road network upgrades which have increased road capacity at T1 and improved traffic flows at T2 and T3. We also reached agreement with the NSW Government on the proposed Sydney Gateway corridor. Once complete this will enhance access to the airport

- Our overall customer satisfaction performance continued to improve, up to 4.13/5 (international) and 4.14/5 (domestic) in 2018 from 4.01/5 and 3.95/5 in 2017 respectively. We created a more relaxing environment for our customers by implementing our quiet terminal initiative at T1 and we undertook a trial of biometrics technology and facial recognition processing to increase security, convenience and efficiency

- Our Draft Master Plan 2039 was awarded a 4-star Green Star Communities Rating, which embeds sustainability in the planning and design for future Sydney Airport expansion.

Supporting our communities

- We actively engaged with our community and stakeholders through hundreds of face-to-face meetings, community events and forums as we developed our Draft Master Plan 2039

- Our Community Investment continued to grow this year, valued at $5.7 million, up from $4.9 million in 2017

- We established the Community and Environmental Projects Reserve Fund with Bayside Council, committing more than $11 million in the next 10 years to community and environmental projects in the Bayside local government area

- Building on our commitment to waste reduction, we have worked with our retailers to introduce a ban on plastic straws and single use plastic bags from 1 February 2019 in T1 and T2. We continued to increase our waste recycling rates in 2018, and this year trialled an organic waste recycling program in T1 targeting a 20% reduction in waste to landfill

- We were proud to announce a new major partnership with Bayside Council and Conservation Volunteers Australia to support conservation activities in the Rockdale Wetlands Biodiversity Corridor.

Looking forward

We are focusing our organisational effort on three flagship initiatives: climate resilience, fleet electrification and the optimisation of our airfield and airspace. We have also outlined commitments under each of our sustainability strategy pillars. This approach is designed to drive a further step change in our performance by 2021. Details can be found on pages 6-7 of this report.

Evolution in our business context is taking many forms whether it be advancements in the aviation sector, technology disruption, climate change risks, changing consumption trends, passenger travel patterns, changing employee preferences or community expectations. Understanding and embracing change will shape our future and drive our strategic thinking.

We commend this report to you and look forward to the work we have ahead to continue to build a sustainable business.

Trevor Gerber
Chairman

Geoff Culbert
Chief Executive Officer

Sustainability performance

Community investment

$5.7m

⬆ from **$4.9m** in 2017

Overall female representation

38.8%

⬆ from **37.9%** in 2017

Carbon emissions per passenger reduction

30.9%

from 2010 levels

Safety training

2,762

hours
(new metric in 2018)

PPA contracts up to

75%

of current load from renewable energy

Received the

Gold Recognition

by the Airports Council International Asia-Pacific for our PPA

Customer satisfaction scores

International

4.13/5

⬆ from **4.01/5** in 2017

Domestic

4.14/5

⬆ from **3.95/5** in 2017

Waste recycling rate

42.9%

⬆ from **42.4%** in 2017

Waste to landfill

2,733t

⬇ from **2,851t** in 2017

Our approach to sustainability

Our Sustainability Strategy forms an integral part of our broader business strategy and supports the delivery of our vision.

The strategy seeks to respond to our changing world, and the emerging challenges and opportunities that are shaping businesses. Through the implementation of our strategy, we are seeking to deliver long term value for our customers, the surrounding community, our people and investors.

What key market trends, business challenges and opportunities do we see?

- Shifting consumer preferences
- Changing industry market conditions
- Technology changes
- Increasing expectations on large corporates
- Meeting community needs
- Protecting the environment
- Climate change resilience
- Regulatory and policy changes
- Security risks and other unexpected events impacting business continuity.

How are we responding?

In 2017, we re-assessed our sustainability approach to ensure it better aligns with our overall business strategy. This year we continued building on our strategic thinking and defined sustainability commitments across all strategic pillars in order to drive our activities towards those focus areas, which create the most value for stakeholders. To support us in realising our value creation potential, we have defined specific targets to track our progress.

United Nations Global Compact

Sydney Airport became a signatory to the United Nations Global Compact in 2017, and is pleased to reaffirm our commitment to this initiative and its principles.

Contributing to the United Nations Sustainable Development Goals

The United Nations Sustainable Development Goals (SDGs) seek to address the most significant challenges our world is facing today. To play our role in addressing these challenges, we have mapped the SDG framework against our sustainability approach. We identified eleven goals, which we have supported throughout the year. Refer to page 73 for further details on what contributing to the SDGs means in the context of our airport operations.

2019–2021 Sustainability Commitments

FLAGSHIP INITIATIVES

CLIMATE RESILIENCE

Build resilience in our assets and operations to adapt to the impacts associated with climate change, and minimise the carbon footprint of the airport

Follow the recommendations from the Taskforce on Climate-related Financial Disclosures (TCFD)

Achieve carbon neutrality by 2025

Reduce carbon emissions per passenger by 50% from 2010 baseline levels by 2025

ELECTRIFICATION OF VEHICLES AND EQUIPMENT

Investment in electric vehicles and supporting infrastructure such as aircraft Ground Power Units and vehicle charging stations

100% electric landside bus fleet

Install Electric Vehicle (EV) charging stations in new landside facilities 5% above EV market penetration

Increase aircraft utilisation of both fixed ground power and pre-conditioned air at T1 from 20% to above 50%

Facilitate and support increase of Sydney Airport airside electric vehicle usage to 50%

AIRSPACE AND AIRFIELD EFFICIENCY

Examining and pursuing opportunities to maximise the use of the airfield and airspace

Deliver an Airport Collaborative Decision Making (A-CDM) program together with business partners

Improve airfield and aviation support infrastructure

Explore opportunities to further improve efficiencies through initiatives such as co-location of certain domestic and international activities and runway rebalancing

RESPONSIBLE BUSINESS

Being ethically responsible and transparent in how we do business

| 3 GOOD HEALTH AND WELL-BEING | 4 QUALITY EDUCATION | 5 GENDER EQUALITY | 8 DECENT WORK AND ECONOMIC GROWTH | 10 REDUCED INEQUALITIES | 11 SUSTAINABLE CITIES AND COMMUNITIES |

SAFETY AND WELLBEING OF ALL AIRPORT USERS

Achieve year on year improvement in injury statistics and aviation safety performance

Increase uptake and awareness around wellbeing and mental health

CONTINUING TO SUPPORT A DIVERSE AND INCLUSIVE WORKPLACE

Achieve a 10% uplift in female representation in management and overall on 2018 performance

Achieve 30% female board representation

LOOKING AFTER AND DEVELOPING OUR PEOPLE

Target an employee engagement score of at least 75%

Deliver 1.5 days of training per employee per annum

BUILDING OPERATIONAL RESILIENCE

Deliver employee Incident and Crisis Management training

Achieve a cyber security maturity target of 4 out of 5

OPERATING ETHICALLY AND WITH INTEGRITY

Complete supplier questionnaire to assess and mitigate risks on biannual basis

Align procurement policy with ISO 20400

PLANNING FOR THE FUTURE

Delivering operational excellence through innovative, technology-based solutions and supporting customer needs now and into the future

INCREASING AND SUPPORTING LANDSIDE EFFICIENCY

Support diversity of public transport modal options

DELIVERING BETTER OUTCOMES FOR OUR CUSTOMERS

Maintain a passenger satisfaction score above 4 out of 5

SUSTAINABLE DEVELOPMENT OF THE AIRPORT

Achieve a minimum 4-Star Green Star Design and As-Built rating for new developments

SUPPORTING OUR COMMUNITIES

Working with our communities to protect the environment and create shared value

BUILDING RELATIONSHIPS AND SUPPORTING COMMUNITY RESILIENCE

Establish a baseline for community investment

Develop a community investment strategy to drive continuous improvement

Work with business partners to deliver a pilot program towards prevention of human trafficking and slavery

MAINTAINING AN ENVIRONMENTALLY RESPONSIBLE AIRPORT

Continue to meet regulatory compliance requirements for noise and air quality

Reduce potable water use per passenger by 10% in terminals and commercial buildings

Maintain 30% average annual use of recycled water in the International terminal

REDUCING WASTE TO LANDFILL

Remove plastic straws and single-use plastic bags from our terminals

Recycle landside organic waste in the International terminal

PROTECTING LOCAL NATURAL AREAS AND BIODIVERSITY

Restore and rehabilitate Environmental Conservation 1 zones, predominantly consisting of the Sydney Airport Wetlands

Sustainability Governance Framework

We have developed a governance framework to guide our sustainability journey.

Sydney Airport Limited Board

Responsible for corporate governance policies and risk management including those relevant to sustainability

Board Safety, Security and Sustainability Committee

Assists the Board to address responsibilities relevant to safety, security and sustainability

Executive Leadership Team

Executive Committee and Safety Steering Committee

Develop, update and oversee implementation of Sydney Airport's safety, sustainability, environmental and diversity and inclusion strategies

| Sustainability Working Group | Diversity and Inclusion Working Group | Work, Health and Safety Staff Committee |

Focusing on the issues that matter

Each year we conduct a materiality review with consideration of the Global Reporting Initiative (GRI) Reporting Principles.

This process makes sure we remain focused and report on those issues that are of most importance to our stakeholders and of greatest relevance to our business. This year we reviewed materiality in the context of global trends, the United Nations Sustainable Development Goals (SDGs) and our business strategy. The process included engagement with key stakeholder groups, review of our risk registers, industry ESG ratings, media analysis and peer reviews.

Our key stakeholders

- Internal – employees
- Directly affected – airport users, airport business partners, investors, community in immediate vicinity of the airport
- Active interest – tourism bodies, community and local government, NSW and Australian governments and agencies, industry associations, industry bodies and media.

We undertook a comprehensive materiality assessment in 2016, and outcomes from our 2018 review show that material issues have remained largely unchanged. Some issues such as modern slavery, human rights and climate change have increased in priority, and as a result, we have increased our focus on these in this report.

MATERIAL ISSUE	DEFINITION
Safety	We recognise that we operate in a high-risk industrial environment and therefore need to ensure we are managing health and safety risks and maintaining a strong safety culture.
Security	We are committed to maintaining a safe and secure airport operating environment and working collaboratively with our airport stakeholders to achieve this.
Health and wellbeing	Maintaining a safe work environment for airport workers is a key priority. This includes maintaining the health and wellbeing of our people.
Operational efficiency and continuous improvement	To best support our customers, we need to operate the airport efficiently and play our role to support On Time Performance. We need to be evaluating our systems and process to identify ways to improve.
Business continuity and resilience	As a critical piece of national infrastructure, we need to ensure our facilities are resilient and can operate under a range of different circumstances.
Fair and ethical business operations	We recognise the importance of maintaining an effective system of corporate governance and building a culture to maintain high ethical standards and integrity.
Climate change	Building resilience to the physical and transition risks associated with climate change.
Cyber security	Failure to prevent and respond to cyber attacks could materially impact our operations and those of our customers.
Human rights	We recognise the importance of respecting human rights across all aspects of our operations including labour rights in our supply chain.
Diversity and inclusion	Creating and managing a diverse and inclusive workforce, together with playing our role to create an inclusive society.
Employee attraction and retention	The success of our business is built on our people and we need to ensure that we are attracting, retaining and developing the best people.
Sustainable procurement	We need to work with our suppliers to effectively manage environmental, social and governance risks within our supply chain.
Access to and from the airport	We need to play a role in ensuring our passengers have a safe and efficient journey to and from the airport, and that a range of transport modes are available to suit their preferences.
Customer experience	Providing a superior customer experience for airlines and passengers is our key focus.
Capacity	Sustainable development of the airport through collaborative decision making, efficiency improvements and strategic planning to meet passenger growth.
Aircraft noise	We acknowledge aircraft noise disturbs local communities and we are committed to working with government and airline partners to manage and mitigate the impact.
Community investment and engagement	We need to play a meaningful role in our local community and are committed to fostering and maintaining enduring relationships built on trust.
Environmental management	Operating an environmentally responsible airport is critical to our long-term success. We need to protect the local natural environment and manage impacts on the surrounding community. This includes managing air quality, reducing waste to landfill and using resources more efficiently.

RESPONSIBLE BUSINESS

PLANNING FOR THE FUTURE

SUPPORTING OUR COMMUNITY

Engaging with stakeholders

Fostering positive, strong, lasting relationships with all those who might be affected by the decisions and activities concerning the airport's development and operation is a priority for us, and we acknowledge that this is vital to our long-term success. We recognise that each of our stakeholders has different interests, expectations and interactions with the airport.

Airport users and passengers

Tourism bodies, industry associations and advocates

Airport business partners and airlines

Retail business partners

Border Agencies

SYD
AIRPORT

Community and local government

Regulators

Employees

NSW and Australian governments and agencies

Media

Investors
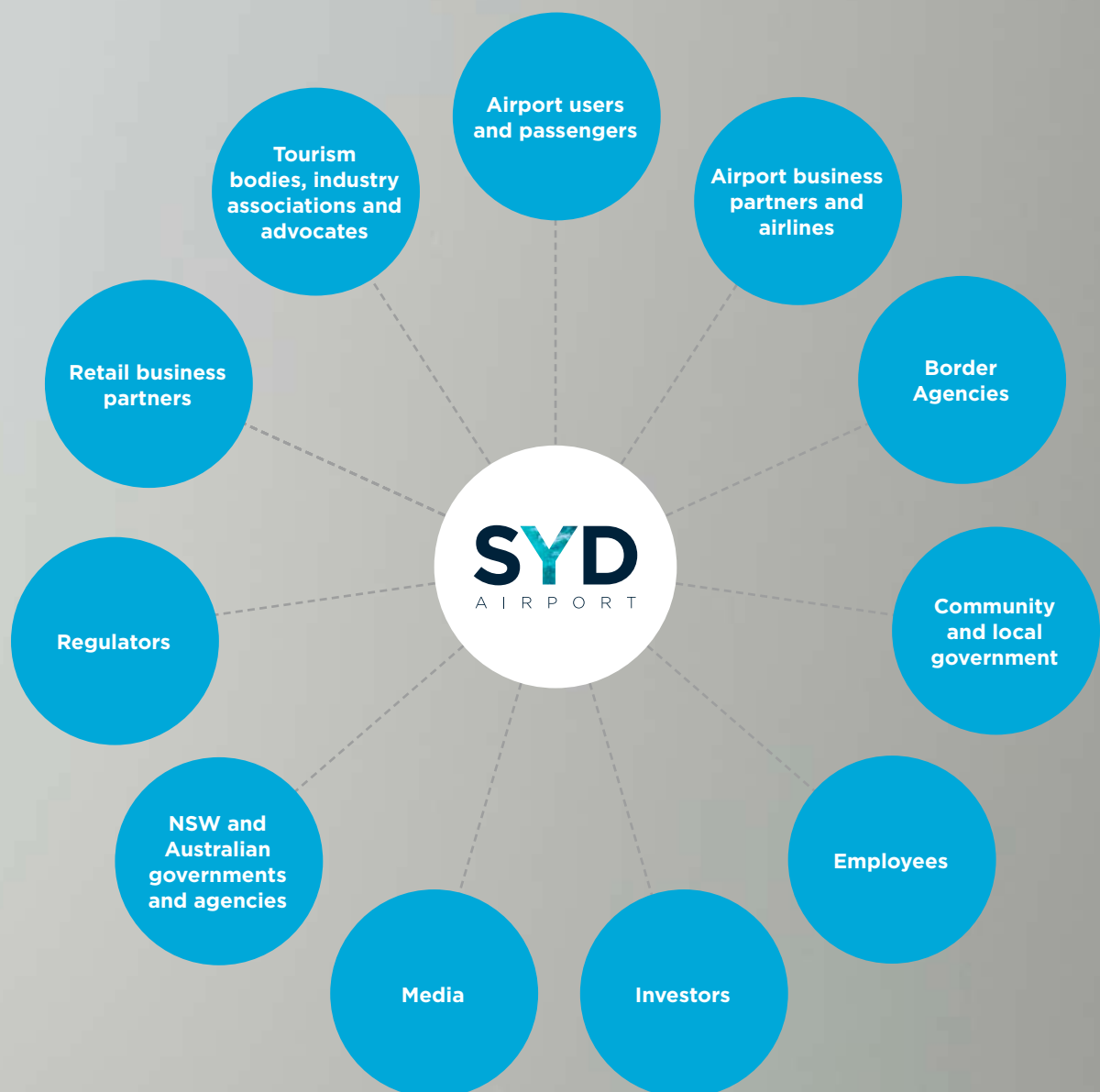
Benchmarking our performance

We benchmark our progress against a number of leading sustainability indices and frameworks to drive better performance for environmental, social and governance issues.

Ratings

Dow Jones Sustainability Index
Ranked 7th
globally and a 'Sustainability Leader' in the transport infrastructure sector

Equileap
Ranked 173 out of 3,000+
globally listed companies on gender equality

Sustainalytics
Outperformer
sitting in the top 20% of global companies analysed within the transport infrastructure sector

GRESB
5 ☆
as 'Industry Leader' rating, and sitting in the top 20% for the infrastructure industry

Green Star Communities
4 ☆
for a Master Plan, the first for an airport

Airport Carbon Accredited
Level 3 'Optimisation'
Airport Carbon Accreditation

MSCI
'AAA' rating
sitting in the top 9% of companies globally within the infrastructure sector, and a member of the MSCI Australia ESG Leaders Index

ACSI
'Leading' rating
for our Sustainability Report by the Australian Council of Superannuation Investors

FTSE4Good
Index Series Membership
reflecting our strong ESG management practices

Frameworks

TCFD
Supporter of the Task Force on Climate-related Financial Disclosures and commitment to move towards alignment with its recommendations

UN Global Compact
Participant in the United Nations Global Compact and commitment to implementing the ten principles

LBG
Track and measure community investments in line with the framework developed by London Benchmarking Group

Responsible business

We strive to be ethically responsible and transparent in how we do business.

Safety and wellbeing of all airport users

Safety training

2,762
hours

Aviation safety

8,297
hours were spent on aviation safety

⬆ from **8,256** in 2017

Lost Time Injuries

10
⬆ from **6** in 2017

Lost Time Injury Frequency Rate

9.6
⬆ from **6** in 2017

Continuing to support a diverse and inclusive workforce

Overall female representation

38.8%
⬆ from **37.9%** in 2017

Gender pay equity ratio

93.4
⬆ from **92.2** in 2017

Looking after and developing our people

Training hours

14.1
per employee
⬆ from **10.0** in 2017

Building operational resilience

Carbon emissions per passenger reduction

30.9%
from 2010 levels

Overall carbon emissions (Scope 1 and 2)

86,916
tCO_2e

⬇ from **87,888** tCO_2e in 2017

Operating ethically and with integrity

% of third party spend screened against Supplier Code of Conduct

73%

Safety and wellbeing of all airport users

Our commitment to ensuring the highest levels of safety across our operations is integral to all aviation and non-aviation activities.

Our safety objectives are to:

- Comply with both workplace and civil aviation safety legislation and standards
- Strive for an accident-free workplace and apply best practice principles
- Involve Sydney Airport employees and other stakeholders in the decision-making process through effective consultation
- Ensure that all Sydney Airport managers and team leaders take responsibility for all aspects of safety as an integral part of their role.

To achieve our objectives, our Safety Management System provides us with a risk management framework aligned to the AS/NZS 4801 standard and local and international civil aviation safety guidance, where we systematically identify, assess and manage foreseeable aviation-specific safety issues as well as work health and safety risks. We conduct an annual internal safety review across the organisation to test implementation of our safety systems with

a cross-section of roles, functions and seniority in the business. The second annual review was conducted in 2018 and the outputs of the review will establish departmental action plans that will be incorporated in the 2019 safety improvement plans for each department.

Our Corporate Safety Improvement Plan (CSIP) outlines initiatives that we implement over the year to continuously improve our safety approach. Implementation of our CSIP is monitored by the Safety Steering Committee on a quarterly basis. Key focus areas for 2018 have been:

- Enhancing safety responsibilities in senior leader targets with introduction of lead and lag indicators contributing to performance
- Revising and implementing policies to manage risk associated with vehicle fleet and fatigue management as well as landside traffic management
- Upgrading retailer induction programs through development of videos providing safety information to all retail workers
- Increasing the offering of safety training programs with particular focus on leaders and operational teams.

Our safety performance

	2014	2015	2016	2017	2018
Lost Time Injuries (LTI)[1]	3	3	3	6[6]	**10**
Lost Time Injury Frequency Rate (LTIFR)[2]					
Employees	5.5	2.4	3.3	6.0[6]	**9.6**
Service providers[3]	-	7.2	6.8	4.7[6]	**3.0**
Total Recordable Injury Frequency Rate (TRIFR)[4]					
Employees	16.4	9.6	17.6	16.0	**17.3**
Service providers[3]	-	19.8	19.9	19.4	**8.4**
Safety Training Hours	-	-	-	-	**2,762**
Workplace inspection	-	-	-	-	**94**
Passenger Incident Rate[5]	1.95	0.96	1.12	0.97	**1.03**
Aviation safety hours	2,519	6,994	8,780	8,256	**8,297**

1   Lost Time Injuries (LTI) is a work-related injury or illness that results in at least one full day or shift being lost after the day on which the injury or illness occurred, incurred by employees, internal consultants and contractors.
2   LTIs per one million hours worked.
3   Service providers (including cleaning, security, kerbside management, waste management, parking and trolleys and bussing) engaged by Sydney Airport. Reporting frameworks were put into place in 2015, and hence data is not available for previous years.
4   Total Recordable Injury Frequency Rate (TRIFR) represents the number of medical treatment injuries (MTIs) and LTIs per million hours worked. An MTI is a work-related injury or illness that requires treatment by a medical practitioner and does not result in lost time but can result in restriction of work duties, incurred by employees and contractors.
5   Passenger Incident Rate is the number of first aid and medical treatment injuries per 100,000 passengers. Medical conditions and inflight medicals are excluded from this rate.
6   We have restated the 2017 figure due to an LTI reported in March 2018 for an incident that occurred in December 2017. The incident involved a wrist injury to a SYD employee. We have restated employee LTIFR and TRIFR accordingly.

Our performance in 2018 shows an overall increase in lost time injuries from 2017. Our safety reporting process involves investigation into the cause and nature of incidents. We identified that the incremental number of injuries in 2018 pertained to low-risk, high-frequency events, such as slips, trips and falls by office staff and an incident at a charity cycling event. Average time lost on these specific injuries was 1.33 days.

Setting of safety KPIs for people leaders

Our Safety Steering Committee endorsed executive and people leader safety KPIs to commence from 2019 to drive safety culture and best practice throughout our organisation. The KPIs are focused on lead indicators of completed safety walks and a lag indicator of outcomes of class 1 injuries (i.e. fatality, total permanent disability and permanent partial disability), and are linked to performance evaluation.

Safety Leadership Walk

We have launched a program requiring all people leaders to undertake quarterly safety engagements with their teams to identify and discuss any potential hazards or risks in their work areas. As part of the engagement, our teams recognise safe work practices, identify unsafe conditions and take action necessary to address identified safety issues.

Conducting a Safety Leadership Walk

Listen Empower Action

Do:

- Understand the area
- Observe the area and the people
- Focus on people
- Listen actively
- One on one chat
- Ask open questions
- Empower team members
- Action and follow-up
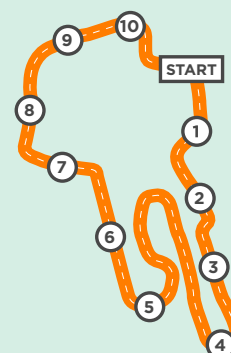
Critical Incident Support

Critical incident support is a key part of management of mental health risks, particularly to our operations teams who may be first responders to critical incidents. Our Critical Incident Support Procedures are enacted in the event of critical incidents on the airport and can involve proactive psychological and medical support for affected staff and stakeholders at the time of the event and ongoing, as required.

R U OK? day

One way we help deliver on being a responsible business is by ensuring our employees are supported throughout the year with their mental health. We provide an Employee Assistance Program, have resources available on the intranet and support individuals and teams as they move through change.

Once a year we get everyone together for a BBQ on R U OK? Day to further connect to our colleagues and raise awareness of how the ups and downs of life can affect us. We remind people how having a conversation with a colleague, team member, family or friends could change a life.

This year for R U OK? Day, we had a guest speaker from Standby National, who provided everyone with an awareness session that talked about response to suicide in the workplace, what people go through and how best to respond to someone who has been affected by suicide.

Launch of the 'Safety starts with you' campaign

This year we launched our 'Safety starts with you' campaign, which identified the practical things we can do in our work area to contribute to a safer airport environment.

The key focus areas of our campaign are:

1. Speak up on safety
2. Keep it clean and hazard-free
3. Stop work if it is unsafe

Our Speak up on Safety policy supports our commitment to fostering a safety culture that puts safety first and encourages airport workers to speak up about safety issues in good faith and without fear of reprisal.

Speak up on safety

- Violation of Sydney Airport's policies, procedures, guidelines, systems standards or processes
- Other issues that might affect health and safety of others in the workplace
- Work, Health and Safety Violation
- Bullying or harassing behaviours
- Misconduct or other activities that have an impact on safety
- Practices or procedures that do not align with Sydney Airport's expectations

Adverse Weather Procedure

We have established procedures to alert workers of the risks associated with adverse weather and take the appropriate action to minimise the risk of harm to themselves and others. Our procedures include our Thunderstorm Warning System airside, which notifies airport stakeholders of approaching weather and the possible need to take cover.

- White Lights are activated when a storm is within 10 nautical miles (NM) and all workers must prepare themselves to stop work whilst working in an outdoor environment
- Blue Lights are activated when a storm is within 5 NM and all workers must cease work in outdoor environments immediately and seek shelter in an indoor environment.

A text system also notifies airport stakeholders when the Thunderstorm Warning System is activated advising stakeholders to enact their own procedures.

"A safe airfield is a vital link to the continuous operation of the airport."

Anthony Conte, Manager Airfield Operations and Compliance

Airport Safety Week

Every year, Airport Safety Week is celebrated across airports in both Australia and New Zealand. This initiative is a collaboration between the Australian Airports Association (AAA) and the NZ Airports Association (NZ Airports). We are a proud supporter of this initiative.

This year we once again joined together with the broader airport community to host activities that reinforced our commitment to providing a safe and secure environment for workers across the precinct and our passengers.

Activities included special walks to highlight the importance of detecting and clearing Foreign Object Debris (FOD) on the airfield, vehicle demonstrations, barbecues, lunch-time expos and a series of safety-related presentations. The safety presentations focused on a range of topics including mental health, ergonomics, cyber security awareness and the importance of safety cultures. Over 1,000 people from across the airport community participated in our Airport Safety Week activities.

Enhancing the management of FOD

With the use of statistical analysis and spatial mapping, we commenced examining and reporting the key types and locations of FOD on the airfield. A monthly report is produced and distributed to our relevant airport stakeholders with the aim of focusing and prioritising the efforts of the airport community in reducing the risk of FOD damage to aircraft.
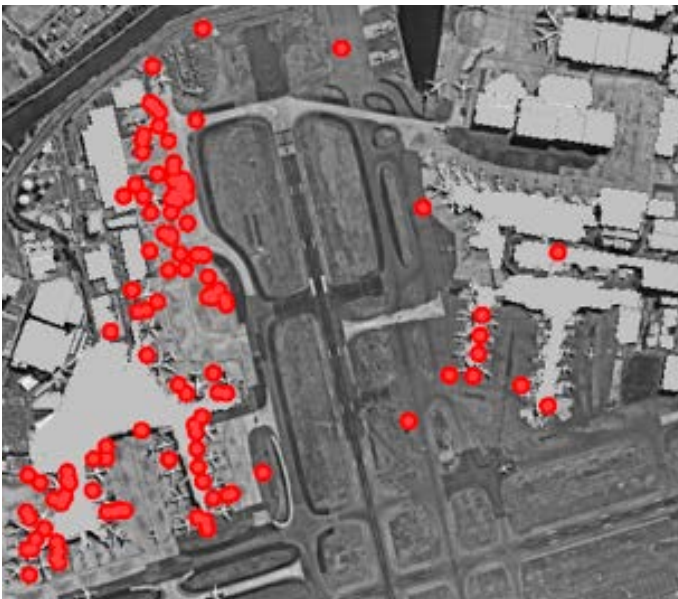
Delivering a new Airport Operating License system

Sydney Airport is currently working with the airport community to establish a new Airport Operating License system. The aim of the new system is to drive minimum and consistent standards of behaviour and performance across he airport with a focus on:

- Airfield and occupational health and safety
- Environmental management
- Operational efficiency
- Minimising impacts to the surrounding community, such as airfield noise.

The new licencing system will set out how we engage with the airport community, particularly in instances of non-compliance. The new system is targeted for implementation in 2019.

"Our new Airport Operating License will drive minimum and consistent standards of behaviour across the airport."

Nathan McIntosh, Manager Aviation Safety Systems

Proactive contractor management

We have established a Critical Incident Review team that comprises members of our Construction & Facilities Management leadership to review incidents and hazards on a monthly basis. A root cause investigation is conducted into all critical potential or actual construction safety and environmental incidents and corrective actions are put in place to improve safety performance.

Critical risk standards program

To further address our risk profile and simplify safety systems, we are establishing safety standards for critical risk activities on the airport. The standards will apply to all employees, engaged service providers or contractors and stakeholders working on airport infrastructure. The program of work will continue throughout 2019 for serious safety risks.

Contractor assurance program

In parallel with critical risk standards program, tools to help feed information back to our contractors in real time are being developed. These will collate information gathered from our onsite inspections and classify contractors within a performance framework. This performance data will assist in identifying contractors that contribute to safer, more sustainable projects and early identification of issues.

Employee spotlight

Jade Kinchella, Airfield Operations Supervisor

Jade has worked at Sydney Airport for the past sixteen years, starting initially in airport security. Now she leads a team of six to ensure the airfield remains serviceable for aircraft taking off and landing. "We undertake regular inspections of the runways," says Jade. "Starting at 5am we make sure that the airfield is safe for aircraft to take off and land. We check that all the airfield lighting is working, there are no pot-holes or cracks in the pavement and no wildlife or rubbish on the airfield. We need to meet the Civil Aviation Safety Authority's requirements at all times."

The airfield team are also responsible for reporting and responding to incidents that occur. "If we come across a section of cracked pavement, for example, we may need to close a section of the runway for a short period of time whilst it gets fixed. The safety of our people and passengers is always our first priority and we work quickly as a team to fix any problems." Jade and the team also work with the broader airport community to educate and raise awareness of the importance of airfield safety. "I love my job" says Jade, "it is a unique and dynamic job, no day is the same."

Continuing to support a diverse and inclusive workplace

In 2018, women made up:

38.8%
of the workforce

35.4%
of all managers

45.3%
of new recruits

"**We are committed to supporting a diverse and inclusive workforce, and one that is reflective of the customers we serve and the community within which we operate.**"

Gayle Philpotts, General Manager, People and Performance

Supporting gender diversity and pay parity

We are proud of the strong representation of women across our business, both in corporate and operational roles. We are committed to improving the representation in leadership positions and are taking proactive steps to achieve this. This year we appointed several women to senior positions including Chief Commercial Officer – Non-Aeronautical, General Manager Safety, Sustainability and Environment, Head of Delivery, Strategy and Support, Head of Media and Communications and Delivery PMO Manager. We have offered a number of our high potential female managers the opportunity to attend an off-site "Stepping Up" emerging leadership development program.

We are also working towards closing the pay gap between male and female employees and we monitor ratings distribution and salary increases to eliminate any gender bias. Our gender pay ratio in 2018 was 93.4 (92.2 in 2017).

Our vision for reconciliation

Our vision for reconciliation is to build respect, understanding, unity and equality between Aboriginal and Torres Strait Islander peoples and other Australians.

We will do this by facilitating and driving positive and tangible connections and exchanges with Aboriginal and Torres Strait Islander peoples and communities through engagement with our airport community of approximately 31,000 employees and our passengers and customers.
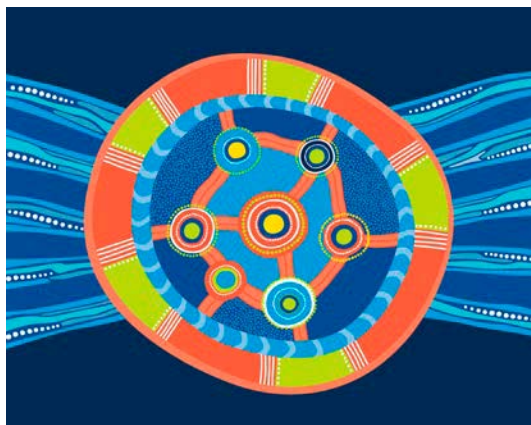
To visually represent the core of our vision of reconciliation with regards to 'establishing connections', Charmaine Mumbulla of Mumbulla Creative created this artwork for Sydney Airport's Reconciliation Action Plan. The large circle at the centre of the artwork represents the busy, vibrant hub of Sydney Airport. Pathways weave and interconnect throughout this space showing connections, communities, travel, trade and social interactions.

Development of our inaugural 'Innovate' Reconciliation Action Plan

We believe we can and should play a strong role to advance human rights and improve outcomes for Aboriginal and Torres Strait Islander peoples. To achieve this, we have identified four focus areas in the development of our 2019–2020 Reconciliation Action Plan:

Showcasing Aboriginal and Torres Strait Islander cultures and place significance	We will celebrate and showcase Australia's Aboriginal and Torres Strait Islander cultures and heritage to the broader airport community and to the 44 million passengers who pass through Sydney Airport annually.
Generating respect and understanding	We will work to create a workforce that understands, values and respects Australia's Aboriginal and Torres Strait Islander cultures and histories.
Building meaningful relationships	We are committed to engaging and building stronger local partnerships with Aboriginal and Torres Strait Islander peoples and working together to deliver reconciliation activities.
Supporting Aboriginal and Torres Strait Islander communities	We will support the long-term empowerment of Aboriginal and Torres Strait Islander communities through our community investment programs, supply chain and by enhancing employment opportunities.

National Reconciliation Week

BLAK Markets

We partnered with local charity First Hand Solutions to bring BLAK Markets to Sydney Airport during National Reconciliation Week. With a strong mandate to build empowered, resilient Aboriginal and Torres Strait Islander communities through cultural reconnection, education, employment and enterprise, First Hand Solutions delivers real change to the people and families it supports.

The BLAK Markets showcased a diverse range of Indigenous products, including examples of locally-made art and also helped spread awareness of Aboriginal and Torres Strait Islander culture and history to both domestic and international visitors as well as the airport community.

Celebrating cultural diversity

This year our Diversity and Inclusion Working Group organised a Harmony Day employee lunch to celebrate our cultural diversity and reinforce the importance of respecting cultural and religious diversity and foster a sense of belonging for everyone. Our people cooked for the day, and we enjoyed dishes from over 20 different countries. We also welcomed the Kari Indigenous Youth Choir to our lunch. Operating since 1999, the Kari Foundation supports Aboriginal children in foster care as well as deliver a range of educational and cultural programs.

We established our baseline ethnicity dataset in 2016 to better understand the cultural diversity of our workforce, and we continue to add to this. This year, our staff spoke 29 languages and had a collective 31 countries of origin.

We again partnered with Career Trackers to host two indigenous interns, one in our Corporate Affairs team and one in our Construction and Facilities Management team.

Also, during NAIDOC Week we invited historian and archaeologist Dr Paul Irish to share the indigenous history of our local airport area.

Looking after and developing our people
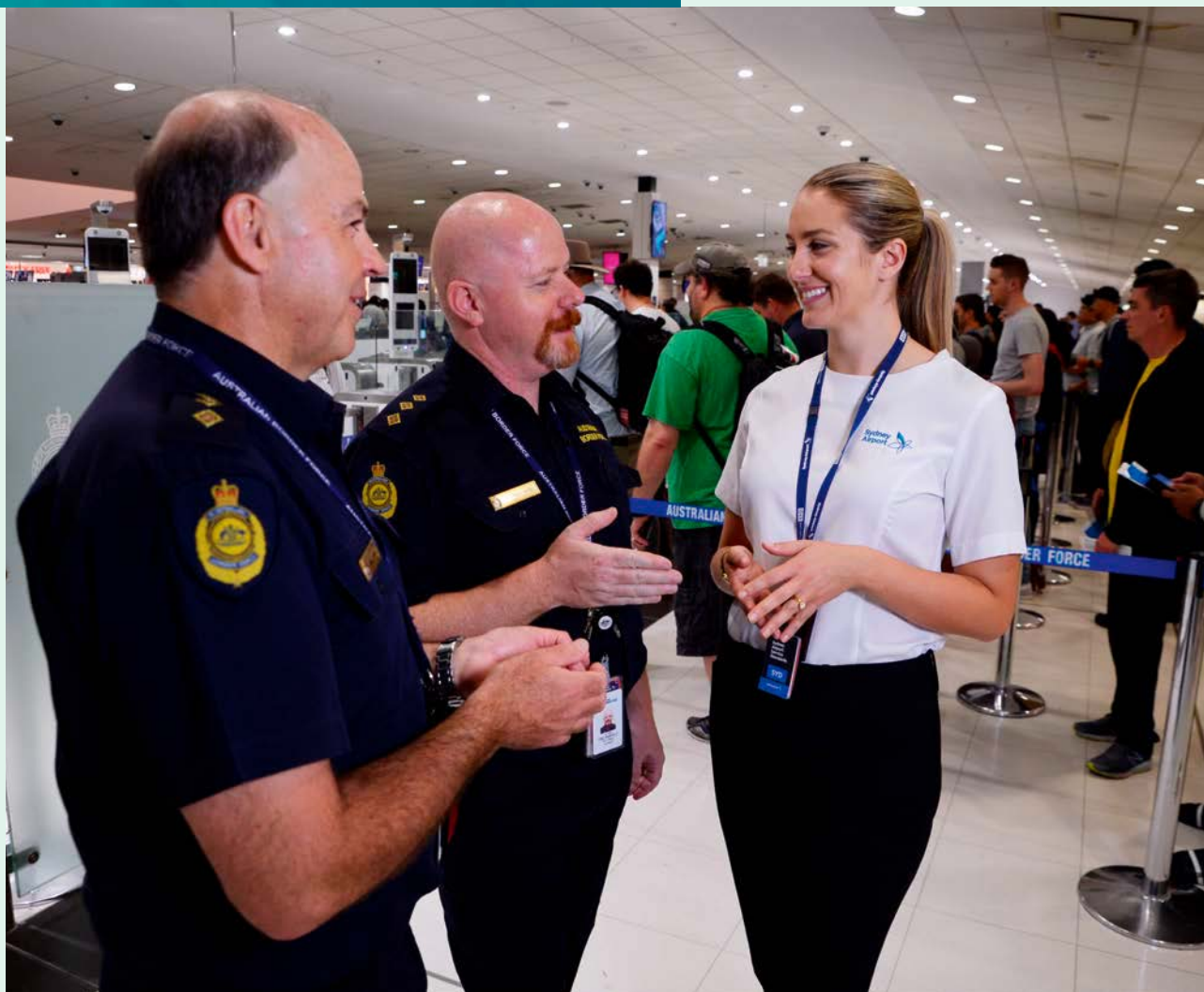
At Sydney Airport, we recognise our people are fundamental to our ongoing success. We are committed to building and maintaining a high performing culture that supports our people to reach their full potential.

Workforce

487

total employee headcount

Training hours

14.1hours

per employee

Recruitment

48%

of opportunities filled internally

Our values

Our values drive our organisational culture, underpin how we interact with each other and our stakeholders, help us to deliver on our vision and provide a framework for how we make decisions at Sydney Airport.

Integrity and openness

Acting honestly and openly to achieve corporate and social objectives

Safety and security

Delivering the highest levels of safety and security

Excellence

Striving to deliver an outstanding airport experience through operational efficiency, superior customer service and innovation

Teamwork

Fostering a collaborative and supportive work environment that values diversity

Creativity and flexibility

Working with our partners to achieve superior business outcomes

Sustainability

Responsible growth through balancing social and environmental needs with corporate objectives

Sydney Airport workforce

The airport provides employment for approximately 31,000 people across 800 businesses, of which we directly employed 487 people as at 31 December 2018.

TOTAL WORKFORCE	2016	2017	2018
Permanent full-time	373	387	435
Permanent part-time	18	26	30
Fixed term full-time	26	24	20
Fixed term part-time	1	4	2
AGE (YEARS)			
18–34	96	103	106
35–52	246	261	297
53–69	76	77	84

Refreshed flexibility program

Results of our 2017 Diversity and Inclusion survey revealed that flexibility was an important issue for our people.

In response we focused on embedding a culture of flexibility across the organisation by building trust, focusing on outputs and balancing individual needs with the priorities of the business. With the involvement of our Diversity and Inclusion working group, a series of focus groups, communications and a mythbusters afternoon tea supported this initiative. Our refreshed program started with our managers having a conversation with their teams, to discuss how flexibility and new arrangements could work for them. We encouraged all employees to make at least one change to their current work arrangements including changing start and finish times, varying the length of lunch breaks or working remotely.

A pulse check survey revealed that 80% of respondents had engaged in a flexibility conversation. The most common ways of flexible working included working remotely or working different hours.

Creating the right culture

We acknowledge that workplace culture is the basis of the success of any organisation, and critical to attract, retain and engage the talented people we need. To continue building our culture and driving engagement of our people, we have nominated a group of leaders as our 'culture champions', who are focused on:

• Development of an enhanced employee recognition and reward program, including service recognition

• Development of a strategic workforce planning framework that provides clear business priorities and aligned goals and objectives-setting processes

• Enhanced internal communications across the company for major initiatives and transformations

• Improved transparency across the company and departments.

Customer service excellence

In 2018 we delivered a training program for our employees to build a culture of outstanding customer service. The program was designed to enhance our capability to deliver a consistent service experience with confidence, and aimed to further develop core communication skills such as empathic listening and considering multiple perspectives to genuinely connect, understand and proactively resolve issues for a variety of stakeholders.

All of our direct employees and key contractors were invited to participate in one of 30 planned training sessions held, with around 90% of our workforce completing the training. Following the training 83% of attendees responded they were extremely confident or very confident to improve customer service.

We also established four Service Qualities, which will provide us with a framework and mindset to ensure we deliver consistent service. These qualities underpin how we deliver a positive experience in every customer interaction whether that is with our passengers, business partners, stakeholders or internal customers.

Service Qualities

CARING   HELPFUL   PROACTIVE   APPROACHABLE

Developing our people

To help build our workforce of the future, we have developed a new talent and development strategy aimed at equipping our people with the skills, capabilities and behaviours needed to support the delivery of our business strategy. This seven pillar framework is directly linked with our business priorities including our third strategic pillar – 'Build the Culture', which is focused on investing in our people (see our 2018 Annual Report for more details on our business priorities).

Embed safety & security capability and culture

Integrate talent development framework

Build technical & compliance competency

Focus: customer, governance, digital & innovation mindset

Embed diversity, inclusion & flexibility

Grow leadership capability & skill base

Expand individual development and career experiences

A number of key development initiatives were delivered in 2018. In an industry first, 20 people from Sydney Airport completed the Certificate 4 in Aviation (Aviation Supervision). We also had 19 people complete the Certificate 3 in Aviation (Aerodrome Operations).

Our People Leaders completed Safety Leadership Roadmap, Empowering Teams and Real Conversations training modules. All employees undertook online compliance-based training for Information Security and Security Awareness.

This year we also invested in a 360-feedback process for 34 of our leaders to provide feedback on leadership capabilities and create individual development actions to build leadership effectiveness.

In total we had 600 participants, including our own contractors, from across all parts of the business attend over 100 training sessions for a total of over 6,400 training hours.

Employee spotlight

Kristi McLachlan, Head of Delivery Strategy and Support

In February 2018, Kristi McLachlan joined the Construction and Facilities Management (C&FM) team as Head of Delivery Strategy and Support to develop, lead and embed a disciplined project management and project delivery support structure for Sydney Airport. Given the upcoming body of work required to support passenger growth and airport capacity, Kristi's approach is enterprise-wide and recognises the multi-functional aspects to successful management of a capital program. "Project delivery excellence is critical to achieving Sydney Airport's business objectives, and I am committed to ensuring that our delivery teams are developed and supported to deliver these expectations".

Since joining Sydney Airport, Kristi has designed and recruited a team of leading industry Project Management experts to further enhance the quality of product and service outcomes achieved by project delivery. The Program Management Office and associated Project Delivery Management System has been designed in close consultation with Finance and Operational teams and will drive a true step change in the transparent and efficient management of capital delivery projects. As of 2019, all capital projects will be managed through this framework.

Leveraging her role as the C&FM Culture Champion and the design and planning function transition into the C&FM structure, Kristi led the development of the business Ground Rules, defining how the new leadership team will achieve service excellence. With a passion for diversity and inclusion, Kristi is keen to leverage the incredible breadth of knowledge and experience in the Sydney Airport community. "It is imperative to recognise the significant expertise our longer-term employees provide while continuing to incorporate new and innovative approaches to project development and delivery", Kristi says.

Climate change resilience

Our approach to climate change

Sydney Airport is a vital asset for Sydney, NSW and Australia. It delivers economic and social benefits, which are crucial to the Australian people as well as the global community. Climate change has the potential to affect our business through physical, transitional and regulatory changes.

We recognise our need to make a contribution to addressing climate change and restricting global temperature increases to less than 2°C, in line with the international agreement on climate change (The Paris Agreement).

We are committed to playing our part in the transition to a low carbon future by identifying and managing climate change risks today and into the future.

In order to benchmark ourselves and continue to be a leader in sustainability, we participate in climate and environment-related indices and surveys. Key to this leadership is engaging with our key stakeholders and investors on climate-related matters to ensure we are sharing information and responding to changes and new risks.

Our Response to the recommendations of the Task Force on Climate-related Financial Disclosure (TCFD)

This section has been developed in line with the recommendations of the TCFD.

Core Elements of Recommended Climate-Related Financial Disclosures

GOVERNANCE
STRATEGY
RISK MANAGEMENT
METRICS AND TARGETS

Governance
The organisation's governance around climate related risks and opportunities

Strategy
The actual and potential impacts of climate related risks and opportunities on the organisation's businesses, strategy and financial planning

Risk Management
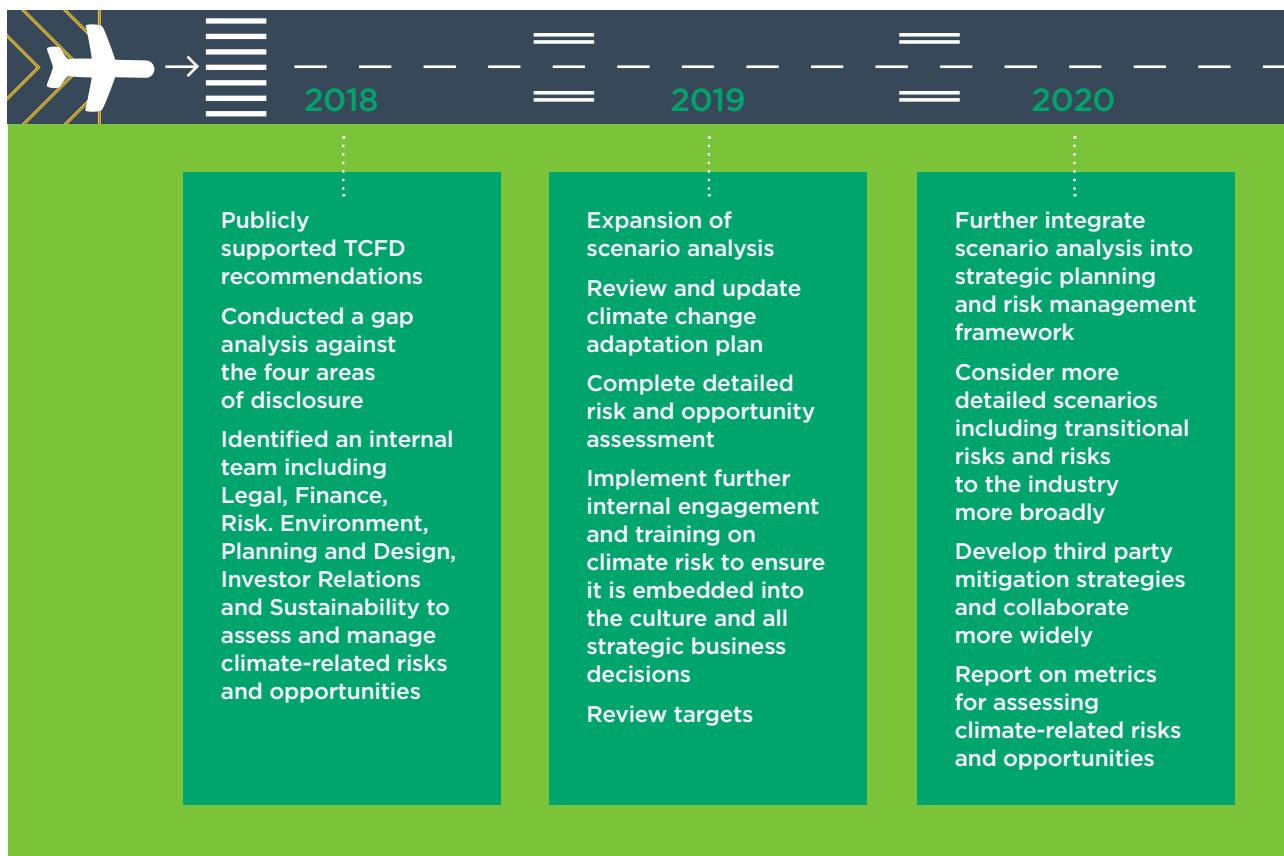The processes used by the organisation to identify, assess, and manage climate-related risks

Metrics and Targets
The metrics and targets used to assess and manage relevant climate-related risks and opportunities

Source: www.fsb-tcfd.org

Sydney Airport's TCFD Roadmap

In line with the TCFD recommendations, we have devised a staged approach for enhancing our climate change risk assessment and management. Our roadmap to 2020 will support adoption of a climate change resilience strategy, by enabling Sydney Airport to address risks and leverage opportunities associated with climate change.

2018

Publicly supported TCFD recommendations

Conducted a gap analysis against the four areas of disclosure

Identified an internal team including Legal, Finance, Risk. Environment, Planning and Design, Investor Relations and Sustainability to assess and manage climate-related risks and opportunities

2019

Expansion of scenario analysis

Review and update climate change adaptation plan

Complete detailed risk and opportunity assessment

Implement further internal engagement and training on climate risk to ensure it is embedded into the culture and all strategic business decisions

Review targets

2020

Further integrate scenario analysis into strategic planning and risk management framework

Consider more detailed scenarios including transitional risks and risks to the industry more broadly

Develop third party mitigation strategies and collaborate more widely

Report on metrics for assessing climate-related risks and opportunities

	TCFD RECOMMENDED DISCLOSURES	SYDNEY AIRPORT PRACTICE
GOVERNANCE	**Board oversight of climate-related opportunities and risks**	A Board sub-committee called the Safety, Security and Sustainability Committee (SSS) is chaired by non-executive director Stephen Ward. The SSS has full oversight of all environmental and sustainability matters. Selected matters are also referred to the full Board for consideration and information.
	Management's role in assessing and managing climate-related opportunities and risks	An internal management team has been identified including Legal, Finance, Risk, Environment, Planning and Design, Investor Relations and Sustainability.
STRATEGY	**Risks and opportunities identified in the short, medium and long term**	In-depth risk register has been developed including all foreseeable physical risks, their likelihood, the business impact, the responsible management personnel and our mitigation strategy. Physical and transition risks in the aviation infrastructure sector could relate to negative or positive effects of climate change including: **Economic** 1. Tourism 2. Aircraft capacity 3. Insurance 4. Access to airport **Airfield** 1. Air traffic management 2. Vegetation management 3. Wildlife and pests 4. Riverbeds and waterways **Operation** 1. Disruption to customer service 2. Safety of employees 3. Safety of passengers and airlines 4. Business continuity **Buildings** 1. Thermal comfort 2. Sufficient power supply and availability 3. Buildings meeting standards 4. Energy consumption **Infrastructure** 1. Pavement design, maintenance, capacity and drainage 2. Refuelling and sewerage equipment 3. Access to on-ground equipment 4. Surface access
	Actual and potential impacts on the business, strategy and financial planning	Sydney Airport has begun the journey to embed climate change into our business, strategy and financial planning. We will continue to gather information and analyse the impacts, risks and opportunities of climate change on our business.
	Scenario analysis of impacts including a 2-degree scenario	Scenario analysis has been conducted under both RCP 4.5 and RCP 8.5.

TCFD RECOMMENDED DISCLOSURES	SYDNEY AIRPORT PRACTICE

RISK MANAGEMENT

Processes for identifying and assessing climate-related risks

Under our 2013–2018 Airport Environment Strategy, we undertook a Climate Risk and Adaptation Assessment to identify main climate change risks to our operations. The assessment consisted of:

- Context analysis of Sydney Airport and its network to identify regulatory frameworks, trends and developments in the market and business environment as well as industry best practice
- Internal stakeholder engagement to identify climate vulnerabilities as well as current control and management systems in place
- Climate change modelling to forecast potential impacts of climate change on Sydney Airport operations
- Validation of risks and impacts with internal stakeholders to assess likelihood, significance and prioritisation of risks

We embedded the results of this assessment into our risk register against our internal risk rating to identify the appropriate risk management and mitigation approach. Our risk register will be reviewed through the lens of the TCFD recommendations and will delve deeper into the risks associated with climate change and related to the transition towards a low-carbon economy.

Processes for managing climate related risks

1. Reducing carbon intensity and working towards reducing absolute emissions
2. Investing in renewable energy
3. Building physical resilience
4. Building operational resilience

Integration of climate-related risks into overall risk management framework

Sydney Airport has a well-established Enterprise Risk Management Framework, which includes a Corporate Risk Matrix outlining how risks and opportunities are managed, organised and categorised. The Sydney Airport Enterprise Risk Management Framework embodies the principles of ISO 31000:2009, Risk Management.

Climate-related risks, which have resulted from Sydney Airport's scenario analyses have been discussed and agreed internally by Management, the Executive Committee and the Board SSS Committee. The financial, reputational, customer service and employee impacts have been noted in the climate risk register.

METRIC AND TARGETS

Metrics used to assess climate related risks and opportunities

Current metrics and targets focus on energy and carbon. As per the TCFD roadmap, a review of targets will be conducted in 2019.

Scope 1 and 2 and GHG emissions are publicly disclosed

Fully disclosed in the Performance Data tables at the back of this report.

Targets used to manage climate-related risks and opportunities and performance monitored against those targets

1. Follow the recommendations from the Taskforce on Climate-related Financial Disclosures (TCFD)
2. Achieve carbon neutrality by 2025
3. Reduce carbon emissions per passenger by 50% from 2010 baseline levels by 2025

Scenario analysis and the identification of risks and opportunities

Sydney Airport has undertaken scenario analyses to assist in the identification of key risks and opportunities for the business. Initially we focused on two key climate scenarios, RCP 4.5 and RCP 8.5, and the associated physical risks with 2030 and 2090 timeframes for establishing near to mid-term and long-term impacts of climate change. Utilising research and the Australian Climate Futures Tool, a series of climate projections were established for Sydney Airport. These include:

- Average temperatures will continue to increase in all seasons
- Mean sea level will continue to rise
- Height of extreme sea level events will increase
- More hot days and warm spells
- Fewer frost periods
- Increased intensity of extreme rainfall events Increased intensity of cyclones and East Coast Lows (including storms) [1]
- The average winter and spring rainfall is projected to decrease, with changes in summer and autumn unclear
- The broader Sydney area will be subjected to a harsher fire-weather climate.

Key risks identified:

- Pressure on external utilities (electricity grid, water and sewerage) leading to supply interruptions and/or increased costs
- Operational disruptions from airfield flooding, surface failures, subsidence and drainage issues in extreme rainfall events
- Inundation of critical systems, buildings and infrastructure leading to operational disruptions from either extreme rainfall events or coastal flooding related to storm surge and/or sea level rise
- Inundation of access roads to the airport, which are outside of Sydney Airport's opertional control.

The scenario analyses also helped us identify actions required to prepare for a climate resilient future ranging from technical studies to stakeholder engagement. As we continue our TCFD journey, we will enhance our analyses and expand the scope to include transition impacts.

1   It is projected that the cyclone frequency is due to decrease slightly for the eastern coast of Australia. However, the cyclone region is projected to shift south toward Sydney towards the end of the century. As a result, Sydney may experience more cyclone events.

Overview of certain risks

Under the 2013–2018 Airport Environment Strategy, Sydney Airport undertook a risk assessment to further determine climate risks that could potentially result in disruptions to airport operations from extreme weather events, infrastructure failure or inadequacy. Sydney Airport continually assesses climate risk to better understand the specific risks and includes all the risks and mitigation actions on our company-wide risk register. These risks are assessed and factored into design, planning and infrastructure development decisions.

Climate Variable	Risks & Impacts	Airport	Airlines	Air Traffic Control	Ground Transport & Access
TEMPERATURE CHANGE	Heat damage to airport surfaces (taxiways & runways)	●			
	Insufficient cooling capacity (HVAC systems) leading to thermal discomfort	●			
	More pressure on support systems (electricity grid, water)	●			
	Noise impacts due to change in A/C performance	●	●	●	
PRECIPITATION CHANGE	Operational disruptions from flooding, surface failures, subsidence	●	●		●
	Inundation of critical systems and infrastructure	●	●		●
	Loss of utilities or communications systems	●		●	
	Reduction in airport throughput (reduced capacity)	●	●		
	Inundation of access routes on and to airport	●			●
	Cumulative impacts of rain events (reductions in drainage capacity)	●	●		●
	Increased delays and cost of maintenance and upgrade programs	●			
	Drainage failure due to overloaded drainage system	●	●	●	●
WIND EVENTS	Increased risk of damage to aircraft, staff and passengers	●	●	●	●
	Change in noise patterns	●	●	●	
	Increased risk of FOD and erosion	●	●	●	
SEA LEVEL RISE & COAST	Damage to airport infrastructure (runways & sea walls)	●	●	●	●
	Overflow of estuaries into airport precinct	●	●		
	Loss of airport capacity	●	●	●	
	Loss of airport access	●	●	●	●
	Loss of current infrastructure provision (OLS restrictions etc.)	●	●	●	
EXTREME EVENTS	Disruption to operations through:				
	Flash flooding	●	●	●	●
	Lightning	●	●	●	
	Cyclones and other storms	●	●	●	●
	Interrupted utilities	●	●	●	

Measuring carbon emissions

Sydney Airport has a rigorous accounting mechanism for managing carbon emissions and our progress towards targets. This accounting is included in the scope of KPMG's assurance for this report and also independently verified through the Airports Council International Airport Carbon Accreditation Program.

Airport Carbon Accreditation is the only institutionally-endorsed carbon management certification standard for airports. Sydney Airport has maintained the level 3 accreditation achieved in 2016. Level 3 accreditation is the optimisation step of carbon accreditation and involves third party engagement in carbon footprint reduction. For Sydney Airport this relates to our airline partners, tenants, ground handlers, catering companies, air traffic control and others working on the airport site.

Carbon neutral by 2025

As part of our own commitment to sustainability, the environment and our customer commitments, Sydney Airport is working towards a cleaner energy supply, and more specifically, carbon neutral operations by 2025. To achieve this, we have implemented or invested in the following:

- Implementing a Corporate Power Purchase agreement for sourcing up to 75% of Sydney Airport's current electricity load from wind energy
- Investing in renewable energy and greening the grid for Sydney Airport's energy consumption
- Developing and implementing an Energy Savings and Carbon Reduction Plan
- Implementation of a Ground Power Improvement Program with airlines to increase the utilisation rate of Fixed Electrical Ground Power Unit (FEGPU) and Preconditioned Air (PCA) as well as to minimise Auxiliary Power Unit usage and fuel burn on the airfield. This includes the planned provision of FEGPU and PCA at all gates and remote stands.

Carbon emissions [1]

	2014	2015	2016	2017	2018
Emissions (tCO_2e)					
Scope 1 [2]	5,024	5,349	5,746	5,826	5,569
Scope 2 [3]	85,425	82,999	79,898	82,062	81,347
Total Scope 1 & 2	90,449	88,348	85,644	87,888	86,916
Emissions intensity [4] (kg CO_2e per passenger)	3.22	3.05	2.79	2.73	2.59

1   Emissions data reported for the period 1 July 2017 to 30 June 2018. Carbon emissions calculated in accordance with the National Greenhouse Accounts Factors 2013. Excludes emissions from tenants and T3.
2   Scope 1 emissions include CO_2, CH_4, and N_2O. Excludes biogenic CO_2 emissions.
3   Scope 2 emissions include CO_2 emissions.
4   Emissions Intensity includes Scope 1 (CO_2, CH_4, and N_2O) and Scope 2 (CO_2) emissions. Passenger numbers exclude T3.

Sydney Airport has undertaken a number of initiatives that showcase our preparedness to transition towards a low-carbon future.


Increasing solar energy generation capacity

In February 2018 Sydney Airport's 550 kw rooftop solar installation was commissioned on the P6 terminal 1 car park.

The fully integrated solar PV array at peak generation provides more than the P6 car park's day time electricity requirements with the excess generation fed back into the grid for use across the airport.

The innovative design not only supports Sydney Airport's commitment to sustainability but also provides customers with shade while not compromising on the number of car parking spaces available for customers. The low reflectivity panels also ensure safety for our aircraft.

Sydney Airport has identified a number of further potential onsite solar locations and will continue to work with our stakeholders to increase our onsite solar generation.
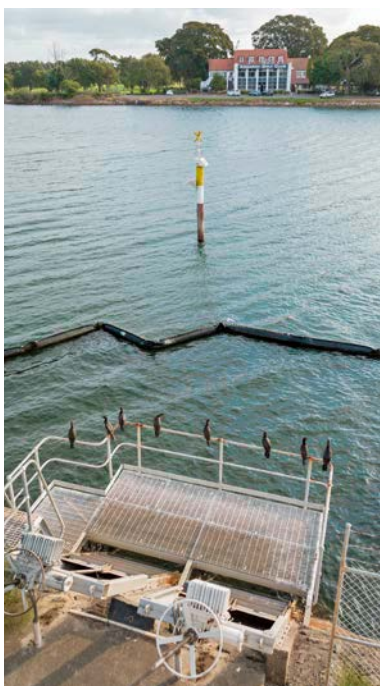
Storm water drainage improvement works

Efficient airfield operations rely on our ability to maintain effective utilisation of our runways and infrastructure. During 2018 we undertook several flood management and prevention initiatives to improve surface drainage in anticipation of climate-related rainfall increases. These improvement works have allowed better control and management of rainfall runoff, which have resulted in:

1. Reduction in flood and ponding potential
2. Reduction in extent of soil erosion and sediment entering the natural water system
3. Protection of a secure airside boundary and reduction of erosion along the Cooks River through embankment stabilisation works.

In addition to physical improvements to the storm water system, Sydney Airport recently commissioned an Airport Flood Study which looks at current drainage issues within the Airport's boundaries, the influence of external developments and catchments, and potential future impact of climate change-related flooding on our operations.

Electrification of vehicle fleet

We have commenced the electrification of our bus fleet and committed to having a 100% electric landside fleet by end 2021. We were Australia's first airport to use electric buses as part of our commitment to low emission ground transport technology. The fleet of electric buses will deliver carbon emission reductions of approximately 160 tonnes per year and improve local air quality through zero tailpipe emissions. The fleet will also lower external noise levels, reduce waste fluids to zero and decrease the amount of toxic material generated during servicing. In addition, Sydney Airport is seeking to facilitate and support an increase in Sydney Airport owned airside electric vehicle use to 50% by end 2021.

Thunderstorm Warning System

We have installed a Thunderstorm Warning System (TWS) in collaboration with Qantas. The TWS is part of Sydney Airport's climate change adaptation initiatives aimed to minimise the likelihood and impact of physical risks to our infrastructure and operations. However, it has the equally important objective to protect airfield staff from lightning strikes and other safety risks from thunderstorms.

The TWS is designed to operate in multiple stages. Thunderstorms are forecast, and information provided by the Bureau of Meteorology (BOM) and Qantas Meteorological Office (QMET). A general thunderstorm warning is issued by the BOM/QMET at 30 nautical miles (NM) and this will be communicated to SACL operations staff by the IOC via radio.

The next phase is the activation of the White Strobe, designed to warn airport users that the thunderstorm is within 10NM. In the third stage the White Strobe changes to a Blue Strobe to indicate that the thunderstorm is within 5NM of the airport.

The system relies on audible and visual alert facilities located at numerous prominent locations across the airport. Activation of the system is performed by the Integrated Operations Centre and supplemented by a radio call and/or SMS alert. All companies on the airfield are required to design, implement and comply with their own Thunderstorm Safe Working/Operating Procedures to ensure that safe working practices are followed during and after the TWS activation.

Building operational resilience

Full-scale emergency exercise simulating an aircraft crash.

As Sydney Airport is a critical piece of national infrastructure, we need to ensure our facilities are resilient and can continue to operate under a range of different circumstances. Underpinning this commitment is the Airport Emergency Plan (AEP), which details our holistic approach to incident and emergency management in accordance with the International Civil Aviation Organisation and Australian Civil Aviation Safety Authority regulations and standards.

We regularly test the AEP through a variety of modular activities including audits, desktop exercises, drills, and full-scale emergency training exercises. These activities promote a cross-functional approach to incident and emergency response, whereby Sydney Airport partners with state emergency response organisations, our partner airlines and ground handlers. We also promote an open and transparent approach to managing the AEP via Airport Emergency Committee meetings.

As part of our AEP, we have developed an Incident and Crisis Management Protocol, aimed at establishing a consistent approach to managing all events and incidents. We have developed a 12-month training program for key personnel at all levels within the organisation to ensure we are working from a common operating picture in our response to and recovery from incidents and emergencies. This program is scheduled to be delivered throughout 2019.

SYDEx

This year we joined together with more than 20 government agencies and organisations to conduct a full-scale emergency exercise. Among the participating agencies were the NSW Police Force, Airservices Australia, the Australian Transport Safety Bureau, Fire & Rescue NSW, NSW Ambulance, the Australian Federal Police and the Australian Border Force.

The test scenario, an aircraft crash at the airport, allowed relevant organisations to test the activation, notification and response of emergency teams as well as the six emergency facilities located at the airport.

Over 100 volunteers were on hand to play the role of affected passengers, relatives, personnel, media and observers during the exercise.

Active Armed Offender Training

In light of recent world events, we developed an Active Armed Offender Awareness training module for our people in the event that they find themselves involved in the situation of an armed attack whilst working at the airport. The module was designed to help our people understand the best action to take for their own safety, and the safety of others. The training complements the security information that all airport employees carry with them on their emergency lanyard card.

"SYDEx provided our team with the opportunity to put our emergency management procedures into practice using a real-time scenario."

Amanda Hoye, Resilience Manager

Managing cyber security

With the security threat landscape evolving rapidly, we have continued to focus on managing current and emerging cyber risks. A refreshed Information and Cyber Security 2020 strategy has been at the centre of our cyber programs to drive security governance, improved maturity levels, and stronger user awareness via security culture campaigns.

People

We continue to deliver a range of training and awareness programs such as regular phishing campaigns to better educate our people on common email attacks. The launch of our CyberSafe program arms our employees with simple techniques to protect themselves and the business.

Process

We continue improving our Information Security Management System framework with recertification to the ISO 27001:2013 standard. We apply our enterprise-wide risk management framework to identify, assess, control and manage information security risks. We have embedded information security into contracts and are continuing security compliance reviews of vendors, projects and solutions. Measurable objectives are being monitored and third party assessments are periodically conducted to keep track of our progress towards cyber risk management maturity.

Technology

This year, as part of our maturity improvements we partnered with a managed security service provider to enhance our cyber defence capabilities with a new 24x7 cyber security operations centre. We use a range of technologies and security controls to minimise the threat, likelihood and impact of unauthorised access to our digital assets. These technologies include enhanced logging, threat monitoring, vulnerability management, behaviour learning and AI, regular penetration testing and proactive incident response desktop exercises.

Partnering

We partner with a variety of organisations to reduce risk and protect our digital assets. We work closely with the Australian Government via the Joint Cyber Security Centre and are partnering with the Aviation Information Sharing and Analysis Centre on global aviation cyber security intelligence.

In collaboration with Qantas, we participated in Australia's first joint cyber risk workshop. This included security professionals at all major national ports, government and Qantas to assess the security landscape and interdependencies within the aviation sector.

Operating ethically and with integrity

Ethical conduct

Our Code of Conduct sets out minimum expectations for our employees as well as guidelines for how we report any instances of unethical conduct. Our directors, leadership team and employees commit to:

- Promote a safe, healthy, secure and environmentally responsible workplace
- Behave professionally and lawfully
- Avoid real or apparent conflicts of interest
- Ensure a fair and competitive workplace
- Respect others
- Maintain and protect private and confidential information
- Uphold securities exchange requirements
- Protect Sydney Airport assets.

Our Whistleblower Policy provides our people, suppliers, service providers and other stakeholders an avenue to raise concerns about actual, suspected or anticipated wrongdoing in a way that offers protection from reprisal or disadvantage.

Tax transparency

As an ASX-listed company, we strive to be open and transparent in all our dealings with investors, the public and other stakeholders. As part of this commitment, we voluntarily adopted the Tax Transparency Code in 2016 and publicly release an annual Tax Governance Statement. This statement seeks to provide a greater understanding of our tax structure and tax governance policy. You can view our Tax Governance Statement for the period ended 31 December 2018 on Sydney Airport's website.

Anti-corruption and anti-bribery

Our Gifts and Entertainment Policy requires all entertainment invitation requests to be approved by our General Counsel and Company Secretary. In addition, our Code of Conduct sets out expectations with regards to accepting of gifts, which must all be recorded on our gift register.

We do not make donations to political parties or candidates for elections. However, like many other large organisations, we do pay to attend events organised by political parties or events at which a political representative may be speaking. Requirements with regards to political donations are set out in our Code of Conduct.

Respecting human rights

As members of the United Nations Global Compact, we align our practices with the UN Guiding Principles on Business and Human Rights, which articulate the duty of corporations to assess and prevent potentially adverse impacts of business activity on human rights. Sydney Airport's commitment towards Responsible Business means that the upholding of human rights must consistently be an essential part of how we do business. In line with our Human Rights Policy, developed in 2017, we continue to assess human rights issues in our operations and beyond. Particularly in 2018, and as a response to developments in our regulatory and societal context, we increased our attention on modern slavery.

Modern slavery is a specific category of human rights infringement which entails the abuse of labour rights and includes business malpractices such as withholding of wages, violence and child labour, poor and unsafe working conditions, exploitation and excessive overtime, forced labour and restricted freedom of movement. Modern Slavery Acts were proclaimed in NSW in 2018 and the Commonwealth in 2019. Both pieces of legislation have similar reporting provisions for businesses to disclose areas of modern slavery risks in their domestic and international supply chains. It also requires organisations to describe how they are seeking to mitigate these risks, how they assess the effectiveness of due diligence activities, which initiatives are being put in place to encourage collaborative action to educate stakeholders on labour rights as well as providing access to remedy for victims of modern slavery.

We collaborate with a large number of suppliers and business partners as part of our operations and appreciate the importance of having an oversight on potential modern slavery risks. In 2018, we conducted a risk workshop to understand the potential modern slavery risks that might be occurring across the airport.

"We will leverage our position as a multi-stakeholder hub upholding human rights throughout the airport community."

Peter McCray, Head of Business Transformation and Strategy

In order to address modern slavery risks we will further our human rights work from previous years and complement it with targeted actions to strengthen our policies and performance:

- Build on our preliminary risk analysis to conduct a second, more detailed risk assessment of specific business operations through the lens of modern slavery
- Map the outcomes of our risk assessment along our value chain to visualise those links in the chain that may still present vulnerabilities to human rights violations. This will help us further prioritise, articulate and communicate discrete actions with the relevant parties
- Leverage our recently developed Human Rights Policy as a tool to harmonise our suite of operational policies and procedures so they align with our human rights commitments
- Enhance our due diligence procedures by broadening the scope of supplier screening and embedding additional provisions for modern slavery risks in contract terms for suppliers and procurement procedures
- In 2017, we re-assessed our Supplier Code of Conduct. On the back of our focus on modern slavery over the past year and throughout 2019, we will revise this Code of Conduct to ensure it remains relevant and aligned with our standards and policies
- Update training and awareness programs for our employees and partners to enhance their understanding of, and response to, incidences of human right violations and modern slavery.

The above initiatives will also help us prepare for compliance with the new legislation as we formulate our Modern Slavery Statement, endorsed by the Board and Senior Management, due for publication in 2021.

Tackling human trafficking and slavery

Given the nature of our business, we play an important role with regards to preventing and reducing human trafficking and slavery beyond our supply chain. We have partnered with the Australian Federal Police (AFP) to build understanding across the airport community of human trafficking in Australia, with a focus on forced labour and forced marriage. In collaboration with the AFP we are developing a pilot program to be delivered at Sydney Airport prior to broader roll out to airports nationally. The program will provide an avenue for victims to alert authorities, as well as raising awareness across the broader airport community of the signs of human trafficking and slavery.

Image courtesy of
Invictus Games Sydney 2018

Invictus Games

In October we united as an airport team to facilitate an outstanding passenger experience for the athletes of the Sydney Invictus Games, their families and friends, media and officials from 18 nations. The Games attracted more than 3,000 athletes with a range of physical and mental conditions. We worked very closely with games organisers and airport business partners including airlines and ground handlers to ensure we prepared them for a smooth arrival and departure experience.

Around 60 of our people volunteered during arrivals and departures to support teams and escort them through the airport journey, including facilitating a streamlined process for baggage and equipment to be transported directly to and from hotels by truck.

Our volunteers were also on hand with any special needs or to help with complications that arose. We worked with Guide Dogs Australia to provide assistance dogs to help reduce stress levels for athletes suffering from Post-Traumatic Stress Disorder, thereby facilitating a safe and secure environment.

The event required a huge coordination effort and our team demonstrated their ability, creativity and flexibility to swiftly mobilise and adapt to unforeseen challenges. It was a testament to the dedication, hard work and passion of our team who strive to ensure every passenger arrives and departs with positive memories of Sydney.

Managing risks in our supply chain

Our procurement spend relates mainly to construction projects, security services, cleaning services, facilities management services and baggage handling operations.

Our Procurement Policy sets out core principles and the expectations of Sydney Airport's people when conducting market engagements and in general dealings with suppliers. The Policy is underpinned by our Strategic Sourcing Framework and Sustainability Supply Chain Management Framework and includes guidance on:

- Strategic sourcing planning
- Value for money
- Procurement method
- Fairness, openness, transparency and probity
- Sustainable procurement
- Risk management
- Delegation and approval
- Contract documentation and management
- Supply chain.

Our Supplier Code of Conduct sets out how we manage our relationships with suppliers and the minimum expectations we have set. Key areas of focus include safety and wellbeing, corporate governance and ethics, workplace conditions and human rights, environmental management and community. Our 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, reporting annually in our sustainability report, and invoking audit and review powers to address specific concerns.

1. In 2018 we assessed 33 suppliers against the expectations in our Supplier Code of Conduct, accounting for approximately 73% of the airport's total third-party spend across both capital and operational expenditures. A number of minor non-conformances were identified and we have been working proactively with these suppliers to close them out. Key areas of non-conformance were: No documentation of key training, learning and development policies and initiatives
2. No policy or reference to Fair Work
3. No plan or initiatives to support Aboriginal or Torres Strait Islander employment, businesses or communities.

Of the 12 Supplier Improvement Plans that were prepared, 10 were finalised in 2018. The remainder were completed in February 2019.

In 2018 we worked with:

947 Suppliers

497 active contractors

Our 2018 third party spend:

$**667**m

Supporting small business suppliers

We have joined the Business Council of Australia's Australian Supplier Payment Code, a voluntary program designed to support the long-term viability of small businesses. We have identified the small businesses that we engage and developed internal processes to ensure we comply with the Code, so that any small business is paid for services provided within 30 days.

Delivering value through procurement decisions

Enhanced fleet strategy

We conducted a review of our pool car fleet arrangements during the reporting period which has resulted in a reduction in the number of cars in the fleet. In implementing this strategy, we identified alternatives for our people to travel including catching public transport or the free bus that operates between the international and domestic precincts.

As part of our new arrangements, we introduced telemetry into our car fleet to support enhanced driver behaviour and encourage safer and more fuel-efficient driving styles. The system delivers instantaneous warnings if our vehicles are being driven outside of the standards we have set. It also produces regular reports on driver behaviour so that we can identify ways to continuously improve performance and reduce fuel use.

Baggage room lighting upgrade

During the year we upgraded the lighting systems in one of the baggage handling areas at T1. We replaced 800 incandescent lights with LEDs, including emergency, exit and egress path lighting.

It is estimated that the introduction of the LED lights will yield an approximate 40% saving in energy consumption. Potential for a further 30–40% saving is expected through the introduction of lighting controls including use of motion detection and DOF lighting to approximately 20% output when areas are unattended or not in use.

Planning for the future

Delivering operational excellence through innovative, technology-based solutions and supporting customer needs now and into the future.

Increasing and supporting landside efficiency

Estimated increase in T1 road network capacity during busy morning period

25%

Sustainable development of the airport

PPA contracts up to

75%
of current load from renewable energy

Delivering better outcomes for our customers

Customer satisfaction scores
International

4.13/5
⬆ from **4.01/5** in 2017
Domestic

4.14/5
⬆ from **3.95/5** in 2017

Passenger movements

44.4m
⬆ from **43.3m** in 2017

Aircraft movements

344,149
⬇ from **345,104** in 2017

Increasing and supporting landside efficiency

Outcomes from the five-year Ground Transport Plan

Changes to the road network outlined in the Master Plan 2033 five-year Ground Transport Plan have now been implemented. These road network enhancements focused on improving capacity and traffic flow at both the T1 and T2/T3 precincts.

The reconfiguration of the road network and other improvements at T1 have successfully accommodated significant growth in traffic levels in the past five years and have provided a relatively free flowing traffic corridor along Centre Road. The recently opened Cooks River Road West, and removal of the signalised intersection, together with supporting enhancements to Cooks River Road, has considerably improved the exit for traffic from Departures Road, Arrivals Court and Centre Road. Further entry improvements have been achieved through the introduction of the new Airport Drive flyover to Arrivals Court that eliminates much of the vehicle weaving movements on the approach to T1.

In the past five years there have been considerable changes to the operation of traffic flow at the T2/T3 precinct, responding to the challenge of managing competing non-airport through traffic and airport generated traffic at the intersection of O'Riordan Street/Joyce Drive/Sir Reginald Ansett Drive/Qantas Drive. Traffic operation has been improved by the introduction of a one-way entry and exit system through the T2/T3 precinct by extending Seventh Street, which provided a new access road link for traffic exiting the precinct. This improved operation at T2/T3 was complemented by the introduction of a similar one-way system on O'Riordan Street and Robey Street. Further improvements to the O'Riordan Street/Joyce Drive/Sir Reginald Ansett Drive/Qantas Drive intersection will be achieved with the completion of the current Roads and Maritime Services works in the area. We also provided additional and enhanced pick-up, drop-off and parking facilities close to the terminals for private vehicles, taxis, rideshare, coaches and mini-buses. We continue to implement our landside technology strategy, which includes the ongoing installation of Variable Message Signs on key access and egress roads at the T1 and T2/T3 precincts to improve wayfinding and driver information.

Summary of key benefits:

- The package of measures implemented as part of the five-year Ground Transport Plan at T1 increased traffic throughput, improved vehicle circulation and provided additional capacity for pick-up, drop-off and parking facilities. Overall, it is estimated that the improvements have provided a 25% increase in road network capacity during the busy morning peak period.

- At T2/T3, the improvements implemented as part of the five-year Ground Transport Plan significantly increased road capacity. Had the measures not been implemented, modelling showed that current traffic delays at the access and egress intersections on Qantas Drive would have been five times worse than the levels prior to the five-year Ground Transport Plan during the busy AM peak and PM peak periods.

Sydney Gateway

Planning for the future means we must act now to accommodate Sydney Gateway, which will provide a new high capacity alternative road connection from the Sydney Motorway Network at St Peters Interchange to the T1 precinct and the T2/T3 precinct at Sydney Airport. The project is being delivered by Roads and Maritime Services on behalf of the NSW Government. The Australian Rail Track Corporation is also undertaking duplication of a rail line section to Port Botany to increase freight train capacity and reduce the number of trucks on roads around Sydney Airport.

As part of the development of Master Plan 2039, Sydney Airport worked collaboratively with the NSW Government to assess the transport access needs of the airport and the wider network around the airport. Consequently, Sydney Gateway complements future upgrades taking place within and connecting to the T1 and T2/T3 precincts.

Summary of key benefits:

- Enable easier journeys to and from Sydney Airport and improved connections between the terminals
- Provide new roads to Sydney Airport to help reduce congestion and cater for forecast growth in passenger and air freight
- Reduce travel times through improved road connections to the International and Domestic precincts. When used with other Sydney motorway connections:
    - Save up to 40 minutes during morning peak times travelling between Parramatta and T2/T3
    - Save up to 41 minutes during morning peak times travelling between Dee Why and T2/T3
    - Save up to 22 minutes during morning peak times travelling between Campbelltown and T2/T3.

Delivering better outcomes for our customers

Our goal is to ensure passengers have a seamless, efficient and enjoyable journey through Sydney Airport. We recognise that to deliver on this all airport business partners and stakeholders need to work collaboratively. Our focus on investing in improvements and initiatives that make a real difference to the experience of our customers is delivering results with overall passenger satisfaction reaching an all-time high in 2018.

Overall customer satisfaction [1]

International	Domestic
4.13/5	**4.14**/5
4.01/5 in 2017	**3.95**/5 in 2017
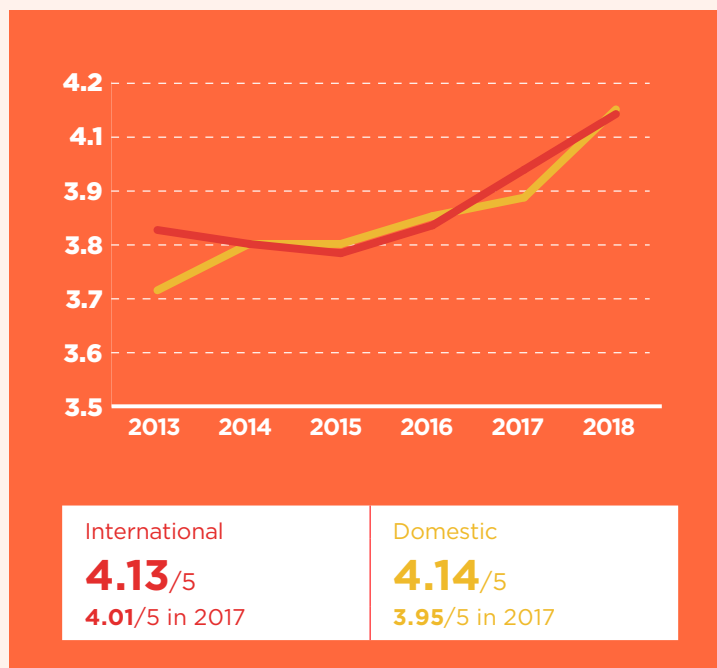
Ambience

International	Domestic
4.22/5	**4.14**/5
4.17/5 in 2017	**4.11**/5 in 2017

Cleanliness

International	Domestic
4.27/5	**4.19**/5
4.24/5 in 2017	**4.14**/5 in 2017

Wayfinding

International	Domestic
4.12/5	**4.21**/5
3.97/5 in 2017	**4.09**/5 in 2017

1   Customer satisfaction is monitored through monthly passenger satisfaction surveys. Overall ratings based on question: 'Thinking about your whole experience at Sydney Airport today and taking into account all aspects of your time here, how would you rate your experience at Sydney Airport today?'

> **"We are proud that 82% of passengers were satisfied with their airport experience over 2018."**
>
> Claire Donnellan, Manager Service Strategy and Customer Experience

Quiet terminal

Following close collaboration with our airline partners and other stakeholders, we recently implemented our quiet terminal initiative at the T1 International terminal to create a more relaxing environment. We have limited announcements to the gate areas, although announcements related to emergency procedures remain unchanged and will continue to be made if required. The initiative is part of a broader focus on continually improving the airport experience for our passengers.

To replace announcements, up-to-date flight information is provided via Flight Information Display Screens across the terminal, as well as multilingual e-directories. Passengers can also approach airport information desks or check the status of their flight through the Sydney Airport website, as well as the @flySYD Facebook and Twitter pages.

Employee spotlight

Irena Atic, Customer Care Centre Manager

In 2014, we established a dedicated Customer Care Centre (CCC). Irena joined the team in 2016 to lead and support the ongoing growth and improvements in our customer service offering.

Today, our CCC fields more than 60,000 telephone and email enquiries a year, assisting our customers before, during and after their journey, and acting as a key contact point for customers. In addition, the CCC acts as a support to internal operational departments by diverting direct calls from operational teams, allowing them to focus on their core delivery.

"A key function of our team is to provide regular reporting and feedback to the business on patterns in customer contact with the centre.

This allows the business to identify opportunities to reduce the pain points, pursue business growth initiatives and improve the overall customer experience. We want to ensure all interactions customers have with our team are positive," Irena says.

The Centre's operating hours are 8am–8pm, seven days per week. The team's performance targets include answering 80% of customer telephone enquiries within 20 seconds and responding to 80% of email/web enquiries within two days. "Our team is passionate, skilled and engaged and they put the customer at the heart of everything we do. A flexible work environment supports us to cover any rostering gaps to achieve our targets." Irena says.

1 Sustainability at Sydney Airport
2 Responsible business
3 Planning for the future
4 Supporting our community
5 Other information

Biometrics trial

This year we undertook a trial of biometrics technology and facial recognition processing to increase the efficiency, convenience and security of passenger processing. The 'couch-to-gate' biometrics system, when fully implemented, will mean passengers can complete most stages of their airport journey using their face as their access identification.

In partnership with Qantas, we trialled the first stages of the biometric technology solution for passengers. We tested four key steps in the passenger journey including automated check-in, bag drop, lounge access and boarding as well as conducting 'face-on-the-move' testing at outbound security and in arrivals. Additional steps proposed for future trials include mobile check-in and automated border processing. Consent was actively sought from all passengers participating in the trial, which adheres to the strictest privacy standards and complies with all relevant legislation.

Subject to the success of the trials, we will consider how the technology can be rolled out across the airport as new terminal developments are planned.

Enhancing the ground power and pre-conditioned air product

Aircraft are equipped with jet fuel-driven auxiliary power units (APU) to supply power while taxiing into the gate and whilst stationary. To reduce the need to use APUs, we supply fixed electrical ground power to all our terminal gates. The use of fixed ground power rather than APUs has a number of benefits including reducing air and noise emissions, together with reducing carbon emissions and costs to airlines.

During the year we engaged with a number of airlines to understand how we could improve the delivery and reliability of ground power and pre-conditioned air to aircraft. As a result, we have delivered a number of initiatives including an improved preventative maintenance program and replacement of the existing plugs with new hard-wearing ones.

As our current equipment comes to the end of its useful life, we are looking at what equipment we need to replace, in particular to cater for next generation aircraft. We also have a strategy to ensure all bays, including remote, are equipped with fixed ground power and pre-conditioned air.

Digital wayfinding kiosks in Hindi and Arabic

In response to feedback from our customers, our digital wayfinding kiosks are now available in nine languages, following the addition of Hindi and Arabic. The 17 kiosks at T1 International are also available in English, German, French, Korean, simplified Chinese, Japanese and Spanish, and allow passengers to quickly and easily get directions, flight updates and information about shops, restaurants and other facilities.

The new additions to the list of available languages are part of an ongoing effort to use technology to improve the airport experience for all passengers.

emBark program

This year we championed the new emBark program, a collaboration between Assistance Dogs Australia and American Airlines. The program allows travellers to spend time with qualified assistance dogs at American Airlines' ticket counters to reduce stress and make the journey more relaxing.

Image courtesy of American Airlines

Volunteer spotlight

Elizabeth Galvin, Airport Ambassador

Our Airport Ambassadors operate daily in our terminals, providing information and wayfinding services to the travelling public, working hard to provide a positive experience for all visitors to the airport. Airport Ambassadors wear bright blue jackets to ensure they are easily identifiable.

The Ambassador program, which commenced in July 1999, works across both T1 and T2. Our volunteers work four hour shifts, generally a couple of times a week.

"I work the 6am–10am shift in T1 on Mondays and Fridays" says Elizabeth. "It is the busiest time of the day, and we help passengers in lots of different ways, including directing them to their check-in desk or departure gate, giving them advice on how to best get into the city or even helping reunite them with lost items. We understand that travelling can be stressful sometimes, and we are here to help." says Elizabeth.

Elizabeth worked as a teacher for almost 30 years. Once she retired she wanted to find something that kept her mind active and where she was working with other people. "I love travel, together with meeting and talking to lots of different people so this was the perfect job for me. I have been volunteering for almost 10 years now and it is so rewarding to help travellers on their way. I also love working with my fellow ambassadors, we have all become such close friends".

Sustainable development of the airport

Passenger movements 2018

PASSENGERS	Domestic	International	Total
Total (million)	**27.7**	**16.7**	**44.4**

PASSENGERS BY GEOGRAPHY	Total (million) [1]	Proportion of total
Asia (excluding Greater China)	5.2	31%
New Zealand, Pacific and other	3.5	21%
Americas	2.5	15%
Greater China	3.2	19%
Europe and Middle East	2.3	14%

Aircraft movements

	2014	2015	2016	2017 [2]	2018
Domestic	173,160	178,999	179,436	178,059	177,104
Regional	58,240	58,823	60,813	59,296	57,023
International	65,316	64,303	70,409	73,647	76,896
General aviation	23,176	25,149	27,231	25,529	24,502
Freight	7,298	7,727	8,548	8,573	8,624
Total	**327,190**	**335,001**	**346,437**	**345,104**	**344,149**

1   Excludes Domestic On-carriage.
2   Total aircraft movements have been restated from 348,522 published in the 2017 Annual Report to correct a reconciliation discrepancy.

Communicating with our airport stakeholders

We have launched a secure gateway 'InfoSYD' for Sydney Airport staff and the broader airport community. InfoSYD provides operational information, customised Flight Information Displays, online workflows, key performance indicator information and other important airport information via an easy to access online portal.

The expansion of InfoSYD to provide additional airport information and increase two-way engagement between Sydney Airport and our on-airport community is currently being planned. The expansion planning will include consultation with key airport community stakeholders.

Enhanced program management framework

We have established an Enterprise Program Management Office that has defined and will maintain standards for project management, with the aim of introducing efficiencies in how we deliver projects and delivering higher value within the capital investment envelope. The framework has:

- Set a governance structure ensuring projects are created, managed and authorised within approved limits and with a defined scope
- Increased transparency of project performance, with business-wide project metrics and a simple reporting framework
- Provided the necessary tools and templates and support for their use, to achieve approval and reporting requirements
- Enabled the delivering body to manage projects efficiently and consistently, with early notification of issues and intervention if required.

Enhanced program management framework
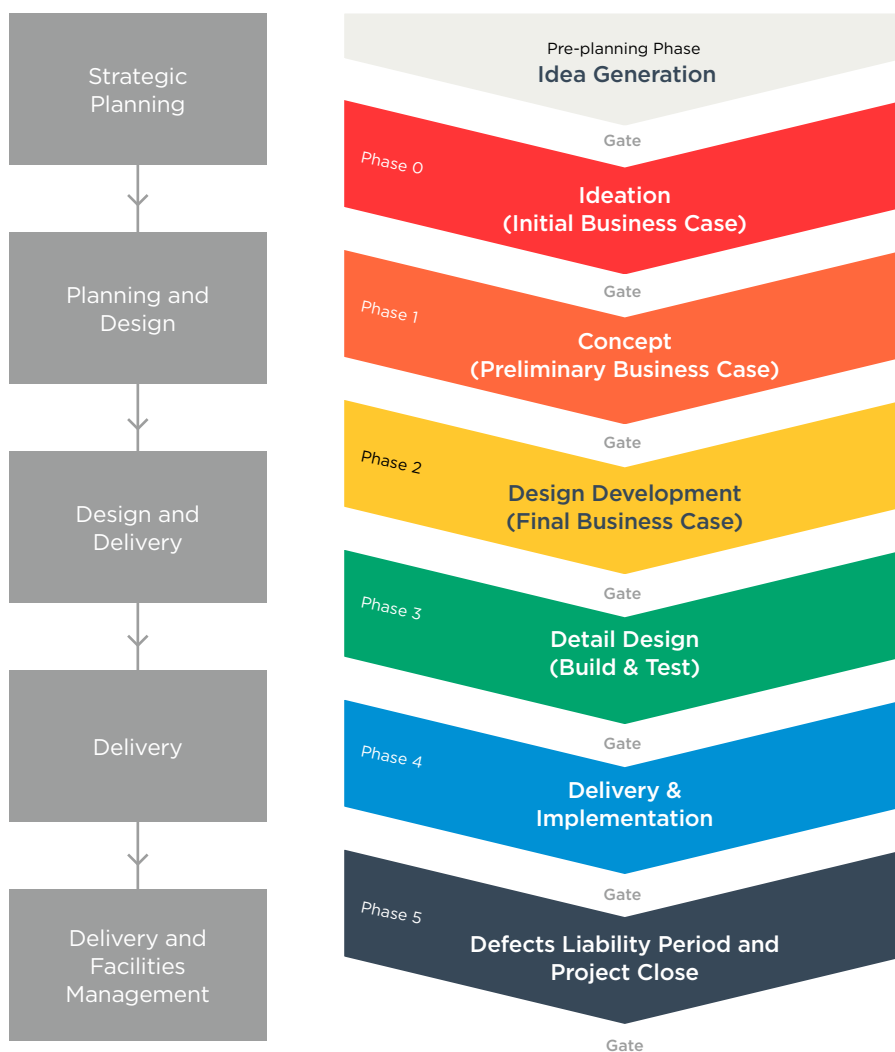
Airport Collaborative Decision Making

We have commenced implementation of Airport Collaborative Decision Making (A-CDM) to enable our airport operators, airlines, ground handlers and air navigation service providers to share information and maximise utilisation of our resources as demand continues to increase.

In collaboration with our business partners, we currently use airport planning tools to assist in optimising the flow of aircraft arriving at and departing from our gates. With the use of a cloud-based solution and multi-party information sharing we are now looking at optimising the flow of aircraft as well as facilitating efficient aircraft turnaround processes. This will result in benefits to our customers and passengers including reduction in fuel costs, reduced carbon emissions, reduced crew costs and passenger time savings. Benefits to Sydney Airport include improved real-time situational awareness, increased real-time communication across airport stakeholders, improved gate and taxiway system utilisation, and enhanced data capture for further process improvement.

AMAN Arrivals Management	**SMAN** Surface Management	**TMAN** Turnaround Management	**DMAN** Department Management
⇕	⇕	⇕	⇕

A-CDM Information Sharing Platform ISP

Baggage handling system improvement program

Our Baggage Master Plan outlines a holistic strategy to increase capacity and build resilience in our Baggage Handling System. Our approach has focused on the use of technology and performance data to drive continuous improvement. One of our key focus areas is reducing the number of bag jams which can cause delays. We have tuned our control systems to ensure bags stay adequately spaced, particularly where conveyors merge together.

Mechanical changes have also been made to conveyors and chutes where it was found that the bags were jamming due to "catch points". This has resulted in a secondary benefit to handlers by reducing the need for manual intervention and consequently, the risk of manual handling injuries. We have also been improving reliability by upgrading the system in T1 with new motors that are 30% more energy efficient. We are about 65% into our motor replacement program, having installed 975 high efficiency motors since commencement in 2015.

Planning for growth

Our trends show that aircraft movements and passenger numbers have grown steadily over the past two decades. In 2018, international passengers grew by 4.7% while domestic passengers grew by 1.2%. This has been driven primarily by airlines adding new routes and services, up-gauging and increased density of aircraft, as well as the commencement of services by new carriers. During the year we have delivered a number of improvement projects to meet future growth. Refer to our 2018 Annual Report for further information.

We also plan for our longer-term future growth through our Master Plan, a five yearly process that targets the delivery of a better passenger experience as well as improved safety, capacity and efficiency. In 2018 we delivered and placed on public exhibition the preliminary Draft Master Plan 2039, and received a 4-star Green Star Communities Rating by embedding sustainability into the planning and design for future Sydney Airport expansion.

Corporate Power Purchase Agreement

In December 2018, a Power Purchase Agreement was signed between Sydney Airport, Grassroots Renewable Energy and Origin. This agreement contracts up to 75% of our current electricity load with Grassroots Renewable Energy, a partnership of Partners Group and CWP Renewables, with baseload firming provided by Origin Energy.

The long-term agreement will be linked to Grassroots Renewable Energy's Crudine Ridge Wind Farm in Central West NSW near Mudgee. The wind farm commenced construction mid 2018 and is due for delivery late 2019. The farm will have 37 wind turbines and 135 megawatts capacity, capable of generating 400,000 megawatt hours annually, reducing Australia's CO_2 emissions by around 360,000 tonnes every year, the equivalent of almost 80,000 fewer cars on the road.

The agreement will provide meaningful cost reduction in addition to fostering the growth of renewable energy in Australia. This project was recognised with a Gold Award by Airports Council International Asia-Pacific in their 2019 Green Airports Recognition, which recognises outstanding achievements by airports in environmental projects.

Supporting our communities

Working with our communities to protect the environment and create shared value.

Building relationships and supporting community resilience

Investment

$**5.7**m

⬆ from **$4.9m** in 2017

Reducing waste to landfill

Waste recycling rate

42.9%

⬆ from **42.4%** in 2017

Waste to landfill

2,733t

⬇ from **2,851t** in 2017

Maintaining an environmentally responsible airport

Next generation aircraft

28%

of all international passenger flights

Water recycling rate

24.4%

⬆ from **20.0%** in 2017

Water usage

18.40L

per passenger

⬇ from **23.52L** in 2017

Protecting local natural areas and biodiversity

Bayside Council Partnership

$**11**m

invested in delivery of social and environmental initiatives over next 10 years

Building relationships and supporting community resilience

Sydney Airport is committed to developing and maintaining strong, positive links with the community, not just in the vicinity of the airport, but across Sydney and NSW. We actively engage with local communities and organisations about airport operations, proposed developments and future planning. This included community and stakeholder engagement during the public exhibition of the preliminary draft Master Plan 2039.

Community Investment

	2014	2015	2016	2017	2018
Total Community Investment ($m)	1.5	2.6	3.3	4.9	5.7 [1]

1   In 2018, Sydney Airport contributed $2.16 million to the community, including management costs, as verified by LBG AUS & NZ. In addition, Sydney Airport provided free advertising space to community partners to the value of $3.2 million, and an additional $200K revenue forgone for community benefit on other fees, products and services. Sydney Airport has also facilitated additional contributions to the community from other sources such as customers and employees to the value of $61K, which we refer to as 'leverage' within the LBG framework.

Master Plan 2039 Community Engagement

We have undertaken extensive community engagement for Master Plan 2039, going beyond statutory and regulatory requirements. Our approach has included:

- Face-to-face engagement activities
- Digital engagement through social media and an interactive and engaging website dedicated to Master Plan 2039
- Supporting information targeting key issues, including noise management, environment, heritage, ground transport, air traffic forecasts, safety and security and the overarching vision for Sydney Airport
- A series of briefings and workshops to engage with key stakeholders including government departments, airlines and airport tenants, industry and business groups, and community groups
- An interactive web portal providing access to relevant information and the opportunity to make a submission or comment online
- Distribution of around 270,000 community information brochures to inform, engage and seek feedback from the local community
- Community information sessions held in local shopping centres or as part of existing community markets and events
- Copies of the Master Plan 2039 and other documents at multiple public locations in surrounding council areas and within Sydney Airport itself.

Feedback from this community engagement has been used to finalise the draft of Master Plan 2039.
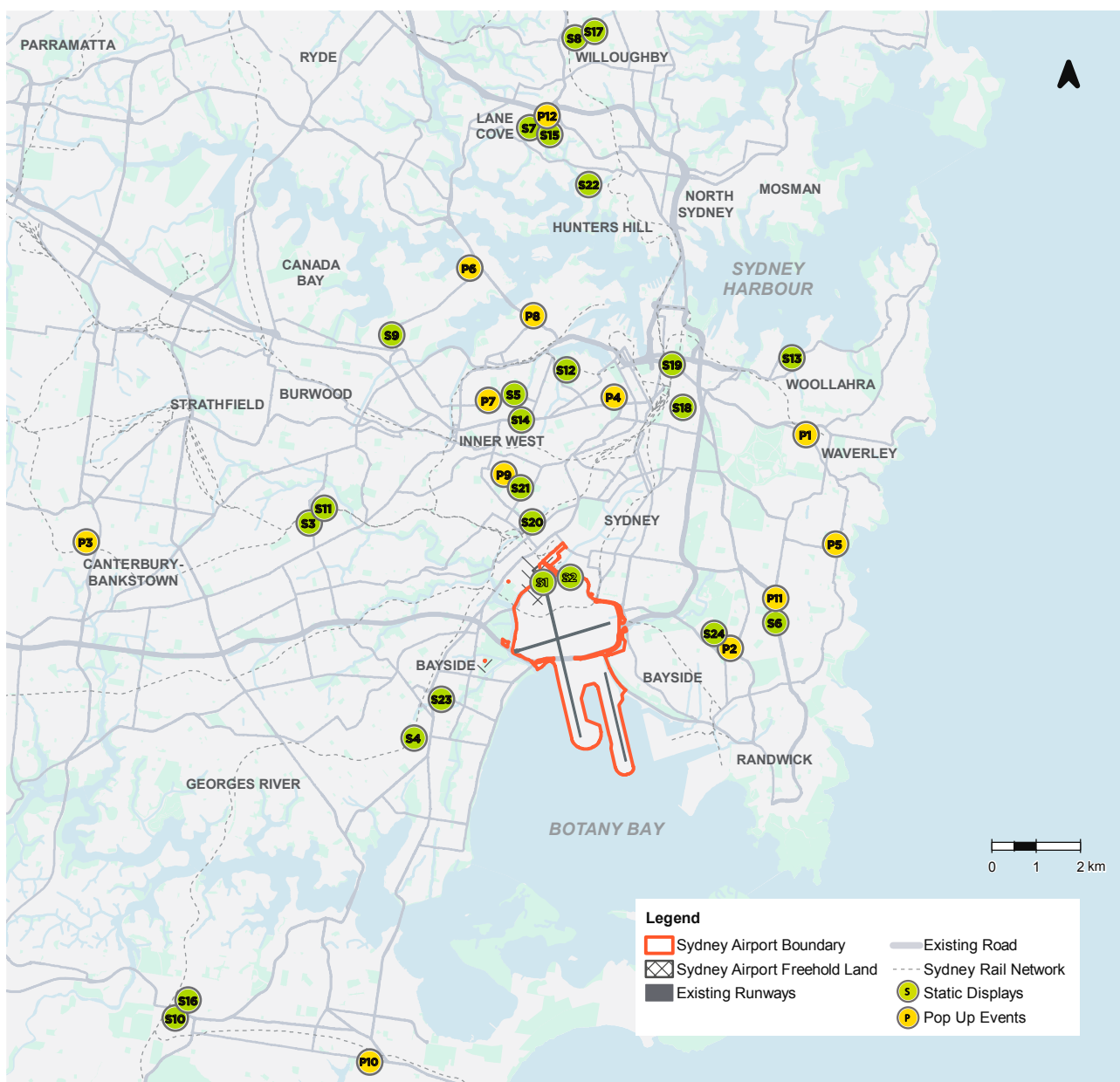
Live Local

We are committed to being a good neighbour and playing a role in keeping our local communities connected healthy, vibrant and thriving.

Leading and Learning

We support initiatives that provide opportunities for our leaders of tomorrow. We support those to be the best in their field, with a particular focus on supporting minority groups and reducing inequalities in our community.

Sydney's Airport

We are working to strengthen relationships between the airport and our communities by supporting tourism-generating initiatives that benefit the city and local communities, and by developing a sense of place at Sydney Airport that reflects our city.

New Community Aviation Consultation Group

In addition to the Sydney Airport Community Forum, we are planning the establishment of a new Community Aviation Consultation Group (CACG). Our engagement through this group will be collaborative in nature, and we will be looking to partner with the community to consider and develop solutions to specific problems or issues. As a first step, the CACG will seek community discussion and feedback on Sydney Airport's priorities for investment in and support for local community initiatives. Other issues for CACG deliberation will be selected to align with community interests and business challenges.

Sydney Airport – Bayside Council: Community and Environmental Projects Reserve Fund

We have entered into a new agreement with Bayside Council to establish a Community and Environmental Projects Reserve Fund. The Fund will be used for projects or initiatives that will develop or improve infrastructure for community use or improve environmental outcomes in the Bayside local government area.

Examples of projects to be funded through the new agreement include projects that will:

Address priority local issues as identified by Bayside Council in its Community Strategic Plan	Reduce greenhouse gas emissions and/or contribute to climate resilience	Enhance health outcomes and community wellbeing (including sporting facilities and public parks)
Restore or better protect important ecosystems and natural habitats (including beaches and foreshores) wholly or partly within the Bayside Local Government Area (LGA)	Promote outcomes consistent with the principles of social justice, including access, equity, participation and rights	Reduce water pollution or improve water quality in Botany Bay, the Cooks River or other waterways wholly or partly within the Bayside LGA
Reduce air pollution or improve air quality	Promote waste avoidance or resource recovery	Foster inclusion and social connection
Reduce water consumption	Increase tree cover in the Bayside LGA	Prevent or minimise future environmental damage
Strengthen the sustainability and capacity of the Bayside community	Facilitate community interactions with the environment	Enhance Bayside's heritage, including interpretation of heritage

Investing in our community

We are committed to making a meaningful contribution to the communities in which we live and work and helping them to thrive. In 2018, we contributed $5.7 million to these communities and our partnership approach is built around three pillars: Live local, Leading and Learning and Sydney's Airport.

Locally we support community organisations across the Bayside, Inner West, Sutherland Shire, City of Sydney and Randwick Local Government Areas. We are committed to playing a role in keeping our local communities healthy and connected. This year we completed the three-year Kamay Botany Bay Regeneration Project with Conservation Volunteers Australia and increased our support for Surf Life Saving Sydney to include patrol lifesavers, alongside Nippers in training.

We also invested more to support local Aboriginal communities and people. This included a new partnership with local Aboriginal charity First Hand Solutions bringing their BLAK Markets to Sydney Airport. In developing Sydney Airport's inaugural Reconciliation Action Plan, this year we have engaged with local Aboriginal organisations and communities to develop our understanding of Australia's First Nations peoples and culture.

Supporting our leaders of tomorrow is important to our business and the sustainability of our communities. In 2018 we continued to focus much of our partnership support on diversity initiatives including many to support women and First Nations people.

Local community [1]	Charity	Education
29 organisations supported	**$374**k+ raised though Sydney Airport fundraising initiatives	**15,541** Students supported through education and employment initiatives

1   Bayside, Inner West, Sutherland Shire, City of Sydney and Randwick local government areas

Investing in Aboriginal communites and people

34 Indigenous people supported	**15** Indigenous organisations and enterprises supported	**$248**k+ Amount invested with Indigenous organisations

Fundraisers to support charities

In 2018, we collaborated with over 10 charities at Sydney Airport to support their fundraising campaigns and also ran our own fundraising activities to support grassroot organisations.

Cure Cancer Australia

At Christmas time we hold a six-week appeal across the airport to raise funds for charity, with over $1.4 million raised over the past six years. With the support of the airport community and travelling public, this year's appeal raised $310,000 for Cure Cancer Australia.

The 2018 Christmas Appeal was launched with our annual Family Fun Runway Run, where over 350 people participated in the event, making it our largest Runway Run to date.

NSW Kids in Need Airside Adventure

Giving people a great experience at Sydney Airport and supporting our community is always our top priority and our airfield tour for NSW Kids in Need did just that. 100 members of the public purchased a ticket to tour the airfield, getting up close with taxiing, departing and arriving aircraft. The event raised $15,000 for NSW Kids in Need.

'Bid for Good' Lost Property Auction

In partnership with the Sydney Community Foundation, our 'Bid for Good' Lost Property Auction raised $170,000 through the sale of unclaimed items left in our terminals and the generosity of the airport community. Every effort is made to reunite passengers with their belongings, and where that can't happen, they're put up for auction with proceeds going to charity. The money raised helps fund projects to support people in need in our local communities. The major $100,000 grant from the auction was received by Cana Communities, while an additional seven charities received a $10,000 grant eac

Cana Communities, a local organisation supporting those suffering from homelessness and drug addiction

The International Shift to support their social enterprise cafe 'Parliament on King' that provides secure employment, training and development to refugees and asylum seekers

Bayside Women's Shelter in Botany to purchase much needed items for their site supporting women escaping domestic violence and abuse

Project Futures to support 25 women recovering from sex trafficking experiences to secure their learner and driver licence

Dandelion Support Network Inc to fund purchase of prams, cots and other products needed for new families who cannot afford it

Harding Miller Education Foundation to fund scholarships for disadvantaged female students (Years 9–12) who show great ability and potential

Full Stop Foundation to support the training of eight counsellors in specialised trauma training

Gymea Community Aid and Information Service to support Planting Positive Seeds, an intergenerational gardening project to develop a sustainable community garden within the community precinct

Insight into working at Sydney Airport

University of New South Wales

Connecting with passionate future leaders in the aviation industry, this year we gave students at the School of Aviation, University of New South Wales a behind the scenes tour of Sydney Airport. Twenty-five students were given the opportunity to apply theory into practice while touring our baggage handling system before hitting the tarmac for an airfield experience.

GIANTS Care

This year was our second year of hosting high school students at Sydney Airport as part of the Giants Care Stand Tall program in partnership with GWS Giants. Thirty students from Al Noori Muslim School were given a behind the scenes tour of the airport learning about the array of jobs needed to run Australia's busiest airport. The students were then given the opportunity to ask questions from Sydney Airport CEO Geoff Culbert and other employees about their career journeys.

Kids Teaching Kids

Entering our third year of supporting Kids Teaching Kids, Sydney Airport gave school students insights into running a sustainable airport while looking after our natural environment. This included presenting to over 100 primary school children on the Sydney Airport Wetlands what we are doing to protect and enhance the wetlands. Students were treated to a behind the scenes airfield and education session onsite to help bring to life their learnings.

Supporting art and culture

As Australia's largest airport and gateway into Sydney, a city of artists and cultures, we recognise our role in promoting Australian art.

On 8 August 2018, International Day of the World's Indigenous Peoples we unveiled "United Neytions", a major public art project in the T1 International departures in a landmark partnership with the Museum of Contemporary Art (MCA). The event included a Welcome to Country by an Aboriginal elder from the La Perouse Aboriginal community and Metropolitan Aboriginal Land Council alongside traditional entertainment and acknowledgements.

Sydney Airport has a proud history of supporting some of NSW's biggest and best local festivals including Bayside Arts Festival and the Sydney Fringe Festival. As a presenting partner on the Kids Fringe program, this year we welcomed Newtown Public School with an airfield tour to inspire young artists. The experience enabled students to use their creativity to create an artwork inspired by flight. Final artworks were displayed at the Festival Hub for two weeks in September.

Image credit: Anna Kucera.

Malabar midwives

The 2017 Sydney Airport Bid For Good grant was awarded to Malabar Midwifery service and Young Parents Group. Beneficiary impacts throughout 2018:

"Without this funding we would not have been able to continue our group this year. The program supports young Aboriginal families with children from birth to 18 months through a weekly playgroup, allowed us to engage vulnerable families and it has provided us with more opportunities to deliver relevant universal health services and parenting education. The funding has helped us to cover the cost of providing lunch each week, to take the families on excursions and to purchase culturally appropriate books and toys for the children"

Amy Mackenzie, Child & Family Health Nurse Working in partnership with the Malabar Midwifery Link Service, Royal Hospital for Women & The Sydney Children's Hospital Network.

"I feel like I've got a safe place and feel comfortable to talk about anything with no judgements."

Lee, 28 years old Program participant

"It's made me feel safer and more independent and more confident at home."

Andrea, 22 years old Program participant

Maintaining an environmentally responsible airport

New five-year Airport Environment Strategy

We have developed our draft five-year Airport Environment Strategy which provides a framework for achieving environmental sustainability, responsible management and compliance. As part of the development of the new strategy we consulted with a range of stakeholders including airport tenants, local, state and Federal Government representatives. The draft Strategy was submitted to the Federal Government for approval in February 2019 and has 11 environmental action plans:

- Sustainability and Environmental Management
- Climate Change and Energy Management
- Water Management
- Air Quality
- Ground-based Noise
- Ground Transport
- Biodiversity and Conservation Management
- Heritage
- Waste and Resource Management
- Soil and Land Management
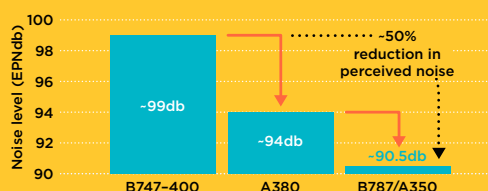- Spills Response and Hazardous Materials

As outlined in our strategy, we take a risk-based approach to environmental management and have an environmental management system consistent with AS/NZ ISO 14001 Environmental Management Systems – Requirements with Guidance for Use. We undertook a gap analysis during the year against the ISO 14001:2015 standard and utilised this work to improve our approach. Sydney Airport also updated its Board approved Environment Policy in March 2018.

Managing noise and air quality

For most of the world's major airports, aircraft noise is a long-standing issue. We acknowledge that aircraft noise disturbs local communities and are committed to working with government and our airline partners to manage and mitigate this impact, especially in those areas close to the airport and under flight paths. Airservices Australia is the government agency responsible for managing the airspace around Sydney Airport, including the design of flight paths and the management of noise generated from aircraft approaching or departing the airport.

The International Civil Aviation Organisation has set progressively stricter noise standards within their Standards and Recommended Practices (SARPs) for civil aircraft to reduce the noise impacts airports have on local communities. The large majority of civil aircraft now operating in the global fleet mix falls within Chapters 3 and 4 of the SARPs. All new aircraft manufactured from 2006 onwards must meet the Chapter 4 noise standard. A new Chapter 14 in the SARPs applies to all newly certified larger aircraft on or after 31 December 2017 and for lower weight new aircraft as of 2020.

> **The noise profile of new generation aircraft is significantly lower than legacy aircraft, with B747 being around twice as loud as B787 and A350.**
>
> Noise level (EPNdb)
> - B747–400: ~99db
> - A380: ~94db
> - B787/A350: ~90.5db
>
> ~50% reduction in perceived noise

At Sydney Airport, during 2018:
- 28% of all international passenger flights were on next generation aircraft, up from 25% a year ago
- 92% of all incremental movements have been on next generation aircraft.

We believe a key component of effective airport noise management is communication and community engagement. We actively participate in a number of community forums that focus on operations at Sydney Airport and aviation more generally. These include the Sydney Airport Community Forum which provides advice to Ministers and government authorities on abatement of noise and other related environmental issues.

To support the launch of Master Plan 2039, we have established an aircraft noise portal, providing the community with access to aircraft operations into the future and resulting noise impacts.

The Sydney Airport website (aircraftnoise. sydneyairport.com.au/) provides Sydney residents with information on future noise exposures predicted for their location, as well as information on how aircraft noise is managed at Sydney Airport.

We undertake air quality monitoring within the airport to ensure we better understand local air quality and to inform future planning and strategies. In delivering our Airport Environment Strategy, we have installed and commissioned our own air quality monitoring station on site in 2018.

To date, results of the monitoring have indicated that emissions to air associated with airport operations are within acceptable limits; exceedances detected are considered to be due to other sources in the region such as bushfires and back burning.

World Environment Day

For World Environment Day in 2018, we hosted an event featuring guest speaker Dr Karl Kruszelnicki, best known for his regular science talkback segment on Triple J and various TV series such as the ABC's Quantum and Sleek Geeks.

The presentation was attended by over 100 Sydney Airport staff and included representatives from Qantas and Department of Infrastructure, Regional Development and Cities. The event received positive feedback and was promoted through our social media channels.

In the spirit of World Environment Day, this was also Sydney Airport's first carbon neutral event, certified under the National Carbon Offset Standard for Events.

Reducing waste to landfill

During the year we have been working on a range of initiatives to reduce the amount of waste going to landfill, in particular from our retail operations.

We have kicked off a trial of recovering organic waste at T1. A number of our tenants have been provided with organics recycling bins, with a 20% reduction of waste to landfill targeted. If the pilot proves successful it will be rolled out to all tenants across all terminals.

We will trial the recycling of coffee cups in T2. Customers are able to place their used cups into a dedicated recycling station, with cups then taken to a recycling plant and used to produce wheel stops and speed humps.

We have also committed to eradicating plastic straws and single use plastic bags in the terminals by February 2019.

Waste generation[1]

	2014	2015	2016	2017	2018
Waste to landfill (tonnes) (excl. quarantine waste)	2,552	2,369	2,611	2,851	2,733
Recycled waste (tonnes)	1,757	1,687	1,799	2,101	2,052
Quarantine landfill waste (tonnes)	1,195	1,268	1,330	1,486	1,704
Total waste (tonnes)	5,504	5,324	5,740	6,438	6,489
Percentage of total waste recycled (excluding quarantine waste)	31.9	31.7	31.3	42.4	42.9
Total waste per passenger (kg)	0.194	0.184	0.187	0.2	0.193

1   Waste data reported for period 1 July 2017 to 30 June 2018. It includes waste generated at the airport, with the exception of waste generated on aircraft, T3, Qantas premium lounge and car parks. It also excludes construction waste. Recycled waste assumes a post collection recovery rate of 25% from the general waste stream prior to June 2016 and 30% post June 2016.

Protecting local natural areas and biodiversity

Rockdale Wetlands Biodiversity Corridor

We were very proud to announce a new major partnership to drive environmental restoration activities throughout the Rockdale Wetlands Biodiversity Corridor. The partnership between Bayside Council, Conservation Volunteers Australia and Sydney Airport will support the restoration of the area which has been identified as a critically important habitat for the protection of declining flora and fauna species in the local area.

Over time, this unique wetland has been affected by serious environmental degradation through littering, green waste dumping and weed infestations. Despite this, it has remained home to key fish as a breeding habitat, seven Endangered Ecological Communities and 28 fauna species listed as either threatened or migratory in the area.

The parklands and riparian areas attract birdwatchers and nature study groups while also supporting a range of other recreational activities, including extensive cycling tracks, sporting fields, tennis courts and playgrounds used by the community.

Airport Ecological Assessment

During the year we conducted an airport-wide ecological assessment of the terrestrial, freshwater and marine environments located within Sydney Airport's boundaries. The Airport's setting provides an important ecological link between Botany Bay and its contributing catchment areas. The most biologically diverse areas within the Airport's boundaries are those contained within the Sydney Airport Wetlands and the estuarine and marine habitats within Botany Bay.

Other areas of biodiversity value at the airport include wattle scrub communities on the foredunes of Botany Bay, smaller pockets of native vegetation, estuarine and marine habitat, grassed verges and seawalls surrounding the runways which also provide habitat for wildlife. Less conspicuous areas that provide habitat for native fauna include isolated pockets of naturally occurring and planted native vegetation along with man-made areas, which provide foraging, roosting and nesting habitat for a range of resident and migratory species.

Protecting our Nationally Significant Wetlands

As part of our Wetlands Management Plan, we conducted weed mapping of the Sydney Airport wetlands to establish key weed zones, percentage of weed cover as well as weed species. This mapping exercise will ensure our future conservation efforts remain targeted. We also continued regeneration of vegetation in different environmentally significant areas around the Sydney Airport Wetlands. This program focused on the targeted removal of terrestrial and aquatic weed species.

Performance data

	2014	2015	2016	2017	2018
HEALTH & SAFETY					
Lost Time Injuries [1]	3	3	3	6 [7]	**10**
Lost Time Injury Frequency Rate (LTIFR) [2]					
Employees	5.5	2.4	3.3	6 [7]	**9.6**
Service providers [3]		7.2	6.8	4.7	**3.0**
Total Recordable Injury Frequency Rate (TRIFR) [4]					
Employees	16.4	9.6	17.6	16.0 [7]	**17.3**
Service providers	–	19.8	19.9	19.4	**8.4**
Safety Training Hours	–	–	–	–	**2,762**
Workplace inspection	–	–	–	–	**94**
Passenger Incident Rate [5]	1.95	0.96	1.12	0.97	**1.03**
Aviation safety hours	2,519	6,994	8,780	8,256	**8,297**
Annual wildlife strikes [6]	1.7	1.5	1.8	1.9	**1.2**
Fatalities	0	0	0	0	**0**
Absenteeism rate (%)	2.40	2.00	2.40	2.80	**2.13**

1   LTI is a work–related injury that results in at least one full day or shift being lost after the day in which the injury or illness occurred.
2   Lost time injuries (LTIs) per one million hours worked, incurred by employees, internal consultants and contractors.
3   Service providers (including cleaning, security, curb side management, waste management, parking and trolleys and bussing) engaged by Sydney Airport. Reporting frameworks were put into place in 2015, and hence data is not available for previous years.
4   Total Recordable Injury Frequency Rate (TRIFR) represents the number of medical treatment injuries (MTIs) and LTIs per million hours worked. An MTI is a work–related injury or illness that requires treatment by a medical practitioner and does not result in lost time but can result in restriction of work duties, incurred by employees and contractors.
5   Passenger Incident Rate is the number of first aid and medical treatment injuries per 100,000 passengers. Medical conditions and in–flight medicals are excluded from this rate.
6   Wildlife strikes per 10,000 aircraft movements.
7   We have restated 2017 figures due to an LTI reported in March 2018 for an incident that occurred in December 2017. The incident involved a wrist injury to a SYD employee. We have restated employee LTIFR and TRIFR accordingly.

	2014	2015	2016	2017	2018
CUSTOMER					
Customer satisfaction [8]					
International	3.85/5	3.83/5	3.89/5	4.01/5	**4.13/5**
Domestic	3.85/5	3.85/5	3.91/5	3.95/5	**4.14/5**
Ambience					
International	4.01/5	3.91/5	3.99/5	4.17/5	**4.22/5**
Domestic	3.99/5	3.98/5	4.06/5	4.11/5	**4.14/5**
Cleanliness					
International	4.07/5	4.07/5	4.13/5	4.24/5	**4.27/5**
Domestic	4.05/5	4.04/5	4.11/5	4.14/5	**4.19/5**
Wayfinding					
International	3.81/5	3.85/5	3.82/5	3.97/5	**4.12/5**
Domestic	3.91/5	3.98/5	4.02/5	4.09/5	**4.21/5**

8   Passenger ratings provided as part of monthly passenger satisfaction surveys. These ratings are based on the following questions in the survey:
    "Thinking about your whole experience at Sydney Airport today and taking into account all aspects of your time here, how would you rate your experience at Sydney Airport today?" "How would you rate the following aspects of the terminal today?
    i)   Overall terminal presentation and ambience
    ii)   Cleanliness of the airport terminal
    iii)   Ease of finding your way through the airport".
    2014 and 2015 data represents T2 only. 2016 and 2017 represent a domestic aggregate of T2 and T3 ratings due to the acquisition of T3 in late 2015.

	2014	2015	2016	2017	2018
PEOPLE					
Employee headcount	348	379	418	441	**487**
Permanent					
Full-time	324	348	373	387	**435**
Part-time	14	11	18	26	**30**
Fixed term					
Full-time	8	19	26	24	**20**
Part-time	2	1	1	4	**2**
Casual	0	0	0	0	**0**
Age					
18–34	68	83	96	103	**106**
35–52	211	224	246	261	**297**
53–69	69	72	76	77	**84**
Female representation (%) [9]					
Senior Executive	44.4	40.0	33.3	27.3	**30.0**
Senior Manager	20.0	35.5	41.4	48.3	**44.8**
Other Manager	–	–	35.5	36.5	**33.2**
Middle Manager	41.4	37.9	–	–	**–**
Manager	16.7	27.6	–	–	**–**
Technical	5.1	6.4	8.0	8.1	**3.3**
Professional	40.4	40.5	42.0	43.2	**46.3**
Administration	88.6	90.6	94.3	92.3	**81.9**
Specialist	20.0	25.0	–	–	**–**
Overall	30.8	33.8	36.4	37.9	**38.8**
Total women in management (%)	26.7	32.8	36.8	38.9	**35.4**
Gender pay equity ratio	93.6	96.9	94.5	92.2	**93.4**
New hires (total)	55	86	87	80	**106**
Internal recruitment (%)	–	42.0	39.0	34.4	**48.0**
New hires by gender (%)					
Female	30.90	48.80	47.10	50.00	**45.28**
Male	69.10	51.20	52.90	50.00	**56.71**
New hires by age					
18–34	24	44	38	39	**38**
35–52	27	41	46	40	**50**
53–69	4	1	3	1	**11**
Turnover (%)					
Voluntary	8.40	11.70	7.70	11.61	**9.89**
Non-voluntary	4.60	3.20	4.20	1.89	**3.96**
Training					
Average hours of training per employee	–	9.30	11.87	10.00	**14.10**
Female training hours	–	–	–	–	**33.45**
Male training hours	–	–	–	–	**66.55**
Parental leave					
Employees who took parental leave during the year	7	10	10	13	**18**
Employees returning to work after parental leave during the year	2	5	3	3	**9**
Parental leave return to work rate (%) [10]	100	100	100	96	**75**
Number of employees taking secondary carer's leave	3	10	16	11	**9**

9   In 2016 we reassigned categories to align more closely with WGEA reporting. The 'Middle Manager' and 'Manager' categories have been combined to create an 'Other Manager' category. The 'Specialist' category has been removed with results divided across a number of other categories.
10 Employees on Parental Leave who were due to return to work during the period, and returned to work.

	2014	2015	2016	2017	2018
COMMUNITY					
Volunteer hours	–	–	252.25	162.90	**201.65**
% of employees participating in payroll giving	0.86	1.85	3.83	3.17	**2.66**
Community investment ($m)[11]	1.484	2.597	3.292	4.948	**5.682**

11 Calculated and verified in accordance with the LBG AU & NZ framework. For further information breakdown of spend refer to the Supporting Communities section of the report.

	2014	2015	2016	2017	2018
ENVIRONMENT (REPORTED FOR PERIOD 1 JULY 2017 TO 30 JUNE 2018)					
Carbon emissions[12] (tonnes CO2e)	90,449	88,348	85,644	87,888	**86,916**
Scope 1[13]	5,024	5,349	5,746	5,826	**5,569**
Scope 2[14]	85,425	82,999	79,898	82,062	**81,347**
Emissions intensity (kg CO_2 per passenger)[15]	3.22	3.05	2.79	2.73	**2.59**
Total carbon emissions offset through Greenfleet program (tonnes CO_2e)	430	430	295	295	**295**
Energy (GJ)[16]					
Electricity	353,481	347,439	342,421	351,696	**352,831**
Stationary natural gas	52,775	64,804	63,422	64,298	**68,893**
Non–stationary diesel	28,398	24,593	27,316	29,472	**20,030**
Solar (on site)					**943**
Other	4,745	4,429	7,944	1,817	**5,881**
Total energy	439,399	441,265	441,103	447,283	**448,578**
Waste[17]					
Waste to landfill (tonnes excluding quarantine)	2,552	2,369	2,611	2,851	**2,733**
Recycled waste (tonnes)	1,757	1,687	1,799	2,101	**2,052**
Quarantine landfill waste (tonnes)	1,195	1,268	1,330	1,486	**1,704**
Total waste (tonnes)	5,504	5,324	5,740	6,438	**6,489**
Percentage of total waste recycled (excluding quarantine waste from 2017 onwards)	31.9	31.7	31.3	42.43	**42.88**
Total waste per passenger (kg)	0.194	0.184	0.187	0.2	**0.193**
Water[18]					
Potable water consumption (KL)	562,792	671,031	507,211	600,845	**465,960**
Ground water (KL)	3,822	2,513	2,757	3,964	**1,263**
Water recycled (KL)	222,330	206,627	209,617	151,272	**150,668**
Wastewater Treated (KL)	255,770	221,809	230,435	169,192	**165,489**
Total water use (KL)	788,944	880,171	719,585	756,081	**617,891**
Percentage of total water recycled[19]	28.2	23.5	29.1	20.0	**24.4**
Water use per passenger (L)	27.87	30.39	23.46	23.52	**18.40**
Noise					
Ground running noise complaints	13	11	5	4	**10**
Breaches of the Aircraft Engine Operating Procedures	0	0	1	0	**12**
Environmental spills					
Large spills (greater than 100m^2)	5	3	4	1	**4**

12 Carbon emissions calculated in accordance with the National Greenhouse Accounts Factors 2013. Excludes emissions from tenants and T3.
13 Scope 1 emissions include CO_2, CH_4, and N_2O. Excludes biogenic CO_2 emissions.
14 Scope 2 emissions include CO_2 emissions.
15 Emissions Intensity includes Scope 1 (CO_2, CH_4, and N_2O) and Scope 2 (CO_2) emissions. Passenger numbers exclude T3.
16 Energy usage and sources calculated in accordance with the National Greenhouse Accounts Factors 2013. Excludes energy usage by tenants an T3.
17 Includes waste generated at the airport, with the exception of waste generated on aircraft, T3, Qantas premium lounge and car parks. It also excludes construction waste. Recycled waste assumes a post collection recovery rate of 25% from the general waste stream prior to June 2016 and 30% post June 2016.
18 Water usage excludes T3.
19 Water recycled dropped in FY17 due to recycling water plant being closed for a number of months due to upgrade works, as well as climatic conditions.

Support for the SDGs

SDG GOAL	SYD COMMITMENT	SPECIFIC SDG TARGETS
3 GOOD HEALTH AND WELL-BEING	**We are committed to supporting our people and the surrounding community to live healthy lives and maintain wellbeing**	**Target 3.4** By 2030, reduce by one third premature mortality from non-communicable diseases through prevention and treatment and promote mental health and wellbeing
4 QUALITY EDUCATION	**We are committed to providing equal access to training that supports the development of our people. Through our community programs we support the development of young people, in particular disadvantaged and minority groups**	**Target 4.4** By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship **Target 4.5** By 2030, eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities, indigenous peoples and children in vulnerable situations
5 GENDER EQUALITY	**We are playing a role in ensuring women across the airport and surrounding communities are afforded the same opportunities as men**	**Target 5.1** End all forms of discrimination against all women and girls everywhere **Target 5.2** Eliminate all forms of violence against all women and girls in the public and private spheres, including trafficking and sexual and other types of exploitation **Target 5.4** Recognise and value unpaid and domestic work through the provision of public services, infrastructure and social protection policies and the promotion of shared responsibility within the household and the family as nationally appropriate
6 CLEAN WATER AND SANITATION	**We are committed to minimising potable water use by using alternative and recycled water sources where appropriate. As we target sustainable growth of our airport, we work towards minimising impact of our growing operations and construction on water quality in water bodies adjacent to the airport**	**Target 6.4** By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity
7 AFFORDABLE AND CLEAN ENERGY	**We are working towards adopting energy efficiency and low carbon energy supply alternatives in our airport development decision making**	**Target 7.2** By 2030, increase substantially the share of renewable energy in the global energy mix **Target 7.3** By 2030, double the global rate of improvement in energy efficiency
8 DECENT WORK AND ECONOMIC GROWTH	**We are working across our value chain to ensure human rights across the airport are respected**	**Target 8.2** Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors **Target 8.5** By 2030, achieve full and productive employment and decent work for all women and men, including young people and persons with disabilities, and equal pay for work of equal value **Target 8.6** By 2020, substantially reduce the proportion of youth not in employment, education or training **Target 8.8** Protect labour rights and promote safe and secure working environment for all workers, including migrant workers, in particular women migrants, and those in precarious employment

SDG GOAL	SYD COMMITMENT	SPECIFIC SDG TARGETS
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	**We are committed to operational resilience and efficiency. We drive a significant contribution to the local, regional and national economy**	**Target 9.1** Develop quality, reliable, sustainable and resilient infrastructure, including regional and trans-border infrastructure, to support economic development and human well-being with a focus on affordable and equitable access for all
10 REDUCED INEQUALITIES	**We are committed to supporting equality for all and promoting a diverse and inclusive workplace**	**Target 10.2** By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status **Target 10.3** Ensure equal opportunity and reduce inequalities of outcomes, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action in this regard
11 SUSTAINABLE CITIES AND COMMUNITIES	**We are providing and contributing to safe and sustainable transport systems**	**Target 11.2** By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notable by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	**We are committed to operating the airport sustainably and reducing our environmental footprint**	**Target 12.2** By 2030, achieve the sustainable management and efficient use of natural resources **Target 12.3** By 2030, halve per capita global food waste at the retail and consumer levels and reduce food losses along production and supply chains, including post-harvest losses **Target 12.4** By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their lifecycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimise their adverse impacts on human health and the environment **Target 12.5** By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse
13 CLIMATE ACTION	**We are building resilience in our assets and transitioning to a low carbon future**	**Target 13.1** Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries **Target 13.3** Improve education, awareness-raising and human and institutional capacity around climate change mitigation, adaptation, impact reduction and early warning

GRI Index

GRI REFERENCE	DESCRIPTION	SYDNEY AIRPORT DISCLOSURE/REFERENCE
GRI 102 GENERAL DISCLOSURES VERSION: 2016		
1. Organisational Profile		
102-01	Name of the organisation	Sydney Airport Limited (SYD)
102-02	Activities, brands, products, and services	SYD manages landside and airside operations of the Sydney (Kingsford Smith) Airport. SYD's services and operations are segmented into four business units: 1. Aeronautical services: responsible for all aspects of the business associated with aviation operations, activity and revenue, security, safety, sustainability and environment. 2. Retail: responsible for the retail, food and dining portfolio across SYD, including leasing, marketing, brand space and advertising. 3. Property, car rental and hotels: responsible for the development, leasing and day to day management of SYD commercial assets located within terminals, the airfield, landside areas and hotels. 4. Landside operations and transport: responsible for all of SYD's landside ground transport operations including car parking and commercial transport operators including buses, taxis, hire cars and rideshare.
102-03	Location of headquarters	10 Arrivals Court, Mascot, NSW, Australia
102-04	Location of operations	Sydney (Kingsford Smith) Airport, Mascot, NSW, Australia
102-05	Ownership and legal form	Sydney Airport Limited is the ultimate 100% parent company of Sydney Airport Corporation Limited, the operator of Sydney (Kingsford Smith) Airport.
102-06	Markets served	All of SYD's operations and services take place at Kingsford Smith Airport. Our key customers are the 44 million passengers moving through our terminals. See 2018 Annual Report, Our Network for a breakdown of the regional breakadown of passengers.
102-07	Scale of the organisation	Total employees: 487 Detailed information on number of operations, quantity of services and financial scale of our business can be found in: • 2018 Annual Report, Our Network and Financial Performance. • 2018 Financial Report.
102-08	Information on employees and other workers	All our workforce is employed in Australia. See workforce statistics in Responsible business: Looking after and developing our people. Workforce statistics are compiled from our payroll functions and systems, cover only staff directly employed by SYD, and are reported as at 31 December 2018. Independent assurance is provided over overall female representation.
102-09	Description of the organisation's supply chain	SYD's major suppliers include those that support the airport's infrastructure development. deliver services to and support maintenance of airport facilities. In 2018, SYD's main supplier categories by spend related to services as per the below categories: 1. construction services 2. security services 3. facilities and asset maintenance services 4. civil & asphalt works 5. utilities (electricity, gas and water).

GRI REFERENCE	DESCRIPTION	SYDNEY AIRPORT DISCLOSURE/REFERENCE
102-10	Significant changes to the organisation and its supply chain	There have not been any significant changes in the financial structure of SYD nor its business units.
102-11	Precautionary Principle or approach	The precautionary principle is reflected in Sydney Airport's approach to risk management. Refer to the 2018 Corporate Governance Statement for further information
102-12	External initiatives	Benchmarking our performance
102-13	Membership of associations	Current main memberships across the company: Airport Councils International ANZ Airports ICT Forum ANZLF Forum 2018 (Australia-New Zealand Leadership Forum 2018) Asia Pacific Travel Retail Association Asia Society Australasian Investor Relations Association (AIRA) Australia Arab Chamber of Commerce Australia China Business Council Australia Indonesia Association Australia Indonesia Business Council Ltd Australia-Israel Chamber of Commerce Australia Tourism Export Council (ATEC) Australian Airports Association Australian Chamber of Commerce and Industry (ACCI) Australian Logistics Council Botany Bay Business Enterprise Centre Business Council of Australia Business Events Sydney CAPA – Centre for Aviation CEDA – Committee for the Economic Development of Australia Committee for Sydney Diversity Council of Australia (DCA) Financial Executives Institute (FEI) Green Building Council of Australia Infrastructure Partnerships Australia LBG Corporate Citizenship (VCCP) NSW Business Chamber (Sydney & Metro Business Forum) NSW Business Chamber (Sydney First) Outdoor Media Association Parking Australia Property Council of Australia (NSW Company membership Regional Aviation Association of Australia (RAAA) Sydney Roundtable strategic partnership Tourism and Transport Forum Australia (TTF)
2. Strategy		
102-14	Statement from senior decision-maker	Chairman and CEO message
3. Ethics and integrity		
102-16	Values, principles, standards, and norms of behavior	Responsible Business: Looking after and developing our people Further information on our website Responsible Business: Operating ethically and with integrity

GRI REFERENCE	DESCRIPTION	SYDNEY AIRPORT DISCLOSURE/REFERENCE
4. Governance		
102-18	Governance structure	See the 2018 Corporate Governance Statement for our overall organisational governance structure. We have also developed a Sustainability Governance Structure, details of which are included in the Sustainability Governance Framework.
5. Stakeholder engagement		
102-40	List of stakeholder groups	Engagement with Stakeholders
102-41	Collective bargaining agreements	In 2018 39.6% of our workforce was covered by an enterprise agreement.
102-42	Identifying and selecting stakeholders	Identifying and selecting our stakeholders was key to our development of Master Plan 2039. We assessed throughout our organisation those groups that would be affected by our operations now and under our Master Plan 2039; as well as those stakeholders in the position to influence our decision making process and our ability to deliver on our objectives. The list of identified stakeholders can be found in section Engagement with Stakeholders within our Sustainability Report. For additional information on the inclusion of stakeholder interests in our materiality assessment: Focusing on the issues that matter.
102-43	Approach to stakeholder engagement	Engagement with Stakeholders
102-44	Key topics and concerns raised	Engagement with Stakeholders
6. Reporting practice		
102-45	Entities included in the consolidated financial statements	2018 Annual Report, 2018 Financial Report. Reporting scope in the Sustainability Report is in line with the Annual Report and financial statements.
102-46	Process for defining the report content and the topic boundaries	Focusing on the issues that matter. We have defined the reporting boundary throughout our Sustainability Report as well as in our Sustainability Performance Table to cover only those areas of our business under direct operational control. This approach is in line with SYD's financial reporting.
102-47	List of material topics	Focusing on the issues that matter.
102-48	Restatements of information	We have restated the following data from what was reported in the 2017 Sustainability Report: • 2017 Lost Time Injuries due to an LTI reported in March 2018 for an employee incident dated December 2017. As a result we have also restated employee LTIFR and TRIFR accordingly. • 2017 Aircraft movements • Prior years' customer satisfaction score for Wayfinding in T1. Restatements have been footnoted accordingly where applicable.
102-49	Changes in reporting	No changes have occurred with significant effect on our reporting practices.
102-50	Reporting period	1 January 2018 to 31 December 2018, with the exception of environmental datasets (energy, emissions, waste, water and noise) which are reported for 1 July 2017 to 30 June 2018, in line with Sydney Airport's other external environmental reporting.
102-51	Date of most recent report	2017 Sustainability Report, published in February 2018
102-52	Reporting cycle	Annual

GRI REFERENCE	DESCRIPTION	SYDNEY AIRPORT DISCLOSURE/REFERENCE
102-53	Contact point for questions regarding the report	We welcome feedback on our sustainability reporting and performance. Please email us at sustainability@syd.com.au.
102-54	Claims of reporting in accordance with the GRI Standards	About this report
102-55	GRI content index	GRI Content Index
102-56	External assurance	The assurance statement has been included in this report.
TOPIC SPECIFIC DISCLOSURES		
Safety; Security; Health and Wellbeing		
103-1/2/3	Explanation of the material topic and its boundary. The management approach and its components. Evaluation of the management approach	2019–2021 Sustainability Commitments Focusing on the issues that matter Responsible business: Safety and wellbeing of all airport users
403-9 2018	Work-related injuries	Responsible Business: Safety and wellbeing of all aiport users Performance data
Operational efficiency and business continuous improvements; Business continuity and resilience; Climate change resilience		
103-1/2/3	Explanation of the material topic and its boundary. The management approach and its components. Evaluation of the management approach	2019–2021 Sustainability Commitments Focusing on the issues that matter Responsible business: Climate change resilience Responsible business: Building operational resilience Planning for the future
305-1/2 2016	Direct (Scope 1) GHG emissions, Energy indirect (Scope 2) GHG emissions	Responsible Business: Climate change resilience Performance data
Fair and ethical business operations; Cyber security; Human Rights		
103-1/2/3	Explanation of the material topic and its boundary. The management approach and its components. Evaluation of the management approach	2019–2021 Sustainability Commitments Focusing on the issues that matter Responsible business: Building operational resilience Responsible business: Operating ethically and with integrity Planning for the future: Delivering better outcomes for our customers
Own indicator	Percentage of total third party service providers screened against Sydney Airport's Code of Conduct	Responsible Business: Operating ethically and with integrity
Diversity and inclusion; Employee attraction and retention		
103-1/2/3	Explanation of the material topic and its boundary. The management approach and its components. Evaluation of the management approach	2019–2021 Sustainability Commitments Focusing on the issues that matter Responsible business: Continuing to support a diverse workforce Responsible business: Looking after and developing our people
404-1 2016	Average hours of training per employee	Performance data
405-1 2016	Diversity of governance bodies and employees	Performance data

GRI REFERENCE	DESCRIPTION	SYDNEY AIRPORT DISCLOSURE/REFERENCE
Sustainable procurement		
103-1/2/3	Explanation of the material topic and its boundary. The management approach and its components. Evaluation of the management approach	2019–2021 Sustainability Commitments Focusing on the issues that matter Responsible business: Safety and wellbeing of all airport users Responsible business: Operating ethically and with integrity
Own indicator	Percentage of total third party service providers screened against Sydney Airport's Code of Conduct	Responsible Business: Operating ethically and with integrity
Access to and from the airport; Customer experience; Capacity		
103-1/2/3	Explanation of the material topic and its boundary. The management approach and its components. Evaluation of the management approach	2019–2021 Sustainability Commitments Focusing on the issues that matter Planning for the future
Own indicator	Estimated increase in road network capacity during busy morning period	Planning for the future: Increasing and supporting landside efficiency
Own indicator	Customer satisfaction	Planning for the future: Delivering better outcomes for our customers
Aircraft noise; Environmental management		
103-1/2/3	Explanation of the material topic and its boundary. The management approach and its components. Evaluation of the management approach	2019–2021 Sustainability Commitments Focusing on the issues that matter Supporting our communities: Maintaining an environmentally responsible airport Supporting our communities: Reducing waste to landfill Supporting our communities: Protecting local natural areas and biodiversity
303-5 2016	Water consumption	Performance data
Own indicator	Waste to landfill, quarantine waste to landfill, recycled waste	Supporting our communities: Reducing waste to landfill Performance data
Own indicator	Ground running noise complaints	Performance data
Community investment and engagement		
103-1/2/3	Explanation of the material topic and its boundary. The management approach and its components. Evaluation of the management approach	2019–2021 Sustainability Commitments Focusing on the issues that matter Responsible business: Continuing to support a diverse workforce Supporting our communities: Building relationships and supporting community resilience
Own indicator	Community investment	Supporting our communities: Building relationships and supporting community resilience Performance data

Engaging with stakeholders

METHOD AND FREQUENCY OF ENGAGEMENT	EXAMPLES OF KEY INTEREST AREAS
AIRPORT USERS – PASSENGERS	
• Monthly passenger satisfaction surveys • Quarterly internationally benchmarked passenger satisfaction surveys • Ongoing tracking and analysis of customer feedback through all channels including social media and website • Competitions requesting ideas for improvement • Real-time reportable notification system for service requests • Radio and print advertising • Connections (our quarterly newsletter)	• Service quality • Terminal ambience and presentation • Passenger and staff processing • Passenger experience • Safety and security • Wayfinding • Services and amenities • Accessibility to airport • Provision of services and facilities for people with special needs
AIRPORT BUSINESS PARTNERS AND AIRLINES	
• Monthly airline operators committee • Quarterly Industry Consultative Forum • Ongoing airline satisfaction surveys • Bi-annual joint passenger facilitation meetings • Quarterly Common Use Terminal Equipment User Board • Quarterly Airport Emergency Committee • Daily communications as part of operational management • Real-time reportable notification system for service requests • Ramp Safety Committee • Baggage Handling Forum • Regular operations bulletins	• Airline engagement • Service quality and value • Passenger experience • Safety and security • Efficiency • Allocation of assets • Team responsiveness and availability • Consultation • Understanding product and brand requirements • Operational effectiveness and responsiveness • Preventative and reactive maintenance • Future growth of the airport
BORDER AGENCIES	
• Daily communications as part of operational management • Weekly planning and facilitation management review • Bi-annual border agency operational and customer focus area review • Ongoing strategic airport management meetings	• Forecast passenger numbers (from daily to five week look ahead) • Operational planning and staff rostering arrangements • Planning and status of project implementations (e.g. deployment of automated SmartGates) • Anticipated operational challenges, expected impacts and contingency plans in place • Industrial action management plans • Passenger feedback

METHOD AND FREQUENCY OF ENGAGEMENT	EXAMPLES OF KEY INTEREST AREAS
RETAIL BUSINESS PARTNERS	
• Daily communication as part of retail operations management • Retailer meetings and reviews on a regular basis at store level • At least quarterly meetings with key retail accounts • Quarterly food safety testing for all food and beverage retailers • Quarterly price comparison audits against Sydney CBD prices • Retailer presentations three times a year • Monthly retail customer experience scorecard prepared for each terminal and distributed to retailers • Ongoing tracking and analysis of customer feedback through all channels including social media, Chinese social media via WeChat and website	• Service quality to the passenger • Service quality business to business • Terminal presentation • Passenger experience • Safety and security • Product offering including product pricing, choice and value • Forward product opportunities • Services and amenities
EMPLOYEES	
• Consultative groups as required • Six-weekly Workplace Health and Safety Committee • Staff newsletter, bulletins and staff briefings • Rebranded user-friendly intranet • Service Star and employee recognition program • Performance reviews • Diversity and inclusion working group • Learning and development working group • Leadership and management program • CEO roundtables	• Developing capability • Health and wellbeing • Safety and security • Employee engagement • Reward and recognition • Information sharing • Career opportunities • Improving diversity
COMMUNITY AND LOCAL GOVERNMENT	
• Quarterly Sydney Airport Community Forum • Half-yearly Planning Coordination Forum • Annual community update in local newspapers • As needed letterbox flyers • Ongoing local council briefings • Sentiment survey • Partnerships with local councils, charities and community organisations • Master Plan consultation and Major Development Plan (MDP) consultation • Connections newsletter (our quarterly newsletter)	• Aircraft noise impacts and implementation of the Australian Government's noise sharing policy • Upgrades to the on and off airport road network • Improvements to public transport and active transport access • Planning and development in areas around the airport that could affect airport operations • Protection of Sydney Airport's prescribed airspace • New air services to Sydney • Investing in the community

METHOD AND FREQUENCY OF ENGAGEMENT	EXAMPLES OF KEY INTEREST AREAS
INVESTORS	
• Annual General Meeting • Bi-annual financial results announcements • Investor roadshows, meetings and conferences • ASX releases including monthly traffic statistics • Website (with a focused investor section) • Investor days • Stakeholder/investor emails and webcasts • Investor presentations and fact sheets	• Corporate strategy • Financial performance • Risk management • Operational performance • Growth opportunities • Traffic growth • Capacity and investment • Corporate responsibility and sustainability performance
TOURISM BODIES, INDUSTRY ASSOCIATIONS AND ADVOCATES	
• Regular meetings • Attendance at relevant overseas delegations • Ongoing participation in tourism events and partnerships as part of a collaborative effort to attract airline services and visitors to Sydney	• Growth in passenger volumes to and from Sydney • Expansion in air freight to and from Sydney and NSW • Sustainable growth in aviation
NSW AND AUSTRALIAN GOVERNMENTS AND AGENCIES	
• Regular meetings and briefings with relevant agencies and elected representatives • Daily communication with airport business partners	• Upgrades to the on and off airport road network • Improvements to public transport and active transport access • National Airports Safeguarding Framework • Removing impediments to tourism, e.g. high visa costs, slow visa processing times, passenger movement changes • Planning and development in areas around the airport that could affect airport operations • Protection of Sydney Airport's prescribed airspace • Growth in visitation to Sydney • Airfield operations and security
MEDIA	
• Regular briefings • Airport tours • Media releases • Proactive outreach • Responses to specific requests • Airport access and 24-hour on-call media phone • Media events and press conference	• Financial performance • Growth strategy • Operational issues • Corporate responsibility, in particular community engagement • Tourism growth • Investment in road, terminal and airfield • Airport regulations
REGULATORS	
• Regular and ongoing meetings with relevant organisations, including the Department of Infrastructure, Regional Development and Cities, Civil Aviation Safety Authority, Airport Coordination Australia, WorkCover, Aviation and Maritime Security (AMS), Productivity Commission and the Australian Competition and Consumer Commission	• Adequacy and quality of airport investments to meet demand and customer expectations • Airport prices, return on capital and service quality • Airport processes regarding passenger and staff safety and security • Airport operational regulations and requirements

Independent Limited Assurance Report to the Directors of Sydney Airport Limited

KPMG

Conclusion

Based on the procedures performed, and the evidence obtained, we are not aware of any material misstatements in the Selected Sustainability Information, which have been prepared by Sydney Airport Limited in accordance with the criteria as defined and described by management in the Sustainability Report for the year ended 31 December 2018.

Information subject to assurance

The Selected Sustainability Information, as presented in Sydney Airport Limited's ('SYD') Sustainability Report 2018 and available on SYD's website, comprised the following:

SELECTED SUSTAINABILITY INFORMATION	VALUE ASSURED
Total Scope 1 and Scope 2 greenhouse gas emissions for the period 1 July 2017 to 30 June 2018 (CO_2e) [1]	86,916
Passenger satisfaction score 2018 – International	4.13
Passenger satisfaction score 2018 – Domestic T2/T3 (in aggregate)	4.14
Female representation overall (%)	38.8
Waste to landfill (tonnes) for the period 1 July 2017 to 30 June 2018 [1]	2,733
Recycled waste (tonnes) for the period 1 July 2017 to 30 June 2018 [1]	2,052
Quarantine waste (tonnes) for the period 1 July 2017 to 30 June 2018 [1]	1,704
Lost Time Injury Frequency Rate (LTIFR) for SYD employees	9.6
Total Recordable Injury Frequency Rate (TRIFR) for SYD employees	17.3

1   Excludes T3, refer to footnotes in Performance Data section.

Criteria used as the basis of reporting

The criteria used in relation to the Sustainability Report content are SYD's policies, procedures and methodologies as disclosed in the 2018 Sustainability Report.

Basis for conclusion

We conducted our work in accordance with Australian Standard on Assurance Engagements ASAE 3000 (Standard). In accordance with the Standard we have:

• used our professional judgement to plan and perform the engagement to obtain limited assurance that we are not aware of any material misstatements in the selected sustainability information, whether due to fraud or error;

• considered relevant internal controls when designing our assurance procedures, however we do not express a conclusion on their effectiveness; and

• ensured that the engagement team possess the appropriate knowledge, skills and professional competencies.

Summary of procedures performed

Our limited assurance conclusion is based on the evidence obtained from performing the following procedures:

• enquiries with relevant SYD personnel, and review of selected documentation;

- enquiries with relevant SYD personnel to understand the internal controls, governance structure and reporting process of the Selected Sustainability Information;
- reviews of corporate documents concerning sustainability strategy and policies for material issues, and the implementation of these across the business;
- interviews with relevant staff at corporate level and service organisations engaged by Sydney Airport responsible for providing the information in the Sustainability Report;
- analytical procedures over the Selected Sustainability Information;
- agreement of a sample of Selected Sustainability Information to source documentation;
- evaluating the appropriateness of the criteria with respect to the Selected Sustainability Information; and
- reviewed the Sustainability Report in its entirety to ensure it is consistent with our overall knowledge based on the work undertaken during our limited assurance engagement.

How the Standard defines limited assurance and material misstatement

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Misstatements, including omissions, are considered material if, individually or in the aggregate, they could reasonably be expected to influence relevant decisions of the intended users taken on the basis of the Sustainability Report or the Selected Sustainability Information.

Use of this Assurance Report

This report has been prepared for the Directors of Sydney Airport Limited for the purpose of providing an assurance conclusion on the Sustainability Report and the Selected Sustainability Information and may not be suitable for another purpose. We disclaim any assumption of responsibility for any reliance on this report, to any person other than the Directors of Sydney Airport Limited, or for any other purpose than that for which it was prepared.

Directors' responsibility

The Directors are responsible for:
- determining that the criteria is appropriate to meet their needs;
- preparing and presenting the Sustainability Report and the Selected Sustainability Information in accordance with the criteria; and
- establishing internal controls that enable the preparation and presentation of the Sustainability Report and the Selected Sustainability Information that is free from material misstatement, whether due to fraud or error; and maintaining integrity of the website.

Our responsibility

Our responsibility is to perform a limited assurance engagement in relation to the Sustainability Report and Selected Sustainability Information for the period 1 January 2018 to 31 December 2018, and to issue an assurance report that includes our conclusion.

Our independence and quality control

We have complied with our independence and other relevant ethical requirements of the *Code of Ethics for Professional Accountants* issued by the Australian Professional and Ethical Standards Board, and complied with the applicable requirements of Australian Standard on Quality Control 1 to maintain a comprehensive system of quality control.

KPMG
Sydney
20 February 2019