

An aerial photograph of Sydney, Australia, taken at sunset. The city skyline is visible in the distance, with the Sydney Tower Eye prominent. The harbor is filled with numerous sailboats and yachts. The sky is a mix of orange, yellow, and blue, and there is a layer of white fog or mist over the water and parts of the city.

# SYD

Annual Report 2021

# Managing through the crisis

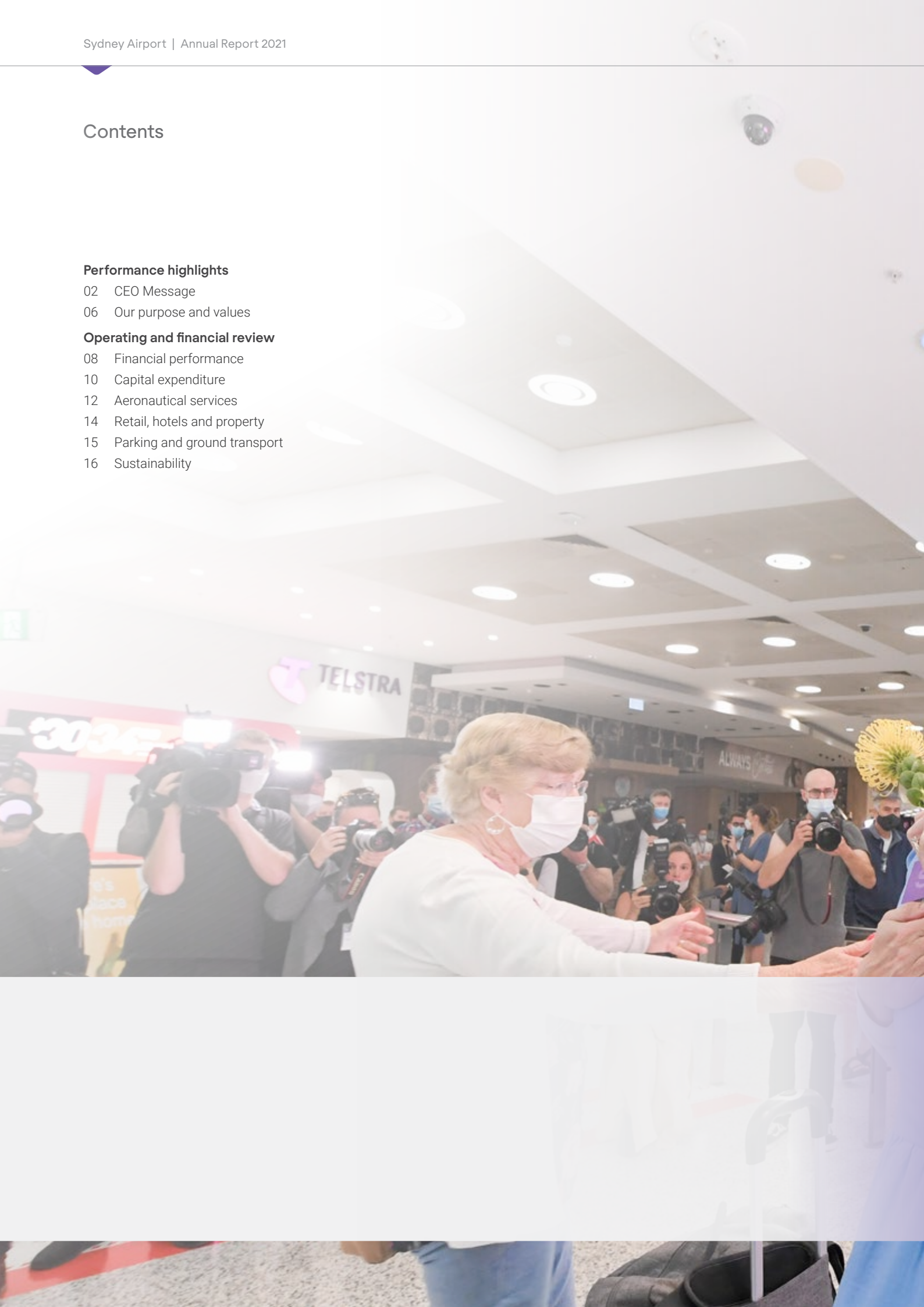
## Contents

### Performance highlights

- 02 CEO Message
- 06 Our purpose and values

### Operating and financial review

- 08 Financial performance
- 10 Capital expenditure
- 12 Aeronautical services
- 14 Retail, hotels and property
- 15 Parking and ground transport
- 16 Sustainability







### Acknowledgement of Country

Sydney Airport acknowledges the Traditional Custodians of the lands, waterways and skyways where we work and in which we live.

We pay respect to Elders, past, present and emerging, and recognise the continuation of cultural, spiritual and educational practices of First Nation peoples throughout Australia.

## CEO message

# Managing through the crisis

## 2021 revenue

## \$620.6m

↓22.8% on 2020 | ↓62.2% on 2019

## 2021 total passengers

## 7.93m

↓29.5% on 2020 | ↓82.2% on 2019

## Net (loss) after tax

## (\$262.3m) on 2021

(\$107.5m) on 2020

**Geoff Culbert**  
Chief Executive Officer



As consuming as the COVID-19 pandemic continued to be throughout 2021, it was a year when we allowed ourselves to look to the future.

Despite passenger volumes falling to their lowest levels since the pandemic began, the emergence of effective coronavirus vaccines gave us the confidence to plan for a post-COVID world.

The immediate actions that we took in 2020 to protect our people and protect the business provided a strong platform to invest in initiatives that will provide value over the long term. In doing so, we ensured that 2021 would not be another 'lost year' but a year when we took advantage of the low passenger environment to commence and complete projects at lower cost, and with less disruption, than would otherwise normally be possible.

With this mindset and with an eye to the future we embarked on several important projects including:

- Reconstructing the 9,200 square metre concrete threshold at the northern end of the main north-south runway as part of an important runway safety project. Taking advantage of the low-traffic environment, this project was completed three months ahead of schedule (pg. 15)
- The development of a reinvigorated luxury precinct in T1, which will host 13 new luxury brands anchored by Louis Vuitton's largest travel retail store in the Southern Hemisphere (pg. 16)
- Completion of the preparatory works for the Sydney Gateway project which will improve access to the airport and reduce congestion on local roads (pg. 17)
- The complete overhaul of our arrivals forecourt in T1, including more than 13,000 square metres of new landscaping to better reflect the stunning outdoor environment for which Sydney is renowned (pg. 16)
- The announcement that we will dollar-match the NSW Government's \$60 million Aviation Attraction Fund to accelerate the return of international airlines to Sydney (pg. 15).

Our efforts were recognised at the Australian Airports Association's Annual Awards, where we received the Capital City Airport of the Year, and Airport Excellence Awards for Sustainability and Operations.

Despite forgoing more than \$1 billion in revenue, we continued to support our airline and commercial partners in getting through the crisis. We provided \$176.2 million in abatements to property and retail tenants, \$3.2 million in abatements to airlines, and \$3.5 million in free aircraft parking – a continuation of the tens of millions in support provided to our partners in 2020 and 2019.

Importantly, we maintained our financial and operational discipline, to ensure our investment and cost base grew in line with the recovery, and not ahead of it.

### Financial and operational snapshot

Passenger volumes during 2021 fell to their lowest point during the course of the pandemic – for the month of September we welcomed less than one-third of the passengers we would see on a typical day pre-COVID. Total passenger numbers fell by 29.5 per cent on the year prior, and by 82.2 per cent compared to 2019, the last full year prior to the pandemic.

The impact of the passenger declines flowed through our aeronautical business, where revenue fell by 23.6 per cent on the year prior, and flowed through our ground transport, property, and retail business, with revenue across our non-aeronautical portfolio declining by 23.1 per cent.

Total revenue declined by 22.8 per cent in 2021. Net profit after income tax declined by 144 per cent in 2021 which resulted in a full-year loss of \$262.3 million.

Despite the ongoing financial and operational pressures of the pandemic, we maintained a strong focus on our sustainability, safety and community programs which are fundamental to our long-term success.

### Safety

Throughout 2021 we made strong improvements in our safety performance, introduced a new mental health and wellbeing program for our people and we exceeded our targets for employee engagement and training.

Our Lost Time Injury Frequency Rate (LTIFR) reached its lowest level since we began our reporting in 2014. We updated and improved our Safety Management System this year and continued our work across the airport community to strengthen the safety culture.

We introduced a new and improved Employee Assistance Program and worked with The Resilience Project to build skills in our people during the extended COVID-19 lockdown in NSW this year, in line with our commitment to the mental health and wellbeing of our people.

### Sustainability

This was the final year for our three-year sustainability commitments, which we've been working hard to deliver since 2019 and continued this focus in 2021. These are discussed in more detail in our Sustainability Report, which we encourage you to read.

While the capital-intensive commitments on electrification of our fleet were delayed due to the impact of COVID-19, we reduced our emissions over time and strengthened our action on climate change by committing to Net Zero by 2030. We have also reduced our water use and improved our waste recycling rate, introducing new programs to support tenants to recycle organic waste.

Our gender pay equity ratio remained high at 97.6 per cent this year, and we significantly improved training hours completed by our people with the introduction of a new learning management system.

This year, our improved sustainability performance triggered the interest rate discount on our Sustainability Linked Loan and Bond. This delivered savings to the business during a challenging time, demonstrating strong sustainability performance drives real financial outcomes.

We continued to be recognised for our sustainability performance in 2021, again included in S&P Global's 2021 Sustainability Yearbook and rated as AAA by MSCI. Sustainalytics rated SYD as a Top ESG performer in the region as we continued to improve our ESG Risk Rating score.

The COVID-19 pandemic has reinforced our commitment to working collaboratively with our stakeholders, and our focus on being a trusted partner.

### Community

We continued to contribute to the community despite the challenges faced by our business, delivering on our first Reconciliation Action Plan and raising awareness of modern slavery in the airport community.

Our focus on social and indigenous procurement delivered an impressive result in 2021, with more than half a million dollars spent with social enterprises and indigenous-owned businesses. This is a key pillar of our new social impact strategy, and one we're excited to continue to invest in. While our cash community contributions were down on previous years, our people continued to volunteer their time with our partners.

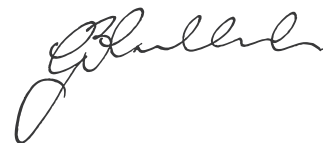
2021 was the final year of our initial Reconciliation Action Plan. We're proud of the progress we have made over this time and the way celebration of Traditional Owners is now a part of our everyday at the airport. We look forward to continuing our reconciliation journey in partnership with our stakeholders.

### Under new ownership

In 2022 we will embark on a new era of ownership, with the implementation of an acquisition by the Sydney Aviation Alliance, a consortium of funds representing millions of Australians through their superannuation.

Whilst our ownership may have changed, what won't change is our focus on delivering on our purpose to make Sydney proud every day.

Regards,



**Geoff Culbert**  
Chief Executive Officer



Highlights

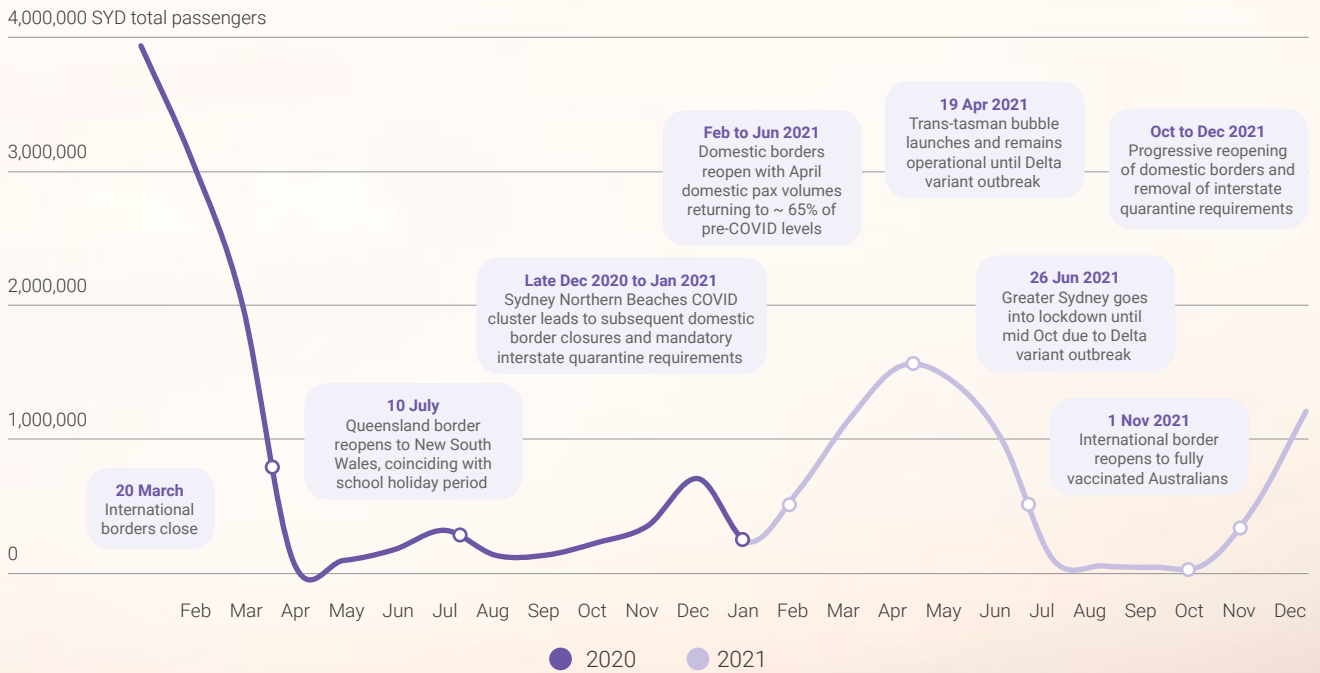
# Aviation and operations

A similar story to 2020, aviation continues to be heavily impacted across the globe by COVID-19.

## Passenger movements

<b>Total passengers</b> <b>7.93m</b> ↓29.5% on PCP	<b>Domestic passengers</b> <b>6.18m</b> ↓5.7% on PCP	<b>Regional passengers</b> <b>1.0m</b> ↑11.3% on PCP	<b>International passengers</b> <b>0.75m</b> ↓80.1% on PCP
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## Monthly passenger numbers from 2020 to 2021





## Passenger aircraft movements

Total passenger aircraft movements

**98.5k**

↓0.7% on 2020  
↓69.0% on 2019

Domestic and regional passenger aircraft movements

**87k**

↑13.2% on 2020  
↓63.6% on 2019

International passenger aircraft movements

**11.5k**

↓48.6% on 2020  
↓85.4% on 2019

## Freight aircraft movements

Total freight movements

**24.6k**

↑14.9% on 2020  
↑157.8% on 2019

Domestic freight movements

**6.5k**

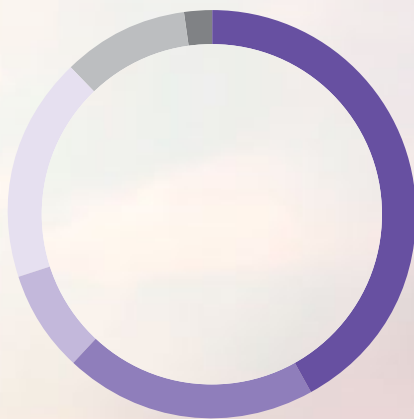
↑21.9% on 2020  
↑53.9% on 2019

International freight movements

**18.1k**

↑12.6% on 2020  
↑241.4% on 2019

### Movement Splits 2021



- 42% ● Domestic (passenger)
- 20% ● Regional (passenger)
- 8% ● International (passenger)
- 18% ● Freight
- 10% ● General Aviation
- 2% ● Other





# Our purpose and values

In 2021, Sydney Airport's resilience continued to be tested by the COVID-19 pandemic. Despite a year of stops and starts, we continued to play the role of Australia's most critical gateway to the rest of the world, keeping our purpose and values at the heart of every decision.

Our purpose

**To make Sydney proud every day**







### Our values



#### Always do the right thing

Integrity and honesty are at the heart of everything we say and do

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#### Have each other's back

Working at SYD is a team effort. We care. We keep each other safe and well

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#### Think like our customers

We walk in their shoes and always strive to improve

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#### Do what you say

We challenge respectfully then collaborate to get to 'yes'. We commit and deliver

## Financial Performance

# Continued challenges

The pandemic continued to severely impact Sydney Airport's bottom line, with passenger volumes falling 29.5 per cent below 2020 levels, impacting all aspects of our business.

Total revenue  
**\$620.6m** ↓22.8%  
on 2020  
 ↓62.2% on 2019

Capital Investment  
**\$190.8m** ↓19.7%  
on 2020  
 ↓36.6% on 2019

## Key performance measures

Key measures of Sydney Airport's financial performance for the year ended 31 December 2021 are shown in the table below.

		% Change on 2020
Passengers	7.93 million	(29.5)%
Total revenue (including security recovery)	\$620.6 million <sup>1</sup>	(22.8)%
Net (loss) after tax	(\$262.3 million)	(144)%

1. Taken from the Consolidated statements of comprehensive income in the Sydney Airport Financial Report for the Year Ended 31 December 2021.

### Total revenues

Sydney Airport continues to be significantly impacted by the downturn of passenger traffic as a result of the COVID-19 pandemic. Hindered largely by border closures and widespread national lockdowns, aeronautical revenues were \$182.1 million for the full year period, down \$56.1 million or 23.6 per cent on the prior comparative period.

With decreased passenger numbers, our other sources of revenue were also heavily impacted. Retail revenues were \$165.8 million, down 32.1 per cent on the previous year, which was less affected by the pandemic in the first quarter. Property and car rental, as well as parking and ground transport faced similar revenue declines of 13.2 per cent and 18.7 per cent respectively. Abatements totalling \$176.2 million were provided to tenants on a fair and equitable basis, ensuring our partners were ready to serve customers on their return.

Support was provided to our airline partners in the form of \$3.2 million in abatements and \$3.5 million in aircraft parking. This represents a continuation of the tens of millions of dollars in support provided to our airline and commercial partners in 2020 and 2019.





## Capital Expenditure

# Mission critical

A capital investment for 2021 of \$190.8 million continued to target the delivery of critical and opportunistic projects.

Despite achieving a targeted reduction in capital investment relative to prior years, a number of critical project milestones have been delivered in 2021.

**Runway re-sheet project:  
Ongoing through 2022**

The project to resurface the main north-south and east-west runways, and associated taxiways, progressed significantly with 50,000 tonnes of asphalt having been replaced to date. We were able to undertake the works in a condensed timeframe due to lower than normal traffic volumes.

**Sydney Gateway:  
Ongoing through 2024**

We have achieved the first key milestones in the project, which included completing works to relocate services and preparing sites for hand over to Transport for NSW between 1 July to 31 December 2021. To date 90 per cent of land parcels have been handed over. The next phase of works continuing through to 2024 involves supporting Transport for NSW to create the road connections and complete the road corridor.

In 2021, we also delivered on a number of opportunistic projects, including:

**T1 duty-free project:  
Stage 3 completed in June 2021**

We remodelled the duty-free area at the International Terminal to enhance the overall look and feel of the retail space and create additional tenancies for a range of new luxury stores. Base build works for four new luxury fashion tenants were completed, with final completion due in the first half of 2022.







**Customer experience amenities upgrade:  
Stage 1 completed 2021**

This project focused on enhancing customer touch points and included updates to wayfinding at the international terminal, the remodelling of a bathroom at each of the domestic terminals to incorporate changing stations and high support facilities for passengers with a disability. Works also commenced on the redesign and redevelopment of a new arrivals forecourt at the international terminal, due for completion in 2022.



Several other major projects have been paused and will not be reactivated until there is further clarity around the timing and degree of the return of passengers.

The following critical and opportunistic projects were progressed over the course of 2021:

Category	Project Description	Benefits	Timing
 <b>Airfield</b>			
	<b>Runway works</b>	– Re-sheeting works on the last section of the main runway to extend the runway life and improve its resilience	Ongoing to mid-2022
 <b>Terminal works</b>			
	<b>Baggage</b>	– New conveyor sort line at T2 to improve outbound baggage capacity and system resilience	Ongoing to mid-2023
	<b>Bathrooms</b>	– Planned upgrades in the T2 and T3 terminals to continue improving the customer experience	Throughout the year
	<b>Terminals</b>	– Remodelled the duty-free area at T1 to update the ground level ambience and luxury precinct interfaces to enhance passenger experience	Ongoing to late-2022
 <b>Property</b>			
	<b>Hotel expansion</b>	– Ongoing development of Sydney Airport's hotel portfolio	Ongoing to end-2024
 <b>Technology</b>			
	<b>Campus LAN</b>	– Upgrades to critical technology infrastructure to improve technology resilience throughout the airport precinct	Throughout the year
	<b>Cyber resilience</b>	– Essential 8 compliance achieved and ongoing enhancements to improve Sydney Airport's cyber resilience	Ongoing to mid-2022
 <b>Power</b>			
	<b>Electricity supply</b>	– Planned works to upgrade the substations and associated high voltage infrastructure that feeds into both terminal precincts and the airfield	Ongoing to mid-2024
 <b>Landside operations and transport</b>			
	<b>Roads and access</b>	– Sydney Gateway works to relocate services and prepare sites for handover to Transport for NSW	Ongoing to mid-2023
		– Development of the ground transport interchange at the Domestic precinct	Ongoing to end-2024

## Aeronautical services

# Riding out the storm



Despite a year of border restrictions and lockdowns, Sydney Airport has remained open and ready to serve its passengers. From delivering the first batch of COVID-19 vaccines to bringing Australians home, our nation's gateway airport stayed true to its purpose and values.

The halt to international travel continued, with passenger caps still in effect for the majority of the year, and rolling domestic border closures meant that passenger numbers remained low compared with pre-COVID traffic. Despite these restrictions, we supported more than 50 per cent of the 500,000 people who returned to Australia during the pandemic. Freight remained elevated on pre-pandemic levels, with dedicated freighters occupying 18 per cent of total air traffic movements (up two percentage points on 2020). Overall freight movements increased by 14.9 per cent from 2020. International freight movements increased 241 per cent on 2019, further highlighting the importance of passenger movements in global freight distribution.

Stakeholder management continued to play a critical role in 2021, with NSW Health's passenger health screening process in place for the majority of the year. NSW Health and the NSW Police Force continued to have a heightened presence at the airport, while our operational teams remaining agile to ever changing mandates and protocols.

## Corridors and bubbles

While much of 2021 remained impacted by COVID-19, some signs of improvement to passenger numbers were reflected via one-to-one border agreements with New Zealand and Singapore.

On 19 April 2021, we welcomed passengers travelling between Australia and New Zealand via a Trans-Tasman Safe Travel Zone (or 'bubble') between the two countries. As Australia's busiest aviation market pre-COVID<sup>1</sup>, Sydney Airport's New Zealand traffic recovered to over 40 per cent of pre-pandemic levels during short periods of operation. This agreement enabled Australians and New Zealanders to enter and leave Sydney Airport as they had pre-COVID, without the need to quarantine. However, this agreement was suspended on 23 June 2021 due to the Delta variant outbreak.

A similar arrangement largely referred to as a 'vaccine corridor' was announced by the Federal Government in early November, enabling vaccinated Singaporean and Australian citizens to move freely between the two countries. Sydney Airport welcomed the first flights under this agreement on 21 November.

## International border re-opening

Sydney Airport welcomed home additional returning Australian citizens, permanent residents and their immediate families on 1 November 2021, following a change to Australia's border policy. Prior to this date, passenger caps, a 14-day hotel quarantine mandate, and outbound exemption requirements restricted passenger flows in and out of Australia. For the majority of year however, Sydney Airport continued to handle the bulk of Australian citizens, permanent residents and foreign nationals entering Australia.

From 1 November, vaccinated Australian citizens and permanent resident passengers landing at Sydney Airport were no longer required to quarantine. After 582 days, arriving passengers were able to leave the international terminal via the arrivals hall as they once had in a pre-pandemic world. The Australian border also opened to immediate family members of citizens and permanent residents, offering the opportunity for families to reunite for the first time since the border to Australia had closed on 20 March 2020.

1. 2019 annual data obtained through the Bureau of Infrastructure and Transport Research Economics



## We supported more than 50 per cent of the 500,000 people who returned to Australia during the pandemic.

### Routes to recovery

Despite disruptions to domestic and international traffic as a result of the ongoing pandemic, there were a number of positive announcements that presented new opportunities for airlines and passengers both globally and locally.

With the gradual easing of restrictions to international travel late in 2021, several airlines recommenced previously popular routes, and announced new routes. New Zealand, Singapore and the United States placed first, second and third respectively for most popular travel destinations over the entire year. SriLankan Airlines introduced the first regularly scheduled route to Colombo in more than a decade, providing three flights per week from November 2021. Fiji Airways recommenced flights on 1 December for fully vaccinated travellers. The Sydney to Nadi route placed 4th overall for busiest international routes in the month of December, signifying an appetite for the return of leisure-based travel. On 6 December, Qantas launched its first commercial flight to Delhi in more than a decade, reporting strong uptake from the outset. Thai Airways also launched a direct flight to Phuket in the final month of the year, with an intention to operate three times per week in 2022. Air Canada also resumed its service to Vancouver on 15 December, with Qantas re-launching its own previously seasonal service to Vancouver three days later on a year-round basis.

Regional Express (REX) Airlines expanded their domestic footprint into larger capital city markets with the launch of Jet B737 services to Melbourne, Brisbane and the Gold Coast. Qantas identified opportunities to grow its regional footprint, including the addition of regional centres such as Griffith in New South Wales and Townsville in Queensland to the 2021 itinerary. Despite extensive lockdowns in New South Wales and state border closures dominating the 2021 calendar, Ballina was only 5.6 per cent down on pre-pandemic levels of flight traffic to and from Sydney, suggesting an ongoing appetite for regional NSW travel to this important tourist hub.

To further support airlines' return to Sydney skies, Sydney Airport announced that it would dollar match the international funding components of the New South Wales Government's \$60 million Aviation Attraction Fund. The Fund will enable Sydney Airport to partner with the NSW Government in assisting airlines as they rebuild international routes to Sydney and expedite the return of much needed international airline capacity.

### Jet fuel Infrastructure maintains top operational status

Following the acquisition of the on-airport Jet Fuel Infrastructure (JFI) in October 2020, Sydney Airport completed its first full year as owners of the airport's aviation fuel infrastructure. Supported by global aviation fuel service provider Skytanking, the transition from the previous owner's was smooth, with no incidents or disruptions to service reported. In November 2021 the JFI received the highest operations rating by the Joint Inspection Group (JIG), the international certifying body for commercial aviation fuel standards.

In its first operational year under Sydney Airport ownership, an asset management plan was developed to ensure the short term and longer term needs of the airport continue to be met. This includes the continuation of maintenance works such as tank floor replacements, the adoption of new operational standards and protocols, and planning for additional capacity in the long term. Planning to assist in the introduction of sustainable aviation fuels (SAF) remained a key focus in 2021 and this work continues.

The JFI comprises five storage tanks with 29 mega litres of fuel storage capacity, 170 hydrant points across the airport and an 11km network of underground pipelines. 3.5 billion litres of fuel were sourced from the JFI in 2019 – an indication of the strategic importance of the JFI to the operations of the airport.



### 16R ready for the next fifty years

On 8 July early works commenced for the reconstruction of the 16R threshold – a 9,200 square metre concrete slab at the northern end of Sydney Airport's main north-south runway. The pre-existing concrete slab that was constructed in 1968, had reached its expected design life, and required replacement to ensure ongoing safety standards were maintained. Sydney Airport took advantage of reduced air traffic, with teams working 24 hours a day over a four-month period to complete the main works. A downturn in traffic enabled a complete reconstruction of the threshold. Using traditional concrete construction methods rather than a gradual patching with expedient concrete, the team ultimately achieved longer-lasting results. 9,000 square metres of concrete pavement was demolished with 6,500 cubic metres removed from site. Approximately 5,000 cubic metres of concrete was poured during the reconstruction, the equivalent of 1,000 concrete truck deliveries or two Olympic-sized swimming pools. In addition, 2.5 kilometres of joints were sealed and approximately 200 airfield ground lights were installed. Normal operations resumed on 23 November.



## Retail, property and hotels

# Supporting our customers

While 2021 continued to deliver unpredictability caused by the COVID-19 pandemic, Sydney Airport remained agile to the needs of both its partners and customers.

In 2021 we continued to support our retail partners, in a continuation of the fair and equitable approach we took in 2020, and we also commenced several projects to enhance the customer experience.

Rental abatements were negotiated in three-month tranches to provide agility in a constantly changing environment. In 2021, more than 410 negotiations took place, which involved tailoring abatements to 102 tenants over 250 sites on the precinct. More than 500 relief letters were sent, ensuring retailers remained ready to operate when passenger numbers increased. A testament to the strength of the airport community, 95 per cent of tenants remained in-situ across the three terminals despite minimal passenger traffic throughout the year.

Regular communication remained critical to keeping tenants informed and supported. A retailer handbook was developed and issued to all tenants in 2021 to provide businesses and their employees with avenues for support and links to the latest health and safety advice. We also offered retailers entry to AccessEAP, our employee assistance program which provides free counselling services to staff and their immediate families.

In addition to supporting our retail partners, we developed new ways to simultaneously improve safety and convenience for our customers. Partnering with digital platform Mr Yum, we launched a contactless ordering system in March 2021, enabling food and beverage delivery direct to meal areas in the airport.

As expected, our hotel business was affected throughout the year by the ongoing effects of the pandemic and reduction in air traffic. Occupancy rates were 27 per cent for year, a decrease of 4 per cent on 2020 figures. The second half of the year showed pleasing progress for the airport-owned Mantra, which was booked for approximately three months under a Government contract. As in 2020, we continued to focus on reducing operating costs, while remaining ready to serve our customers.

Our property portfolio remained resilient, with many property tenants less exposed to passenger fluctuations. Rental relief was provided to car rental operators and specific property tenants on a case-by-case basis. The strong performance from freight operators continued with additional licenses entered into to cater for the increased demand.

## A new luxury retail precinct

Enhancing the customer experience remains a central focus for Sydney Airport with the announcement of a new luxury retail precinct for international travellers. Louis Vuitton will open the largest stand-alone luxury store in the T1 International terminal, the brand's first travel store in the Southern Hemisphere. Thirteen new brands have signed commercial terms spanning six years, indicating confidence in the return of global travel. Construction has already started with a number of retailers planning store build completion by mid-2022.

For the first time we will host luxury retailers including Saint Laurent, Dior, Moncler, Loewe, Celine, Bottega Veneta, Prada, Balenciaga, Gentle Monster, Cartier, Valentino and Versace. Existing luxury tenants have used the temporary pause in international travel to renew their positioning, with Gucci doubling its gross floor space to approximately 300 metre squared, and Tiffany&Co relocating to build an all-new, custom designed store. The reimagined precinct will include a total of 18 luxury stores.

Beyond the luxury precinct, in 2022 the first in-terminal hotel in Australia will open its doors with the arrival of Aerotel, located inside the Terminal 1 arrivals hall. With 15 well-appointed rooms, passengers will be able to book flexible times on an hourly basis, allowing for a shower and rest whilst transiting or on arrival.

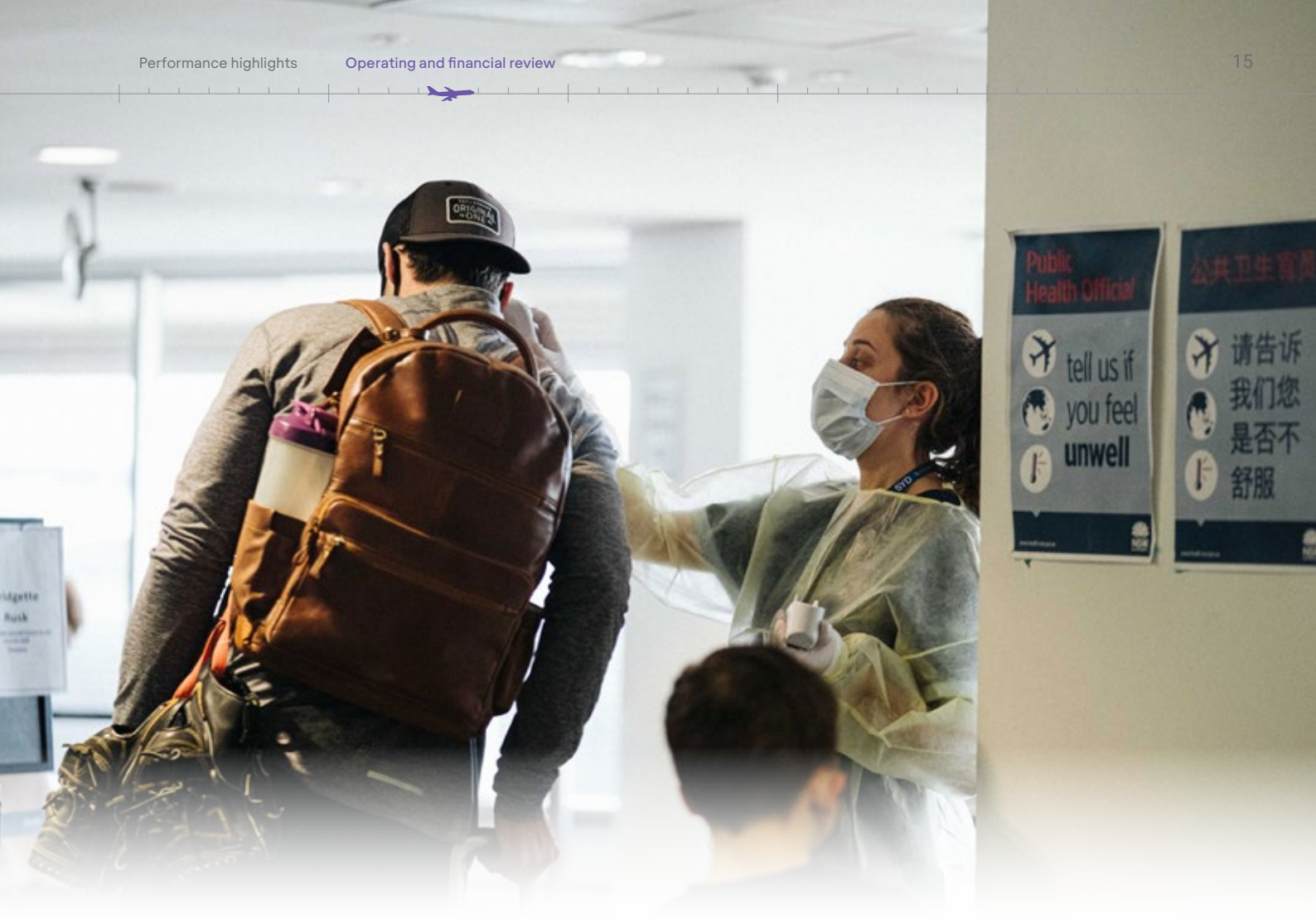


## T1 forecourt developments

The Arrivals Forecourt at the T1 International terminal represents the Gateway to Sydney, where passengers first experience the outdoor environment for which Sydney is renowned. A work site was fully established on 25 November 2021 to revamp the forecourt to create a memorable Sydney experience, with completion due in December 2022.

The revamp includes approximately 10,000 square metres of new paving, more than 3,000 square metres of new green space (a 20 per cent increase on the previous space), over 60 species of plants and 31 new seating benches. An additional café-style seating zone will be built, providing eight tables and 32 chairs for people to stop, enjoy and relax. Improvements to current signage will better connect passengers to ground transport for their onward journey. Construction will include the installation of more than 162 LED lights, 1,500 litres of paint to upgrade the awnings, and 8,500 square metres of new roof sheeting.

We are collaborating with architecture firm Hassell and Indigenous landscapers to create a native green space in the refreshed Arrivals forecourt. Native trees, structural plants, ground covers and grasses have been selected to create a sustainable green area with many species Indigenous to the area. We have also partnered with the Gujaga Foundation to source the traditional names, use and meanings behind the flora, connecting forecourt visitors to the local community and Country.



Parking and ground transport

## Responding to the pandemic

The severe downturn in air traffic continued to have flow on effects for parking and ground transport in 2021, with the commercial transport team continuing to cater to the evolving needs of the passengers, local community and stakeholders of the airport during the pandemic.

Following the international border closure in March 2020, the P9 outdoor car park in the international precinct was converted into a free drive-through testing clinic for the community, a service that remained operational through to December 2021. Similarly, the Executive and valet car parks at Departure Plaza were repurposed into a COVID-19 PCR testing clinic for departing passengers. Those travelling abroad were guaranteed a 90-minute turnaround for test results to meet airline entry requirements, as well as those of their destination countries.

In February 2021, we provided a space at the T1 International terminal for NSW Health to turn into a vaccination hub. The hub was set up to provide vaccinations for airport workers and their families and was capable of administering 300

vaccine doses per day. The hub was in operation for close to 12 months and free parking was provided to people accessing it, with a 110,00 cars ultimately visiting free of charge over the period.

All car parks were open for passengers and staff in the domestic precinct, with passengers opting to drive and park, as opposed to utilising other modes of transport. The team remained agile to the needs of the passengers, opening and closing the Blu Emu car park to meet demands.

### Sydney Gateway progress update

Major construction commenced in 2021 on Sydney Gateway, the future above-ground and toll-free connection

from St Peters Interchange to the airport and beyond. 2021 milestones include the demolition of buildings along Qantas Drive, and major earth works within the Northern Lands and Tempe Lands work areas in preparation for building the new road and bridges. Construction of the first section of the shared pedestrian and cycling path along Alexandra Canal also commenced. Piling works began on Qantas Drive between Robey and O'Riordan streets in preparation for construction of the flyover bridge into the domestic precinct. The project achieved significant milestones in 2021, and we will continue to work in partnership with Transport for NSW and its appointed contractor to manage the delivery of Sydney Gateway.



Sustainability

# Focusing on the future

2021 WINNER



Australian Airports Association

Capital City  
**Airport of the Year**

Airport Excellence Award  
**for Sustainability**

Airport Excellence Award  
**for Operations**

Sustainability is integral to our business strategy, our long-term success and the delivery of our purpose: **to make Sydney proud every day.**

Pleasingly, we continued to be recognised by a number of ratings agencies for our sustainability leadership in 2021. We ranked 3rd globally in Sustainalytics Airports sub-industry sector and rated AAA by MSCI as well as in the top eight per cent of companies globally within the infrastructure sector.

In 2021, we announced our ambitious net zero by 2030 target, achieved the sustainability target to trigger the interest discount on our Sustainability Linked Loan and Bond, and were awarded the Australian Airports Association Airport Excellence award for Sustainability.

We continued to pursue our strategic sustainability objectives this year and closed out our 2019-21 sustainability commitments. This progress is detailed in our 2021 Sustainability Report.

2022 marks the introduction of new three-year sustainability targets, focused on the key areas of safety, environment, resilience, customer experience, people and community.

The new targets are informed by Sydney Airport's material sustainability issues, align with SYD's values and contribute to the world reaching the United Nations Sustainable Development Goals (UN SDGs).

This year, we continued to drive improvements in our sustainability performance, focused on our material sustainability issues, and strengthened our commitment to industry leadership in sustainability. The following summarises our performance in key areas throughout the year.

For more information about our material sustainability issues and performance this year, please see our 2021 Sustainability Report.

# We've missed you





2022-2024 sustainability targets

Responsible business	Planning for the future	Supporting our people and communities
<div data-bbox="268 577 427 734"> </div> <p data-bbox="300 745 395 779"><b>Safety</b></p> <p data-bbox="228 790 467 880">Zero class 1<sup>1</sup> injuries for employees and contractors</p> <p data-bbox="164 918 531 1037">≥95% of people leaders complete at least one high-quality health, safety &amp; wellbeing engagement per quarter</p>	<div data-bbox="715 577 874 734"> </div> <p data-bbox="722 745 866 779"><b>Resilience</b></p> <p data-bbox="654 790 935 918">50% reduction in Scope 3 emissions from airport ground operations by 2025<sup>3,4</sup></p> <p data-bbox="632 954 957 1021">Min. 5 star Green Star New Buildings</p> <p data-bbox="663 1055 925 1144">Support 10% Sustainable Aviation Fuel globally by 2030</p>	<div data-bbox="1161 577 1321 734"> </div> <p data-bbox="1193 745 1289 779"><b>People</b></p> <p data-bbox="1082 790 1401 880">40   40   20 gender balance<sup>6</sup> across SYD's leadership and overall</p> <p data-bbox="1121 918 1361 981">≥80% employee engagement</p> <p data-bbox="1110 1016 1377 1079">≥15 training hours per employee pa</p>
<div data-bbox="268 1227 427 1384"> </div> <p data-bbox="260 1406 435 1440"><b>Environment</b></p> <p data-bbox="248 1451 446 1541">Net zero by 2030 for Scope 1 and 2 emissions</p> <p data-bbox="228 1576 467 1644">100% renewable electricity by 2025</p> <p data-bbox="233 1680 462 1769">YOY<sup>2</sup> reduction in emissions/m<sup>2</sup> and potable water use</p> <p data-bbox="233 1805 462 1872">YOY<sup>2</sup> reduction in waste to landfill</p>	<div data-bbox="715 1227 874 1384"> </div> <p data-bbox="643 1406 946 1440"><b>Customer Experience</b></p> <p data-bbox="632 1451 957 1541">≥4.5 out of 5 average customer satisfaction score<sup>5</sup></p>	<div data-bbox="1161 1227 1321 1384"> </div> <p data-bbox="1161 1406 1329 1440"><b>Community</b></p> <p data-bbox="1121 1451 1361 1541">10% YOY increase<sup>7</sup> contribution in community value<sup>8</sup></p> <p data-bbox="1106 1576 1377 1704">10% YOY increase in spend with social and Indigenous enterprises</p>

1. Injury or illness which results in a fatality, total permanent disability or permanent partial disability
2. Year on year, 2019 baseline
3. Airport ground operations covers emissions from third party energy use, ground service equipment, Auxiliary Power Units (APU), waste, engine testing and fire training
4. 2019 baseline
5. Calculated ACI's Service Quality survey metrics
6. 40 per cent male, 40 per cent female, 20 per cent either gender, aligned to Workplace Gender Equality Agency
7. 2021 baseline
8. As measured and verified by Business For Societal Impact

Sustainability

# Delivering where it counts

## Safety

During 2021, our strong safety performance continued. Our employee Lost Time Injury Frequency Rate (LTIFR) was 2.6, down from 5.4 in 2020. There were no class 1 injuries or illnesses<sup>1</sup> again this year. The safety performance of our service providers<sup>2</sup> also improved in 2021, with a LTIFR of 4.5, down from 8.0 in 2020.

While our lost-time injuries reduced, our employee Total Recordable Injury Frequency Rate (TRIFR) increased to 12.9, due to an increase in the number of lower severity medical treatment injuries during 2021.

Safety KPIs for leaders were again in place in 2021, with 96 per cent of our people leaders completing four safety leadership walks or talks with their teams during the year, again exceeding our target of 95 per cent. Our Safety Management System (SMS) was updated so it is easier to use and meets the latest regulatory requirements, and our safety training hours increased significantly in 2021.

We continued to deliver our mental health and wellbeing program in 2021, with more than 40 of our people now accredited Mental Health First Aiders and ready to provide mental health support and guidance to our people and passengers.

## Cyber security

This year we achieved level three maturity with the 'top four' eight essential mitigation strategies (known as the Essential 8) set by the Australian Cyber Security Centre (ACSC) and mandated by the Department of Home Affairs.

We successfully completed the annual surveillance audit of our ISO27001 certification and ran desktop exercises to test and improve our response to cyber-attacks. Awareness of SYD's cyber threats improved across the business this year with new cyber security training completed by all SYD people. These efforts delivered our best-ever phishing susceptibility rate.

## Environment

During the year, we set our ambitious target to achieve Net Zero by 2030 for our Scope 1 and 2 emissions. This builds on our commitment to reduce our emissions footprint, improve our operational resilience and adapt to the predicted effects of a changing climate now and into the future.

Our Scope 1 and 2 emissions reduced by five per cent to 71,382 tCO<sub>2</sub>e in 2021. During the year, we implemented a number of lighting projects in our car parks and baggage rooms to improve energy efficiency. Scope 1 emissions increased in 2021, mainly because of an increase in natural gas use to heat our terminals as the average temperature in Sydney was lower than previous years.

Our Scope 3 emissions were 234,538 tCO<sub>2</sub>e, down on 2020. This was due to reduced activity at the airport again in 2021.

Another year of low passenger numbers saw the level of water use and waste generated at the airport reduce further from 2020 levels.

**2.6**  
Lost Time Injury  
Frequency Rate,  
↓ from 5.4 in 2020

Committed to  
**Net Zero**  
by 2030<sup>3</sup>

**97.6%**  
gender pay  
equity ratio

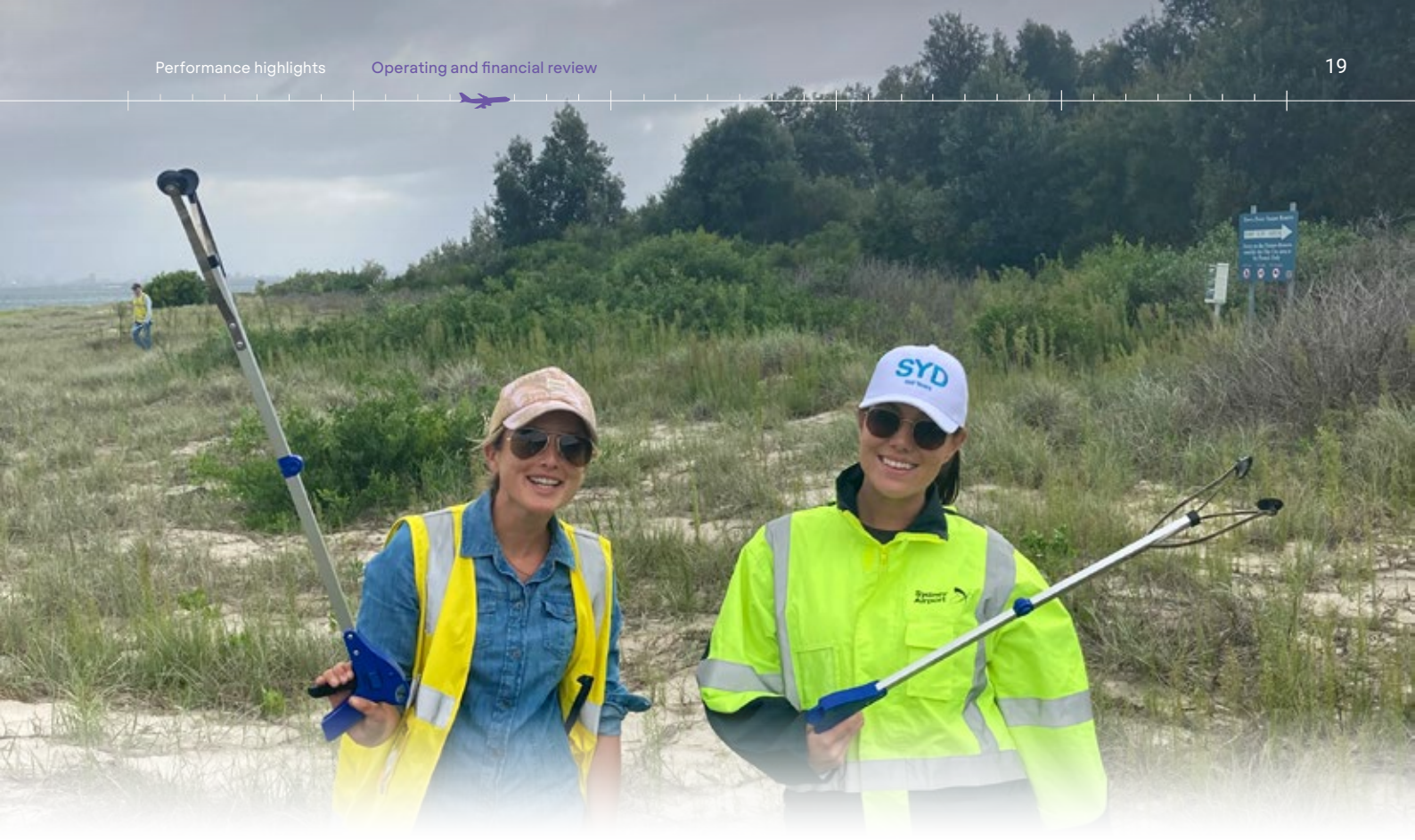


Sydney Airport CEO, Geoff Culbert, pictured with Anne Harris, Managing Director for Pfizer, in front of Australia's first batch of COVID-19 vaccines.



1. A class 1 injury or illness is one which results in a fatality, total permanent disability or permanent partial disability
2. Service providers deliver cleaning, security, kerb side management, waste management, parking, maintenance, baggage and trolley and bussing services at Sydney Airport
3. Scope 1 and 2 emissions





## Resilience

We continued to build our resilience to climate change in 2021, making progress in the implementation of SYD's climate resilience strategy during 2021. We continue to report our progress against the framework of the Taskforce on Climate-related Financial Disclosures (TCFD). Our 2021 TCFD Report is available on our website.

In 2021, we updated our flood model to improve our understanding flooding risk across the airport and consider SYD's climate change scenarios to understand potential impacts from different global warming projections. The results of this update are detailed in our 2021 TCFD Report.

We also turned our focus to understanding potential future for energy in aviation. In 2021, we continued to build our understanding of the role we can play as an airport in these solutions. We engaged with aircraft manufacturers and fuel producers to understand the outlook for low emissions aircraft and fuel in coming years and decades.

We also supported the development of the Airport Council International's (ACI) net zero by 2050 long term carbon goal for member airports.

In the lead up to COP26, SYD signed the World Economic Forum's Clean Skies for Tomorrow ambition statement to achieve 10 per cent Sustainable Aviation Fuel (SAF) use globally by 2030. This industry coalition is committed to accelerating the supply and use of SAF technologies to achieve this target.

## Customer experience

In 2021, we continued to invest in projects to enhance everyone's experience at the airport. Where possible, we accelerated projects to be ready for when customers return to the airport post-COVID.

When travellers return to T1 International they will be greeted with the most comprehensive collection of luxury travel retail anywhere in Australia and New Zealand. Australia's first airport hotel and arrivals lounge was completed at T1 International in 2021, and we announced our plans for a new integrated hotel precinct, with a 300 room hotel to be constructed next to the Ibis and Mantra hotels at the domestic precinct. We also continued to upgrade bathrooms across our terminals.

This year, we collaborated with architecture firm Hassell and Indigenous-owned landscapers, Jiwah to create a native green space to upgrade and enhance the arrivals experience at the T1 International forecourt. Work commenced in 2021 and is scheduled for completion in 2022.

## People


In another disrupted year due to COVID-19, we worked hard to maintain engagement with our people. While an engagement survey was not completed in 2021, the average score from the October employee pulse survey of 78 per cent continued to demonstrate high levels of engagement across the business.

We increased female representation to 35 per cent in management roles and 36 per cent overall in 2021, up from 27 per cent and 31 per cent respectively in 2018.

We continued our commitment to SYD being a place where our people can learn and grow, with training hours across the business growing by more than 80 per cent this year, supported by our new Learn@SYD system.

Sustainability

# Community

 55 Australian firefighters from NSW and WA departed Sydney Airport in July, ready to help battle wild fires in Canada.



**\$2.4 million**

in community value, as measured by B4SI

**Purchased more than \$565,000**

worth of goods and services from social and indigenous enterprises

**More than 1,200 hours**

in employee volunteering

### Contributing value

In another challenging year for the airport and Sydney, our contribution to the community totalled \$2.4 million, combining community investment and social and Indigenous procurement, as verified by Business for Societal Impact.

This includes \$1.85m of cash, time, in-kind donations and management costs. This is significantly lower than our contribution in 2020 due to the ongoing impact of COVID-19 and extended lockdown in Sydney.

The airport also facilitated additional contributions to the community from other sources such as customers and employees to the value of almost \$72,000 which is referred to as 'leverage' in the Business for Societal Impact framework.

In 2021, we renamed our SYD100 Scholarship the Trevor Gerber SYD100 Scholarship in honour of our departing Chairman. This year's scholarship was awarded to Hoang Thai Tran, who is studying a Bachelor of Aviation Management at UNSW and working to achieve his goal to become a commercial pilot.

In October, we announced an integrated family and water play area with an aviation theme at the Botany Aquatic Centre as the first major project under SYD and Bayside Council's joint Community and Environmental Projects Reserve Fund.

We've continued to work hard throughout 2021 to make sure Sydney is on the map as Australia's international gateway. The critical role we play in Australia's recovery was highlighted early in 2021 when Australia's first COVID-19 vaccines landed at Sydney Airport.

### Engagement with our local community

In another year of disrupted airport operations, we worked hard to keep our community informed of operational changes as air traffic returned to the skies above Sydney.

Following the release of the Federal Government's Demand Management Discussion Paper in 2021, a deliberative community panel was convened by SYD to consider how the demand management system at Sydney Airport could be improved.

After three days of discussion and deliberation, the panel responded to the question asked of it by unanimously agreeing to a set of policy recommendations supporting reform in this complex and historically controversial areas. These recommendations continue to inform our engagement with the Federal Government on this issue.

1. Scope 1 and 2 emissions



### Making Sydney proud every day

In 2021, our people volunteered more than 1,200 hours with a variety of organisations including Raise Foundation, Eat Up Australia and Sydney Children's Hospitals Foundation.

Our partnership with Raise Foundation continued this year, a not-for-profit organisation trains volunteer mentors to empower young people to believe in themselves. In 2021, Raise trained 16 SYD staff to mentor students at Canterbury Girls and Canterbury Boys High Schools in our local community.

In June, we hosted Sydney's signature fundraising event on the airfield for our partner, Sydney Children's Hospitals Foundation. SYD provided space on the airfield for the event and our people provided more than 150 hours of volunteering in the lead up and on the night of the event. This year's event raised a record-breaking \$5.2 million for youth mental health.

### Diverting our spend for good

In 2021, the airport continued to focus on diverting our spend for good, exploring how we could incorporate social and community benefits, alongside price and quality considerations, into our procurement practices.

The airport worked with a number of social enterprises and Indigenous businesses throughout the year, purchasing \$569,000 worth of goods and services during 2021 with social enterprises. These included The Resilience Project, HVTC and Two Good Co and Indigenous businesses including Blackfish Photography, Kalinda IT and Mumbulla Creative.

### Celebrating our Reconciliation Action Plan journey

This year marked the final year of SYD's first Reconciliation Action Plan (RAP). Highlights from this period include embedding Acknowledgement of Country into our business practices, proudly acknowledging Traditional Custodians throughout our terminals, strengthening our relationship with CareerTrackers, and reviewing our Supplier Code of Conduct and tender processes to drive Indigenous engagement and procurement.

Throughout SYD's RAP journey, we have focused on building a genuine and meaningful connection with our local Indigenous community. We are very proud of the relationship we have built with the people of Gamay, Botany Bay through the Gujaga Foundation and Gamay Rangers over the period of our first RAP.

Our second Innovate RAP remains focused on the key pillars of relationships, respect and opportunities. We are committed to increasing the number of community groups we engage with on our reconciliation journey under this new RAP.

In addition to our direct relationships, we are focused on building connections between our Indigenous community partners and businesses that work at Sydney Airport, focusing on Indigenous employment opportunities on the airport precinct.

To support the implementation of our next RAP, we will incorporate an external advisory panel that brings together local Indigenous community groups. This is to ensure that our reconciliation journey is informed by Indigenous voices and embraced by the community.







**SYD**