



2017

SUSTAINABILITY
REPORT

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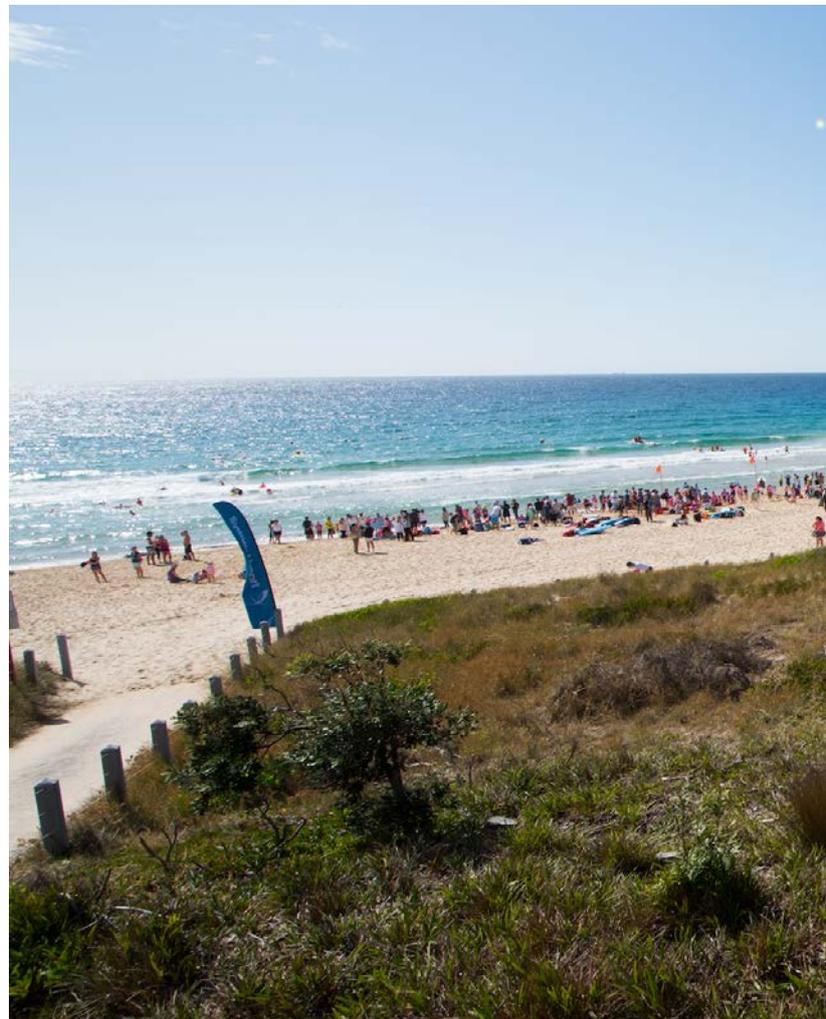
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This is an interactive PDF designed to make it easy to navigate. The best way to view this report is with Adobe Reader. Click on the links on the contents page or use the home button  in the footer to navigate the report, and use the underlined text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

About this report

This report covers the year 1 January 2017 to 31 December 2017, with the exception of environmental data sets that are reported for 1 July 2016 to 30 June 2017 in line with Sydney Airport's other external environmental reporting. It is prepared with consideration of the Global Reporting Initiative G4 Sustainability Reporting Guidelines 'core' option for reporting. It covers all of Sydney Airport's operations and matches the reporting scope of our Annual Report. This year we have commenced reporting passenger satisfaction scores for the Domestic precinct. This is consolidated for T2 and T3 terminals. There have been no other changes in reporting scope from our 2016 Sustainability Report.

We do not claim that this report provides 100% coverage of our sustainability performance. This report is, however, our best attempt to report openly and honestly with our stakeholders and is a reflection of our current level of knowledge and understanding of our sustainability issues and initiatives.

To provide stakeholders with a greater level of confidence in our reporting, we have engaged KPMG to provide limited assurance over selected data sets within our 2017 Sustainability Report including, safety, customer satisfaction, energy and carbon, female representation and waste. KPMG's assurance statement is included within the assurance section of this report.

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

Sustainability leadership

DIVERSITY



37.9%

female employees

38.9% female managers

CARBON INTENSITY PER PASSENGER



27.2%

reduction since 2010

SAFETY PERFORMANCE



Lost time incidents²

5

3 in 2016

Lost time injury frequency rate³

5.0

3.3 in 2016

Passenger incident rate⁴

0.97

1.12 in 2016

VALUING OUR PEOPLE



87.5%

employees enjoy working at Sydney Airport

AVIATION SAFETY HOURS¹



8,255

CUSTOMER SATISFACTION SCORES

INTERNATIONAL OVERALL SATISFACTION



4.01/5 **3.89/5** in 2016

Ambience **4.17/5** Cleanliness **4.24/5** Wayfinding **4.17/5**

DOMESTIC OVERALL SATISFACTION



3.95/5 **3.91/5** in 2016

Ambience **4.11/5** Cleanliness **4.14/5** Wayfinding **4.09/5**

COMMUNITY INVESTMENT



\$4.9m

48% from 2016

COMMUNITY INVESTMENT GROWTH (\$m)



¹ Annual hours spent by the ramp safety team carrying out engagement and enforcement activities.

² The number of work-related injuries that result in at least one full day or shift being lost after the day in which the injury or illness occurred.

³ Lost time injuries per one million hours worked, incurred by employees.

⁴ Number of first aid and medical treatment injuries per 100,000 passengers. Excludes medical conditions and in-flight medical incidents.

Chairman's message



The success of an airport is a reflection of how it engages with its customers, stakeholders and community about the things that are important to all of us. With this in mind, we've enhanced our sustainability approach in 2017, building stronger connections with our stakeholders as we deliver on the long-term vision for the business.

Driving sustainable performance

I'm pleased to deliver our 2017 sustainability report. It has been another year of strong financial performance at Sydney Airport, as we've continued to deliver on our strategy to drive tourism and aviation growth. Importantly, our performance has remained strong across both financial and operational metrics in this, our third year of sustainability reporting. Whilst the strong financial performance is important, we also recognise that responsible growth is core to our success, and we continued to balance our strategic business priorities with the needs of our customers and the surrounding communities.

In 2017 we continued to evaluate the most efficient and sustainable use of our site. We did this because we understand that the highest and best use of our resources and infrastructure delivers sustainable growth. Being a good neighbour and making a positive contribution to our community is an essential part of ensuring our success. In the pages of this report you'll see how we're focused on operating fairly and with integrity, managing risk, building resilience and collaborating with our stakeholders. These are all essential ingredients to our long-term strategy.

In 2017 we reviewed our sustainability approach to ensure it continued to support our broader strategy. The Board and management have addressed feedback from stakeholders as part of this process and worked closely with our people to ensure our strategy continued to respond to our customer and community needs. To reflect our new approach, we have set out our sustainability report under three key pillars; responsible business, planning for the future and supporting communities. We trust this better highlights our commitment to sustainable growth, and how we're working with our partners and stakeholders to deliver the best possible outcomes for the Sydney and NSW community.

TREVOR GERBER
Chairman



FTSE4Good

MEMBER OF

**Dow Jones
Sustainability Indices**

In Collaboration with RobecoSAM

CEO's message



When I joined Sydney Airport in January this year, I was pleased to see our strong commitment to sustainability. I'm proud of Sydney Airport's sustainability achievements, recognising the work of Kerrie Mather and the team, and I'm enthused to work closely with Sydney Airport's community and broader stakeholders to further understand the challenges for our airport partners and neighbours.

I am committed to ensuring sustainability is an integral part of our business strategy. The sustainable growth of our business, and our commitment to ensuring we deliver on our vision responsibly, are of the highest importance to me as I take the reins at Sydney Airport. We continued to be recognised for our sustainability leadership during the year by achieving a 'Leading' rating for our sustainability reporting from the Australian Council of Superannuation Investors. We were again included on the Dow Jones Sustainability Index, sitting in the top 10 for the transport and infrastructure sector globally, and we are now listed on the FTSE4Good Index. In addition, we have been recognised as a global gender equality leader on Equileap's Top 200 list. These results reflect the continued focus and commitment to deliver responsible and sustainable business across our operations.

Responsible business

Just as we've delivered strong financial performance in 2017, we've also strived to ensure we continue to operate an ethical, responsible and transparent business.

Safety and security remain the top priorities for the Sydney Airport team. We've implemented a range of new programs this year to enhance our safety focus and have renewed our Airport Emergency Plan to ensure we're constantly evolving our approach in this dynamic operating environment. Whilst good work has been done to date, we recognise that we need to continuously improve our performance in these critical areas.

Our Code of Conduct was refreshed during 2017, with staff participating in briefing sessions to embed the Code into our business. This provided a good opportunity to highlight the importance of responsible business and further enhance our values-driven culture. The Code provides a more detailed examination of our values, applied to everyday situations, and sets out a framework for reporting should issues arise. Our Code of Conduct was complemented by the development of our first Human Rights Policy, and an updated Supplier Code of Conduct, assisting us to assess our supply chain for human rights risks. In addition, our new Diversity and Inclusion Strategy was finalised during the year. We were proud to confirm that 50% of our new recruits in 2017 were women, while our overall female staff representation grew to 37.9%, up from 36.4% in 2016.

Planning for the future

Across all levels of the organisation, we are focused on delivering on our sustainability commitments, reducing our environmental footprint, building resilience in our operations and continuing to improve the airport experience for our customers.

Pleasingly, we saw significant improvements in our passenger satisfaction scores during the year across both our International and Domestic precincts. These results highlighted our commitment to our customers as we worked with our partners to improve efficiency and the airport experience.

We recognise how vital access to and from the airport is to our customers and stakeholders. We have continued to deliver our ground transport improvement program this year, with major completions due in 2018 and with complementary NSW Government works also well underway. In addition to opening a range of new roads within the airport precinct, we were also pleased to unveil our new pedestrian bridge and cycleway at T1 International. The cycleway furthers our commitment to offer modal choice for our customers and promotes active transport for staff and visitors.

Supporting communities

We increased our investment in the community during the year as we implemented our new community strategy under our three pillars of Live Local, Leading and Learning, and Sydney's Airport.

Sydney Airport contributed \$4.9 million to the community in 2017, as we continued to build on existing, long-term partnerships while also introducing landmark agreements with new partners. In addition to our community partnerships, we focused on responsible environmental management, working closely with our airport partners. We maintained our Level Three Airport Carbon Accreditation in 2017 and have reduced our carbon emissions intensity (per passenger) by 27.2% since 2010. While this was an outstanding result, we're striving to go even further, and have set a new 2025 goal to reduce emissions intensity by 50% compared to 2010 levels.

I'm proud of the airport's progress on its sustainability strategy during the year and am looking forward to continuing this work in 2018.

GEOFF CULBERT
Chief Executive Officer

Sustainability strategy

Our vision is to deliver a world-class airport experience for our customers, and value to our surrounding communities and the broader economy. We seek to achieve this through the key role we play in fostering tourism and trade in Australia and working with our partners. We strive to be a customer-centric organisation and look to deliver innovative and technology-driven solutions to optimise the operation of our airport. We recognise that to achieve our ambition we need to make sustainability central to our business strategy.

As a sustainable business we need to:

- Operate fairly and responsibly, ensuring risks are identified and appropriately managed;
- Integrate social and environmental considerations into our decision making processes; and
- Work in collaboration with our customers, the airport community and other stakeholders to deliver mutually beneficial outcomes.

This year we reviewed our sustainability approach to ensure it continued to support our broader strategic direction and deliver value to our investors, customers and the community. Our review considered feedback from our stakeholders and focused on those issues that are most material to our business, and those where we feel we can make the most meaningful impact. Further detail on our material issues can be found on page 6 of this document.



Responsible business

Being ethical, responsible and transparent in how we do business

Key issues: safety and security, cyber security, customer privacy, operational resilience, business ethics, tax transparency, looking after our people, diversity and inclusion, climate change risk, managing our supply chain, human rights.



Planning for the future

Planning for the future to support passenger growth and deliver a step change in customer experience

Key issues: access to and from the airport, customer experience, enhancing service delivery and operational efficiency, capacity to meet future demand.



Supporting our community

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

Key issues: community engagement and investment, noise and air quality, managing our carbon footprint, environmental management.

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. We believe we can help to address some of these challenges, and have given consideration to how we can best make a positive impact. We have identified nine goals, which we have meaningfully supported throughout the year. In the year ahead, we will identify Key Performance Indicators to measure our progress against these goals.



3 GOOD HEALTH AND WELLBEING

We are committed to supporting our people and the surrounding community to live healthy lives and maintain wellbeing

HOW WE HAVE SUPPORTED THIS GOAL IN 2017:

- Investing in community-based health and education programs, in particular for young people;
- Providing our employees with access to health and wellbeing programs including an Employee Assistance Program; and
- Promoting and maintaining a safe and healthy workplace for our employees and the airport community.

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

HOW WE HAVE SUPPORTED THIS GOAL IN 2017:

- Supporting early childhood development by offering our people flexible work options, including part-time work;
- Providing and supporting educational, scholarship and internship opportunities for young adults; and
- Offering training and educational programs for our people, ensuring equal access to male and female employees.

5 GENDER EQUALITY

We are playing a role in ensuring women across the airport and surrounding communities are afforded the same opportunities as men

HOW WE HAVE SUPPORTED THIS GOAL IN 2017:

- Supporting women in leadership and ensuring sufficient participation of women in decision making;
- Empowering women and girls through our community investment program;
- Offering flexible work options and ensuring our recruitment procedures are attracting females; and
- Maintaining a Code of Conduct that sets out expectations with regards to respecting difference.

8 DECENT WORK AND ECONOMIC GROWTH

We are working across our value chain to ensure human rights across the airport are respected

HOW WE HAVE SUPPORTED THIS GOAL IN 2017:

- Established a Human Rights Policy setting out minimum expectations in alignment with the International Bill of Human Rights and International Labour Organisation's principles; and
- Established a Code of Conduct and Supplier Code of Conduct including access to a grievance mechanism.

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

HOW WE HAVE SUPPORTED THIS GOAL IN 2017:

- Delivery of an operational resilience plan to minimise airport disruptions and maintain business continuity;
- Contribution to the economy, job creation and Australia's tourism industry;
- Setting and delivery of carbon reduction goals and participation in the Airport Carbon Accreditation program; and
- Supporting the operation of resilient and efficient infrastructure through our climate change work as well as the development of an energy management strategy.

10 REDUCED INEQUALITIES

We are committed to supporting equality for all and promoting a diverse and inclusive workplace

HOW WE HAVE SUPPORTED THIS GOAL IN 2017:

- Established a Diversity and Inclusion Council and Strategy;
- Commitment to reducing the gender pay equity gap; and
- Supporting under-represented groups in our community, in particular Indigenous communities and women. Commenced development of a Reconciliation Action Plan.

11 SUSTAINABLE CITIES AND COMMUNITIES

We are providing and contributing to safe and sustainable transport systems

HOW WE HAVE SUPPORTED THIS GOAL IN 2017:

- Delivering new infrastructure that encourages sustainable transport options including bike riding as well as increased pedestrian access; and
- Consideration and use of low carbon and recycled content materials for road projects.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

We are committed to operating the airport sustainably and reducing our environmental footprint

HOW WE HAVE SUPPORTED THIS GOAL IN 2017:

- Incorporating sustainability policies, practices and targets into our business processes;
- Establishing and maintaining an environmental strategy and management system; and
- Developing and implementing a waste reduction strategy through prevention, reduction, recycling and reuse initiatives.

13 CLIMATE ACTION

We are building resilience in our assets and transitioning to a low carbon future

HOW WE HAVE SUPPORTED THIS GOAL IN 2017:

- Building resilience in our assets and operations through our planning, design and procurement processes to ensure we are adapting to the impacts associated with climate change; and
- Setting a carbon reduction target and reducing our operational carbon emissions, including the adoption of renewable energy.

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Focusing on the issues that matter

Each year we conduct a materiality review with consideration of Global Reporting Initiative (GRI) G4 guidelines. This process makes sure we remain focused and report on those issues that are of most importance to our stakeholders and greatest relevance to our business. This year we considered materiality in the context of global trends, the United Nations SDGs and our business strategy. Issues have been identified and prioritised based on engagement with our key stakeholder groups including investors, customers and Sydney Airport employees.

OUR KEY STAKEHOLDERS

DIRECTLY AFFECTED	ACTIVE INTEREST	INTERNAL
<ul style="list-style-type: none"> Community in immediate vicinity of the airport Investors Airport business partners Airport users 	<ul style="list-style-type: none"> Media Industry bodies Industry associations NSW and Commonwealth government agencies Community and local government Tourism bodies 	<ul style="list-style-type: none"> Employees

MATERIAL TOPICS

Our review found most of our material issues remain largely unchanged from 2016. Other issues such as human rights are of increasing priority. This year, we have chosen to consolidate our material issues into high-level material topics as demonstrated in the table below. Where applicable, more information on our material topics can be found within our [2017 Annual Report](#).

Access to and from the airport	Customer experience	Environmental management	Operational efficiency and continuous improvement
Aircraft noise	Customer privacy	Fair and ethical business operations	Sustainable procurement
Business continuity and resilience	Cyber security	Future capacity of the airport	Safety
Climate change	Diversity and inclusion	Health and wellbeing	Security
Community engagement and investment	Employee attraction and retention	Human rights	

Sustainability governance

We have developed a governance framework to guide our sustainability journey. The Safety Steering Committee, Sustainability Steering Committee and Diversity and Inclusion Council are all led by our Chief Executive Officer and include our Executive Leadership Team. These committees provide governance on our programs and initiatives, updating the Board and its subcommittees on progress and performance. The Committees provide regular updates on progress and performance to the Board and its sub committees. Our Board's Safety, Security and Sustainability Committee assists the Board to fulfil its responsibilities with regard to safety, security and sustainability, and to monitor business performance against our sustainability commitments. The Committee's charter provides further details on it's objectives and functions. The charter can be viewed on our [website](#).

Further detail on our corporate governance framework can be viewed in our 2017 Corporate Governance Statement, available on our [website](#).



Stakeholder engagement

We recognise each of our stakeholders has different interests, needs and interactions with the airport. An overview of our stakeholder engagement in 2017 is outlined below, together with the key issues that were raised by stakeholders.

AIRPORT USERS

PASSENGERS

While airport users include numerous stakeholders, our primary focus is on engaging with passengers.

METHOD AND FREQUENCY OF ENGAGEMENT

Monthly passenger satisfaction surveys
Quarterly internationally benchmarked passenger satisfaction surveys
Ongoing tracking and analysis of customer feedback through all channels, including social media platforms and website
Competitions requesting ideas for improvement
Real-time reportable notification system for service requests
Radio and print advertising
Connections newsletter (quarterly)
Digital engagement including website, app and messaging platforms

EXAMPLES OF KEY INTEREST AREAS

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

Definitions

Airport business partner includes airlines, tenants, service providers and border and government agencies that we work with on a day-to-day basis.

Airport users include passengers, meeters and greeters and airport workers.

AIRPORT BUSINESS PARTNERS

AIRLINES

METHOD AND FREQUENCY OF ENGAGEMENT

Monthly Airline Operators' Committee
 Quarterly Industry Consultative Forum
 Ongoing airline satisfaction surveys
 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
 Frequent operations bulletins

EXAMPLES OF KEY INTEREST AREAS

Airline engagement
 Service quality and value
 Passenger experience
 Safety and security
 Efficiency of the airport
 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

METHOD AND FREQUENCY OF ENGAGEMENT

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
 Bi-annual National Passenger Facilitation Committee meetings

EXAMPLES OF KEY INTEREST AREAS

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
 Safety and security

RETAIL BUSINESS PARTNERS

METHOD AND FREQUENCY OF ENGAGEMENT

Daily communication as part of retail operations management
 Regular retailer meetings and reviews on a regular basis at store level and with senior management
 Quarterly food safety testing for all food and beverage retailers
 Quarterly price comparison audits against key Sydney CBD retailers and dining precincts
 Retailer forum four times per year
 Monthly retail customer experience scorecard prepared for each terminal
 Ongoing tracking and analysis of customer feedback through all channels, including Facebook, Twitter, LinkedIn, Instagram, WeChat and website

EXAMPLES OF KEY INTEREST AREAS

Service quality to the passenger, providing value and choice
 Service quality business-to-business
 Terminal presentation
 Passenger experience
 Safety and security
 Product offering, including product pricing, choice and value
 Services and amenities

EMPLOYEES

METHOD AND FREQUENCY OF ENGAGEMENT

Consultative groups as required
 Six-weekly Safety Committee
 Monthly staff newsletter
 Quarterly staff briefings
 Rebranded user-friendly intranet
 Monthly Service Star program
 Employee recognition program
 Half-yearly performance reviews
 Ongoing staff bulletins and emails
 Ongoing team meetings
 Cross functional team social interactions
 Diversity and inclusion working group
 Learning and development working group
 Leadership and management development program

EXAMPLES OF KEY INTEREST AREAS

Developing capability
 Health and wellbeing
 Safety and security
 Employee engagement
 Reward and recognition
 Information sharing
 Career opportunities
 Improving diversity and flexibility

COMMUNITY AND LOCAL GOVERNMENT

METHOD AND FREQUENCY OF ENGAGEMENT

Quarterly Sydney Airport Community Forum
 Half-yearly Planning Coordination Forum
 Annual community update in local newspapers
 Regular website updates
 Letterbox flyers
 Ongoing local council briefings
 Consultation processes as part of major development plans and master planning
 Sentiment survey
 Partnerships with local councils
 Master plan consultation
 Major Development Plan (MDP) consultation
 Connections newsletter (quarterly)

EXAMPLES OF KEY INTEREST AREAS

Aircraft noise impacts and implementation of the Commonwealth Government's noise sharing policy
 Upgrades to the 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
 Environmental issues in the community
 Safety and security

INVESTORS

METHOD AND FREQUENCY OF ENGAGEMENT

Annual General Meeting
 Bi-annual financial results announcements
 Investor roadshows, meetings and conferences
 ASX releases including monthly traffic statistics
 Website (with a specific section for investors)
 Investor days
 Stakeholder/investor emails and webcasts
 Investor presentations and fact sheets

EXAMPLES OF KEY INTEREST AREAS

Corporate strategy
 Financial performance
 Operational performance
 Growth opportunities
 Traffic growth
 Capacity and investment
 Corporate responsibility
 Sustainability performance
 Safety and security

TOURISM BODIES, INDUSTRY ASSOCIATIONS AND ADVOCATES

METHOD AND FREQUENCY OF ENGAGEMENT

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
Regular meetings

EXAMPLES OF KEY INTEREST AREAS

Growth in visitation to Sydney
Expansion in air freight to and from Sydney and NSW
Sustainable growth in aviation
Safety and security

NSW AND COMMONWEALTH GOVERNMENTS AND AGENCIES

METHOD AND FREQUENCY OF ENGAGEMENT

Regular meetings and briefing with relevant agencies and elected representatives including:
- the National Passenger Facilitation Committee;
- International Air Services Negotiation meetings;
- government meetings regarding the Future Freight Policy; and
- Tourism Access Working Group
Daily communication with Airservices Australia

EXAMPLES OF KEY INTEREST AREAS

Upgrades to the on and off airport road network
Improvements to public transport and active transport access
Implementation of the National Airports Safeguarding Framework
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
Safety and security

MEDIA

METHOD AND FREQUENCY OF ENGAGEMENT

Airport tours
Media releases
Proactive outreach
Responses to specific requests
Airport access and 24-hour on-call media phone
Media events and press conferences

EXAMPLES OF KEY INTEREST AREAS

Tourism growth
Growth strategy
Operational issues
Corporate responsibility, in particular community engagement
Investment in road, terminal and airfield improvements
Airport regulations
Financial performance
Safety and security

INDUSTRY BODIES

METHOD AND FREQUENCY OF ENGAGEMENT

Regular and ongoing meetings with relevant organisations, including the Department of Infrastructure, Regional Development and Cities, Civil Aviation Safety Authority, Airport Coordination Australia, WorkCover, Office of Transport Security, Productivity Commission and the Australian Competition and Consumer Commission

EXAMPLES OF KEY INTEREST AREAS

Adequacy and quality of airport investments to provide capacity to meet demand and customer expectations
Airport prices and service quality
Airport processes regarding passenger and staff safety and security
Airport operational regulations and requirements

2017 sustainability performance

Each year we set annual public commitments and a corresponding business-wide program of work to support their achievement. Many of our commitments are medium and long term in nature and we are on track to complete these within the time frames we have set. Progress made against the commitments set in our 2016 Sustainability Report are outlined below.



RESPONSIBLE BUSINESS



ACHIEVEMENT

- 100% achieved
- >50% achieved

COMMITMENTS THAT ARE 100% ACHIEVED

- ▶ Continued development of the safety risk profile
- ▶ External compliance audit of the safety management system
- ▶ Implementation of airside driving awareness e-learning module
- ▶ Continued delivery of Safe SYD and Secure SYD awareness campaigns
- ▶ Continued management of cyber security risks and certification of our ISMS to ISO 27001 standards
- ▶ Delivered business ethics training for our employees and enhanced governance of our refreshed Code of Conduct
- ▶ Introduction of new tools and intranet functionality to enable increased cross functional collaboration
- ▶ Established a Diversity Council and delivered improvements in gender diversity. Delivered programs focused on cultural awareness and improved outcomes for Indigenous communities
- ▶ Defined our service delivery paradigm
- ▶ Ongoing initiatives to support the physical and mental health of our people
- ▶ Improved participation rates in workplace giving and volunteering
- ▶ Established a learning and development council
- ▶ Delivered and embedded leadership and management modules
- ▶ Became a signatory to the United Nations Global Compact
- ▶ Continued to work cooperatively with stakeholders on a range of business resilience exercises
- ▶ Completed a resilience benchmarking study

COMMITMENTS THAT ARE MORE THAN 50% ACHIEVED AND ONGOING

- ▶ Delivery of safety leadership training for people managers
- ▶ Continued implementation of the enterprise-wide Safety Management System and enhanced performance reporting including the use of lead indicators
- ▶ Implementation of airside driving management system
- ▶ Enhanced security systems including upgrading CCTV and access control
- ▶ Designed customer service training for frontline teams
- ▶ Leveraging our online learning system
- ▶ Delivery of a supplier engagement strategy as part of our Sustainable Supply Chain Management Program



PLANNING FOR THE FUTURE



ACHIEVEMENT

- 100% achieved
- >50% achieved
- <50% achieved

COMMITMENTS THAT ARE 100% ACHIEVED

- ▶ Completed an elevated pedestrian and cycleway at T1 International
- ▶ Created an expanded car park at T1 International including the installation of a rooftop solar array
- ▶ Widened Qantas Drive
- ▶ Launched a new digital platform including website
- ▶ Launched a wayfinding service accessible from a smart device
- ▶ Continued roll out of new wayfinding and e-directories
- ▶ Completed a benchmarking study of the terminals against the Green Star rating scheme
- ▶ Integrated online reporting on the passenger experience for employees
- ▶ Reviewed the customer survey framework and identified opportunities to improve our approach
- ▶ Recertified customer service standards through the Customer Service Institute of Australia
- ▶ Established baseline targets for our airline partner KPIs

COMMITMENTS THAT ARE MORE THAN 50% ACHIEVED AND ONGOING

- ▶ Creation of an additional exit lane and replacement of Cooks River Avenue traffic signals with a free-flowing upgrade
- ▶ Continued upgrade of the baggage handling system including the installation of more energy efficient motors
- ▶ Increased automation of passenger facilitation in the check-in halls and at the borders
- ▶ Completion and publication of terminal design guidelines
- ▶ Continue to encourage sustainability principles to be embedded into retail fit-outs
- ▶ Continue to encourage healthy eating and lifestyle choices in our terminals

COMMITMENTS THAT ARE LESS THAN 50% ACHIEVED AND ONGOING

- ▶ Delivery of a ground power and pre-conditioned air improvement program
- ▶ Delivery of gate lounge redevelopments at T1 International
- ▶ Delivery of the Airport Collaborative Decision Making Framework



SUPPORTING COMMUNITIES



ACHIEVEMENT

- 100% achieved
- >50% achieved
- <50% achieved

COMMITMENTS THAT ARE 100% ACHIEVED

- ▶ Delivered a refreshed community investment strategy including a roll out of a corporate volunteering program and delivery of a 'Swim Smart' education campaign in collaboration with Surf Life Saving Sydney
- ▶ Maintained Level Three Airport Carbon Accreditation and assessed timing and business case for progressing to Level Three+

COMMITMENTS THAT ARE MORE THAN 50% ACHIEVED AND ONGOING

- ▶ Continued to support airlines and deliver necessary infrastructure as they increase aircraft size and upgrade their fleet to quieter and more fuel efficient aircraft
- ▶ Continued to implement energy and carbon reduction projects to reduce Sydney Airport's carbon footprint
- ▶ Finalised the waste and resource recovery assessment and commenced implementation of feasible initiatives

COMMITMENTS THAT ARE LESS THAN 50% ACHIEVED AND ONGOING

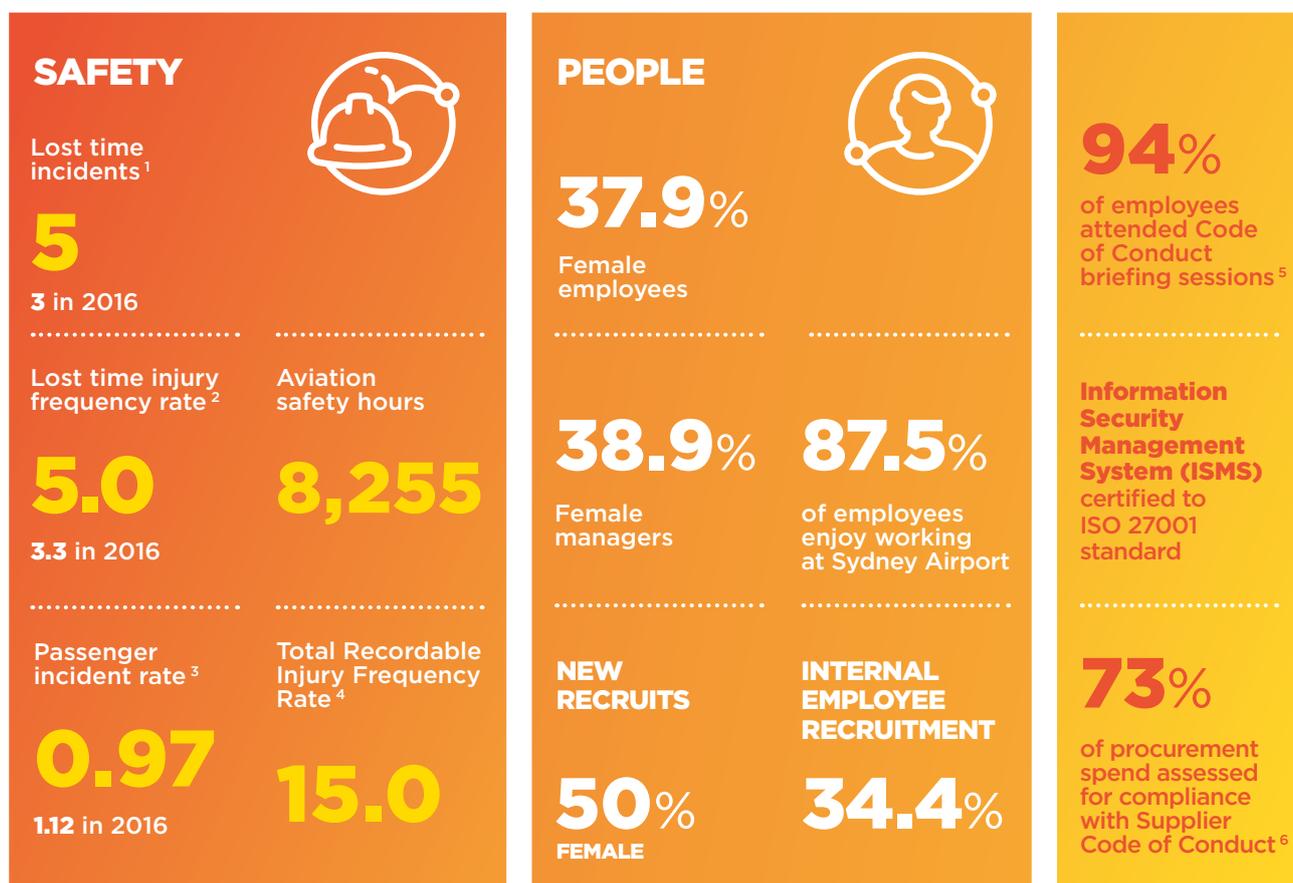
- ▶ Implement a refreshed community engagement and consultation strategy
- ▶ Undertake a review and update Sydney Airport's Environmental Management System to align with the updated AS/NZS ISO 14001:2015 Environmental Management Systems - Requirements with guidance for use

Responsible business

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

“A responsible business starts with our people. A safe, secure and sustainable business empowers our people to do the right thing as we work together to create long-term value.”

Hugh Wehby, Chief Operating Officer



1 The number of work-related injuries that result in at least one full day or shift being lost after the day in which the injury or illness occurred.
 2 Lost time injuries per one million hours worked, incurred by employees.
 3 Number of first aid and medical treatment injuries per 100,000 passengers. Excludes medical conditions and in flight medical incidents.
 4 Represents the number of medical treatment injuries (MTIs) and lost time injuries (LTIs) per million hours worked.
 5 This is calculated based on our total workforce, including those on extended leave at the time of the training.
 6 We took a risk-based approach to our assessment, focusing on areas of our supply chain that we believed posed the greatest risk.



SAFETY

Our approach

We are committed to ensuring the highest levels of safety across all of our operations, making it 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; and
- 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 (SMS) provides a risk management framework aligned to the AS/NZS 4801 standard, where we systematically identify, assess and manage foreseeable aviation-specific safety issues as well as work, health and safety risks. Our SMS meets the requirements of the *Civil Aviation Safety Regulation 1998 Part 139*, *Civil Aviation Safety Authority Circular 139.16* and *Work Health and Safety Act and Regulations (NSW) 2011*.

Our Safety Steering Committee, chaired by the CEO and comprising all members of the Executive Leadership Team, meets every second month. The Committee oversees the implementation of our SMS and monitors safety performance across the organisation.

We encourage the reporting of incidents, hazards and near-misses and when necessary undertake investigations to understand root causes. This includes assessing the need to introduce measures such as injury prevention programs, manual handling training and/or engineering and construction controls. We recorded 5 Lost Time Incidents in 2017. These were largely manual handling injuries resulting from our baggage handling operations. We have continued to deliver an injury prevention program for our baggage handling services team which includes a combination of engineering controls and people resilience measures.

We routinely assess the integrity of our SMS through internal audits and management reviews of our systems and practices. This year we have also engaged an external consultant to review our SMS to objectively assess our systems against legal compliance requirements and our safety risk profile.

SAFETY

Our Corporate Safety Improvement Plan (CSIP) outlines initiatives to be implemented to continuously improve our approach and step up our safety performance. Implementation of our CSIP is monitored by the Safety Steering Committee on a bi-monthly basis. In 2018, our CSIP will aim to:

- Enhance our focus on critical safety risks;
- Increase operational ownership of safety at all levels of our organisation;
- Enhance our ability to measure and report safety performance; and
- Simplify and further embed safety systems and processes.

Our safety performance

	2014	2015	2016	2017
Lost Time Injury Frequency Rate (LTIFR) ¹				
Employees	5.5	2.4	3.3	5.0
Service providers ²	-	7.2	6.8	4.7
Total Recordable Injury Frequency Rate (TRIFR) ³				
Employees	16.4	9.6	17.6	15.0
Service providers	-	19.8	21.2	19.4
Passenger Incident Rate ⁴	1.95	0.96	1.12	0.97



Airport Safety Week

The theme for the 2017 Airport Safety Week, held in November, was One Airport, One Team.

We hosted our first Sydney Airport Safety Expo as part of the week, with stalls highlighting key airport and aviation safety topics. The Expo included presentations and competitions, and was attended by Sydney Airport staff and our airport community partners.

In addition to the Expo, more than 60 Sydney Airport employees, as well as representatives from many of our airport partners, participated in the National Foreign Object Debris (FOD) Walk, with a particular highlight being a joint FOD walk by the Qantas and Sydney Airport teams at our T3 Domestic terminal.

A successful emergency exercise was also conducted in collaboration with State emergency services to test our response capabilities against the Airport Emergency Plan.

1 Lost time injuries (LTIs) per one million hours worked. An LTI is a work-related injury or illness that results in at least one full work day or shift being lost after the day on which the injury or illness occurred, incurred by employees and service providers.
 2 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.
 3 TRIFR represents the number of medical treatment injuries (MTIs) and lost time injuries (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.
 4 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.

SAFETY

Safety Leadership Roadmap

We recognise leaders and managers of our business are integral to our safety culture and ensuring safety systems are truly integrated into their areas of responsibility. To support them, we delivered a training program for our people managers in 2017. The training seeks to:

- Enhance knowledge of safety accountabilities and Sydney Airport's SMS;
- Improve the use of Sydney Airport's safety systems and tools;
- Build knowledge by conducting on-the-spot investigations and safety conversations; and
- Role-model safety behaviours with regards to hazard and incident reporting, risk management and the early actioning and investigating of safety incidents.

Integrated Safeguard Platform

In 2017 we started developing an online platform that will improve lead and lag indicator reporting and enhance tracking and monitoring of corrective actions associated with incidents, near misses, workplace inspections and audits. The platform will provide a whole-of-business approach to safety management, with mobile capabilities to capture near real-time data points.

It will cover:

- Work health and safety;
- Terminal operations safety incident reporting and medical events;
- Development, construction and property safety incidents and reporting;
- Retail tenant safety incident reporting;
- Security incident reporting, audits and investigation; and
- Airfield operations safety incident reporting, including wildlife strikes.

The platform is expected to be completed in 2018.

Aviation safety

With a large number of stakeholders operating at the airport, we recognise that consultation with our aviation partners is essential to ensure the safety of the airfield is maintained and continually improved.

In 2017 our aviation safety program focused on:

- Improving airside driving behaviours such as wearing seatbelts, adhering to speed limits and improving situational awareness of aircraft movements;
- Improving communication of risk factors on the ramp through education, stakeholder forums and engaging with frontline staff;
- Active hazard monitoring and identification; and
- Management of FOD across the airfield.



SAFETY

FOD management

FOD on the airfield can cause significant damage to aircraft, posing a significant safety risk. In 2017, we implemented a new FOD Management Strategy with revised procedures, and purchased additional FOD management equipment such as magnetic bars on our sweeper trucks to remove smaller metal items. We also implemented a deep clean program to remove dirt and grease around bays that can contribute to the accumulation of FOD and installed new FOD Station signage across our terminals.

In conjunction with our airside partners, regular FOD walks are conducted to create awareness across the airport. This initiative creates awareness that FOD management is a community responsibility. We also conduct weekly inspections, with any identified materials reported and removed.

In 2017, a total of 30 tonnes of FOD were collected from the airside precinct. Following the introduction of the new FOD strategy, weekly inspections recorded reductions in the number of locations where FOD required attention, and there was a tangible reduction in the FOD identified around the aprons.

Airside driving

To promote safe airside driving behaviours and awareness of general airside safety requirements, we developed an airside driving awareness course in 2017. Developed in consultation with our airside partners, the course was voluntary during 2017, but will become mandatory from January 2018. The training forms part of our new Airside Driving Management System, an integrated online interface for Sydney Airport and our airside partners to manage

vehicle registrations, driver training and assessment as well as to monitor unsafe driver behaviours. Further e-learning courses for airside driving will be developed in 2018 as part of our efforts to continually improve driver standards.

Safety on construction sites

We ensure that all of our construction contracts stipulate safety requirements. Our Project Compliance Team is responsible for conducting inspections across all airport construction project sites including the airfield, terminals, landside roads, car parks and hotel sites. The primary function of the team is to educate, monitor and report on safety, security, environment and quality compliance to safety regulations, Sydney Airport standards and contractual requirements. The team takes a collaborative approach with contractors, teaching them about the intricacies of working in a live and operating airport environment and the importance of managing project risks beyond their worksites. This ensures that disturbance to passengers and airport operations is minimised.

Our Project Compliance Team undertake daily inspections of project sites. During inspections improvement opportunities are raised, with the on-site contractor taking responsibility to remediate any areas of non-compliance. Compliance data is collected on site and analysed routinely to identify opportunities for continuous improvement.

FOD management continues to be a focus for airfield and apron-interfacing construction projects. Continuous collaboration between project managers, contractors and the airfield operations team enables FOD management to remain at the forefront for airfield and apron construction projects.

Passenger safety

Ensuring a safe and enjoyable passenger experience is a top priority for Sydney Airport. Our Project Compliance Team routinely inspects our terminals and grounds for faults and hazards. An app developed in 2017 was used whilst undertaking inspections to enable for the faster close out of any faults and hazards identified. We continue to monitor passenger incidents monthly and take proactive steps to address any items in the terminals that may impact the passenger journey.



One of our new FOD management sweeper trucks.

SECURITY

We work closely with our airport business partners to ensure we are meeting all regulatory obligations set out in the *Aviation Transport Security Act 2004* and the *Aviation Transport Security Regulations 2005*. In broad terms, our program sets out the airport's security context, mitigation measures and emergency and contingency plans. We undertake regular reviews of our plans, with any updates requiring approval from the Department of Infrastructure, Regional Development and Cities.

We coordinate the management of aviation security with other parties, including Commonwealth agencies that have responsibilities for or are connected with aviation. We have prepared a security guide for all airport employees that summarises their roles and responsibilities and explains why certain procedures

and requirements are a part of aviation security. The guide also explains what employees need to do in the event of a security incident.

We focus on maintaining a strong security culture by investing in regular staff security awareness programs. All Airport Security Identification Card (ASIC) holders are required to complete a test to obtain or renew their card. A new security awareness campaign, incorporating the 'Secure SYD' brand, was launched in 2016. This is supported by a national aviation security awareness strategy called Airport Watch, which takes a community approach like Neighbourhood Watch programs. It focuses on identifying, reporting and resolving suspicious activity in real-time.

OPERATIONAL RESILIENCE

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. Our Airport Emergency Plan 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.

In light of recent world events, our Airport Emergency Plan was reviewed and updated to better align with community and stakeholder expectations. As part of this review:

- Additional airside and landside procedures were finalised, enhancing Sydney Airport's emergency response capabilities;
- A major review into emergency egress and evacuations was completed for the T1 International terminal;
- International and domestic terminal emergency response plans were updated ahead of fire safety related activities and testing planned for 2018; and
- 'Go kits' were issued to our key operational staff providing a range of equipment to assist in the hours following a major incident or emergency.

These updates were completed in consultation with major agency stakeholders. We will continue to assess local and global events to ensure our policies and procedures are updated when required.

We continue to regularly test our plan 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, with Sydney Airport partnering with state emergency response organisations, our partner airlines and ground handlers. We also promote an open and transparent approach to the management of the Airport Emergency Plan via a quarterly Airport Emergency Committee. The Committee is attended by airport stakeholders and emergency services, providing an opportunity for the airport community to collaborate on best-practice approaches to incidents and emergency management. This ensures lessons learnt from activities and incidents are managed and acted upon efficiently and effectively.



ETHICS AND INTEGRITY

Governance

Our Board and Executive Leadership Team are responsible for governance at Sydney Airport. We have established a corporate governance framework to help deliver on our strategic priorities and objectives. An overview of our governance framework and corporate governance performance can be viewed in our 2017 Corporate Governance Statement, available on our [website](#).

Code of Conduct

In 2017 our Board adopted a refreshed [Code of Conduct](#). Our refreshed Code, an overhaul of our previous document, has nine focus areas including:

- Promoting a safe, healthy and secure workplace;
- Behaving professionally and lawfully;
- Avoiding real or apparent conflicts of interest;
- Avoiding inappropriate business dealings;
- Ensuring a fair and competitive workplace;
- Respecting others;
- Maintaining and protecting private and confidential information;
- Upholding securities exchange requirements; and
- Protecting Sydney Airport's assets.

Company-wide small group briefings on the Code of Conduct were completed during the year, and a new online induction program was created for non-executive Directors and new employees. From 2018, an employee declaration of compliance with our Code of Conduct will form part of our annual employee performance review process.

Procedures are in place to report and investigate suspected breaches of our Code of Conduct.

This includes raising concerns anonymously as set out in our Whistleblower Policy.

Anti-corruption and anti-bribery

As part of our updated Code of Conduct, we have introduced an enhanced Gifts and Entertainment Policy. Our policy requires all entertainment invitation requests to be approved by our General Counsel and Company Secretary. Clear guidance is provided in our Code of Conduct on when an event or function will not be approved. In addition, our Code of Conduct sets out expectations with regards to accepting of gifts. All gifts must be declared to the Manager, Corporate Governance and held on our gift registry.

Sydney Airport does 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. Our Code of Conduct sets out requirements with regards to political donations.

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 publish 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 2017 on our [website](#).

MANAGING CYBER SECURITY

We recognise that data and information, in all its forms, needs to be protected from unauthorised access, usage and transmission. We have established an Information Security Management System (ISMS) certified to the ISO 27001:2013 standard, enabling us to implement a proactive approach for managing and continuously improving our information security program. The ISMS provides the vehicle to protect the confidentiality, integrity and availability of critical information assets in three key areas.

People

We have delivered a range of training and awareness programs to best prepare our staff for the various ways our systems and data could be maliciously accessed. We undertake drills to test the effectiveness of our awareness program and look for ways to continuously improve.

Process

A governance structure is in place to manage and maintain the ISMS. The Information Security Forum (ISF) is composed of senior-level representatives from various business units to address and manage risks. Each member of the ISF champions activities to implement risk treatment plans in their business areas.

We apply our enterprise-wide risk management framework to identify, assess, control and manage information security risks. We have commenced integrating information security into contracts and are conducting 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 cyber risk management maturity.

Technology

As cyber-attacks become more sophisticated, the challenge of responding to them effectively becomes ever more complex. We are continuing to enhance technology to strengthen our security controls to detect and respond to cybercrimes. Technologies like intrusion prevention systems, anti-virus and endpoint protection, and tools for extensive logging and monitoring enable us to proactively prepare for threats and pre-empt the consequences of cyber-attacks. These technologies are implemented using recognised industry benchmarks, supported by enterprise-wide security policies, verified by an audit regime, and continuously improved to respond to our security risk profile.

CUSTOMER PRIVACY

Sydney Airport collects, analyses and uses relevant customer information to offer a wide range of products and services. We recognise the need to implement safeguards to protect confidentiality and accuracy. We are committed to being transparent on how customers' information is used and the controls in place to ensure we maintain customer privacy.

We use a combination of security controls, technical solutions, internal processes and user awareness to ensure protection of our customers' information. Security controls in the form of policies such as our Privacy Policy, and procedures, define the overarching principles and practices for protecting information. Technical solutions

restricting access and data leakage, and monitoring intrusions are continuously being improved. We regularly review our Privacy Policy to ensure it remains relevant and ensure it is accessible to our customers at key points of communication. Requirements to uphold compliance with the strictest standards of privacy and confidentiality are embedded in our contractual agreements with suppliers as well as in our employee awareness campaigns.

We have prepared a mandatory data breach notification plan to complement our existing data breach incident management plan, that takes account recent changes to the Privacy Act.

LOOKING AFTER OUR PEOPLE

At Sydney Airport, we recognise our people are fundamental to our ongoing success. We're committed to building and maintaining a high performance culture that supports our people to reach their potential.

Sydney Airport's people strategy is based on the "right" approach:

- ▶ Identify the right people;
- ▶ Develop the right capability;
- ▶ Demonstrate the right behaviours; and
- ▶ Deliver the right outcomes.

The airport provides employment for approximately 30,900 people across 800 businesses, of which we directly employed 441 people as of 31 December 2017.

Sydney Airport workforce

	2017	2016
Total workforce		
Permanent full-time	387	373
Permanent part-time	26	18
Fixed term full-time	24	26
Fixed term part-time	4	1
Age (years)		
18 - 34	103	96
35 - 52	261	246
53 - 69	77	76

More detailed information on our employee profile can be found within the Performance Data section of this report.

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

LOOKING AFTER OUR PEOPLE

Our employee recognition scheme allows people to acknowledge, recognise and thank their colleagues for demonstrating our values through their actions at work. Staff can nominate anyone in the organisation, with nominees recognised at quarterly staff briefings. This year 109 recognitions were given to 84 of our people.

The scheme provides new opportunities to recognise the benefits of cross-collaboration and the importance of our values-based culture, to drive operational performance.

Diversity and inclusion

We strive to ensure a supportive and collaborative work environment that celebrates diversity and recognises the value of differing ideas, thinking and perspectives. Our definition of diversity and the commitments we have made are outlined in our Diversity Policy, available on our [website](#).

This year we established a Diversity and Inclusion Council which meets on a quarterly basis and is chaired by the CEO. The Council oversaw the development of a Diversity and Inclusion Strategy to inform our approach.

OUR DIVERSITY AND INCLUSION STRATEGY

Creating an inclusive culture

Demonstrating leadership and establishing targeted policies and programs that foster a respectful and inclusive culture

Demonstrate leadership across the airport community

Proactively leading by example and collaborating with our business partners to support a diverse and inclusive airport

Attract, develop and retain a diverse workforce

Supporting a diverse workforce to drive creativity and innovation

Reflect our diverse customer base and community

Celebrating Sydney Airport's diversity and providing opportunities to under-represented groups in our community

We also conducted a diversity and inclusion survey to determine the key areas of interest and priorities for our people. Based on the feedback from our people, we have prioritised three areas:

- Raising awareness on diversity and inclusion;
- Making our workplace more flexible; and
- Making our workplace more inclusive and free from bullying and harassment.

A diversity and inclusion working group has been formed comprising 25 people from across the business to focus on the three priority areas. The working group are meeting on a bi-monthly basis and an action plan will be finalised in early 2018.

Flexible work

Whilst we are working to enhance our flexibility offering, our current policies and programs include:

- Our Flexible Work Policy has four types of flexibility available: flexible start and finish times, part-time work, job sharing and working from home when appropriate;
- A variety of leave options including a parental leave program and the option to purchase an additional two weeks' of leave per year; and
- Access to technology allowing employees to work remotely across the airport and at home as appropriate.

We also have a policy to support employees who may be experiencing domestic and family violence. The policy provides employees with access to additional leave to manage legal matters, moving house or other associated appointments without using annual leave.

Gender equality

As a signatory of the Australian Institute of Company Directors "30% club", we have set a goal of 30% female representation for our Board and management. In addition, we continued to work towards our targets to increase female representation at Sydney Airport, both in terms of overall staff numbers and within our Generation Y population. We have made improvements in relation to gender diversity, with our female representation increasing 1.5% to 37.9% in 2017. Our female managers account for 38.9% of all managers. To support our diversity improvements during the year, 50% of our new recruits were female.

We continue to demonstrate our commitment to gender equality each year by reporting to the Australian Gender Equality Agency. You can view our latest report on our [website](#).

Female representation

	2014 %	2015 %	2016 ¹ %	2017 %
Senior executive	44.4	40.0	33.3	27.3
Senior manager	20.0	35.5	41.4	48.3
Middle manager	41.4	37.9	n/a	n/a
Manager	16.7	27.6	n/a	n/a
Other manager	n/a	n/a	35.5	36.5
Technical	5.1	6.4	8.0	8.1
Professional	40.4	40.5	42.0	43.2
Administration	88.6	90.6	94.3	92.3
Specialist	20.0	25.0	n/a	n/a
OVERALL	30.8	33.8	36.4	37.9

1 In 2016 we reassigned categories to align more closely with WGEA reporting. The 'Middle Manager' and 'Manager' categories were combined to create an 'Other Manager' category. The 'Specialist' category was removed with results divided across a number of other categories.

LOOKING AFTER OUR PEOPLE

Cultural diversity

We recognise the need to have a workforce that reflects our customers and the vibrant community in which we operate, and are committed to recruiting and retaining a culturally diverse workforce.

We established our baseline ethnicity dataset in 2016 to better understand the cultural diversity of our workforce. This year, our staff spoke 35 languages and had a collective 34 countries of origin. This research has informed our understanding of our workforce, and our approach to fostering the benefits of diversity across the organisation.

Throughout the year we celebrated this diversity and promoted a better understanding of different cultures through events such as Harmony Day, where our employees came together to share dishes from a range of cultures.

Indigenous Australians

We increased our focus on the support we provide for Indigenous Australians during the year. We aim to contribute to better socio-economic outcomes for

Aboriginal and Torres Strait Islander people as well as play a role in increasing awareness of Indigenous heritage and culture.

We have an existing partnership with the CareerTrackers Indigenous Internship Program, an organisation that creates internship opportunities for Indigenous university students. This year we hosted our second intern, who worked with our People and Performance team. We also continued to support the Clontarf Foundation, a not-for-profit organisation established to help Indigenous boys complete high school.

Engaged people

We conducted a comprehensive employee opinion survey in 2017 to seek feedback from our people. Significant improvements had been achieved since the previous survey in 2015, with scores in 11 of the 15 categories increasing, and all 15 categories scoring in the high zone (above 75%). This compared to 10 high zone categories in 2015.

Our people described our culture as positive, dynamic and improving. The survey highlighted their commitment



Supporting Indigenous boys to finish high school

Over the last year we formed a partnership with the Clontarf Foundation which will support 24 Indigenous boys to complete high school at the Endeavour Academy in Caringbah. We've hosted some of the boys at the airport on airside tours, giving them a behind the scenes experience and insight into the vast array of job opportunities available at an airport. Sydney Airport staff and Clontarf boys also took part in a volunteer day for Conservation Volunteers Australia at Kamay Botany Bay National Park.

Student Keiran Fields said, *"I really enjoyed spending time with the Sydney Airport staff volunteering at Kamay National Park. The experience of helping maintain the park, hearing from the local Aboriginal people and also mingling with Sydney Airport staff was very valuable for me. I have just graduated from Endeavour Sports High in the Clontarf program so the opportunity to learn about the different jobs at Sydney Airport whilst being outdoors and giving back to the local community and environment was a great one for me."*

Clontarf Foundation CEO Gerard Neesham said, *"These opportunities have the potential to be life changing for many of these boys because it builds their confidence, sense of self-worth and gives them something to aspire to."*

LOOKING AFTER OUR PEOPLE

to delivering a quality customer experience, working collaboratively, understanding and respecting the needs of stakeholders, taking pride in workplace safety and security and acting in accordance with our Code of Conduct.

Improving flexibility, streamlining systems and processes, continuing to build a culture of collaboration and ongoing development capability will be areas of focus in the year ahead, as we respond to areas for improvement identified in the survey.

Health and wellbeing

We are committed to keeping our people safe and healthy, both in the workplace and at home. Our Passport to Health program offers our employees a range of services and programs to support their emotional, physical and physiological wellbeing.

In 2017 we continued to deliver health and wellbeing initiatives to support our people. These included:

- Managing fatigue and ensuring healthy sleep;
- Building mental resilience and coping with stress;
- Maintaining a work life balance; and
- Physical exercise with participation in the Sun-Herald City2Surf.

Sessions were held face-to-face and supported by online apps.

MAINTAINING PHYSICAL HEALTH

- ▶ Free health checks, seated massage and vaccinations;
- ▶ Ergonomic assessments and massage therapy;
- ▶ Health subsidy for boot camps, yoga, pilates, swimming, remedial physiotherapy and sports registrations;
- ▶ Free onsite yoga;
- ▶ Membership of the bicycle network, offering on-site staff workshops, insurance and bike maintenance services; and
- ▶ Sponsorship and support of events such as the Ride to Work Challenge, City to Surf and Sydney to Wollongong bike ride.

MAINTAINING MENTAL HEALTH

- ▶ Mental health awareness training;
- ▶ R U OK Day office activities;
- ▶ Employee Assistance Program; and
- ▶ Sydney Hairport Movember team.

SUPPORTING WORK-LIFE BALANCE

- ▶ Flexible work arrangements;
- ▶ Parental leave for both primary carer and secondary carer;
- ▶ Additional "lifestyle" leave available; and
- ▶ Introduction of paid Domestic Violence leave.

SUPPORTING THE COMMUNITY

- ▶ Payroll giving program;
- ▶ Volunteering program for employees including leave; and
- ▶ Office events supporting community campaigns and charities.



Promotional poster drawn by Mia Barker, aged 10, daughter of Sydney Airport's Head of Sustainability.

Sustainability heroes



This year we ran a competition and asked our people to identify ways that Sydney Airport could become more sustainable. We received over 90 ideas ranging from energy efficiency, health and wellbeing outcomes for employees, initiatives to enhance the passenger experience, as well as sustainable transport and community development ideas. A shortlist was presented to our Executive Leadership Team and whilst we have committed to considering all ideas that were put forward, we chose our "People's Choice" winner by an employee poll. Our winning entry was an electronic approval process which could save up to 40 realms of paper per year.

LOOKING AFTER OUR PEOPLE

Organisation development

Our commitment to people includes developing the right capability. As a result, learning and development continued to be a key element of our people strategy in 2017. We focused on upskilling our people through a range of opportunities, to encourage our employees to strive for excellence as part of our high performance culture.

Our development programs implemented during the year included:

- Online programs: modules include governance and compliance training such as our safety induction, as well as courses to improve communications, presentation skills, project management, Microsoft Office, coaching and management;
- Skills based training: face-to-face training programs including communications, excel and systems training. Participation was based on job requirements and manager recommendations;
- On-the-job learning: a key activity was our Lunch and Learn series, with monthly sessions held on topics of interest from across the business, as well

as leveraging project opportunities to build skills and capability; and

- Leadership and management modules: topics covered included safety leadership, managing change, strategic planning, coaching and feedback. The sessions allowed for stronger cross collaboration, reflection and practice of the skills learnt and were focused on senior leaders and managers. In 2017 we introduced Certificate IV in Aviation Supervision to develop our frontline supervisors, a first for Australian aviation and airports.

This year our L&D program also included the implementation of a Leadership 360 feedback tool. This helped define clear expectations of our leaders and provided specific insights to enable targeted individual development. The 360 tool will be used more broadly in 2018.

Demonstrating our commitment to developing our people, we continued to look for opportunities to fill roles internally. During 2017, 34.4% of opportunities were filled internally. This was down slightly from 2016 due to the mix of roles we recruited.

CLIMATE CHANGE

This year, we have given consideration to the Financial Stability Board's (FSB) Task Force on Climate-related Financial Disclosures (TCFD) framework and are committed to improving our disclosure on our climate strategy.

Governance

Sydney Airport's Board has the highest level of oversight and responsibility for the impacts and opportunities associated with climate change. Our Audit and Risk Committee (ARC) has oversight of all risks (including new and emerging) across the company. Our enterprise-wide risk register (which includes climate risk) is reported to ARC twice a year. The register details risk ratings and the controls in place to manage these risks.

Our Board's Safety, Security and Sustainability Committee (SSS) has responsibility for reviewing and approving our climate-related objectives and strategy, including targets. The SSS oversees the implementation of our Climate Risk and Adaptation Plan and an operational risk report (which includes climate risk) on a quarterly basis.

Management's Sustainability Steering Committee is responsible for the implementation of the airport's Climate Risk and Adaptation Plan. A detailed report outlining the plan's progress is prepared for the Committee on an annual basis. The Steering Committee also oversees the airport's carbon reduction plan that has

been prepared to meet the Airport Carbon Accreditation Level 3 requirements.

Strategy

Sydney Airport has undertaken a risk assessment to identify climate-related risks and opportunities over the short, medium and long term. We have undertaken this assessment in accordance with our enterprise-wide risk management framework.

Key risks identified through this process relate to physical risks associated with climate change including increased temperatures, rainfall and flooding. Changes in these conditions may result in increased pressure on utilities, as well as technology and operational interruptions.

We are taking the following actions in response to the risks and opportunities posed by climate change:

- Minimising our own operational carbon footprint as well as the carbon footprint of the airport:
 - Setting carbon reduction targets and implementing demand management strategies;
 - Continuing to identify opportunities to increase the use of renewable energy;
 - Transitioning to low carbon equipment, e.g. electric vehicles; and
 - Working collaboratively with airline customers to improve airport efficiency and reduce land-based fuel burn.

CLIMATE CHANGE

- Engaging with stakeholders:
 - Engaging on a regional basis on climate-related risks affecting the Sydney area. Sydney Airport is involved in the National Climate Change Adaptation Research Facility's project aimed at improving understanding of climate change adaptation in the infrastructure sector. We are also participating in the '100 Resilient Cities' project.
- Building resilience in our assets and operations:
 - Considering climate change as part of our planning, design and procurement processes;
 - Implementation of the airport's emergency plan during adverse weather events to minimise disruptions; and
 - Undertaking a flood study to build further resilience and upgrading of our technology to ensure ongoing stability, reliability and security.

Risk management

Sydney Airport's Enterprise Risk Management Framework (ERM) sets out the foundation to facilitate our risk management process. Our ERM has been based on the Australian Standard Risk Management-Principles and Guidelines AS/NZS ISO 31000:2009. Further details on our risk management approach can be found in our 2017 Corporate Governance Statement.

Metrics and targets

We use a range of metrics to assess the impacts of climate-related risks and opportunities on our business activities. We have established a carbon reduction target, and track and publicly disclose our Scope 1, 2 and 3 carbon emissions in our Sustainability Report.

Further information on how we are reducing our carbon footprint can be found in the Supporting Communities section of this report.

SUPPLY CHAIN

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 (SSF) and Sustainability Supply Chain Management Framework (SSCM) 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; and
- Supply chain.

Our [Supplier Code of Conduct](#) sets out how we manage our relationship with suppliers, and the minimum expectations we have set. It is linked to other corporate policies such as our Diversity, Human Rights, Safety and Environmental Policies. Key areas 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, 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.

This year we took a risk-based approach and assessed 33 suppliers against the expectations in our Supplier Code of Conduct. These 33 suppliers accounted for approximately 73% of the airport's total third-party spend across both capital and operational expenditures. The main spend categories covered by these suppliers included construction services, security services and equipment, facilities, assets and maintenance services, civil and asphalt works. We worked proactively with these suppliers to close out any non-conformances identified.

We are looking to build sustainability principles into project decision making and the procurement of products and materials. For example, as part of our road upgrade works for the Domestic precinct we selected LED overhead lighting and used locally sourced and recycled content construction materials where possible. We also selected LED lighting for our upgraded car park at the International precinct and energy efficient screens for our variable messaging systems that are being installed at both the Domestic and International precincts to optimise traffic flows.

Supporting small business suppliers

This year we joined the Business Council of Australia's voluntary Australian Supplier Payment Code, a voluntary program designed to support the long-term viability of small businesses. We commenced its implementation by analysing and defining those small businesses that the airport currently engages. We will further develop our internal processes to ensure we comply with the Code by December 2018, ensuring any small business we do business with is paid for services provided within 30 days.

HUMAN RIGHTS

This year we prepared a [Human Rights Policy](#) aligned with principles set out in the International Bill of Human Rights and the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work. We also joined the United Nations Global Compact, and have committed to align our business practices to 10 guiding principles on human rights, labour rights, environmental protection and measures to fight corruption.

For us, respecting human rights means:

- Providing a workplace that is free from discrimination, regardless of race, colour, religion, sex, language, political or other opinion, national or social origin, birth or other status;
- Delivering a safe, healthy and secure workplace; and
- Ensuring our people and suppliers have access to fair remuneration, collective bargaining, freedom of association and work life balance.

We developed a human rights program to implement our Human Rights Policy. This has involved updating our Supplier Code of Conduct and assessing our supply chain for human rights risks. We have assessed suppliers' compliance with our updated Code as part of our broader supply chain assessment.

In the coming year, we will deliver awareness and training programs for our people, in particular those who purchase products or services, develop labour contracts and manage third parties. We will also seek to work more collaboratively with the airport community on human rights issues, in particular where we can play a role in raising awareness or disseminating information on modern slavery or human trafficking matters.

Our Supplier Code of Conduct sets out our governance processes for addressing human rights risks in our supply chain, should they be identified. We also have grievance mechanisms in place to report concerns, including anonymously via our whistleblower reporting facility, SafeLanding.



Planning for the future

We are planning for the long term to support passenger growth and deliver a step change in customer experience.

“The airport of the future will anticipate a customer’s every need, providing a truly seamless experience. Responsive infrastructure design and a culture of innovation will set us apart as we plan for this exciting future.”

Stuart Rattray, General Manager Technology

TOTAL PASSENGERS

43.3m

⬆️ 3.6% from 2016

INVESTMENT IN CAPACITY AND SERVICE IMPROVEMENTS to 31 December 2017

\$428.5m

including the \$34.5m acquisition of the Ibis Budget hotel



3 NEW ONLINE APPLICATIONS LAUNCHED

8.2m SESSIONS ON OUR WEBSITE

6.7m VISITORS ACCESSED OUR FREE WI-FI



APPROX. ADDITIONAL PARKING SPACES (AT T1 INTERNATIONAL)

1,000

APPROX. BIKE STORAGE SPACES (AT T1 INTERNATIONAL)

100

CUSTOMER SATISFACTION (MAX SCORE: 5)



	INTERNATIONAL	DOMESTIC
OVERALL	4.01	3.95
Ambience	4.17	4.11
Cleanliness	4.24	4.14
Wayfinding	4.17	4.09



New bike storage facilities at the T1 International terminal.

1 Sustainability at Sydney Airport

2 Responsible business

3 Planning for the future

4 Supporting communities

5 Other information

ACCESS TO AND FROM THE AIRPORT

We recognise that ground transport is a critical step in the passenger journey and are committed to making it easier for airport users to travel to and from the airport. We've collaborated with the NSW Government to deliver an integrated ground transport plan that includes a joint \$500 million investment program. Now four years into this five-year program, we've staged work to enable ongoing airport operations and minimise disruption to airport and commuter traffic. The program is on track to be completed almost a year ahead of schedule.

The key objectives of the plan are to:

- Create better roads in and around the airport precinct;
- Improve access to the terminal precincts;
- Improve drop off and pick-up facilities;
- Increase train services to/from the airport;
- Increase bus services between the airport and greater Sydney; and
- Improve pedestrian/cycle access into and around the airport precincts.

In 2017, together with the Roads and Maritime Services (RMS) we worked to reduce congestion at the approaches to the International and Domestic

terminals. We widened Qantas Drive to three lanes in each direction between Robey and O'Riordan streets, while RMS reconfigured lower O'Riordan and Robey streets to a one-way pair system. This reduced complexity and provided more green light time for traffic at these key intersections. At the T1 International terminal, we opened a new exit road from Marsh Street to Centre Road, allowing over 600 vehicles/hour quicker access to Centre Road in the peak period. In addition, we provided traffic leaving Arrivals Court and Departures Road with a new dedicated exit road to Airport Drive, removing the traffic signals at Centre Road. We also expanded a car park at the T1 International terminal, providing 1,000 additional parking spaces.

We've built a shared pedestrian and cycleway at the T1 International terminal for safer and easier access to the airport. We also introduced dedicated pedestrian paths throughout the precinct to make it safer and easier to get around the airport by foot, reducing vehicle/pedestrian conflicts. To support this and promote more active transport, we also installed new bike storage facilities for 100 bicycles and will be upgrading change room facilities in the coming year.

ACCESS TO AND FROM THE AIRPORT

We welcomed the NSW Government's 2017 announcement to increase the number of train services to Sydney Airport, adding 200 additional services per week in November. There are now 10 trains per hour stopping at the two airport stations during peak times, 25% more than in 2013. We also welcomed the NSW Government's commitment to introduce new and expanded bus routes to the airport.

We continue to assess and plan for peak periods to minimise disruptions for passengers arriving at the airport.

We are implementing a plan to reduce delays by:

- Accommodating up to 30% more drop off vehicles per hour through the creation of an overflow drop-off facility;
- Implementing additional pick-up facilities;
- Heightened operations management through our Landside Operations Centre, working closely with NSW's Transport Management Centre to ensure optimal performance of the road network both on and off airport; and
- Encouraging Sydney Airport staff to use alternative forms of transport and arrive out of peak times.

DELIVERING CUSTOMER SERVICE EXCELLENCE

Providing a superior airport experience for our airline and passenger customers remains a key focus for Sydney Airport.

Airport user satisfaction

Our goal is to ensure passengers have a seamless and enjoyable journey through Sydney Airport. We recognise this requires collaboration between all airport business partners and stakeholders. Our Customer Charter outlines our commitment to this, and is available on our [website](#).

Our customers can provide feedback in a number of ways, listed on the 'Contact Us' page of our website. These options include our centralised phone number '133 SYD (793)', email, letter and an online contact form. We streamlined our customer service approach during the year, using the latest customer relationship

management (CRM) technology to manage interactions and ensure each customer's requirements are managed by the team member with the most relevant expertise. The CRM application also helped us to better manage and track trends in interactions with business partners such as airlines, government agencies and tenants.

We conducted more than 14,400 passenger surveys through an external provider to seek feedback on the quality and range of services that we provide at the airport. Our survey asked passengers to rate their experience using a five-point scale, where one is very poor and five is very good. In addition to this self-commissioned survey, we also participated in the Airport Council International's Airport Service Quality Benchmarking Program, allowing us to assess our performance against other similar airports worldwide.



Our volunteer Airport Ambassadors offer a warm welcome to visitors.

DELIVERING CUSTOMER SERVICE EXCELLENCE

Overall Passenger satisfaction¹

	2014	2015	2016	2017
Terminal				
T1 International	3.85	3.83	3.89	4.01
T2/T3 Domestic	3.85	3.85	3.91	3.95

¹ Passenger ratings provided as part of monthly passenger satisfaction surveys. These ratings are based on one question 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?". 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.

PASSENGER SATISFACTION DRIVERS

The feedback from our surveys told us the key drivers for overall passenger satisfaction were:

- ▶ Terminal ambience;
- ▶ Airport cleanliness;
- ▶ Gate comfort;
- ▶ Bathroom presentation; and
- ▶ Wayfinding.

Our Customer Experience Committee (CEC) is chaired by Sydney Airport's General Manager Corporate Affairs and meets on a monthly basis to review passenger feedback. The Committee ensures passenger satisfaction drivers are being used to inform our business decisions, particularly when identifying new areas for investment. This year, we delivered a number of capital improvements including gate lounge and bathroom upgrades, a new kids' zone as well as an expanded and enhanced multi-faith prayer room.

Our customer management system and complaint handling framework is certified to the International Customer Service Standard 2015-20, which is designed to assist organisations in the development, measurement and improvement of an effective customer service management system. As part of the certification, our systems are externally audited on an annual basis to ensure we continue to comply with the standard.

Enhancing the digital customer journey

We recognise technology and innovation present many opportunities for airports to improve operational efficiency and enhance the passenger experience and we strive to be a leading airport in innovation. To harness these opportunities we focused on collaborating with stakeholders to provide a seamless journey from the 'home to the gate' during the year.

Through our partnership with BizTweet, we have launched real-time flight updates via Facebook Messenger and Twitter to passengers. The application provides flight and gate information, plus departure and arrival times for domestic and international flights. We also launched indoor Baidu Maps at our T1 International terminal and Google Maps across all three terminals. Sydney Airport is the first organisation outside greater China to introduce Baidu Maps, a mobile mapping application which includes indoor view perspectives. Both Baidu and Google maps feature gates and check-in counters, amenities and retail outlets across multiple levels and make it easier for passengers to navigate the terminal.

These initiatives were supported by our broader technology strategy, which has delivered upgraded free Wi-Fi, self-service check-in, automated bag drops, SmartGates, real-time queue measurement displays and multilingual wayfinding e-directories.

In 2018, we'll begin the first phase of our biometrics roll out - the ultimate objective of which is to allow passengers to navigate through departure and arrival processes using facial recognition, without the need to present their passport at each processing point.

Airline partner satisfaction

While day-to-day interactions respond to most operational needs of our airline business partners, they also complement a more formal consultation framework. This framework helps prioritise our infrastructure projects and other business initiatives and ensures our airline partners remain informed and engaged from project inception through to delivery.

Central to our framework is the measuring of Key Performance Indicators (KPIs), which form part of our International Aeronautical Services Agreement. The KPIs reflect our airline customers' business needs and track performance across a range of areas relating to enhancing the passenger experience, improving operational outcomes and streamlining facilitation.

The KPI framework provides an objective and reliable data source to guide our investment in infrastructure, resource allocation and other solutions to improve safety, efficiency and passenger experience across the key areas of baggage, check-in, security and border facilitation, and bussing.

To measure the satisfaction of our airlines, we conducted ongoing airline surveys as well as regular 'pulse check' meetings throughout the year.

ENHANCING SERVICE DELIVERY AND IMPROVING OPERATIONAL EFFICIENCY

We work collaboratively with our airline partners to improve service delivery and enhance the customer experience. Whilst airline On Time Performance (OTP) at Sydney Airport is influenced by many factors, we understand that it is a key business driver for our partners and proactively identify opportunities for improvement. Ensuring passengers, bags and aircraft are all facilitated as efficiently as possible is a key enabler of OTP.

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 in 2017 was 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 were also made to conveyors and chutes where it was found that the bags were jamming due to “catch points”. This led to a secondary benefit for handlers, by reducing the need for manual intervention and the associated risk of manual handling injuries.

We have also been improving reliability by upgrading the system with new motors that are 30% more energy efficient. Having commenced this process in 2015, we are about 50% through our motor replacement program.

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 better use of our resources as demand continues to increase.

For example, we are working with airlines and ground handlers to create shared situational awareness to inform our decision-making processes as we manage the allocation of aircraft bays. This initiative uses an online platform to enhance sharing of performance data between stakeholders to target a flight arrival or departure within +/- 5 minutes of the scheduled time.

Ultimately this helps us more efficiently move aircraft into place for their arrivals and departures and supports our goal of improving on time performance for our airline customers. While the key objective of introducing A-CDM is to reduce delays, it also offers secondary benefits such as reduced operational costs and carbon emissions, and improved air quality.



MEETING FUTURE CAPACITY

Aircraft movements and passenger numbers have grown steadily over the past two decades. In 2017, international passengers grew by 7.2% while domestic passengers grew by 1.6%. This was driven primarily by new routes and services by existing airlines, upgauging aircraft, and the commencement of services by new carriers. We have delivered a number of improvement projects to meet future growth during the year. Refer to our [2017 Annual Report](#) for further information.

We 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. Our current Master Plan covering the period to 2033 can be found on [Sydney Airport's website](#). We have commenced preparation of a new Master Plan, due to be finalised in early 2019.

In addition to our master planning process, we continued to identify and investigate opportunities to meet future capacity requirements. We are currently considering the feasibility of various options for expanding capacity across both our Domestic and International precincts.

Passenger movements 2017

	Domestic	International	Total
Passengers			
Arriving	13,693,868	8,019,149	21,713,017
Departing	13,658,357	7,931,309	21,589,666
Total	27,352,225	15,950,458	43,302,683

	Arriving	Departing	Total	Total %
Region				
Asia-Pacific	5,679,621	5,607,790	11,287,411	70.8
Americas	1,246,328	1,242,823	2,489,151	15.6
Europe	227,193	228,186	455,379	2.9
Middle East	785,537	776,058	1,561,595	9.8
Africa	80,470	76,452	156,922	0.9
Total	8,019,149	7,931,309	15,950,458	100.0

Aircraft movements

	2014	2015	2016	2017
Domestic	173,160	178,999	179,436	180,788
Regional	58,240	58,823	60,813	59,423
International	65,316	64,303	70,409	73,641
General Aviation	23,176	25,149	27,231	26,096
Freight	7,298	7,727	8,548	8,572
Aircraft Movements Total	327,190	335,001	346,437	348,520
Cargo (tonnes)	411,084	443,390	477,243	414,124 ¹

¹ Data sourced from Bureau of Infrastructure, Transport and Regional Economics. As data was not available at time of reporting November and December 2017 monthly tonnage figures are estimates only.

Supporting communities

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

“Our success goes hand-in-hand with the success of our community. We strive to ensure the people of Sydney and NSW are proud of their airport, and continue to benefit from our sustainable growth.”

Sally Fielke, General Manager Corporate Affairs

\$4.9m invested in communities

FACE-TO-FACE COMMUNITY ENGAGEMENT



200 approx. hours

YOUNG INDIGENOUS PEOPLE SUPPORTED



in education and training opportunities

42

CARBON INTENSITY PER PASSENGER



27.2%

reduction since 2010

INCREASE IN NEXT GENERATION AIRCRAFT SINCE 2013

334%

at T1 International

25%

of international scheduled passenger flights were quieter, more fuel efficient next generation aircraft

COMMUNITY INVESTMENT FOCUS AREAS

FOCUS AREAS (%)	2017
Arts and culture	51.77
Social welfare	10.21
Health	10.16
Emergency relief	9
Economic development	8.17
Education and young people	6.39
Environment	3.63
Other	0.67

SOLAR INSTALLATION



550 kW

REDUCTION IN WATER USE



15%

per passenger since 2014



Sydney Airport have partnered with Conservation Volunteers Australia on the Kamay Botany Bay Regeneration Project since 2014.

COMMUNITY ENGAGEMENT

Fostering positive, strong, long lasting relationships with all those who might be affected by the decisions and activities related to the airport's operation is a priority for us, and we acknowledge this is vital to our long-term success.

We implemented an ongoing community and stakeholder engagement program to ensure we:

- Keep the local community, their elected representatives and other stakeholders informed about the operation, proposed development and future planning of the airport;
- Work cooperatively with Commonwealth and NSW governments and agencies, local governments and other organisations that have roles and responsibilities involving or affecting Sydney Airport;
- Communicate and make available relevant and accurate information about Sydney Airport to the community and other stakeholders in a timely manner, in a form that is easy to understand and in a way that reaches all stakeholders; and
- Listen to and genuinely consider feedback from the community and other stakeholders and, where possible, resolve issues of concern.

Throughout the year we engaged with a wide range of community and stakeholder groups in a variety of ways. These are outlined in the stakeholder engagement section of this report.

The Commonwealth and NSW governments have a joint framework to protect the prescribed airspace around Sydney Airport, and ensure that the highest aviation safety standards are maintained. We continue to work with community stakeholders and local governments to ensure proposed building and development activities comply with this framework. This included ensuring obstacles such as trees were appropriately pruned or, where necessary removed. We continued to engage with local governments and the community about any planned activities required to maintain the prescribed airspace.

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.

We prepare an Australian Noise Exposure Forecast (ANEF) and a range of other noise measures and publish them in our Master Plan. The ANEF is used primarily by local councils when making planning and development decisions in areas affected by noise around the airport. You can view our ANEF on our [website](#).

The International Civil Aviation Organisation (ICAO) has set progressively stricter noise standards for civil aircraft to reduce the noise impact airports have on local communities. New generation aircraft such as the Airbus380 and Boeing787 are much quieter than the aircraft they are replacing, and we work with our airline partners to accommodate more of these aircraft at the airport by upgrading our airfield and terminals. Since 2013, we’ve had a 334% increase in the number of new generation aircraft coming to the airport, and in 2017 25% of all international aircraft movements were new generation aircraft.

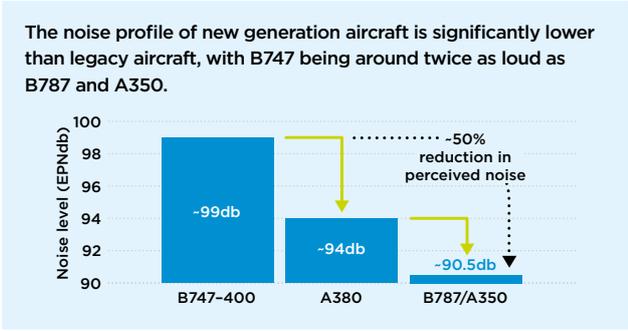
Noise from ground-based activities at Sydney Airport is managed separately to noise generated by aircraft taxiing, landing, taking off or in flight. Ground-based noise is generated from a number of sources on the airport including:

- Road traffic;
- Construction and development activities;
- Operation of audible alarm and warning systems;
- Operation of plant and equipment;
- Aircraft engine ground running; and
- Operation of aircraft auxiliary power units (APUs).

We have a ground-based noise management strategy that sets out operational rules designed to maintain safety standards, comply with relevant noise standards and practices, and minimise noise impacts. During the reporting period, a total of four ground-based noise complaints were received. Our environment team investigated all ground-based noise complaints and where appropriate implemented additional controls to reduce community impacts.

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 the Minister for Infrastructure and Transport and aviation authorities on abatement of noise and other related environmental issues.

Our Environmental Strategy includes a commitment to undertake air quality monitoring within the airport to ensure we provide relevant stakeholders with an up-to-date picture of local air quality and to assist in planning for future airport growth. As part of this, we are installing an air quality monitoring station at the airport. This station will be used to better inform future management and mitigating actions.



INVESTING IN OUR COMMUNITY

Our community investment strategy is underpinned by three pillars:

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 link the airport to broader Sydney 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



INVESTING IN OUR COMMUNITY

Community investment

		2014	2015	2016	2017
Total community investment	(\$m)	1.48	2.59	3.29	4.95¹

¹ In 2017, Sydney Airport contributed \$2.163m including management costs to the community, as verified by LBG AU & NZ. In addition, Sydney Airport provided free advertising space to community partners to the value of \$2.297m and facilitated additional contributions to the community from other sources such as customers and employees to the value of \$487,607 which we refer to as 'leverage' within the LBG framework.

Supporting women in sport

In early 2017 we became a foundation partner of the AFL Women's GWS GIANTS team in the league's inaugural season. We were proud to stand alongside the women's team as they forged new frontiers in their sport. As Foundation Partner we also supported GIANTS Care to help young people and families in Western Sydney access health and education services.

Maddy Collier, 22 played in the GWS Women's team and was part of a GIANTS Care Stand Tall workshop hosted by Sydney Airport for year 11 Kingsgrove High School female students. The workshop focussed on career journeys and pathways, experiences, insights, challenges and words of wisdom, including from former Sydney Airport Managing Director and CEO Kerrie Mather.

Maddy Collier moved from Nowra to Sydney for a job, and for the football. She began playing football for the University of NSW and became a priority pick for the GWS GIANTS inaugural women's team in 2016. She said it was one of the best moments of her life so far as it felt like a lot of hard work had come together.

"Playing in the inaugural season has been an incredible experience that I wouldn't trade for the world" Maddy said. "To be a part of something in its infant stage is quite special and I'm so excited about how much I have learned and will learn from this opportunity."

In 2018 Maddy's goal is to be more confident within herself so that she can play to her full ability.

"And off-field, I am aiming to get outside of my comfort zone so that I can grow more as a person. I am also planning to show more appreciation and produce less waste!"



INVESTING IN OUR COMMUNITY

COMMUNITY INVESTMENT

SPORT 

11 local sporting clubs

Including:
2 fitness camps with **546** members

EDUCATION

25 environmental sustainability programs in schools

1,730 students across NSW

MUSIC 

15,531 students access to Sydney Symphony Orchestra performances from

146 schools

FUNDING CANCER RESEARCH

2 years

SURF LIFE SAVING

6,350 young surf life savers trained in

15 Surf Life Saving Sydney Clubs

INDIGENOUS TRAINING AND LEARNING

42 young people through the Clontarf Foundation, CareerTrackers and Inner West Council

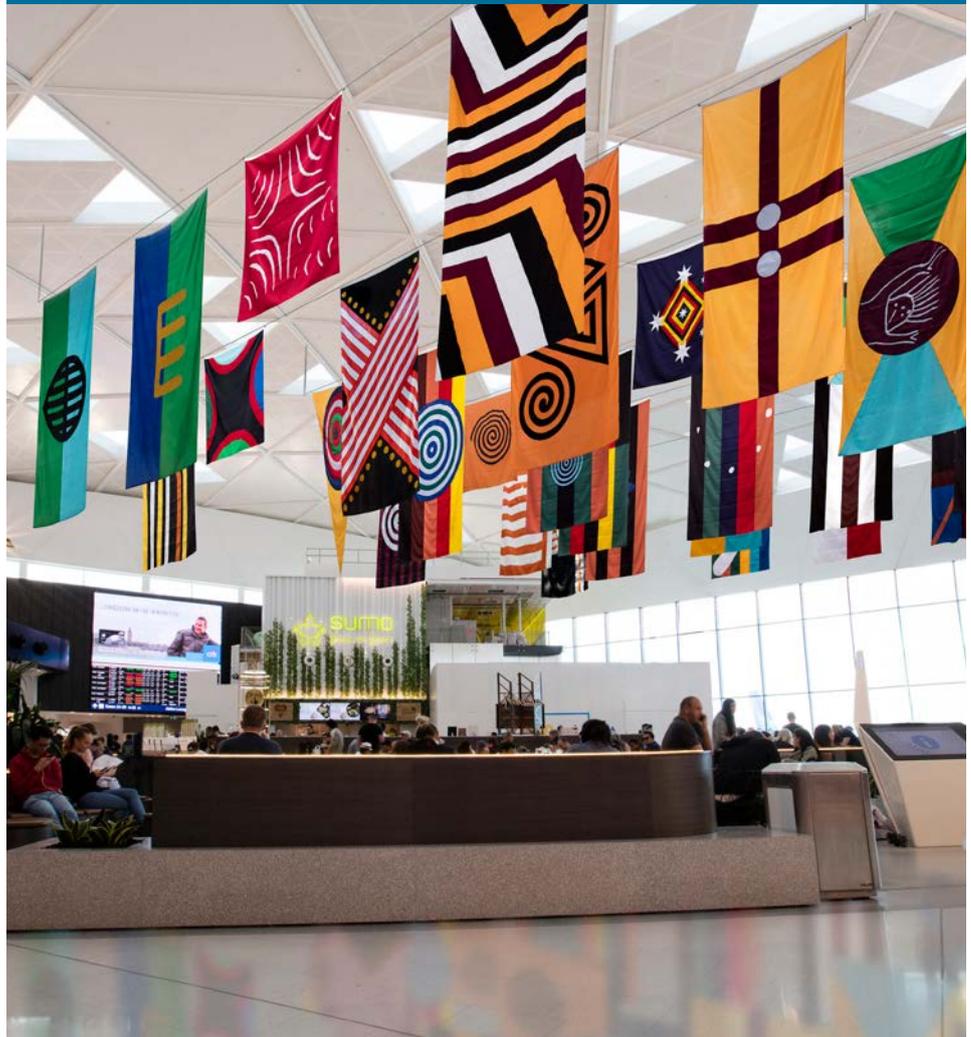
Promoting Indigenous artwork at the Airport

Sydney Airport commissioned a major public art project in a landmark partnership with the Museum of Contemporary Art (MCA). The partnership will create opportunities for the public to engage with exhibitions and programs at the MCA. Departing passengers will also soon enjoy a newly commissioned artwork, *United Neytions* by indigenous artist Archie Moore, due to be unveiled in the T1 Marketplace in 2018.

The artwork engages with the relationship of Indigenous and non-Indigenous Australia, bringing all groups together. Archie said, *"It is said Australia is now a multicultural country, yet we have always been a multicultural country."*

Moore's art will reinforce Sydney Airport's vision is to deliver a unique, world-class airport experience that sets Sydney apart.

Sydney Airport has also supported the local arts community through a major grant from the Sydney Airport Lost Property Auction to 107 Projects, a new creative community hub at Green Square. Our support will help house over 25 artists, creative practitioners, organisations and start-ups, enabling creative education and cultural participation for residents and visitors.



INVESTING IN OUR COMMUNITY



Surf Life Saving Sydney partnership

We've supported Surf Life Saving Sydney (SLS) since 2001 to keep our communities and travellers safe when swimming at our local beaches. Our investment from the beginning of this 17 year partnership has included supporting the Nipper development program as well as Sydney Juniors for 15 beaches from North Bondi to Burning Palms in the Royal National Park. In 2017 we increased our investment to support the patrolling surf lifesavers, including hosting them at the airport to educate arriving passengers on swimming safely at Sydney's beaches.

Kane Hughes has been a surf lifesaver at North Cronulla beach since 1996 where he started as a nipper at the age of six. He gained his Surf Rescue Certificate at the age of 14 and qualified for his Bronze Medallion one year later at 15. The Bronze Medallion is the core element of Surf Lifesaving and encompasses CPR, defibrillation and radio training, along with practical skills such as swim and board rescues. Kane is also a Qualified Patrol Captain, Duty Officer, Inflatable Rescue Boat and Jet Ski Driver. He was one of the first lifesavers in NSW to gain the CASA licence to fly Surf Life Saving drones.

For Kane, being a lifesaver means being able to enjoy the beach with friends and family. *"In addition to being able to give back to the community and keep the public safe, I have had countless wonderful and unique experiences, including travelling around Australia to deliver training programs and winning an Australian Championships gold medal, to realising you have just saved the life of someone's mother, child, or grandparent on Christmas day,"* Kane said. *"Being awarded the 2016 Australian Surf Life Saver of the Year was a huge honour and reflective of the opportunities presented to me by SLS, all of which would not be possible without the support of generous organisations such as Sydney Airport."*

1 Sustainable at Sydney Airport

2 Responsible business

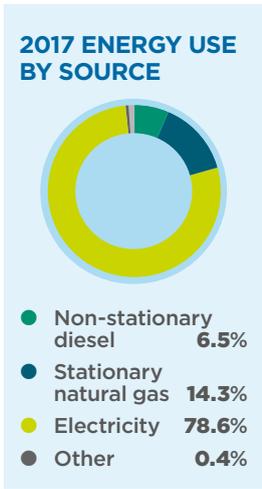
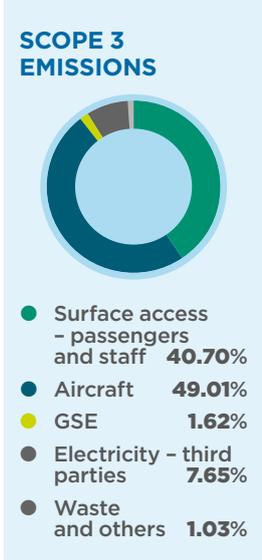
3 Planning for the future

4 Supporting communities

5 Other information

MANAGING OUR CARBON FOOTPRINT

TOTAL SCOPE 3 EMISSIONS
952,749 t CO₂e



We recognise our need to make a contribution to addressing climate change and restricting global temperature increases to less than 2°C as per the international agreement on climate change developed at the Paris Conference of Parties in 2015 (known as the Paris Agreement), and ratified by the Australian Government.

We are committed to playing our role to reduce carbon emissions by participating in the Airport Carbon Accreditation program, a voluntary carbon management scheme run by the Airports Council International (ACI). The scheme has four levels that progress from mapping carbon emissions, reducing emissions and engaging with third parties through to carbon neutrality.

This year we maintained our Level 3 Accreditation (Optimisation). The main requirements of Level 3 include:

- Expansion of the scope of the airport’s carbon footprint to incorporate specific Scope 3 emission sources (including the landing take-off cycles and all aircraft ground running operations, surface access for passengers and staff);
- Submission of a verified carbon footprint including Scope 3 emission sources;
- Evidence of activities to engage and assist stakeholders (such as airlines, ground handlers, staff and passengers) to reduce the overall carbon footprint; and
- Continued implementation of initiatives to achieve an ongoing reduction in Scope 1 and 2 emissions.

We updated our carbon target in 2017 to achieve a 50% per passenger reduction in carbon emissions by 2025 from 2010 levels. To date we have made good progress on our commitment, reducing our per passenger carbon intensity by 27.2% since 2010. We also reduced our absolute carbon emissions by 5.5% since 2010. This year we delivered the following carbon reduction initiatives:

- Delivery of energy demand management opportunities such as lighting upgrades, rationalisation of air conditioning set points, a building energy optimisation program and upgrading our baggage system components such as motors and conveyor belts to more energy efficient alternatives;
- Introduction of electric buses; and
- Installation of our first solar installation on the top of the car park at the T1 International terminal. At peak generation, 30% of the power will serve the structure’s power demand, and 70% will be fed back into the grid for Sydney Airport’s use.

We are also preparing a business-wide energy strategy to ensure a systematic, best practice approach to demand management, procurement and monitoring of energy use.

We use a significant amount of energy to operate our facilities, with almost 80% of our energy use arising from the purchase of electricity for heating, ventilation and cooling (HVAC) systems, lighting, baggage handling, lifts and elevators.

Further information on how we are managing climate risk can be found in the Responsible Business section of this report.

Carbon emissions¹

	FY14	FY15	FY16	FY17
Emissions (tCO₂e)				
Scope 1 ²	5,024	5,349	5,746	5,826
Scope 2 ³	85,425	82,999	79,898	82,062
Total Scope 1 & 2	90,448	88,348	85,644	87,888
Emissions intensity⁴ (kg CO₂e per passenger)	3.20	3.05	2.79	2.73

1 Carbon emissions calculated in accordance with the National Greenhouse Accounts Factors 2013. Excludes emissions from tenants and T3.
 2 Scope 1 emissions include CO₂, CH₄, and N₂O. Excludes biogenic CO₂ emissions.
 3 Scope 2 emissions include CO₂ emissions.
 4 Emissions Intensity includes Scope 1 (CO₂, CH₄, and N₂O) and Scope 2 (CO₂) emissions. Passenger numbers exclude T3.

ENVIRONMENTAL MANAGEMENT

All major airports inevitably have an effect on the environment in which they operate, and we are committed to working with others to ensure aviation plays its role in protecting the environment.

Our cooperative and proactive approach to environmental management continued in 2017 as we worked with regulatory agencies, airport stakeholders and our business partners to reduce environmental impacts.

As part of our Master Plan we prepare an Airport Environment Strategy which provides the strategic direction for the environmental performance and management of the airport over a five-year period. The purpose of the strategy is to:

- Promote the continual improvement of environmental management and performance at the airport and build on the achievements and goals of previous strategies;
- Ensure that all operations at the airport are undertaken in accordance with relevant legislation and standards; and
- Establish a framework for assessing compliance at the airport with relevant environmental legislation and standards.



New solar installation on top of the P6 car park at T1 International.

Our [Airport Environmental Strategy 2013-2018](#) outlines more than 100 ongoing actions and initiatives to minimise our impact on the environment and support sustainable growth. Our strategy maps out a program of works to address key environmental aspects including:

- Climate change and energy management;
- Water management;
- Air quality;
- Ground-based noise;
- Ground transport;
- Biodiversity and conservation;
- Heritage;
- Waste and resource management;
- Soil and land management; and
- Spills and hazardous materials.

The Commonwealth Government approves our Strategy and we prepare and submit an annual report that details our progress against our commitments.

As outlined in our strategy, we take a risk-based approach to environmental management and have an environmental management system consistent with AS/NZS ISO14001 Environmental Management Systems (EMS) – Requirements with Guidance for Use. Our EMS provides the framework by which our daily environmental management can be planned, implemented and reviewed, enabling a cycle of continuous improvement. This year we undertook a review of our EMS against the updated ISO standard, and will be updating it in 2018 based on the outcomes.

Waste management

Waste generated at the airport includes a broad range of solid and liquid waste streams from aircraft servicing, food, scrap metals and litter from terminal builds and maintenance areas. Sydney Airport manages the majority of waste disposal from T1 International and the aprons, T2 Domestic and various other locations at the airport. Qantas is responsible for the management and disposal of waste from T3 Domestic and the Qantas Jet Base.

We are preparing a waste management strategy to reduce waste to landfill and are investigating a range of initiatives as part of this process including:

- Reclassifying certain waste as non-quarantine to allow for recycling of airside waste where possible;
- Recycling of coffee grounds at our terminals; and
- Improving use of existing recycling infrastructure at our terminals.

ENVIRONMENTAL MANAGEMENT

Waste generation¹

		FY14	FY15	FY16	FY17
Waste to landfill (excl. quarantine waste)	(tonnes)	2,552	2,369	2,611	2,851
Recycled waste	(tonnes)	1,757	1,687	1,799	2,101
Quarantine waste (also goes to landfill)	(tonnes)	1,195	1,268	1,330	1,486
Total waste	(tonnes)	5,504	5,324	5,740	6,438
Percentage of total waste recycled ²	(%)	40.77	41.59	40.79	42.43
Total waste per passenger	(kg)	0.194	0.184	0.187	0.20

¹ Includes all 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 from July 2015 to March 2016 and 30% from April to June 2016.

² Excludes quarantined waste.

Water management

The airport's recycled water treatment plant recycles sewerage from sources within the International precinct for reuse in toilet flushing and cooling towers. In late 2016, we upgraded our treatment plant by installing a second bioreactor and increasing the capacity of water that can be treated at the plant from half a megalitre a day to up to one megalitre a day. We are currently investigating the feasibility of mining sewage from the main to further increase our use of recycled water at the airport and reduce our reliance on potable water.

We continued to deliver improvement initiatives during the year such as replacing bathroom equipment with more water efficient alternatives and we've recently upgraded our water monitoring control system to provide greater visibility of how and where we are using water across the airport.

As a result of our efforts we have reduced water use per passenger by about 15% since 2014.

Protecting biodiversity

The Botany Wetlands consist of 11 interconnected ponds that stretch over 4km from Gardeners Road in Mascot to the northern shore of Botany Bay. The wetlands are listed as significant on the Directory of Important Wetlands in Australia. We manage the downstream sections of the Botany Wetlands including Mill Pond (southern section), Engine Pond East and Engine Pond West and Mill Stream, with these known collectively as the Sydney Airport Wetlands. Under the Airports Act 1996 these wetlands are designated as an environmentally significant area.

As part of our Wetlands Enhancement Program, we've completed the following activities during the year:

- Terrestrial and aquatic weeding;
- Feral animal management;
- Water quality monitoring; and
- Revegetation, maintenance and monitoring of enhancement works undertaken in previous years, including maintenance of revegetation plantings.



Undertaking water quality monitoring at the Botany Wetlands.

Performance data

	2013	2014	2015	2016	2017
HEALTH & SAFETY					
Lost Time Incidents ¹	5	3	3	3	5
Lost Time Injury Frequency Rate (LTIFR) ²					
Employees	6.5	5.5	2.4	3.3	5.0
Service providers ³			7.2	6.8	4.7
Total Recordable Injury Frequency Rate (TRIFR) ⁴					
Employees	19.4	16.4	9.6	17.6	15.0
Service providers			19.8	19.9	19.4
Passenger Incident Rate ⁵		1.95	0.96	1.12	0.97
Aviation safety hours	2,623	2,519	6,994	8,780	8,256
Annual wildlife strikes ⁶	1.5	1.7	1.5	1.8	1.9
Fatalities	0	0	0	0	0
Absenteeism rate (%)		2.4	2.0	2.4	2.8

1 The number of work-related injuries that result in at least one full day or shift being lost after the day in which the injury or illness occurred.

2 Lost time injuries per one million hours worked, incurred by employees and services providers.

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 lost time injuries (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.

CUSTOMER					
Passenger satisfaction ⁷					
International	3.88	3.85	3.83	3.89	4.01
Domestic	3.75	3.85	3.85	3.91	3.95
Ambience					
International	4.04	4.01	3.91	3.99	4.17
Domestic	3.88	3.99	3.98	4.06	4.11
Cleanliness					
International	4.11	4.07	4.07	4.13	4.24
Domestic	3.93	4.05	4.04	4.11	4.14
Wayfinding					
International	4.04	4.01	3.91	3.99	4.17
Domestic	3.83	3.91	3.98	4.02	4.09

7 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; and

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.

Performance data

	2013	2014	2015	2016	2017
PEOPLE					
Employee headcount	338	348	379	418	441
Permanent					
Full-time	316	324	348	373	387
Part-time	14	14	11	18	26
Fixed term					
Full-time	4	8	19	26	24
Part-time	2	2	1	1	4
Casual	2	0	0	0	0
Age					
18-34	74	68	83	96	103
35-52	201	211	224	246	261
53-69	63	69	72	76	77
Female representation (%)⁸					
Senior Executive	44.0	44.4	40.0	33.3	27.3
Senior Manager	25.0	20.0	35.5	41.4	48.3
Other Manager				35.5	36.5
Middle Manager	43.3	41.4	37.9	n/a	n/a
Manager	18.9	16.7	27.6	n/a	n/a
Technical	5.0	5.1	6.4	8.0	8.1
Professional	40.4	40.4	40.5	42.0	43.2
Administration	90.3	88.6	90.6	94.3	92.3
Specialist	25	20	25	n/a	n/a
Overall	30.9	30.8	33.8	36.4	37.9
Total women in management (%)		26.7	32.8	36.8	38.9
Gender pay equity ratio	95.4	93.6	96.9	94.5	92.2
New hires (total)	39	55	86	87	80
Internal recruitment (%)			42.0	39.0	34.4
New hires by gender (%)					
Female	51.3	30.9	48.8	47.1	50.0
Male	48.7	69.1	51.2	52.9	50.0
New hires by age					
18-34	20	24	44	38	39
35-52	16	27	41	46	40
53-69	3	4	1	3	1
Turnover (%)					
Voluntary	5.0	8.4	11.7	7.7	11.6
Non-voluntary	2.4	4.6	3.2	4.2	1.9
Training					
Average hours of training per employee			9.3	11.9	10.0
Parental leave					
Employees who took parental leave during the year	5	7	10	10	13
Employees returning to work after parental leave during the year	3	2	5	3	3
Parental leave return to work rate (%)	100	100	100	100	100
Number of employees taking secondary carer's leave	9	3	10	16	11

⁸ 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.

	2013	2014	2015	2016	2017
COMMUNITY					
Volunteer hours				252	163
% of employees participating in payroll giving		0.86	1.85	3.83	3.17
Community investment (\$m) ⁹		1,484	2,597	3,292	4,948

9 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.

ENVIRONMENT					
Carbon emissions ¹⁰	90,716	90,448	88,348	85,644	87,888
Scope 1 ¹¹	5,364	5,024	5,349	5,746	5,826
Scope 2 ¹²	85,350	85,425	82,999	79,898	82,062
Emissions intensity (kg CO ₂ per passenger) ¹³	3.20	3.20	3.10	2.79	2.73
Total carbon emissions offset through Greenfleet program (tonnes CO₂e)	430	430	430	295	296
Energy (GJ)¹⁴					
Electricity	349,159	353,481	347,439	342,421	351,696
Stationary natural gas	60,961	52,775	64,804	63,422	64,298
Non-stationary diesel	25,866	28,398	24,593	27,316	29,472
Other	6,180	4,745	4,429	7,944	1,817
Total energy	442,166	439,399	441,265	441,103	447,283
Waste¹⁵					
Waste to landfill (tonnes excluding quarantine)	2,474	2,552	2,369	2,611	2,851
Recycled waste (tonnes)	1,592	1,757	1,687	1,799	2,101
Quarantine waste (tonnes, also to landfill)	1,592	1,195	1,100	1,330	1,486
Total waste (tonnes)	5,166	5,504	5,324	5,740	6,438
Percentage of total waste recycled (excluding quarantine waste)	39.15	40.77	41.59	40.79	42.43
Total waste per passenger (kg)	0.183	0.194	0.184	0.187	0.200
Water¹⁶					
Potable water consumption (KL)		562,792	671,031	507,211	600,845
Ground water (KL)		3,822	2,513	2,757	3,964
Water recycled (KL)		222,330	206,627	209,617	151,272 ¹⁷
Total water use (KL)		788,944	880,171	719,585	756,081
Percentage of total water recycled (%)		28.2	23.5	29.2	20.00
Water use per passenger (L)		27.87	30.39	23.46	23.52
Noise					
Ground running noise complaints	3	13	11	5	4
Breaches of the Aircraft Engine Operating Procedures	0	0	0	1	0
Environmental spills					
Large spills (greater than 100m ²)	10	5	3	4	1

10 Carbon emissions calculated in accordance with the National Greenhouse Accounts Factors 2013. Excludes emissions from tenants and T3.

11 Scope 1 emissions include CO₂, CH₄, and N₂O. Excludes biogenic CO₂ emissions.

12 Scope 2 emissions include CO₂ emissions.

13 Emissions Intensity includes Scope 1 (CO₂, CH₄, and N₂O) and Scope 2 (CO₂) emissions. Passenger numbers exclude T3.

14 Energy usage and sources calculated in accordance with the National Greenhouse Accounts Factors 2013. Excludes energy usage by tenants at T3.

15 Includes all waste generated at the airport, with the exception of waste generated on aircrafts, T3, Qantas premium lounge and car parks. It also excludes construction waste. Recycled waste assumes a recovery rate of 25% from the general waste stream.

16 Water usage excludes T3.

17 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.

2018 commitment summary



RESPONSIBLE BUSINESS

NEW COMMITMENT:

- ▶ Develop an enhanced safety management program for contractors working at Sydney Airport
- ▶ Deliver an integrated safety platform to improve the monitoring and measurement of our safety performance
- ▶ Identify and develop minimum requirements for our critical safety risks
- ▶ Deliver an e-learning module on active armed offender awareness
- ▶ Deliver an enhanced airside security awareness program in line with new Australian government requirements
- ▶ Introduce annual employee declaration of compliance with Code of Conduct
- ▶ Develop and deliver of an employee based sustainability awareness program
- ▶ Undertake a scenario analysis to assess climate-related risks as per the Financial Stability Board's Taskforce on Climate-related Financial Disclosures guidelines
- ▶ Develop and deliver of a human rights program to ensure delivery of commitments made in the Airport's Human Rights Policy
- ▶ Conduct a full-scale emergency field exercise focusing on an aviation security related incident
- ▶ Develop a Diversity and Inclusion action plan
- ▶ Cascade engagement survey results and implement initiatives for target areas (flexibility, systems and processes simplification and continued focus on collaboration)
- ▶ Continue leadership and management development program
- ▶ Ongoing skills development to equip people for their roles

▶ CONTINUING FROM 2017:

- ▶ Continue development and roll out of aviation safety e-learning modules for airside workers
- ▶ Deliver a safety leadership training for people management
- ▶ Implement an airside driving management system
- ▶ Enhance security systems including upgrading CCTV and access control
- ▶ Customer service training for frontline teams
- ▶ Leverage our online learning system
- ▶ Deliver a supplier engagement strategy as part of our Sustainable Supply Chain Management Program



PLANNING FOR THE FUTURE

NEW COMMITMENT:

- ▶ Improve end-of-trip active transport facilities
- ▶ Install electronic variable messaging systems on road gantries in both precincts to provide drivers with relevant information to guide them efficiently to, from and through the airport
- ▶ Widen the entry from Marsh Street to two inbound lanes to the T1 precinct
- ▶ Provide a flyover exit from Airport Drive to Arrivals Court to remove traffic weave at approach to Departures ramp
- ▶ Continue to work closely with Roads and Maritime Services as they complete the widening of Joyce Drive and progress the other Airport East and North works.
- ▶ Rollout biometrics capability at T1 International
- ▶ Deliver a Target Off Block Time (TOBT) trial as part the delivery of an Airport Collaborative Decision Making framework
- ▶ Deliver an Automatic Dependent Surveillance Broadcast (ADS-B) system to improve efficiency of the airfield
- ▶ Develop and deliver an improvement plan targeting a Green Star performance rating to improve operational efficiency of assets
- ▶ Develop a program to measure indoor environmental air quality within the terminals
- ▶ Deliver a business-wide energy management strategy

CONTINUING FROM 2017:

- ▶ Creation of an additional exit lane and replacement of Cooks River Avenue traffic signals with a free-flowing upgrade
- ▶ Continued upgrade of the baggage handling systems including installation of more energy efficient motors
- ▶ Increased automation of passenger facilitation in the check-in halls and at the borders
- ▶ Completion and publication of terminal design guidelines
- ▶ Continue to encourage sustainability principles to be embedded into retail fit-outs
- ▶ Continue to encourage healthy eating and lifestyle choices in our terminals
- ▶ Deliver a ground power and pre-conditioned air improvement program
- ▶ Deliver a gate lounge redevelopment program at T1 International



SUPPORTING COMMUNITIES

NEW COMMITMENT:

- ▶ Delivery of an air quality monitoring program
- ▶ Development of a Reconciliation Action Plan
- ▶ Investigate feasibility of sewage mining to increase capacity for the airport's water treatment plant
- ▶ Explore opportunities to increase the profile and promote the Australian arts and cultural industry through our partnerships with art galleries, museums and cultural festivals
- ▶ Target partnership opportunities with local universities and TAFE providers to support the development, education and employment opportunities for young people
- ▶ Strengthen the profile of women's sport to support the empowerment of women and girls
- ▶ Refresh Sydney's Airport's existing community engagement and consultation strategy to ensure consistency with contemporary IAP2 standards and practices
- ▶ Enhance measures to engage surrounding communities as part of our planning and design process, in particular on matters that may directly affect them
- ▶ Enhance and continue to work with local communities to deliver programs that deliver positive outcomes for the local environment

CONTINUING FROM 2017:

- ▶ Continue to support airlines and deliver necessary infrastructure as they increase aircraft size and upgrade their fleet
- ▶ Continue to implement energy and carbon reduction projects to reduce Sydney Airport's carbon footprint
- ▶ Finalise the waste and resource recovery assessment and commence implementation of feasible initiatives
- ▶ Review and update Sydney Airport's community and stakeholder engagement strategy to ensure consistency with the IAP2 framework
- ▶ Upgrade the Environmental Management System to align with the latest ISO14001 standards and launch the new system business-wide

GRI index

GRI REFERENCE	DESCRIPTION	RELEVANT SECTION/ COMMENTARY
G4-1	Statement from the most senior decision maker in the organisation	Introduction from the Chairman and CEO
G4-3	Name of organisation	Sydney Airport Limited
G4-4	Report primary brands, products and services	<i>Annual Report, About Sydney Airport</i>
G4-5	Location of organisation's headquarters.	<i>Sustainability Report, Corporate directory</i>
G4-6	Number and name of countries of operation	Sydney Airport operates from Kingsford Smith Airport, Sydney, NSW, Australia.
G4-7	Nature of ownership and legal form	<i>Sustainability Report, Corporate directory</i>
G4-8	Markets served	<i>Annual Report, About Sydney Airport</i>
G4-9	Scale of organisation, including: Total number of employees; Net sales; Total capitalisation broken down in terms of debt and equity; and Quantity of products or services provided	<i>Sustainability Report, Responsible business - Looking after our people and 2017 Full Year Financial Report</i>
G4-10	Employee numbers, gender breakdown, employment type, workforce by region, variation in employment	<i>Sustainability Report, Responsible business - Looking after our people and Performance Data.</i> All employees are based in Sydney.
G4-11	Percentage of total employees covered by collective bargaining agreements	As at December 2017 we had 44.2% of our workforce covered by an enterprise agreement.
G4-12	Description of the organisation's supply chain	Sydney Airport's major suppliers include those that support the airport's developments or deliver services to and maintenance of airport facilities. In 2017, Sydney Airport's top supplier categories by spend were: 1. Construction services 2. Security services and equipment 3. Facilities assets maintenance services 4. Civil & asphalt works 5. Utilities - electricity/water/gas
G4-13	Significant changes during the reporting period	None

GRI REFERENCE	DESCRIPTION	RELEVANT SECTION/ COMMENTARY
G4-14	Explanation of whether and how the precautionary approach or principle is addressed by the organisation	The precautionary principle is reflected in Sydney Airport's approach to risk management. Refer to the <i>2017 Corporate Governance Statement</i> for further information
G4-15	Externally developed economic, environmental and social charters, principles or other initiatives to which the organisation subscribes or which it endorses	Sydney Airport uses the Global Reporting Initiative G4 Guidelines to develop this sustainability report. We participate in a number of sustainability initiatives including Inter Airport Environment Forum, the Airport Carbon Accreditation Program and the London Benchmarking Group. We benchmark our activities using international indices to improve our performance including the Dow Jones Sustainability Index, MSCI and FTSE4Good.
G4-16	Memberships of associations (such as industry associations) and national or international advocacy organisations	<p>Current Memberships across the company:</p> <ul style="list-style-type: none"> Airport Councils International ANZ Airports ICT Forum Asia Pacific Travel Retail Association Asialink Business Australasian Investor Relations Association (AIRA) Australia Arab Chamber of Commerce Australia Indonesia Association Australia-Israel Chamber of Commerce Australian Airports Association Australian Chamber of Commerce and Industry (ACCI) Australia China Business Council Australian Logistics Council Australia Tourism Export Council (ATEC) Botany Bay Business Enterprise Centre Business Council of Australia Business Events Sydney CAPA - Centre for Aviation CEDA - Centre for the Economic Development of Australia Chief Executive Women Committee for Sydney Diversity Council of Australia (DCA) Green Building Council of Australia Infrastructure Partnerships Australia NSW Business Chamber (Sydney First) Outdoor Media Association Parking Australia Property Council of Australia (NSW Company membership) Sydney Roundtable strategic partnership Tourism and Transport Forum Australia (TTF) Western Sydney Leadership Dialogue
G4-17	All entities included in the organisation's consolidated financial statements or equivalent documents including indication which of these are not covered by the report	<i>Sustainability Report, About this report</i>

GRI REFERENCE	DESCRIPTION	RELEVANT SECTION/ COMMENTARY
G4-18	Process for defining the report content and the Aspect Boundaries	<i>Sustainability Report, Focusing on the issues that matter</i>
G4-19	Material Aspects identified in the process for defining report content	<i>Sustainability Report, Focusing on the issues that matter</i>
G4-20	Aspect Boundary within the organisation for each material Aspect	<i>Sustainability Report, Focusing on the issues that matter</i>
G4-21	Aspect Boundary outside the organisation for each material Aspect	<i>Sustainability Report, Focusing on the issues that matter</i>
G4-22	Effect of any restatements of information provided in previous reports, and the reasons for such restatements	Not applicable
G4-23	Significant changes from previous reporting periods in the Scope and Aspect Boundaries	Not applicable - no significant change from previous reporting period.
G4-24	List of stakeholder groups engaged by the organisation	<i>Sustainability Report, Stakeholder engagement</i>
G4-25	Basis for identification and selection of stakeholder groups within whom to engage	<i>Sustainability Report, Focusing on the issues that matter</i>
G4-26	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group	<i>Sustainability Report, Stakeholder engagement</i>
G4-27	Key topics and concerns that have been raised through stakeholder engagement, and how the organisation has responded to those key topics and concerns, including through its reporting	<i>Sustainability Report, Stakeholder engagement</i>
G4-28	Reporting period for information provided	<i>Sustainability Report, About this report</i>
G4-29	Date of most recent previous report	The most recent previous report was the 2016 Sustainability Report.
G4-30	Reporting cycle	Annual
G4-31	Contact point for questions regarding the report or its contents	<i>Sustainability Report, About this report</i>
G4-32	In accordance option chosen for the report	<i>Sustainability Report, About this report</i>
G4-33	Policy and current practice with regard to seeking external assurance for the report	<i>Sustainability Report, About this report</i>
G4-34	Governance structure of the organisation, including committees of the highest governance body and any committees responsible for decision-making on economic, environmental and social impacts	<i>Sustainability Report, Sustainability governance</i> <i>2017 Corporate Governance Statement</i>
G4-56	Values, principles, standards and norms of behaviour such as codes of conduct and code of ethics	<i>Sydney Airport website, About us</i>

GRI REFERENCE	DESCRIPTION	RELEVANT SECTION/ COMMENTARY																				
G4-DMA	Report why an Aspect is material. Outline management approach to reducing impact. Outline mechanism for evaluating effectiveness of management approach	<p>An overview of the process to determine our material issues is outlined in the 'Focusing on the issues that matter' section of the Sustainability Report. Our materiality assessment involves the identification and prioritisation of issues and is based on the methodology set out in the Global Reporting Initiative (GRI) G4 guidelines. This requires consideration of the level of stakeholder concern and the current or potential impact. Our overall approach to managing our material issues is outlined in the <i>Sustainability governance</i> section of the Sustainability Report. The Safety, Security and Sustainability Committee together with the Sustainability Committee, Safety Committee and Diversity Council, are responsible for evaluating the effectiveness of the management approach including the review of performance on an ongoing basis. Wherever possible our approach is to reduce any negative impacts associated with our operations and seek opportunities to enhance positive impacts. Our management approach to addressing specific material issues together with our performance can be found in the following sections:</p> <p><i>Responsible business</i> <i>Planning for the future</i> <i>Supporting communities</i></p>																				
G4-EC1	Direct economic value generated and distributed. Economic value retained	<p style="text-align: right;">(\$m)</p> <table border="1"> <thead> <tr> <th colspan="2" data-bbox="890 1176 1189 1205">Economic value generated</th> </tr> </thead> <tbody> <tr> <td data-bbox="890 1216 1013 1245">- Revenue</td> <td data-bbox="1252 1216 1332 1245">1,483.3</td> </tr> <tr> <th colspan="2" data-bbox="890 1256 1189 1285">Economic value distributed</th> </tr> <tr> <td data-bbox="890 1296 1157 1326">- Operating expenditure</td> <td data-bbox="1252 1296 1332 1326">(222.3)</td> </tr> <tr> <td data-bbox="890 1337 1204 1366">- Employee benefit expenses</td> <td data-bbox="1268 1337 1332 1366">(57.5)</td> </tr> <tr> <td data-bbox="890 1377 1157 1429">- Payments to providers of capital</td> <td data-bbox="1236 1377 1332 1429">(1,206.0)</td> </tr> <tr> <td data-bbox="890 1440 1189 1469">- Payments to governments</td> <td data-bbox="1284 1440 1332 1469">(8.4)</td> </tr> <tr> <td data-bbox="890 1480 1173 1509">- Community investments</td> <td data-bbox="1284 1480 1332 1509">(5.0)</td> </tr> <tr> <td data-bbox="890 1520 1189 1550">Economic value distributed</td> <td data-bbox="1236 1520 1332 1550">(1,499.2)</td> </tr> <tr> <td data-bbox="890 1561 1157 1590">Economic value retained</td> <td data-bbox="1268 1561 1332 1590">(15.9)</td> </tr> </tbody> </table>	Economic value generated		- Revenue	1,483.3	Economic value distributed		- Operating expenditure	(222.3)	- Employee benefit expenses	(57.5)	- Payments to providers of capital	(1,206.0)	- Payments to governments	(8.4)	- Community investments	(5.0)	Economic value distributed	(1,499.2)	Economic value retained	(15.9)
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- Community investments	(5.0)																					
Economic value distributed	(1,499.2)																					
Economic value retained	(15.9)																					
G4-EC2	Financial implications and other risks and opportunities for the organisation's activities due to climate change	<i>Sustainability Report, Climate change</i>																				
G4-EN3	Energy consumption within the organisation	<i>Sustainability Report, Performance data</i>																				
G4-EN8	Total water withdrawal by source	<i>Sustainability Report, Performance data</i>																				
G4-EN10	Percentage and total volume of water recycled and reused	<i>Sustainability Report, Performance data</i>																				
G4-EN11	Operational sites owned, leased, managed in, or protected areas and areas of high biodiversity value outside protected areas	<i>Environmental Strategy 2013 - 2018 pp. 14, 67-70</i>																				

GRI REFERENCE	DESCRIPTION	RELEVANT SECTION/ COMMENTARY
G4-EN12	Description of significant impacts of activities, products and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas	<i>Environmental Strategy 2013 – 2018 pp. 14, 67-70</i>
G4-EN15	Direct GHG emissions (Scope 1)	<i>Sustainability Report, Performance data</i>
G4 -EN16	Direct GHG emissions (Scope 2)	<i>Sustainability Report, Performance data</i>
G4-EN18	GHG intensity	<i>Sustainability Report, Performance data</i>
G4-EN19	Reduction of GHG emissions	<i>Sustainability Report, Performance data</i>
G4-EN23	Total weight of waste by type and disposal method	<i>Sustainability Report, Performance data</i>
G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	There were no significant fines or non-monetary sanctions during the reporting period.
GA-LA1	Total number and rates of new employee hires and employee turnover by age group, gender and region	<i>Sustainability Report, Performance data</i>
G4-LA3	Return to work and retention rates after parental leave, by gender	<i>Sustainability Report, Performance data</i>
GA-LA5	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs	The WHS Staff Committee has been established to represent workers and is a key avenue of consultation in the workplace. The WHS Staff committee reports through to the Safety Steering Committee, which is chaired by the CEO. The WHS Staff Committee has representatives from each department who meet on a regular basis to discuss safety issues, lost time injury rates and any incidents that have occurred.
G4-LA6	Type of injury and rates of injury, occupational diseases, lost days and absenteeism and total number of work-related fatalities by region and gender	<i>Sustainability Report, Performance data</i>
G4-LA9	Average hours of training per year per employee by gender, and by employee category	<i>Sustainability Report, Performance data</i>
G4-LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	<i>Sustainability Report, Looking after our people</i>
G4-LA11	Percentage of employees receiving regular performance and careers development review, by gender and by employee category	Sydney Airport requires all of its employees to participate in its performance program, which involves setting performance objectives and formally evaluating performance twice during the year. Our employees are also encouraged to have career discussions with their managers. In 2017, 100% of eligible employees participated in a formal performance assessment which requires performance outcomes to be documented in our performance system.

GRI REFERENCE	DESCRIPTION	RELEVANT SECTION/ COMMENTARY
G4-LA12	Composition of governance bodies and breakdown of employees by employee category according to gender, age group, minority group membership, and other indicators of diversity	<i>Sustainability Report, Looking after our people, Performance data</i>
G4-LA13	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation	<i>Sustainability Report, Performance data</i>
G4-SO1	Percentage of operations with implemented local community engagement, impact assessments and development programs	<i>Sustainability Report, Supporting communities</i> Sydney Airport operates a single airport and therefore this equates to 100%.
G4-SO2	Operations with significant actual and potential negative impacts on local communities	<i>Sustainability Report, Supporting communities</i>
G4-SO3	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified	<i>Sustainability Report, Responsible business - ethics and integrity</i>
G4-PR5	Results of surveys measuring customer satisfaction	<i>Sustainability Report, Planning for the future - delivering customer service excellence</i>
G4-PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	Sydney Airport did not receive any fines or non-monetary sanctions for non-compliance during the reporting period.
G4-SO7	Total number of legal actions for anti-competitive, anti-trust, and monopoly practices and their outcomes	Sydney Airport did not receive any legal actions for anti-competitive, anti-trust or monopoly practices during the reporting period.
A01	Total number of passengers annually, broken down by passengers on international and domestic flights and broken down by origin and destination and transfer passengers including transit passengers	<i>Sustainability Report, Planning for the future</i>
A02	Total annual number of aircraft movements by day and by night, broken down by commercial passenger, commercial cargo, general aviation and state aviation flights	<i>Sustainability Report, Planning for the future</i>
A03	Total amount of cargo tonnage	<i>Sustainability Report, Planning for the future</i>
A07	Number and percentage change of people residing in areas affected by noise	<i>Sustainability Report, Supporting our communities - Noise and air quality</i> Also refer to Airservices Australia's website for monthly noise statistics report
A09	Total annual number of wildlife strikes per 10,000 aircraft movements	<i>Sustainability Report, Performance data</i>

CONCLUSION

Based on the procedures performed, and the evidence obtained, we are not aware of any material misstatements in the Selected Data Claims, 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 2017.

INFORMATION SUBJECT TO ASSURANCE

The Selected Sustainability Information, as presented in Sydney Airport Limited's ("SYD") Sustainability Report 2017 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 2016 to 30 June 2017 (CO ₂ e) ¹	87,888
Passenger satisfaction score 2017 – International	4.01
Passenger satisfaction score 2017 – Domestic T2/T3 (in aggregate)	3.95
Passenger satisfaction score 2016 – Domestic T2/T3 (in aggregate)	3.91
Female representation overall (%)	37.9
Waste to landfill (tonnes) ¹	2,851
Recycled waste (tonnes) ¹	2,101
Quarantine waste (tonnes) ¹	1,486
Lost Time Injury Frequency Rate (LTIFR) for SYD employees	5.0
Total Recordable Injury Frequency Rate (TRIFR) for SYD employees	15.0

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 2017 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 of 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 2017 to 31 December 2017, 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.



D. N. Ridehalgh

Partner



KPMG

Sydney

20 February 2018

Sydney Airport



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