



**Sydney Airport**



# **SUSTAINABILITY REPORT 2015**



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# OUR APPROACH



# LETTER FROM THE MANAGING DIRECTOR AND CEO



I am very pleased to be presenting Sydney Airport's second annual sustainability report to our stakeholders and providing an overview of our achievements over the year.

For Sydney Airport, our goal is to deliver responsible growth that balances social and environmental needs with corporate objectives and as an airport operator we aim to be recognised as a leader in sustainability. We recognise that this approach is vital to our success and we are committed to making sustainability central to our business strategy.

To achieve our goal, we focus our efforts on addressing issues that are the most material to our business and our stakeholders. I am very pleased with the progress we have made to date.

Safety continues to be a top priority for Sydney Airport, and we are committed to delivering the highest levels of safety for our staff, passengers and other stakeholders. We are investing to build a strong safety culture. Through a collaborative and consultative approach with our business partners, we have delivered improved safety outcomes from our access roads to our airfield. We have tripled our airfield ramp safety team hours from 200 hours per month to over 650 hours per month and our work health and safety (WHS) performance continues to improve with our Lost Time Injury Frequency Rate (LTIFR) reducing by 63% and our Total Recordable Injury Frequency Rate (TRIFR) reducing by 51% since 2013.

Our customers are central to all that we do. We are focused on enhancing the airport experience for our customers, including passengers, airlines, airport partners, border and government agencies and staff. This year, we have undertaken extensive consultation with our airline customers to better understand and respond to their business needs. In response, we have delivered a range of initiatives that enhance the terminal ambience and presentation and improve wayfinding for our passengers. Our work to enhance the airport experience will continue in the coming years.

We also continue to respond to passenger feedback and are investing to improve the passenger experience by streamlining the journey through the airport. Initiatives we have worked on this year include innovations such as automated bag drops, self-service check-in, upgraded free wi-fi and SmartGates.

This year, we launched an employee health and wellbeing program, allowing us to better support our people to be healthier and to create a happier workplace. This will be further complemented by an employee volunteer program we are launching in 2016 to encourage our people to spend a day out of the office to volunteer their time in the community.

We are particularly proud of achieving Level Two Airport Carbon Accreditation in recognition of our efforts to map, manage and reduce our carbon emissions. We have established a target to reduce carbon emissions per passenger by 25% by 2020 and will be implementing a

range of energy saving initiatives over the coming years to achieve this goal.

To further embed sustainability into how we do business and ensure it underpins everything we do, we are developing a sustainability governance framework. We have established an executive level sustainability steering committee to oversee the delivery of a sustainability strategy and have prepared a sustainability policy which sets out our vision and commitments to being a sustainable business. We have also realigned and refreshed one of our Board's subcommittees to form a safety, security and sustainability committee, which will oversee the work that we are doing to meet our aspiration to be an industry leader in sustainability.

In the year ahead, we will focus our attention on the finalisation and implementation of our sustainability strategy. Our strategy will provide us with a roadmap for the delivery of sustainable outcomes that help us in meeting our goal to create a superior customer experience and drive investor value.

I would like to thank all our stakeholders for their continued support and I welcome feedback on our sustainability reporting and performance. In particular, I would like to thank our employees for their contribution to our achievements over the year.

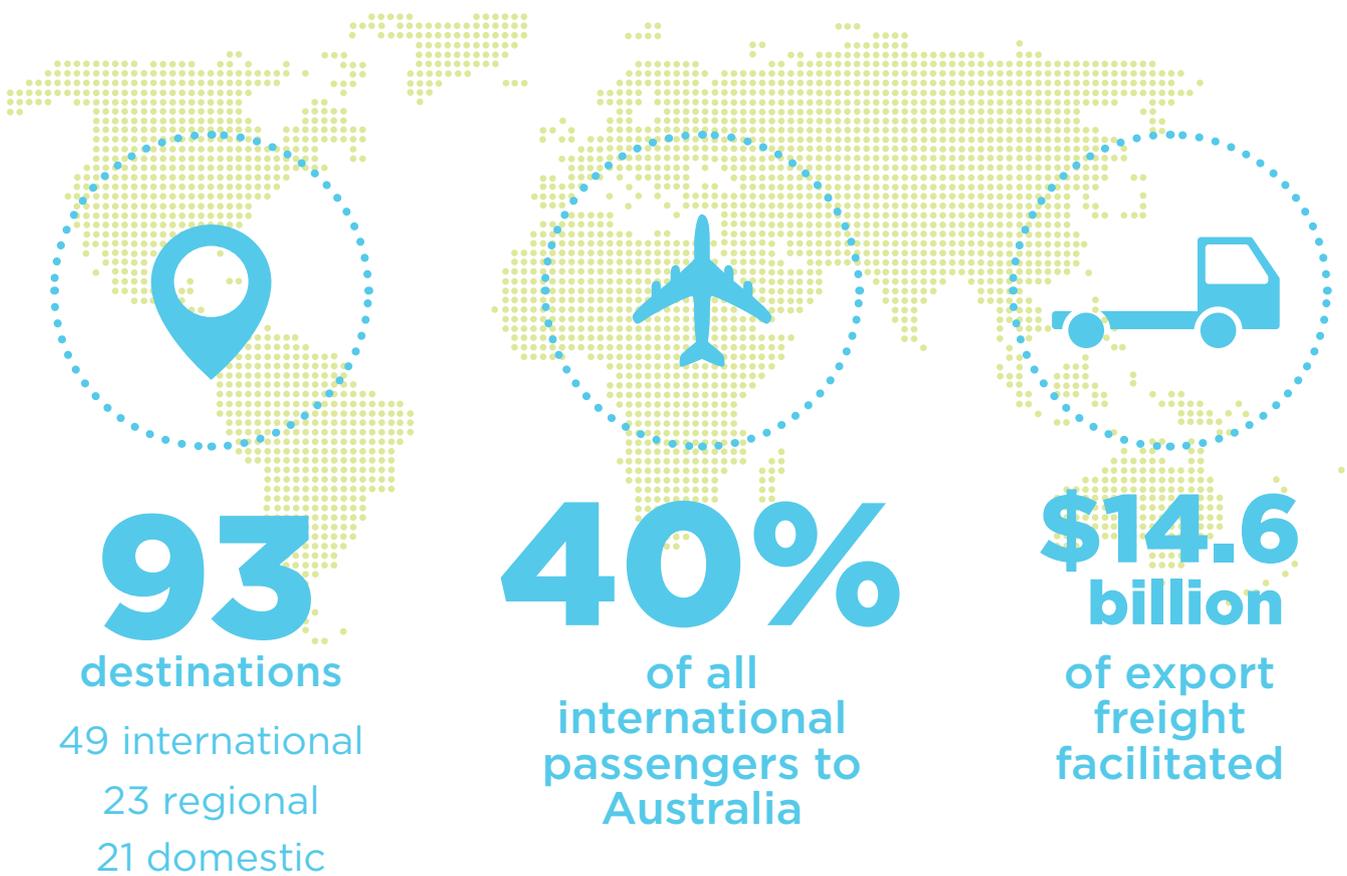
**KERRIE MATHER**

MANAGING DIRECTOR AND  
CHIEF EXECUTIVE OFFICER



# ABOUT SYDNEY AIRPORT

Our vision is to deliver a world-class airport experience and foster the growth of aviation for the benefit of Sydney, NSW and Australia. We are Australia’s busiest airport and one of the country’s most important pieces of infrastructure. In delivering on our vision, we aim to drive responsible growth that balances social and environmental needs with corporate objectives.





Major employer



### Our values

Underpinning our vision are our values which drive our behaviours and how we do business



Integrity & openness

Acting honestly and openly to achieve corporate and social objectives



Safety & 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 & flexibility

Working with our partners to achieve superior business outcomes



Sustainability

Responsible growth through balancing social and environmental needs with corporate objectives

1 Sydney Airport's workforce as at 31 December 2015, exclusive of contractors, was 379 employees.



# KEY PERFORMANCE HIGHLIGHTS

**EBITDA**  up 5.8% since 2014  
**\$1,003.6m**

 **33.5%**  **female representation** up 8.4% since 2014

 **3,402** hours of training invested in our people

*Tripling of airfield ramp safety team hours from 200 hours per month*  **to over 650 hours per month**

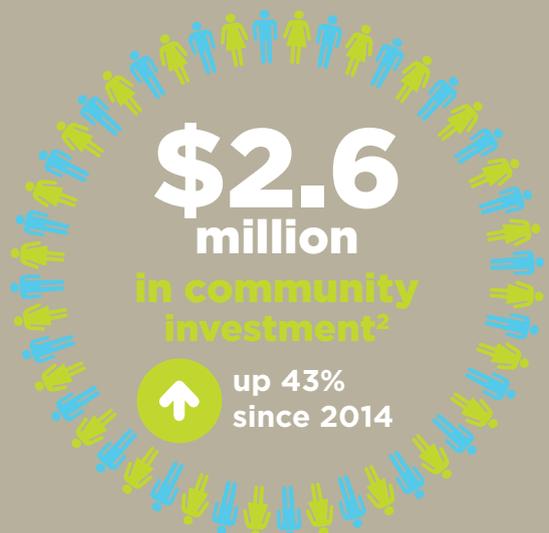
**39.7**  **million passengers**  up 3% since 2014

 **88,348 tonnes CO<sub>2</sub>e** **18% reduction since 2010**

 **42% internal hires in 2015**

 **2.4**  down from 6.5 in 2013  
 Lost Time Injury Frequency Rate (LTIFR)

 **9.6**  down from 19.4 in 2013  
 Total Recordable Injury Frequency Rate (TRIFR)

 **\$2.6 million in community investment<sup>2</sup>**  up 43% since 2014

1 Calculated from female representation for the month of December in 2013 and 2015.

2 In 2015, Sydney Airport contributed \$1,522,192 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 \$562,101 and facilitated additional contributions to the community from other sources such as customers and employees to the value of \$513,580 which we refer to as 'leverage' within the LBG framework.



## PERFORMANCE SCORECARD

|   | 2013     | 2014      | 2015      |   |
|---|----------|-----------|-----------|---|
| <b>PASSENGER SATISFACTION SCORE</b>   |          |           |           |   |
| T1  | 3.88     | 3.85      | 3.84      | ↔ |
| T2  | 3.75     | 3.85      | 3.85      | ↔ |
| <b>EBITDA (\$)</b>  | 910.3m   | 948.3m    | 1,003.6m  | ↑ |
| <b>REVENUE (\$)</b>   | 1,055.3m | 1,163.5m  | 1,228.9m  | ↑ |
| <b>DISTRIBUTIONS</b>  | 22.5c    | 23.5c     | 25.5c     | ↑ |
| <b>PASSENGERS</b>   | 37.9m    | 38.5m     | 39.7m     | ↑ |
| <b>TOTAL RECORDABLE INJURY FREQUENCY RATE<sup>1</sup></b>                     |          |           |           |   |
| Employees   | 19.4     | 16.4      | 9.6       | ↓ |
| Service providers <sup>2</sup>  | nm       | nm        | 19.8      |   |
| <b>LOST TIME INJURY FREQUENCY RATE<sup>3</sup></b>                            |          |           |           |   |
| Employees   | 6.5      | 5.5       | 2.4       | ↓ |
| Service providers <sup>2</sup>  | nm       | nm        | 7.2       |   |
| <b>FEMALE REPRESENTATION (%)<sup>4</sup></b>                                  | 30.9     | 30.8      | 33.5      | ↑ |
| <b>CARBON EMISSION INTENSITY (KG CO<sub>2</sub>e / PASSENGER)<sup>5</sup></b> | 3.2      | 3.2       | 3.1       | ↔ |
| <b>WASTE</b>  |          |           |           |   |
| Portion of total waste recycled (%) <sup>6</sup>                              | 30.8     | 31.9      | 31.7      | ↔ |
| Total waste per passenger (tonnes) <sup>7</sup>                               | 0.183    | 0.194     | 0.184     | ↔ |
| <b>COMMUNITY INVESTMENT (\$) <sup>8</sup></b>                                 | nm       | 1,484,389 | 2,597,873 | ↑ |

nm Not measured for the reporting period

- 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.
- 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.
- Lost time injuries (LTIs) per one million hours worked. A 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.
- Female representation for the month of December in 2013, 2014 and 2015.
- Emission intensity includes Scope 1 (CO<sub>2</sub>, CH<sub>4</sub>, and N<sub>2</sub>O) and Scope 2 (CO<sub>2</sub>) emissions. Excludes emissions from tenants and T3. Carbon emissions calculated in accordance with the National Greenhouse Accounts Factors 2013.
- Recycled waste assumes a recovery rate of 25% from the general waste stream.
- 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. Passengers numbers exclude T3.
- Community investment value includes cash, in-kind, management costs, leveraged revenue and total foregone revenue.



# SUSTAINABILITY FRAMEWORK AND GOVERNANCE



In 2015 we published our first Sustainability Report. That report set out a clear articulation of our vision and what sustainability means to us. In meeting our vision, we aim to drive responsible growth that balances social and environmental needs with corporate objectives.

Our sustainability objectives are to:

- Be responsive to airline and aviation partners, passenger, customer and staff needs;
- Be a good neighbour to the communities in which we operate;
- Deliver sustainable growth in line with demand for aviation services;
- Efficiently manage the airport for the long term, striving to innovate wherever possible;
- Ensure the safety and security of users of the airport;
- Be an employer of choice, attracting and retaining the right people to realise our vision;
- Integrate sustainability principles into our planning, design, construction, service delivery and procurement processes;
- Actively respond to climate change by managing our carbon emissions and putting in place adaptation measures; and
- Proactively work to reduce our environmental footprint.

Defining what sustainability means for us has allowed us to set out six strategic priority areas on which we will focus our attention, and we have reported on our progress for each of these areas in this report:





In addition, we are developing a governance framework to guide our sustainability journey. The Sustainability Steering Committee, comprising our Managing Director and Chief Executive Officer, together with our executive leadership team, has been established and will provide governance on our sustainability program and initiatives. The committee will provide regular updates on progress and performance to the Board. In 2016, the committee will oversee the development of a sustainability strategy, which will set out an approach to addressing our six strategic priority areas.

We have established a sustainability policy, which sets out our vision and commitments to being a sustainable business. Our sustainability policy can be found on the Sydney Airport website.

We have also realigned and refreshed one of our Board's sub committees to form a Safety, Security and Sustainability Committee. The role of this committee is to assist the Board in fulfilling its responsibilities with regard to safety, security and sustainability and to monitor the business' performance against our sustainability commitments.





# FOCUSING ON THE ISSUES THAT MATTER

In 2015, we undertook a comprehensive materiality assessment with the assistance of sustainability consultants Banarra. This assessment was guided by the AA1000 Accountability Principles Standard (2008) and the GRI G4 Reporting Principles of stakeholder inclusiveness, sustainability context, materiality and completeness. As part of the development of this report we undertook an internal review of our material issues to ensure we continue to report accurately on those issues that are of most importance to our stakeholders.

For Sydney Airport our customers broadly include passengers, airlines, other airport partners, border and government agencies and staff. Under the definition of customer and unless separately stated we have defined "Airport business partners" as airlines, other airport partners 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. Our staff are separately defined as "Employees".

| PRIORITY AREA  | ISSUE  | GRI ASPECT AND BOUNDARY   | STAKEHOLDER GROUP  |
|--|--|---|--|
|  <p>Being a good neighbour</p>                       | Engaging and communicating with our stakeholders         | <ul style="list-style-type: none"> <li>■ ◆</li> <li>● Society - Local communities</li> </ul>  | Community, Airport business partners, Suppliers, Governments, Regulators, Employees, Media, Investors, Industry associations, Tourism bodies |
|  | Investing in the communities in which we operate         | <ul style="list-style-type: none"> <li>■ ◆</li> <li>● Economic - Indirect Economic Impacts</li> </ul>   | Community, Governments, Employees, Passengers  |
|  | Managing noise impacts                                   | <ul style="list-style-type: none"> <li>■ ◆</li> <li>● Social, Society - Local communities</li> </ul>  | Community, Governments, Airlines   |
|  <p>Enhancing the customer experience</p>           | Meeting airport user expectations                        | <ul style="list-style-type: none"> <li>■ ◆</li> <li>● Social, Product Responsibility - Customer Health and Safety, Product Service and Labelling</li> </ul> | Airport users, Airport business partners, Suppliers, Governments, Regulators   |
|  | Meeting airport business partner expectations            | <ul style="list-style-type: none"> <li>■ ◆</li> <li>● Social, Product Responsibility - Customer Health and Safety, Product Service and Labelling</li> </ul> | Airport business partners, Airport users, Government, Industry associations  |
|  <p>Safety, security and operational efficiency</p> | Safety, security and emergency management                | <ul style="list-style-type: none"> <li>■ ◆</li> <li>● Social, Labour Practices and Decent Work - Occupational Health and Safety</li> </ul>                  | Employees, Airport business partners, Suppliers, Governments, Regulators, Community, Passengers, Emergency services                          |
|  | Direct economic value generated and efficient operations | <ul style="list-style-type: none"> <li>■ ◆</li> <li>● Economic - Economic Performance</li> </ul>  | Investors, Employees   |
|  | Contribution to the economy                              | <ul style="list-style-type: none"> <li>■ ◆</li> <li>● Economic - Indirect Economic Impacts</li> </ul>   | Governments, Community, Tourism bodies   |
|  | Environmental and carbon management                      | <ul style="list-style-type: none"> <li>■ ◆</li> <li>● Environmental - Energy, Water, Biodiversity, Emissions, Effluents and Waste, Compliance</li> </ul>    | Governments, Regulators, Community, Employees  |



**KEY**

- 'GRI Aspect' is the subject area covered by the GRI G4 Guidelines
- ◆ GRI Boundary: within
- GRI Boundary: outside

'GRI Boundary' describes if the material aspect impacts within the organisation, outside the organisation or both.

**DEFINITION OF OUR CUSTOMERS INCLUDES:**

- \* **Airport business partner** includes airlines, other airport partners 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

| PRIORITY AREA   | ISSUE                                   | GRI ASPECT AND BOUNDARY   | STAKEHOLDER GROUP   |
|---|---|---|---|
|  <p>Looking after our people</p>        | Health and wellbeing                    | <ul style="list-style-type: none"> <li>◆</li> <li>● Social, Labour Practices and Decent Work – Occupational Health and Safety</li> </ul>    | Employees   |
|   | Employee development                    | <ul style="list-style-type: none"> <li>◆</li> <li>● Social, Labour Practices and Decent Work – Training and Education</li> </ul>            | Employees   |
|   | Employee engagement                     | <ul style="list-style-type: none"> <li>◆</li> </ul>   | Employees   |
|   | Diversity                               | <ul style="list-style-type: none"> <li>■ ◆</li> <li>● Social, Labour Practices and Decent Work – Diversity and Equal Opportunity</li> </ul> | Employees, Investors  |
|  <p>Responsible business practices</p> | Fair and ethical operating practices    | <ul style="list-style-type: none"> <li>■ ◆</li> <li>● Social, Society – Anti-corruption, Anti-competitive Behaviour, Compliance</li> </ul>  | Employees, Airport business partners, Suppliers, Investors  |
|   | Procurement and supply chain management | <ul style="list-style-type: none"> <li>■</li> <li>● Social, Society – Supplier Assessment for Impacts on Society</li> </ul>                 | Suppliers, Airport business partners  |
|   | Risk management                         | <ul style="list-style-type: none"> <li>■</li> </ul>   | Investors, Airport business partners  |
|  <p>Planning for the future</p>        | Increased passenger demand              | <ul style="list-style-type: none"> <li>■ ◆</li> <li>● Economic – Indirect Economic Impacts</li> </ul>                                       | Community, Airport business partners, Airport users, Suppliers, Investors, Governments, Industry associations, Tourism bodies |
|   | Innovation and technology               | <ul style="list-style-type: none"> <li>■ ◆</li> </ul>   | Airport business partners, Airport users, Investors   |
|   | Accessibility                           | <ul style="list-style-type: none"> <li>■ ◆</li> </ul>   | Airport business partners, Airport users, Suppliers, Community, Governments, Employees  |
|   | Western Sydney Airport                  | <ul style="list-style-type: none"> <li>■ ◆</li> <li>● Economic – Indirect Economic Impacts</li> </ul>                                       | Community, Airport business partners, Airport users, Governments, Investors, Tourism bodies                                   |
|   | Climate change                          | <ul style="list-style-type: none"> <li>■ ◆</li> <li>● Economic – Economic Performance</li> </ul>  | Airport business partners, Airport users, Governments, Investors  |



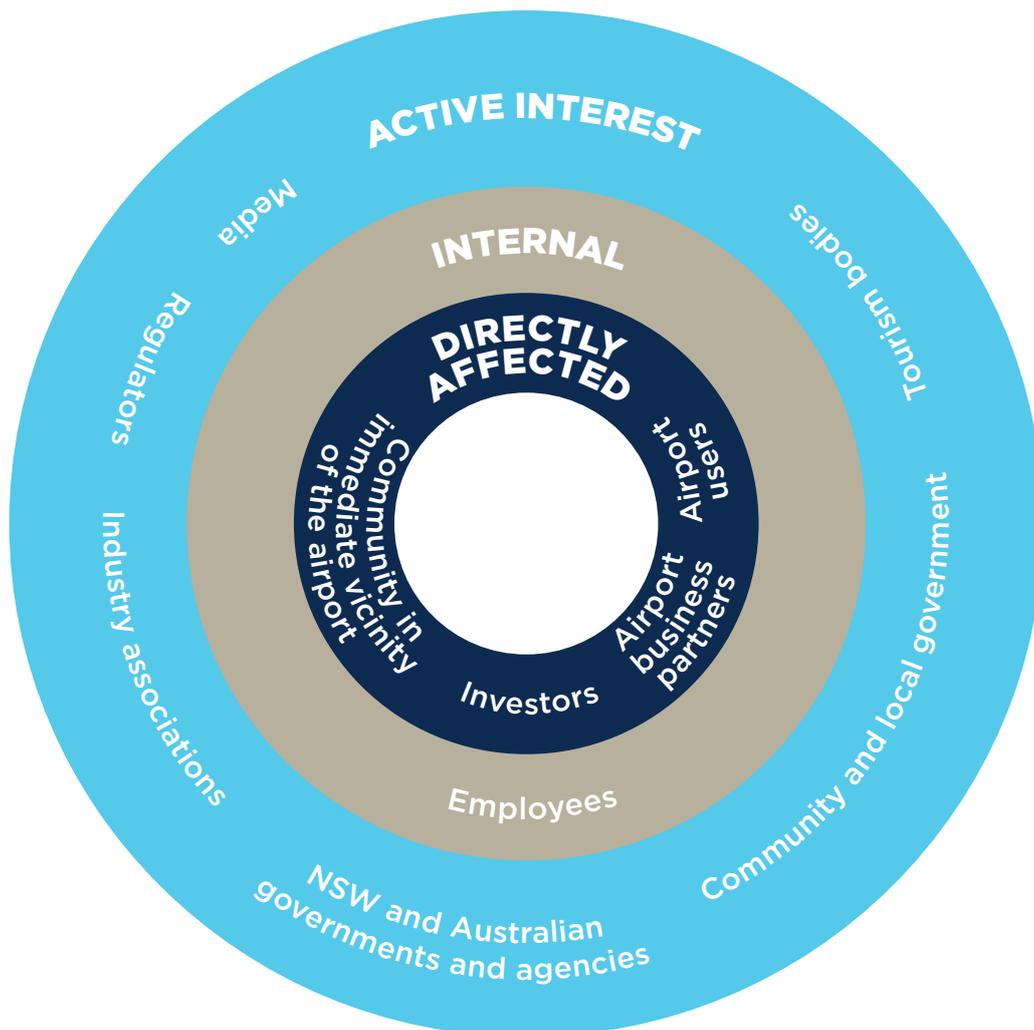
# STAKEHOLDER ENGAGEMENT

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

We identify and select stakeholder groups to engage with based on their interaction with the airport and recognise that these groups have different needs and interests. An overview of our stakeholder engagement activities undertaken during 2015 is outlined in this section, including the key issues that were raised by stakeholders and how we have responded to these in this report.

“ For Sydney Airport our customers broadly include passengers, airlines, other airport partners, border and government agencies and staff.

## OUR STAKEHOLDERS





| METHOD AND FREQUENCY OF ENGAGEMENT | EXAMPLES OF KEY INTEREST AREAS | HOW WE HAVE RESPONDED IN THIS REPORT |
|------------------------------------|--------------------------------|--------------------------------------|
|------------------------------------|--------------------------------|--------------------------------------|

**AIRPORT USERS**  
 Our engagement with airport users primarily focuses on passengers. Engaging with Sydney Airport employees occurs as part of our employee engagement process as detailed below.

| <b>Passengers</b>   |  |  |
|---|--|--|
| Monthly passenger satisfaction surveys; quarterly internationally benchmarked passenger satisfaction surveys; ongoing tracking and analysis of customer feedback through all channels including social media, multilingual app and website; competitions requesting ideas for improvement; real-time reportable notification system for service requests. | Service quality<br>Terminal ambience and presentation<br>Passenger and staff processing<br>Passenger experience<br>Safety and security<br>Wayfinding<br>Services and amenities<br>Accessibility to airport<br>Provision of services and facilities for people with special needs | Outlined the initiatives we are implementing to enhance the customer experience and drive business efficiency. |

**AIRPORT BUSINESS PARTNERS**

| <b>Airlines</b>  |  |  |
|--|--|--|
| Monthly airline operators committee; quarterly Industry Consultative Forum; ongoing airline satisfaction surveys; bi-annual joint passenger facilitation meetings; quarterly Common Use Terminal Equipment User Board; quarterly Airport Emergency Committee; daily communications as part of operational management; real-time reportable notification system for service requests. | Airline engagement<br>Service quality<br>Passenger experience<br>Safety and security<br>Efficiency of the airport<br>Allocation of assets<br>Team responsiveness and availability<br>Consultation<br>Understanding product and brand requirements<br>Operational effectiveness and responsiveness<br>Preventative and reactive maintenance and cleanliness<br>Future growth of the airport | Outlined the consultative process we undertake with our airline partners and the initiatives we are implementing to enhance the customer experience and drive business efficiency. Discussed how we are accommodating future growth. |
| <b>Border agencies</b>   |  |  |
| Daily communications as part of operational management; weekly planning and facilitation management review; bi-annual border agency operational and customer focus area review; ongoing strategic airport management meetings.   | Forecast passenger numbers (from daily to five week look ahead)<br>Operational planning and staff rostering arrangements<br>Planning and status of project implementations (e.g. deployment of automated SmartGates)<br>Anticipated operational challenges, expected impacts and contingency plans in place<br>Industrial action management plans<br>Passenger feedback                    | Outlined the initiatives we are implementing to enhance the customer experience and drive business efficiency. Discussed how we are accommodating future growth.   |



## STAKEHOLDER ENGAGEMENT (CONTINUED)

| METHOD AND FREQUENCY OF ENGAGEMENT   | EXAMPLES OF KEY INTEREST AREAS  | HOW WE HAVE RESPONDED IN THIS REPORT  |
|--|---|---|
| <b>Retail Business Partners</b>  |   |   |
| Daily communication as part of retail operation management; retailer meetings and reviews on a regular basis at store level; at least quarterly meetings with key retail accounts; retailer presentations three times a year; mystery shopping undertaken on every retail tenancy at least six times a year with feedback presented to retailers; ongoing tracking and analysis of customer feedback through all channels including social media, Chinese social media via WeChat and website. | <ul style="list-style-type: none"> <li>Service quality to the passenger</li> <li>Service quality business to business</li> <li>Terminal presentation</li> <li>Passenger experience</li> <li>Safety and security</li> <li>Product offering including price</li> <li>Forward product opportunities</li> <li>Services and amenities</li> </ul>   | Outlined the initiatives we are implementing to improve the passenger experience, realign product and perception.   |
| <b>EMPLOYEES</b>   |   |   |
| Staff engagement survey; consultative groups as required; six weekly WHS Committee; monthly staff newsletter; quarterly staff briefings; monthly Service Star program; annual performance reviews; ongoing staff bulletins and emails; ongoing team meetings; cross functional team social interactions.   | <ul style="list-style-type: none"> <li>Developing capability</li> <li>Health and wellbeing</li> <li>Safety</li> <li>Employee engagement</li> <li>Reward and recognition</li> <li>Information sharing</li> </ul>   | Outlined the range of initiatives we are implementing to build organisational capability.   |
| <b>COMMUNITY AND LOCAL GOVERNMENT</b>  |   |   |
| Quarterly Sydney Airport Community Forum; half yearly Planning Coordination Forum; quarterly community updates in local newspapers; as needed stalls at local community events; as needed letterbox flyers; quarterly community newsletter; ongoing local council briefings; consultation processes as part of Major Development Plans and master planning; sentiment survey.  | <ul style="list-style-type: none"> <li>Aircraft noise impacts and implementation of the Australian Government's noise sharing policy</li> <li>Upgrades to the on and off airport road network</li> <li>Improvements to public transport and active transport (e.g. cycling) access</li> <li>Planning and development in areas around the airport that could affect airport operations</li> <li>Protection of Sydney Airport's prescribed airspace</li> <li>New air services to Sydney</li> <li>Investing in wellbeing of the community</li> </ul> | Outlined how noise impacts are being managed, and recent and future plans to improve accessibility to the airport and support active transport access. Discussed the new air services to the airport and how we are investing in the communities in which we operate. |



| METHOD AND FREQUENCY OF ENGAGEMENT   | EXAMPLES OF KEY INTEREST AREAS   | HOW WE HAVE RESPONDED IN THIS REPORT  |
|--|--|---|
| <b>INVESTORS</b>   |  |   |
| Annual General Meeting; bi-annual Results announcements; face to face meetings; investor roadshows; ASX releases including monthly traffic statistics  | Financial performance<br>Growth strategy<br>Traffic growth<br>Capacity and investment<br>Regulatory environment<br>Corporate responsibility  | Outlined economic value generated, initiatives implemented to drive efficiency and how we are planning for the future.  |
| <b>TOURISM BODIES, INDUSTRY ASSOCIATIONS AND ADVOCATES</b>   |  |   |
| Regular meetings; attendance at relevant overseas delegations; ongoing participation in tourism events and partnerships as part of a collaborative effort to attract airline services and visitors to Sydney | Growth in visitation<br>Sustainable growth in aviation   | Outlined the contribution we are making to accommodate future aviation and tourism growth.  |
| <b>NSW AND AUSTRALIAN GOVERNMENTS AND AGENCIES</b>   |  |   |
| Regular meetings and briefings with relevant agencies and elected representatives; daily communication with Airservices Australia  | Upgrades to the on and off airport road network<br>Improvements to public transport and active transport (cycling) access<br>Implementation of the National Airports Safeguarding Framework<br>Planning and development in areas around the airport that could affect airport operations<br>Protection of Sydney Airport's prescribed airspace<br>Growth and increased visitation to Sydney<br>Airfield operations | Outlined recent and future plans to improve accessibility to the airport. Outlined initiatives we are implementing to support active transport. Outlined the work we are doing to accommodate future aviation growth.   |
| <b>MEDIA</b>   |  |   |
| Regular briefings; airport tours; media releases; proactive outreach; responses to specific requests; airport access and 24-hour on-call media phone   | Financial performance<br>Growth strategy<br>Operational issues<br>Corporate responsibility, in particular community engagement<br>Tourism growth<br>Investment in road, terminal and airfield improvements<br>Airport regulations  | Outlined the work we are doing to grow tourism and aviation. Outlined how we are investing in the communities in which we are operating and engaging with the community. Outlined initiatives and investments we are implementing to enhance the customer experience and drive business efficiency. |



**STAKEHOLDER  
ENGAGEMENT  
(CONTINUED)**

| METHOD AND FREQUENCY OF ENGAGEMENT  | EXAMPLES OF KEY INTEREST AREAS   | HOW WE HAVE RESPONDED IN THIS REPORT  |
|---|--|---|
| <b>REGULATORS</b>   |  |   |
| Regular and ongoing meetings with relevant organisations, including the Department of Infrastructure and Regional Development, Civil Aviation Safety Authority, Airport Coordination Australia, WorkCover, Office of Transport Security and the Australian Competition and Consumer Commission. | <p>Adequacy and quality of airport investments to provide capacity to meet demand and customer expectations</p> <p>Airport prices, returns on capital and service quality</p> <p>Airport and airport community processes regarding passenger and staff safety and security</p> | Discussed the initiatives we are implementing and investment we are making to improve the customer experience and drive business efficiency. Discussed how we are managing safety and security risk and driving continuous improvement. |



## ABOUT THIS REPORT

This report covers the period 1 January 2015 to 31 December 2015, with the exception of environmental data sets which are reported for 1 July 2014 to 30 June 2015 in line with Sydney Airport's other external environmental reporting. It is prepared in accordance with the Global Reporting Initiative (GRI) 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. There has been no change in reporting scope from our 2014 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.

To enhance confidence in our reporting, we engaged KPMG to provide limited assurance on some of our 2015 sustainability data including customer satisfaction, energy and carbon, female representation and waste, as well as ensure our report was prepared in accordance with GRI G4 core requirements. KPMG's assurance statement can be found on page 51 of this report.

We welcome feedback on our sustainability reporting and performance. Please email us at [sustainability@syd.com.au](mailto:sustainability@syd.com.au).





# OUR PERFORMANCE



## BEING A GOOD NEIGHBOUR

### ENGAGING WITH OUR STAKEHOLDERS AND THE COMMUNITY

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

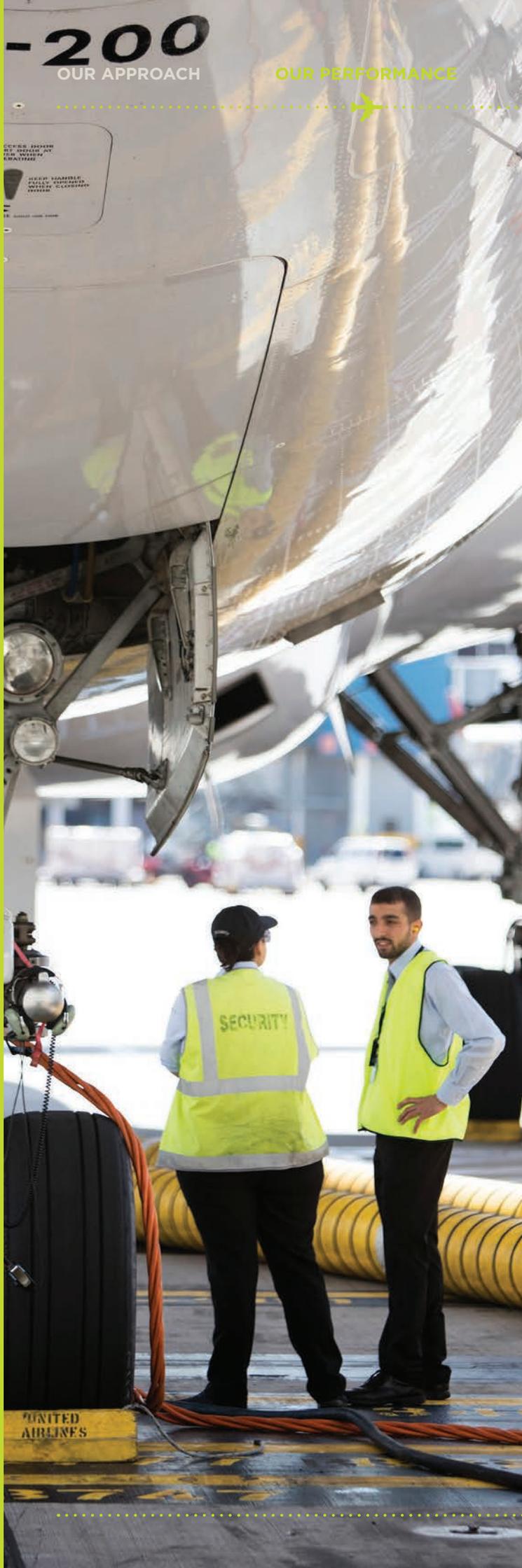
We implement an ongoing comprehensive community and stakeholder engagement program to ensure we:

- 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 Australian 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 within this report.

### ENGAGING WITH COMMUNITIES IN WESTERN SYDNEY

The Australian Government has announced that Badgerys Creek will be the site for the proposed Western Sydney Airport. Sydney Airport has the Right of First Refusal to develop and operate a second airport within 100 kilometers of Sydney's central business district. As part of that process, we have engaged with a wide range of community, government, business and other stakeholders with an interest in Western Sydney in order to understand their ideas and concerns, and explore the opportunities the new airport will bring. Through this we have begun to develop relationships with communities in Western Sydney. ►





**BEING A GOOD NEIGHBOUR (CONTINUED)**

Our work to date tells us that while there is broad support for the proposed new airport amongst the majority of stakeholder groups, some have raised concerns about the importance of effective road and rail linkages to the new airport, flight paths and aircraft noise, environmental considerations such as air and water quality, and the need to properly manage Aboriginal cultural heritage impacts. We understand these matters are being considered by the Australian Government as part of its environmental impact assessment process.

**INVESTING IN THE COMMUNITIES IN WHICH WE OPERATE**

We have a strong history of partnering and engaging with the local community and supporting initiatives in the areas of health, education, environment and families in need. The objective of our community investment strategy is to develop strong partnerships with organisations that deliver programs and initiatives that benefit the people and businesses within our local area and greater Sydney. We work with the community in a variety of ways from supporting local community organisations and events through to major partnerships.

In 2015, we contributed \$2.59 million as part of our community investment program. This includes a combination of cash, in-kind, management costs, leveraged revenue and total foregone revenue.



Celebrating Chinese New Year

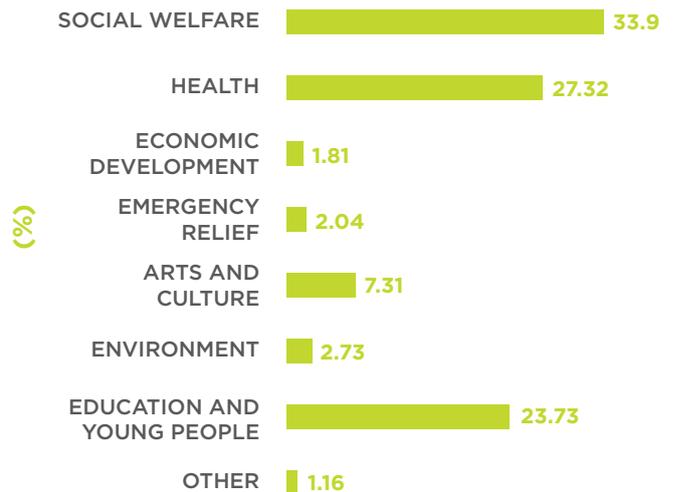
**COMMUNITY INVESTMENT**



**TOTAL COMMUNITY INVESTMENT**

2014 **\$1,484,389<sup>1</sup>**      2015 **\$2,597,874<sup>2</sup>**

**COMMUNITY INVESTMENT FOCUS AREAS 2015<sup>3</sup>**



- 1 In 2014, Sydney Airport contributed \$855,639 including management costs to the community, as verified by London Benchmarking Group (LBG) AU & NZ. In addition, Sydney Airport provided free advertising space to community partners to the value of \$365,000 and enabled additional contributions to the community by customers and employees to the value of \$263,750 which we refer to as 'leverage' within the LBG framework.
- 2 In 2015, Sydney Airport contributed \$1,522,192 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 \$562,101 and facilitated additional contributions to the community from other sources such as customers and employees to the value of \$513,580 which we refer to as 'leverage' within the LBG framework.
- 3 Community investment focus areas broken down using LBG categories.



## CASE STUDIES

### MARRICKVILLE COUNCIL PARTNERSHIP

During the year we signed a three year Memorandum of Understanding with Marrickville Council to support the Marrickville Souths Fitness and Breakfast Club. Supporting young students and their families across Marrickville, the program aims to:

- Increase school attendance;
- Increase access to training and employment opportunities;
- Promote the benefits of teamwork and commitment;
- Provide healthy and nutritious meals;
- Provide exercise sessions; and
- Engage with and support socially, economically and culturally disadvantaged youth.

The program is run by Marrickville Council in partnership with Souths Cares (the charity arm of the South Sydney Rabbitohs), Central Sydney GP Network, WEAVE Youth and Family Services, Barnardos, Marrickville PCYC and the Marrickville Youth Resource Centre. It was established in response to the increasing number of socially, economically and culturally disadvantaged youth engaging in at-risk behaviours including poor school attendance, anti-social behaviour, unhealthy lifestyles and contact with the police.

Sessions are held every Tuesday and Thursday mornings during school terms. Participants are collected from their homes at 6am, transported to the breakfast and then dropped off at school. A healthy breakfast is on offer, and a number of Rabbitohs players facilitate exercise and training sessions and provide mentoring.

The program endeavours to remove barriers to participation for young people in the Marrickville community, and provides a platform for additional service providers to attend and connect with disadvantaged youth and support them by developing healthy lifestyle choices. Our funding support through the partnership now guarantees the continuation and delivery of the program for the next three years.



“ In 2014, the Marrickville Souths Fitness and Breakfast Club was awarded the Local Government Excellence Award for Excellence in Community Services.



## BEING A GOOD NEIGHBOUR (CONTINUED)

### CASE STUDIES

#### SYDNEY AIRPORT COMMUNITY CHRISTMAS GIVING APPEAL

In July 2015, we announced Ronald McDonald House Charities (RMHC) as our charity partner for the 2015 Sydney Airport Community Christmas Giving Appeal. The six week appeal unites the airport community, including 29,000 staff across 800 businesses, to increase fundraising, raise awareness and drive media coverage for an important cause.

This was our fourth year running the appeal in association with a charity partner and in that time we have raised over three quarters of a million dollars for charities supporting the sick, disadvantaged and vulnerable in our community.

Throughout the six week campaign we transformed our terminals into a festive celebration for Christmas including signage, decorations and entertainment. In conjunction with RMHC, we launched a number of new initiatives to enhance the fundraising capacity and coverage of the partnership:

- We officially launched the appeal to passengers, visitors and staff with a flash mob followed by an address from a family currently residing at one of the Houses in New South Wales while their child was receiving lifesaving treatment;
- We hosted our inaugural Runway Run in which a group of around 100 volunteers, supporters and corporate partners sprinted down the 16L 34R runway to raise awareness of the appeal; and
- We hosted a VIP Hangar Lunch, with the support of Hawker Pacific, in their private hangar for over 300 guests.

Regional Express (REX) partnered with the campaign by transforming its domestic gate lounge into a “home away from home”, replicating the space that is offered by Ronald McDonald House to children who are receiving care in hospital. REX recognised the natural alignment for its brand as many of their passengers are regional families traveling to Sydney to attend hospital and utilise a Ronald McDonald House during their journey.

The campaign also included volunteers collecting donations in the terminals, merchandise sales, gift wrapping for donations and a Volkswagen Polo car donated for a raffle.





## REDUCING NOISE IMPACTS ON SURROUNDING COMMUNITIES

For most of the world's major airports, aircraft noise is a long standing issue. We acknowledge that aircraft noise disturbs local communities and we are committed to working with the 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 as well as 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.

The International Civil Aviation Organisation (ICAO) has set progressively stricter noise standards for civil aircraft so as to reduce the noise impact airports have on local communities. Latest generation aircraft such as the A380 and B787 are much quieter than the aircraft they replace, and we work with our airline partners to accommodate increased numbers of these aircraft at the airport by upgrading our airfield and terminals. Since 2013, we have had a 71.5% increase in the number of latest generation aircraft coming to the airport.

Noise from ground-based activities at Sydney Airport is managed separately to noise generated by aircraft taxiing, landing or 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 which 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 11 ground-based noise complaints were received, with internal investigations finding no non-conformances with operational rules.

We believe that 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. This includes the Sydney Airport Community Forum which provides advice to the Minister for Infrastructure and Regional Development and aviation authorities on abatement of noise and other related environmental issues.

“ Since 2013, we have had a 71.5% increase in the number of latest generation aircraft coming to the airport.

**BEING A GOOD NEIGHBOUR (CONTINUED)**



**COMMITMENTS FOR 2016**

- Continue to actively engage with local communities in the vicinity of Sydney Airport or under flight paths;
- Continue to explore opportunities to expand our community engagement program;
- Enhance the capture, measurement and reporting of the diverse range of programs and initiatives within our community engagement program;
- Continue to support airlines and deliver necessary infrastructure as they increase aircraft size and upgrade their fleet; and
- Continue to encourage the use of fixed electrical ground power and pre-conditioned air units, rather than rely on the use of APUs which generate ground-based noise.





# ENHANCING THE CUSTOMER EXPERIENCE

Our customers are central to all that we do and we continuously strive to enhance our customer's experience. Our customers broadly include passengers, airlines, other airport partners, border and government agencies and staff.

## AIRPORT USER SATISFACTION

We have in place a customer charter which sets out the commitments we have made to ensure we provide the highest level of service. To support the charter, we run an across business Customer Experience Committee (CEC). The CEC identifies drivers of customer satisfaction for airport users, reviews projects from a customer perspective, and develops strategies and initiatives to improve the customer experience. The CEC also reviews passenger survey data and feedback to identify key drivers of satisfaction at the airport and recommends prioritisation of key projects accordingly.

This year, we achieved certification of our customer service standards and were the first airport in Australia to be recognised for our complaint handling systems through the Customer Service Institute of Australia. By

achieving certification to the International Customer Service Standard (ICSS), we have formalised our commitment to customer service excellence. The international standard also provides us with a framework for continuous improvement.

We regularly run perception surveys with our passengers to better understand their views and implement initiatives to enhance their experience. Each year we conduct over 8,200 surveys through an external provider to seek feedback on the quality and range of services that we provide at the airport. Our survey asks passengers to rate their experience using a five-point scale where one is very poor and five is very good. Our passenger satisfaction scores are outlined in the table below. The very marginal decline in satisfaction for T1 can be attributed to the construction activities that have been occurring during the year as part of the T1 improvement program. The program includes improved wayfinding and ►

## PASSENGER SATISFACTION<sup>1</sup>

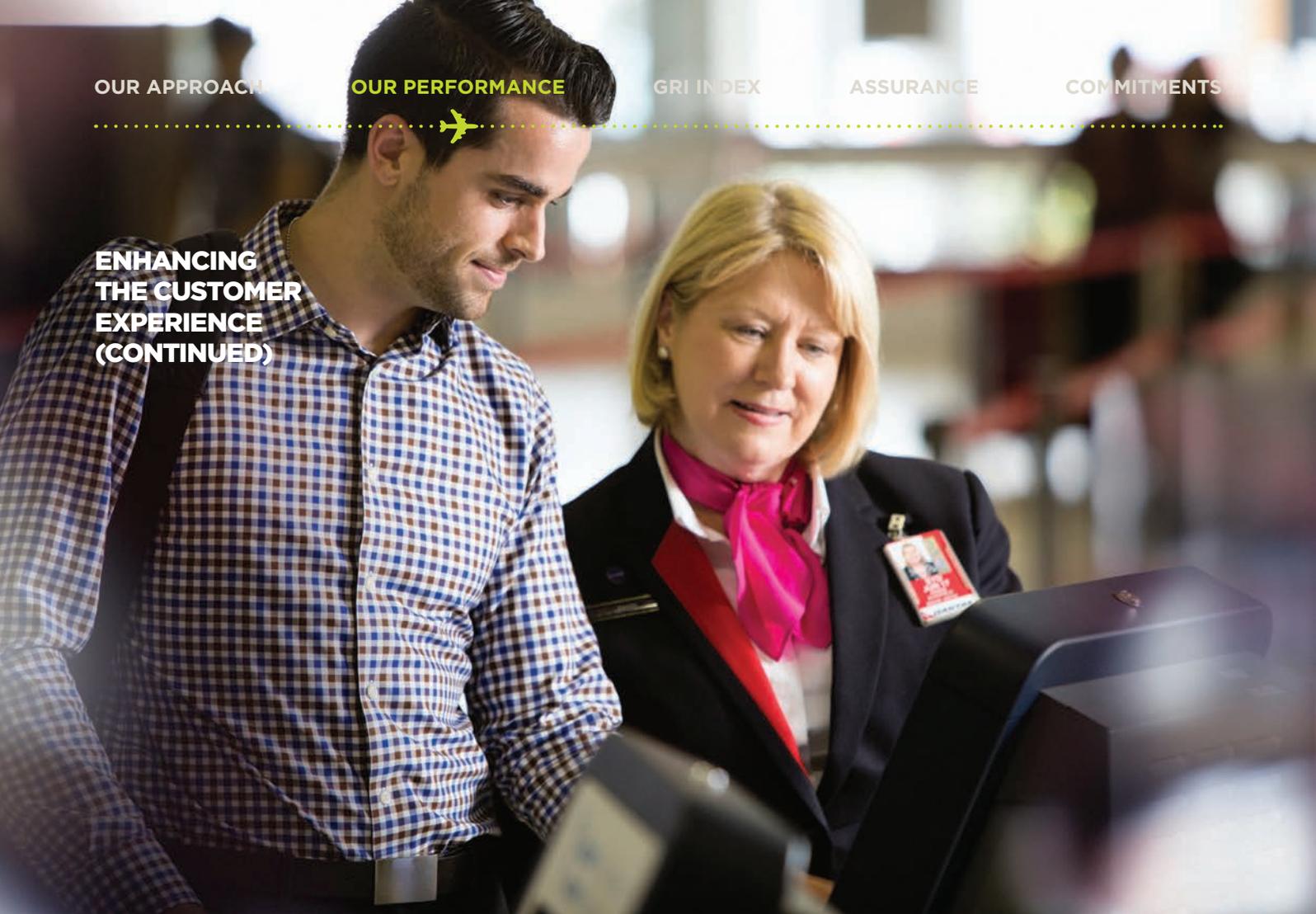


2015  
2014  
2013

1 Passenger ratings provided as part of the 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?'



ENHANCING THE CUSTOMER EXPERIENCE (CONTINUED)



sight lines to gates, seating for passengers, as well as the transformation of our retail, food and dining areas.

The feedback we received from our surveys tells us that the key drivers for overall passenger satisfaction remain:

- Terminal presentation;
- Ambience;
- Passenger processing; and
- Customer service.

AIRLINE SATISFACTION

We regularly meet with our airline partners to ensure that we are meeting operational, brand and service requirements, regulatory obligations as well as their overall needs. These interactions take many forms, as outlined in the stakeholder engagement section in this report.

While day to day interactions help ensure that most operational needs are met, they also complement the more formal consultation framework in place. This

OUR RESEARCH SHOWS US THAT KEY DRIVERS FOR OVERALL PASSENGER SATISFACTION REMAIN:

TERMINAL PRESENTATION, INCLUDING MAINTENANCE AND CLEANING

MANAGING PASSENGER PROCESSING, TERMINAL AMBIENCE AND CUSTOMER SERVICE

PREMIUM PRODUCTS IN AREAS INCLUDING RETAIL, LOUNGES AND ENTERTAINMENT



KEY DRIVERS OF PASSENGER SATISFACTION



### COMMITMENTS FOR 2016

- Implementation of a Customer Resource Management tool to respond and track airport users feedback;
- Centralising and streamlining of our customer service team and approach; and
- As part of our airline partner service level framework, development of appropriate systems to measure KPIs and establish baseline data to inform improvement plans.

framework is what forms the foundation for business prioritisation and subsequent planning through to delivery.

The formal consultations we undertook with our airline partners told us that the top five priorities for 2015 were:

- Wayfinding;
- Gate areas;
- Emigration;
- Immigration; and
- Check-in.

In 2015, we signed new agreements with international airlines regarding the provision and pricing of airport services for the five year period from 1 July 2015. This was the culmination of an unprecedented level of engagement between Sydney Airport, the Board of Airline Representatives Australia (BARA) and our airline partners.

The new, outcome focused agreements will see Sydney Airport working closely with airlines to improve the passenger experience and airport operations by prioritising passengers, airline operating requirements and efficiencies, airport capacity and a service quality culture. This is underpinned by a five year investment strategy which sets out a pipeline of projects to support these objectives.

An Industry Consultative Forum (ICF) has been established to facilitate ongoing quarterly discussions with the airline industry on the five year strategy.

We have developed a service level framework in consultation with airlines as part of the new agreements.

The framework aims to enable the development and implementation of solutions to improve safety, efficiency and passenger experience at the airport. We consulted with BARA and airline partners to develop Key Performance Indicators (KPIs) for the focus areas of baggage, passenger facilitation, peak planning/resource allocation and bussing. The KPIs will allow us to measure our progress against the service level framework.

“ Sydney Airport has invested close to \$3.2 billion in airport improvements since 2002 and plans to invest a further \$1.3 billion over the next five years.



# SAFETY, SECURITY AND OPERATIONAL EFFICIENCY

## SAFETY

Our Safety Management System (SMS) provides us with a framework by which we are able to systematically identify, assess and manage foreseeable aviation-specific safety issues as well as work health and safety risks. Our SMS has been designed to meet the requirements of each of the Civil Aviation Safety Regulation 1998 Part 139, Civil Safety Authority Circular 139.16 and Work Health and Safety Act and Regulations (NSW) 2011.

Our Managing Director and CEO chairs the Work Health and Safety (WHS) Steering Committee which comprises members of the Executive Leadership Team, and provides direction for the WHS policy and representation across the organisation.

During 2015, we have continued to deliver our Safety Essentials training program, an interactive training program that supports our SMS and helps to build a workplace safety culture. Our training is a face to face program for people managers and other key roles in the company. A number of modules are delivered to build capability across the business on safety risk management, holding tool box talks and incident investigation. A mock court was used as part of the training to deepen understanding on the legal implications of a significant safety incident.

We also undertook a WHS internal review program. Taking a transparent and consultative approach, the reviews cover each of our departments, and will allow us to identify opportunities for continuous improvement and further embed a safety culture into our business.

As part of our ongoing commitment to airfield and ramp safety, in 2015 we established a dedicated team of new Ramp Safety Coordinators. Through their collaborative and consultative approach, the team has supported safe airport operations together with improved operational efficiency. Improved safety outcomes include:

- Improvements in airside driving behaviours such as wearing seatbelts, use of mobile devices and adhering to speed limits;

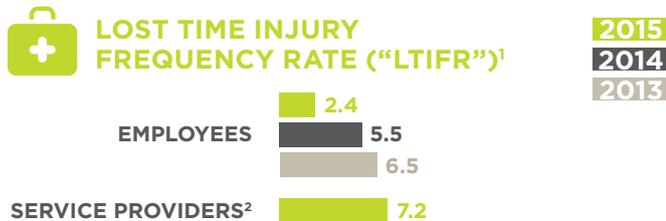
“It is our priority to deliver the highest levels of safety and security for our staff, passengers and stakeholders.”





- Improved communication of risk factors on the ramp through Toolbox Talks, stakeholder forums and engaging with frontline staff;
- Active hazard monitoring on the freight apron;
- Tripling of ramp safety team hours from 200 hours per month to over 650 hours per month; and
- A decrease in aircraft hold off on bay and FOD.

## SAFETY PERFORMANCE



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, 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.

3 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.

4 Passenger incident rate is the number of first aid and medical treatment injuries per 100,000 passengers. Medical conditions and inflight medicals are excluded from this rate.

## SECURITY

Ensuring Sydney Airport is a secure operating environment is a top priority. We have in place a security management system that meets the 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 plan, with any updates requiring approval from the Department of Infrastructure and Regional Development.

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 roles and responsibilities in aviation security, 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. This is supported by a national aviation security awareness strategy called Airport Watch. This community approach, similar to Neighbourhood Watch programs, not only focuses on identifying suspicious activity but also resolving it on a real time response basis.

## EMERGENCY MANAGEMENT

Sydney Airport maintains an Airport Emergency Plan (AEP) in accordance with the International Civil Aviation Organisation and Australian Civil Aviation Safety Authority regulations and standards. The AEP is accessible to all key stakeholders and agencies that will be required to assist during incidents and emergencies. Any disruptions or emergency events could also significantly affect service quality at the airport, and these disruptions are minimised through a policy and procedure for coordinating the response with airlines, Airservices Australia and state and federal agencies where required.

Sydney Airport recognises the importance of broader community confidence in the airport’s plans for responding to emergencies, and in the capabilities and readiness of emergency staff, airlines and other service providers to implement these plans. Throughout each year, Sydney Airport conducts numerous drills and exercises to test the AEP and the on-airport responses and our facilities. ►



## SAFETY, SECURITY AND OPERATIONAL EFFICIENCY (CONTINUED)

### IMPROVING EFFICIENCY AND STRIVING FOR CONTINUOUS IMPROVEMENT

We are committed to continuous improvement for the benefit of our customers by investing in airfield, terminal and road infrastructure to further improve efficiency and capacity.

During the year, we have been working to reduce passenger waiting time from check-in through border and security processes. Working closely with border agencies, security and airlines, we are working on delivering faster passenger facilitation through a number of measures.

There are now 63 self-service check-in kiosks in T1, including 26 wireless kiosks providing increased operational flexibility. We have also installed eight new self-service check-in kiosks at T2, and we are trialling mobile check-in kiosks and automated bag drop in partnership with airlines in T1.

We have installed outbound SmartGates on departures in partnership with the Commonwealth government. The 24 new SmartGates significantly streamline passenger processing and are assisting with demand planning by making the outbound border clearance process up to 32% faster. To complement these new SmartGates, we continue to identify opportunities to increase screening efficiencies, such as relocating inbound SmartGates at Arrivals to create wider paths and improve passenger orientation.

In order to accommodate current airline needs and airline growth, we have commissioned an early bag store system with capacity for 1,200 bags. This system provides more flexibility for airlines and facilitates all day check-in for passengers. We continue to work with the airlines to ensure it is meeting their requirements.

We have also installed dynamic wayfinding e-directories to help passengers make their way through the terminals. These enable us to display variable multilingual messaging tailored to travellers' languages, flight origins and destinations.

In 2015, we commenced an improvement program at our T1 International terminal to deliver an enhanced airport experience for passengers, visitors and staff. The T1 improvements provide direct paths, clearer sightlines, more seating closer to gates and better wayfinding throughout the terminal to create an overall superior customer experience. They also deliver more efficient operations for the benefit of our airline partners. We made significant progress on the improvement works in 2015, which are being staged to minimise potential disruption for airlines and passengers.

We also committed to improving terminal presentation standards at T1 and have achieved an uplift in terminal presentation standards. Passengers have also noticed the improvements, with feedback surveys reporting higher ratings for cleanliness and maintenance. We continue to work with BARA and our airline partners to define a new Gold standard for terminal presentation, with a target to achieve this standard in 2016.

We implemented a next generation Airport Operating System (AOS) in 2015. The AOS has improved customer service and enhanced airline operations by:

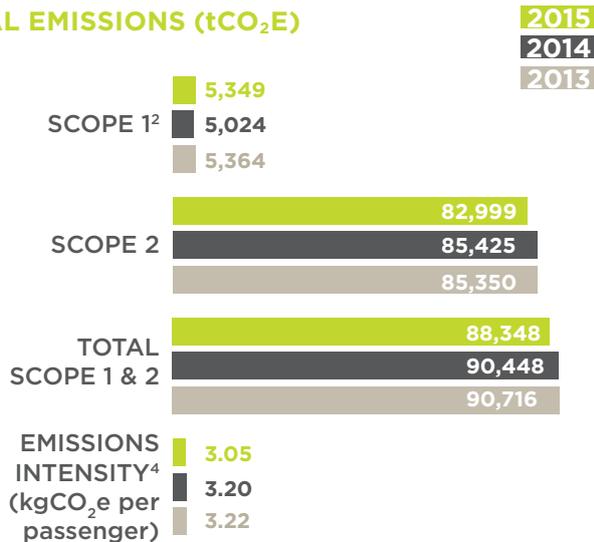
- Utilising more data sources to increase the accuracy and consistency of flight information displays (FIDS);
- Replacing manual inputs with automation to improve efficiency;
- Providing increased codeshare display, multimedia, weather, wayfinding, business reporting and emergency communication capabilities;
- Improving passenger communications with responsive messaging on FIDS and multilingual capability to support Asian passenger growth;
- Maximising resource utilisation by optimising asset, gate and check-in counter allocation;
- Delivering aeronautical billing quality and process improvements; and
- Supporting long-term planning capability and functionality.

“ We were named Oceania’s most efficient airport by the Air Transport Research Society (ATRS) for the fifth year running.



## CARBON EMISSIONS<sup>1</sup>

### TOTAL EMISSIONS (tCO<sub>2</sub>e)



- Carbon emissions calculated in accordance with the National Greenhouse Accounts Factors 2013. Excludes emissions from tenants and T3.
- Scope 1 emissions include CO<sub>2</sub>, CH<sub>4</sub>, and N<sub>2</sub>O. Excludes biogenic CO<sub>2</sub> emissions.
- Scope 2 emissions include CO<sub>2</sub> emissions.
- Emissions Intensity includes Scope 1 (CO<sub>2</sub>, CH<sub>4</sub>, and N<sub>2</sub>O) and Scope 2 (CO<sub>2</sub>) emissions. Passenger numbers exclude T3.



### REDUCING OUR CARBON FOOTPRINT

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. We support the view of the Airports Council International (ACI) that the aviation industry should play a role in addressing climate change impacts on a global level through a long term strategy to significantly reduce carbon emissions from the sector and a shift towards carbon neutrality. To play our part, we are participating in a voluntary carbon management scheme

run by the ACI. The scheme, called Airport Carbon Accreditation, has four levels that progress from mapping carbon emissions, reducing emissions and engaging with third parties through to carbon neutrality. During 2015 we achieved Level Two Accreditation, which involved the development of an energy and carbon management plan for the business and establishing a target to reduce per passenger carbon emissions by 25% by 2020. We aim to achieve this through a range of energy efficiency opportunities including lighting upgrades and improvements to our HVAC systems, and are progressing well towards our target.

We have also been working towards improving the energy efficiency of our retail spaces and our retail fit out standards have specific energy efficiency requirements such as energy efficient lighting. As we continue to transform our retail spaces, we will be working with our retail partners to improve our energy performance.

We continue to offset the carbon emissions associated with our vehicle fleet through Greenfleet, a not-for-profit carbon offset provider. Greenfleet's program seeks to offset carbon emissions through native forest restoration projects. We also continue to explore opportunities to utilise renewable energy rather than rely on fossil fuel based sources.

### COMMITMENT TO ENVIRONMENTAL MANAGEMENT

We have adopted a risk-based approach to environmental management at the airport and have in place an environmental management system that is 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, thus enabling a cycle of continuous improvement.

Assessment of environmental impacts is undertaken as part of Sydney Airport's overall risk management approach. Our Environmental Strategy 2013-2018 maps out a program of work to address key risks 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. ►



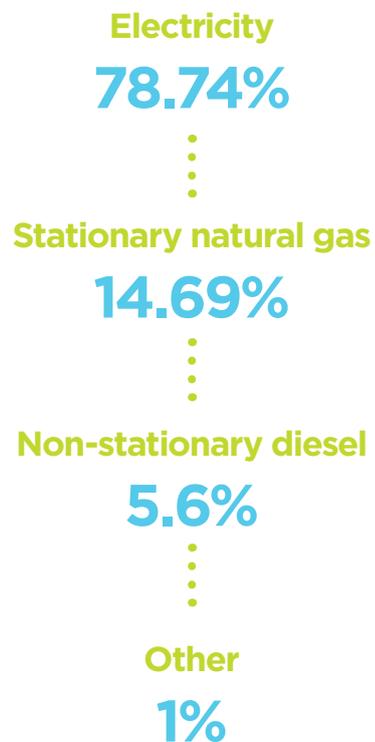
**SAFETY, SECURITY AND OPERATIONAL EFFICIENCY (CONTINUED)**

“ Since 2010, we have achieved an 18% reduction in carbon intensity and a 5% reduction in absolute emissions.

We report annually to the Commonwealth Government on progress made against commitments in our Environmental Strategy.

Sydney Airport formed a partnership with Conservation Volunteers Australia in late 2014 to deliver environmental restoration programs and projects in areas close to the airport, including in the Kamay Botany Bay National Park. This National Park lies adjacent to the suburb of Kurnell and the southern entrance to Botany Bay. Despite the long European history of the site, there is still native habitat in the form of sandstone and dune forests. Areas of it are badly infested with exotic weed species so the focus of the program has been to assist National Parks to undertake bush regeneration conservation works to help re-establish the native habitat, with a specific focus on the Bangalay Sand Forest. During 2015, eight project days were held involving 66 community and Sydney Airport volunteers.

**ENERGY USE BY SOURCE <sup>1</sup>**

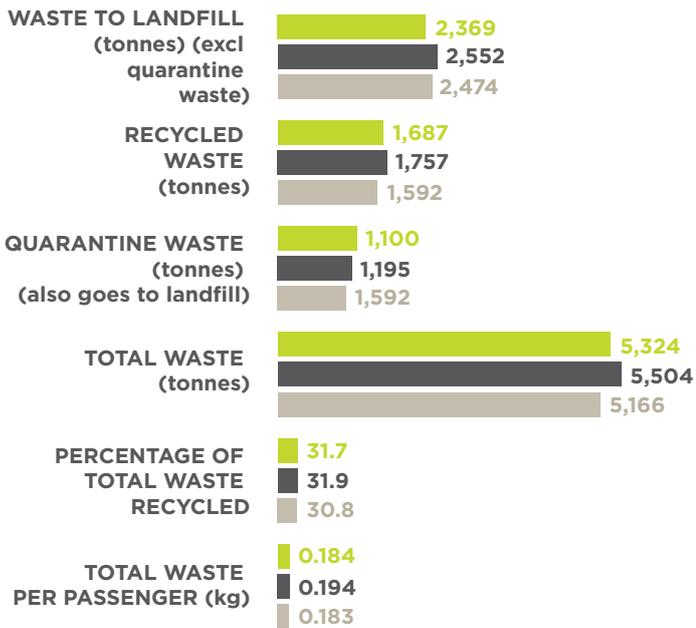


<sup>1</sup> Energy usage and sources calculated in accordance with the National Greenhouse Accounts Factors 2013. Excludes energy usage by tenants and T3.



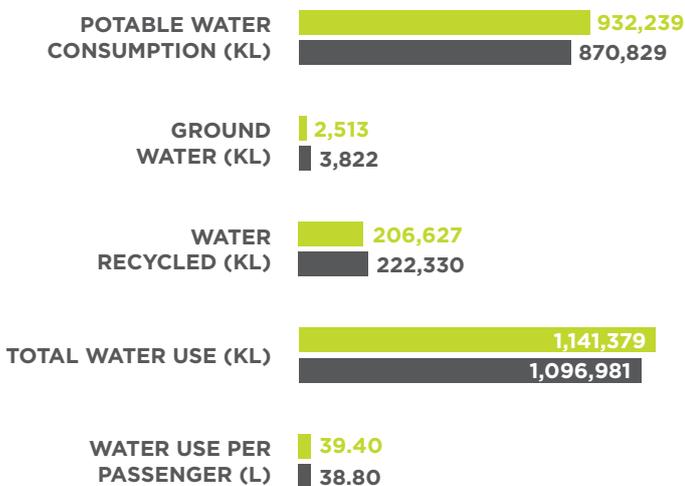


## WASTE GENERATION<sup>1</sup>



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 recovery rate of 25% from the general waste stream.

## WATER USAGE<sup>2</sup>



2 Water usage data has only been presented for 2014 and 2015 as insufficient data is available for 2013 and excludes T3.

2015  
2014  
2013



## COMMITMENTS FOR 2016

→ Open a new dedicated Emergency Operations Centre co-located with integrated operations, landside operations and critical business units to enhance our operational, incident and emergency response capabilities;

→ Implement new Incident Management Software to improve communications to stakeholders as part of a holistic approach to incident and emergency management;

→ Continue works on the perimeter security replacement to improve airport security;

→ Development of our WHS Risk Profile;

→ Development of the WHS governance strategy and enhanced reporting including lead indicators and mechanisms of injury;

→ Delivery of a safety and security awareness campaign;

→ Delivery of WHS training for people managers;

→ Delivery of a refreshed WHS online induction;

→ Continued delivery of the TI improvement program including gate lounge redevelopment and new retail and dining concepts;

→ Further improvement of check-in efficiency through increased automation;

→ Progression towards achieving Level Three Airport Carbon Accreditation; and

→ Implementation of energy and carbon reduction projects to progress towards achieving Sydney Airport's carbon reduction target.



# LOOKING AFTER OUR PEOPLE

At Sydney Airport, we value our people and acknowledge that they are fundamental to our ongoing success. We are committed to building and sustaining a high performance culture that supports our people to reach their potential which then results in an ever-increasing organisational capability.

The airport provides employment for approximately 29,000 people across 800 businesses, of which we employed 379 people directly in 2015.



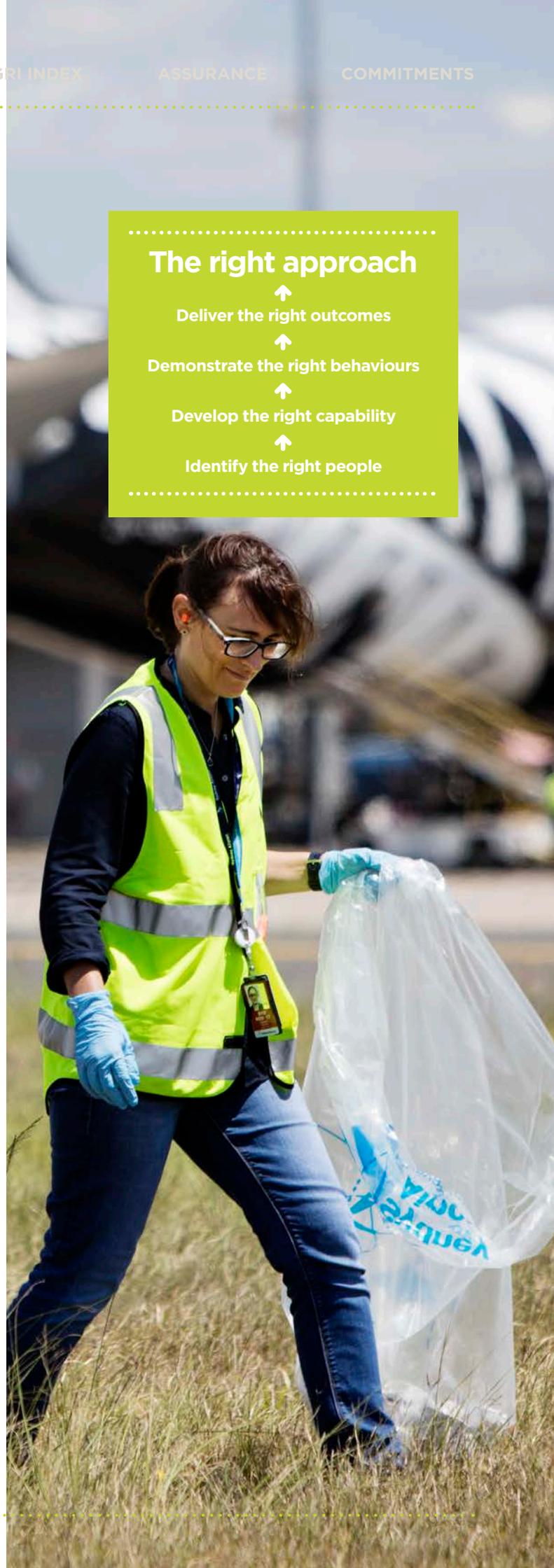
# 3,402

hours of training invested in our people

### EMPLOYEE ENGAGEMENT

Sydney Airport is committed to developing a high performance culture by:

- Setting standards of excellence in both behaviours and outcomes;
- Supporting people to work together to create a successful business for our customers, investors and employees; and
- Committing to continuous improvement.





Sydney Airport conducted a people survey in 2015 to confirm where we were performing well and to identify areas for improvement. The results showed that significant progress had been made since the previous survey in 2012, with scores improving in 14 of 15 categories. Two thirds of the categories scored in the high zone at above 75%.

In particular, the survey identified that Sydney Airport's people are committed to quality customer service, take pride in workplace safety and security, understand and respect the needs of stakeholders, and are motivated to make Sydney Airport an even better place to work. Our people said they enjoyed the dynamic business environment and diversity of roles, while areas for improvement included cross functional communication and recognition. The overwhelming feedback from our people was that our company culture is improving.

**HEALTH AND WELLBEING**

In response to the employee engagement survey results, we launched a health and wellbeing program for our employees. This program aims to:

- Increase health awareness and knowledge;
- Increase and promote physical health and activity;
- Support employees to achieve better health and create a healthier and happier workplace for all; and
- Enhance cross functional working relationships and social interaction with colleagues.

Program initiatives include a free annual health check, yoga for employees, outdoor health and wellbeing camps, flu shots, fee assistance for fitness activities and an employee assistance program.

**ORGANISATIONAL DEVELOPMENT**

We have an ongoing commitment to building the capability of our people through investing in learning and development opportunities across all levels and functions of our organisation.

In 2015, we focused on upskilling our frontline staff to manage conflict, mental health issues and incidents at the airport. More than 60 staff improved their skills through courses in 'presenting with confidence' and 'clear communications'. Embedding our strong safety culture remains a key focus, with 143 staff participating in Safety Essentials training, including a mock court based on real life safety situations.

Demonstrating our commitment to development, one in nine people experienced career progression during the year through promotion, secondment or taking on higher duties. More than a fifth of these people moved to a different department, enhancing cross functional collaboration across the business. There was a pleasing balance between internal progression opportunities at 42% and external hires at 58%.

**DIVERSITY**

For Sydney Airport, diversity means inclusion and recognising the differences in background, upbringing, culture and experience that make each of us unique and distinctive. In 2015, the Board introduced a new, expanded Diversity Policy and publicly committed to the Australian Institute of Company Directors' (AICD) 30% Club for both Board and Management roles.

**SYDNEY AIRPORT  
WORKFORCE 2015<sup>1</sup>**

**TOTAL  
WORKFORCE**



|                  |            |            | TOTAL      |
|------------------|------------|------------|------------|
| <b>FULL TIME</b> | <b>118</b> | <b>248</b> | <b>366</b> |
| <b>PART TIME</b> | <b>9</b>   | <b>4</b>   | <b>13</b>  |
| <b>AGE (YRS)</b> |            |            |            |
| <b>18 - 34</b>   | <b>35</b>  | <b>48</b>  | <b>83</b>  |
| <b>35 - 52</b>   | <b>81</b>  | <b>143</b> | <b>224</b> |
| <b>53 - 69</b>   | <b>11</b>  | <b>61</b>  | <b>72</b>  |
| <b>TOTAL</b>     | <b>127</b> | <b>252</b> | <b>379</b> |

<sup>1</sup> Workforce numbers at 31 December 2015, contractors not included in this figure.

To deliver on this commitment our processes for selecting, recruiting, developing and supporting people are focused solely on the basis of their professional capability and qualifications, irrespective of gender, ethnicity, nationality, class, colour, age, sexual identity, disability, religion, marital status or political opinion. To demonstrate this, our recruitment practice is to ensure we interview a broad range of candidates, and we actively track our gender statistics for interviews and employment.

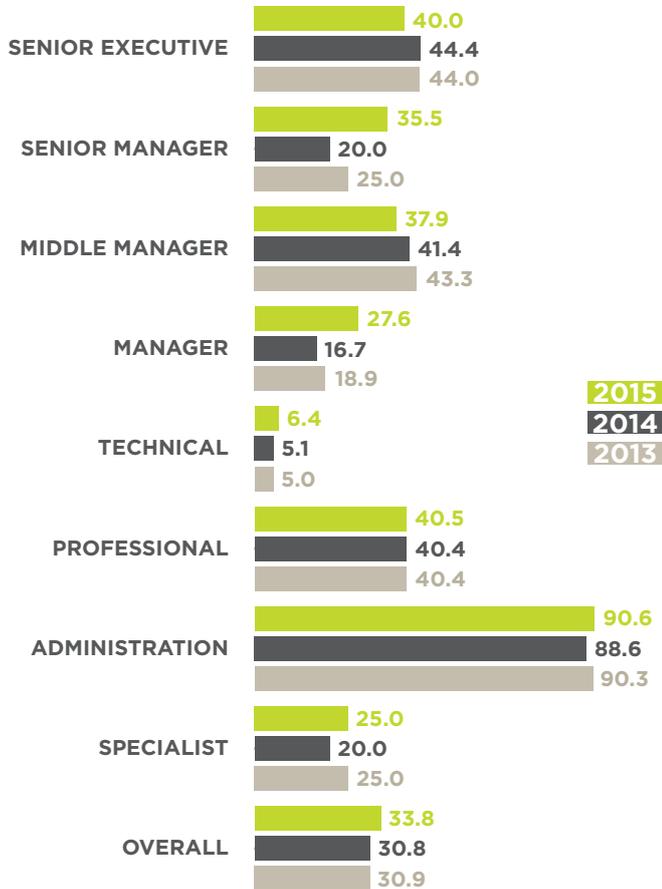
Our gender diversity has improved with 33.5% female employees in 2015, compared to 30.9% in 2013, an increase of 8.8%. The number of women in leadership roles has also improved, with 32% of women in leadership roles in 2015, an increase of 29% since 2014. These improvements were achieved through an active recruitment focus in 2015 which saw 37.5% of our candidates for interviews being female, and 48.6% of all new hires being female.

In addition to gender we continue to track trends on age and culture, to truly drive a diverse organisation. Our employee age diversity also improved during 2015, with Gen Y representing a greater proportion of our workforce than Baby Boomers for the first time (Gen Y 21.9%, Baby Boomer 19.6%). Culturally our employees represent 28 nationalities and speak 20 languages. Importantly, the results from our people survey undertaken in August 2015 showed no significant difference between gender, age or tenure, meaning that our people share the same experience of working at Sydney Airport. Our value of Teamwork (fostering a collaborative and supportive work environment that values diversity) underpins these outcomes.

In line with our new policy we are developing a strategy which will outline initiatives that will drive continued improvements in diversity, and will incorporate the development of appropriate targets and measures.



**FEMALE REPRESENTATION %<sup>1</sup>**



<sup>1</sup> Female representation for the month of December in 2013, 2014 and 2015.

**DEFINITIONS OF EMPLOYEE CATEGORIES**

**SENIOR EXECUTIVE:** Primary responsibility for a department or a business unit.

**SENIOR MANAGER:** Reports directly to a senior executive.

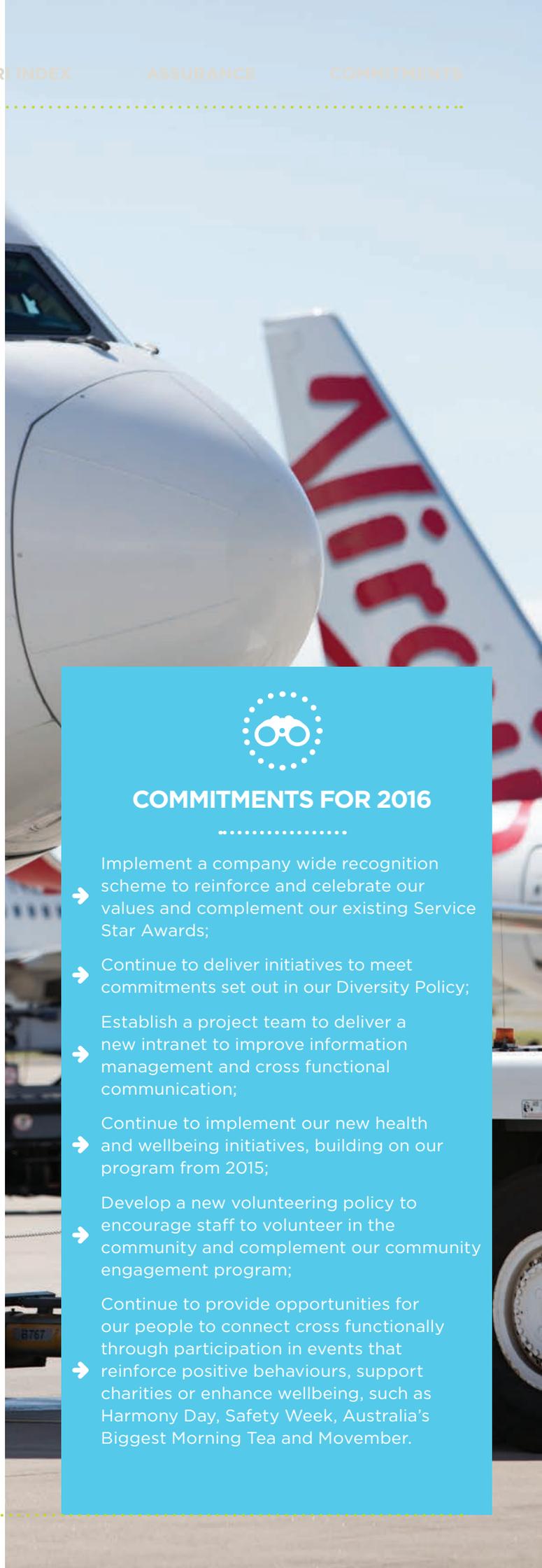
**MIDDLE MANAGER:** Plans, organises, directs, controls and/or coordinates an operational function.

**TECHNICAL:** Performs a variety of skilled tasks, applying technical, trade or industry-specific knowledge.

**PROFESSIONAL:** Performs analytical, conceptual and/or creative tasks through the application of theoretical knowledge and experience.

**ADMINISTRATION:** Provides administrative support to a department or business unit.

**SPECIALIST:** Specialises in a particular area of activity/work in a field of expertise.



**COMMITMENTS FOR 2016**

- Implement a company wide recognition scheme to reinforce and celebrate our values and complement our existing Service Star Awards;
- Continue to deliver initiatives to meet commitments set out in our Diversity Policy;
- Establish a project team to deliver a new intranet to improve information management and cross functional communication;
- Continue to implement our new health and wellbeing initiatives, building on our program from 2015;
- Develop a new volunteering policy to encourage staff to volunteer in the community and complement our community engagement program;
- Continue to provide opportunities for our people to connect cross functionally through participation in events that reinforce positive behaviours, support charities or enhance wellbeing, such as Harmony Day, Safety Week, Australia's Biggest Morning Tea and Movember.



# RESPONSIBLE BUSINESS PRACTICES

## CONTRIBUTING TO OUR ECONOMY

We are proud that Sydney Airport is regarded as one of Australia’s most important pieces of infrastructure. Both directly and indirectly, we make a significant contribution to the local, regional and national economy.

At 31 December 2015, our enterprise value was \$22.4 billion. With 39.7 million passengers in 2015 (a 3% increase from last year) we generated \$1,228.9million in revenue and paid a 25.5c per stapled security distribution to investors.

| Direct economic value <sup>1</sup>       | (\$m)         |
|--|---------------|
| <b>Direct economic value generated</b>   |               |
| - Revenues                               | 1,228.9       |
| <b>Direct economic value distributed</b> |               |
| - Operating costs                        | (173.9)       |
| - Employee wages and benefits            | (47.2)        |
| - Payments to providers of capital       | (1,010.5)     |
| - Payments to governments                | (8.3)         |
| - Community investments                  | (1.5)         |
| <b>Direct economic value retained</b>    | <b>(12.5)</b> |

1 Global Reporting Initiative methodology applied.

Whilst there are approximately 29,000 people working at around 800 businesses located at the airport, there is also a very large network of off-airport businesses that rely on or support airport related activity such as freight/logistics, catering, engineering, vehicle rental and accommodation. A study completed by Deloitte Access Economics in 2015 showed that through our direct and indirect economic contribution, Sydney Airport generated 52,890 FTE jobs and \$10 billion to the Australian economy in 2014.

Sydney Airport also contributes to the Australian economy through the facilitation of tourism and trade. International visitors spend money during their stay in Australia and the airport facilitates the delivery of goods to overseas markets. The Deloitte study showed that economic contribution facilitated through international tourism and exported freight in 2014 was \$20.8 billion in total value added, and 253,800 full-time equivalent (FTE) jobs.





**RESPONSIBLE BUSINESS PRACTICES (CONTINUED)**

**FAIR AND ETHICAL OPERATING PRACTICES**

Sydney Airport is committed to operating in a way that promotes fair and ethical conduct in all business dealings and activities. Our 'Guide to Business Conduct' applies to all directors and employees as well as to certain contractors and consultants, and includes policies regarding management of conflicts of interest, whistle-blowing, anti-corruption and dealing with governments.

In practice, we maintain fair and ethical operating practices in a number of ways. Our management approach supports fair and ethical dealings through an emphasis on cross-departmental involvement in all major projects or processes. We have specialised in-house legal expertise to provide advice on competition and consumer law matters and regularly engage with the Australian Competition and Consumer Commission (ACCC) to ensure continuing compliance including, where necessary, by making formal applications in accordance with legal requirements.

Our new employees receive competition and consumer law training as part of the on-boarding process and our Regulatory Review Team meet periodically to review regulatory matters.

During the year, our competition and consumer law compliance program was strengthened with the addition of a new governance process in respect of arrangements with regional airlines.

**RISK MANAGEMENT**

We believe risk management is about having a structured, systematic and consistent process in place to coordinate activities to direct and control an organisation with regard to risk and opportunities.

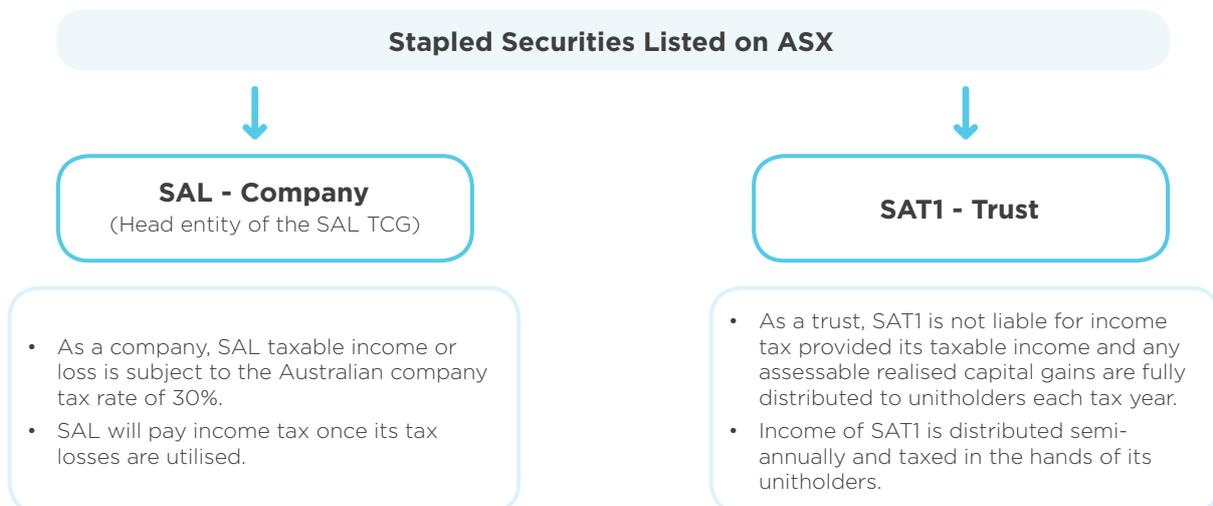
Our risk management process sets out to identify objectives, identify the risks and opportunities associated with these objectives, analyse and evaluate the risks in a consistent manner, and treat risks that are not tolerable through the implementation of targeted risk treatment strategies. Sydney Airport's Enterprise Risk Management Framework (ERM) sets the foundation to facilitate this risk management process, which takes into consideration all areas of the company. This ensures we maximise visibility of risks and opportunities across the company to discourage the siloing of knowledge and processes.

Our ERM has been based on the risk management, Australian Standard 'Risk Management - Principles and Guidelines AS/NZS ISO 31000:2009.'

**SUPPLY CHAIN MANAGEMENT**

Our Procurement Policy sets out clear expectations for tender processes and other aspects of dealing with suppliers and is underpinned by a detailed procurement methodology that includes:

- Risk assessments for all major contracts;
- Governance standards to ensure the highest ethical behaviour and fair dealings;





- Contractual requirements for suppliers to provide professional customer service; and
- Ongoing management and review of safety performance across the supply chain, including safety inductions, drug and alcohol management, workers' protective equipment, field audits and a proactive improvement program.

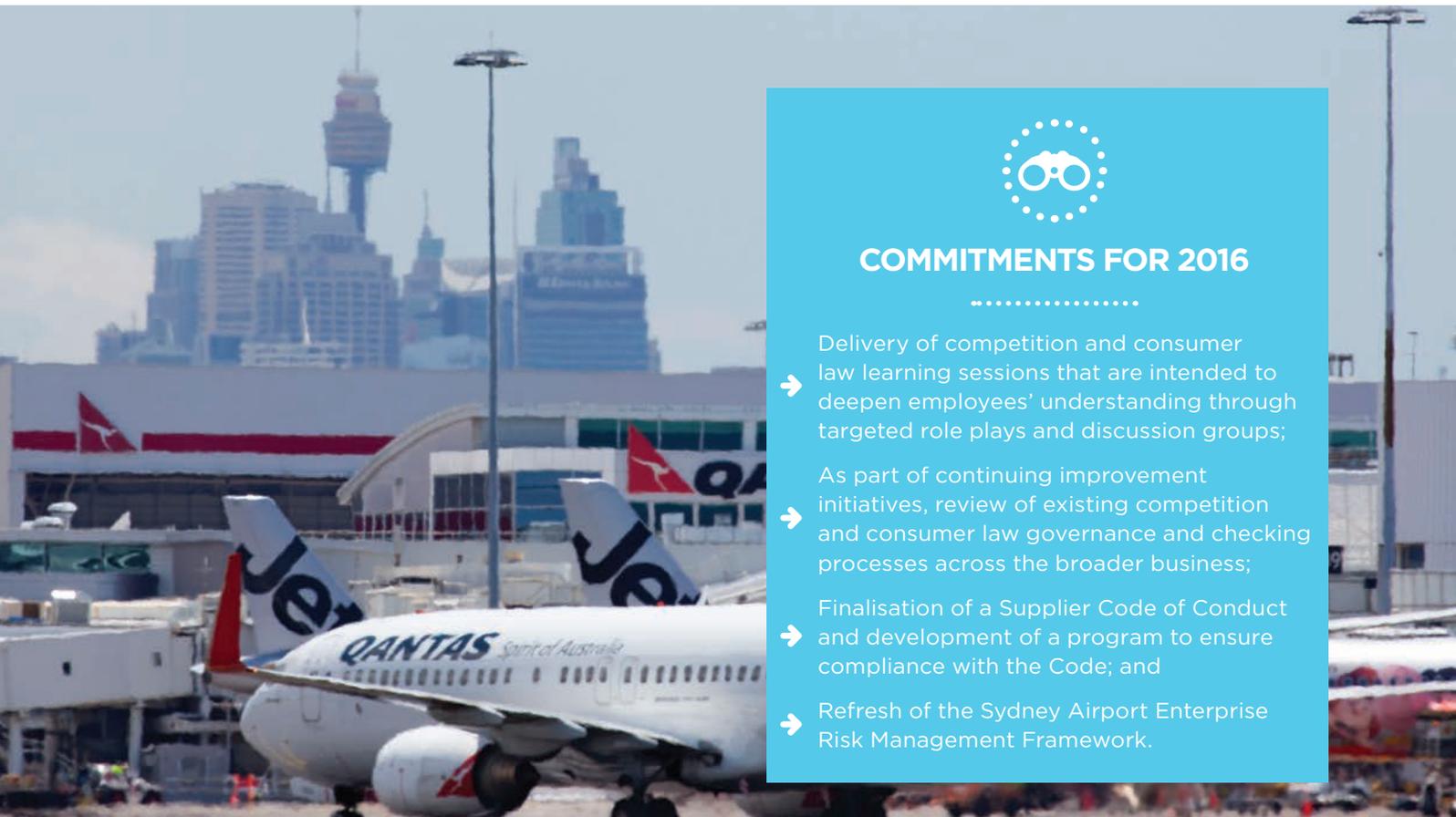
As we outsource a number of services to external providers, we need to ensure that we work with reputable and reliable companies. We have established processes in place aimed at ensuring that our suppliers are in good financial standing and that they observe all legislated requirements. We are developing a Supplier Code of Conduct which will set out clear expectations for our suppliers across the key areas of safety and wellbeing, corporate governance and ethics, workplace conditions, environmental management, community and supply chain management.

Our Sydney Airport Contractors' Site Manual sets out mandatory health, safety, environmental and security requirements for works undertaken on site. It ensures a consistent approach to risk management across the airport and compliance with all regulatory requirements.

**TAX CONTRIBUTION**

During 2015, Sydney Airport provided a submission to the Australian Senate Economics References Committee and the ATO on tax matters, alongside many other large Australian businesses.

In our submission we provided an overview of the structure of our company, in particular highlighting that we are a stapled structure, a common vehicle for investors to hold economic infrastructure and real estate assets in Australia. The implications for tax under this structure were described in the submission, and a summary is provided on page 38. In our submission we also provided an overview of the 2013 simplification of our business as well as an explanation of our effective tax rate. Our submission to the Inquiry, as well as those of other Australian organisations, can be found on the Australian Parliament website.



**COMMITMENTS FOR 2016**

- ➔ Delivery of competition and consumer law learning sessions that are intended to deepen employees' understanding through targeted role plays and discussion groups;
- ➔ As part of continuing improvement initiatives, review of existing competition and consumer law governance and checking processes across the broader business;
- ➔ Finalisation of a Supplier Code of Conduct and development of a program to ensure compliance with the Code; and
- ➔ Refresh of the Sydney Airport Enterprise Risk Management Framework.



## PLANNING FOR THE FUTURE

### INNOVATION AND TECHNOLOGY

During 2015, we launched a number of initiatives and investments to significantly improve the capacity and resilience of our IT network and systems, ensuring the stability of our IT infrastructure and informing our future operating model. In particular, we undertook a number of actions to remediate issues and minimise risks, including:

- Conducting independent assessments of various IT systems;
- Installing a third fibre optic cable across the airfield;
- Undertaking a physical audit of our major communications rooms; and
- Upgrading our storage area network and hardware.

To give our operations team real time and historic analytics about outbound security demand and resourcing, we have adopted an innovative technology solution that helps us to better manage passenger queues. The purpose built technology uses thermal imagery to provide real time statistics such as queue lengths and waiting time for people joining queues. The solution allows us to meet demand requirements with the appropriate resourcing. Following a pilot of the technology, we commenced use at the end of 2015.

We have successfully trialled location based analytics and beacon technology to gain a better understanding of their potential applications before rolling out the technology more broadly across the airport. Potential applications include:

- iBeacons to track terminal bathroom cleaning, improve responsiveness and optimise cleaning outcomes;
- Location based personalised retail offers providing savings for passengers;
- Utilising smartphones for passenger navigation and wayfinding;
- Tracking the location of assets such as baggage carts; and
- Passenger heat maps to identify and address pinch points in the terminal.



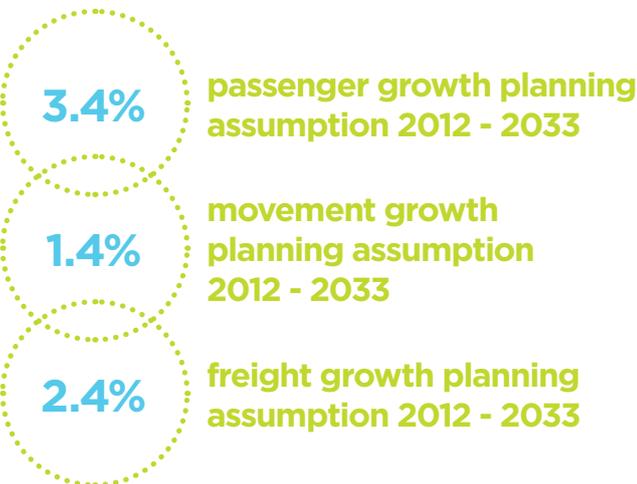
**ENHANCING THE DIGITAL EXPERIENCE**

One of the ways we strive to enhance the airport experience for our passengers is through digital technology. Whilst we have offered free Wi-Fi services in our T1 and T2 terminals since 2011, in 2015 we enhanced that experience by upgrading and offering a faster service, as well as delivering the best and most relevant content to passengers.

Our passengers can now view an extensive selection of information such as news, retail, food and dining offers, competitions and the latest flight details, which allows for greater personalisation of services and convenience.



“ In 2015, there were more than 5.2 million sessions on our Wi-Fi network in T1 and T2, with 90% of people entering the airport with a mobile device.



This year, we refreshed our digital strategy, which provides guidance on the digital passenger experience and will inform our digital transformation. We will commence implementation of this strategy in 2016.

**ACCOMMODATING FUTURE GROWTH**

We plan for the future through our master planning process, a five yearly process which sets out a plan to deliver a better passenger experience, as well as improve efficiency and safety and maximise capacity of airport infrastructure.

Trends show that aircraft movements and passenger numbers have grown steadily over the past two decades. In 2015 international passengers grew by 4.3% while domestic passengers grew by 2.4%. This has been underpinned by six new airlines commencing services and existing airlines upgauging aircraft servicing Sydney Airport.

**PASSENGER MOVEMENTS 2015**

| Passengers   | Domestic          | International     | Total             |
|--------------|-------------------|-------------------|-------------------|
| Arriving     | 12,981,040        | 6,883,327         | 19,864,367        |
| Departing    | 12,960,107        | 6,816,270         | 19,776,377        |
| <b>Total</b> | <b>25,941,147</b> | <b>13,699,597</b> | <b>39,640,744</b> |

| Region       | Arriving         | Departing        | Total             | Total %       |
|--------------|------------------|------------------|-------------------|---------------|
| Asia-Pacific | 4,867,541        | 4,783,052        | 9,650,593         | 70.4%         |
| Americas     | 1,096,857        | 1,126,616        | 2,223,473         | 16.2%         |
| Europe       | 229,576          | 233,487          | 463,063           | 3.4%          |
| Middle East  | 589,262          | 581,025          | 1,170,287         | 8.5%          |
| Africa       | 83,203           | 76,549           | 159,752           | 1.2%          |
| Unknown      | 16,888           | 15,541           | 32,429            | 0.2%          |
| <b>Total</b> | <b>6,883,327</b> | <b>6,816,270</b> | <b>13,699,597</b> | <b>100.0%</b> |

The anticipated growth in future traffic has the potential to amplify economic, environmental and social impacts from the airport, both positive and negative. Our master planning process details our long-term vision and plans for responding to the growing passenger demand. It includes an assessment of the future needs of airlines and other airport users, a land use zoning plan, makes assumptions in changes in the number of airline passengers, flights and the volume of air freight, information about aircraft noise, and the plans for dealing with any environmental issues associated with implementing the Master Plan.

The Master Plan also outlines significant investments to improve traffic flow in and around the passenger terminal precincts.

Our current Master Plan covering the period to 2033 can be found on the Sydney Airport website. ▶



## PLANNING FOR THE FUTURE (CONTINUED)

### ACCESS TO AND FROM THE AIRPORT

Our priority is to make it easier to travel to and from Sydney Airport by car, taxi, active or public transport. We are working closely with the NSW Government on improved access outcomes to the airport and surrounding areas.

In 2015 work has been underway to upgrade the road and transport network in both of Sydney Airport's terminal precincts. The works will be complemented by upgrades to roads around the airport by the state government. These improvements, when completed, aim to deliver improved traffic flows and minimise delays by providing motorists with up to 33% more 'green light' time at major intersections, as well as providing improved public transport and taxi facilities and better access for cyclists and pedestrians.

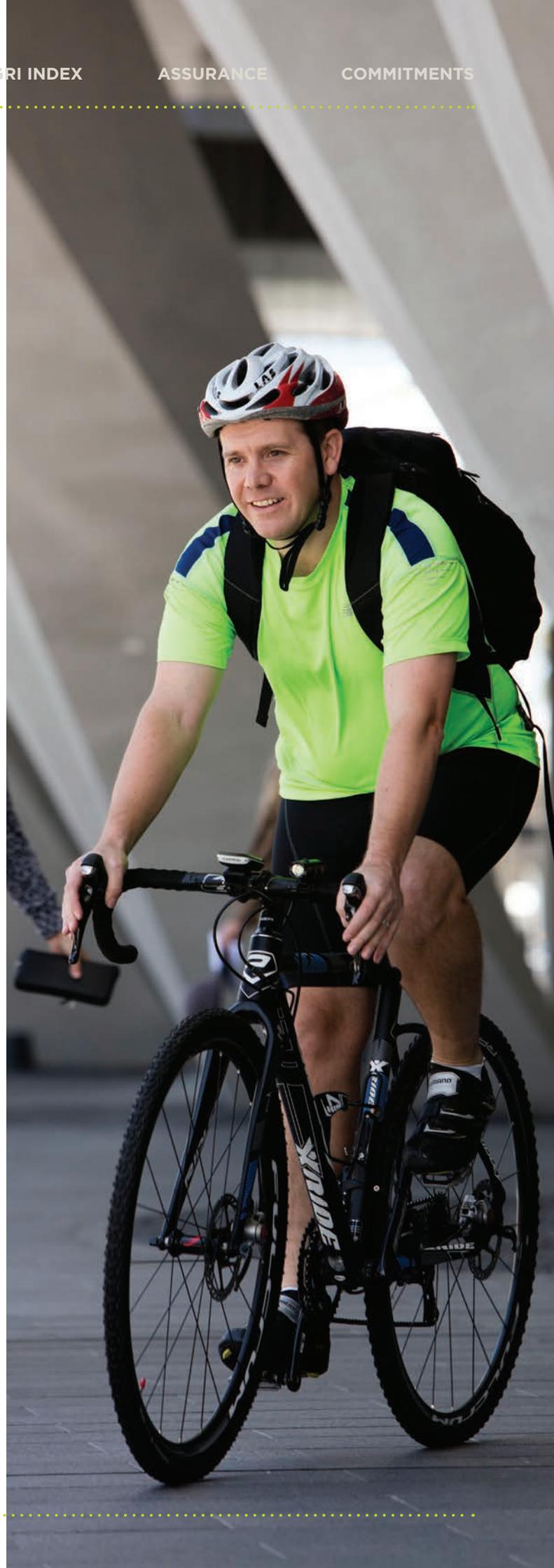
In the T2/T3 precinct, stage one of the improvements has been completed which includes a new one-way, five-lane exit road from the precinct. This will benefit passengers, airport workers and visitors, as well as Sydney motorists and commuters generally. Further stages of the ground access improvement program include the redevelopment of P1 East, the reconfiguration of Sir Reginald Ansett Drive to provide three additional entry lanes to the precinct, and the construction of a new Ground Transport Interchange to accommodate and encourage increased use of public transport.

We have also been working to upgrade the road network in the T1 terminal precinct. We completed a new centre road to improve traffic flows through the area, especially at peak times, and built a new public pick-up area.

Works on these improvements are being staged in order to minimise disruption to airport visitors and staff, with construction expected to be completed by 2018. Sydney Airport is working with the NSW Government on a range of short term measures to ensure improved traffic flow while these important works are undertaken.

In addition to improving and enhancing the road transport experience, it is important that our customers have a range of choices when accessing the airport. To help improve active transport connectivity to the airport we have been working closely with Transport for NSW and RMS to complete the missing links in bike routes to the airport. In particular, we are progressing with planning the Sydney Airport Active Transport Elevated Link, which will provide a link for cyclists and pedestrians from T1 to Cooks River Drive and beyond to the state active transport network.

Our Active Travel Forum, a collaborative effort between Sydney Airport, surrounding local councils, NSW Government agencies, NSW Health and cyclist organisations, has also continued. This forum aims to identify opportunities to encourage staff and contractors to adopt more active forms of travel. As part of this, we formed a partnership in 2015 with the Bicycle Network to establish a Bicycle Buddy Program to support new riders.





WESTERN SYDNEY AIRPORT

“ Sydney Airport continues to examine the opportunity to develop and operate the Western Sydney Airport.

The federal government is committed to the delivery of a full service international airport for Western Sydney, which would be a major generator of economic activity and provide close-to-home employment opportunities for the people of Western Sydney. The government has outlined its expectations for the new airport, which will be built to serve new demand and could be operational by the mid-2020s.

Under the 2002 Sydney (Kingsford Smith) Airport Sale Agreement, Sydney Airport has a Right of First Refusal, which provides the opportunity to develop and operate a second major airport within 100 kilometres of Sydney’s CBD.

As part of the Right of First Refusal, Sydney Airport has engaged in a consultation process with the Australian Government. The Australian Government continues to examine the Western Sydney Airport opportunity and engage with Sydney Airport.

Throughout the consultation period, Sydney Airport has examined many aspects of the proposed Western Sydney Airport, including:

- Passenger forecasting;
- Passenger demographics;
- Airport design and operation;
- Planning and commercial development;
- Environmental analysis; and
- Funding and financial modelling.

The Commonwealth Government has indicated that it may issue Sydney Airport with a Notice of Intention (NOI) laying out all the material terms for the development and operation of the Western Sydney Airport in 2016. Sydney Airport would then have either four or nine months to consider the exercise of the option to develop and operate the new airport. In considering any NOI issued by

the Commonwealth, Sydney Airport will apply the same rigour and strict investment evaluation that is applied to all capital expenditure.

We continue to work actively to understand all stakeholder impacts and expectations with regard to the Western Sydney Airport.

CLIMATE CHANGE

Sydney Airport is committed to safeguarding our assets against the impacts of climate change, while working to minimise the airport’s environmental impact. We are also committed to playing our part in reducing carbon emissions associated with the aviation industry. This is reflected in our participation in the Airport Carbon Accreditation scheme, and commitment to progress towards achieving Level Three Airport Carbon Accreditation.

Physical risks of climate resilience are currently managed through our design and planning choices, and emergency planning and response processes. We are currently undertaking a vulnerability assessment to allow us to better understand the risks to Sydney Airport associated with climate change. We regularly evaluate the strategies we have in place to manage climate change and upon completion of this assessment, we will further update our approach as required to ensure risks are being appropriately managed.



COMMITMENTS FOR 2016

- ➔ Implementation of a refreshed digital strategy;
- ➔ Completion of the new entrance from Marsh Street to Centre Road at T1 precinct;
- ➔ Construction of a new shared pedestrian/ cycle bridge providing direct access to T1 from Cooks River Drive;
- ➔ Completion of a climate change vulnerability assessment;
- ➔ Continue to progress discussions with the government on Western Sydney Airport; and
- ➔ Continued implementation of our five year investment strategy to deliver an improved passenger experience and airport operations.



# GRI INDEX



# GRI INDEX

| GRI REFERENCE                       | DESCRIPTION   | RELEVANT SECTION/COMMENTARY   |
|-------------------------------------|---|---|
| <b>GENERAL STANDARD DISCLOSURES</b> |   |   |
| G4-1                                | Statement from the most senior decision maker in the organisation   | <i>Introduction from the MD and CEO</i>   |
| G4-3                                | Name of organisation  | Sydney Airport Limited  |
| G4-4                                | Report primary brands, products and services  | <i>About Sydney Airport</i>   |
| G4-5                                | Location of organisation's headquarters.  | <i>Annual 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>Annual Report, corporate directory</i>   |
| G4-8                                | Markets served  | <i>Sustainability and Annual Report, About Sydney Airport</i>   |
| G4-9                                | Scale of organisation, including:<br>Total number of employees;<br>Net sales;<br>Total capitalisation broken down in terms of debt and equity; and<br>Quantity of products or services provided | <i>Sustainability Report, Looking after our people and 2015 Full Year Financial Report</i>  |
| G4-10                               | Employee numbers, gender breakdown, employment type, workforce by region, variation in employment   | <i>Sustainability Report, Looking after our people.</i><br>All employees are based in Sydney.   |
| G4-11                               | Percentage of total employees covered by collective bargaining agreements   | As at December 2015 we had 47% of our workforce covered by an enterprise agreement.   |
| G4-12                               | Description of the organisation's supply chain  | Sydney Airport's main suppliers include those that support the airport's developments or deliver services to and maintenance of airport facilities. In 2015, Sydney Airport's top supplier categories by spend were: <ol style="list-style-type: none"> <li>1. Construction services</li> <li>2. Security services and equipment</li> <li>3. Planning and design</li> <li>4. Utilities - electricity/water/gas</li> <li>5. Facilities and equipment maintenance including cleaning contractors</li> </ol> |
| G4-13                               | Significant changes during the reporting period   | None  |
| 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. <i>Sustainability Report, Responsible business practices</i>  |
| G4-15                               | Externally developed economic, environmental and social charters, principles or other initiatives to which the organisation subscribes or which it endorses                                     | Inter Airport Environment Forum, Airport Carbon Accreditation Program and the London Benchmarking Group   |



## GRI INDEX (CONTINUED)

| GRI REFERENCE | DESCRIPTION  | RELEVANT SECTION/COMMENTARY   |
|---------------|--|---|
| G4-16         | Memberships of associations (such as industry associations) and national or international advocacy organisations   | Airports Council International, Asia Society, Australian Tourism Export Council - Corporate Partnership Program, Australian Airport Association, Australian Chinese Business Council, Australian India Travel and Tourism, Australia- Israel Chamber of Commerce, Australian Logistics Council, Australian Chamber of Commerce and Industry (ACCI), Business Council of Australia, Committee for Economic Development of Australia, Chief Executive Women, Committee for Sydney, Infrastructure Partnerships Australia, NSW Business Chambers, Tourism and Transport Forum Australia, Property Council of Australia |
| 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>   |
| 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, stakeholder engagement</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 2014 Sustainability Report.   |
| G4-30         | Reporting cycle  | Annual.   |



| GRI REFERENCE | DESCRIPTION  | RELEVANT SECTION/COMMENTARY  |
|---------------|--|--|
| 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 framework and governance</i>              |
| G4-56         | Values, principles, standards and norms of behaviour such as codes of conduct and code of ethics   | <i>Sustainability Report, About Sydney Airport, Responsible business practices</i> |

**SPECIFIC STANDARD DISCLOSURES**

**DISCLOSURES ON MANAGEMENT APPROACH**

|        |   |  |
|--------|---|--|
| 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 on the business. Our overall approach to managing our material issues is outlined in the ‘sustainability framework and governance’ section of the sustainability report. The Safety, Security and Sustainability Committee together with the Sustainability Steering Committee 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 of the report:</p> <p><i>Being a good neighbour</i><br/> <i>Enhancing the customer experience</i><br/> <i>Safety, security and operational efficiency</i><br/> <i>Looking after our people</i><br/> <i>Responsible business practices</i><br/> <i>Planning for the future</i></p> |
|--------|---|--|



## GRI INDEX (CONTINUED)

| GRI REFERENCE                   | DESCRIPTION   | RELEVANT SECTION/COMMENTARY  |
|---------------------------------|---|--|
| <b>ECONOMIC INDICATORS</b>      |   |  |
| G4-EC1                          | Direct economic value generated and distributed. Economic value retained  | <i>Sustainability Report, safety, security and operational efficiency</i>              |
| G4-EC8                          | Significant indirect economic impacts, including the extent of impacts  | <i>Sustainability Report, safety, security and operational efficiency</i>              |
| <b>ENVIRONMENTAL INDICATORS</b> |   |  |
| G4-EN3                          | Energy consumption within the organisation  | <i>Sustainability Report, safety, security and operational efficiency</i>              |
| G4-EN8                          | Total water withdrawal by source  | <i>Sustainability Report, safety, security and operational efficiency</i>              |
| G4-EN10                         | Percentage and total volume of water recycled and reused  | <i>Sustainability Report, safety, security and operational efficiency</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>                                |
| 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, safety, security and operational efficiency</i>              |
| G4-EN16                         | Direct GHG emissions (Scope 2)  | <i>Sustainability Report, safety, security and operational efficiency</i>              |
| G4-EN18                         | GHG intensity   | <i>Sustainability Report, safety, security and operational efficiency</i>              |
| G4-EN19                         | Reduction of GHG emissions  | <i>Sustainability Report, safety, security and operational efficiency</i>              |
| G4-EN23                         | Total weight of waste by type and disposal method   | <i>Sustainability Report, safety, security and operational efficiency</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. |



## GRI

## REFERENCE DESCRIPTION

## RELEVANT SECTION/COMMENTARY

## SOCIAL INDICATORS

|        |  |   |
|--------|--|---|
| G4-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. All parts of the business are represented. The WHS Staff committee reports through to the WHS Steering Committee, which is chaired by the MD and CEO. This 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, safety, security and operational efficiency</i><br>The total worker absenteeism rate for 2015 was 2.03%   |
| G4-LA9 | Average hours of training per year per employee by gender, and by employee category  | <i>Sustainability Report, Looking after our people</i>  |
| G4-SO1 | Percentage of operations with implemented local community engagement, impact assessments and development programs  | <i>Being a good neighbour.</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, Being a good neighbour</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 practices</i>  |
| G4-PR5 | Results of surveys measuring customer satisfaction   | <i>Sustainability Report, Meeting customer expectations</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   |



# ASSURANCE STATEMENT



### Independent Limited Assurance Report to Sydney Airport Limited

We were engaged by the management of Sydney Airport Limited to provide limited assurance in relation to selected information (Selected Information) contained in Sydney Airport Limited's (Sydney Airport) sustainability report (the Report) for the year ended 31 December 2015, including:

- the following selected sustainability indicators (Selected Data Claims) to assess whether they have been prepared in accordance with Sydney Airport's policies, procedures and methodologies:
  - Total Scope 1 and Scope 2 greenhouse gas emissions for the period 1 July 2014 to 30 June 2015 **88,348(tCO<sub>2</sub>E)**;
  - Passenger satisfaction score T1 **3.84**;
  - Passenger satisfaction score T2 **3.85**;
  - Female representation overall **33.8(%)**;
  - Waste to landfill **2,369(t)**;
  - Recycled waste **1,687(t)**;
  - Quarantine waste **1,100(t)**.
- that the GRI Content Index on page 45 of the Report has been prepared in accordance with the requirements of GRI G4 Core level.

Management is responsible for:

- the preparation and presentation of the Report in accordance with Sydney Airport's policies, procedures and methodologies, as described in the Report and the Sustainability Reporting Guidelines (G4) of the Global Reporting Initiative, and the information and assertions contained within it;
- determining the Sydney Airport's objectives in respect of sustainable development performance and reporting, including the identification of stakeholders and material issues; and
- establishing and maintaining appropriate performance management and internal control systems from which the reported performance information is derived.

Our responsibility is to carry out a limited assurance engagement and to express a conclusion based on the work performed. We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements other than Audits or Reviews of Historical Financial Information, issued by the International Auditing and Assurance Standards Board. That Standard requires that we comply with applicable ethical requirements, including independence requirements, and that we plan and perform the engagement to obtain limited assurance about whether the Selected Information is free from material misstatement.

A limited assurance engagement on a sustainability report consists of making inquiries, primarily of persons responsible for the preparation of information presented in the sustainability report, and applying analytical and other evidence gathering procedures, as appropriate. These procedures included:

- Inquiries of management to gain an understanding of Sydney Airport Limited's processes for determining the material issues for Sydney Airport Limited's key stakeholder groups.
- Review 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 Report.



## ASSURANCE STATEMENT (CONTINUED)

- Comparing the information presented in the Report to corresponding information in the relevant underlying sources to determine whether all the relevant information contained in such underlying sources has been included in the Report.
- Reading the information presented in the Report to determine whether it is in line with our overall knowledge of, and experience with, the sustainability performance of Sydney Airport.

The extent of evidence gathering procedures performed in a limited assurance engagement is less than that for a reasonable assurance engagement, and therefore a lower level of assurance is provided.

Based on the procedures performed, as described above, nothing has come to our attention that causes us to believe that:

- the Selected Information in the Report of Sydney Airport for the year ended December 31, 2015 is not presented fairly, in all material respects, in accordance with Sydney Airport's policies, procedures and methodologies as described in the Report; and
- Sydney Airport's GRI Content Index on page 45 of the Report has not been prepared in accordance with the requirements of GRI G4 Core level.

Our assurance report is made solely to Sydney Airport in accordance with the terms of our engagement. Our work has been undertaken so that we might state to Sydney Airport those matters we have been engaged to state in this assurance report and for no other purpose. We do not accept or assume responsibility to anyone other than Sydney Airport for our work, for this assurance report, or for the conclusions we have reached.

KPMG

D N Ridehalgh

Partner

Sydney

5 April 2016



**QANTAS DRIVE**

 **T1 International Terminal**  
**Sydney West and** 



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# COMMITMENTS



# COMMITMENTS

## COMMITMENTS FROM THE 2015 SUSTAINABILITY REPORT

| COMMITMENT  | STATUS           | COMMENT   |
|---|------------------|---|
| Communicate Sydney Airport's future plans and implementation timetable to local stakeholders and residents.                       | Completed        | Sydney Airport is a member of Sydney Airport Community Forum (SACF), which comprises local, state and federal MPs, local mayors and other community representatives. SACF is regularly briefed about all proposed development, planning and other activities at Sydney Airport. Sydney Airport also convenes and chairs a Planning Coordination Forum, which comprises representatives from relevant agencies of the Australian and NSW Governments, local governments and the Sydney Business Chamber. During 2015, community update notices were also placed in local newspapers circulating in areas around the airport and a community update brochure was distributed to around 150,000 households in the vicinity of Sydney Airport to ensure local residents were aware of Sydney Airport's plans for the future. Ongoing meetings with local federal and state MPs and mayors have been held throughout 2015. |
| Understand and respond to how local communities want to participate in Sydney Airport's progress and development of future plans. | Completed        | The dynamic nature of Sydney Airport's business means that communication with stakeholders about the future of the airport is a core part of our "business-as-usual" activities. As a member of SACF, Sydney Airport actively seeks feedback from and listens to community representatives about Sydney Airport's development and other plans for the future. By publishing community updates in local newspapers and distributing material to 150,000 households in the vicinity of the airport, Sydney Airport allows local residents to make direct contact with the airport to seek information or ask questions about airport-related matters.   |
| Engage stakeholders to understand how Sydney Airport can build on and improve sustainability reporting.                           | Ongoing          | Stakeholder engagement undertaken and feedback received on the 2014 Sustainability Report. Feedback received has been incorporated into this report. Engagement will continue in subsequent years to ensure continuous improvement.   |
| Develop clear, measurable, time-bound goals and targets for each material issue in the 2015 Sustainability Report.                | Amended approach | As an initial step, we have developed baselines for each of our material issues. Once we have a more informed understanding of our sustainability data and performance, we will set measurable, time-bound goals and targets.   |
| Determine approach to assurance for future Sustainability Reports.  | Completed        | Approach has been determined, and limited assurance of the 2015 Sustainability Report will be undertaken.   |
| Complete expression of interest for new hotel in the T2/T3 precinct.  | Completed        | Expression of Interest completed and preferred proponent selected.  |
| Complete the T1 landside food court development.  | Completed        | Leasing and development completed.  |
| Establish method, baseline and targets for year on year reporting of passenger satisfaction results.                              | Ongoing          | Method prepared and baseline data collated for passenger satisfaction and included in this report. Targets will be considered for future reports.   |



| COMMITMENT  | STATUS          | COMMENT  |
|---|-----------------|--|
| Support airlines and deliver necessary infrastructure as they increase aircraft size, increase flight frequency on existing routes and add new routes.                    | Completed       | Airport capacity and demand is monitored each month to ensure forecast demand requirements are met. Ongoing airline feedback is sought through formal consultation forums and one on one discussions on specific initiatives to meet airline partner requirements and improve customer service standards.  |
| Deliver new technologies to support satellite-assisted performance-driven landings which save fuel and deliver potential noise-sharing benefits.                          | Completed       | Aircraft usage of GLS (satellite landing system) has increased and the transition to satellite based technologies has enabled the withdrawal of the Sydney navigational aid (VOR).   |
| Establish method, baseline and targets for year on year reporting of airline satisfaction results.  | Ongoing         | In consultation with BARA and our airlines, we have developed a commercial in confidence KPI framework that measures our performance and progress for the focus areas of baggage, passenger facilitation, peak planning/resource allocation and bussing. Formal reporting will commence in 2017.   |
| Complete and establish a framework for evaluation and decision-making regarding local community investments.  | Completed       | We have four key categories which inform our Community Engagement Program (CEP) and determine how Sydney Airport engages, connects and supports our local community. These categories are education, health, environment and families in need. Under these four categories, Sydney Airport aligns with partners and organisations that deliver beneficial programs and initiatives within the communities that we live and work. |
| Refine method for collecting and monitoring environmental data including waste, water and energy to enable improved reporting.  | Completed       | Improvements made to data collation. Review will be undertaken on an ongoing basis.  |
| Establish method for collecting and monitoring local content in procurement spend including setting baseline and targets.   | Not progressing | Due to a change in business priorities, this initiative has not progressed. Instead a Supplier Code of Conduct has been prepared and roll-out will commence in 2016.   |
| Establish method, baseline and targets for year on year public reporting of energy consumption and greenhouse gas emissions, including establishing intensity indicators. | Completed       | Report framework prepared utilising same methodology as that required under National Greenhouse and Energy Reporting. A target has been set to reduce per passenger carbon emissions by 25% by 2020 based on 2010 levels.  |
| Progress towards achieving Level Two certification under Airport Carbon Accreditation scheme.   | Completed       | Level Two accreditation achieved.  |



## COMMITMENTS (CONTINUED)

| COMMITMENT  | STATUS      | COMMENT  |
|---|-------------|--|
| Complete climate vulnerability assessment and develop adaptation strategies to inform future planning for the airport.  | In progress | Assessment scoped and consultant selected. The initiative will be progressed further in 2016.  |
| Enhance emergency response procedures and capabilities, drawing on the lessons learned from training and exercise programs, and incident debriefings in 2014.   | Ongoing     | With regard to our response procedures, our focus is on continuous improvement. We have enhanced some of our procedures including the implementation of a Critical Incident Policy, together with a Communications Management Procedure and the launch of a new incident alert messaging service. Further enhancements will be made in 2016.   |
| Continue to develop and implement accessible methods and supporting technology for collecting and monitoring near misses.   | Ongoing     | Enhanced accessibility and mobility of our internal incident reporting system continues to be explored, including the use of mobile devices.   |
| Encourage increased use of fixed electrical ground power and pre-conditioned air units. This minimises the use of noisier on-aircraft auxiliary power units, improves air quality and reduces carbon emissions. | Ongoing     | A program is in place to encourage the use of ground power by our airline partners, and a number of additional pre-conditioned air units have been ordered.  |
| Together with industry groups and tourism bodies, increase the profile of Sydney as one of the world's most attractive destinations.  | Ongoing     | Sydney Airport has worked with Tourism Australia, Destination NSW, Austrade, Sydney Business Chamber, Committee for Sydney and NSW Trade and Infrastructure in securing expanded services, Air Service Agreement expansion and promoting Sydney to the inbound market. This work has yielded new services to Sydney from a diverse range of markets.   |
| Actively work to attract airlines from the Asia region, in particular the growth markets of China and India.  | Ongoing     | Sydney Airport has been successful in attracting six new international carriers in 2015, including two new Chinese airlines. For 2015, Indian and Chinese passenger numbers have continued to grow, up 16% and 18% respectively.   |
| Establish method, baseline and targets for year on year reporting of improvements in the proportion of latest generation aircraft.  | Ongoing     | Method and baseline data has been collated for latest generation aircraft and included in this report. Targets will be considered for future reports.  |
| Verify estimation methods for breakdowns of passenger and aircraft movement data.   | Ongoing     | Five weekly forward views are now disseminated to the relevant business units and to relevant external stakeholders each week. Additional longer term views are distributed to the business at the start of Northern Winter (October) to optimise resourcing over the peak periods. Work is ongoing to further refine the five weekly view to also include T2/T3 and to more closely align to each department's specific requirements. |



| COMMITMENT   | STATUS    | COMMENT  |
|--|-----------|--|
| Continue redevelopment works for improving traffic flow in and around the precinct in line with the five-year Ground Transport Plan.                 | Ongoing   | Stage one of the upgrades to the T2/T3 precinct has been completed, including a new one-way, five-lane exit road. For T1, a new centre road to improve traffic flows through the area, especially at peak times, and a new express pick-up area have been completed.   |
| Investigate options to transition from diesel to lower emission electric buses servicing the Blu Emu Car Park.                                       | Ongoing   | An Expression of Interest and tendering process to procure electric buses that could meet Australian design rules was completed during the year. A preferred supplier will be chosen and delivery of the buses is expected in 2016.  |
| Continue to advocate that the NSW Government increases the number of public bus services to the airport.   | Ongoing   | Sydney Airport continues to advocate for new public bus routes and services to the airport in all available forums of the NSW Government. The government has indicated in its planning documents that additional bus routes will be provided on the completion of the proposed Ground Transport Interchange in the T2/T3 precinct. |
| Continue to facilitate an active transport forum and identify opportunities to encourage staff and contractors to adopt more active forms of travel. | Ongoing   | An active transport forum has continued to meet throughout the year. More active forms of transport were encouraged through our health and wellbeing program, including a buddy system for new riders.   |
| Develop time management, health and wellbeing training programs for non-managerial employees and shift staff.  | Completed | Rollout of a training program focusing on upskilling frontline staff to manage conflict, mental health issues and incidents at the airport.  |
| Complete rollout of the next phase of the Safety Essentials training program.  | Completed | 143 staff completed Safety Essentials training in 2015. Training included a mock court based on real life safety situations.   |
| Establish method, baseline and targets for collecting and monitoring workforce diversity beyond gender.  | Ongoing   | Systems have been established to collate, monitor and report on gender, age, tenure and cultural heritage trends to ensure we continue to support a diverse and inclusive work environment. We report internally on these trends to track our performance and ensure continuous improvement.                                       |



**COMMITMENTS  
(CONTINUED)**

**FOCUS AREA**

**COMMITMENT**



- Continue to actively engage with local communities in the vicinity of Sydney Airport or under flight paths;
- Continue to explore opportunities to expand our community engagement program;
- Enhance the capture, measurement and reporting of the diverse range of programs and initiatives within our community engagement program;
- Continue to support airlines and deliver necessary infrastructure as they increase aircraft size; and
- Continue to encourage use of fixed electrical ground power and pre-conditioned air units.



- Implementation of a Customer Resource Management tool to respond and track airport users feedback;
- Centralising and streamlining of our customer service team and approach; and
- As part of our airline partner service level framework, development of appropriate systems to measure KPIs and establish baseline data to inform improvement plans.



- Open a new dedicated Emergency Operations Centre co-located with integrated operations, landside operations and critical business units to enhance our operational, incident and emergency response capabilities;
- Implement new Incident Management Software to improve communications to stakeholders as part of a holistic approach to incident and emergency management;
- Continue works on the perimeter security replacement to improve airport security;
- Development of our WHS Risk Profile;
- Development of the WHS governance strategy and enhanced reporting including lead indicators and mechanisms of injury;
- Delivery of a safety and security awareness campaign;
- Delivery of WHS training for people managers;
- Delivery of a refreshed WHS online induction;
- Continued delivery of the TI improvement program including gate lounge redevelopment and new retail and dining concepts;
- Further improvement of check-in efficiency through increased automation;
- Progression towards achieving Level Three Airport Carbon Accreditation; and
- Implementation of energy and carbon reduction projects to progress towards achieving Sydney Airport's carbon reduction target.



**FOCUS AREA**

**COMMITMENT**



- Implement a company wide recognition scheme to reinforce and celebrate our values and complement our existing Service Star Awards;
- Continue to deliver initiatives to meet commitments set out in our Diversity Policy;
- Establish a project team to deliver a new intranet to improve information management and cross functional communication;
- Continue to implement our new health and wellbeing initiatives, building on our program from 2015;
- Develop a new volunteering policy to encourage staff to volunteer in the community and complement our community engagement program; and
- Continue to provide opportunities for our people to connect cross functionally through participation in events that reinforce positive behaviours, support charities or enhance wellbeing such as Harmony Day, Safety Week, Australia’s Biggest Morning Tea and Movember.



- Delivery of competition and consumer law learning sessions that are intended to deepen employees’ understanding through targeted role play and discussion groups;
- As part of continuing improvement initiatives, review of existing competition and consumer law governance and checking processes across the broader business;
- Finalisation of a Supplier Code of Conduct and development of a program to ensure compliance with the Code; and
- Refresh of the Sydney Airport Enterprise Risk Management Framework.



- Implementation of a refreshed digital strategy;
- Completion of the new entrance from Marsh Street to Centre Road at T1 parking precinct;
- Construction of a new shared pedestrian/cycle bridge providing direct access to T1 from Cooks River Drive;
- Completion of a climate change vulnerability assessment;
- Continue to progress discussions with the government on Western Sydney Airport; and
- Continued implementation of our five year investment strategy to deliver an improved passenger experience and airport operations.

# CORPORATE DIRECTORY

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- John Roberts
- Stephen Ward
- Ann Sherry
- Grant Fenn
- Kerrie Mather

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- Patrick Gourley
- Christopher Green

Company secretaries: Glenda Charles, Sylvie Dimarco and Jamie Motum

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