

SYD

Modern Slavery
Statement 2020



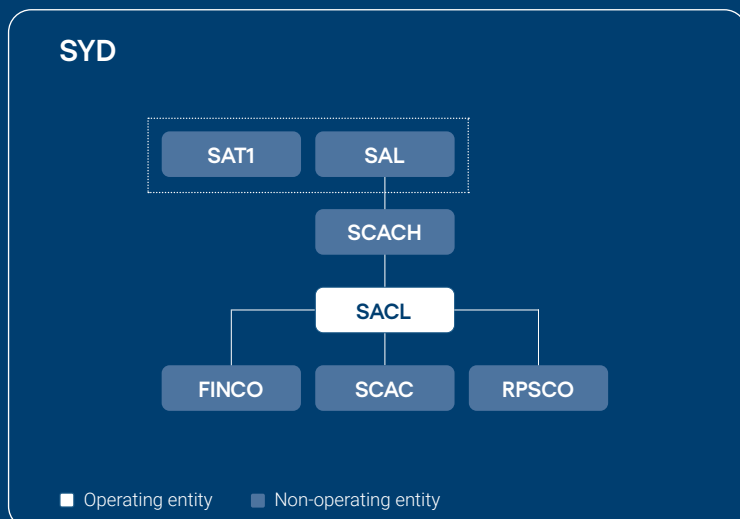
About this report

This statement is a joint Modern Slavery Statement covering the activities undertaken during the year ended 31 December 2020 by the entities in our structure with reporting obligations under the Modern Slavery Act 2018 (Cth), which together, for the purposes of this statement, are defined as SYD.

SYD comprises:

- Sydney Airport Limited (SAL)
- Southern Cross Airports Corporation Holdings Limited (SCACH)
- Sydney Airport Corporation Limited (SACL)
- Southern Cross Airports Corporation Pty Limited (SCAC)
- Sydney Airport Finance Company Pty Limited (FINCO)
- Sydney Airport RPS Company Pty Limited (RPSCO)
- Sydney Airport Trust 1 (SAT1)

Our corporate structure consists of a stapled vehicle comprised of ASX-listed entities Sydney Airport Limited and Sydney Airport Trust 1 (SAT1). The Trust Company (Sydney Airport) Limited (TTCSAL) is the Responsible Entity (RE) of SAT1.



A message from our

Chair and CEO



Trevor Gerber

Chairman,
Sydney Airport Limited



Geoff Culbert

Chief Executive Officer

SYD's purpose is to make Sydney proud every day. This reflects the positive impact we aspire to have in the community, with our customers, and for NSW and Australia more broadly.

We welcome and support the introduction of the Modern Slavery Act 2018 and are pleased to provide our first Modern Slavery Statement for the 2020 reporting period.

SYD is committed to ensuring we are not doing business with individuals or companies who knowingly profit from modern slavery.

In 2020, SYD did not identify any instances of modern slavery in our operations or supply chain.

We continue to build our understanding of modern slavery risk in our operations and supply chain and work with our business partners to reject slavery in all its forms.

Today, it is estimated that over 40 million people around the world live in modern slavery. Slavery targets vulnerable people in our communities and is a violation of fundamental human rights.

We recognise the important role of the airport as a major gateway to and from Australia and the risks of human trafficking through the airport.

In recent years, we have taken steps to develop our maturity in managing modern slavery risk. In this statement, we set out how we have identified and assessed our modern slavery risk areas, and the steps we are taking to manage these risks.

We are particularly proud of the campaign we supported within our terminals and with the airport community to raise awareness of forced marriage, a type of modern slavery that targets some of the most vulnerable in our society.

Sydney Airport Limited approves this statement under section 14(2)(d)(iii) of the Modern Slavery Act 2018¹.

Trevor Gerber

Chairman, Sydney Airport Limited

Geoff Culbert

Chief Executive Officer

1. The Modern Slavery risks relating to SACL are operational matters which are overseen by the Board of SAL, as the ultimate holding company of SACL, not SAT1. Accordingly, it is not practicable for TTCSAL as responsible entity of SAT1 to sign under s14(2)(d)(i) or (ii). Therefore, this Modern Slavery Statement has been approved under subparagraph 14(2)(d)(iii) by SAL.

Key areas of action 2019 and 2020



Risk assessment

Assessed our operations and supply chains for modern slavery risks and completed a gap analysis of current controls



Risk controls

Strengthened modern slavery risk controls including updating our contract precedents and Supplier Code of Conduct



Policy

Updated SYD's Sustainability and Human Rights policies to reject modern slavery



Raising awareness

Supported a six-month pilot campaign at the airport by the Australian Federal Police and Anti-Slavery Australia to raise awareness of forced marriage



Education

Educated SYD teams making purchasing decisions on modern slavery risk indicators

Operations

SYD operates Australia's gateway airport, a critical piece of national infrastructure located in Sydney, New South Wales.

Sydney Airport welcomes millions of passengers and facilitates hundreds of thousands of aircraft each year. It is one of the oldest continually operating airports in the world, celebrating both its centenary and the arrival of its billionth passenger in 2019.

The key operations and revenue streams of SYD are aeronautical services, property and car rental, retail, parking and ground transport.

SYD operations and revenue streams¹



Aeronautical Services

for passengers, freight and aircraft movements



Property and Car Rental

with a real estate portfolio that includes hotels and freight facilities



Retail

with retail stores across three terminals and advertising sites



Parking and Ground Transport

including car parks and facilitation of access to and from the airport

1. For more detail, please refer to the latest annual reports and financial statements available on our website.

SYD workforce

SYD directly employs 436 people, the majority (95 per cent) in permanent roles. Our employees are engaged by either a direct contract or under collective bargaining agreements.

All employees are based in Australia and recruitment is managed by an internal Human Resources (HR) team. For specialist roles, external recruiters may be used. When this occurs, they are overseen by the HR team and bound by our Code of Conduct.

Given the size of our workforce, we outsource many activities to suppliers and consultants (see supply chain section).

Our purpose and values

SYD's purpose is to make Sydney proud every day. This reflects the positive impact we aspire to make in the community, with our customers, and for NSW and Australia more broadly. To achieve this, we seek to work with our suppliers to manage sustainability risks and to meet safety, social, ethical and environmental standards.

SYD's values guide and underpin the behaviours we must collectively demonstrate to realise our purpose. We expect our suppliers to share our values.



Always do the right thing

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



Have each other's back

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



Do what you say

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



Think like our customers

We walk in their shoes and always strive to improve








Supply chain

SYD has a diverse supply chain predominantly consisting of services outsourced to deliver aspects of airport operations to suppliers located in Australia.

During 2020, SYD spent approximately \$430 million procuring goods and services from 745 suppliers.

What we source

SYD directly procures services, goods for resale and goods not for resale.

  	<p>Services include labour resources to support baggage services, construction services, grounds maintenance, car park operations, cleaning services, security and kerbside management, IT services and IT and payroll services</p>
  	<p>Goods not for resale include Personal Protective Equipment (PPE), uniforms and branded promotional items</p>
  	<p>Good for resale include items in the SYD Lifestyle range such as t-shirts, caps, tote bags and chocolate</p>

Where we source from

The vast majority of our expenditure is with suppliers primarily located in Australia, followed by the Philippines and India.

Country	Example of product/service sourced
Australia	Labour resources to support baggage services; construction services, cleaning services, grounds maintenance, security and kerbside management, products in SYD Lifestyle range
Philippines	Payroll processing services
India	IT support services
China	Products in SYD Lifestyle range; PPE

Policies and governance

SYD will not tolerate human rights abuse in our business and supply chain. We are committed to creating a culture in which our people respect the rights and dignity of people.

SYD's approach to addressing modern slavery is guided by the UN Guiding Principles on Business and Human Rights, the International Bill of Human Rights including the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights, the International Covenant on Economic, Social and Cultural Rights, and the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work.

The Safety, Sustainability and Security (SSS) SAL Board sub-committee oversees SYD's modern slavery risk management framework in our operations and supply chain.

A number of policies, procedures and standards are in place to assist SYD to uphold and protect human rights. These policies apply to directors, employees, contractors, and consultants. They also guide engagement with our suppliers.

During 2020, a new Fraud and Corruption Control Policy was developed and our Code of Conduct, Human Rights Policy, Sustainability Policy and Supplier Code of Conduct were reviewed and updated to strengthen our rejection of any form of slavery. The updates included details on how employees and suppliers can report human rights concerns anonymously 24/7 via HALO, SYD's external whistleblower reporting facility.

Code of Conduct

The Code of Conduct sets the standards for how we work together to operate the airport in a safe, responsible and secure manner. It reinforces SYD's commitment to respect and uphold human rights and reject all forms of slavery.

Employees of SYD receive training in relation to their obligations under the Code of Conduct. This includes mandatory induction (online and face to face) and an annual declaration of compliance with the Code.

Fraud and Corruption Control Policy

The Fraud and Corruption Control Policy outlines our commitment to high standards of ethical conduct and to supporting a culture of ethical behaviour. SYD has no tolerance for fraud, bribery or corruption in any part of our business.

Human Rights Policy

The Human Rights Policy details our commitment to respect and support human rights, including by rejecting any form of slavery such as forced and child labour.

This policy guides our engagement with our suppliers in respect of their human rights practices.

Risk Management Policy

The Risk Management Policy identifies roles and responsibilities for risk management and the steps followed to identify, analyse, accept or mitigate risk.

Sustainability Policy

The Sustainability Policy sets our commitment to responsible growth that delivers positive outcomes for our stakeholders and to respect human rights.

Supplier Code of Conduct

SYD's Supplier Code of Conduct details the guiding principles and expectations in relation to the behaviour and business practices of our suppliers, including respect for human rights and rejection of modern slavery.

Suppliers are required to review and comply with the Supplier Code of Conduct and ensure that parties who form a part of their supply chain, including sub-contractors, understand and are familiar with its requirements.

SYD's procurement decisions are informed by a supplier's ability to meet or exceed the requirements of the Supplier Code of Conduct.

Whistleblower Policy

The Whistleblower Policy and associated program allows employees, contractors and suppliers to raise human rights and modern slavery concerns in a confidential manner. Directors and senior management receive training on the process for handling whistleblower complaints they may receive directly.

Risk identification and management

SYD's Enterprise Risk Management Framework and Risk Management Policy guide the approach to modern slavery risk management across our operations and supply chain. SYD senior management assists the Sydney Airport Limited Board to manage risk by monitoring key aspects of the framework, including policies, delegation of required approvals, risk reporting, and due diligence.

Baseline risk assessment

SYD engaged an independent consultant in 2019 to conduct a comprehensive risk assessment of the modern slavery risks and impacts in our operations and supply chains.

In undertaking the category risk assessment of our suppliers, country and sector-specific risks were considered. Data from the International Labour Organisation (ILO), UNICEF and the Global Slavery Index was used to determine the modern slavery risk associated with countries within SYD's supply chain. Similarly, industry risks relevant to SYD's supply chain were assessed at a sector level using global indices and reports from organisations such as the UN Principles for Responsible Investment and the Minderoo Foundation.

Following this, a roadmap was developed to strengthen or implement controls to manage risks identified and to meet stakeholder and reporting expectations.

2020 findings

In 2020, SYD did not identify any instances of modern slavery associated directly with its operations or through sourcing-related risk assessments in relation to SYD supply chain.

Modern slavery potential risk areas

SYD has identified the following modern slavery risk areas in its operations and supply chains. Priority actions to manage risks associated with these categories have been identified and assigned to cross-functional stakeholders for ongoing implementation.

In SYD operations

SYD has assessed the residual risk of modern slavery practices in its operations as low.

Almost all SYD employees are employed in permanent roles (95 per cent) and are engaged by either a direct contract or under collective bargaining.

In SYD supply chains

- **Contractor risk**

A number of services outsourced by SYD present a heightened risk of modern slavery. These include labour-intensive, base skill activities such as cleaning, security, kerbside management, and use of offshore vendors to deliver IT services and payroll activities.

- **Goods for resale**

A SYD Lifestyle range was introduced in 2019. The limited, low volume range includes chocolate and a t-shirt (manufactured in Australia), slides, a cap, a tote bag, and a branded reusable water bottle (manufactured in China). All products are produced by third party suppliers and are sold online and through selected airport retailers.

- **Goods not for resale**

The level of risk for goods purchased not for resale, including PPE, uniforms and promotional items, is largely influenced by the conditions of employment where these products are manufactured, and the materials used.

Management systems and controls

A number of management systems and controls are in place to mitigate modern slavery risk in SYD's operations and supply chain.

Establishment of a cross-functional working group

In 2018, a cross-functional working group was established to oversee SYD's modern slavery response. This group includes representatives from SYD's Procurement, Legal, Risk, Sustainability and Corporate Governance teams. The group meets regularly and monitors the implementation of activities identified in SYD's modern slavery roadmap. This group also leads the consultation undertaken with the reporting entities covered by this statement.

Enterprise Risk Management Framework

SYD's Enterprise Risk Management Framework and Risk Management Policy guide our approach to risk management in relation to modern slavery. In 2020, SYD updated its corporate risk matrix to reflect the changing discourse and legislation around sustainability, human rights, modern slavery and ethics.

Sustainable Supply Chain Management Framework

Informed by SYD's Human Rights, Sustainability and Safety policies, the Sustainable Supply Chain Management Framework includes the Supplier Code of Conduct, the Sustainable Supply Chain Management questionnaire and Supplier Improvement Plans. SYD continues to monitor and engage with our suppliers to understand how they are managing their modern slavery risks. SYD remains focused on enhancing its systems and processes to deepen its understanding and relationships with suppliers.

• Supplier Code of Conduct

SYD first introduced its Supplier Code of Conduct in 2017. This included specific expectations for suppliers to respect human rights and reject modern slavery. In 2020, the Supplier Code of Conduct was updated to include details of how suppliers can raise human rights or modern slavery related concerns via SYD's anonymous whistleblower hotline HALO. It is provided to suppliers, and is available via the supplier portal on our website.

• Sustainable Supplier Survey

SYD's Sustainable Supplier Survey is a supplier assessment tool covering environmental, social and governance aspects of supplier performance. In 2020, this was reviewed and updated to align with the Supplier Code of Conduct, strengthening modern slavery requirements and internal processes for its application.

• Biennial supplier review and Supplier Improvement Plans

Alignment with the Supplier Code of Conduct is reviewed every two years. Where gaps are identified, SYD's Procurement team works with suppliers to develop Supplier Improvement Plans that address concerns.

Supplier due diligence process

In 2020, SYD began using a third-party tool to assess modern slavery risk in its supply chain. Existing and potential suppliers are screened for modern slavery risk by a third party. SYD's Procurement team reviews the results and determines a course of action.

Contract clauses

A number of SYD contract precedents covering procurement in key risk areas were updated in 2020 to include clauses related to modern slavery. These include requirements for a contractor to:

- warrant that it will not and does not engage in activities that constitute or involve modern slavery;
- report to SYD if modern slavery is identified in its operations or supply chain, and take action to address identified issues;
- provide training and education for its workforce to promote understanding of modern slavery risk

Failure to address identified modern slavery concerns may result in termination of a contract.

A number of material services contracts covering high risk supplier categories include clauses which do not allow sub-contracting without permission. As contracts in high-risk supplier categories are renewed or varied, these will be updated to include these clauses.

Internal audit

In the past two years, SYD's internal audit focus has included fraud and corruption risk and supplier management. Any concerns and consequent remedies arising from these audits have been reported to the SAL Board Audit and Risk Committee and are being implemented.

SYD access cards

An access card is required for any person working at the airport requiring access to the terminals or airfield. A key element of this process is confirming a person's identity and their right to work in Australia.

Management systems and controls

- **SYD-issued access cards**

Any person working at the airport is required to confirm their identity with evidence in person at the SYD ID and Access Services Centre to obtain an access card relevant to the nature of their work at the airport or for SYD.

As a part of the application process, documents are checked by SYD's team using the Australia Government's Visa Entitlement Verification Online system (VEVO). This confirms the applicant's right to work in Australia. Applications are also reviewed and approved by the Department of Home Affairs.

Identity check processes for SYD-issued access cards were strengthened in 2019. Where an applicant for all levels of access has lived overseas for more than six months in the past five years, they are required to supply a police check from the country where they resided, in addition to Government requirements. Proof of identity documents required for Landside Terminal Cards were updated in 2019 to align to those for the Aviation Security Identification Card (ASIC).

- **Third-party issued access cards**

At the airport, ASICs can also be issued by Qantas, Virgin and a number of third-party providers following approval by the Department of Home Affairs. In this process, SYD's ID and Access Services Centre team reconfirm the applicant's identity prior to issuing an access control card for the airport.

Supplier grievance mechanisms and remediation

The 2020 update to the Supplier Code of Conduct included information for suppliers on how to anonymously report concerns regarding suspected illegal, unethical or improper conduct via SYD's confidential and anonymous whistleblower hotline. Information reported through this channel is investigated in line with SYD's Whistleblower Policy.

Airport Operators Licence

Many activities taking place onsite at the airport are undertaken by airlines and other companies and fall outside of SYD's operational control. Companies undertaking these activities include ground handling agents, aircraft refuelling companies, cargo terminal operators, catering and cabin cleaning companies and aircraft maintenance providers, amongst others.

In 2020, we revised the conditions of our Airport Operators Licence (AOL) to strengthen our oversight of these activities. Modern slavery licence conditions were introduced, including requirements to notify SYD of:

- modern slavery incidents in their operations and planned remediation actions
- any slavery or human trafficking enforcement proceedings occurring two years prior to the licence commencement date, and/or
- any actual, ongoing or potential enforcement actions that arise during the term of the AOL.



Cleaning and COVID-19

Cleaning and presentation of the airport is a priority for SYD and its customers. During the COVID-19 pandemic, cleaning at the airport took on a renewed focus with hospital-grade disinfection introduced for high touch surfaces and safety cleaning in line with health guidelines.

During this time, we worked with our cleaning services provider to ensure changes to the services delivered met health guidelines and considered the health and safety of their team members. Where COVID-19 required changes to the services delivered by our provider, these were made in line with the Modern Award and Fair Work, and in consultation with union representatives.



Effectiveness and consultation

Assessing the effectiveness of SYD's actions

SYD's risk management framework is used to assess the effectiveness of its modern slavery management systems and controls.

Where modern slavery risks have been identified, a risk assessment is undertaken which includes the identification of existing controls, rates the effectiveness of these controls and identifies additional actions to be undertaken to improve control effectiveness.

SYD is not aware of any instances of modern slavery in its operations or supply chain. No whistleblower reports received in 2020 related to human rights or modern slavery.

A number of opportunities have been identified to strengthen our risk controls. This includes the development of a process to manage instances of modern slavery should these be identified in SYD's operations or supply chain, and further embedding our due diligence processes. These will be implemented over the course of 2021.

Services suppliers identified with a higher risk of modern slavery were issued with the updated Supplier Code of Conduct and the Supplier Sustainability Survey in 2020. All suppliers issued with the updated code have re-confirmed their compliance with its requirements.

Meetings were held with suppliers identified as high-risk to discuss their identification and management of modern slavery risks. No additional risks were identified through this process.

Performance indicators

A number of performance indicators will be put in place in 2021 to measure the effectiveness of modern slavery risk management, including:

- Percentage of precedent contracts with modern slavery clauses included
- Completion rates for modern slavery awareness training
- Number of suppliers completing modern slavery questionnaire
- Number of modern slavery cases remediated

Consultation with reporting entities

SYD is committed to developing and maintaining a group-wide response to modern slavery.

A consultation process was undertaken in respect of each of the reporting entities covered by this statement, to understand each entity's purpose and operations and to identify the extent of the modern slavery risk for each. This process was led by the cross-functional working group established to oversee SYD's response to modern slavery.

Sydney Airport Corporation Limited (SACL) is the operator company of Sydney (Kingsford Smith) Airport and holds all employee and supply chain relationships for SYD. Therefore, the issues discussed in this statement apply for the main part, solely to SACL.

TTCSAL is a wholly owned subsidiary of Perpetual Limited (Perpetual). Modern slavery risks associated with the activities of TTCSAL were assessed as a part of Perpetual's risk identification process and were found to be medium to low. The Perpetual modern slavery working group is implementing its modern slavery risk controls, and more information about this can be found in Perpetual's modern slavery statement.

Consultation was undertaken with the Directors of the SAL and SAT1 Boards.

This statement has been prepared in consultation with the key teams that work together to drive responsible procurement for SYD, including members of the Procurement, Legal, Risk, Sustainability and Corporate Governance teams. It has been reviewed by our CEO and reviewed and endorsed by the Directors of the entities it covers.

Training, awareness and stakeholder engagement

Training and building awareness

In mid-2018, SYD conducted a workshop for internal stakeholders facilitated by external consultants to build an understanding of what modern slavery is and how to identify potential risks across the business.

In 2019, SYD was proud to support a partnership between the Australian Federal Police (AFP) and Anti-Slavery Australia to raise awareness of forced marriage, one of the forms of modern slavery. Campaign posters communicated the ways to seek assistance for anyone at risk of forced marriage. As a part of this program, the AFP held a session for SYD staff to raise awareness of the signs of forced marriage as visitors move around the airport.

In addition to the awareness campaign, a process was developed for staff to follow if they witness events connected to forced marriage or human trafficking at the airport that raise their suspicions.

In 2020, materials explaining modern slavery and how to assess modern slavery risks in SYD's operations and supply chain was made available to all employees via our intranet. SYD's Procurement team also received briefings on modern slavery and the risks present in our operations and supply chain.

Planned face to face training for key SYD teams and roles was deferred in 2020 due to COVID-19, however it is anticipated this will be delivered in 2021. This will include the incorporation of modern slavery awareness into SYD's employee induction program and Code of Conduct training.



Raising awareness of forced marriage in Australia

As Australia's busiest airport, we recognise the important role we can play in fighting modern slavery at our borders.

Working with the AFP and Anti-Slavery Australia, a series of custom-designed posters were installed in airport bathrooms and offices for a six-month pilot program. The posters provided information for potential victims at the airport to seek assistance. SYD's support extended the reach of the campaign by displaying the posters on key digital advertising screens across the airport.

Forcing someone to marry is illegal

Mum 7m ago
I'll never talk to you again

Dad 2m ago
The marriage has been decided

Cuz M 3m ago
Just marry him and they'll stop

Big Bro 4m ago
It's not up to you

Aunty A 1m ago
You'll bring shame to our family

Help and support is available
For immediate assistance call **131 AFP (131 237)**
For confidential advice and support visit **mybluesky.org.au**

FORCED MARRIAGE IS ILLEGAL

WHO YOU MARRY IS YOUR CHOICE

For immediate assistance call **131 AFP (131 237)**
For confidential advice and support visit **mybluesky.org.au**

Training, awareness and stakeholder engagement

Collaboration

SYD has participated in a number of multi-stakeholder forums and collaborations on human rights and modern slavery.

UN Global Compact and Global Compact Network Australia

SYD is a signatory to the UN Global Compact and a Member of the Global Compact Network Australia (GCNA) and participates in its Modern Slavery Community of Practice. SYD is committed to upholding the principles of the UN Global Compact.

Department of Home Affairs

Through the GCNA Modern Slavery Community of Practice, SYD participated in national consultations on the then proposed Modern Slavery Act. Consultation with the GCNA played an important role in shaping the reporting requirement to ensure it was appropriate and practical in the Australian context.

Airports Council International

SYD is a member of the Airports Council International (ACI), which resolved in September 2016 to support the fight against human trafficking. SYD CEO Geoff Culbert sits on the ACI World Governing Board and Asia Pacific Regional Board.

Stakeholder engagement

During 2019 and 2020, SYD continued to engage with stakeholders across the airport on the issue of modern slavery.

SYD suppliers

Following the release of the updated Supplier Code of Conduct, meetings were held with key suppliers to discuss modern slavery risks and SYD's expectations.

SYD staff and community

The AFP provided briefings for SYD staff on modern slavery and forced marriage, including a special SYDTalk to launch the AFP forced marriage awareness campaign (see page 9). This included guidance for staff on how to respond to events they may witness in and around the terminals.

Airport Operators Committee

The Airport Operators Committee, which is made up of airline station managers and ground handlers at the airport, also received a briefing by the AFP on its forced marriage campaign. Campaign materials were distributed at this meeting for display in airport offices.

Sydney Airport Industry Collaborative Forum

A briefing on modern slavery and the forced marriage awareness campaign (see page 9) was provided to the Sydney Airport Industry Collaborative Forum, which regularly brings together SYD's airline business partners.

Compliance with mandatory reporting criteria

Mandatory criteria	Reference in this statement
1 Identify the reporting entity	Inside cover
2 Describe the reporting entity's structure, operations, and supply chains	Inside cover; pages 2-3
3 Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns or controls	Page 5
4 Describe the actions taken by the reporting entity and any entities it owns or controls to assess and address these risks, including due diligence and remediation processes	Pages 6-7
5 Describe how the reporting entity assesses the effectiveness of these actions	Page 8
6 Describe the process of consultation with any entities the reporting entity owns or controls (a joint statement must also describe consultation with the entity giving the statement)	Page 8
7 Provide any other relevant information	Pages 4; 9-10