



APPROACHING SUSTAINABILITY

THIS IS SYDNEY PORTS' SECOND SUSTAINABILITY REPORT, WHICH OUTLINES HOW WE HAVE DEVELOPED OUR ROLE AS A TRADITIONAL PORT MANAGER AND LANDLORD, AND ADOPTED THE WIDER RESPONSIBILITY OF BEING AN ADVOCATE FOR THE PORT AND ITS RELATED ACTIVITIES.

This makes Sydney Ports more accountable for the economic, social and environmental impacts of port operations as we seek to influence those who use our facilities.

OUR PHILOSOPHY

At Sydney Ports, our approach is simple: we want to ensure sustainability becomes a value that is integral to all our business decisions, creating a balance between short-term priorities and long-term benefits or impacts.

OUR SUSTAINABILITY JOURNEY

The activities analysed in this report build on those discussed in our *Environment Report 2003*, *Environment Update 2004* and the strategies promoted in Sydney Ports' *Green Port Guidelines*, published in 2006. We also examine our performance against the commitments made in our *2006/07 Sustainability Report*.

Furthermore, this report reflects our recognition of our wider corporate responsibilities and the development of our Sustainability Policy. The policy represents the six key elements of our operations and an overall recognition of a sustainability philosophy. Sydney Ports has chosen to also use this policy as the organising framework for our report which we are hoping will result in a

streamlined and comprehensive account of our sustainability performance.

To determine the content of our *2006/07 Sustainability Report*, Sydney Ports conducted research based on a five-part materiality test from AccountAbility¹. This research allowed Sydney Ports to identify our most important sustainability performance areas and issues.

To guide our content this year we revisited the issues from the 2006/07 report and integrated them with new issues identified in workshops with our internal editorial committee.

We also reviewed material issues from current peer reports and our sustainability policy goals to assist in the identification of Sydney Ports' key issues.

This report primarily covers the sustainability performance of Sydney Ports and Sydney Pilot Service for the financial year 2007/08 (year ending June 2008).

THE GLOBAL SUSTAINABILITY ISSUE

Sustainable development signifies any activity that meets the needs of present generations without compromising the ability of future generations to satisfy their needs. The quest for sustainable development goes beyond sectoral concerns,



SYDNEY PORTS' TOP SUSTAINABILITY ISSUES FOR 2007/08

- » Progress and delivery of major development projects.
- » Impacts of the Government's response to the IPART review into Port Botany landside logistics on port operations and Sydney Ports' staff.
- » Impacts of the internal organisational restructure.
- » Our community consultation processes.
- » Global climate change risks.

such as environmental protection, social equity or economic growth. By emphasising all three in equal measure, sustainability requires an integrated and holistic approach.

Sydney Ports, like all organisations of its size and influence, now finds itself conducting business in a world characterised by global issues such as climate change, economic volatility and social evolution. Each issue by itself is motivation enough to focus on sustainable development. Collectively, they make such focus vital.

SYDNEY PORTS' COMMITMENT TO THE CHALLENGE

Sydney Ports has committed to continuous improvement and reporting of our sustainability performance on an annual basis. Our aim is to ensure that a balance is achieved between the interdependent interests of our stakeholders – that is our port operators, importers and exporters, our staff, local/state/regional/wider communities, the environment and the Government's need to generate economic growth and wealth.

All these interests are important considerations for Sydney Ports in managing, developing and ensuring that our ports are safe, profitable and sustainable.

OUR STAKEHOLDERS

Our stakeholders are those individuals or groups we deal with on a day-to-day basis. The intended audience for this report comprises a broad range of internal and external stakeholders, including: Sydney Ports and Sydney Pilot Service staff, Sydney Ports' Board, shareholding ministers, port neighbours and the wider community, tenants and

port operators, the shipping industry, and local, state and federal government agencies.

Sydney Ports' approach is to listen to stakeholders, and match our methods of engagement according to their needs. For example for industry groups we hold briefing sessions on particular topics, we facilitate regular community group meetings to share information about developments and environmental concerns, and we hold forums to increase awareness of port operators on sustainability issues.

OUR SUSTAINABILITY POLICY

Our internal² Sustainability Policy was endorsed by our Board of Directors this year – see pages 8 and 9. As an organisation we are committed to integrating sustainability into all our business decisions and activities.

Above all else, our policy states that sustainability is fundamental to who we are and what we do. It means that we will strive to meet our long-term commitment to provide for future trade growth of the port while we minimise risk to the environment, our staff and the community in the most equitable and efficient way possible.

We have committed to commence implementing our policy across all performance areas in the 2008/09 year.

1. AccountAbility is an international, non-profit organisation that promotes accountability aligned to sustainable development. Its test calls on organisations to identify issues that are relevant to direct financial performance, stakeholder concerns, policy commitments, societal norms and peer best practice.

2. The policy is applicable only to Sydney Ports and Sydney Pilots operations and thus is termed 'internal'.