

MANCHESTER AIRPORTS GROUP

CORPORATE SOCIAL RESPONSIBILITY REPORT 2015-16



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This report has been prepared in accordance with the Global Reporting Initiative (GRI) 4.0 Guidelines, Comprehensive requirements. This is in conjunction with the GRI 4.0 Sector Guidelines Airport Sector. Our GRI 4.0 Content Index can be downloaded from our CSR reporting web page.

WELCOME

Welcome to this year's MAG Corporate Social Responsibility report, which follows a successful year for the Group in which we have outperformed our challenging targets and seen record numbers of passengers using our airports.

We have also made significant progress with our long-term investment programme, with our airports planning ahead so that they can meet the future demands of our customers in a sustainable and responsible way.

Our CSR strategy is an important and integral part of our business strategy which is designed to enable us to deliver growth in a way that benefits local and regional communities and minimises the impacts associated with our operations.

Our approach is guided by our belief that when our business prospers, the regions and communities in which we operate prosper. We also know that delivering growth in the right way is key to securing the support of our stakeholders. As our airports grow over the coming years, we recognise the importance to local communities of being able to deliver this growth without increasing the environmental impacts associated with our operations.

I am pleased to report excellent progress in delivering our CSR strategy at each of our airports in 2015/16, with our performance measured against the stretching objectives that we set for ourselves at the beginning of the year.

In overall terms Gross Value Added (GVA), which is the measure of the value of goods and services stimulated by our airports in the UK, increased by 10% to £6.2 billion during the year. In addition, our airports supported 39,600 jobs and over 20,000 young peoples' education in our local communities was directly supported by MAG in the last year.

We have also been pioneering in our efforts to reduce our impacts on our neighbours. London Stansted's trials of a new GPS flight path technology have dramatically reduced noise impacts and won us a Best Community Project at the National CSR awards. We also reduced our net carbon emissions by a further 15% in 2015-16, while achieving significant growth in passenger numbers. Following a decade's hard work at Manchester Airport, our ground operations are now carbon neutral for the first time.

Our educational partnerships have continued to benefit the young people they serve – our partner school in Wythenshawe, the Manchester Enterprise Academy, has achieved record academic results and at London Stansted we have successfully launched an Aerozone, a facility which provides local school children with a flavour of airport life and alternative environment in which to pursue "STEM" subjects. During the last year our on-site Airport Academies placed almost 1,000 people into work.

I'm delighted that the progress across MAG has been recognised by third parties, with our largest airports – East Midlands, London Stansted and Manchester – now proud holders of the prestigious Community Mark award – the only national standard that publicly recognises leadership and excellence in community investment.

MAG remains committed to working with partners to grow employment, stimulate economic growth, promote education and play our part in regenerating local communities. Only by working together in this way with communities, suppliers, governments, consumers and other stakeholder, will we create value for all.

We are proud of what has been achieved across our business in the past year, and I hope you find this report useful in setting out the progress we have made in delivering our long-term CSR strategy.



VIDEO
CEO's Introduction to CSR

Charles T. Cornish
Charlie Cornish
Group Chief Executive, MAG



OUR APPROACH

MAG is a growing business that is using its success to drive regional benefits; focusing on employment, skills, education and regeneration. 20,530 young people's education in our local communities were directly supported by MAG in the last year. We contributed £6.2 billion to the national economy and our airports supported 39,600 jobs.

We are pleased that our long-term commitment to Corporate Social Responsibility (CSR) has resulted in some key successes for this reporting year – our new Stansted Aerozone has already exceeded its visitor targets; Manchester Airport has achieved carbon neutrality; and London Stansted has been awarded the prestigious Community Mark, as well as Best Individual Community Project at the 2016 National CSR Awards for its pioneering community partnership to reduce aircraft noise.

CSR STRATEGY

Our CSR strategy recognises the importance of responsible growth and our desire to be a respected and trusted neighbour. It is founded on long term sustained engagement with the whole community. We focus on growing our business whilst supporting regeneration and prosperity.

Our vision for the future remains unchanged, we aim to be the Premier Airports Management and Services Company. As we work towards our vision, we remain committed to minimising the negative impacts of our sites. We work with and listen to our community stakeholders. Our commitment to operating responsibly and contributing to the economic development of the regions in which we operate underpins how we run our business. The diagram opposite sets out the key elements of our CSR Strategy, with more detail in our separate MAG CSR Strategy document available at www.magworld.co.uk

We ensure that our CSR strategy is integrated into the wider Group strategy and that it is supported by appropriate governance structures.

The objectives and targets we set ourselves ensure we continue to take a broad view of corporate responsibility that reflects our business priorities and our determination to continue to deliver outstanding performance. Our performance against these targets is reported on pages 22-25.

OUR STRATEGIC STAKEHOLDER ENGAGEMENT

Our airports touch the lives of many people. We believe that by applying a strategic and long term approach to stakeholder engagement and collaborating with our local stakeholders through open and authentic dialogue, we are able to demonstrate the value we are adding to the regions in which we operate, showing how we are managing our impacts, as well as creating an open channel for them to feedback directly to us.

Engagement with a rich and varied mix of people shapes our strategic direction – we want a two-way dialogue in all of our engagement policies and programmes. In this way we can tap into our stakeholders' knowledge and identify opportunities for improvement.



Our Environment:

We will make the best use of natural resources and minimise the environmental impact of our operations



Our Community:

By building enduring relationships with our local communities, we will seek to understand the issues that are important to them and use our combined skills and resources to work together for our mutual benefit



Our Colleagues:

Keeping them safe at all times, we will support and develop our people so they consistently deliver high performance



Our Business:

Working in the spirit of partnership, we will maximise our social and economic contributions in the regions we serve



For a full list of stakeholders and engagement methods www2.magworld.co.uk/corporate-social-responsibility/

MATERIALITY

This year we have again commissioned an independent review of our CSR material issues. We use this assessment to help prioritise our CSR objectives and resources in the context of the changing business environment, and to inform the scope of our CSR reporting.

This also helps us to evolve our strategy and tailor our reporting so it is aligned with the interests and needs of our audiences, as well as those of the company. There is a general trend this year in the growing importance of local / regional issues with particular focus on engaging local communities in terms of jobs, opportunities to upskill, supporting future generations and local sourcing. The results of our materiality review are summarised in the diagram opposite.



OUR BUSINESS

GENERATING PROSPERITY

Good air connectivity is not just about accessibility to your preferred holiday destination, it is also about the ability of businesses to make the right connections which allow their operations to thrive and be part of global supply chains.

- Manchester Airport is the largest airport in the North of England, and is recognised as one of the region's most important economic drivers. In 2015-16, Manchester Airport's direct economic contribution to the North West was £900 million, supporting around 22,200 full time equivalent (FTE) jobs.
- London Stansted is one of the fastest growing airports in the UK and Europe, providing vital links for trade, it also has the highest proportion of freight traffic of the London airports. Stansted's direct economic contribution to the region in 2015-16 was £675 million, supporting around 11,000 FTE jobs.
- East Midlands Airport is the third largest of the MAG airports, and is the UK's largest air express freight hub. In 2015-16 it directly contributed £200 million to the regional economy, supporting 5,800 FTE jobs.
- The economic impact of Bournemouth airport is smaller, but is still significant in the context of the regional market. It directly adds £20 million to its regional economy and supports 600 FTE jobs.

'EDUCATION INTO EMPLOYMENT'

If we are to achieve our ambition of long-term, responsible growth, we know we must take a strategic approach to developing the skills of the people we employ. Our aim is to work with local people so they can capitalise on the opportunities offered at our airports. Our Aerozones: on-site education centres and academies which work in collaboration with

local educational establishments and other partners including Job Centre+, are both important initiatives which support our long term strategic plan.

Aerozones

Supporting young people in their learning is vital if we are to develop the prosperity of the region and our business. This year, we were proud to launch London Stansted Airport's Aerozone: the airport's new on-site education centre designed to inspire young people. It aims to boost skills in STEM subjects – science, technology, engineering and maths – and show visitors the wide range of exciting careers aviation has to offer. We also have an Aerozone at East-Midlands Airport.

Engaging with young people, particularly those living in areas close to the airport, is a vital part of our community work. Our Aerozones aim to open up the world of the airport to school age children. View the video opposite for more information.

Airport Academies

We have developed specialised employment and skills academies at our three largest airports. Our academies specialise in 'on-airport' employment aiming to provide support services to individuals wanting to get into work at the airport, as well as a bespoke recruitment service for airport employers. We want to ensure that there are no barriers preventing prospective employees from attaining employment at our sites. At London Stansted employees are provided with an 80% reduced cost travel card enabling everyone with the means to travel to work. In the last year over 963 people have been placed into employment within our airport sites via our airport Academies.

OUR PERFORMANCE

EMPLOYMENT

963¹+

...people have gained employment at our sites through our airport academies, either with support from our training programme, or through our recruitment service



CONTRIBUTIONS

...our airports support a contribution of

£6.2bn

annually to the national economy



20,530

EDUCATION

...people in our local communities directly supported by MAG's 'Education into Employment' programme



VIDEO

London Stansted Aerozone

¹ This does not include data from EMA (East Midlands Airport). Some airport academics advertise roles within the airport on behalf of businesses on the airport site.

OUR BUSINESS

Schools Programme

Our most prominent school partnership is with the Manchester Enterprise Academy. We have been working closely with the team at MEA since 2009. With the help of people at every level of our business, we are actively supporting students with their studies. In addition, students get to experience a taste of Airport life by shadowing various roles around the Airport. With our support the school has been transformed and is one of the top 100 improved schools in the country. James Eldon, the schools headmaster believes 'The Airport has transformed educational opportunities for some of the most deprived children in Manchester through their sponsorship of the Manchester Enterprise Academy'. Our other airports have similar school partnerships.

SUPPLIER DEVELOPMENT

Small businesses make a significant contribution to the local and regional economy. To support the growth of local SMEs, MAG facilitates 'Meet the Buyer' events which enable businesses to pitch their products to senior buyers from our airports and tier 1 suppliers. London Stansted has been holding 'Meet the Buyer' events since 2001.

SUPPORTING CUSTOMERS

This year we have been focusing on understanding our customer base. This will form the basis of our improved customer strategy which seeks to provide a more personal, interactive customer experience.

We want all of our passengers to enjoy the same ease of access at all our airports, so we are increasingly working in consultation with disability organisations. We provide specialist travel advice on our websites and passengers are able to book assistance in advance.

Our newly installed facilities at Manchester Airport, which are designed to meet the needs of passengers who have profound disabilities, have won a Platinum Award at the Loo of the Year Awards in the 2015 search to find the best 'away from home' toilet.

As part of our CSR strategy we track a wide range of measures to monitor our performance. Further data is detailed in the performance section of this report.

A PLATINUM
AWARD

...was won by
Manchester
Airport at the

LOO
OF THE YEAR
Awards
2015

awards for their newly installed facilities, designed to meet the needs of passengers who have profound disabilities

OUR PERFORMANCE

SUPPLIERS

28%

...of our suppliers are
located with 25 miles of
one of our airports

MEET THE BUYERS

...event at London
Stansted generated...

£1.8m

in new sales and business
opportunities for local and
regional companies

OUR COMMUNITY

At MAG we have a long history of working in close partnership with our local communities and in particular providing support in the areas of education, community investment and the ARTS. We are thrilled that three of MAG's airports, Manchester, East Midlands and, most recently, London Stansted have been awarded with the prestigious BITC Community Mark, which gives recognition to the work we do in our local area.

ENGAGING WITH LOCAL COMMUNITIES

Being a responsible neighbour is an integral part of our way of working. Our aim is to build long lasting, collaborative relationships with our local communities, that build trust and understanding on both sides.

By engaging with our local communities through open and constructive communication, we are able to explain the value our airports bring to the community and how we are managing our operations sensitively to minimise impacts. Led by our community relations teams, airport colleagues regularly hold outreach meetings in the communities close to our airports, and provide 'drop in' meetings for our neighbours. These give us an opportunity to listen to any issues and concerns there may be in relation to our operations. These events are supported by our senior people, including our Managing Directors who personally attend many of them. The effectiveness of our interventions is tested in community impact studies each year for Manchester Airport, and once every two years at East Midlands Airport and London Stansted Airport.

Keeping an open dialogue with the communities close to our airports is integral to our success. Learn more about our community outreach, view the video opposite.

COMMUNITY & CHARITABLE INVESTMENT

We are thrilled that CLIC Sargent has been chosen by our colleagues as our new Group corporate charity partner. We have set ourselves the challenging target of raising a million pounds for the charity throughout the duration of our partnership.

We are proud of our Community Funds which are managed independently at each airport. The locally managed funds are in place to help support important local groups and charities. All our airports operate Community Funds. In 2015/16, collectively, our funds invested £291,540 in groups and charities in the areas surrounding our airports, well ahead of our target of £100,000.

In addition, MAG is committed to investing in the ARTS in the regions in which it operates. This year, our investment in the ARTS sponsorship programme was substantial, at £370,000; since the programme began, more than £8 million has been allocated to projects.

OUR PERFORMANCE

COMMUNITY FUNDS

...have given

£291,540

to local community groups and charities



COMMUNITY FUNDS

... have helped support over

257
community groups



VIDEO

Talking About Our Community Outreach

OUR COMMUNITY

VOLUNTEERING

We encourage our colleagues to demonstrate MAG's values by contributing to our local communities and offer their skills on a voluntary basis. Our volunteering efforts help to support community projects and also build the confidence and skills of our colleagues.

In 2015/16 16% of colleagues volunteered giving 10,427 of volunteering hours. Not only does this help strengthen ties with the areas close to where they live and work, but there is also an overall improvement to their own wellbeing.

Our strategic target is to work towards 30% of our workforce regularly volunteering.

AIRPORT COMMUNITY NETWORK

As part of our ongoing commitment to keep our airports at the heart of the community, Manchester and London Stansted airports

have established their own Airport Community Networks. The aim of the ACN is to bring on-airport businesses into our community programme so that we can achieve greater impact by working together.

This is effective because it enables airport companies to join an established network and contribute their time and effort to already established local community projects. A key component part of the network is a specialist website to support the initiative and provide a hub of information.

As part of our CSR strategy we track a wide range of measures to monitor our performance. Further data is detailed in the performance section of this report.



We have achieved the BITC Community Mark at Manchester Airport, East Midlands Airport and London Stansted Airport.



London Stansted has won Best Individual Community Project at the 2016 National CSR Awards for its pioneering community partnership to reduce aircraft noise.

OUR PERFORMANCE

16%

...of MAG colleagues volunteered...

10,427 hours

89

...outreach events attended by MAG in local communities

OUR ENVIRONMENT

We've long understood that strong environmental management is imperative to our vision for growth. All our airports are certified to the environmental management standard ISO 14001. In addition, London Stansted has become the first airport in the UK to become accredited to the energy management standard ISO 50001.

We're proactively working with partners at local, national and European levels to deliver operational improvements that will reduce noise impacts. In addition, we're working with all businesses across our airports to minimise waste, improve air quality and manage water discharges. We work closely with Sustainable Aviation which, by drawing together airports, airlines, aircraft manufacturers and air traffic control, has enabled the industry to set out an authoritative and compelling long-term view of how we will reduce environmental impacts including carbon emissions and noise.

The performance section of this report provides further information about our environmental performance over the last year.

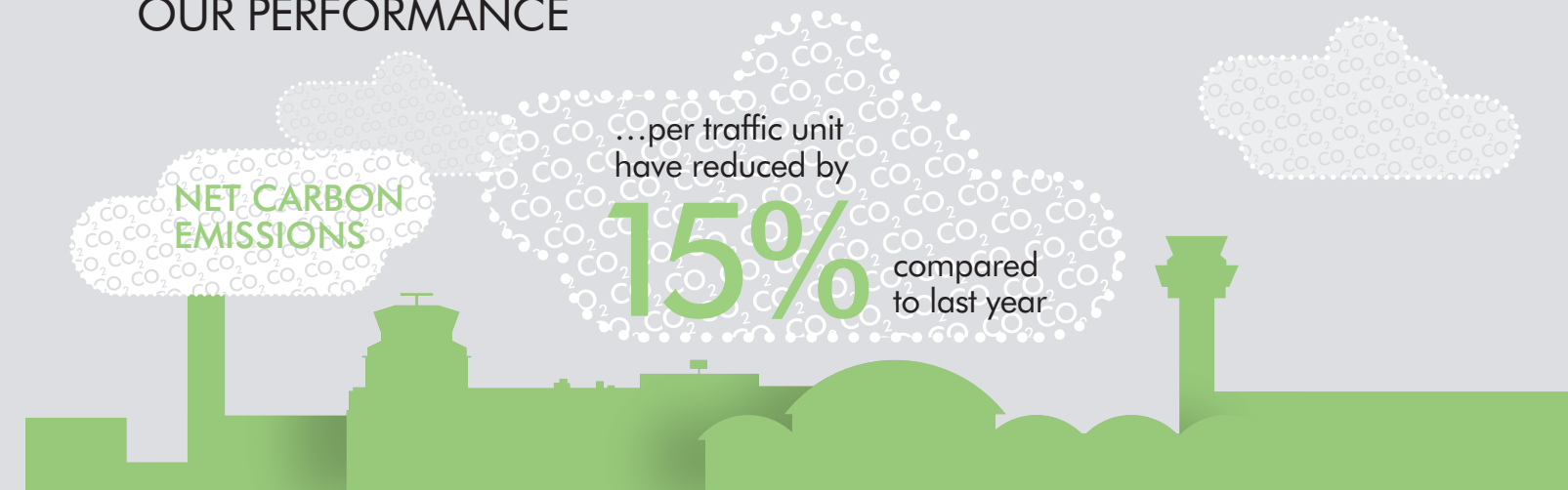
ENERGY AND CARBON REDUCTION

Climate change is a major challenge and will require increasing innovation from all businesses in the coming decades. We are delighted that this year, Manchester Airport has joined Bournemouth and East Midlands Airports in achieving carbon neutral ground operations. This meets, to time, the commitment that we made 10 years ago. To achieve carbon neutrality Manchester Airport has reduced its energy consumption by introducing low energy technology and rethinking the way buildings are operated to remove unnecessary energy use.

In 2011 MAG produced its first Climate Change Adaptation Report. This report identified risks posed to the airports by a changing climate. As well as assisting our business in preparing for climate change, our submission to Defra contributed to the Government's National Adaptation reporting. This year we have renewed our submission for East Midlands and Manchester by submitting a detailed progress report on the steps we have implemented since 2011. The risks that have been identified in this process are now part of our corporate risk register, which is one of our highest priorities. Stansted will update their report in 2016.

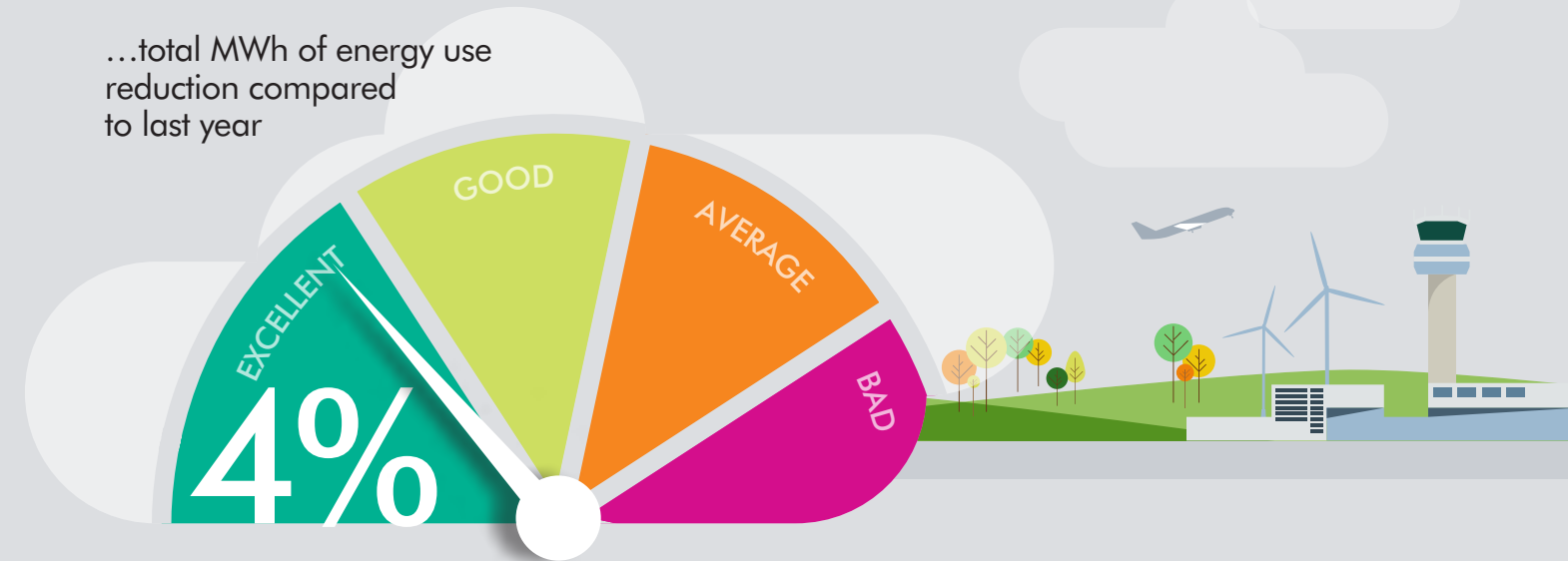
It is important that our work is integrated with that of our industry partners and we are active partners in 'Sustainable Aviation', a coalition bringing together major airport stakeholders. This year the Group has focussed on promoting sustainable growth for the UK aviation industry whilst reducing carbon emissions and noise pollution.

OUR PERFORMANCE



ENERGY USE

...total MWh of energy use reduction compared to last year



OUR ENVIRONMENT

NOISE ABATEMENT

Aircraft noise can be intrusive and disruptive, particularly for those people who live closest to an airport and its flight paths. With increasingly quieter aircraft and leading modern operational procedures we aim to continue to reduce any associated negative impacts. Reducing our noise impacts, whilst simultaneously increasing flights, continues to reflect best practice.

This year, we completed the trial of modern GPS (global positioning system) navigation techniques that are new to UK aviation. This was the culmination of a three-year long project which is intended to help reduce the number of people affected by aircraft noise in certain areas close to Stansted.

In partnership with the Stansted Airport Consultative Committee, the airport agreed to investigate further, and conducted a trial with a number of industry bodies including the Civil Aviation Authority (CAA), NATS (air traffic control provider) and easyJet. We trialled the use of modern GPS navigation techniques for departing aircraft which would better enable them to fly more accurately. The results from the trial demonstrated that participating aircraft directly overflew 85% fewer people. We are delighted that London Stansted won Best Individual Community Project at the 2016 National CSR Awards for this partnership.

Reducing the impact on our neighbours is integral to our success, learn more about our innovative use of GPS navigation techniques via the video opposite.

GROUND TRANSPORT

We are committed to delivering a high quality and reliable transport infrastructure with sustainable travel choices for every person seeking access to our airports.

Each airport has a surface access strategy which seeks to encourage the use of public transport, making our airports more accessible and reducing our contribution to local air quality emissions. Working with local partners helps ensure greater accessibility for everyone travelling to the airport. For over a decade East Midlands has been actively investing in public transport to operate 24-hours a day and has most recently grown the Skylink bus network to provide an express link to Nottingham.

Good surface access is a key element in the decisions of airlines and their passengers to use a particular airport. It is also central to ensuring that employers based on the airport site have access to a diverse range of employees and that residents living in the towns and cities near the airport have access to jobs.

As part of our CSR strategy we track a wide range of measures to monitor our performance. Further data is detailed in the performance section of this report.

OUR PERFORMANCE

NOISE COMPLAINTS

...per 1,000 air transport movements have reduced by

41%

compared to last year

AIRCRAFT COMPLIANCE

97%

...comply with noise preferential departure routes

92%

...comply with continuous descent approach



VIDEO

Performance Based Navigation Stansted

OUR COLLEAGUES

The skills, enthusiasm and dedication of our colleagues is key to providing passengers with an excellent experience. We know that if our colleagues are happy they will ensure our customers will have an exceptional journey through our airports. We want our colleagues to feel that MAG is a great place to work and that they are proud to work for us. Our airports support 39,600 jobs and as a major employer in every region we serve, we provide our colleagues with excellent working conditions and with opportunities for career development so we can recruit and retain the very best ambitious and forward-thinking people.

EMPLOYEE HEALTH AND WELLBEING

This year we have focused considerable efforts on the health and wellbeing of our colleagues. We have reviewed and revitalised the health risk management process and embedded a new Wellbeing model to support our colleagues. In addition, we have increased engagement levels with staff as we believe it is an important component that supports improved performance and reduction in absence rates.

We have refreshed and simplified our annual staff survey as we believe this makes data easier to analyse and feeds into our company strategy, which helps us understand what is important to our colleagues, the challenges they face and how we can improve the business. We have also identified engagement as an important part of a line manager's role and have therefore invested in engagement training for key managers.

HEALTH AND SAFETY

Our aim of reducing employee accidents by 30% is ambitious, but with the help of the Vision Zero initiative, we continue to make progress

towards it. At the heart of Vision Zero is our collective commitment to eliminate the risk of serious harm, but also to highlight the important role that general health and wellbeing plays both in and out of the workplace. By taking a holistic approach to achieve Vision Zero's aims and objectives, we will not only continue to improve but also ensure that the business continues to drive a progressive and proactive approach to health and safety, as part of a supportive and caring culture.

DIVERSITY AND INCLUSION

Diversity and inclusion is central to our business success. Our 52 million customers are diverse and we need to ensure that, if we are to be successful, we understand and can meet their needs. We have included a significant objective in our new strategy – by 2020 we are committed to increase the number of women at leadership level by 10%. In 2015/16, 23% of the senior management team were female, an increase from last year's 22%.

OUR PERFORMANCE

NUMBER OF
DIRECTLY
EMPLOYED
COLLEAGUES

4,896
...of which

...and...

MALE 63%

FEMALE 37%

23%

of our senior management
team are female

OUR COLLEAGUES

EARLY TALENT IDENTIFICATION

Our Early Talent strategy incorporates apprenticeships, internships and our graduate development programme. The purpose is to support our talent pipeline in order to develop skilled professionals and the leaders of the future. This year we have had a record year for hiring apprentices – a total of 12 applicants who are working across the Group. We welcome the Government's focus on apprenticeships and are actively using our new apprenticeships Board to explore how we increase the number and quality of apprentice opportunities in all parts of our business.

Our Graduate programme is designed to develop MAG leaders of the future. Students and graduates are used to learning, bringing with them fresh ideas and current thinking, which means they can quickly make a valuable contribution to our business. In 2015, our Graduate opportunities trebled and we have

now introduced a brand new Internship programme for Undergraduates. Whilst the structure of our Graduate programme will remain the same, we have broadened the areas that we are recruiting in and, for the first time, will be placing Graduates in to East Midlands and Stansted.

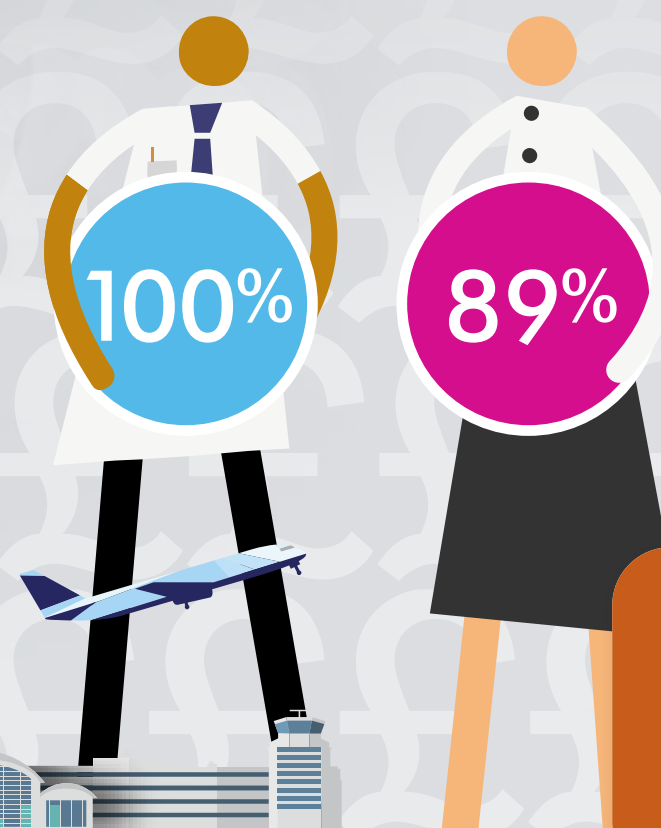
Our Graduates are the future of our company, learn more about the opportunities MAG provides for graduates by viewing the video opposite.

As part of our CSR strategy we track a wide range of measures to monitor our performance. Further data is detailed in the performance section of this report.

OUR PERFORMANCE



of leadership promotions are through internally developed candidates



Overall salary ratio male : female

1 : 0.89²

² Based on average salaries per band per hour.



VIDEO

Manchester Airport Group Graduate Scheme

OUR PERFORMANCE

CSR STRATEGY TARGETS AND PERFORMANCE

As part of our CSR strategy we track a wide range of measures to monitor our performance which we have detailed in the table below. To highlight our performance, **GREEN** text shows a positive performance against our targets and **RED** text highlights areas where our performance has not improved.

ISSUE	STRATEGIC CSR OBJECTIVE	TARGET	INDICATOR	2014/15	2015/16	CHANGE
OUR BUSINESS						
AN ENGAGED WORKFORCE	We will create an inclusive environment where colleagues can contribute to the improvement of MAG and are proud to be part of the business.	By 2018 we will increase colleague engagement by 15% from 2014/15.	Colleague engagement score.	52%	53% ³	1%
SUPPORTING BUSINESS	With a particular focus on the regions we serve, we will maximise the economic impact of our operations.	We will support local, small and disadvantaged businesses so that they are better equipped to supply our airports. We will target and measure our outcomes. To inform our development strategies, we will regularly analyse and report the economic impact of our operations. We will target and measure our outcomes.	The regional economic footprint of MAG airports (GVA) (£ Billion).	£3.2 billion	£3.4 billion	6%
PROMOTING EMPLOYMENT	We will create opportunity offering jobs and support with skills by developing the scope and scale of our airport academies.	To provide training placements for 5,000 people by 2020, at least 50% placed into employment since 2014/15.	Number of people trained through airport academy since 2014/2015.	509	1,012 (Cumulative)	On target
PROMOTING EMPLOYMENT	We will create opportunity offering jobs and support with skills by developing the scope and scale of our airport academies.	To provide training placements for 5,000 people by 2020, at least 50% placed into employment.	% of people who have received training through airport academy and then are placed into employment since 2014/2015.	38%	52%	Exceeding Target
MEETING THE NEEDS OF ALL PASSENGERS	We will ensure that we recognise and provide for those passengers who have special needs.	Each MAG airport will undertake a systematic review of special needs provision and then publish programmes to address priorities.	Scoping out measure.			

ISSUE	STRATEGIC CSR OBJECTIVE	TARGET	INDICATOR	2014/15	2015/16	CHANGE
OUTSTANDING CUSTOMER SERVICE	We will offer consistently high standard of customer service.	Passenger feedback will place the service at our airports in the top quartile compared to our peers.	ASQ quartile results.	2014 EMA 3.81 MAN 3.89 BOH 4.04 STN 3.62	Quartiles 4.01 3.94 4.15 3.63	Improvement at all airports
SPONSORSHIP AND GIVING	We will support organisations that make the regions we operate in vibrant place to live and work.	By 2020 we will invest at least £500,000 in our charitable donations and sponsorships (Annual).	Total annual given charitable donations and sponsorships (£).	£ 775,092	£ 735,416	-5.1%
OUR COMMUNITY						
SUPPORTING YOUNG PEOPLE	We will help young people to prepare them for the world of work and make work an inspiring choice.	To directly support the education of at least 50,000 young people by 2020.	Number of young people's education directly supported by MAG.	New measure	20,530	On target
INVESTING IN THE COMMUNITY	We will continue to operate community funds and encourage all our people to take part in community work.	To promote volunteering with a long term target that 30% of colleagues will participate. Invest £100k annually through community funds.	% of employees who volunteered.	18%	16%	-2%
			Number of volunteer hours.	8,759	10,427	19%
			Total community investment through community funds (£)	£281,143	£291,540	4%
A TRUSTED COMPANY	We will operate our business in a way that commands trust in our conduct and our communications.	Building on our community impact studies, we will devise a new metric and measure and report the degree to which we are trusted.	Good neighbour feedback (%) from community impacts studies (all main sites).	New measure	69% ⁴	
PROMOTING INTERNATIONAL CULTURE	As we seek to foster closer international links to new markets, we will promote the development of language and cultural links.	Bring Language and culture to local school partnerships.	Number of young people who MAG have introduced to other international cultures and languages to.	New measure	277	On target
REACHING OUT TO THE COMMUNITY	We will deliver community outreach programmes at each MAG airport.	A minimum of 50 outreach meetings annually.	Number of outreach meetings held.	New measure	89	Target exceeded

³ The 15/16 results are not directly comparable to previous years due to changes in how scores were calculated – engagement was measured against 5 key questions instead of an overall average and for the first time, the colleague survey also measured empowerment – scoring whether colleagues feel they can have a meaningful impact at work.

⁴ Excludes East Midlands Airport.

ISSUE	STRATEGIC CSR OBJECTIVE	TARGET	INDICATOR	2014/15	2015/16	CHANGE
OUR ENVIRONMENT						
ENERGY AND CARBON SMART	Reduce climate change emissions by increasing efficiency and obtaining energy from renewable sources.	Reduce climate change emissions by increasing efficiency by 16,000 MWh, by 2020.	Total MWh	180,966 MWh	173,903 MWh	-4%
			Net carbon emissions (tonnes CO ₂ e) ⁵ .	19,073	7,727	-59% ⁶
			Carbon emission per traffic unit.	1.509	1.289	-15%
PREVENTING POLLUTION	We will control activities and developments at our airports to protect the environment.	Achieve 100% compliance with environmental permits and maintain ISO14001 accreditation.	% of samples within surface water discharge permit limits.	95%	98%	3%
			% of samples within trade effluent discharge consent limits	74%	91%	17%
			% of major operational sites with ISO14001.	100%	100%	On target
			Total breaches of air quality limits.	0	0	On target
REDUCING SUPPLY CHAIN EMISSIONS	We will work in partnership with our suppliers to identify and implement carbon emission savings.	We will measure and report supply chain emissions.	Estimated emissions from tier 1 suppliers (tonnes CO ₂ e)	Measurement study not complete		
ELIMINATING WASTE	We will minimise waste, promote recycling and eliminate landfill ⁷ .	Send no waste to landfill after 2018 (excluding International Catering Waste where no other options are available).	% of waste diverted from landfill.	82%	83%	1%
			Total waste tonnage (tonnes).	14,970	15,569	4%
BALANCED NOISE MANAGEMENT	We will limit and try to reduce the number of people affected by noise from airport operations.	Deliver the measures set out in Noise Action Plans and update each airport's plan by 2019.	% of departures within preferred noise routes.	98%	97%	-1%
			% of flights using continuous descent approach.	91%	92%	1%
			Number of complaints per 1,000 air transport movements.	7.93	4.68	-41%

⁵ Our emissions are calculated based on data gathered for voluntary emissions reporting and compliance with the CRC Energy Efficiency scheme and EU ETS. UK Government Conversion factors for Company.
Reporting published by Defra and DECC in 2015 were used with historic emissions re-calculated where required. We have chosen an intensity measurement against a traffic unit, which is defined by the International Air Transport Organisation (IATA) as equivalent to 1,000 passengers or 100 tonnes of freight).

⁶ Gross direct and market based indirect emissions minus the purchase and retirement of carbon offsets. MAG purchases and retires carbon offsets from independently verified emission reduction projects. These offsets are certified to the Verified Carbon Standard, Clean Development Mechanism or the Gold Standard.

⁷ Waste figures are calculated using data from calendar year.

ISSUE	STRATEGIC CSR OBJECTIVE	TARGET	INDICATOR	2014/15	2015/16	CHANGE	
BALANCED NOISE MANAGEMENT	We will limit and try to reduce the number of people affected by noise from airport operations.	Deliver the measures set out in Noise Action Plan and update each airports plan by 2019.	Noise Footprint 57 dB LAeq day (07:00 – 23:00).	2014		2015	
			Area	Population	Area	Population	
			EMA	7.8	900	8.4	1,100
			MAN	30.8	32,100	29.9	31,600 ⁸
			STN	21.6	1,650		
			Noise Footprint 57 dB LAeq night (23:00 – 07:00).	2014		2015	
			Area	Population	Area	Population	
			EMA	7.1	700	8.6	1,000
			MAN	11.4	5,950	11.0	6,200
			OUR COLLEAGUES				
DEVELOPING OUR PEOPLE	We will build a MAG leadership ethos. We will seek to harness the unique strengths of every individual in the business within a general competency framework that is fit for purpose.	To engage at 90% of colleagues in a documented and meaningful performance process. To achieve 50% of leadership promotions through internally developed candidates.	% of colleagues who have completed a performance review. % of leadership promotions through internally developed candidates.	Performance reviews are being collected across the business, but the scope of the data collected is not sufficient to publish at this stage.			
				New measure	27%	On target	
POSITIVE ABOUT DIVERSITY	We will value and actively promote diversity to build a business that reflects the regions we serve.	We will work towards an equal gender split. By 2020 we will increase the number of females at leadership level by 10%.	% increase in the number of females at leadership level since 2014-15.	22%	23%	1%	
SAFE AT ALL TIMES	We will provide safe places for our colleagues and customers and continually reduce accidents.	By 2020, accidents to employees involving lost time will be reduced by 30%.	% reduction in accidents to employees involving lost time compared to 2014-15.	11%	17%	55% ⁹	
A POSITIVE WORKING ENVIRONMENT	We will engage colleagues, providing an environment within which they can improve their health and wellbeing.	We will continue to reduce sickness and absence as we work towards a target of 3.5% by 2021.	Annual sickness and absence %.	New measure	4.07%		

MAG GLOBAL GHG EMISSIONS DATA (TONNES CO₂e)

	2015-16	2014-15
DIRECT EMISSIONS	21,274	21,290
Combustion of fuel and operation of facilities		
INDIRECT EMISSIONS	54,423	61,393
Electricity, heat, steam and cooling purchased for own use		

MAG supports the Government's drive towards mandatory greenhouse gas emission reporting. Although the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013 do not require greenhouse gas reporting of MAG, we have reported on all of the emissions sources required by the Regulations, including fugitive emissions from refrigerant gases which are not reported in other MAG carbon footprints. These sources fall within our consolidated financial statements. We do not have responsibility for any emission sources that are not included in our consolidated statement.

Our emissions are calculated based on data gathered for voluntary emissions reporting and compliance with the CRC Energy Efficiency scheme and EU ETS. UK Government Conversion factors for Company Reporting published by Defra and DECC in 2015 were used with historic emissions re-calculated where required.

⁸ Standed noise footprint not yet published by Department of Transport.

⁹ These are our net market based emissions, after deduction of carbon offsets purchased and retired by MAG. Our carbon offsets are from independently verified emission reduction projects certified to the Verified Carbon Standard, Clean Development Mechanism or the Gold Standard.





ASSURANCE STATEMENT

SGS UNITED KINGDOMS LTD'S REPORT ON THE ENVIRONMENT, COMMUNITY, PEOPLE AND BUSINESS DATA IN THE MANCHESTER AIRPORT GROUP CORPORATE SOCIAL RESPONSIBILITY REPORT 2015-16

NATURE AND SCOPE OF THE ASSURANCE

SGS United Kingdom Ltd was commissioned by Manchester Airport Group (M.A.G.) to conduct an independent assurance of the data contained in the M.A.G. Corporate Responsibility Report 2015-16 (hereafter referred to as 'the Report') and in the GRI Content Index that accompanies it. The scope of the assurance, based on the SGS Sustainability Report Assurance methodology, included 2015-16 data for the following:

Our Environment

- Carbon footprint data including:
 - total net emissions (tonnes CO₂e)
 - direct & indirect emissions (tonnes CO₂e)
 - avoided emissions (tonnes CO₂e)
 - biogenic emissions (tonnes CO₂e)
 - carbon intensity
- Direct and indirect energy use (MWh)
- Air quality NO₂ and PM₁₀ (µg per m³)
- Number of breaches of air quality limits
- Compliance with surface water discharge consents (%)
- Compliance with trade effluent discharge consents (%)
- Major operational sites with ISO14001 (%)
- Bird Strikes per air traffic movement
- Total waste and sources of waste (tonnes)
- Waste diverted from landfill (%)
- Aircraft complying with noise preferential departure routes (%)
- Aircraft complying with continuous descent approach (%)
- Noise Footprint 57 dB LAeq day & night
- Noise complaints total and per 1000 ATM

Our Business

- Economic contribution to the regional and national economy (£ and jobs created)
- Employee Engagement Score
- Airport Academies – number of people supported and moving into work
- Total annual charitable donations and sponsorships (£)
- Number of apprentices
- Total number of passengers
- Total number of aircraft movements
- Overall satisfaction: ASQ average scores
- Purpose of journey (%)
- Country of residence (%)

The information in the Report and its presentation are the responsibility of the directors and management of M.A.G. SGS United Kingdom Ltd has not been involved in the preparation of any of the material included in the Report. Our responsibility is to express an opinion on the data within the scope of verification with the intention to inform all M.A.G.'s stakeholders. Financial and operational data drawn directly from independently audited financial accounts has not been checked back to source as part of this assurance.

This report has been assured at a **moderate level of scrutiny** using our protocols for evaluation of content veracity. The SGS protocols are based upon internationally recognised guidance, including the Principles contained within the Global Reporting Initiative (GRI) G4 Sustainability Reporting Guidelines (2013) for accuracy and reliability and the guidance on levels of assurance contained within the AA1000 series of standards and guidance for Assurance Providers.

Our Community

- Number of young people's education directly supported by MAG
- % employees who volunteered
- Hours volunteered by colleagues
- Community Fund donations (£ & projects)
- Good neighbor feedback (%)
- Number of young people who MAG have introduced to other cultures and languages
- Number of outreach meetings held
- Local suppliers within 25 miles of airports (%)

Our People

- Number of direct employees broken down by type of employment contract (%)
- Staff profile: ethnicity (%)
- Staff profile: gender (%)
- Staff profile: age (%)
- Salary Ratio by Employee Category
- Ratios of standard entry level wage by gender compared to local minimum wage
- Overall salary ratio for men to women
- Employees covered by collective bargaining agreements (%)
- Number of RIDDOR reportable incidents
- Total LTI accidents
- Sickness absence (%)
- % of leadership promotions through internally developed candidates
- % Women in Senior Leadership positions

This included the following data reported in GRI Content Index

- G4-10, G4-11, G4-12
- EC5, LA12, LA13
- EN15, EN16, EN17, EN18, EN19, EN21
- PR2, AO9

The verification comprised a combination of interviews with relevant employees and documentation and record review at the following M.A.G. sites:

- Manchester Airport
- Stansted Airport
- East Midlands Airport

The sites were selected based on those submitting significant proportions of key data. Documentation and record review included scrutiny of electronic data collection systems at site level, calculation and reporting data, including conversion factors used for calculation of carbon data, and a review of a sample of source documentation for the relevant indicators at the sites visited. Processes for collating and calculating Group level data for the report were checked, including checks of calculation formulae, and interviews with the individuals responsible for compiling the report.

STATEMENT OF INDEPENDENCE AND COMPETENCE

The SGS Group of companies is the world leader in inspection, testing and verification, operating in more than 140 countries and providing services including management systems and service certification; quality, environmental, social and ethical auditing and training; environmental, social and sustainability communications assurance.

SGS United Kingdom Ltd affirm our independence from M.A.G., being free from bias and conflicts of interest with the organisation, its subsidiaries and stakeholders. The assurance team was assembled based on their knowledge, experience and qualifications for this assignment.

VERIFICATION OPINION

On the basis of the methodology described and the verification work performed, we are satisfied that the verified information and data contained within the Report is accurate, reliable and provides a fair and balanced representation of M.A.G.'s sustainability activities in 2016.

The assurance team is of the opinion that the Report can be used by the Reporting Organisation's Stakeholders. We believe that the organisation has chosen an appropriate level of assurance for this stage in their reporting.

SUMMARY OF FINDINGS

We welcome the fact that M.A.G. has chosen to report this year using the GRI G4 framework and the republished AOSS. Progress continues to be made each year in formalising and improving data collection processes for CSR reporting and developments continue to be made so that data collection systems are fully integrated. This did not have an adverse impact on the availability, integrity or quality of the data.

Our recommendations for future reporting and assurance engagements include:

- Continue to integrate sustainability management and data collection systems to ensure a consistent approach to reporting across the four airports in the Group, in particular replacing or integrating legacy systems at Stansted.
- Consider liaising with identified data owners at the beginning of the reporting year to discuss any amendments or additions to reporting requirements and enable systems to be put in place to collect and monitor data as required.
- Continue with progress made in formalising and developing data collection processes and data reporting guidelines.

Authorised by:-

Jan Saunders
UK Business Manager
For and on behalf of SGS United Kingdom Ltd
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Registered in England No: 1193985

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