

# Manchester Airports Group Sustainable Supply Chain Policy

Manchester Airport Group's (M.A.G) mission is to deliver sustainable growth in shareholder value, balancing the needs of our customers, passengers, employees and communities in which we work, while maintaining the highest safety and security standards. Our vision is to be the premier airport management and services company of choice and our values determine how we work towards achieving our mission and vision. Responsible business is therefore at the core of who and what we are.

As the largest UK owned airport operator and a significant economic driver in the North West region, contributing £3.2bn to the UK economy and supporting over 130,000 jobs, M.A.G is conscious of its opportunity and responsibility to be a role model of business excellence.

Our Corporate Social Responsibility (CSR) Strategy sets out our commitment to responsible and sustainable business. This policy compliments the CSR strategy and reflects our strategic objective to "aim to maximise our economic contribution in the regions we serve, whilst always maintaining a fair and respectful relationship with our Supply Chain Community and Business Partners."

We believe that responsible supply chain management is best for our business. We understand that creating and maintaining a sustainable supply chain enables us to maximise win-win business opportunities, enhance our reputation and access cost savings whilst managing our risks. We recognise that our future growth depends on the sustainability of our business and are focused on our efforts to continually improve our supply chain and to develop innovative ways to exceed expectations. We value our ability to support long term regional economic growth through our supply chain and our capacity to lead the way in delivering growth while managing our social and environmental impacts.

## Supply Chain Principles

### Health and safety

The safety and security of customers and employees is our number one priority and our supply chain activities reflect this. Suppliers are expected to adhere to relevant legislation and those working on our projects are expected to comply with our health and safety standards.

### Ethics

We are committed to the highest standards of ethical conduct and integrity in our business activities in the UK and overseas and expect our suppliers to join us in this. We act in accordance with our Code of Conduct and Anti Bribery Policy and comply with applicable competition and procurement legislation. We will not tolerate corruption, bribery or anti-competitive practices.



## **Stakeholder engagement**

As with all our stakeholders, we use regular formal and informal stakeholder management processes to engage and consult with our Supply Chain Community. We value stakeholder dialogue as a means to build long-term strategic relationships with suppliers and work together to create win-win solutions.

## **People**

We recognise that success hinges on our people. We are therefore committed to ensuring that our colleagues involved in supply chain management are trained so as to achieve the high standards we set ourselves and conform to the Chartered Institute of Purchasing & Supply (CIPS) Code of Conduct as Best Practice. We encourage and support individuals' continued personal and professional development, including qualification with CIPS where appropriate.

## **Values**

We are guided in our relationships with suppliers by our values. Our values are detailed in Appendix 1.

## **Environment**

We recognise that delivering sustainable growth means working with our suppliers to help achieve the balance between the environmental impact of our operations and maximising our social and economic impact. We challenge our suppliers to evaluate their environmental impact and support them in taking appropriate actions in response.

## **Community**

As a regionally based business, we understand our potential to promote regional economic growth and to support local businesses. Procurement of goods and services and dialogue with suppliers will reflect this opportunity as we encourage suppliers to source locally and contribute to regional economic growth.

## **Selection of suppliers**

M.A.G follow a robust Source Selection Process when conducting procurement exercises. Our Supply Chain professionals will use a number of tools & techniques to ensure potential suppliers that positively contribute to M.A.G CSR policy are appropriately recognised during any evaluation process.

## **Payment**

M.A.G recognise the importance of good cash flow as the 'blood stream' for all businesses. We hope that M.A.G's commitment to prompt and regular payments to our direct suppliers will encourage similar behaviours of those further down the supply chain who may not be visible to M.A.G.

## **Value improvements**

We are committed to search for innovative ways to drive performance and collaborate with and encourage our suppliers to develop new and better ways of working.



### **Category management**

We procure goods and services by category so that we can understand the end-to-end supply chain environment. Our Supply Chain professionals seek to establish long-term relationships with suppliers, in order to support growth, mutual opportunities and management of risk.

### **Performance**

We may use supplier performance indicators to link performance to future supplier selections. We may undertake monitoring and audit processes to verify the performance of suppliers.

## **Key Risks and Opportunities**

We are committed to managing our supply chain risks to ensure continuity of supply and cost efficiency and taking advantage of opportunities to find creative and innovative solutions. Following internal and external dialogue with stakeholders and consideration of risk and materiality, we have prioritised two issues as our key risks and opportunities: Environmental impact and Regional economic impact.

### **Environmental impact**

We recognise that both our Operation and our Suppliers need to maximise their social and economic impact while addressing environmental challenges. In line with our aim to deliver sustainable growth, we are already acting to encourage resource efficiency, tackle climate change and actively manage our environmental impacts. We set ourselves challenging targets in order to achieve this and we expect our suppliers to share our vision for sustainable growth. We seek to collaborate with, and support them, in meeting our environmental commitments. Our Supplier Evaluation criteria will positively recognise companies that fulfil CSR criteria encouraging suppliers to adopt sustainable ways of working and help M.A.G select suppliers who share our commitment to sustainability.

M.A.G is committed to a robust waste management strategy as part of our aim of zero waste going to landfill. Our primary aim is to design out as much waste as possible, but recognising that this is not always possible we will work with our suppliers in seeking to produce less waste and increasing the amount of waste recycled or recovered.

At the core of our environmental strategy is our carbon neutral commitment: our target is for our ground operations to be carbon neutral by 2015. As part of this, we are increasing energy efficiency and utilising carbon reduction measures. We are committed to working with our Supply Chain to help them understand their carbon footprint and set themselves challenging objectives and targets that complement M.A.G's. We will work with these Suppliers to support them by offering information, general advice, practical support and technical support, where appropriate, to help them realise their targets.



## **Regional economic impact**

As a business based in the North West, but with regional airports also, we understand that we have the potential to make significant contributions to regional economic growth; we seek to not only live up to, but to exceed, our potential. We expect our suppliers to work with us in seeking to maximise regional economic spend, thereby promoting regional economic growth indirectly as well as directly, and will encourage and assist them in this where appropriate. We seek to encourage our suppliers to employ locally and so support local communities. This not only helps us to be responsible neighbours as we support local communities and strengthen local economies, but also allows us to add value back into the regions in which we operate.

## **Expectations of Suppliers**

We are working hard to communicate our commitment to sustainability to our Supply Chain. We expect openness and transparency in our relationships with our Supply Chain and will support continuous improvement in sustainability with any of our Supply Chain Community.

We ask all our Suppliers to commit to the following:

- To provide safe and fair working conditions for their employees
- To comply with local and national environmental legislation, as a minimum
- To uphold high standards of integrity, transparency and governance and at a minimum to comply with all relevant anti-bribery and competition legislation
- To comply with reasonable monitoring and audit processes M.A.G may undertake
- To support economic growth in the regions in which we serve
- To work with us in achieving environmental objectives, where appropriate
- To make available this policy to the relevant members of their workforce

## **Review of Policy**

We constantly challenge ourselves to achieve continuous improvement and so encourage feedback from our Supply Chain Community on our sustainable Supply Chain Policy. We will review this policy on an annual basis and re-issue where necessary.



## Appendix 1 – Our Values

Our Values are a combination of our company's existing characteristics and those that we feel we need to further embed into the business. Our values are imperative to achieving success and we recognise that for a modern business it is not just what we do, but how we do it that is important.

**Why not?** – M.A.G challenges the status quo to provide the best solutions for airlines, passengers, tenants and other stakeholders. We never stand still in our search for innovative ideas which surprise and delight our customers and drive performance. We attract ambitious people and enlighten organisations who are drawn by our forward-thinking, innovative spirit.

**Brilliant at what matters** – We set ourselves the highest performance and quality standards and are rigorous about consistency. M.A.G focuses on all the things that really matter to its stakeholders and what makes them want to do business with us. We constantly challenge ourselves to find new and better ways to exceed expectations.

**Safe Hands** – We engender confidence through the knowledge, experience and professionalism of our people. We act with the highest standards of honesty, integrity and responsibility. We consistently deliver on our promises and are accountable for our decisions. M.A.G treats safety and security of customers and employees as its number one priority.

**Finger on the pulse** – M.A.G is in-tune with the changing needs and aspirations of all its stakeholders. We look at the future through the eyes of our customers – airlines, passengers and tenants. We are dynamic, fast-moving and always up to date. We lead the way in developing the future of successful and highly profitable airports.

**Power of teamwork** - We think and act like one team, bonded by mutual trust and respect. We share in the success of our business, recognising and rewarding great ideas and exemplary behaviour. We empower our airline customers and retail tenants to exceed the expectations of their end consumers. M.A.G creates win-win solutions with its partners, which consistently out-perform the market.

