Welcome to our 2016/17 CSR Report, which follows another successful year for Manchester Airports Group (MAG). Over the past 12 months we have been able to continue to grow strongly, increasing passenger numbers to a record 55.9 million and our economic contribution to £7.1 billion. We have also announced exciting plans to invest more than £1.5 billion in transforming facilities at both Manchester and London Stansted airports.

MAG’s approach is guided by our belief that when our business prospers, the regions and communities in which we operate prosper. Working closely with local communities, we continue to support the education and development of young people and to reach out in particular to those communities where need is greatest.

We know too that delivering growth in the right way is one of our most important challenges, and as our airports continue to develop in the coming years, we understand the importance to local communities of being able to grow without increasing the environmental impacts associated with our operations.

Finally, it is important to note that all of our successes this year are possible due to the people that work at MAG. Ultimately, our success as a business is founded on the ability of our colleagues and it is vital that we have a strong team, with a variety of experiences and backgrounds.

I hope you find our report useful in setting out the progress we have made in delivering our long-term CSR Strategy, and look forward to working with you to implement our plans for the coming year.
OUR APPROACH

As a business we plan for long term growth and this year we demonstrated the scale of our ambition by beginning the £1.5 billion programme of investment we have for our airports. Passengers and consumers will benefit enormously from these investments, and future growth will support new jobs and business opportunities in our local areas. Improved connectivity will strengthen the ability of the regions we serve, and the UK as a whole, to trade and compete successfully on a global stage.
We recognise that the size, scale and ambition of our airports brings significant responsibility, to the environment, to our local communities, to our staff, customers and to local businesses.

Our approach and the ambition for our business is to develop responsibly, balancing the needs of all those who work at, live near and use our airports. Our corporate social responsibility strategy and supporting targets are designed to give effect to this aim.

**OUR CSR STRATEGY**

Our commitment to responsible business is long standing. We seek to take a far-sighted approach that makes the sustainability of our operation part of our core business, and have consistently made decisions and investments for greater improvements over the long term, rather than short term gain.

This approach has challenged our business and demanded commitment from our leadership team to drive improvements in performance that make a real difference.

Our latest CSR goals take us through to 2020, taking a broad view that reflects all of our material areas of corporate responsibility.

We have continued to adapt these goals and our broader aims to meet the regulatory changes in our industry, new challenges in response to colleague and community feedback, and to set new targets where we have managed to achieve our initial aims sooner than originally planned.

This year a number of our programmes in the 2016-17 report demonstrated significant progress, and in some cases, enhanced the impact of our efforts.

**OUR APPROACH**

This report has been prepared in accordance with the GRI Standards: Comprehensive option. This is in conjunction with the GRI 4.0 Sector Guidelines Airport Sector. Content Index can be downloaded from our CSR reporting web page.

**MATERIALITY AND RESPONDERING TO NEW CHALLENGES**

We have again commissioned an independent review of our material issues to ensure that our aims and objectives continue to reflect those issues that are of greatest relevance to our communities, colleagues, investors and customers.

Not only does this help to keep aligned with what matters most to those who matter to us, but it helps to shape our focus for the coming year.

This year we also see a significant increase in the importance of transport to and from the airport, with an increased recognition for support in the local community, be that through hiring local employees, buying from local businesses, or community investment and engagement. Our impact on the environment has also been high on the agenda of local communities, with issues such as noise abatement remaining an important issue, with our regional economic impact also remaining a prominent area of interest.

We will be taking on a leadership role within the industry with MAG chartering Sustainable Aviation, a coalition of the UK’s major airports airlines and manufacturers working together to ensure a sustainable future for the aviation industry.

We will also be taking on a leadership role within the industry with MAG chartering Sustainable Aviation, a coalition of the UK’s major airports airlines and manufacturers working together to ensure a sustainable future for the aviation industry.

Finally, with significant change happening in the aviation sector nationally, alongside the changes to our airports too, we recognise how important it is to maintain our collaborative approach to growth. We will continue work over the course of the next year to consult regularly with local governments and other stakeholders.

We have again commissioned an independent review of our material issues to ensure that our aims and objectives continue to reflect those issues that are of greatest relevance to our communities, colleagues, investors and customers.

Not only does this help to keep aligned with what matters most to those who matter to us, but it helps to shape our focus for the coming year.

**OUR WORK NEXT YEAR**

While this report sets out the results of our work over the past year, it is important to note that we state some of the guiding principles that will form the basis of our work in the coming year.

This means that alongside our investment plans to redevelop Manchester Airport and build a new arrivals terminal at Stansted Airport, we are also focusing our efforts on finding and training the staff we need for the future from local areas where jobs are needed most. We are also increasing the work we do to create commercial opportunities for local smaller companies and increase the value we add to our local communities, our regions and the UK as a whole.

We will continue to reflect those issues that are of greatest importance to our communities, colleagues, investors and customers.

**OUR APPROACH**

We will continue the journey of responsible business and will maintain our social and economic contributions in the regions we serve.

**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 local benefit.

**OUR COLLEAGUES**

Keeping them safe at all times, we will support and develop our people as 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.
This year, MAG airports generated economic activity worth £7.1 billion (GVA) to the UK economy, an increase of almost £900 million on the previous year. The increase in economic activity has also supported the creation of over 5,000 new jobs. This growth is felt right across the country through increases in UK trade, tourism, commerce and investment. This means that this year MAG has supported more jobs, more investment and more connections to more destinations than ever before.
BUSINESS AND EMPLOYMENT

We are committed to making sure that the benefits of growth are most keenly felt by the passengers, businesses and communities living and working closest to our airports. One in three of the businesses we work with is now located within 25 miles of our airports, alongside the majority of our 5,367 direct employees.

To help businesses make the most of the opportunity presented by our airports, we host ‘meet the buyer events’ which provide an exchange for local SMEs and businesses operating at our airports, promoting the development of local supply chains wherever possible. This year presented by our airports, we host ‘meet the buyer events’ which spell out our commitment to, and investment in, a new employability programme – MAG Connect – building on our work to date, this year we are launching three years early.

This year we were also able to increase our total annual charitable donations by 38% to over £1 million, more than doubling our target of donating £500,000 by 2020, than doubling our target of donating £500,000 by 2020, with MAG Now located within 25 miles of our airports, alongside the majority of our 5,367 direct employees.

Our Airports: This year was a significant milestone in the region to global markets. We expect to see this strong growth continue in the coming years, increasing route growth continue in the coming years, increasing connections to international supply chains, handling 326,533 tons of cargo. The airport’s operations served 4.7 million passengers, supporting 8,310 jobs and providing a contribution to the regional economy of £200 million.

- East Midlands: EMA sits on the boundary between Nottingham, Derbyshire and Leicestershire. Whilst route growth continue in the coming years, increasing connections to international supply chains, handling 326,533 tons of cargo. The airport’s operations served 4.7 million passengers, supporting 8,310 jobs and providing a contribution to the regional economy of £200 million.

- East Midlands: EMA sits on the boundary between Nottingham, Derbyshire and Leicestershire. Whilst route growth continue in the coming years, increasing connections to international supply chains, handling 326,533 tons of cargo. The airport’s operations served 4.7 million passengers, supporting 8,310 jobs and providing a contribution to the regional economy of £200 million.

- Bournemouth: Bournemouth Airport is an important part of its region's economy, supporting over 600,000 local passengers each year and 600 jobs. It has a national economic contribution of £19 million.

East Midlands

- Southampton

- Manchester

- East Midlands

- East Midlands

- East Midlands

- East Midlands

- East Midlands

- East Midlands

- East Midlands

- East Midlands

- East Midlands

- East Midlands

- East Midlands

- East Midlands

- East Midlands

- East Midlands
So we wanted to ensure that MAG offers an environment that gives people the best chance of getting on no matter where you are in terms of aspiration, ability or experience. We have brought together all of our support under one name, MAG Connect, and in the coming years we will see huge potential to use this to attract people from the area to work at the airport. For this reason, we are partnering with Job Centre Plus in Totnes to raise the profile of the airport and support people in the area into work at Stansted. With heavily discounted travel and a rail journey that takes just 35 minutes, we hope that our partnership with Job Centre Plus and Harlow Council will make a real difference.

Getting into Work: Technical Skills College Stansted.

In February 2017 London Stansted and Harlow College announced a joint commitment to developing a Technical and Professional Skills College at the airport. The new centre will provide around 530 young people each year with the skills that employers across the airport need, ensuring that young people around the airport have access to the right training to begin a career with us. The Skills College forms part of our long-term commitment to supporting our local community and training people with the skills we need as a business to continue to grow into the future.

Our Plans

Work Ready: We want to make sure that from an early age, young people understand the breadth of opportunity available at MAG’s airports. So we want to meet with as many young people as possible, at all stages of their education and development, to inspire them to a future at MAG. In addition to the work below, MAG has also signed up to support the Government’s ‘Year of the Apprentice’ for 2017/18, which showcases the career opportunities available at our airports and help to prepare young people for the world of work. They are a great reason for local schools and colleges, and through our facilities of Stansted and East Midlands over 4,000 young adults have attended a day at an Aerozone this year. Plans for an Aerozone at Manchester in the coming years are well advanced, which will enable to extend our support for the education and development of even more children and young adults across the country.

Aeronauts: Our Aeronauts provide tailored programmes aimed at a variety of age groups, from primary school ages right up to 18, which showcase the career opportunities available at our airports and help to prepare young people for the world of work. They are a great reason for local schools and colleges, and through our facilities of Stansted and East Midlands over 4,000 young adults have attended a day at an Aerozone this year. Plans for an Aerozone at Manchester in the coming years are well advanced, which will enable to extend our support for the education and development of even more children and young adults across the country.

Better Transport: Student, Forest Hall School

Matthew, Tuesday. So thank you for all of the support!”

“Thank you for all of the help and mentoring advice you have given me! The things you told me will really help me in my upcoming exams. I also know it must have been too early to talk to a teenage boy who hates maths, every Tuesday. So thank you for all of the support!”

Matthew, Student, Forest Hall School

Better Transport: Our colleagues have access to discount travel schemes, as well as season ticket loan so that we can make it cost-effective as possible to get into work. We are also working with travel companies across the country to make sure new services are developed to enable employees and passengers to get to and from our airports by public transport right across the day, making working with us eerier than ever before.

Business and Employment:

So we wanted to ensure that MAG offers an environment that gives people the best chance of getting on no matter where you are in terms of aspiration, ability or experience. We have brought together all of our support under one name, MAG Connect, and in the coming years we will be focusing on enhancing our existing framework to support those people who want to join our team.

All of our airports are hubs at every level, from new apprenticeships right through to our senior leadership team. Making sure that the right people with the right skills and diverse pipeline of employees that we need for the future is an important part of supporting MAG’s sustainable growth and the long-term sustainability of our region. MAG Connect programme will provide the right opportunities to meet our needs as a business, as well as the employment demands of the areas around us. Below we have set out the key areas of our work that we are bringing together under MAG Connect, how they will work together, as well as our plans for the year ahead and why they are important to us.

Some of this work is brand new, and we are determined to make it work for the people it is designed to benefit. So if you have any ideas on how we can make our plans work harder or smarter for you, then please contact magconnect@magairports.com and send us your ideas.

MAG Connect – 2017/18

Reaching Out: Taking Jobs to Where They’re Needed

Our flagship policy this year looks to take our employment programme out of our airports and into diverse areas where our airport will have both the greatest impact, and support us in expanding our workforce to meet our ambitious growth. So as an example we are trialling a new approach in the areas around Stansted to encourage people to take advantage of the opportunities on offer at the airport.

For example, Totnes has a fast and almost rail service to Stansted and we see huge potential to use this to attract people from the area to work at the airport. For this reason, we are partnering with Job Centre Plus in Totnes to raise the profile of the airport and support people in the area into work at Stansted. With heavily discounted travel and a rail journey that takes just 35 minutes, we hope that our partnership with Job Centre Plus and Harling Council will make a real difference.

Getting into Work: Technical Skills College Stansted.

In February 2017 London Stansted and Harlow College announced a joint commitment to developing a Technical and Professional Skills College at the airport. The new centre
Our work in this area has already led to trams running earlier in Manchester, and work to support better public airport access at EMA and staff discounts to ensure affordability at Stansted.

Jobs Fairs:
Every year at MAG we host jobs fairs to support local people into jobs at our airports. The fairs are always a huge success, with our most recent fair at Manchester in February offering more than 1,000 jobs at all levels, both with our company and our business partners, with full training programmes offered to successful applicants.

Getting into Work: Regardless of where you are in your early career, we aspire to have as many routes into MAG as possible. Whether someone would like on-site training, an apprenticeship, has just left university or simply knows they have the skills we need, then we aim to provide the right route for them. Each year we have announced our largest investment yet in the future of our colleagues.

Our Academy Network:
Airport Academies have been developed at Manchester, London Stansted and East Midlands Airports as employment hubs for our airports and business partners. We are proud that anyone can come to our Academies at any time, whether they are working for us already, looking for a new career, or need support to find a job. The Academies provide work experience and CV advice to those who need it, and offer short courses on employment skills to help people into work. The service is free for prospective employees and employers.

Apprenticeships:
We currently have 32 apprentices training with us, and as our investments progress we expect to take on more apprentices in the future. Our Academy Network helps support the next generation of MAG employees.

Graduate Programme:
MAG has 23 graduates currently going through our two year training programme. Our graduates take on roles in different areas right across the business to gain the widest possible insight and understanding into how our departments work and to help develop them into our future business leaders.

Building Careers:
As everyone knows, as your career grows the skills you need to progress change. But as technology advances, the way we communicate becomes ever quicker and more efficient, and attitudes, rules and regulations move on. It’s important that we have the right training and incentives in place to train, retain and make sure our people keep their skills up to date.

Mentoring:
To support the development of our staff we have set up a mentoring programme that allows senior members of our team to take time out of work to mentor others in the business, passing on understanding of how MAG works and delivering supportive career advice.

Our Incentives:
We want to make sure that we are able to recognise the contribution of every MAG employee is eligible for an incentive plan, from our apprentice’s right through to the top of our business.

Internal Promotion:
Already almost a quarter of our promotions to senior leadership positions come from our internal candidates.

Diversity:
Having already achieved our targets to increase diversity across MAG, we will be re-evaluating our goals to set a new challenge later this year.

Customer Service:
We are determined to ensure that all passengers are able to enjoy ease of access to all of our airports, and following a recent review by the CAA, we acknowledge that more work needs to be done to meet this aim. Already this year we have installed new reporting systems designed to exceed standards in the area, and are undergoing a specialist consultation to ensure MAG airports are as accessible as possible. We provide specialist travel advice on our websites, showing the services we provide and how we can help and are investing in supporting passengers.

Highlights this year include East Midlands Airport where we have recently invested in two new Ambulifts and reached an agreement with our business partner Swissport to operate two Ambulifts on certain aircraft. The changes and investments that we will continue to make throughout the year will not only ensure improvements in access to our airports.
It takes a big team to run a successful airport. With over 40,000 people working at businesses across all four of our airport sites, our airports employ thousands of people from the cities, towns and villages around us, and serve millions of passengers, parcels and letters every year. Being part of a community means being more than just employing and supplying an area, it means playing an active part in making it a better place to be and listening to those you share your community with. This, at MAG, is what we try to do better each year.
COMMUNITIES AT OUR AIRPORTS

Working with the Community: With millions of passengers and thousands of aircraft using our airports every year, we know that it matters to local people that we’re able to keep them informed about our plans, and understand what matters most to them. MAG has always valued conversation with local people and in 1969, when Manchester was our only airport, we started the Manchester Airport Consultative Committee, 13 years before any requirement to do so.

Our original committee has been going strong ever since, and all of our airports have taken on this original, engaging approach. It means we can hear thoughts and opinions from everyone right across the community, from passengers and councillors to airlines, local businesses and charities on everything we do. Together with our 90 outreach events this year, which help directly inform residents around the airport of what we do, we are able to hear from the people that live and work in the areas around our airports, listening to their views on what impacts them, and supporting good causes and priorities in the areas close to us.

Community Funding and Charitable Investment: As well as taking the time to talk with our airport community, MAG has a long-standing commitment to supporting the charities, groups and people that make a difference. Last year MAG spent £279,445 funding 256 local projects, of all shapes and sizes and with worthwhile goals large and small. All of these projects make a difference to the communities around our airports, contributing to a better place to live and work.

Outside of this, MAG is proud to have chosen CLIC Sargent as our corporate charity. CLIC fights for children who have cancer, supporting them through the toughest times in their young lives. MAG is proud to have raised £192,873 for CLIC so far and our work continues.

Volunteering: Our employees have a wide variety of skills and experience; from engineering and accountancy, through to security and HR. As well as putting these to use at MAG we know that local charities and community groups can often benefit from additional support, be it borrowing some professional skills or just an extra pair of hands. At MAG we encourage our colleagues to volunteer for the local projects and charities that matter to us and that are close to their hearts, so we have set ourselves a challenging target of 30% of our workforce volunteering by 2020. In 2016/17 15% of MAG staff volunteered in their local communities, a total of 11,787 hours or 1,473 working days of support that supported the projects and charities that make a community a better place to be. Earlier this year Cheshire Connect were approached by Action for Sick Children, a charity working for the highest standards of care policies for Children, requesting the support of two HR professionals to help them better understand the impact of changes to employment legislation.

“[I] found feel more confident in our compliance. The relationship with MAG continues as they have kindly agreed to help in other subject areas of Human Resources which will be another benefit to the charity.”

VAL JACKSON
Chief Executive of Action for Sick Children

Supporting Local Art and Culture: Part of being active in our local area means adding too to the vibrancy and spirit of the area. Whilst we undoubtedly have the odd artistic colleague, we also contributed £370,000 to sponsoring local work, including, the Lowry Theatre and the Hallé Orchestra, who run workshops with local schools as part of MAG’s sponsorship.

Alongside the funding, MAG this year also sponsored Pride in Manchester, Birmingham, Liverpool and Newcastle. We’re proud to do this. Not only is Pride a flagship of equality across the whole of the UK, it’s also a lot of fun, and that is well worth celebrating.

<table>
<thead>
<tr>
<th>COMMUNITY HOURS WERE VOLUNTEERED BY MAG STAFF</th>
</tr>
</thead>
<tbody>
<tr>
<td>£370k</td>
</tr>
<tr>
<td>To Support Local Art and Culture Last Year</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>COMMUNITY OUTREACH EVENTS WERE HELD AT OUR AIRPORTS DURING THE YEAR</th>
</tr>
</thead>
<tbody>
<tr>
<td>90</td>
</tr>
<tr>
<td>MAG CONTRIBUTED</td>
</tr>
<tr>
<td>£192k FOR CLIC…SO FAR</td>
</tr>
<tr>
<td>£279k WAS SPENT FUNDING 256 LOCAL PROJECTS</td>
</tr>
<tr>
<td>£370k</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>MAG HAS RAISED</th>
</tr>
</thead>
<tbody>
<tr>
<td>£192k</td>
</tr>
<tr>
<td>£279k</td>
</tr>
</tbody>
</table>

1,787 COMMUNITY HOURS WERE VOLUNTEERED BY MAG STAFF FOR CLIC...SO FAR

MAG CONTRIBUTED £370k TO SUPPORT LOCAL ART AND CULTURE LAST YEAR
AIRPORTS AND THE ENVIRONMENT

There is a responsibility on all companies to work to protect the environment. But we understand that the size, scale and nature of the aviation sector brings with it a much greater expectation and requires greater focus and innovation to tackle this most pressing issue. We do not take this responsibility lightly, and recognise that across a range of areas there is more we can do as an individual business, and as a global sector, to mitigate environmental impact.
AIRPORTS AND THE ENVIRONMENT

MAG has already led UK airports in the drive for carbon neutrality; operating the first three airports in the UK to achieve carbon neutrality following over a decade’s worth of research, investment and innovation.

We can now announce that all of our airports are carbon neutral, with Stansted joining Manchester, East Midlands and Bournemouth.

Reducing CO2:

Stansted is one of the most important things we do as a business, and for over a decade we have invested heavily to ensure we can continue to reduce our impact on the natural world. By purchasing renewable electricity we aim to stimulate a market for greater renewable generation and sources for more than five years. Our approach is much more encompassing though, and we have been working for ten years to fundamentally change the way we operate so that we can continue to grow our business, we do so in a more efficient and sustainable way.

Despite increasing our passenger numbers from 52 million last year to 56 million this year, our approach has meant that we continue to grow sustainably, we will have to push the boundaries of what is possible, trying new technology and techniques in order to understand and mitigate the emissions that result from all parts of our business.

So this year at Manchester, working with our on-site business partners, we trialled a full ‘electric turn-around’, a process which uses electric only equipment demonstrated to be that it is a possible to fully ‘turn around’ an aircraft, the procedure which reduces on its next flight, using all electric power and with significantly reduced emissions.

It is innovations like these that will help ensure the industry as a whole can continue to grow, and has helped to establish MAG as an industry leader in improving aviation sustainability.

Global Carbon Reduction: Whilst we have focused on the actions we can take at our airports, the issue of carbon reduction, electricity generation and food production in rural India. One project supported the purchase of new renewable technologies, including wind turbines, can be used safely at an airfield, a project pioneered at East Midlands Airport. We have created bespoke lighting systems to reduce our energy consumption, and even demonstrated for the first time that it is possible to fully ‘turn around’ an aircraft, the procedure which reduces on its next flight, using all electric power and with significantly reduced emissions.

To continue to grow sustainably, we will have to push the boundaries of what is possible, trying new technology and techniques in order to understand and mitigate the emissions that result from all parts of our business.

We have been able to achieve this because our award winning, long-term, pioneering approach to carbon reduction, which we have invested in and developed over the last ten years, is paying dividends. On the journey to achieving carbon neutral status, we have shown that renewable technologies, including wind turbines, can be used safely at an airfield, a project pioneered at East Midlands Airport. We have created bespoke lighting systems to reduce our energy consumption, and even demonstrated for the first time that it is possible to fully ‘turn around’ an aircraft, the procedure which reduces on its next flight, using all electric power and with significantly reduced emissions.

It is innovations like these that will help ensure the industry as a whole can continue to grow, and has helped to establish MAG as an industry leader in improving aviation sustainability.

To support this, MAG works to achieve globally recognised standards, known as 50s, that are developed by the International Organisation for Standardization. All of our airports are accredited to the international environmental management standard ISO 14001, helping us and our business partners to deliver continual operational improvements. In addition, London Stansted Airport has become the first UK airport to be accredited to the energy management standard ISO 50001.

We are also leading members of Sustainable Aviation, which brings together businesses from across the UK’s aviation industry to improve the sustainability of the sector and will take over the leadership of this organisation in 2017 to continue its work in pushing for a greener, cleaner aviation industry.

Working Collaboratively and International Standards: We recognise that tackling climate change effectively means that we must also work in partnership with other organisations and, more importantly, with the wider aviation sector beyond. This includes other airports, airlines, or traffic control systems.

To support this, MAG works to achieve globally recognised standards, known as 50s, that are developed by the International Organisation for Standardization. All of our airports are accredited to the international environmental management standard ISO 14001, helping us and our business partners to deliver continual operational improvements. In addition, London Stansted Airport has become the first UK airport to be accredited to the energy management standard ISO 50001.

We are also leading members of Sustainable Aviation, which brings together businesses from across the UK’s aviation industry to improve the sustainability of the sector and will take over the leadership of this organisation in 2017 to continue its work in pushing for a greener, cleaner aviation industry.

Air Quality: The quality of the air around us has received greater attention as an issue over the last few years, with the focus of the debate largely focused on the air in our towns and cities. Whilst emissions at airports represent a very small proportion of overall UK emissions, with aircraft contributing 1% of UK NOx emissions and 0.1% of UK
AIRPORTS AND THE ENVIRONMENT

PM₁₀ emissions, we recognize our shared responsibility to keep these emissions below specified levels. We have been working with airlines to ensure that new and modern aircraft infrastructure to bring down delays and overall emission levels. Alongside other initiatives, these policies help to make sure that MAG’s airports maintain safe air quality levels.

Reducing the Impact of Noise: We recognize that aircraft noise can be disruptive particularly for those who live close to an airport, so finding ways to reduce the impacts of aircraft noise is an important part of our environmental work. We work with airlines, air traffic controllers, the Government and regulators, as well as local communities, to better understand and mitigate the effects of aircraft noise. So far, we have continued to build programmes of work which seek to contain noise to an acceptable minimum.

AIRPORTS AND THE ENVIRONMENT

PM₁₀ emissions, we recognize our shared responsibility to keep these emissions below specified levels. We have been working with airlines to ensure that new and modern aircraft infrastructure to bring down delays and overall emission levels. Alongside other initiatives, these policies help to make sure that MAG’s airports maintain safe air quality levels.

Reducing the Impact of Noise: We recognize that aircraft noise can be disruptive particularly for those who live close to an airport, so finding ways to reduce the impacts of aircraft noise is an important part of our environmental work. We work with airlines, air traffic controllers, the Government and regulators, as well as local communities, to better understand and mitigate the effects of aircraft noise. So far, we have continued to build programmes of work which seek to contain noise to an acceptable minimum.

100% OF ELECTRICITY FROM RENEWABLE SOURCES

We are confident that we can build on the success into the future. We will continue to build community outreach sessions, of which 90 were held last year, and ensure that all those within our local community who have concerns over this issue can ensure their voices are heard.

Waste and Recycling: Recycling efficiently at an airport is one of our biggest challenges. Current regulations mean that some international food wastes, which pose a particular risk, have to be dealt with in a particular way which prevents us from recycling some sources of waste. These processes mean there are some limits to the things we can recycle and the processes we can use.

Working within this framework, we have focused on helping local communities with recycling projects. This year we are increasing by 8.1% in the number of people that fall within our airports’ 57 dB Leq contour, our current collaborative approach has seen our overall noise contour fall over the last five years, and 24
There is no substitute in any business for an engaged and diverse workforce who value and understand the business they work in. At MAG we are fortunate that some of our colleagues have been with us for more than 30 years, and have a deep working knowledge of our airports that is shared with newer members of our team. We are proud to employ many local people and to have a strong record of promoting people through the organisation to senior positions.
**Diversity:** We want to ensure our workforce is reflective of the regions they serve. We have committed to drive this issue from the top of our business and reflect the diversity of our workforce in our senior team. We set ourselves an initial target of increasing the number of women on our Senior Leadership Team (SLT) by 10% by 2020. We are pleased that one-third of our SLT are now female, a 13% increase on last year, and we have exceeded our target three years early.

We recognise that there is more to be done and we are now in a position to reassess our targets and set new goals. Over the last few months we have been drawing on the expertise and partnerships we have with candidates that are at the highest possible standard and with the most up to date technical training. That is why we are developing a Flagship Professional and Technical Skills Centre at Southend Airport, working together with our local Harlow College, the South East LEP and Essex County Council. The £11 million centre will be Uttlesford’s first College and will open in September 2018, providing specialist further education which is tailored to meet the needs of airport employers filling skills gaps in engineering, business, finance and the wide variety of skills required within airport related Industries. This will help ensure that as a business we have access to the right skills that we need, and can play a direct and active part in supporting the future of what we hope to be our next generation of colleagues.

Across our business 22% of appointments to our leadership teams come from within MAG. As we expand our ability to train, grow and nurture talent across all aspects of our business, we hope to see the figure increase.

**Staff Travel:** It is important for our customers and colleagues that our airports are well connected. As a 24/7 business we need to make sure that public transport is effective for our colleagues and customers as they can be. Our airports offer all colleagues discounts on their travel to and from work, and we have worked hard over the last year to make it easier than ever for our staff to get into our airports, working with partners to introduce new services at the start and the end of the day to both Stansted (train) and Manchester (train and tram), meaning that getting to work has never been easier for our employees. At East Midlands Airport a decade of working in partnership with local stakeholders and over a million pounds of airport investment has resulted in a 24-hour 7-day commercial bus network serving 3 cities, and many market towns and villages and providing connectivity to nearly 2 million passengers locally, bringing job opportunities within easy reach for local communities.

**Health and Safety:** Airports require a wide range of skills including some highly technical roles, from air traffic control, to meteorologists working with instruments and security specialists. Retaining and developing these skills is important to MAG, but is hard as ensuring we have the right people in place to make sure the next generation can grow into their careers.

As a business we need to ensure that we have the best possible environment. MAG has set business wide targets that are the highest possible standard and with the most up to date technical training. That is why we are developing a Flagship Professional and Technical Skills Centre at Southend Airport, working together with our local Harlow College, the South East LEP and Essex County Council. The £11 million centre will be Uttlesford’s first College and will open in September 2018, providing specialist further education which is tailored to meet the needs of airport employers filling skills gaps in engineering, business, finance and the wide variety of skills required within airport related Industries. This will help ensure that as a business we have access to the right skills that we need, and can play a direct and active part in supporting the future of what we hope to be our next generation of colleagues.

Across our business 22% of appointments to our leadership teams come from within MAG. As we expand our ability to train, grow and nurture talent across all aspects of our business, we hope to see the figure increase.

**Health and Safety:** Airports require a wide range of skills including some highly technical roles, from air traffic control, to meteorologists working with instruments and security specialists. Retaining and developing these skills is important to MAG, but is hard as ensuring we have the right people in place to make sure the next generation can grow into their careers.
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.

**OUR BUSINESS**

**SUPPORTING BUSINESS**
With particular focus on the measures we set, we will review the maximum impact of our operations.

- We will support local, small and Chandigarh-based businesses to do the work better equipped to supply our airports. We will target and connect with our suppliers.
- To achieve our development strategies, we will regularly analyse and report this economic impact of our operations. We will target and connect with our suppliers.

<table>
<thead>
<tr>
<th>ISSUE</th>
<th>STRATEGIC CSR OBJECTIVE</th>
<th>TARGET</th>
<th>INDICATOR</th>
<th>2014/15</th>
<th>2015/16</th>
<th>2016/17</th>
<th>CHANGE*</th>
</tr>
</thead>
<tbody>
<tr>
<td>CSR</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>OUR BUSINESS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>SUPPORTING BUSINESS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>RED</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>GREEN</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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.
In 2016/17, 4,094 complaints were received from 10 people.

Our carbon footprint includes emissions from activities within our direct operational control. It has been calculated using both historic and current conversion factors (2015 conversion factors applied to calculate 2015/16 emissions, 2016 conversion factors applied to calculate 2016/17 emissions). Our renewable installations benefit from the Government Feed in Tariff. As such, the electricity we generate has only a fraction of the carbon footprint of conventional electricity. Our electricity consumption is currently split as follows: 38% renewables, 29% carbon neutral, 24% low carbon and 9% conventional.

2015/16 data has been restated due to an erroneous conversion factor and over reporting of fuel consumption.

Note: Previously reported 2015-16 emissions have been updated due to an erroneous conversion factor and our reported fuel consumption data.

Our emissions are calculated based on data gathered for voluntary emissions reporting and compliance with the CRC Energy Efficiency scheme (2009-2013), the EU ETS (our emissions are reported under this scheme from 2015 onwards). We are not required to report on indirect, non-transport emissions which are not covered by the CRC scheme. We do not have responsibility for any emission sources that are not included in our scope of reporting.

MAG supports the Government’s drive towards mandatory greenhouse gas emission reporting. Although the Companies Act 2006 (Strategic report and accounts) Regulations 2013, SI 2013/2033, do not specify a requirement to report, we have chosen an intensity measurement against a traffic unit, which is defined by the International Air Transport Organisation (IATA) as the number of people affected by noise from airport operations.

Note: Previously reported 2015-16 emissions have been updated due to an erroneous conversion factor and our reported fuel consumption data.
DISCLOSURES

ASSURANCE STATEMENT

The information in the Report and its presentation are the responsibility of the directors and management of Manchester Airport Group (M.A.G. – hereafter referred to as ‘the Report’) and in the GRI Sustainability Report Assurance methodology, included 2016-17 data for the following: • Our Environment • Our Community • Our Respect for Business • Our Environment • Our Respect for Business • Our Energy

Financial and operational data were drawn from independently verified financial accounts that have not been subject to an audit. The data relates to the financial year ended 31st December 2016.

The information contained in the Report has been prepared in accordance with the guidelines set by the Global Reporting Initiative (GRI) G4 Sustainability Reporting Guidelines (2013) for sustainability reporting. The assurance follows the AA1000 Assurance Standard, which is the global standard for sustainability assurance.

The assurance statement is a declaration that the assurance provider has performed an assessment and provided an opinion on the content of the report. The assurance provider is independent of the organisation, its subsidiaries and stakeholders. The assurance team was assembled based on their experience and qualifications in environmental, social and ethical auditing and training; environmental, social and sustainability communications; financial and operational risk management; and assurance services. The assurance provider is also independent of the organisation’s sustainability activities in the reporting year 2016-17.

Our Community • Our Respect for Business • Our Energy

For Further Information...

For further information on the topics covered in this report, please visit our website: http://www.magairports.com

Corporate Social Responsibility Report 2016-17

magairports.com