INTRODUCTION BY THE CHIEF EXECUTIVE

WELCOME TO OUR CORPORATE SOCIAL RESPONSIBILITY REPORT

Five years ago MAG acquired Stansted Airport. At that seminal moment in the Group’s history we recognised that the time was right to realign our approach to responsible business with our plans for growth at our airports. We recognised then, as we do now, that growth requires a sustainable and community focused approach, showing our passengers, employees and shareholders the wider benefits of our business.

We set in motion a new five-year plan that focused on increasing our work with our airport communities, employees and customers, as well as making us the most environmentally friendly airport operator in the country. I believe that we have come a long way in achieving these aims. The prominence and importance of this work is growing consistently, and this year we took the decision to create our CSR Committee, chaired by Vanda Murray OBE, to support this work.

As MAG approaches the next phase in its history, investing over £1bn in the Manchester Transformation project and £500m in the dedicated arrivals terminal at Stansted, the time is right to assess again our approach to being a responsible business. Over the course of the next year we will produce a new five-year corporate social responsibility plan, ensuring that our growth will remain sustainable, fair and inclusive, and I look forward to working with our teams across the business to deliver on this important work.

CHARLIE CORNISH
GROUP CHIEF EXECUTIVE, MAG

Our airports serve over
58m passengers each year

Our report covers our activity during the reporting year 1 April 2017 to 31 March 2018.

Our approach
This outlines the thinking behind our activity, highlighting why we do what we do.

Our activity
This shows how we translated our thinking into tangible changes across our business.

Our ambition
This gives a flavour of our ambition, and just some of what we hope to achieve with our new strategy next year.

www.magairports.com/responsible-business

Growth requires a sustainable and community focused approach, showing our passengers, employees and shareholders the wider benefits of our business.
INTRODUCTION BY CHAIR OF CSR COMMITTEE

Last year I was pleased that MAG chose to elevate its CSR Committee to become a formal Board sub-committee. This change may seem small but demonstrates how over the last five years, MAG’s approach to responsible business has become ever more integrated into the core of the business. By becoming the first airports in the UK to be carbon neutral and adopting hands on, pioneering approaches to local employment and skills training, MAG has made real strides in its determination to have a positive impact on its local areas.

Since this change, the Committee I lead has taken stock of all MAG’s achievements over the course of the existing strategy. Be it through running the first airports in the UK to achieve carbon neutrality, or taking a pioneering approach to education and employment, MAG has led the industry in sustainable and inclusive growth and can be rightly proud of the work it has done.

However, change is on the horizon. With significant investments now underway, MAG is set to enter a new phase in its growth. This means that the time is right to set a new CSR strategy for the business, working to ensure that growth continues in a way which is fair and sustainable. I and my fellow non-executive directors, Cath Scherer and Jon Wrigg, will help to shape this strategy and I look forward to the new ideas, new projects and new achievements that will make a real difference.

Finally, on behalf of the CSR Committee, I wanted to take the time to thank everyone within MAG who has put time and effort into creating and delivering MAG’s CSR strategy over the last five years. The CSR report this year focuses not only on the outcomes of our work, our strategy in action, but on the people within the business who have strived to deliver it. This effort and achievement is well worthy of recognition, and I look forward to working with you all to deliver even more over the coming year.

VANDA MURRAY, OBE
CHAIR OF CSR COMMITTEE

With significant investments now underway, MAG is set to enter a new phase in its growth. This means that the time is right to set a new CSR strategy for the business.
Our 3 airports are carbon neutral

6,588 children and young adults visiting our airports

12,390 hours volunteered

45,000 local jobs

£11m college investment

£9.3m generated for local SMEs through our ‘Meet the Buyers’ events

100% renewable electricity at our airports

£7.75bn gross value added

0 breaches of Air Quality objectives

£11m college investment
OUR APPROACH TO CSR

OUR VIEW

Being a socially responsible business should always be important, and the size and nature of our airports will always mean we are a significant part of our local communities. Our approach to Corporate Social Responsibility (CSR) reflects this, and we focus on ensuring those local communities are able to enjoy the economic and social benefits of our business, through the creation of jobs, through our support for local causes and by minimising our impact on the environment.

We recognise that our operations come with a duty to act responsibly, to work closely with our local communities and to grow in a way that is sustainable. Our commitment is to minimise our impact on the environment, maintain a safe workplace, provide a space for the development and wellbeing of our employees and to help share the benefits of living near an airport with our local communities.

To support our work on growing sustainably, we work closely with industry colleagues in Sustainable Aviation and we are proud to be chairing the organisation over the next few years. Through Sustainable Aviation, our aim is to deliver a more sustainable future for airports and airlines, through collaboration finding ways of improving our environmental performance and creating a balanced debate to ensure the sustainable growth of our industry.

STRONG GOVERNANCE

Effective and transparent governance is one of the foundations of our CSR programme. To make sure CSR is managed strategically and fully embedded across the organisation, we have a CSR committee which is a sub-committee of our Group Board. The Committee is chaired by Vanda Murray OBE (Non-executive Director) and all the Divisional CEOs are attendees. It oversees the effectiveness of MAG’s CSR strategy, ensuring the successful integration and delivery of activities across the business. In addition to this CSR Report we publish a modern slavery statement and gender pay gap report. Both can be located on our corporate website www.magairport.com and additional information and disclosures can be found within the GRI index.

MATERIALITY

We work hard to make sure we are fully aligned with the views and expectations of our stakeholders.

We commission an independent annual review of our material issues to check that our aims and objectives continue to reflect the issues of greatest relevance to our communities, colleagues, investors and customers. This helps us to keep up to date with what matters most to those who matter to us, and shapes our work over the following year.

This year our stakeholders told us that they gave increased priority to transport to and from the airport, as well as increased recognition of our support in the local area. Our company’s economic impact and the local air quality was also significant. A full list of issues is summarised in the figure opposite.
A NEW APPROACH

During the course of the next year we will be updating our CSR strategy as part of a planned review. This will realign our goals with international best practice through the recently published Sustainable Development Goals, and reflect the issues most important to our business’s stakeholders. To help us identify these issues, we have commissioned an independent consultancy to undertake an ‘integral materiality review’, a much more extensive stakeholder exercise than we have ever conducted before. We will provide an update on our new strategy and the outcomes of our integral materiality review in next year’s CSR Report.

STAKEHOLDER VIEWS

We take the views of our stakeholders seriously. Opposite is a snapshot of some of the issues that have been raised and how we have responded.

Neil Robinson
Group CSR Director

The needs of the airport community naturally change over time, so our strategy adapts with them. We speak to a wide range of people, from local residents to shareholders and employees to customers to make sure that our strategy evolves with the needs of the people we serve.

OUR CSR PILLARS

OUR BUSINESS
We will continue to work in the spirit of partnership to maximise our social and economic contributions in the regions we serve, in line with our CSR strategy. Our key objectives in this area are:

• Supporting businesses – helping small and local businesses prosper
• Promoting employment – creating opportunities for local people
• Meeting the needs of all passengers – supporting passengers with special needs
• Outstanding customer service – working on ways to improve our customer service
• Sponsorship and giving – supporting our regions to prosper.

OUR ENVIRONMENT
We will make the best use of natural resources and minimise the environmental impact of our operations. Our key objectives in this area are:

• Energy and carbon smart – improving energy efficiency to become carbon neutral
• Preventing pollution – protecting the environments around our airports
• Reducing supply chain emissions – working in partnership with our suppliers
• Eliminating waste – working to reduce all waste to landfill
• Balanced noise management – limiting the amount of people impacted by noise.

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 key objectives in this area are:

• Supporting young people – helping young people to prepare them for the world of work and make work an inspiring choice
• Involving the community – continuing to engage community forums
• A trusted company – operating our business in a way that commands trust
• Promoting international culture – promoting the development of language and cultural links with other countries
• Reach out to the community – delivering community outreach programmes at each MAG airport.

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

• Developing our people – building a MAG leadership ethos
• Being positive about diversity – valuing and actively promoting diversity
• Safety at all times – providing safe places for our colleagues and customers
• An engaged workforce – creating an inclusive environment where colleagues are motivated to contribute to the improvement of MAG

OUR CSR PILLARS ARE UNDER PINNED BY OUR BUSINESS VALUES
CREATING SHARED VALUE

Our approach

Combined, our airports generate £7.75bn in GVA*, supporting over 45,000 local jobs. The scale of our operations and the nature of our work through, make us a huge part of our local communities and being supportive, active members of them is an important part of what we do. We want the people around us to feel the benefit of living near to an airport, and part of that means supporting jobs, opportunities and training in the areas we serve. Last year, alongside an increased economic impact and supporting even more jobs, our programmes directly supported 30,654 young people in education, from primary school age right through to graduate level.

Our activity

Manchester Airport is the largest UK airport outside London and is central to the future growth of the Northern economy. Already this year we have surpassed the 27 million passenger mark for the first time in the our history; and with new routes to Ethiopia and Mumbai announced recently, the airport’s role in the region’s economy is growing. It is important that we invest in our airport, so that we can reach our full potential. At £1 billion, the planned Manchester Transformation Project is one of the largest private investments in the North for decades and it will revolutionise the way the airport functions and support economic growth over the coming years. This year, we completed the first major phase of the transformation project, marking six months of successful development. During 2017/18, Manchester’s direct economic contribution to the region was £1.55bn, a 29% increase on last year, and the airport directly supported 25,000 jobs.

London Stansted is set to be the fastest growing airport serving the capital in 2018, and is the key express freight hub for London and the South East. The airport supports 12,200 jobs across the region and contributes £250m to the regional economy; a 10% increase on last year. With new services to New York, Boston, Toronto and Dubai launched this year, we are investing to make sure our airport has the facilities to meet the growing demand from passengers. Recently, work began on the second phase of Stansted’s transformation: a five-year, £600 million construction programme that will see a new terminal building alongside the conversion of the existing terminal into a dedicated departures only facility. Reflecting the growing demand for our services, this year we have also sought planning permission to increase the limit on passenger throughput from 35m per annum to 43m per year. As the airport’s role expands, we will continue in our commitment to support our local area and build our contribution to the economy.

East Midlands Airport (EMA) sits between Nottingham, Derbyshire and Leicestershire. Whilst its role as an important regional airport is well understood, its role as the UK’s largest hub for pure freight aircraft is less well known. As the economy grows, the logistics which serve this globally exporting region must grow too. Key to this is East Midlands Airport, which serves as the largest pure cargo airport in the UK. This capability means logistics giants such as DHL, UPS, Amazon and Royal Mail choosing to locate globally important hubs at this prime location, with both UPS and DHL having recently made substantial new investments. This year EMA grew as the UK’s principal gateway for high value express freight, handling 359,338 tons of cargo. Last year, the airport’s operations served 4.85 million passengers, supporting 6,200 jobs and providing a contribution to the regional economy of £300m.

MAG CONNECT

To grow a business of our size sustainably, we need to ensure we attract and retain talented people who can develop and grow with the company. To support this objective, our MAG Connect programme brings together an array of employment initiatives under one roof, with the purpose of ensuring that people of all ages and at all stages of their career can have access to employment at MAG and have all the support they need to do so.

DEPARTMENT FOR WORK AND PENSIONS PARTNERSHIP

This reporting year we created a new programme, MAG Connect, an initiative to take the recruitment drive out of our airports and into the areas where it will have the greatest impact. The first MAG Connect initiative was a jobs fair organised by London Stansted and held in Tottenham, an area of London only 35 minutes from the airport by train, with fares subsidised by 80% for airport employees. The jobs fair also kicked off a new partnership between London Stansted Airport and Tottenham Job Centre Plus, which gave our business a permanent presence within the job centre to directly employ local people. We look forward to receiving our first full year of employment statistics results later this year, and are expanding the programme to other sites and locations.

AIRPORT ACADEMIES

Airport Academies have been developed at Manchester, London Stansted and East Midlands Airports to act as employment hubs between the airports and our business partners. Our academies are open to all, whether they are currently working for us, looking for a new career, or need support to find a job, with our Academies offering targeted interventions, including courses on employment skills, work experience and CV development. Last year our Academies helped to support 903 local people into jobs at our airports.

AEROCENTRES

Our Aerocentres provide tailored programmes aimed at a variety of age groups, from primary school through to 18. They are designed to showcase the career opportunities available at our airports, to help prepare young people for the world of work by building their confidence in key ‘STEM’ skills that are important in the workplace. They are a free resource for schools and colleges. Over 6,596 young people have attended a day at our Aerocentres this year. With Manchester’s new facility planned for later in 2018, we hope to inspire many more young people to consider a career in aviation.

"Since the investment started you can see how much it’s changed. There are new airlines all the time and hundreds of jobs here. It’s a massive project and it’ll make a huge difference to Manchester.

STEVE LAKIN
RANGER, MANCHESTER AIRPORT"
PURE INNOVATION
We want to make jobs at our airports accessible to everyone. As part of this, we have partnered with Pure Innovation, a charity that helps to provide support for people whose disability might otherwise prevent them from gaining the independence and employment they deserve. Last year was the third year of our partnership and saw the introduction of a supported internship programme, where an employment-based course gives students with additional needs the opportunity to develop employability skills. These skills are matched to job roles within the airport, where they undertake a rotation of three, ten-week work placements giving them experience in a variety of jobs and building confidence. MAG and its partners have already seen seven students complete the course and gain employment at our airports this year.

EDUCATIONAL PARTNERSHIPS
Alongside our own on-site facilities, MAG works in partnership with local schools and colleges to provide funding, training and insight into our business, and to support the development of young people’s careers. Across the Group, MAG has directly supported the education of 30,654 young people this year.

CUSTOMER SERVICE
The aviation sector is a competitive, customer-focused environment, and it’s important to ensure high standards of service for all passengers, regardless of their needs or requirements. We are always looking at new ways to make the journey for our passenger’s smoother and more comfortable, implementing important improvements through both large and small scale investments. We acknowledge that we need to improve our performance in supporting passengers with restricted mobility. This year we have increased our work with a range of disability organisations, including creating new regular forums at all airports. We have implemented a number of improvements including Audio Desc Disturbance Information (ADDI) access in each of our three terminals in our Manchester Airport accessible toilets. By improving specialist travel advice, enhancing our facilities and listening to our customers we aim to improve our services in an area which we have found particularly challenging.

This year we have also launched MAG-O, a dedicated start-up digital business, tasked with using technology to create the best possible experiences for our customers, and connecting up the journey for all of our passengers, so that they can have a smooth, and stress-free, experience.

MEET THE BUYERS
Small and Medium Sized Enterprises (SME) are important to the long-term sustainability of our business and supporting the growth of local SMEs matters to MAG. Last year we were supported by numerous local businesses, and to encourage SME growth and support our supply chain, we also ran ‘Meet The Buyers’ events alongside our business partners at both Manchester and London Stansted Airports. Our event at London Stansted welcomed nearly 300 businesses from across the East of England and London and attracted a record-breaking 46 private and public-sector buyers with a combined purchasing power of £200 million in potential new sales and contracts. These events act as an exchange for local SMEs and businesses across our airports, promoting trade between the two.

MODERN SLAVERY
We are committed to making sure there are no occurrences of modern slavery or human trafficking in our supply chain or in any part of our business. Our anti-slavery and human traffic policy reflects our promise to act ethically and with integrity in all our business relationships and to implement and enforce effective systems and controls to ensure that modern slavery is not taking place in our supply chain. Our comprehensive approach to mitigating modern slavery and human trafficking can be found under the procurement section of our website.

To continue to grow our business in a way which supports local communities, local people and local opportunity, be that through work, training, culture, or charitable support. We want to ensure too that we can improve access to the world for all our customers, regardless of their needs, so that as MAG grows, everyone can have access to the benefits.

Looking forward, we already have some significant plans for next year:

- Stansted College: We are thrilled that our on-site college will be opening in September 2018. The college is a joint partnership with Stansted Airport and Harlow College to develop a Technical and Professional Skills Centre at the airport. The centre will provide young people with the skills that employers access the airport need, ensuring that young people living in the area have access to the right training to begin a career with us. (See our colleague section for more details.)
- By working with partners and stakeholders and by investing in and implementing breakthrough technology, we are aiming to create a future where our passengers experience the very best in personalised travel when they pass through our airports.
- We are excited to reach the next phase of our Manchester Airport Transformation Programme (MAN-TP).

OUR WORK IN PRACTICE
MANCHESTER AIRPORT TRANSFORMATION PROGRAMME

Our approach
The £1 billion Manchester Airport Transformation Programme (MAN-TP) is the most significant programme of investment ever made by Manchester Airport and one of the largest private investments in the North for decades, and will see the airport developed to provide a whole new operation, world class facilities and exciting changes to our customer’s experience. MAN-TP will also serve as a catalyst for driving up skill levels in the region, alongside a range of huge economic opportunities. The construction phase of the scheme will support 1,500 jobs alone and over 120 locally recruited apprenticeships.

Manchester Airport and its construction partners work with public sector partners and organisations, including Greater Manchester Chamber of Commerce, to ensure that training provided as part of the project will deliver maximum benefits to the local economy. Our contractors have committed to a number of strategic CSR targets to ensure local contracts are awarded to businesses in the regional supply chain and all roles are advertised locally. The programme aims to revolutionise the way the airport functions and support economic growth for years to come. This year we completed the first major phase of the transformation project, marking six months of successful development. To mark the occasion, two apprentices, Elektra Politis, 22, Denton and Holleann Walker 19, who had earlier been recruited to the scheme, tightened the final bolt on the steel framework connecting one of the new airport piers to the Terminal Two extension for the first time.

Our activity
To work with Greater Manchester Chamber of Commerce to capture and evaluate the social value of this project on an ongoing basis. The study will map skill levels in Greater Manchester, the North West and wider North. It will also identify other large-scale projects planned in these places and anticipate the skills demands they will have, and help to ensure that the skills developed by local people as part of MAN-TP can help support the wider region.
Last year our Academies helped support a record 903 local people into jobs at our airports.

**OUR BUSINESS OVERVIEW**

**SHARED VALUE**

We directly supported 30,654 young people’s education in the last year, that’s a 45% increase on the previous year.

**YOUNG PEOPLE SUPPORTED**

<table>
<thead>
<tr>
<th>Year</th>
<th>Support</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>29,304</td>
</tr>
<tr>
<td>2018</td>
<td>30,654</td>
</tr>
</tbody>
</table>

We support so many young people every year, and seeing them come back, grow and change is fantastic!

**COLLEEN HEMPSON**
EAST MIDLANDS AIRPORT CSR MANAGER

**Genuine opportunities to tender for work for potential new clients.**

**TRUE FORM ENGINEERING**
MEET THE BUYERS ATTENDEE

**£9.3m** generated for local SMEs through our ‘Meet the Buyers’ events

**£11m** Stansted Airport College

**£11m**

The new College will provide a fast track to employment in an industry and a sector that is growing really quickly and I think is a great way of training for the future.

**RT HON CLAIRE PERRY MP**

**43** Graduates

**3%** Increase on last year

**32** Apprentices

**32**

**Over 6,500** young people have attended our Aerozones this year

**6,500**

**MAG supports over 45,000 local jobs**

**6,181** employees a 15% increase on last year

The national economic footprint of MAG airports is £7,750 (£m) direct, indirect and induced.

**Over 6,500 young people** have attended our Aerozones this year

**£11m Stansted Airport College**

The Manchester Transformation Project is designed to make a big impact, not only on the airport itself, but on the diversity and range of skills available in the local area. Through the project, MAG and Laing O’Rourke are working together to create 150 local apprenticeships and sustain 1,500 jobs, that will leave a lasting skills legacy within the local economy.

**BRYAN GLASS, PROJECT DIRECTOR, LAING O’ROURKE**

**The new College will provide a fast track to employment in an industry and a sector that is growing really quickly and I think is a great way of training for the future.**

**RT HON CLAIRE PERRY MP**

3% Increase on last year

**32** Apprentices

**Over 6,500** young people have attended our Aerozones this year

**6,500**

**MAG supports over 45,000 local jobs**

**6,181** employees a 15% increase on last year

The national economic footprint of MAG airports is £7,750 (£m) direct, indirect and induced.
OUR ENVIRONMENT

Over the last five years we’ve massively reduced our energy use and our carbon footprint, as well as increased the amount we recycle. Now we’re moving towards a more renewable, emission free future, and it’s great to be part of it.

SUE HODNETT
ENVIRONMENT ADVISOR

CLIMATE CHANGE

The Paris Agreement, where countries across the world submitted plans to reduce their emissions, sets an ambitious target to prevent damaging climate change. Climate change is an important area for us and for our stakeholders, as we operate large sites with potentially significant impacts.

Achieving carbon neutrality at each of our airports has been challenging. We have focused on reviewing energy and fuel use, cutting waste, retrofitting efficient technologies and smarter operations. Our initiatives include the generation of electricity from wind turbines at East Midlands Airport, and following a successful trial last year, at Manchester Airport we now recycle food from all of our terminals through an anaerobic digester to create renewable energy, supplying 140 tonnes per year. At a group level, since 2010 MAG has purchased its electricity from renewable sources through a supply agreement with an independent supplier.

For emissions that cannot yet be avoided (residual emissions), such as those produced by emergency or mandatory equipment and the use of diesel in vehicles, this year we purchased carbon offsets from a project which funds reductions in emissions across the world. One of our projects reduces emissions by providing fuel efficient cookstoves in Uganda. This not only helps families to save time and money but reduces exposure to toxic smoke, which accounts for nearly 4 million deaths annually from indoor air pollution.

Our CSR Strategy commits us to measure and report supply chain emissions. As a significant buyer we can influence our suppliers to reduce their emissions and, working together, identify more sustainable options. MAG’s top 192 suppliers (by value) were asked to provide information about their energy and fuel use, carbon emissions and revenue during the previous reporting year. Overall, information from 132 suppliers was analysed. Supply chain emissions, measured through the supply chain project, were 6,305 tonnes. We are now working with these suppliers to find ways we can reduce the identified emissions.

LOW CARBON TECHNOLOGY

To reduce emissions in a long-term, meaningful way, businesses must invest in new technology and working practices. We have pioneered new, low carbon technologies to make sure that when we reduced our carbon output, it led to a real-world reduction in carbon emissions. We have shown that wind turbines can be used safely at an airfield. We have created bespoke lighting systems to reduce our energy consumption, and even helped to develop the international methodology now used at all airports to reduce carbon emissions. Despite already achieving carbon neutral status, we are consistently looking for new ways to reduce our emissions.

Alongside our own work, we recognise that tackling climate change effectively means that we must work in close partnership with the rest of the aviation industry, including other airports, airlines, manufacturers and air traffic controllers. To support this, MAG was a founding member of Sustainable Aviation, which brings together companies from across the UK’s aviation industry to improve the sustainability of the sector.

AIR QUALITY

The quality of the air around us has received greater attention as an issue over the last few years. At our airports we work with airlines to ensure that, wherever possible, taxing aircraft use the minimum power and number of engines required; we provide discounted public transport for staff to reduce the number of staff vehicle journeys to and from our airports, we have shown that all-electric aircraft turnovers are viable, and we are supporting the creation of new cleaner aircraft fuels and modern airspace infrastructure to bring down the number of delays and overall emission levels.

This approach has been successful, and as in all previous years, there have been no breaches of air quality objectives at any of our airports this year.

We have been working with partners at our airports, as well as with the wider aviation industry, to develop techniques which help to maintain clean, healthy air at our airports, and to support policies and investments that will help to protect our local air quality.
REDUCING THE IMPACT OF NOISE

We know that aircraft noise can be intrusive and disruptive for those who live closest to an airport, so it is central to environmental management at our airports. We work with airlines, air traffic controllers, the Government and regulators, as well as local communities, to better assess and understand the effects of aircraft noise, including any impacts on people's health and wellbeing, so that we can continue to build programmes of work which keeps noise to an acceptable minimum. This year, London Stansted Airport has continued to use advanced satellite technology – known as performance based navigation (PBN) – to reduce the number of people overflown by aircraft around the airport. The airport has also invested in new technology to help us more accurately measure where our noise footprint falls. Where our airline partners have used the PBN mechanism, we have been able to reduce the number of people overflown by aircraft by up to 85% compared to conventional, less precise methods.

Combined with Noise Preferential Routes (NPR), which help move aircraft away from built-up areas, and the continued investment of our airline partners in the next generation of new and quieter aircraft, we will continue to seek to minimise the number of people affected by aircraft noise. Throughout this process, we have created frequent opportunities to meet directly with our local communities; hosting meetings, discussions and Q&As between local residents and our colleagues to ensure our local stakeholders are aware of any changes and taking any concerns into consideration wherever possible. In addition, we have worked collaboratively with our air traffic control provider, NATS, and our helicopter operators to find the best possible option for departing and arriving helicopters to/from the west to help reduce noise further.

PLASTIC REDUCTION STRATEGY

We have been looking at opportunities to reduce single use plastics across our airport terminals, and particularly within our own operation and direct control. This year as part of our plan to reduced plastics we have:

- Improved the visibility of our on-site water fountains and provided information on their locations via our website and the Refill app.
- Banned plastic straws from our ‘Escape’ and ‘1903’ VIP lounges.
- Eliminated plastic stirrers in staff areas and begun looking at alternatives for single use cups.
- Handed out over 2,000 reusable coffee cups to colleagues to discourage the use of non-recyclable cups.

Looking to the future, at Manchester Airport we are exploring ways in which we can ensure that the new facilities that we develop as we make substantial investments in Terminal 2, minimise the use of plastics. As a first step, this includes special provisions such as a ban on plastic straws, being written into our contracts for new catering units.

Our ambition

We will continue to minimise the environmental impact of our operations with the aim of leading the sector on this issue within the UK. This means maintaining our air quality record with a particular focus on increasing the use of low and zero emission vehicles, continuing to work with partners to minimise the impact of aircraft noise disturbance. As we begin to implement our part of the UK-wide programme to modernise controlled airspace, this will be a particular focus and we will ensure that local communities are at the heart of the changes that we introduce. We will also seek to grow the volume of materials we recycle and continue our work in offsetting our carbon emissions in a meaningful way. Crucially, we will bring in best practice as new ways of protecting the environment emerge, and wherever possible we will do so in a way which benefits our local communities.

OUR WORK IN PRACTICE

WASTE MANAGEMENT AND RECYCLING PROGRAMME OF THE YEAR, BETTER SOCIETY AWARDS

The programme is now a permanent feature of our recycling programme and regularly supplies food to local food banks, and we aim to ensure that as much as possible is passed on from Stansted to support our local food bank.
It takes thousands of staff, working for hundreds of companies, to make our airports work. Our collaborative approach to environmental management is therefore critical to minimise, and reduce, the impacts we collectively have. More importantly, we’re stronger together, and can deliver real benefit – both environmentally and socially.

ADAM FREEMAN, ENVIRONMENT ADVISOR

Stansted invested £30,000 in recycling equipment to identify and donate food products and toiletries surrendered at security to support the vulnerable.

TOM RIX
UTILITIES RELIANCE AND COMPLIANCE MANAGER, STANSTED

Renewables are a vital part of tackling climate change, and keeping renewable electricity at the centre of our procurement strategy has supported Stansted in becoming a carbon neutral airport.

TOM RIX
UTILITIES RELIANCE AND COMPLIANCE MANAGER, STANSTED

It took a lot of work and a shift in how we work as a business to get there, but I’m proud Stansted is now one of just five carbon neutral airports in the UK.

MARTIN CHURLEY
ENVIRONMENT MANAGER, STANSTED

All our airports are carbon neutral

95% reused, recycled and recovered

100% of electricity from renewable sources*

15% reduction in gross carbon emissions per traffic unit since 2016/17

87% of aircraft at Manchester used CDA, an increase from 82% last year

0 breaches of air quality objectives across all our airports

43% reduction in gross carbon emissions per traffic unit over five years

Better Society
AWARDS
WINNER

22
SUPPORTING OUR COMMUNITIES

Our approach

We want the communities living close to us to be familiar with what we do, to have a voice to help shape our activities and to trust us to carefully consider and respond to any concerns they raise with us. Feedback tells us local people value these opportunities too. We also offer support to the local causes that matter most to our colleagues and local residents, and we work to develop local arts and culture through our substantial sponsorship programme, ensuring we are an active member of the wider community.

WENDY SINFIELD
CSR MANAGER, MANCHESTER AIRPORT

We want the communities living close to us to be familiar with what we do, to have a voice to help shape our activities and to trust us to carefully consider and respond to any concerns they raise with us. Feedback tells us local people value these opportunities too. We also offer support to the local causes that matter most to our colleagues and local residents, and we work to develop local arts and culture through our substantial sponsorship programme, ensuring we are an active member of the wider community.

12,390 hours volunteered, a 5% increase on last year

OUTREACH

We always seek to ensure that local communities have a platform to express their views, and arrange regular community outreach sessions in the airports’ surrounding areas. In addition, our airport consultative committees allow us to debate and respond to queries regarding operations at our airports, and provide a regular opportunity for members of the community to express their views. These mechanisms enable us to hear thoughts on everything we do from people across the community, from passengers and councillors to airlines, local businesses and charities.

This year, we held 99 outreach events, each one helping us to directly inform residents around the airport about what we do and allowing us to hear from the people that live and work in these areas, to listen to their views on what impacts them, and to support local causes.

ARTS AND CULTURE

This year MAG contributed £335,000 to supporting the vibrancy and culture of the cities we serve. Alongside numerous theatres, exhibitions and festivals, we continued to support the Hallé Orchestra, which runs workshops with local schools as part of our sponsorship. Alongside this funding, MAG was also a proud sponsor of Pride in Manchester, Birmingham, Liverpool and Newcastle. Not only is this unique event worth celebrating as a flagship of equality across the whole of the UK, it’s also a lot of fun.

COMMUNITY PROJECTS

Supporting the local people around our airports has been an important part of what we do for many years. Our community funds provide direct financial support to local community projects throughout, and this year we were able to invest £885,833 in 223 good causes around our airports.

London Stansted has become the first airport in England to sign up to the Armed Forces Covenant, outlining how it will support both serving and retired military personnel and reservists. The Armed Forces Covenant is a promise from the nation via businesses, charities and organisations to ensure those who serve or who have served in the armed forces, and their families, are treated fairly.

With our close proximity to Colchester Garrison and Carver Barracks, we would like to increase the number of ex-military personnel working at Stansted to demonstrate our commitment to being an armed forces friendly airport. Members of the armed services can bring real value to our business and we recognise our duty to support those individuals who fulfil difficult roles across the world and return to civilian life.

CORPORATE CHARITY

We are proud to continue to support CLIC Sargent, a charity which works tirelessly to help families deal with childhood cancer, as our corporate charity partner. Employees voted in 2015 to support the charity and we have set ourselves a stretching target to raise at least £1million for them. This year our fundraising to date was £124,221 and we are now a third of the way to our target of £1million, having raised almost £320,000 in the last three years.
COMMUNITY FUNDING & CHARITABLE INVESTMENT

As well as taking the time to talk with our airport community, we have long-standing commitments to supporting several local charities, groups and people that make a difference. Last year we spent £254,105 funding 223 such 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, helping to make them better places to live and work.

VOLUNTEERING

We know our employees boast 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.

In 2017/18 17.2% of MAG staff volunteered in their local communities, giving a total of 12,390 hours of support that helped the projects and charities that make a community a better place to be.

Our ambition

At MAG we encourage our colleagues to volunteer for the local projects and charities that matter to us and are close to their hearts, so we have set ourselves a challenging target to increase the proportion of our workforce that take part in volunteering to 30%. In addition, we are committed to continue raising money for our group-wide charity of the year, CLIC Sargent. With a target of £1 million to raise during our partnership, we are looking forward to all the different and interesting challenges our colleagues will come up with to raise funds. Crucially, too, we will continue our wide-ranging and extensive engagement with local communities on the issues which will impact them, and wherever possible act on their views in our decisions.

HERO PROJECT

AUTUMN LEAVES LUNCHES

It’s important to us to make sure that when we offer help and support to our local communities, we provide the right assistance, guidance, funding or skills to suit their needs. So we work with local community groups, politicians and customers to give them the opportunity to tell us what they need, allowing us to have the maximum, positive impact on our local area.

When speaking with local councillors, they suggested to us that projects that work with older people in the community would be a welcome addition to our community programme. We came up with our Autumn Leaves lunches for those residents in Wythenshawe, one of our closest neighbours. Each year we offer over 65s a three course lunch served by our Manchester team, with entertainment from local schools and airport staff.

Our lunches proved so popular that we started to offer afternoon tea to over 65s from different local areas, including Kirtland, Mobberley, Shaw Heath, Shaw Heath, Heald Green and Bramhall. Over 400 people each year are treated to champagne, cream tea, sandwiches and cake, alongside meeting new friends in their area.

“
I had an absolutely splendid time at the Afternoon Tea at the Brookdale Club this afternoon, thanks to you and everyone who helped. I shared a table with 2 existing and 2 brand new friends. I realise it’s PR for the airport, but one of the lovely aspects of these community affairs is how they give some people a purpose for the day and the chance to meet others.

FRAN SMITH
LOCAL RESIDENT

Our approach

It’s important to us to make sure that when we offer help and support to our local communities, we provide the right assistance, guidance, funding or skills to suit their needs. So we work with local community groups, politicians and customers to give them the opportunity to tell us what they need, allowing us to have the maximum, positive impact on our local area.

Our activity

When speaking with local councillors, they suggested to us that projects that work with older people in the community would be a welcome addition to our community programme. We came up with our Autumn Leaves lunches for those residents in Wythenshawe, one of our closest neighbours. Each year we offer over 65s a three course lunch served by our Manchester team, with entertainment from local schools and airport staff.

Our lunches proved so popular that we started to offer afternoon tea to over 65s from different local areas, including Kirtland, Mobberley, Shaw Heath, Shaw Heath, Heald Green and Bramhall. Over 400 people each year are treated to champagne, cream tea, sandwiches and cake, alongside meeting new friends in their area.

Our ambition

To continue our work in helping the over 65s to meet and socialise locally, growing the number of attendees and having to buy more cake.

"
OUR COLLEAGUES

Our approach

Airports are complex working environments, relying on thousands of employees across our sites to deliver a smooth and effective service for our customers. With a huge range of roles, often requiring highly specialised and varied experience, our teams are our most important asset. That’s why ensuring we value our colleagues, and treat them respectfully, fairly and, equally, is critical to our success. We maintain a long-term commitment to diversity and inclusion, and seek to build an inclusive culture where everyone can do their best work.

We are proud too, to employ thousands of local people and of our strong record on developing the best and the brightest within our company. Our Early Talent Identification strategy is designed to develop and retain the best talent through internships, apprenticeships and graduate schemes, and we work with local colleges, charities, schools and other local stakeholders to ensure that the opportunities our airports create can be shared with people of all ages, abilities and backgrounds. We believe it is particularly important that we provide extra help for those who need additional support to get into work and our MAG Connect programme (see page 13) is central to this aim.

SARAH MCGUIRE
GROUP HEAD OF RECRUITMENT

EARLY TALENT STRATEGY

MAG is a growing business, and our need to recruit and retain talented people is crucial. This, of course, needs to happen at all levels within our business, but our Early Talent Strategy focuses on bringing young people into the business through our internship, apprenticeship and graduate programmes. These programmes allow us to invest in young people, help them to build the right skills, and get a deeper understanding of our business right from the start, providing us with an additional opportunity to recruit new colleagues with fresh perspectives, a hunger to learn, and lots of potential for growth. This year we have also a new Apprenticeship Manager, with a focus on helping our apprentices get the maximum value out of their time at MAG and during study.

Over the last few years we have taken on 43 graduates. During the reporting year we have recruited 32 apprentices, and as part of our future strategy we hope to see this figure increase over the coming years. As a responsible employer, we seek to reward the dedication of our colleagues, whatever their background or circumstances, by providing engaging careers and supporting them with development opportunities.

HEALTH AND SAFETY

Airports can be a hazardous working environment, so it is important for us to do everything we can to make our airports as safe as possible.

MAG is certified against the international standard for Health and Safety, OHSAS 18001, giving us and our staff an assurance of the quality of our safety management system and its relevance to the organisation. Recognising that our assets also play a significant role in the safety of our customers, we are currently progressing an asset management programme to be certified under ISO55001, the international standard for asset management.

Our Vision Zero initiative sets us an ambitious target of no reported injuries to anyone across our airports throughout the year. This year, we have reported 10 incidents to Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDOR). Since the implementation of Vision Zero we have significantly improved our approach to health and safety and we will continue to seek to understand, and where possible minimise and eliminate the causes of accidents.

ACCESS TO OUR AIRPORTS

Our airports operate 24 hours a day, so it’s important for our employees and customers alike that they are well connected. We recognise that the cost of travel can be difficult for some colleagues, particularly those that are returning to the workplace. To ensure that they have efficient and affordable access to our airports, MAG colleagues are able to claim reduced cost travel to our airports. At London Stansted Airport, for example, with the support of our business partners, we are pleased to be able to provide employees with an 80% subsidised travelcard, making it easier than ever to access opportunities in the region.

DIVERSITY AND GENDER PAY GAP

We want MAG to be a great place to work, where every colleague is rewarded for the individual effort they contribute, irrespective of gender, ethnicity or sexuality.

Base salaries for all non-management roles are annually reviewed with Trade Unions at an airport level and awarded uniformly. For management-level roles, pay rates are set within the agreed pay range guidance, and qualifications, experience, performance and market forces are taken into consideration when reviewing salaries. We conduct regular internal checks on salary levels and salary progression. We believe that offering flexible and part-time working is important for the attraction and retention of staff regardless of gender, and extended parental leave is offered and supported should colleagues wish to take it. This year we published our pay gap report, showing that our mean hourly pay gap is 8.6% and our median pay gap is 2.6%.

We know the benefits of a diverse and skilled workforce are integral to our longevity and success, and that is why we set ourselves the objective of working towards an equal gender split. This year we have 27.5% of our leadership positions filled by women. We are also in the process of trialling new approaches to recruitment, including anonymising all CVs sent to managers for shortlisting, removing unconscious bias, an examination of available technologies to remove bias automatically, alongside commissioning a full audit of processes and procedures to remove barriers to attracting a diverse talent pool to MAG.

Our ambition

We want to continue to build an inclusive environment where colleagues can contribute to the improvement and success of our company and feel proud to be a part of the business. In the pipeline for next year we will focus on our employee engagement strategy and build on the success of our Early Talent Strategy. The other key element of our strategy will be to continue on our approach to close the gender pay gap at all of our airports, to grow a truly diverse workforce.
Our new £11 million Stansted Airport College is the first on-site college of its kind at any major UK airport, and is a joint venture between Harlow College and London Stansted. The development of the college is critical in supporting Stansted Airport’s ambitious future growth plans, providing skilled workers and valuable training opportunities for young people in the region.

Our activity

When the college opens in time for the 2018 autumn term it will aim both to boost the skills of students in the area and to provide a pipeline of future talent for the airport and the 200-plus companies based there.

The two-storey facility has received two separate £3.5 million grants from the South East Local Enterprise Partnership (SELEP) Local Growth Fund and Essex County Council, and is also supported by a £300,000 grant by Uttlesford District Council.

The college will welcome more than 500 students each year and offer courses designed to bridge the skills gap in STEM (Science, Technology, Engineering and Maths) subjects as well as courses in specific airport areas such as aircraft and airport engineering, business studies, logistics and supply chain management, asset management, hospitality and customer service.

Our approach

Our new £11 million Stansted Airport College will be opening in autumn 2018 and welcome more than 500 students each year.

With our first 250 trainees already signed up, we look forward to reporting next year on how the students are settling in and the progress they have made and will seek to replicate this approach across the Group.

With our first 250 trainees already signed up, we look forward to reporting next year on how the students are settling in and the progress they have made and will seek to replicate this approach across the Group.

New £11 million Stansted Airport College will be opening in autumn 2018 and welcome more than 500 students each year.

LEADERSHIP PROMOTIONS through internally developed candidates

<table>
<thead>
<tr>
<th>Year</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>52%</td>
</tr>
<tr>
<td>2017</td>
<td>45%</td>
</tr>
</tbody>
</table>

At London Stansted we provide employees with an 80% subsidised travel card.

32 apprentices recruited over the past year.
## OUR PERFORMANCE

<table>
<thead>
<tr>
<th>Issue</th>
<th>Strategic CSR Objective</th>
<th>Target</th>
<th>Indicator</th>
<th>2015/16</th>
<th>2016/17</th>
<th>2017/18</th>
<th>Change %</th>
</tr>
</thead>
<tbody>
<tr>
<td>SUPPORTING BUSINESS</td>
<td>With a particular focus on the regions we serve, we will maximise the economic impact of our operations.</td>
<td>“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.”</td>
<td>% of local (within 25 miles of airports) businesses supplying MAG</td>
<td>30.7%</td>
<td>30.2%</td>
<td>14.2%</td>
<td>-16.0%</td>
</tr>
<tr>
<td>PROMOTING EMPLOYMENT</td>
<td>We will create opportunity offering jobs and support with skills by developing the scope and scale of our airport academies.</td>
<td>To provide training placements for 3,000 people by 2020, at least 50% placed into employment since 2014/15</td>
<td>Number of people trained through airport academy</td>
<td>509</td>
<td>948</td>
<td>634</td>
<td>-33.1%</td>
</tr>
<tr>
<td>MEETING THE NEEDS OF ALL PASSENGERS</td>
<td>We will ensure that we recognise and provide for those passengers who have special needs.</td>
<td>Each MAG airport will undertake a systematic review of special needs provision and then publish programmes to address priorities.</td>
<td>DEPARTING – PRE-BOOKED: Upon arrival at the airport, once passengers have made themselves known to the Passenger Services Team – 90% within 20 Minutes (taken as annual average, full information is available on individual airport websites)</td>
<td>90%</td>
<td>90%</td>
<td>90%</td>
<td>0%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>ARRIVALS – PRE-BOOKED: Assistance should be at the aircraft side/gate for 90% of Passengers should wait no longer than 10 minutes of ‘on chocks’ (taken as annual average, full information is available on individual airport websites)</td>
<td>90%</td>
<td>90%</td>
<td>90%</td>
<td>0%</td>
</tr>
<tr>
<td>OUTSTANDING CUSTOMER SERVICE</td>
<td>We will offer consistently high standard of customer service.</td>
<td>Passenger feedback will place the service at our airports in the top quartile compared to our peers.</td>
<td>ASQ quartile results</td>
<td>3.81</td>
<td>3.89</td>
<td>3.94</td>
<td>0.13</td>
</tr>
<tr>
<td>SPONSORSHIP AND GIVING</td>
<td>We will support organisations that make the regions we operate in vibrant places to live and work.</td>
<td>By 2020 we will invest at least £300,000 in our charitable donations and sponsorships.</td>
<td>Total annual given charitable donations and sponsorships (Annual)</td>
<td>£735,416.37</td>
<td>£1,017,647.57</td>
<td>£885,833.25</td>
<td>81.70%</td>
</tr>
</tbody>
</table>

### OUR BUSINESS

<table>
<thead>
<tr>
<th>Issue</th>
<th>Strategic CSR Objective</th>
<th>Target</th>
<th>Indicator</th>
<th>2015/16</th>
<th>2016/17</th>
<th>2017/18</th>
<th>Change %</th>
</tr>
</thead>
<tbody>
<tr>
<td>SUPPORTING BUSINESS</td>
<td>With a particular focus on the regions we serve, we will maximise the economic impact of our operations.</td>
<td>“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.”</td>
<td>% of local (within 25 miles of airports) businesses supplying MAG</td>
<td>30.7%</td>
<td>30.2%</td>
<td>14.2%</td>
<td>-16.0%</td>
</tr>
<tr>
<td>PROMOTING EMPLOYMENT</td>
<td>We will create opportunity offering jobs and support with skills by developing the scope and scale of our airport academies.</td>
<td>To provide training placements for 3,000 people by 2020, at least 50% placed into employment since 2014/15</td>
<td>Number of people trained through airport academy</td>
<td>509</td>
<td>948</td>
<td>634</td>
<td>-33.1%</td>
</tr>
<tr>
<td>MEETING THE NEEDS OF ALL PASSENGERS</td>
<td>We will ensure that we recognise and provide for those passengers who have special needs.</td>
<td>Each MAG airport will undertake a systematic review of special needs provision and then publish programmes to address priorities.</td>
<td>DEPARTING – PRE-BOOKED: Upon arrival at the airport, once passengers have made themselves known to the Passenger Services Team – 90% within 20 Minutes (taken as annual average, full information is available on individual airport websites)</td>
<td>90%</td>
<td>90%</td>
<td>90%</td>
<td>0%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>ARRIVALS – PRE-BOOKED: Assistance should be at the aircraft side/gate for 90% of Passengers should wait no longer than 10 minutes of ‘on chocks’ (taken as annual average, full information is available on individual airport websites)</td>
<td>90%</td>
<td>90%</td>
<td>90%</td>
<td>0%</td>
</tr>
<tr>
<td>OUTSTANDING CUSTOMER SERVICE</td>
<td>We will offer consistently high standard of customer service.</td>
<td>Passenger feedback will place the service at our airports in the top quartile compared to our peers.</td>
<td>ASQ quartile results</td>
<td>3.81</td>
<td>3.89</td>
<td>3.94</td>
<td>0.13</td>
</tr>
<tr>
<td>SPONSORSHIP AND GIVING</td>
<td>We will support organisations that make the regions we operate in vibrant places to live and work.</td>
<td>By 2020 we will invest at least £300,000 in our charitable donations and sponsorships.</td>
<td>Total annual given charitable donations and sponsorships (Annual)</td>
<td>£735,416.37</td>
<td>£1,017,647.57</td>
<td>£885,833.25</td>
<td>81.70%</td>
</tr>
</tbody>
</table>
## OUR COMMUNITY

<table>
<thead>
<tr>
<th>Issue</th>
<th>Strategic CSR objective</th>
<th>Target</th>
<th>Indicator</th>
<th>2015/16</th>
<th>2016/17</th>
<th>2017/18</th>
<th>Change %</th>
</tr>
</thead>
<tbody>
<tr>
<td>SUPPORTING YOUNG PEOPLE</td>
<td>We will help young people to prepare them for the world of work and make work an inspiring choice.</td>
<td>To directly support the education of at least 50,000 young people by 2020.</td>
<td>Number of young people’s education directly supported by MAG.</td>
<td>20,530.0</td>
<td>21,136.0</td>
<td>30,654.0</td>
<td>45.0%</td>
</tr>
<tr>
<td>INVESTING IN THE COMMUNITY</td>
<td>We will continue to operate community funds and encourage all our people to take part in community work.</td>
<td>To promote volunteering with a long-term target that 30% of colleagues will participate. Invest £100k annually through community funds.</td>
<td>% of employees who volunteered.</td>
<td>15.9%</td>
<td>15.2%</td>
<td>17.2%</td>
<td>2.0%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Number of volunteer hours.</td>
<td></td>
<td>10427</td>
<td>11787</td>
<td>12390</td>
<td>5.1%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total community investment through community funds (£).</td>
<td></td>
<td>£291,540</td>
<td>£279,445</td>
<td>£254,105</td>
<td>-9.1%</td>
</tr>
<tr>
<td>A TRUSTED COMPANY</td>
<td>We will operate our business in a way that commands trust in our conduct and our communications.</td>
<td>Building on our community impact studies, we will devise a new metric and measure and report the degree to which we are trusted.</td>
<td>Good neighbour feedback (%) from community impacts studies (all main sites).</td>
<td>68.5</td>
<td>73.0</td>
<td>68.0</td>
<td>-5.0%</td>
</tr>
<tr>
<td>PROMOTING INTERNATIONAL CULTURE</td>
<td>As we seek to foster closer international links to new markets, we will promote the development of language and cultural links.</td>
<td>Bring Language and culture to local school partnerships.</td>
<td>% of employees who volunteered.</td>
<td>15.9%</td>
<td>15.2%</td>
<td>17.2%</td>
<td>2.0%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Number of volunteer hours.</td>
<td></td>
<td>10427</td>
<td>11787</td>
<td>12390</td>
<td>5.1%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total community investment through community funds (£).</td>
<td></td>
<td>£291,540</td>
<td>£279,445</td>
<td>£254,105</td>
<td>-9.1%</td>
</tr>
<tr>
<td>REACHING OUT TO THE COMMUNITY</td>
<td>We will deliver community outreach programmes at each MAG airport.</td>
<td>A minimum of 50 outreach meetings annually.</td>
<td>Number of outreach meetings held.</td>
<td>89</td>
<td>90</td>
<td>99</td>
<td>10.0%</td>
</tr>
</tbody>
</table>

## OUR ENVIRONMENT

<table>
<thead>
<tr>
<th>Issue</th>
<th>Strategic CSR Objective</th>
<th>Target</th>
<th>Indicator</th>
<th>2015/16</th>
<th>2016/17</th>
<th>2017/18</th>
<th>Change %</th>
</tr>
</thead>
<tbody>
<tr>
<td>ENERGY AND CARBON SMART</td>
<td>Reduce climate change emissions by increasing efficiency and obtaining energy from renewable sources.</td>
<td>Reduce climate change emissions by increasing efficiency by 26,000 MWh, by 2020.</td>
<td>Total MWh.</td>
<td>173,952.5</td>
<td>172,714.1</td>
<td>172,066.1</td>
<td>-0.4%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Carbon emission per traffic unit.</td>
<td></td>
<td>1.197000</td>
<td>1.022000</td>
<td>0.869765</td>
<td>-14.9%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Net carbon emissions [tonnes of CO2e].</td>
<td></td>
<td>3,174.0</td>
<td>116.0</td>
<td>105.7</td>
<td>-8.9%</td>
</tr>
<tr>
<td>PREVENTING POLLUTION</td>
<td>We will control activities and developments at our airports to protect the environment.</td>
<td>Achieve 100% compliance with environmental permits and maintain ISO14001 certification.</td>
<td>% of samples within water discharge consent limits.</td>
<td>98.0</td>
<td>95.2%</td>
<td>89%</td>
<td>-6.3%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>% of samples within effluent discharge consent limits.</td>
<td></td>
<td>91.0</td>
<td>93.6%</td>
<td>98.0%</td>
<td>4.7%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>% of major operational sites with ISO14001.</td>
<td></td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>0.0%</td>
</tr>
<tr>
<td>REDUCING SUPPLY CHAIN EMISSIONS</td>
<td>We will work in partnership with our suppliers to identify and implement carbon emission savings.</td>
<td>We will measure and report supply chain emissions.</td>
<td>Measurement of supply chain emission has started but is not complete.</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>ELIMINATING WASTE</td>
<td>We will minimise waste, promote recycling and eliminate landfill.</td>
<td>Send no waste to landfill after 2018 (excluding International Catering Waste), where no other options are available.</td>
<td>% of waste diverted from landfill.</td>
<td>83.1%</td>
<td>84.3%</td>
<td>90.3%</td>
<td>6.5%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total waste tonnes.</td>
<td></td>
<td>5,569.2</td>
<td>17,496.4</td>
<td>16,347.6</td>
<td>-7.0%</td>
</tr>
<tr>
<td>BALANCED NOISE MANAGEMENT</td>
<td>We will limit and try to reduce the number of people affected by noise from airport operations.</td>
<td>Deliver the measures set out in the Noise Action Plan and update each airport's plan by 2019.</td>
<td>Noise Footprint [578B L_Neq day (07:00 – 23:00)]</td>
<td>100%</td>
<td>92.2%</td>
<td>92.8%</td>
<td>1.5%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Number of complaints per 1,000 air traffic movements.</td>
<td></td>
<td>4.68</td>
<td>16.22</td>
<td>21.63</td>
<td>25.0%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Noise Footprint [578B L_Neq day (23:00 – 07:00)]</td>
<td></td>
<td>12.1</td>
<td>12.6</td>
<td>7.500</td>
<td>1.000</td>
</tr>
</tbody>
</table>
### OUR COLLEAGUES

<table>
<thead>
<tr>
<th>Issue</th>
<th>Strategic CSR objective</th>
<th>Target</th>
<th>Indicator</th>
<th>2015/16</th>
<th>2016/17</th>
<th>2017/18</th>
<th>Change %</th>
</tr>
</thead>
<tbody>
<tr>
<td>DEVELOPING OUR PEOPLE</td>
<td>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 fits purpose.</td>
<td>To engage 90% of colleagues in a documented and meaningful performance process.</td>
<td>% of colleagues who have completed a performance review.</td>
<td>53.0%</td>
<td>56.0%</td>
<td>42.0%</td>
<td>-14.0%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>To achieve 50% of leadership promotions through internally developed candidates.</td>
<td>% of leadership promotions through internally developed candidates.</td>
<td>27.7%</td>
<td>21.7%</td>
<td>52.0%</td>
<td>30.3%</td>
</tr>
<tr>
<td>POSITIVE ABOUT DIVERSITY</td>
<td>We will value and actively promote diversity to build a business that reflects the regions we serve.</td>
<td>We will work towards an equal gender split. By 2020 we will increase the number of females at leadership level by 10%.</td>
<td>% of females at leadership level.</td>
<td>20.4%</td>
<td>32.8%</td>
<td>27.5%</td>
<td>-5.3%</td>
</tr>
<tr>
<td>SAFE AT ALL TIMES</td>
<td>We will provide safe places for our colleagues and customers and continually reduce accidents.</td>
<td>By 2020 accidents to employees involving lost time will be reduced by 30%</td>
<td>Number of accidents to employees involving lost time (lost time incidents)</td>
<td>17.0</td>
<td>20.0</td>
<td>17.0</td>
<td>-15.0%</td>
</tr>
<tr>
<td>A POSITIVE WORKING ENVIRONMENT</td>
<td>We will engage colleagues, providing an environment within which they can improve their health and wellbeing.</td>
<td>We will continue to reduce sickness and absence as we work towards a target of 3.5% by 2021.</td>
<td>Annual sickness and absence %</td>
<td>4.07%</td>
<td>2.07%</td>
<td>3.32%</td>
<td>1.3%</td>
</tr>
<tr>
<td>AN ENGAGED WORKFORCE</td>
<td>We will create an inclusive environment where colleagues can contribute to the improvement of MAG and are proud to be part of the business.</td>
<td>By 2018 we will increase colleague engagement by 15% from 2014/15.</td>
<td>Colleague engagement score.</td>
<td>53%</td>
<td>55%</td>
<td>n/a</td>
<td>(no survey carried out this year)</td>
</tr>
</tbody>
</table>

### MAG GLOBAL GHG EMISSION DATA (TONNES CO₂E)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>DIRECT EMISSIONS</td>
<td>16,520</td>
<td>15,971</td>
<td>15,916</td>
<td>15,872</td>
<td>19,014</td>
</tr>
<tr>
<td>INDIRECT EMISSIONS</td>
<td>41,171</td>
<td>47,603</td>
<td>53,442</td>
<td>60,233</td>
<td>57,085</td>
</tr>
<tr>
<td>INTENSITY MEASUREMENT</td>
<td>0.870</td>
<td>1.022</td>
<td>1.197</td>
<td>1.403</td>
<td>1.540</td>
</tr>
</tbody>
</table>

* Data for previous years has been restated to remove data from Bournemouth Airport, which has now been sold.

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 UK emission sources fall within our consolidated financial statements. We do not have responsibility for any UK 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 2017 were used with historic emissions re-calculated where required.

1 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.
Manchester Airports Group plc (MAG) has engaged TÜV NORD to provide independent assurance over MAG’s Corporate Responsibility Report 2018 (herein referred to as “the report”). The assurance engagement has been performed using a moderate level of assurance according to Assurance Standard AA1000AS:2008. The aim of the engagement is to provide assurance regarding the report’s adherence to the chosen reporting guidelines, Accountability Principles, as well as reliability and objectivity of the reported information. The report has been declared to comply with the “in accordance” – Comprehensive Option of the Global Reporting Initiative’s Sustainability Reporting Standards (GRI SRS) and covers all of MAG’s business activities and locations.

SCOPE OF WORK

Independent assurance within the reporting period comprised of:

• Reliability of reported information.
• Adherence to the GRI SRS Reporting Principles.
• Adherence to the requirements according to GRI SRS “in accordance” – Comprehensive Option (for those indicators deemed material).
• Adherence to the AccountAbility Principles.

The engagement has been performed using a Type-2 Engagement with a moderate level of assurance according to Assurance Standard AA1000AS:2008 and covered the following chapters of the report:

• Our approach to CSR
• Our Business
• Our Environment
• Our Community
• Our Colleagues
• Our Performance

Within the assurance scope various reported GRI Indicators have been verified. These included the GRI SRS Standard Disclosures according to the chosen reporting option, Specific Disclosures and GRI G4 Sector Disclosures for airport operators, determined by MAG’s materiality analysis as described in “Our approach to CSR”.

LIMITATIONS AND EXCLUSIONS

Excluded from the scope of work are the following:

• Statements regarding the company positioning.
• Information not related to the defined reporting period.
• Specific information of the suppliers.
• Financial data (as provided by MAG’s Annual Report).

An engagement with a moderate level of assurance relies on risk-based sampling for assurance of the reported information. Given the nature and scope of the engagement and exclusions, this statement should not be relied upon to detect all misstatements or errors that may exist.

RESPONSIBILITIES

The sole responsibility for the content and presentation of the report lies with MAG.

CONCLUSION

Based on our independent assurance engagement, nothing came to our attention to suggest that:

• MAG does not adhere to the AccountAbility principles.
• The report has not been prepared in accordance with the GRI SRS.
• The reported information is not fairly stated in all material aspects for the defined reporting period.

RECOMMENDATIONS

Based on our work performed, several recommendations for improving the report could be identified. These recommendations are presented in a separate report to the management of MAG.

STATEMENT OF INDEPENDENCE, IMPARTIALITY AND COMPETENCE

TÜV NORD is an independent assurance provider, whose employees have extensive experience in the assessment and assurance of sustainability information and associated processes and systems for data collection. TÜV NORD operates a certified Quality Management System according to ISO 9001:2008, ensuring and actively managing the quality of all processes related to appointment of auditors and compilation of assurance teams. Members of the assurance team are not involved in any other projects or activities that would cause a conflict of interest with regard to the assurance engagement.

Essen, 24.08.2018

ANDREAS BACKS
(LEAD AUDITOR)

DR. TAHSIN CHOUDHURY
(SENIOR AUDITOR)

TÜV NORD CERT GmbH
Langemarckstr. 20
45141 Essen
Germany