

Manchester Airports Group

Modern Slavery Statement

For the year ended 31 March 2022



Introduction

MAG remains committed to do all we can to prevent and eliminate modern slavery.

We understand the critical and unique role that MAG plays as an international airport group and the influence that brings across our supply chain. As a Board, we also recognise the impact that Covid-19 has had on the most vulnerable in society. As passenger numbers recover and activity increases across our campuses, MAG has reinvigorated the work with its partners at each airport to improve our practices and to lead the way in identifying risks and speaking out when instances of modern slavery are found.

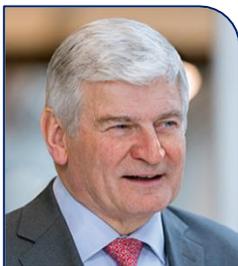
MAG are members of Slave-Free Alliance, the leading non-profit organisation, which is dedicated to addressing modern slavery in organisations and supply chains globally. Our partnership forms an important and central foundation to assist us in training our employees and improving how we tackle modern slavery across our business.

This year's statement sets out the steps we have taken to prevent slavery and human trafficking from taking place in any part of our business including our supply chain. Despite the significant impacts of Covid-19 on the aviation industry, we have taken positive steps to improve our policies, processes, and training to drive down the possibility of exploitation of any individual.

A particular focus this year has been revising our approach to managing risks in our supply chain. This has allowed us to respond to changes in the external environment (especially the UK labour market) and to the need to work collaboratively with our preferred suppliers to deliver ethical, sustainable procurements and achieve our wider ESG goals.

Working with Slave-Free Alliance, we have evaluated the risks specific to the MAG supply chain and actively engaged with suppliers to understand as much as possible about our sub-tiers. This is important preparatory work ahead of the introduction of a third-party risk management tool, which will enable MAG to go further and proactively identify risk as part of our sourcing and contract management activities.

As we build back from the pandemic, it is more important than ever that we maintain our zero tolerance of modern slavery and work to ensure it can never gain a foothold. Our Board and everyone at MAG are fully committed to delivering this essential objective.



Sir Adrian Montague OBE
Chair



Vanda Murray OBE
CSR Committee Chair



Charlie Cornish
Group Chief Executive

Publication of this statement has been developed in accordance with Section 54 of the Modern Slavery Act 2015 and covers the financial year ending 31 March 2022.

This statement is made and issued on behalf of the Manchester Airports Holdings Ltd, the parent company of Manchester Airports Group and is fully supported by MAG's Board of Directors. It was approved by the Board on 23 September 2022.

Our progress this year

Although the effects of the Covid 19 pandemic still present huge challenges for the aviation industry, including MAG, we have made good progress this year. Some of our key achievements include:



Enhancing our training and education

Our partnership with Slave-Free Alliance has enabled us to roll out dedicated and specific training across the MAG Executive Committee, the Senior Leadership population and the Procurement team, raising awareness and increasing capability to identify slavery and human trafficking risks.

Our Modern Slavery working group, which includes UK Border Force, the police, the chaplaincy and our partners, worked together to recognise Anti-Slavery Day in October 2021 via a communication and awareness campaign.



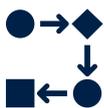
Improving how we manage risk in our supply chain

We have held workshops with the Procurement team focused specifically on best practice risk identification and mitigation. These sessions have resulted in the creation of a Modern Slavery assessment tool; focused inputs into higher risk Procurements, for example PV Solar Panels; and a better understanding of how to conduct site visits and audits.



Benchmarking ourselves against others

We have sought expertise from other organisations and used this to benchmark our sustainability model and risk management approach, enabling us to develop our strategy further and investigate the role of a third-party risk management tool.



Improving our policies and processes

We have responded to the demand currently placed on the UK labour market by reviewing our recruitment and procurement processes for temporary workers and improving our controls.

We have updated the MAG Modern Slavery Policy and ensured all colleagues are aware of the policy. A colleague escalation process is due to be rolled out so that people who work in our business are empowered to take appropriate action if necessary. No concerns were raised relating to Modern Slavery via our Whistleblowing procedure during this period.



Tightening our auditing and reporting

We have developed a new risk-based audit framework and process which will enable the reporting of key metrics to measure our progress on this important issue to our CSR Committee.

About our business

MAG owns and operates three UK airports – Manchester, London Stansted and East Midlands – making it the largest group of airports in the country.

Before the pandemic, the Group saw over 60 million passengers each year flying through its three airports to 270 destinations around the world. Approximately 40,000 people are employed on site at our airports, either by MAG directly or by our airlines, ground handlers, retailers and other partners.

The pandemic significantly reduced traffic volumes and the Group handled 20.5 million passengers in the twelve months up to March 2022. However, demand has returned quickly following most countries' removal of restrictions on international travel. Our airports have already reached 85% of passenger numbers we saw in 2019, and we expect to have reached pre-pandemic traffic levels during 2023/24.

This year we also launched CAVU, a global distribution business for a wide range of travel products including parking, hotels, transfers, and lounges across EMEA and the Americas.

MAG's ownership structure comprises a blend of public and private shareholders, including Manchester City Council (35.5%), IFM Investors (35.5%) and the nine other Greater Manchester local authorities (29%).

We have a duty to minimise our impact on our environment and maximise the support and benefit we offer to the areas we serve. Our CSR strategy is an important and integral part of our business strategy and is designed to enable us to deliver growth in a way that benefits local and regional communities and minimises the impacts associated with our operations.

Details of our CSR strategy, which includes our commitments relating to modern slavery, can be found [here](#).

Our aim as a business is to create sustainable value for our shareholders, customers, and other stakeholders. We are focused on achieving this by delivering four strategic goals:

Enable air travel

Serve passengers by offering facilities and travel services that provide a seamless and enjoyable airport experience

Leverage technology to create products and services that make air travel even easier and more enjoyable

Deliver value and remain competitive to attract airlines and passengers

Generate shareholder value

Generate shareholder value by developing a strong, growing and sustainable business

Provide a compelling investment proposition for shareholders by developing profitable and sustainable growth opportunities

Operate safely and responsibly

Operate airports in a safe and responsible way to protect customers, staff, the environment and local communities

Achieve net zero

Work with our partners and government to reach net zero emissions for our operations by 2038, and for the wider UK aviation industry by 2050

Our risks and how we manage them

We have worked with Slave-Free Alliance to identify the three key areas of risk that Modern Slavery presents to our business, and which we consider when reviewing risk and developing our plans:



Our people

MAG colleagues, contractors (including temporary staff) and third-party airport-based colleagues being trafficked or used as modern-day slaves



Our airports

Our airports being used as a route through which people are trafficked (knowingly or unknowingly)



Our supply chain

Our suppliers bringing modern slavery into our airports, or allowing it to take place in their operations

Our people

We believe the current level of risk within the business among colleagues is low. This is due to the highly regulated nature of our business, which requires robust and extensive colleague checks in the recruitment process and ongoing 'in employment' checks for some roles.

We have well established processes in place for reporting concerns through our Whistleblowing policy, via our external partners Safecall Ltd, or by using the internal grievance process.

MAG has an ongoing requirement for temporary labour, and staff for these roles may be recruited by third party agencies. All agencies are required to complete the Modern Slavery assessment tool and additional controls are placed on these providers via our contracts, for example the need to check eligibility to work in the UK, provide DBS and 5-year HMRC checks to verify each worker's background history including gap references.

Risk is further mitigated in some areas via the introduction of biometrics, enabling us to identify temporary staff via a thumbprint.

Our airports

Human trafficking through our airports is an inherent risk within our business. We continue to work closely with specialists and subject matter experts including Border Force, Greater Manchester Police and the Greater Manchester Modern Day Slavery Business Network, to monitor all operations at our airports in a cohesive way.

We can respond quickly where we believe the Airport is being used to facilitate human trafficking and, with the support of these specialists, including our own Chaplaincy team, we are able to manage these cases sensitively and effectively.

Our supply chain

MAG preferred suppliers are selected following a robust and rigorous sourcing process. A pre-qualification phase checks compliance with the MAG Supplier Code, which sets out MAG standards across our ESG agenda, including Modern Slavery.

We have identified MAG's higher risk supply chains and the small number of suppliers they map to. We mitigate any risks via a combination of the Modern Slavery assessment tool, site visits and planned audits. We are also reviewing the role that a third-party risk management tool could have in the proactive identification and management of supply chain risk.

Our training and education

As a responsible business, we support our employees and suppliers to have the knowledge to spot and report any issues relating to Modern Slavery. All MAG employees complete the following training and education activities:

A dedicated **Modern Slavery e-learning training module**, which is part of the onboarding process and refreshed annually, that explains the various types of Modern Slavery and Human Trafficking, how to spot the signs and the various routes to report concerns. The module also tests understanding.

An e-learning education module which requires colleagues to read all Tier 1 policies when they start at MAG and then again on an annual basis. This includes amongst other key policies:

- Modern Slavery
- Employee Code of Conduct
- Whistleblowing
- Anti-bribery and corruption
- People
- Corporate Social Responsibility

We monitor the numbers completed through our eLearning platform

Front-line colleagues receive more in-depth training

Following feedback from Slave-Free Alliance and Border Force at Manchester Airport, we reviewed and updated our front-line training provision. The improvements made included the addition of a case study, more updated information and imagery and the content made more practical and direct to enable colleagues to identify and understand the signs to look for more easily.

Each colleague is provided with a copy of the most recent Home Office Modern Slavery Booklet as further reference materials to support them.

Procurement colleagues receive additional, specialised training

Given their critical role in managing our supply chain, our procurement colleagues complete annual Ethical Procurement and Supply training, which includes modules on modern slavery, anti-bribery, and corruption.

Specific Modern Slavery training was carried out between December 2021 and April 2022, by Slave-Free Alliance, to raise awareness and help the Procurement team to evaluate the modern slavery risk presented by specific supply chains. As a result we have identified a small number of higher risk suppliers and procurements and we are continuing to work with Slave-Free Alliance to manage and mitigate these risks in the most appropriate way.

Our supply chain

MAG is committed to complying with all applicable laws and regulations as well as conducting its supply chain activities in a fair, transparent and professional manner at all times. The MAG supply base incorporates a wide range of goods, works and services, with our Tier 1 preferred suppliers being predominantly (over 90%) UK or EU based.

MAG's preferred suppliers are those that Procurement have agreed to contract or order with following a competitive sourcing process or a direct award. These suppliers have completed a rigorous and robust sourcing process with a pre-qualification stage that checks compliance with the MAG Supplier Code, asks questions on slavery and human trafficking and which sets out MAG's standards across our sustainability and ESG agenda, including Modern Slavery.

Our spend profile has reduced since MAG's last Modern Slavery statement, as we continued to be impacted by the pandemic.

However, as MAG recovers, we expect our spend profile to increase as we recommence major construction projects and remobilise operations with a heavy reliance on labour. A focus this year will be on our risk assessment of suppliers which will help identify high risk suppliers and put mitigations in place across regular site visits.

This year we have acted across three priority areas to mitigate any additional Modern Slavery risks that are posed by these returning activities:

Strengthening our category management

We are actively strengthening our Procurement team to enable it to operate a robust category management structure. Developing our knowledge of our supplied goods, works and services in this way – going beyond sourcing and across the procurement lifecycle – will unlock new efficiencies in our supply chain, allowing us to work more closely with stakeholders and our suppliers to ensure that Modern Slavery standards are upheld.

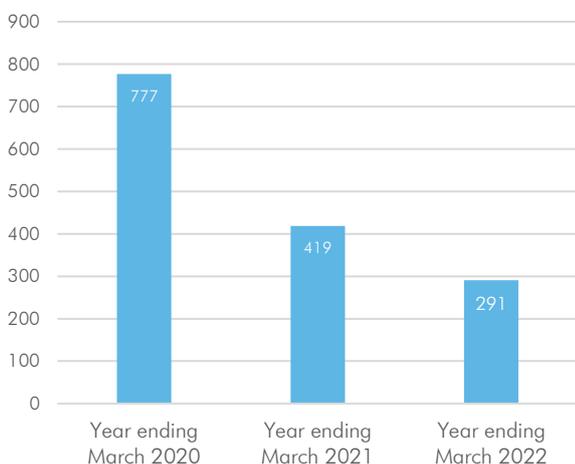
Supplier Risk Management

We are working with several of our core suppliers to broaden how we manage our supply chain risk, so that our risk management processes are better at identifying and responding to Modern Slavery risk indicators.

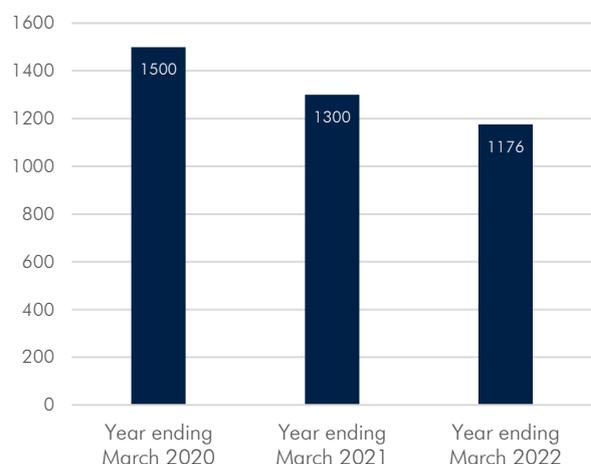
Internal systems and governance

We continue to build on our internal systems, processes and governance. By utilising technology, we aim to create further efficiencies in FY23 so that the team can focus on strategic category management, making Modern slavery supply chain risks more visible and manageable.

Spend by financial year
£m



Number of transacting suppliers



Due diligence in our supply chain

Effective procurement and contract management of goods, works and services are critical to MAG's success in creating shareholder value by developing our business in a responsible and sustainable way.

MAG's Procurement policies, strategies and procedures are accredited by the Chartered Institute of Procurement and Supply (CIPS), meeting the CIPS excellence standard and aligned with procurement industry best practice.

As part of our standard tender process, MAG Procurement requires suppliers to "pre-qualify" their capability, capacity, and standards. MAG's Supplier Code of Conduct is used as part of this pre-qualification process to set our standards and expectations, including our commitment to the eradication of modern slavery in our supply chain.

MAG standard terms and conditions require adherence with the Modern Slavery Act 2015, continued acceptance of the MAG Supplier Code and the inclusion of robust audit rights. Should we find any breach of these standards there is an automatic right for MAG to terminate our contract with the supplier.

As part of our ongoing commitment to proactively manage slavery and human trafficking risks, MAG is reviewing the opportunity to introduce a third-party provider to act as an external auditing platform, to further support our supply chain due diligence processes.

Our policies relating to slavery and human trafficking

MAG's commitment to acting ethically and ensuring that there is no modern slavery in our supply chains or business is supported by our company values and group policies.

These policies provide information and guidance to our employees, contractors and partners on MAG's expectations and the standards we require.

Our Tier 1 corporate policies form a core part of colleague induction and annual refresher training, and all other colleague policies are communicated via our intranet (or in the case of supplier policies these are communicated directly, where appropriate).

The following policies which are relevant to modern slavery apply to all employees, contractors and anyone working for or on behalf of MAG:

- Modern Slavery and Human Trafficking
- Whistleblowing
- Code of Conduct
- People Policy (including equality, inclusion and diversity policies)
- Corporate Social Responsibility
- Anti-Bribery and Corruption
- Procurement Policies

Our Recruitment and Selection policy is also relevant as this sets out our principles and approach for recruiting responsibly and applies to the recruitment of all MAG employees (permanent and fixed term).

Our governance

MAG recognises that modern slavery is a constantly evolving crime and therefore it is important to continue to develop and strengthen organisational strategy and operational activities accordingly.

Our Modern Slavery Working Group was established in 2019 and drives the development and delivery of our strategy across the Group. This includes ensuring that the recommendations from Slave-Free Alliance and our response are implemented in ways that are effective and proportionate.

The formation of this group has been expanded to include representation from key functions including CSR, Compliance, Operations (covering Manchester, Stansted, and East Midlands Airports), HR, Procurement, and our Technical Training department, Border Force, Greater Manchester Police, Chaplaincy, Capital Delivery, Assets, People, Audit, Procurement and Chief of Staff. The Terms of Reference for this group provide clarity on purpose and accountability.

The Modern Slavery Working Group reports into the CSR Committee, which has ultimate responsibility for our strategy on modern slavery. During the financial year reported on, executive sponsorship of our modern slavery agenda sat with the Chief People Officer.

Our modern slavery action plan captures and enables monitoring of progress against our strategy (as outlined in an earlier section of the report).

Modern slavery risks are recorded within our company risk management system and our Risk Management team regularly work alongside MAG colleagues to review modern slavery risks across our activities and the three key areas of Operations, People and Procurement.

To ensure appropriate ongoing governance, MAG's compliance with modern slavery requirements has been added to the organisational corporate register. This outlines the risk and details of the controls in place to mitigate it. It also includes further actions, action owners and due dates for implementation. This detail is regularly reviewed as part of MAG's organisational risk management.

Our Whistleblowing procedure and independent hotline (provided via Safecall) enables colleagues to report any concerns relating to modern slavery. In line with this, as part of our monitoring activities we check whether any concerns have been raised regarding modern slavery and during 2021/22 financial year, there were none reported.

Our commitments and action plan

-  Gathering and acting on feedback relating to modern slavery awareness activities including education and training.
-  Ensuring all colleagues review and understand our Tier 1 policies annually. Where non-compliance is reported, this is escalated to the line manager for action.
-  Improving our supplier due diligence and audit processes, and strengthening and using our supplier relationships to improve understanding of modern slavery obligations and requirements.
-  Maintaining and supporting our Modern Slavery Working Group, which meets on a regular basis to review the action plan, update it to recognise recent developments and enhance it to reflect the priorities for the following quarter. The group has also recently begun gathering benchmarks and learnings from external organisations.
-  Continuing to monitor any cases reported via our Whistleblowing Policy or independent reporting hotline. We had no reports of modern slavery during 2021/22.
-  A review by the Internal Audit Team of our approach and ensuring that risk profiles are updated regularly and reviewed annually taking into account the initial risk, the impact of existing controls and resultant residual risk.
-  Continuing to work with both on-site partners (such as airport police, border force and chaplaincy) to develop intelligence about modern slavery activities and with external parties such as Slave-Free Alliance, Greater Manchester Modern Day Slavery Business Network, and our other airports to ensure continuous improvement.
-  Progressing work on specific Key Performance Indicators relevant to our strategy and action plan.

Our major activities planned for 2022/23

-  Continue to improve our approach to mitigating risks in our supply chain, including the use of site visits for higher risk suppliers, specific interventions in our higher risk procurements (e.g. PV solar panels), and developing a business case for procuring a third party risk management tool.
-  Update our procurement and recruitment processes for short term labour to minimise risks.
-  Continue to partner with Border Force and our Chaplaincy on initiatives for our airports to support Anti-Slavery Day, including signposting the support available to individuals who may be potential victims of Modern Slavery.
-  Hold a Modern Slavery Working Group Vision, Strategy & Priorities Workshop in June 2022 to create a 3 - 5 year roadmap.
-  Continue to report the Modern Slavery Working Group's key activity and milestones to the CSR Chair and Committee.
-  Explore MAG's role and accountability for the education and awareness that our partners carry out with their colleagues who are working at our airports.
-  Establish a risk-based audit framework and process to enable more comprehensive metrics to be reported to the CSR Committee.
-  Develop an annual communication and engagement plan for 2022/23.