

Heathrow

SUSTAINABILITY REPORT 2021

PUBLISHED AUGUST 2022

ENTER



Contents

Welcome from our CEO	3	Net zero aviation – introduction	10	A great place to live and work – performance update	16	Materiality	24
Quote from Joan MacNaughton	3	Net zero aviation – performance update	11	Cleaner air at and around the airport	16	Materiality assessment	24
Our approach to sustainability	4	Growing momentum for a global net zero goal for aviation	11	Quieter nights, quieter flights	16	Stakeholder engagement on sustainability issues	25
Sustainability governance	4	Scaling up sustainable aviation fuels (SAF)	12	Zero waste airport	17	Passengers	25
Alignment with the Sustainable Development Goals	5	Our carbon footprint	14	Nature positive airport	17	Communities and the environment	25
About this report	6	A great place to live and work – introduction	15	Thriving sustainable supply chain	17	Colleagues	25
Scope of data	6	Heathrow Local Recovery Plan	15	Better quality of life in Heathrow's neighbouring communities	18	Investors	25
External assurance	6			Inclusive employer of choice for local diverse talent	20	Airlines	25
Reporting standards	6			Responsible business foundations	21	Suppliers and commercial partners	25
Contact us	6			Policies	21	Government and Regulator	25
About our business	7			Environmental compliance	22	Performance Data	26
Our priorities	7			Health, safety and wellbeing	22	Net zero aviation – carbon footprint	26
Our values	8			Information Security	23	Great place to live and work	28
2021 highlights	9			Supply chain	23	Assurance statement	29

Welcome from our CEO



JOHN HOLLAND-KAYE
CHIEF EXECUTIVE OFFICER

In 2021, we marked 75 years since Heathrow became a commercial airport. Throughout our long history we've overcome numerous challenges, but the pandemic has been unprecedented in its impact. Passenger numbers in 2021 fell to 19.4 million, the lowest since 1972, as the UK aviation sector remained grounded for much of the year. We started 2021 in lockdown and ended it in the grip of the Omicron wave which led to the re-tightening of travel restrictions and testing regimes across the world.

We also saw hopeful signs of recovery, as passengers proved they were keen to travel as soon as restrictions were relaxed. I am immensely proud of colleagues across the airport who've continued to do a brilliant job in extremely challenging circumstances. They've focused on keeping passengers and each other safe and delivering the world class service that Heathrow is known for. Indeed, this was recognised by passengers rating Heathrow one of the top 10 airports in the world in the Skytrax survey.

As well as focussing on safety and service, we've remained committed to driving progress on all areas of sustainability. In 2021 we updated and refreshed our sustainability strategy to ensure it is fit for the future as we emerge from the pandemic and build back better.

In February 2022, we relaunched Heathrow 2.0 with a focus on connecting people and planet across the changes we want to make this decade. Our simplified framework centres on two key areas: Heathrow's plan to take the carbon of flying this decade, with 2019 as the year of peak carbon and a longer-term view to net zero by 2050; and the steps we will take to ensure that Heathrow is a great place to live and work for our colleagues and communities. It's critical that we continue to act on both and my personal experiences in 2021 have underlined this. From Glasgow where I joined others at COP26 to push for governments to reach international agreement on net zero at ICAO later this year, to meetings with members of our local communities who continue to feel the impacts of the pandemic, it's vital that Heathrow is tackling the issues where we can make a difference.

In this report you can read more about our plans, as well as the progress we're already making that we will build on as we work towards our longer-term goals. To be successful we will work with a range of partners to drive positive change together, and we'll continue to engage with and listen to all our stakeholders as we deliver and evolve our plans. I'm excited about what we can achieve together and look forward to sharing our progress.



JOAN MACNAUGHTON
INDEPENDENT NON-EXECUTIVE DIRECTOR

"I was delighted to join the Heathrow Board in 2021, and to take over as chair of the Sustainability and Operational Risk Committee (SORC). As the UK's only hub airport, Heathrow is uniquely placed to play a leadership role in decarbonising the aviation sector and driving positive change across a range of material sustainability issues. Heathrow 2.0: Connecting People and Planet clearly articulates the approach Heathrow will take to addressing these challenges in the coming decade. In 2021, the SORC continued to perform a valuable role reviewing Heathrow's strategy, policies, conduct, performance and risk-management approach against sustainability goals and operational objectives and I look forward to continuing this important work in 2022 and beyond."

Our approach to sustainability

In 2021, we concentrated on refreshing our strategy to focus on the issues where Heathrow needs to make the biggest difference this decade. Our refreshed plan is about connecting people and planet. Through it, we want to work with our partners to build a better, more successful, and sustainable business for all our stakeholders. We published our refreshed strategy in February 2022, and we are continuing to embed delivery of our goals and targets across the business and within our relationships with partners.

Our updated framework is based on two pillars.

The first focuses on **net zero aviation** and contains Heathrow's response to tackling the global climate emergency.

The second focuses on **making Heathrow a great place to live and work** for our colleagues and our local communities and brings together our plans to tackle a range of environmental and social issues.

Underpinning these two pillars are our **responsible business foundations** – our ongoing commitment to **do the right thing** across a range of issues.



Sustainability governance

Sustainability is embedded into our culture and through our governance structures. Key aspects include:

Heathrow Airport Holdings Limited Board of Directors: Our Board has a dedicated sub-committee which discusses sustainability issues quarterly: the Sustainability and Operational Risk Committee. In 2021, Joan MacNaughton joined the Board as an independent Non-Executive Director with effect from June 2021 and assumed the Chair of the Sustainability and Operational Risk Committee from November. An influential and respected figure in international energy and climate policy, this appointment further strengthens Board-level knowledge and capability to consider the sustainability agenda. In addition, as Chair of the Audit Committee, Olivier Fortin assumed a responsibility for climate change risk and disclosure at Board level.

Executive team: Our Chief Executive and the Executive leadership team provide strategic direction for the delivery of Heathrow 2.0 through their functions. In 2021 we included carbon explicitly in the portfolio of one of our Executive Committee with Nigel Milton appointed as our Chief of Staff & Carbon.

Carbon and Sustainability Leadership Group (CSLG): This Group ensures that Heathrow 2.0 is embedded and implemented across the business and shapes departmental sustainability plans. Its members are senior departmental leaders. The CSLG met 10 times in 2021.

Our approach to sustainability – *continued*

Alignment with the Sustainable Development Goals

The United Nations' Sustainable Development Goals ('SDGs') were launched in 2015. They are a universal call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity. There is strong alignment between the SDGs and Heathrow 2.0 and we have summarised which goals apply to each of the two pillars.

Incentivising sustainability performance

All Heathrow colleagues in management grades set annual performance goals. Those responsible for delivering key aspects of our sustainability strategy will reflect this in their personal objectives. We have also integrated carbon reduction targets into our colleague Share in Success Grant and Saver schemes.



OBJECTIVES AND GOALS

SUSTAINABLE DEVELOPMENT GOALS

RESPONSIBLE BUSINESS FOUNDATIONS

About this report

This is Heathrow's sustainability report for the financial year ending 31st December 2021. It provides an overview of our approach to sustainability and supplements information already disclosed via our [Annual Report and Financial Statements for 2021](#), published in February 2022.

Our primary focus in 2021 was on updating our sustainability strategy, which was published in [February 2022](#), along with [Heathrow's Net Zero Plan](#). As part of the transition to our revised framework, we have structured this report around the pillars of our refreshed strategy, Net Zero Aviation [p.10](#) and A Great Place to Live and Work [p.15](#). We have also included information related to our Responsible Business Foundations [p.21](#). Future reports will include additional information, as 2022 is the first full year of delivery against our strategy and our 2030 goals.

Scope of data

Our 2021 sustainability performance data including Heathrow's carbon footprint can be found on [p.26](#).

External assurance

An assurance statement from Bureau Veritas can be found on [p.29](#). For 2021, this covers the scope of our carbon footprint. From 2022 we will extend the scope of our external assurance.

Reporting standards

Heathrow has implemented the recommendations of the Taskforce for Climate-related Financial Disclosures (TCFD). Our approach has been guided by the TCFD maturity criteria published by Accounting for Sustainability and we have fulfilled all the areas that are necessary for a 'full' disclosure. Our disclosure provides investors and other stakeholders with an annual account of Heathrow's exposure to both transition and physical climate risks and a financial materiality rating for each risk. The disclosure also describes our approach to managing and addressing climate risks and the governance arrangements in place, with a focus on Board level engagement. It can be found on page 66 of [Heathrow's 2021 Annual Report and Accounts](#).

Our Modern Slavery Act Statement for 2021 gives an overview of the ways in which we have been working to ensure that slavery and human trafficking continue to be tackled through our business and supply chain. It is available [here](#).

Contact us

We welcome feedback on our plans and performance. Contact us here: sustainability@heathrow.com

About our business

Heathrow’s strategic framework ensures that our purpose is at the heart of what we do. It reminds us of our priorities and values which reflect a simple business logic: engaged people deliver excellent service and results, which underpin our licence to operate and grow. Excellent service at an affordable price is our differentiator that makes passengers more likely to choose Heathrow again. Sustainable growth is one of our four priorities, meaning that sustainability is fundamental to how we operate the airport. Our values, including “doing the right thing”, underpin everything we do and guide our decision making every day.

WHO WE ARE	VISION	To give passengers the best airport service in the world
	PURPOSE	Making every journey better
	PRIORITIES	   
	VALUES	     

Our priorities



MOJO

To be a great place to work, we will help our diverse colleagues fulfil their potential and work together to lead change across Heathrow with energy and pride.



TRANSFORM CUSTOMER SERVICE

To deliver the world’s best passenger experience, we will work with the Heathrow community to transform the service we give to passengers and airlines, improving punctuality and resilience.



BEAT THE PLAN

To secure future investment, we will ‘beat the plan’ and deliver a competitive return to shareholders by growing revenue, reducing costs and delivering investments efficiently.



SUSTAINABLE GROWTH

To grow and operate our airport sustainably, now and in the future.

About our business – continued

Our values



DOING THE RIGHT THING

Doing the right thing means acting with integrity and thought for others, ourselves and Heathrow. It means living the values in everything we do and underpins all our actions, decisions and interactions. Doing the right thing is something that sets us apart. For colleagues at Heathrow, it's something that is ingrained in our culture from our proud history and connects all of us. It enables us to feel confident in our decisions and proud of our actions. We're responsible in the way we do business. We take a lead on Sustainability and doing the right thing by being a good neighbour and delivering against Heathrow 2.0.



KEEPING EVERYONE SAFE

Caring for ourselves and one another, so that we feel safe, secure and well and empowered to speak up, across all settings and activities. We notice and care and act with consideration for others, ourselves, Heathrow and the community. The safety of our colleagues and passengers has always been a non-negotiable. It's our first and foremost objective to running our business. The physical and mental wellbeing of ourselves and each other has never been more important, so they go hand in hand. When we and those around us feel safe, secure and well, we can achieve and enjoy a great place to work.



WORKING TOGETHER

Working together constructively to achieve a common goal. We are stronger and achieve more when we work together. It feels good to be valued for your contribution, to appreciate others and to bring out the best in each other. Working together supports a sense of belonging and connection, with us each playing our part to achieve the best outcomes.



TREATING EVERYONE WITH RESPECT

In every Heathrow interaction, people are valued, respected, included and treated fairly. Everyone deserves to be treated with respect and consideration. When we feel respected and included, we can trust one another and feel confident to bring our true selves to work and able to speak up. Trust enables us to have honest conversations and the confidence to face challenging situations to achieve the best solutions. An inclusive culture leads to diversity of ideas and helps us to make better decisions.



GIVING EXCELLENT SERVICE

Giving excellent service is about our ambition to lead, to be our best and give our best. It means living our Service Signatures in every interaction – with colleagues, customers and partners. We give excellent service because we are proud that passengers see Heathrow as the best place to fly from, through and to. By doing this we will achieve our vision of giving passengers the best airport service in the world.



IMPROVING EVERYDAY

Being ambitious and always striving for the best, with the right tools and mindset to succeed. We feel proud of our ambition and feel fulfilled because we are always improving, learning and growing together in the pursuit of it. We grow and learn from each other by sharing our knowledge and experience. It's not always about perfection every time, but a desire to embrace change and have a growth mindset. We learn from the past and apply those learnings to the future to continuously reach the best solutions.

2021 highlights



Active involvement in the UK Government **Jet Zero Council**, helping to shape consultations on the government's Jet Zero Strategy and a **mandate for sustainable aviation fuel**.

First delivery of sustainable aviation fuel into Heathrow's main fuel supply.

CHOOOSE

Businesses and passengers able to offset their flights by paying for sustainable aviation fuel via our partner CHOOOSE.

Through the **World Economic Forum's Clean Skies for Tomorrow Coalition** supported an ambition for an agreement at COP26 for **10% global sustainable aviation fuel by 2030**.



Retained the **Wildlife Trusts' Biodiversity Benchmark**, which we've held for over 12 years and a founding signatory of the Get Nature Positive campaign.

Continued support to local schools and families via our **Heathrow Community Rangers**, for example delivery of laptops for home learning and food bank donations.

Sustained **reduction in the noisiest categories of aircraft** operating at Heathrow which fell to 20% compared to 35% in 2019.

£315,532 contributed to **Heathrow Community Trust** to fund 49 projects to improve quality of life for communities near the airport.



Range of events and activities delivered by our four equality, diversity and inclusion colleague networks.

Launched a new mentoring platform to allow colleagues to easily connect with mentors, with 250 users signed up.



Enterprise and careers day workshops delivered to **five partner primary schools** and 729 local students completed virtual work experience.

Net zero aviation – introduction

Air travel has brought the world closer, allowing us to experience its considerable wonders and bringing trade and tourism to every corner of the globe. Yet this has come at a cost. It is no longer sustainable for us to expect to keep travelling in years to come in the way we always have.

Flight emissions are a significant contributing factor to global CO2 emissions and Heathrow, the aviation sector and governments must be bold in making changes if we are to allow future generations to experience the world through air travel. We must take the carbon out of flying and Heathrow needs to lead the way.

To achieve our long term goal of net zero by 2050, we must address all processes at the airport that produce emissions whether they are on the ground or in the air. Across both, significant changes are needed this decade and we must work together within Heathrow and across our industry to cut carbon now. The global aviation sector is united on where we need to get to: net zero by 2050. This is the decade to make a difference, so we've set goals to cut carbon from aircraft and our operations on the ground by 2030. We aim for 2019 to be the year of peak carbon. This will require action with urgency and purpose by us, our industry partners and governments around the world. With the right action we can take the carbon out of flying and protect the benefits of aviation for the future.



Objectives and goals

1 OBJECTIVE:

Net zero in the air

GOAL:

Up to 15% cut in carbon by 2030 compared to 2019

2 OBJECTIVE:

Net zero on the ground

GOAL:

At least 45% cut in carbon by 2030 compared to 2019



Net zero aviation – performance update

In February 2022, we published our **Net Zero Plan** to supplement the detail within **Heathrow 2.0: Connecting People and Planet**. In it we set out the actions we will take to deliver net zero aviation by achieving our goals to cut carbon in the air and on the ground this decade.

Growing momentum for a global net zero goal for aviation

At its 2019 Assembly, the International Civil Aviation Authority (ICAO) agreed to look at options for a long-term aspirational climate goal. The global aviation sector wants that to be an agreement for net zero aviation by 2050, which a growing number of governments around the world are already backing. In 2020, the UK aviation sector became the first to commit to net zero and publish its roadmap to achieve it by 2050. In 2021, the entire aviation sector globally committed to net zero by 2050 which aligns to the Paris Agreement goal for global warming to preferably not exceed 1.5°C. Later in 2021, at COP26, the UK Government launched an 'International Aviation Climate Ambition Coalition', pressing for the same goal. This is a significant shift in a short space of time, demonstrating the growing momentum behind delivering net zero aviation and sending a strong signal to international governments, through ICAO, to match the ambition of the sector at its next Assembly in September 2022.



Net zero aviation – performance update – *continued*

Scaling up sustainable aviation fuels (SAF)

SAF is a key element of the industry's net-zero roadmap because it can be used in existing infrastructure and aircraft, so there is no requirement for significant upgrades to airport infrastructure or operational changes. Heathrow's biggest customer, IAG, wants at least 10% of its fuel to be SAF by 2030. The US airline industry has set a target for around 15% SAF by the same time, helped by strong US Government incentives. The Clean Skies for Tomorrow Coalition – a global group of airlines, manufacturers, airports, fuel companies and users of air travel has backed an ambition of 10% SAF globally by 2030. By the end of 2021, airlines representing 66% of Heathrow's flights had made a commitment to use 10% or more SAF by 2030. Although Heathrow does not buy, use or supply SAF itself, we are supporting this critical agenda in several ways:

Policy advocacy

In the UK, we are working with aviation partners to advocate at all levels of government. SAF is a priority focus for the Jet Zero Council – a group of industry leaders chaired by the Government Secretaries of State for transport and business. Heathrow's Chief Operating Officer Emma Gilthorpe leads the Council and John Holland-Kaye is a member and he also leads the aviation taskforce of His Royal Highness The Prince of Wales's Sustainable Markets Initiative (SMI). Launched in 2020, this brings together companies working to drive progress in areas essential to the net zero transition. Globally, Heathrow is an active member of the World Economic Forum's Clean Skies for Tomorrow Coalition. The coalition has backed at least 10% SAF globally by 2030 and published a toolkit of the policies required to scale up SAF.



Demonstrations of SAF use at Heathrow

In June 2021, SAF was delivered to Heathrow for the first time by fuel company Vitol. It was blended into the airport's main fuel supply and distributed through its fuel hydrant system. Consequently, SAF became a small percentage of the fuel supplied to aircraft right across the airport over a period of a few days. Since then, further deliveries have taken place in partnership between airlines and fuel companies, including during COP26 when all British Airways flights between Heathrow and Scottish airports were fuelled with a blend including SAF.

Incentivising SAF use through our landing charges

From 2022, our landing charges include a new financial incentive to help make SAF more affordable for airlines. The incentive means that at least 0.5% of total aviation fuel at Heathrow will be SAF in 2022, climbing steadily in following years.

Offering passengers the opportunity to buy SAF

Through our offsetting partner CHOOOSE, we offer companies and passengers the chance to buy SAF by selecting to offset their flights by paying for SAF which is used on existing scheduled flights. Heathrow is the first airport in the UK to offer passengers this opportunity.

Net zero aviation – performance update – *continued*

Planning for zero emission aircraft

In 2020, we led a consortium of aerospace companies, airlines, airports and academics that successfully bid for funding from Innovate UK's Future Flight Challenge programme to research what's needed to introduce zero carbon aircraft. The early findings suggested that Heathrow could need to be ready to support these aircraft by the end of this decade. Our focus is understanding the operational and infrastructure requirements for zero carbon aircraft – most likely hydrogen powered – so that we can build these into our long term plans. A range of other research, innovation and demonstration projects are also taking place. A major research programme by the Aerospace Technology Institute called Fly Zero reported in spring 2022, setting out how the UK can accelerate zero carbon aircraft. That report will shape the future work of the Jet Zero Council, where zero carbon aircraft technology is the other focus alongside SAF. We have previously announced that we would waive landing charges for a year for the first regular commercial flight operated by a zero carbon aircraft, an incentive worth up to £1 million.



Preparing to deliver

As a regulated business, we set out our plans for five year periods to the Civil Aviation Authority (CAA), our economic regulator. In the next regulatory settlement period H7 (2022-2026), we have put forward over £200m of capital expenditure which is pending the CAA's final decision which is expected later in 2022. This investment will allow us to deliver the essential projects up to 2026 that will keep us on track to hit our net zero goals in the air and on the ground by 2030. To cut emissions in the air, we have prioritised investment for the infrastructure and systems that will enable the modernisation of airspace and make aircraft movements on the ground more fuel efficient. We will roll out more effective pre-conditioned air (PCA) systems to replace existing units too. To cut carbon on the ground we will invest in improvements to active travel (cycle and walking routes) and public transport, deliver more electric vehicle charging points, and start work on designing a new zero carbon heating network and upgraded electricity distribution network to support the shift away from fossil fuels to renewable electricity.

Net zero aviation – performance update – *continued*

Our carbon footprint

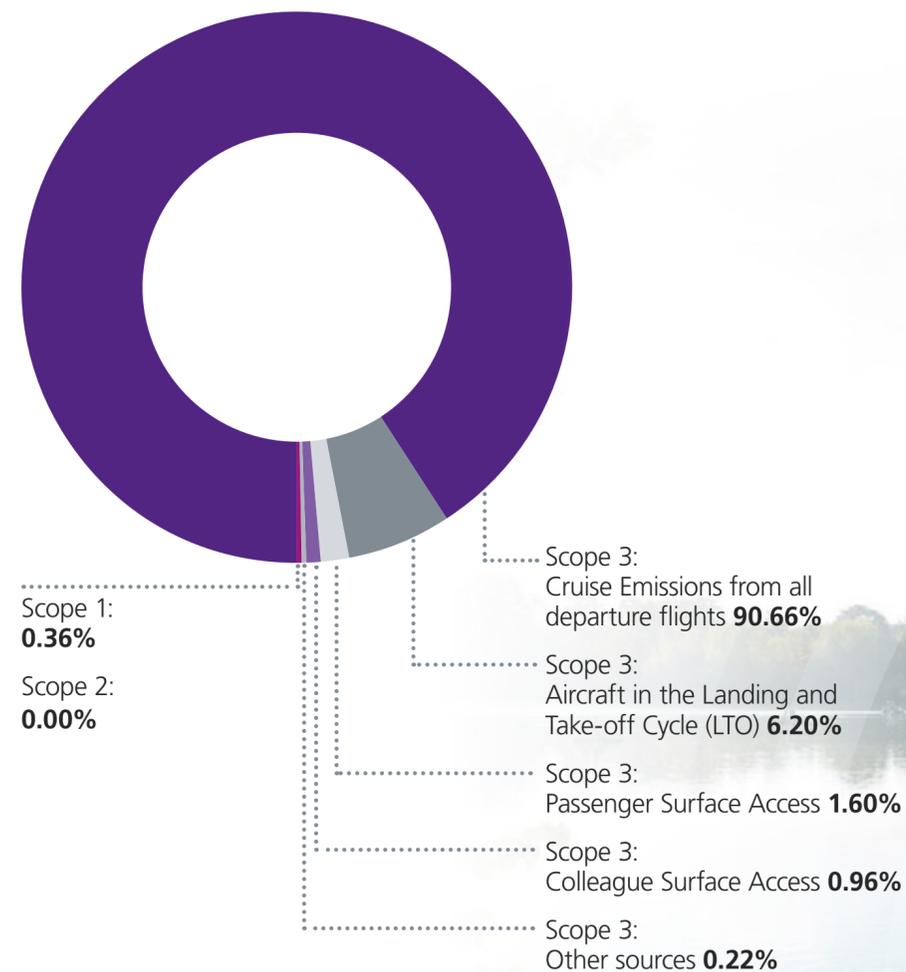
We monitor our carbon footprint and report on our greenhouse gas emissions annually. This helps us to identify opportunities to reduce our emissions and assess our progress in delivering our carbon reduction goals. For Heathrow's full carbon footprint for 2021, please see [p.26](#).

Scope 1 and 2 emissions

Scope 1 are all direct CO₂e emissions from activities at Heathrow under our direct control, such as Heathrow's own vehicles, fuel required to heat our terminals and non-carbon emissions including refrigerant gases. Scope 2 are all indirect CO₂e emissions from the electricity purchased for the organisation. Scope 2 market-based emissions for 2021 were zero. This is because our electricity was sourced using a Renewable Energy Guarantee of Origin (REGO) backed contract. The REGO certificate covers Heathrow Airport Limited, our parking-pod test track and Business Support Centre (in Glasgow), all of which fall under Scope 2 electricity.

Scope 3 emissions

Our scope 3 emissions made up over 99% of Heathrow's carbon footprint in 2021. They include all the other indirect activities in relation to the airport, occurring from sources we do not own or directly control. We know that we need a decarbonisation plan covering our whole of our carbon footprint including flights.

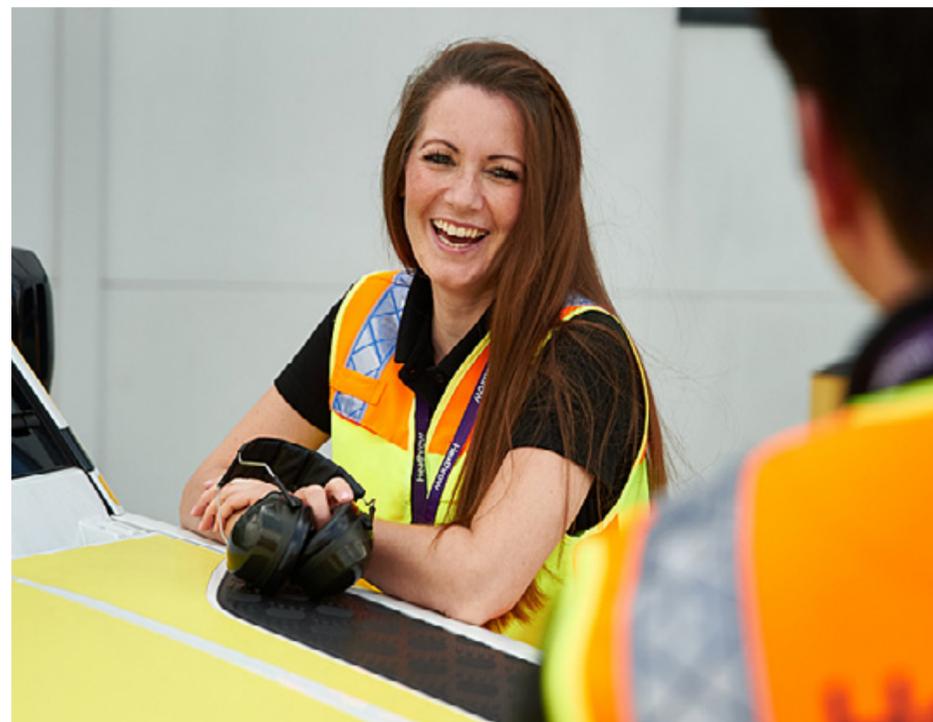


A great place to live and work – introduction

The people who work in and around Heathrow every day are the lifeblood of the airport. They shape the experience of every passenger and offer excellent airport service, keeping Heathrow safe, secure, and welcoming. It is critical to ensure our airport is a diverse and inclusive workplace for all, and that we provide the skills, education and long-term employment opportunities that make Heathrow the local employer of choice. We must be a responsible neighbour for those who live closest to us, making sure these communities benefit from cleaner air, quieter nights and improved quality of life.

This is more important than ever as the airport recovers from the impacts of the pandemic. Unemployment in West London boroughs doubled in 2020/21 so it is crucial that Heathrow rebuilds in a way that enables airport and local economic recovery, while mitigating the negative impacts of the airport and growing in an inclusive way.

The direct impact of the pandemic on our business has meant that we have had fewer resources to focus on driving sustainability improvements in 2020 and 2021. Progress towards our targets has been slower than we would like on issues like diversity and inclusion and waste, and this is reflected in some of our performance data for 2021. However, our refreshed strategy demonstrates how we will redouble our efforts and drive tangible progress across all the issues that are important for our colleagues and communities as we continue to recover.



Heathrow local recovery plan

In 2021, we have continued to work collaboratively to tackle the knock-on effect on the local communities who heavily rely upon the airport through delivering the recommendations in the Heathrow Local Recovery Plan across its four priorities – employment and skills, supply chain opportunities, surface access and green recovery. By the end of the year, seven recommendations had been successfully delivered, with key milestones reached along the way including simplifying a dedicated website page to provide support for local SMEs to access the Heathrow supply chain and, with the Department of Work and Pensions (DWP), offering a team of four Heathrow JobCentre Plus Work Coaches to support colleagues across Team Heathrow and the local community to access job search support and careers, information, advice and guidance.

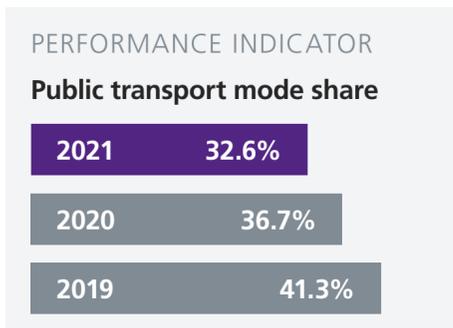
Chaired by Lord David Blunkett, the Heathrow Local Recovery Forum (HLRF) brings together local authorities, chambers of commerce, enterprise partnerships, business groups and education and skills partners to take forward and deliver the recommendations in the Local Recovery Plan. In December members agreed on new recommendations to prioritise in 2022 and an updated Local Recovery Plan has since been [published](#) to reflect these, demonstrating our continued focus on tackling the challenges faced by Heathrow and our local communities.

A great place to live and work – performance update

Cleaner air at and around the airport

2030 GOAL: Reduce NOx airside by 18% compared to 2019.

To support colleague sustainable travel, and provide better travel options to local communities, during 2021 we developed a new Sustainable Travel Zone (STZ). Funding for early interventions was confirmed and agreements reached with operators to deliver the first improved services from 10th January 2022. In November 2021, we also introduced a £5 Terminal Drop Off Charge which will contribute to a shift from private vehicles to public transport. We were encouraged to see the percentage of passengers using public transport increase to 37% in December 2021 up from 34% in December 2020 as confidence to use public transport rebounded. Although still lower than 2019, we will focus on further increases as recovery continues. Work to develop the airside ultra-low emissions zone (ULEZ) strategy continued in 2021 with a focus on airside vehicle safety standards, net zero emissions and optimisation of vehicles operating airside. The priority has been engaging business partners and ground handlers to understand their vehicle replacement strategies to ensure we are able to support requirements for electric vehicle charging infrastructure.



Quieter nights, quieter flights

2030 GOAL: Limit and where possible reduce the number of people highly sleep disturbed and highly annoyed compared to 2019.

Fewer flights during 2020 and 2021 meant a reduction in noise exposure for local communities and this will be reflected in the annual noise contours for 2021 to be published later in 2022. We have used the last year to begin a review of key voluntary measures to reduce noise impacts including the Fly Quiet and Green Program and the Noise Insulation Schemes, which will conclude in 2022. In addition, we provided a comprehensive response to the Department for Transport (DfT) night flying public consultation with the aim of balancing the benefits and impacts of night flights. Minimising noise for local communities has remained a key priority for us. During 2021 we have focused on maintaining high levels of compliance with noise abatement procedures and voluntary measures to address noise impacts. In 2021, over 89% of arrivals followed a Continuous Descent Approach (CDA) which reduces noise, improving on 2020 figures. Although track-keeping figures for departures in 2021 were well over 90%, they were still down slightly due to single runway operations in the first 6 months of the year increasing the use of 09L (aircraft approaching the northern runway from the west) which is rarely used in normal (pre-2020) operations.

Night flights are a key concern for community groups and, in 2021, we continued to drive voluntary initiatives with airlines and NATS to reduce the number of late running aircraft and nights with operations after midnight, as well as ensure that none of the early morning arrivals touched down before 04:30. In 2021 there were a total of 86 late running departures against the target of 197. 56 of these were in the final quarter of the year due to an increase in flights, operational issues, and resourcing levels, particularly in December. We also continued to prioritise engaging with our local communities through the Heathrow noise twitter account and our community forums, as well as responding to noise complaints via our dedicated helpline.

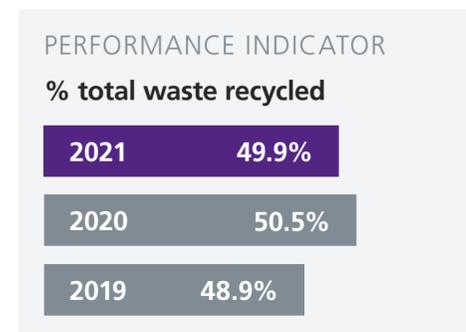


A great place to live and work – performance update – *continued*

Zero waste airport

2030 GOAL: Maximise reuse, recycling and recovery of materials used at Heathrow.

In 2021, total waste generated fell even further than in 2020, with just over 8,000 tonnes compared to almost 24,000 in 2019. This reflects the ongoing reduction in operations at Heathrow during 2021. The recycling rate remained stable and just under 50%. In December, we undertook a waste compositional analysis of our general operational waste stream to determine changes in quantities of recyclable waste ending up in general compactors compared to 2018. The findings showed a significant decrease in the proportion of paper and cardboard due to a reduction in inflight magazines and free newspapers as well as a marked increase in various types of waste being placed in the correct bin. These findings will support ongoing work in 2022 to develop our waste strategy to 2030.



Nature positive airport

2030 GOAL: Work with partners to support a nature network around Heathrow.

Throughout 2021 we continued to actively manage Heathrow’s biodiversity sites, with 129 scheduled surveys undertaken. 126 new species were identified during the year, including Hairy Dragonfly, Hornet Moth, Glossy Ibis, Cuckoo, Japanese Leafhopper, Giant Polypore mushroom, Broad-leaver Helleborine and Mistletoe.

Our work in this space was externally recognised in September when we won the CIRIA (Construction Industry Research and Information Association) Big Biodiversity Challenge Client Award. We also retained the Wildlife Trusts’ Biodiversity Benchmark which we’ve held for over 12 years. In 2022, we will further evolve our focus on nature within a Nature Positive Plan for Heathrow.

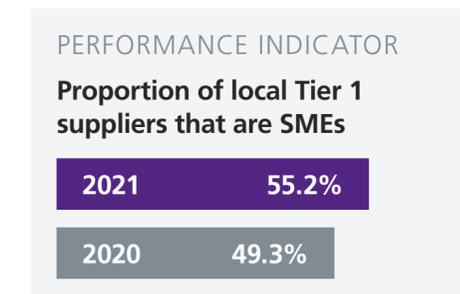


As a member of the Council for Sustainable Business (CSB), in October we were a founding signatory of the Get Nature Positive campaign, committing to build on our strong history of biodiversity management and work towards halting and reversing the decline of nature by 2030.

Thriving sustainable supply chain

2030 GOAL: Maximise suppliers achieving gold standard against our Balanced Scorecard.

To support local small and medium sized enterprises (SMEs) to access Heathrow’s supply chain, in 2021 we created a new supplier guide and [simplified, dedicated pages](#) on Heathrow’s website to support potential suppliers to prepare for pre-selection criteria. Following a trial of a platform called CompeteFor, which provides greater visibility of direct and indirect procurement opportunities at Heathrow for local SMEs, we intend to use CompeteFor to launch a dedicated supplier portal later in 2022. Work started in 2021 to develop Heathrow’s Balanced Scorecard which will be launched later in 2022.



A great place to live and work – performance update – *continued*

Better quality of life in Heathrow's neighbouring communities

2030 GOAL: Give back to 1 million people in our local communities.

We continued to invest in our local communities in 2021 through the Heathrow Community Rangers, the Responsible Schools Programme, the Better Neighbour Programme in collaboration with Keep Britain Tidy, and funding local community projects via the Neighbouring Villages Fund, as well as through support of the Heathrow Community Trust.



Heathrow Community Rangers

The Heathrow Community Rangers carry out projects identified by local community members or council representatives that enhance the local area. They are Heathrow's eyes and ears in the community and can react quickly if urgent support is needed. The Rangers were crucial in 2021 in continuing to deliver our COVID-19 community response, supporting with delivery of laptops to local schools and families, as well as food bank donations. The Rangers continued to support our five local partner schools with enhancements to their facilities, planting trees and bushes, constructing planters for food growing, installing benches, sheds and firepits. In addition several larger projects were undertaken such as painting Pippins Primary School to make it a brighter environment for learning, and constructing a sensory garden at Harmondsworth Primary School which has the highest number of special educational needs and disability (SEND) pupils in the local area. The Rangers also undertake landscaping and greening of local areas, including litter picking and clearing fly tips, particularly on Spout Lane. A key project in 2021 was improvements to the Stanwell Moor Village Hall where the Rangers cleared overgrowth, installed planters for a herb garden and strawberries, and fully re-painted the outside of the hall.

Neighbouring Villages Fund

The Heathrow Neighbouring Villages Fund (NVF) provides small donations to local community groups to fund activities which bring communities together, and improve quality of life or for resources which communities can benefit from, now and in the future. In 2021, funding supported a wide variety of community projects including an eco-agriculture hydroponics project in Stanwell, music and lighting equipment for Heston Community School to facilitate school clubs, functions and community workshops, and funding for Stanwell Moor Village Hall to upgrade their sign, gate and garden.

Responsible Schools Programme

The Responsible Schools Programme had to be scaled down in 2021 to comply with COVID-19 restrictions, although enterprise and career day workshops were still delivered to all five partner schools and virtual reading sessions were trialled during home schooling periods. Heathrow also supported the partner schools throughout the pandemic by donating school supplies and laptops to aid virtual learning.

A great place to live and work – performance update – *continued*

Better Neighbour Programme



The Better Neighbour Programme is delivered in partnership with Keep Britain Tidy to support projects that fall outside of the remit of the Heathrow Community Rangers and require collaboration with councils. The key project delivered in 2021 was the installation of a globe-shaped planter structure, as well as a nature trail with benches, at Cranford Community College to encourage students and residents to reconnect with nature and improve their wellbeing.

Heathrow Community Trust

Heathrow Community Trust (HCT) is an independent grant making charity that funds projects that improve quality of life for communities near the airport. In 2021, Heathrow contributed over £315,500 through a combination of corporate donations, and colleague and passenger fundraising. We donated £125,000 and a further £5,600 was leveraged from colleague and passenger fundraising and levied from noise fines. £183,000 in funding was also generated from Heathrow achieving sustainability KPIs in 2020 which were linked to our Revolving Credit Facility agreement, thereby incurring a saving on the interest rate and this was donated to HCT.



HCT was able to distribute grants worth £187,000 in 2021 to 49 local community groups and organisations, including £49,000 in COVID-resilience grants. In 2021 HCT supported a wide range of community projects and organisations, helping young people to raise their aspirations, bring communities together, reduce isolation for older people and enhance local environments. One beneficiary is Learn English at Home, a charity based in Southwest London, which works to achieve inclusion through language. They support people whose first language is not English, including refugees, asylum seekers and people who are unable to access college due to caring responsibilities or suffer from ill health. HCT funding has enabled Learn English at Home to train volunteers to deliver 1:1 support and community classes to help people to integrate into their local community. The remaining funding will enable the restart of grant programmes in 2022 to support young people, bring communities together and fund sustainability and environment projects.

A great place to live and work – performance update – *continued*

Inclusive employer of choice for local diverse talent

2030 GOALS: Reflect the diversity of our local community at all levels of the business; 10,000 external jobs, apprenticeships and early career opportunities.

Equality, diversity and inclusion (E,D&I) remained a key area of focus in 2021 as we look to accelerate our progress. To support the overall goals within Heathrow 2.0, we have also developed a detailed 2030 strategy, including setting interim goals for the end of 2026. Activity in 2021 focused on putting in place the fundamentals that will help us to deliver this plan. For example:

- We launched a new mentoring programme that allows colleagues to easily connect with potential mentors who can support them to develop their career at Heathrow.
- We delivered a range of tactical activity including two E,D&I focused all-company calls, and activity to mark Black History Month, Heathrow’s Disability Awareness Month and National Inclusion Week.

- As well as reporting our gender pay gap, we also published our ethnicity pay gap for the first time. The median pay gap for gender was 14.0% (excluding furloughed colleagues) which is below the national median gender pay gap of 15.5% but an increase from 4.5% in 2020. Our mean gender pay gap has decreased to 7.8% (from 8.8% in 2020). Our median ethnicity pay gap was 22.2% and our mean ethnicity pay gap was 22.2% (we are unable to make comparisons for ethnicity as this is our first year of reporting). The reporting period was from April 2020 and was therefore not a typical year. We had to make some difficult business decisions which saw a reduction of our workforce. The changes affected some roles more than others and although we saw an increase of females from 42.0% to 45.0%, the proportion of women in the highest pay quartile decreased. Despite this, the average pay of women in the highest quartile increased, helping the mean gender pay gap to improve.

PERFORMANCE INDICATOR	
% female representation senior managers (Exec-Band C)	
2021	37.1%
2020	37.2%
2019	35.0%

PERFORMANCE INDICATOR	
% ethnicity representation senior managers (Exec-Band C)	
2021	17.1%
2020	17.2%
2019	17.0%

As part of our commitment to providing local young people with experiences of work, 729 local students aged 16-19 completed a Virtual Work Experience pilot in February 2021. Eleven Team Heathrow partners, including companies such as JCDcaux and Mace, took part in the programme which gave students insights into how the airport operates, the diverse range of careers available, and the essential skills needed to succeed. The online programme was supported with a series of live webinars where students could interact with colleagues and ask questions. Over 90% of students said that, because of the programme, they now feel more confident finding a job in future.



Responsible business foundations

Underpinning Heathrow 2.0 is our commitment to do the right thing across a range of responsible business issues. Included here are 2021 updates against a range of these issues. Further detail can be found in [Heathrow's Annual Report and Financial Statements for 2021](#).



Policies

Heathrow has the following policies which cover a broad range of environmental, social and governance issues and define how those issues are managed within the business. Where these are publicly available, links are included below. The Sustainability, Environment and Energy and Sustainable Procurement Policies will be reviewed and updated in 2022 to reflect Heathrow's revised sustainability strategy.

Environmental policies

[Sustainability Policy](#)

[Environment and Energy Policy](#)

[Sustainable Procurement Policy](#)

Social policies

Dignity at Work Policy

[Health and Safety Policy](#)

Heathrow Charity Policy

Modern Slavery Policy

Professional Conduct and Guidance

Recruitment and Secondment Policy

Governance policies

Acceptable Use Policy

Anti-Bribery Gifts Hospitality Policy Guidance

Anti-Facilitation of Tax Evasion Policy

Communications Policy November

Heathrow Competition Compliance Policy

Heathrow ERM Policy

Heathrow Personal Data Management Policy

Identity and Access Management Policy

Information Security Policy

Information Security Requirements for Third Parties Policy

Professional Conduct Policy and Guidance

Public Duties Policy

Whistleblowing Policy

Responsible business foundations – *continued*

Environmental compliance

External audit

In November 2021, a regular ISO 14001 Environmental Surveillance Audit took place, with our Engineering department maintaining certification for another year. The auditor commented that there are clear Environmental Controls, a mature integrated system, and a dedicated, enthusiastic, and professional team.

Pollution Control System: permit exceedance

Following two formal notifications to the Environment Agency (EA) in January regarding Western catchment of the Pollution Control System (PCS) (one due to a breach of emissions limits triggered by rainfall exceeding the capacity of the system and the other a pump failure caused by a blocked pipe), the EA did not take action for permit exceedance because Heathrow promptly deployed its contingency plans.

Boiler permit conditions non-compliance

A routine Environment Agency (EA) visit on 30 June identified two non-compliances with our boiler permit conditions relating to the management of the change process as colleagues changed roles through the pandemic and failure to report within agreed periods. This has previously been accepted but Heathrow was asked to return to the documented process. Heathrow undertook a detailed internal review of the permit requirements and the responsibilities and actions for delivering these was submitted to the EA.

This review found that Heathrow continues to maintain sufficient competent resource to deliver permit compliance. Emissions monitoring data was submitted by the agreed date and no further action was taken by the EA.

Breach of Heathrow's permit conditions for its Fixed Combustion Assets

On 18 October, the EA informed Heathrow that it intends to issue a civil penalty relating to an error first identified in 2019 where a replacement electronic volume conversion instrument was set to a different unit of measurement. This led to incorrect meter readings from one gas meter and, subsequently, Heathrow surrendering an incorrect allocation of emissions allowances in the 2017 and 2018 EU ETS (Emissions Trading Scheme) registries. This is a breach of Heathrow's permit conditions for our Fixed Combustion Assets. On discovering the error, we took swift action to investigate, inform the EA and take the appropriate steps on the registry. In light of these actions having been taken and considering the EA's own guidance, we have requested that the EA reviews the civil penalty and we are currently awaiting their response.

Health, safety and wellbeing

At Heathrow, we value the health and safety of our colleagues, passengers, and neighbours above all else. Our focus on health and safety is not just the right thing to do, it is the foundation of an efficient operation, a secure airport and a sustainable business. Priorities for 2021 included maintaining a COVID secure workplace, ramping up safely, engaging and involving colleagues through close call reporting (including the inclusion of a target for close call reporting in our Business Recovery Incentive Plan), and the commencement of our mental fitness programme.

We maintained strong COVID-19 secure standards across the airport and played our role in supporting the Government's mass vaccination programme by converting part of our head office into an NHS COVID-19 vaccination centre earlier in the year. At the 2021 Skytrax World Airport Awards, we were the only UK airport to win the COVID-19 Airport Excellence Award. In addition, in May 2021, Heathrow was certified with a four-star COVID-19 Airport Safety Rating by Skytrax, the highest achieved by a UK airport. This was accomplished by investing in COVID-19 secured technologies in order to prioritise the safety of passengers and colleagues at Heathrow.

Colleague health and wellbeing is promoted and supported by a range of products and services including our Employee Assistance Programme, online GP service and information and tools for managers and colleagues. We also have a confidential reporting line through which concerns of wrongdoing at work can be reported (Safecall).

Responsible business foundations – *continued*

Information Security

Information security, which refers primarily to our systems and information and the data contained in them, continues to be a risk for Heathrow. Malicious cyber-attack is a continued risk given the size and breadth of our network and operating environment. Attacks continue to be more sophisticated, especially around phishing and ransomware which are now a persistent challenge for all industries.

In addition, new ways of working following the COVID-19 crisis have also resulted in an increased risk profile. Through a Technology and Cyber Security Directorate led cyber improvement programme, we are implementing strong technical and operational measures to enable us to comply with our regulatory and legal requirements. Annual mandatory training has been successfully rolled out along with regular awareness campaigns with emphasis on phishing emails, the use of social media and implementing good cyber security practices. The Heathrow Acceptable Use Policy has been amended to reflect our information security risks and the organisation's working practices.

Supply chain

Sustainability is built in at all stages of the procurement process so we can ensure that our partners share our values and understand our sustainability ambitions.

Heathrow became a Living Wage employer in 2017 and published our London Living Wage (LLW) roadmap. Since then, we have been working to ensure that all our direct suppliers also pay the living wage, and we will continue to support other Team Heathrow partners to transition. In December 2021, the transition of the remaining direct Heathrow supply chain to the LLW on 1st of April 2022 was approved. This includes all remaining direct providers and any tiered and related supply chains. The remaining part of our roadmap including concessionaires and indirect providers at the airport will be addressed with the Living Wage Foundation (LWF) and appropriate internal teams are working together to present a benefits case to them also transitioning to the LLW at the earliest opportunity. We continue to engage with LWF regularly to continue delivery of the roadmap for Heathrow.

Heathrow has due diligence processes which focus on identifying the parts of our supply chain that present the greatest risk of slavery and trafficking. Heathrow uses a third-party provider, SEDEX (Supplier Ethical Data Exchange), as the external auditing platform to support our supply chain due diligence processes.

Heathrow is a partner of the Supply Chain Sustainability School, which provides practical support to suppliers in the form of e-learning modules, tailored self-assessments, action plans and sustainability training.

Heathrow has remained committed to supporting our suppliers by remaining a sponsor of the Prompt Payment Code and we encourage our supply chain to also adopt Prompt Payment Code practices. As a result of the pandemic our Prompt Payment Code performance reduced from 22 days to pay on average in 2020 to 31.2 days on average in 2021. We are committed to ensuring that we improve our performance in future.

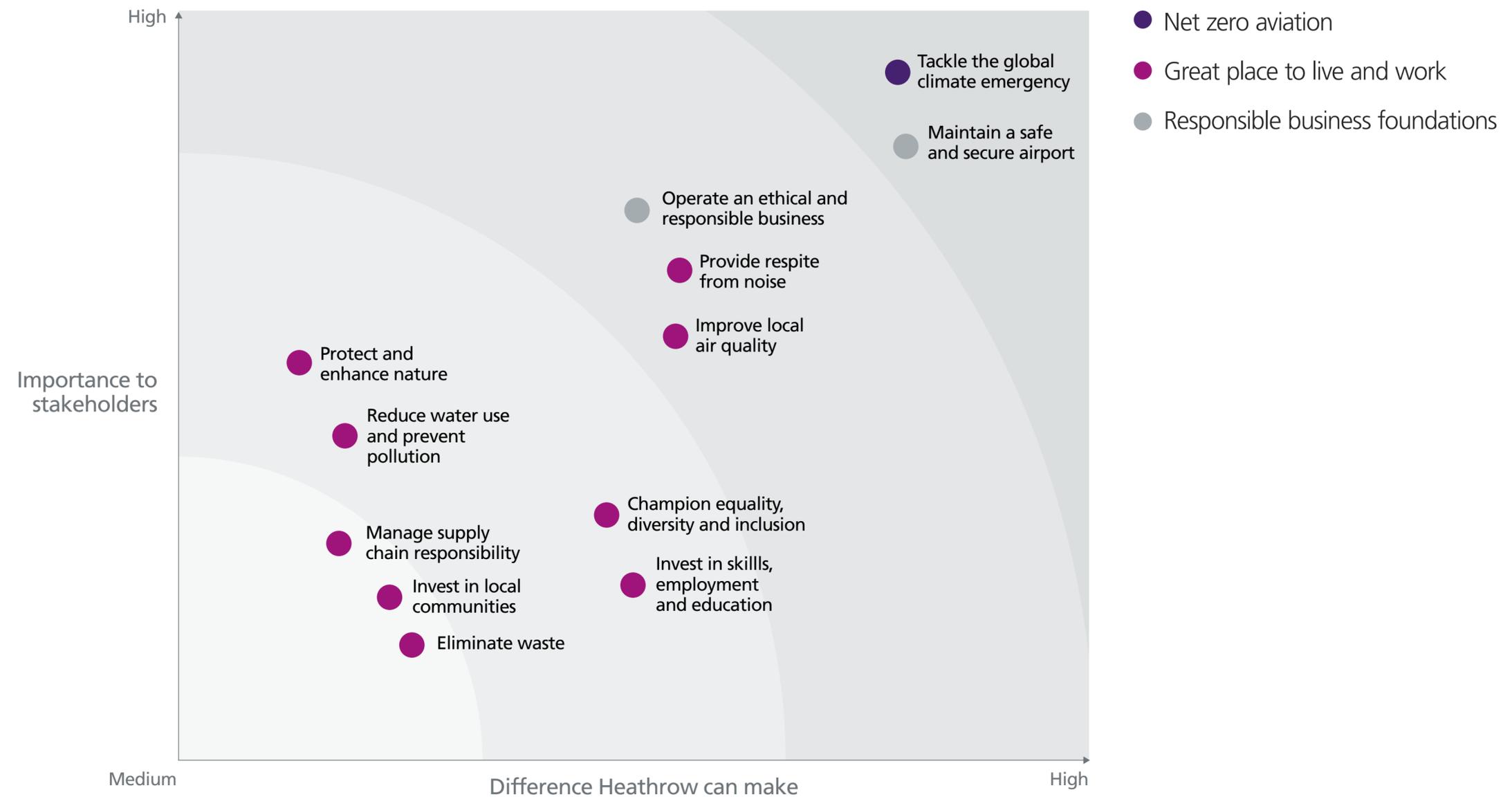


Materiality

Our materiality assessment helps us to identify our most important sustainability issues, risks and opportunities, taking into account business priorities, the impact Heathrow can have on the issue and views from stakeholders. It informs how we focus our resources, and what information we include in our reporting.

Materiality assessment

We updated our assessment during 2021 as a key stage in the refresh and re-prioritisation of our sustainability strategy. The priority issues were identified through analysis of a range of inputs, including via engagement with colleagues from across the business and using industry standards and impact data. We also gathered input from a selection of external stakeholders. These were combined together to create our materiality matrix which identifies twelve medium to high priority issues. These issues form the basis of Heathrow 2.0: Connecting People and Planet. We will review the matrix again in 2023.



Stakeholder engagement on sustainability issues

Heathrow's key stakeholders are our passengers, communities and the environment, colleagues, airlines, investors, suppliers and commercial partners and regulators. In 2021 we engaged with all these groups on sustainability, with a particular focus on gathering feedback and input to the refreshed version of Heathrow 2.0.

Passengers



Sought passenger feedback via our Horizon consumer panel.

Activity around COP26 including a virtual reality sustainability showcase in Terminal 5.

Providing the opportunity to use CHOOSE to offset flights, including by buying SAF.

Continued to communicate to passengers on climate change via our "elephant in the airport campaign".

Communities and the environment



Engaged a range of expert stakeholders to input to the development of Heathrow 2.0 and Heathrow's Net Zero Plan.

Review of and external consultation on Heathrow's community forums, with transition to a new structure beginning in 2021 and continuing in 2022 including the recruitment of new independent chairs:

- The Heathrow Community Engagement Board (HCEB) will become the Council for the Independent Scrutiny of Heathrow Airport (CISHA). It's responsibilities will include independent scrutiny of Heathrow's sustainability progress.
- The Local Focus Forum (LFF) will become the Local Community Forum (LCF).
- The Heathrow Community Noise Forum will become the Noise and Airspace Change Forum (NACF).

We also engaged with the Heathrow Strategic Planning Group (HSPG), Heathrow Area Transport Forum (HATF) and Heathrow Local Recovery Forum (HLRF).

Colleagues



We track colleague engagement with sustainability through regular surveys, with results remaining strong through 2021 despite challenging times.

Many groups of colleagues across the business provided input to the refresh of Heathrow 2.0.

Investors



We include sustainability updates in our quarterly financial disclosures, semi-annual investor reports and debt investor presentations and annual report and accounts.

Bilateral engagement on sustainability with a range current and potential investors.

Airlines



We engaged airlines on the development of Heathrow 2.0 and the Net Zero Plan via the Heathrow Leadership Group and Joint Steering Board.

We also undertook additional bilateral engagement with British Airways and Virgin Atlantic.

Suppliers and commercial partners



The Heathrow Sustainability Partnership brings together a range of companies operating at Heathrow to take joint action on key sustainability issues. The Leadership Board met twice in 2021 and provided input to the refresh of Heathrow 2.0.

Government and Regulator



We held a series of meetings with the CAA and DfT to discuss the development of Heathrow 2.0 and explain our Net Zero Plan, the carbon benefits it will deliver and how delivering our plans protect consumer interests today and in the future.

Performance data

We have included 2021 full year data on several key issues, alongside data for 2020 and 2019 where possible. However the impact of COVID-19 in 2021 and 2020 means that comparison from year-to-year is complex. For several of our new goals and targets we are working towards an improvement by 2030 compared to a baseline (most commonly this is 2019 as our most recent full year of typical operations, as well as the busiest year in Heathrow's history in terms of passenger numbers and quantity of flights, thereby ensuring that the targets are appropriately stretching). Where this data is available for 2020 and/or 2021 we have included it. As we continue to establish our refreshed strategy, we will increase the number of indicators we track and report.

Carbon footprint

We monitor our carbon footprint and report on our greenhouse gas emissions annually. This helps us to identify opportunities to reduce our emissions and assess our progress in delivering our carbon reduction goals.

Our methodology for carbon reporting follows the Greenhouse Gas Protocol and Airport Carbon Accreditation (ACA) standard. It includes emissions from our infrastructure, travel to and from the airport, and aircraft in the landing and take-off ('LTO') cycle and cruise phase. This year, we have expanded the scope of our footprint to include fugitive emissions from the use of de-icing products (scope 1 and 3), and emissions from fuel used in construction (scope 3).

We had already improved our data collection and methodology in 2021 to be able to report our carbon performance alongside our financial performance for the same period. Accordingly we have included carbon data for both 2020 and 2021 (last year's report contained data to the end of 2019). While we have been able to automate some data sets such as emissions from aircraft, our goal is to go further so that we can provide close-to real time carbon reporting. This will help us to monitor our performance more closely.

Bureau Veritas UK Limited have provided verification for Heathrow's greenhouse gas (GHG) emissions data in the Heathrow Carbon Footprints for 2020 and 2021, covering the period 1 January to 31 December for each year.



Performance data – continued

Net Zero Plan	Emission source	Greenhouse gas emissions		
Objective		2019	2020	2021
Net zero on the ground	SCOPE 1 (tonnes CO ₂ e)	26,998	23,209	29,091
	Fuel consumption utilities	21,942	18,903	23,525
	– Market based	24,335	18,903	23,525
	– Location based	(134,288.9 MWh)	(162,578 MWh)	(125,326 MWh)
	Operational vehicles	1,668	1,121	1,023
		(6,732 MWh)	(4,597 MWh)	(5,324 MWh)
	LPG for fire training	35	–	–
		(4.9 MWh)	(0 MWh)	(0 MWh)
	Refrigerants	2,871	2,777	2,968
	De-icer	482	407	1,575
	SCOPE 2 (tonnes CO ₂ e)	–	–	–
	Grid electricity consumption	–	–	–
	– Market based	71,163	52,392	49,066
	– Location based	(283,229 MWh)	(224,722 MWh)	(231,082 MWh)
	SCOPE 1 and 2 carbon intensity (kg CO ₂ e/passenger)	0.33	1.05	1.50
	SCOPE 3 (tonnes CO ₂ e)	20,782,605	8,845,765	8,125,487
	Passenger Surface Access	632,348	195,040	130,699
	Colleague Surface Access	115,531	66,428	78,537
	Business Travel	1,070	245	28
	Waste	563	1,407	176
Water	2,068	980	434	
De-icer	4,584	1,517	3,267	
Operational Vehicles & Equipment	33,015	18,075	12,204	
Construction Vehicle Fuels	–	771	1,299	
Third party grid electricity consumption				
– Market based	146	125	69	
– Location based	43,706	28,790	23,785	
Fuel Consumption – Utilities	272	266	173	
Net zero in the air	Aircraft in the landing and take-off cycle (LTO)	1,250,648	511,056	505,552
	Cruise Emissions from all departure flights	18,742,505	8,049,981	7,393,049
	Total (tonnes CO ₂ e)	20,809,603	8,868,974	8,154,578

Supporting notes:

We continue to apply the same footprint boundaries to reflect our operational control both at the airport and offsite – including our business parking ‘Pod’ test track and Business Support Centre (‘BSC’) – and to align with the Greenhouse Gas Protocol (‘GHGP’), which provides accounting and reporting standards, as well as sector guidance from Airport Carbon Accreditation.

Scope 1 emissions

- As of 2020, we have included fugitive emissions from our own de-icer use. We have back calculated de-icer emissions for 2019.

Scope 2 emissions

- Market-based grid electricity consumption: market-based emissions for grid electricity have been used to calculate total emissions.
- Location-based grid electricity: location-based emissions for grid electricity are based on the emissions intensity of the grid and don’t take into account the procurement of renewable energy from the market, hence are excluded from the total emissions.
- Renewable Energy Guarantee of Origin (‘REGO’) contract: the REGO certificate covers Heathrow Airport Limited, our ‘Pod’ test track and our Business Support Centre (in Glasgow), all of which fall under Scope 2 electricity.
- All scope 1 and 2 emissions are UK based.

Scope 3 emissions

- Third party fuel consumption – utilities: market-based emissions for grid electricity have been used to calculate total emissions.
- As of 2020, we have included fugitive emissions resulting from aircraft and surface de-icer usage from third parties; as well as emissions from fuel used in construction. We have back calculated de-icer and fuel from construction emissions for 2019.

Performance data – continued

Other performance data

Objective	Indicator	2019	2020	2021
Net zero in the air	Sustainable aviation fuel			
	% Heathrow flights operated by airlines committed to 10% SAF by 2030	not yet tracked	not yet tracked	66%
Net zero on the ground	Energy			
	Energy intensity kWh/m ²	244 kWh/m ²	212 kWh/m ²	210 kWh/m ²
	Proportion energy generated from on site or local renewable sources	7.60%	11.10%	1.60%
Clean air at and around the airport	Emissions impacting air quality			
	NOx (tonnes) emissions from airside sources	4,852	2,173	Not yet available
	Surface access			
	% passengers using public transport	41.29%	36.68%	32.57%
Quieter nights, quieter flights	Aircraft operating at Heathrow			
	% Chapter 14 aircraft	65.40%	70.84%	77.80%
	% Chapter 4 aircraft	34.50%	29.05%	22.12%
	Heathrow operations			
	Late running aircraft post 23:30	257	68	86
	Nights with no flights between 00:00 and 04:30	119	281	270
	% arriving flights following a Continuous Descent Approach (CDA)	89.93%	88.45%	89.34%
	% compliance with 4% minimum climb gradient	99.80%	99.90%	99.90%
	Noise complaints			
	Complaints received	75,838	39,083	37,132
Number of complainants	3,232	945	900	
Nature positive airport	Biodiversity			
	Species abundance (total species)	n/a	n/a	3,945
	New species identified	n/a	n/a	126
	Surveys completed	n/a	n/a	129
Zero waste airport	Waste			
	Total waste (tonnes)	23,934	9,023	8,009
	% total waste recycled	48.90%	50.50%	49.90%
	Water			
	Total potable water consumption	2,402,993m ³	1,633,774m ³	1,180,354m ³
Thriving sustainable supply chain	Proportion direct suppliers SMEs			
	Proportion of Tier 1 suppliers that are SMEs	n/a	41.10%	45.30%
	Proportion of local Tier 1 suppliers that are SMEs	n/a	49.30%	55.20%

Objective	Indicator	2019	2020	2021
Better quality of life in Heathrow's neighbouring communities	Contributions to charity			
	£ Heathrow donation to Heathrow Community Trust	£725,000	£425,000	£308,000
	£ leveraged for Heathrow Community Trust from colleague and partner fundraising, passenger donations and noise fines	£107,000	£10,900	£5,604
Inclusive employer of choice for local diverse talent	Gender and ethnicity representation			
	% female representation at all levels	43%	40.80%	40.80%
	% female representation senior managers (Exec-Band C)	35.00%	37.20%	37.10%
	% ethnicity representation at all levels	43%	45.90%	46.00%
	% ethnicity representation senior managers (Exec – Band C)	17.00%	17.20%	17.10%
	Colleague disclosure rates			
	% disclosure rate for gender	n/a	98.00%	99.80%
	% disclosure rate for ethnicity	n/a	92.00%	97.70%
	% disclosure rate for sexual orientation	n/a	19.10%	26.00%
	% disclosure rate for disability	n/a	19.10%	21.70%
	Gender and ethnicity pay gap – note 2021 reporting is position as of 5th April 2021			
	% median pay gap – gender	3.00%	4.50%	14.00%
	% mean pay gap – gender	9.80%	8.80%	7.80%
% median pay gap – ethnicity	not yet tracked	not yet tracked	22.20%	
% mean pay gap – ethnicity	not yet tracked	not yet tracked	22.20%	
Experiences of work				
Young people participating in experience of work activities	not yet tracked	not yet tracked	729	
Responsible business foundations	Health and safety			
	Colleague lost time injuries per 100,000 hours worked	0.34	0.13	0.38
	Passenger incidents within Heathrow's control per one million passengers (CAT 3)	0.59	0.63	0.57
	Colleague engagement survey			
	% agree/strongly agree that "Heathrow is a great place to work"	74%	n/a	51%
% agree/strongly agree that "I think sustainability is important to our business"	n/a	n/a	68%	
Sustainable supply chain				
Prompt Payment – average days to pay	n/a	22	31	

Assurance statement

Independent limited assurance statement

To: The Stakeholders of Heathrow Airport Limited

Introduction and objectives of work

Bureau Veritas UK Limited (hereafter 'Bureau Veritas') has been engaged by Heathrow Airport Limited (hereafter 'Heathrow') to provide limited assurance over Heathrow's greenhouse gas (GHG) emissions data included in the Heathrow Carbon Footprint 2021 report for the period 1st January to 31st December 2021 (the 'Report'). This Assurance Statement applies to the related information included within the scope of work described below.

Scope of work

The scope of our work was limited to assurance over Heathrow's Scope 1, 2 and selected Scope 3 GHG emissions data (the 'Selected Information') for the period 1st January to 31st December 2021.

The boundary of the verification included the following GHG emissions and associated data from the activities under Heathrow's operational control for the following:

- Scope 1
- Scope 2
- Selected Scope 3:
- Aircraft in landing and take-off (LTO) mode

- Cruise emissions for aircraft flying from Heathrow
- Business travel
- Operational Vehicles & Equipment
- Passenger surface access
- Construction Vehicle Fuel
- Colleague surface access
- Waste
- Water
- De-icer
- Third party grid electricity consumption (market based and location based)
- Third party fuel consumption (utilities)
- Well-To-Tank (WTT) emissions from energy reported in Scopes 1, 2 and 3

Limitations and Exclusions

Our assurance process was subject to the following limitations as we have not been engaged to:

- Review activities outside the defined reporting period;
- Review positional statements (expressions of opinion, belief, aim or future intention by Heathrow) and statements of future commitment;
- Determine the suitability of the Reporting Criteria;
- Determine which, if any, recommendations should be implemented;
- Review the appropriateness of the reporting criteria.

Where data has been derived by independent third parties, for example for scope 3 categories such as passenger surface access and de-icer, for our assurance work, it did not include examination of the derivation of the data but was limited to gaining and understanding of the underlying data sources and methodology applied.

It should be noted that though part of the review, since sampling was materiality lead, not all activities were sampled.

This limited assurance engagement relies on a risk based selected sample of sustainability data and the associated limitations that this entails. This independent statement should not be relied upon to detect all errors, omissions or misstatements that may exist.

Responsibilities

The preparation and presentation of the Selected Information is the sole responsibility of the management of Heathrow.

Bureau Veritas was not involved in the preparing of the Selected Information. Our responsibilities were to:

- Obtain limited assurance about whether the Selected Information has been appropriately and accurately prepared;
- Form an independent conclusion based on the assurance procedures performed and evidence obtained; and
- Report our conclusions to the management of Heathrow.

Assurance statement – continued

Reporting Criteria

The Selected Information are reported according to the 2021 Carbon Footprint Methodology. The definitions for Heathrow’s GHG reporting are aligned with the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard (revised edition).

Assessment Standard

We performed our work to a limited level of assurance in accordance with ISO 14064-3:2019 Greenhouse gases – Part 3: Specification with guidance for the validation and verification of greenhouse gas assertions.

Summary of work performed

As part of its independent verification, Bureau Veritas undertook the following activities:

1. Assessed the appropriateness and accuracy of the Selected Information;
2. Conducted interviews with relevant personnel of Heathrow;
3. Reviewed the data collection and consolidation processes used to compile the Selected Information, including assessing assumptions made, the data scope and reporting boundaries;
4. Reviewed a sample of the Selected Information against the corresponding source documentation provided by Heathrow; and
5. Performed a selection of aggregation calculations of the Selected Information.

Conclusion

On the basis of our methodology and the activities described above for the agreed scope, nothing has come to our attention to indicate that the GHG emissions data as stated below are not fairly stated in all material respects.

Heathrow Airport: Reported GHG Emissions

Scope 1:	Scope 2 (location based):	Scope 2 (market based):
29,091 tCO ₂ e	49,066 tCO ₂ e	0 tCO ₂ e
Scope 3 Categories:		
Location based: 9,866,725 tCO ₂ e		
Market based: 9,843,004 tCO ₂ e		
<ul style="list-style-type: none"> • Aircraft in landing and take-off (LTO) mode • Cruise emissions for aircraft flying from Heathrow • Business travel • Operational Vehicles & Equipment • Passenger surface access • Construction Vehicle Fuel • Colleague surface access • Waste 	<ul style="list-style-type: none"> • Water • De-icer • Third party grid electricity consumption (market based and location based) • Third party fuel consumption (utilities) • Well-To-Tank (WTT) emissions from energy reported in Scopes 1, 2 and 3 	

Statement of Independence, Integrity and Competence

Bureau Veritas is an independent professional services company that specialises in quality, environmental, health, safety and social accountability with over 190 years’ history. Its assurance team has extensive experience in conducting verification over environmental, social, ethical and health and safety information, systems and processes.

Bureau Veritas operates a certified¹ Quality Management System which complies with the requirements of ISO 9001:2015, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Bureau Veritas has implemented and applies a Code of Ethics, which meets the requirements of the International Federation of Inspections Agencies (IFIA)² across the business to ensure that its employees maintain integrity, objectivity, professional competence and due care, confidentiality, professional behaviour and high ethical standards in their day-to-day business activities. The assurance team for this work does not have any involvement in any other Bureau Veritas projects with Heathrow.

Bureau Veritas UK Limited
London
08 February 2022



Heathrow