

Heathrow

# HEATHROW'S SUSTAINABILITY REPORT 2023

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## WELCOME FROM OUR CEO



I am pleased to introduce my first Sustainability Report as Chief Executive of Heathrow. 2023 marked the airport's return to business as usual. We achieved this by remaining focused on our purpose to make every journey better, which also applies to our commitment to address the sustainability challenges we face. Since joining Heathrow in October, I've already seen tangible progress being delivered.

In November, Virgin Atlantic was the first commercial airline to operate a transatlantic flight (from Heathrow) powered by 100% SAF (Sustainable Aviation Fuel). I was lucky enough to travel on Flight100 – an historic moment that is so important for the future of aviation. Our support for SAF development, particularly scaling production in the UK, is a key part of our approach to achieving net zero aviation by 2050. Our SAF incentive for airlines increased to 1.5% in 2023, while in 2024, £71 million will be available to airlines through the incentive, targeting up to 2.5% of aviation fuel used at Heathrow. This demonstrates demand and underlines that it is critical for SAF to become a commercially attractive choice.

We remain focused on reducing carbon where we have direct control by investing in making our buildings and infrastructure more efficient. We are also enabling passengers and colleagues to choose more sustainable travel options and focusing on net zero with our supply chain. Our commitment has been further reinforced by the issuance of a Sustainability-linked bond in 2023, which is aligned to our Heathrow 2.0 strategy and in particular our carbon reduction targets. This innovative bond allows us to be truly held to account on our progress.

As well as tackling noise and environmental issues, we are providing meaningful support to our neighbours around the airport. I have enjoyed learning about the work we are delivering through our Giving Back Programme, meeting members of our local communities and seeing first-hand the positive impact of the Heathrow Community Rangers and the Heathrow Community Trust.

We acknowledge that building a diverse pipeline of skilled local talent remains a challenge. I'm pleased that in 2023 we've been able to deliver over 3,000 new opportunities for people to develop careers at Heathrow.

Our progress in 2023 provides a strong foundation for working alongside our partners to continue delivering our commitments.

**THOMAS WOLDBYE**  
Chief Executive Officer



**JOAN MACNAUGHTON**  
Independent Non Executive Director and Chair of the Sustainability and Operational Risk Committee (SORC)

*"As Heathrow designs and implements its response to growing environmental, social and governance challenges, the role of the SORC becomes ever more vital. SORC reviews Heathrow's safety performance and challenges its policies, conduct, performance and risk management approach against the Group's sustainability goals and operational objectives. The SORC is pleased to see marked progress against Heathrow 2.0's objectives, and has particularly noted the success in 2023 of its leadership efforts to push for greater commitment to net zero across the sector. The SORC has where necessary drawn attention to those targets which require further ambition or greater focus. Working alongside CISHA, the SORC also ensures that all stakeholders interests are taken into account."*



**MARK IZATT**  
Interim Independent Chair of the Council for the Independent Scrutiny of Heathrow Airport (CISHA)

*"CISHA has an important role in monitoring the progress of Heathrow's plans to tackle a range of environmental and social issues, both of which are core to the aims of the Council and the interests of local communities and stakeholders. In 2023 we have overseen engagement with local communities particularly around air quality and how this aligns with the aims of Heathrow 2.0 including where progress can be made. Our role is crucial to ensure independent oversight and scrutiny is carried out and we will continue to hold Heathrow Airport's sustainability aims and progress to account."*

# OUR APPROACH TO SUSTAINABILITY

Heathrow 2.0: Connecting People and Planet is the airport’s sustainability strategy. Launched in February 2022, the strategy builds on Heathrow’s record of sustainability leadership. It sets out how we will address the most material issues for our sector and make a difference by 2030. By then, the aviation industry must have made substantive progress towards decarbonisation if it is to remain on track to meet its goal of net zero by 2050. We also recognise that Heathrow must continue to work to minimise the environmental impacts that arise from operating one of the world’s biggest airports, while maximising the benefits for our local communities and colleagues.

Heathrow 2.0 has two pillars. The first, net zero aviation, sets out Heathrow’s response to tackling the global climate emergency. The second, a great place to live and work, brings together our plans to tackle the environmental and social issues that are most critical for our stakeholders and our business. Through our commitments we aim to improve the quality of life for local communities and provide more fulfilling careers for our colleagues. Underpinning both pillars are our responsible business foundations, the basis of our ongoing commitment to do the right thing across a range of environmental, social and governance (ESG) issues.

There is strong alignment between the United Nations’ Sustainable Development Goals and Heathrow 2.0. We have mapped those goals against our two pillars.

For some aspects of Heathrow 2.0, we focused in 2023 on developing our strategies to set stretching goals and targets backed up by robust evidence. For others, we are outperforming the goals and targets we set in early 2022.

Later in 2024 we will strengthen some of those targets to reflect our success so that we continue to push ourselves to improve and to keep pace with a fast-moving world.



## OUR APPROACH TO SUSTAINABILITY *cont.*

Heathrow 2.0 is our overarching strategic sustainability framework, bringing together our goals and targets and our approach to broader ESG issues. In several cases, detailed plans and strategies on specific issues are further covered in separate documents:



[HEATHROW 2.0: CONNECTING PEOPLE AND PLANET](#)



[NET ZERO PLAN](#)



[SURFACE ACCESS STRATEGY](#)



[NOISE ACTION PLAN](#)

*to follow later in 2024*



[NATURE POSITIVE PLAN](#)

*Expected later in 2024*



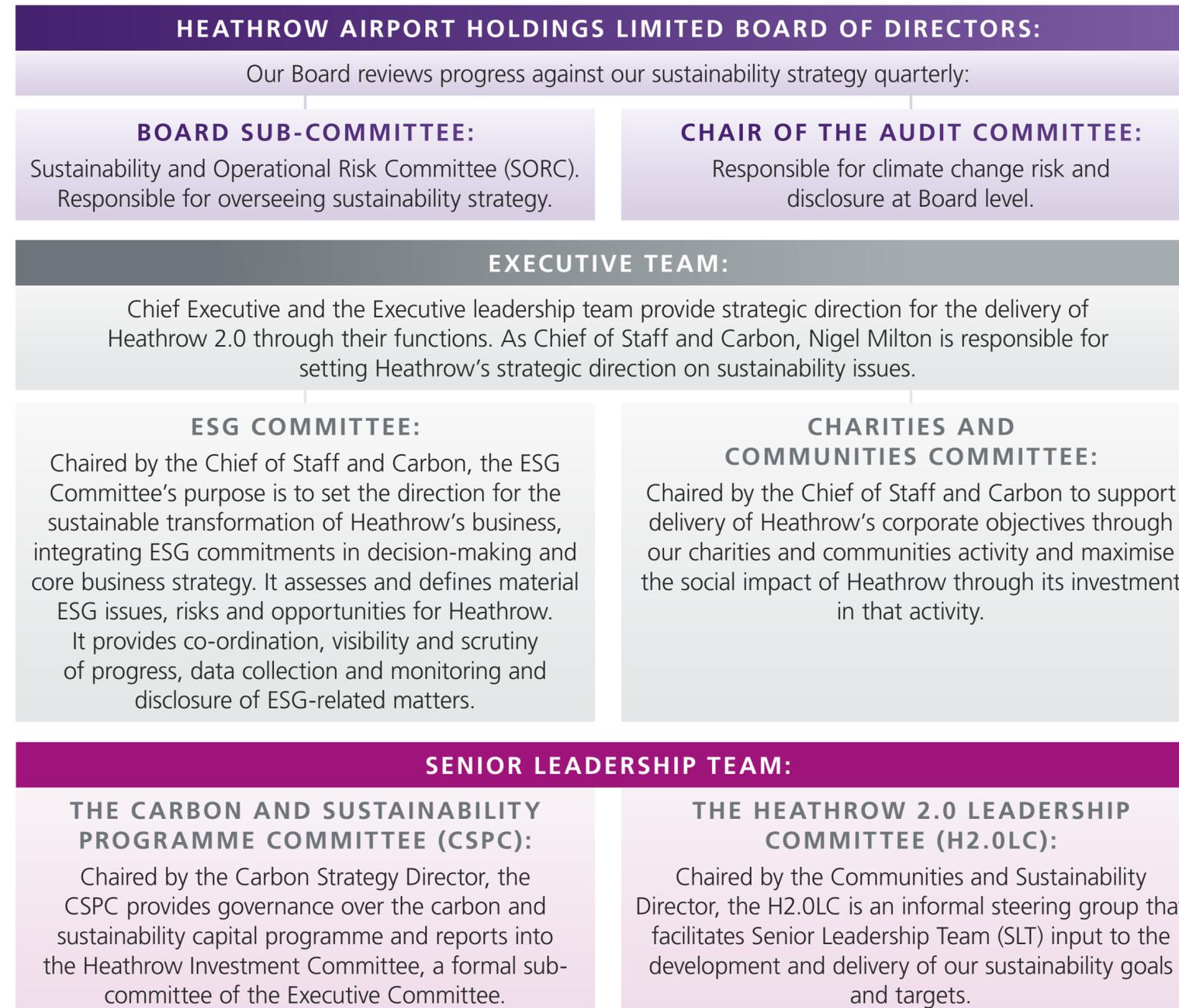
[GIVING BACK PROGRAMME](#)

## OUR APPROACH TO SUSTAINABILITY *cont.*

### SUSTAINABILITY-LINKED FINANCING

In July 2023 Heathrow became the first airport in the world to launch an innovative Sustainability-Linked Bond (SLB). The SLB is linked to Heathrow's sustainability strategy, Heathrow 2.0, specifically to our carbon reduction targets 'in the air' and 'on the ground'. The mechanism is particularly progressive as it incorporates Heathrow's Scope 3 emissions – most materially those relating to emissions from aircraft. Accounting for 99% of Heathrow's carbon footprint, Scope 3 emissions describe all indirect greenhouse gas emissions from activities relating to Heathrow Airport, arising from sources that the airport does not own or control, such as emissions from aircraft and vehicles operated by others at the airport. Our performance against the targets within the framework for the SLB is included on [p.67 - 69](#).

### SUSTAINABILITY GOVERNANCE



### 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, and all management colleagues are also required to set objectives relating to giving back to the airport's local communities. We have also integrated carbon-reduction targets into our colleague Share in Success Grant and Saver schemes.

## ABOUT THIS REPORT

This report outlines the progress we have made towards our Heathrow 2.0 objectives, goals and targets during 2023.

### SCOPE OF DATA

This report includes 2023 performance data on several key issues which can be found on [p.61 - 64](#). At the start of each narrative section, we have also included a summary of performance against the goals and targets set out in Heathrow 2.0. For each, we have rated performance as 'achieved', 'on-track', 'behind' or 'not yet able to measure'.

### EXTERNAL ASSURANCE

Bureau Veritas UK has provided limited assurance for Heathrow's greenhouse gas (GHG) emissions data, noise, charity donations and diversity KPIs covering the period 1 January 2023 to 31 December 2023.

Through this report we have flagged these metrics with this icon. Verification statements can be found on pages 63-64.



### REPORTING STANDARDS

Heathrow has implemented the recommendations of the Climate-related Financial Disclosures ('CFD'). 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 together with 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 from p.74 onwards of Heathrow's Annual Report 2023.

Our Modern Slavery Act Statement for 2022 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](#).

Our 2023 statement will be published later in 2024.

### CONTACT US

We welcome feedback on our plans and performance. Contact us here: [sustainability@heathrow.com](mailto:sustainability@heathrow.com)



# ABOUT OUR BUSINESS

Heathrow’s strategic framework ensures that our purpose ‘Making every journey better’ is at the heart of everything we do. 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’, are our guide to the decisions we make 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.

## OUR VALUES



**DOING THE RIGHT THING**  
Acting with integrity and thought for others, ourselves and Heathrow.



**KEEPING EVERYONE SAFE**  
Caring for ourselves and one another.



**WORKING TOGETHER**  
Appreciating others and working to bring out the best in each other.



**TREATING EVERYONE WITH RESPECT**  
Valuing, respecting, including and treating everyone fairly.



**GIVING EXCELLENT SERVICE**  
Taking pride in the experience we provide to our passengers.



**IMPROVING EVERYDAY**  
Being ambitious and always striving for the best.

## 2023 HIGHLIGHTS – NET ZERO AVIATION



### 100% SAF FLIGHT

Virgin Flight100 – the first flight powered 100% by Sustainable Aviation Fuel takes off from Heathrow



### POLICY WIN

Energy bill commits to looking at de-risking investment in SAF and commits to 5 SAF plants in UK by 2025



# 95%

More than 95% of HAL operational diesel vehicles operating on biodiesel fuel in 2023

### SUSTAINABILITY-LINKED BOND

First Sustainability-linked bond in the airport sector that includes 100% of the airport's carbon footprint



### ULTRA RAPID CHARGING HUB

First ultra rapid charging hub live in Terminal 3 Pier 7, enabling Virgin Atlantic to transition 85% of its engineering road fleet to zero emission vehicles



### GLOBAL AGREEMENT

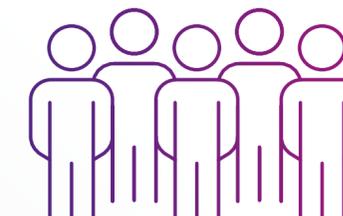
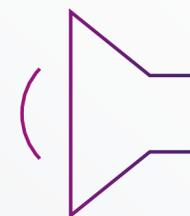
In 2023, the third ICAO Conference on Aviation and Alternative Fuels set a global aspirational vision to reduce CO<sub>2</sub> emissions in international aviation by 5 per cent by 2030 through the use of Sustainable Aviation Fuels (SAF), Low Carbon Aviation Fuels (LCAF) and other aviation cleaner energies. This builds on the historic agreement in 2022 to adopt a long-term goal for international aviation of net-zero carbon emissions by 2050

## 2023 HIGHLIGHTS – GREAT PLACE TO LIVE AND WORK



Launched a 5th colleague diversity network focused on parents and carers

Consulted on Heathrow’s forthcoming Noise Action Plan 2024-28, receiving over 800 responses



Launched Giving Back Programme to benefit 1 million local people by 2030

### BIODIVERSITY BENCHMARK

Retained the Wildlife Trust’s Biodiversity Benchmark award for the 15th year

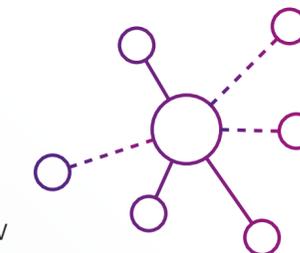


# 1,000+

Over 1,000 colleagues participated in local community volunteering

# 60%

Increased quantity of SMEs in our supply chain to over 60% by highlighting opportunities to do business at Heathrow



# 450



Heathrow Business Summit attended by over 450 people and 45 suppliers

# 5,340 EXPERIENCES



Delivered 5,340 experiences of work opportunities through the Heathrow World of Work Programme



# 43%

43% of passengers accessed Heathrow by public transport – a 5% increase since 2022, largely driven by the Elizabeth Line

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SECTION TWO

# NET ZERO AVIATION

## NET ZERO AVIATION

The fight against climate change will continue to define the 21st century. Although every UK business needs to reach net zero by 2050. Every UK business needs to reach net zero by 2050, and the aviation industry is no exception. That said, there are no substitutes for the global connectivity, cultural exchange and trade that the sector delivers.

Emissions from aircraft make up over 95% of Heathrow's carbon footprint – a percentage reflected by airports across the globe. At Heathrow we aim to achieve net zero carbon emissions by 2050, with a key focus on working with airlines to encourage new and cleaner ways to operate.

Heathrow 2.0 sets out how we will do this with goals to cut carbon in the air by up to 15%, and on the ground by at least 45%, by 2030. These goals reflect the urgency to achieve absolute emissions reductions this decade. Our aim remains for 2019 to be the year of peak carbon from Heathrow, with emissions never returning to 2019 levels as Heathrow continues to recover and grow.

Airlines flying the most efficient aircraft combined with more efficient design of the airspace they operate in represent incremental tools with a big role to play in cutting up to 15% of carbon from flights operating at Heathrow. But the solution that will deliver the greatest impact is the switch to Sustainable Aviation Fuels ('SAF').

Whilst changes are needed in the air, it is also crucial that we make changes on the ground too, where Heathrow has stronger influence and direct control. We want to lead by example and get our own house in order.

Our commitment to cutting emissions on the ground focuses on enabling passengers and colleagues to travel to the airport sustainably, delivering a net zero supply chain, and investing in efficient infrastructure. We are continuing to make changes to the Heathrow-owned fleet of airport vehicles, with nearly 20% of all airport vehicles already zero-emissions, scaling up to 100% by 2030.

To achieve our carbon goals, we are making significant changes to our buildings, infrastructure and operations, and are working with partners at the airport and across our industry. Where we do not directly control emissions, we are working in partnership to influence others, particularly our airline customers, companies operating at the airport, our passengers, manufacturers, fuel producers, policymakers and the UK Government.

As a regulated business, we submit our investment plans for consecutive five-year periods to the Civil Aviation Authority (CAA). The CAA, our economic regulator, determines the regulatory settlement for each five-year period. In the business plan for our current regulatory settlement period (2022 to 2026), we have included £250m of investment in carbon and sustainability improvements. Our settlement lets us 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.

### INVESTING IN NATURE-BASED CARBON REMOVALS

In 2023 we invested a further £500,000 into woodland creation in compliance with the Woodland Carbon Code, and into peatland restoration through the Peatland Code.

Our total investment in peatland restoration and in native broadleaf and mixed productive woodland across Scotland, Wales and England is now in excess of £1 million.

## NET ZERO AVIATION *cont.*

### MAINTAINING CARBON NEUTRAL STATUS

In parallel with our work on nature-based carbon projects in the UK, which will deliver future carbon removals, we also maintain carbon-neutral status under the Airport Council International Carbon Accreditation scheme. The scheme requires participating airports to provide evidence of sufficient 'carbon credits' bought from an eligible voluntary carbon market standard to cover residual emissions from scope 1, scope 2 and business travel. Heathrow, which is currently at Level 4+, has maintained carbon neutrality under the scheme since 2020.

### ADAPTING OUR AIRPORT TO CLIMATE EFFECTS

Alongside our decarbonisation activities, we are assessing the physical risks that the airport faces as climate change impacts – such as extreme rainfall – become a reality. In 2023, we assessed our existing asset base to build an understanding of our resilience to the climate conditions that are predicted by international and UK climate models. We will further develop this assessment in 2024 by conducting detailed modelling, focusing on potential impacts from extreme rainfall events and extreme wind events. The output from that work will provide a basis to assess where current mitigations should be strengthened. We will also consider the resilience of businesses integral to Heathrow – with a focus on critical utilities and surface access.



## NET ZERO IN THE AIR

Reducing carbon in the air is a key aim. By 2030, our goal is that carbon emissions from flights fall by up to 15% from peak 2019 levels.



### GOAL/TARGET

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

### 2023 PERFORMANCE

On track

### COMMENTS

We are tracking slightly above our Heathrow 2.0 Net Zero Plan due to demand picking up faster than anticipated in 2023. Our footprint is still significantly below 2019 numbers – the year of peak carbon.



### GOAL/TARGET

Cut up to 1% of 'in the air' carbon emissions by 2030 through more efficient operations and modernising airspace

### 2023 PERFORMANCE

Behind

### COMMENTS

Work has progressed on the airspace modernisation programme. The benefits will be delivered as part of the wider modernisation of UK airspace with the core of London deployments anticipated towards the end of the decade. Uncertainty in the deployment sequence for the full programme could lead to delays beyond 2030 for a Heathrow deployment.



### GOAL/TARGET

Cut up to 8% of 'in the air' carbon emissions by 2030 through improvements to conventional aircraft

### 2023 PERFORMANCE

On track

### COMMENTS

Performance data suggests aircraft efficiency may be trending ahead of expectations. Since several factors affecting efficiency may still be influenced by the pandemic. Study to understand aircraft efficiency at Heathrow Airport is underway in 2024.



### GOAL/TARGET

Cut up to 7% of 'in the air' carbon emissions by 2030 through use of sustainable aviation fuel

### 2023 PERFORMANCE

On track

### COMMENTS

We're tracking toward our target of 11% SAF by 2030. This is subject to Government action to legislate for a SAF mandate and incentivise a UK-based SAF industry.

## NET ZERO IN THE AIR *cont.*

### Progress in 2023

#### SUPPORTING ADOPTION OF SUSTAINABLE AVIATION FUEL (SAF)

We aim to progressively increase the volume of SAF used by airlines at Heathrow each year, targeting 11% by 2030, ahead of the UK Government's 2025 proposed mandate of 10% by 2030.

In 2022, we launched a first of a kind airport SAF incentive programme which aimed to cover approximately 50% of the cost premium of SAF relative to fossil kerosene, making the fuel more affordable for airlines to use.

Recognising that SAF production can incur higher costs than conventional jet fuel, our programme creates a SAF incentive 'pot'. Airlines that plan to uplift SAF at Heathrow bid to this pot and receive a rebate. This bridges the cost gap between SAF and traditional fuels, making SAF a more accessible and economically viable choice for airlines at Heathrow.

In 2023, the SAF incentive increased to 1.5%. Due to delay in supply, delivery was slightly under this level. However, in 2024, £71 million is available to airlines through the incentive, targeting up to 2.5% of aviation fuel used at Heathrow. If achieved, this will amount to 155,000 tonnes of sustainable aviation fuel.

SAF is currently the only viable solution for decarbonising long-haul flights by 2050 and is a priority focus for the Jet Zero Council – a group of industry leaders chaired by the Government Secretaries of State for Transport, Energy Security and Net Zero, and Business and Trade. Heathrow has continued its active involvement in the Jet Zero Council throughout 2023, whose chair is our Chief Operating Officer, Emma Gilthorpe. Through our membership of the Council, we are advocating for the development of a mandate for the supply and use of SAF and mechanisms to provide sufficient revenue certainty to enable investment in the UK. Without such investment there will be a challenge to source SAF for use at Heathrow, and even if it can be sourced it may be more expensive relative to airports in countries with their own supplies. In 2023 Heathrow also continued working in partnership with the Sustainable Markets Initiative (SMI) to encourage corporates to commit to purchase SAF for their business aviation travel.

To deliver the benefits of SAF, we have been advocating the UK Government to do more to develop a domestic SAF market. Without this, we risk our competitors in Europe or across the Atlantic reaping the net zero, energy security and jobs benefits. The UK was the first major economy to commit to net zero by 2050, and took a leading role at securing an international aviation net zero target at ICAO. However, the necessary Government policy landscape is critical to support the transition to net zero aviation' A price support mechanism combined with the SAF mandate are needed to de-risk and incentivise investment in domestic SAF facilities.

In September, the Government committed to introduce a revenue certainty mechanism to support industry funded SAF production in the UK and a timely delivery of this is critical. We continue to work with Government and the wider sector to ensure that the UK is well placed to benefit from this development.

#### WHY DO WE NEED A PRICE SUPPORT MECHANISM FOR SAF?

A price support mechanism – necessary due to the lack of price certainty for SAF – has helped develop a world-leading renewable energy industry in the UK which is now cheaper than the alternatives and has brought huge economic benefits. The US and EU are surging forwards in the race to create new SAF industries, and the UK has all the natural advantages to be able to join them – but we need to move quickly. The appetite to invest is there, but a price support mechanism, along with the SAF mandate, would de-risk and incentivise investment in domestic SAF production facilities and would help mitigate the "green premium" cost differential between traditional jet fuel and SAF.

## NET ZERO IN THE AIR *cont.*

### Progress in 2023 *cont.*

#### SUPPORTING ADOPTION OF SUSTAINABLE AVIATION FUEL (SAF) *cont.*

The outcome of the Third ICAO Conference on Aviation and Alternative Fuels (CAAF/3), held in Dubai in November 2023, is a collective goal to reduce 5% of carbon intensity by 2030 through the use of SAF and LCAF (lower carbon aviation fuels). A new global SAF industry will be created in the next decade, bringing new green jobs into existence.

#### CASE STUDY

##### SAF IN ACTION: FLIGHT100

On 28 November 2023, Virgin Atlantic made a historic flight from Heathrow to New York JFK. It was a world first: a transatlantic flight on a Boeing 787 with Rolls-Royce Trent 1000 engines 100% powered by sustainable aviation fuel. Flight100, as it was known, proved that SAF is a safe drop-in replacement for fossil-derived jet fuel, and the only mid-term viable solution for decarbonising long-haul aviation. This ground-breaking step forward demonstrates the collective determination of Government, industry and academia.



## NET ZERO IN THE AIR *cont.*

### ZERO EMISSIONS AIRCRAFT

The development of hydrogen-fuelled flight is gathering momentum, with expectations of witnessing 50-seaters within this decade and the emergence of 100-plus seaters by the mid-2030s. We are actively embracing this transition, championing research to help avoid airport infrastructure becoming a barrier. We aim to ensure Heathrow plays its role in the evolution of zero-carbon emission flight (ZEF). In 2023, Heathrow took a prominent role in these efforts through our active involvement in the LH2GT (Liquid Hydrogen Gas Turbine) project. This initiative, in partnership with Rolls Royce, UCL and EasyJet is aimed at developing critical technologies for ZEF, focussing on the use of liquid hydrogen in gas turbines. Heathrow's specific contribution lies in addressing the infrastructure challenges associated with transitioning to hydrogen-powered aviation and making airports hydrogen-ready.

Additionally, we assumed a leadership role in the Jet Zero Council ZEF Delivery Group Infrastructure Subgroup. Collaborating with key stakeholders in the aviation infrastructure domain, Heathrow is actively engaged in providing answers to pivotal questions surrounding the implementation of hydrogen infrastructure such as the development of technology and regulation, and the infrastructure required to support ZEF at airports and aerodromes.

Using the LH2GT project to build on the earlier work of project NAPKIN (New Aviation Propulsion Knowledge and Innovation Network), published in 2022, we continue to develop our view of likely demand for ZEF and are safeguarding space in our masterplan to enable us to support airline customers to bring second generation aircraft into service from the late 2030s.

### AIRSPACE MODERNISATION AND OPERATIONAL EFFICIENCY

Heathrow is working towards airspace modernisation and increased operational efficiency. It's our responsibility to develop an airspace change proposal to update the use of airspace in a way that will deliver quicker, quieter, and cleaner journeys. We are working closely with stakeholders to ensure a safe and effective proposal, including the design and delivery of ground infrastructure to support the operation of easterly alternation.<sup>1</sup>

A consensus on the airspace modernisation deployment plan for the London area was not reached in 2023. The programme is now expected to deliver after 2030. Heathrow is considering mitigation plans to de-couple easterly alternation from the overarching plan to enable delivery by 2028.

In 2023, we focused on improving emissions and reducing fuel burn on the airfield through our Conditions of Use, requiring airlines to endeavour to perform reduced or single engine taxi movements as well as reducing on-stand emissions by using Fixed Electrical Ground Power and Pre-Conditioned Air.

### CASE STUDY

#### PRE-CONDITIONED AIR

PCA units are systems that provide temperature-controlled air to parked aircraft at a stand. The use of PCA reduces fuel burn and associated emissions from aircraft as it removes the need to use Auxiliary Power Units (APU) which are powered by kerosene. In 2023, Heathrow assessed the conditions of current PCA units, identifying prospective alternatives, and established agreed minimum standards. The gradual roll-out of new PCA units is scheduled to commence in 2024.

<sup>1</sup> Easterly alternation: During the day we alternate the use of our two runways to provide local communities with respite. However, this currently only happens on westerly operations (when aircraft come into land over London and take off towards Windsor). This is because of the legacy of the Cranford Agreement which was established in the 1950s. Cranford is a village at the eastern end of the northern runway. The agreement prevented aircraft from taking off over the village except in exceptional circumstances and applied when Heathrow was on easterly operations.

## NET ZERO ON THE GROUND

On the ground, we will cut carbon by at least 45% by 2030 compared to 2019 through enabling more passengers and colleagues to access the airport sustainably, supporting a net zero supply chain, replacing airport vehicles with zero carbon alternatives and investing in our buildings and infrastructure. These activities will also deliver air quality benefits (see [p.26](#) for further detail).



### GOAL/TARGET

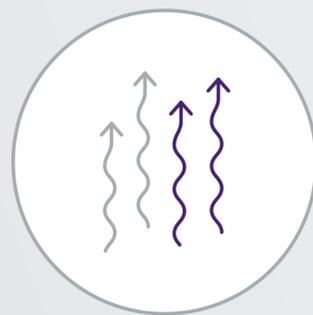
At least 45% cut in carbon by 2030 compared to 2019

### 2023 PERFORMANCE

On track

### COMMENTS

Our 2023 performance is tracking marginally behind our Net Zero Plan due to higher than anticipated traffic numbers. We are confident in achieving our target based the transition pathway to 2030.



### GOAL/TARGET

Halve surface-access carbon emissions by 2030

### 2023 PERFORMANCE

On track

### COMMENTS

Our surface access carbon emissions are significantly lower than our 2019 baseline numbers, due to an increase in public transport mode-share. In 2024, we are looking to track more granular data to better understand types of vehicles accessing the airport and electric vehicle (EV) uptake.



### GOAL/TARGET

An 87% cut in carbon emissions from airport vehicles by 2030

### 2023 PERFORMANCE

On track

### COMMENTS

We made significant headway due to a higher uptake of biodiesel through the latter half of 2023. We continue to drive EV charging to support zero emission vehicles across the airport.



### GOAL/TARGET

Cut supply-chain carbon emissions by 36% by 2030

### 2023 PERFORMANCE

On track

### COMMENTS

We are confident in the long-term trajectory of our supply chain. We are moving towards a balanced scorecard system to build a better bottom-up understanding of our supply chain, particularly as significant investment in infrastructure increases.



### GOAL/TARGET

Heathrow buildings and infrastructure to be net zero carbon by the mid-2030s<sup>1</sup>

### 2023 PERFORMANCE

On track

### COMMENTS

Initial concept design work on our new zero carbon heating solution has started. Once the solution is complete by the mid-2030s, we will be able to switch off gas for heating and hot water provision to our buildings. Heathrow operates a biomass boiler to provide heat to terminals 2 and 5 and we source 100% renewable electricity backed by Renewable Electricity Guarantee of Origin certificates.

<sup>1</sup> In the version of Heathrow 2.0 published in February 2022, there was an error in the wording of the target which read "zero carbon" rather than "net zero carbon". This will be amended in the next update which will be published later in 2023.

## NET ZERO ON THE GROUND *cont.*

### Progress in 2023

#### AIRPORT VEHICLES

Heathrow is aiming to ensure all airport operational vehicles emit zero emissions or use biofuels by 2030. Over 90% of Heathrow operated vehicles have been switched to zero emission or biodiesel and we have increased the biodiesel supply to encourage Team Heathrow (Team Heathrow is the name given to 76,000 colleagues from 320 businesses that work at Heathrow) to follow suit. Over 50% of Heathrow operated vehicles are now electric and the aim is for a fully electric fleet by the end of 2025.

In 2023 we extended charging capability at the airport by adding three ultra-rapid charging points and two rapid charging points as the first instalment in an ongoing programme of EV charger development. A mobile rapid charging scheme, E-Gap, was also rolled out for colleagues.

The total operational vehicle fleet at the airport, including vehicles from all airport companies comprises of almost 20% electric vehicles and we expect this proportion to grow strongly each year. Where electrification is not yet feasible, we are encouraging the switch to HVO biodiesel (Hydrotreated Vegetable Oil). Following the successful installation of a HVO bulk supply tank, British Airways will be able to switch their total operational vehicle fleet. We continue to engage and support other Team Heathrow fleets to make the switch from fossil diesel.

#### CASE STUDY

##### FULLY ELECTRIC VIP CHAUFFEUR SERVICE

Electrification of our vehicles in 2023 has continued at pace with Heathrow's VIP chauffeur service switching 27 of its 33-vehicle fleet to fully electric. Including 20 BMW i7s and 7 Mercedes EQV's.

#### SUPPLY CHAIN

As of 2023, supply chain emissions data are captured in our third party assured carbon footprint. The data is based on capital spent multiplied by industry specific intensity factors, which are now reported in Heathrow's scope 3.

In 2023 we established a Supply Chain Centre of Excellence with representatives from across internal functions at Heathrow to issue guidance and standards to suppliers and project managers. Among the tools and procedures developed was a Life Cycle Assessment template and draft Carbon Standard which are expected to launch in Q2 2024. These will support internal programmes as well as Heathrow's supply chain to report Scope 3 emissions and identify opportunities to reduce carbon emissions.

During 2023 we further developed our Balanced Scorecard to clearly communicate priorities and standards, including on carbon reduction, to our strategic suppliers. For further details see [p.37-39](#). We have also reviewed and updated our requirements for how our suppliers should operate to cut carbon, and the reporting that will enable us to build a more holistic view of further opportunities to reduce emissions.

#### CASE STUDY

##### LOW-CARBON CONCRETE TRIAL

Working with the University of Surrey and Team Heathrow partners we continued to research options to use low-carbon concretes at Heathrow. In 2023, in partnership with Jacobs, Ecocem, Cemex, Dyer & Butler, and Ferrovia Construction, we trialled the use of lower carbon concrete at an airside location. This concrete reduces emissions by 50% compared to conventional alternatives.

## NET ZERO ON THE GROUND *cont.*

### Progress in 2023 *cont.*

#### BUILDINGS AND INFRASTRUCTURE

We are also making significant changes to our buildings, infrastructure, and operations, working with partners at the airport and across our industry. The transition to net zero will reshape the energy mix of the airport and, in 2023, we developed our latest airport energy strategy.

The strategy outlines how we aim to eliminate carbon emissions from heating and cooling our buildings by the mid-2030s, including turning off gas for heating our airport. The zero-carbon heating network solution revolves around electrification, surplus heating recovery in the summer, and storage for winter use. We have set out how we will provide the renewable energy we need, when we need it, whilst protecting the resilience of our energy network and maintaining affordability.

In 2023, we continued to generate renewable energy on site from our biomass energy centre and solar PV installations with the deployment of solar panels on the airport's newly installed virtual control tower. In preparation for a new baggage system in Terminal 2, a rigorous procurement process was conducted including specific sustainability criteria with a key focus on energy.

We are looking at driving energy efficiencies across the airport by optimising settings and controls and monitoring energy consumption. We are planning to invest at least £15 million before the end of 2026 on energy efficiency projects, such as investing in LED lighting.



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SECTION THREE

# A GREAT PLACE TO LIVE AND WORK

## A GREAT PLACE TO LIVE AND WORK

With 76,000 airport colleagues (Team Heathrow) and 79 million passengers (FY2023), Heathrow is like a small city. Our scale means that we have significant impacts – positive and negative – on the colleagues who work at the airport, the local communities that are our closest neighbours and on the environment.

The great place to live and work pillar of Heathrow 2.0 brings together the critical environmental and community issues for which Heathrow needs to make a difference. Within it we have set out the objectives, goals and targets that we are working to achieve by 2030.

Heathrow's scale makes it critical that we are a diverse and inclusive workplace for all. To succeed we have to provide the skills, education and long-term employment opportunities that make the airport the local employer of choice. We must also be a valued neighbour for those who live closest to us, making sure that our neighbouring communities benefit from cleaner air, quieter nights and improved quality of life.

Managing the air quality, noise and natural resource impacts of the airport is thus critical. In 2023 we accelerated progress in mitigating the environmental impacts of the airport, while making sure that we increase the benefits for our local communities of living near Heathrow. In some areas we have launched and embedded new approaches, for example through our Surface Access Strategy and our Giving Back Programme. In others we have spent time developing new plans, for example our forthcoming Noise Action Plan 2024-28 and our Nature Positive Plan which we expect to publish later in 2024.

Making progress does, of course, come with challenges. Heathrow's wide range of stakeholders have a rich diversity of points of view. So we must continue to work collaboratively with our partners, listen to what is important to them and ensure we act on the issues for which we, as the airport operator, can make the biggest difference.



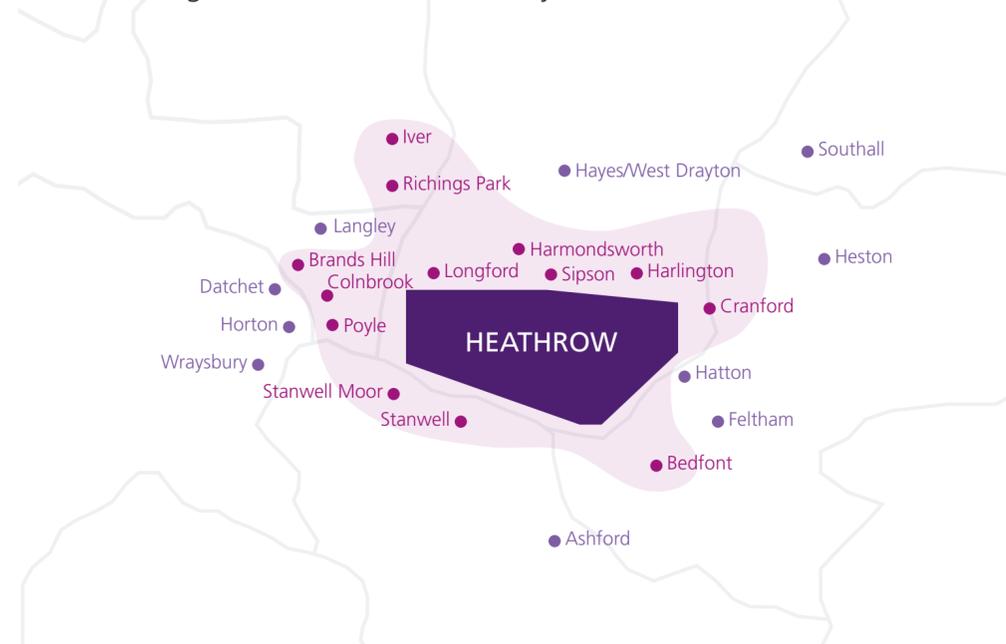
# DEFINING LOCAL

The way we define 'local', when we think about the communities located near the airport, varies. Local depends on the context; it can mean the neighbourhoods closest to the airport perimeter, the boroughs surrounding Heathrow or more distant communities affected by aircraft noise.

## HEATHROW NEIGHBOURING COMMUNITIES



Includes targeted giving back activities through our Heathrow Community Rangers, Heathrow Community Take Off Fund, local colleague volunteering and Heathrow biodiversity sites.



- Communities currently involved in activities in the Giving Back Programme
- Communities targeted for future involvement in the Giving Back Programme

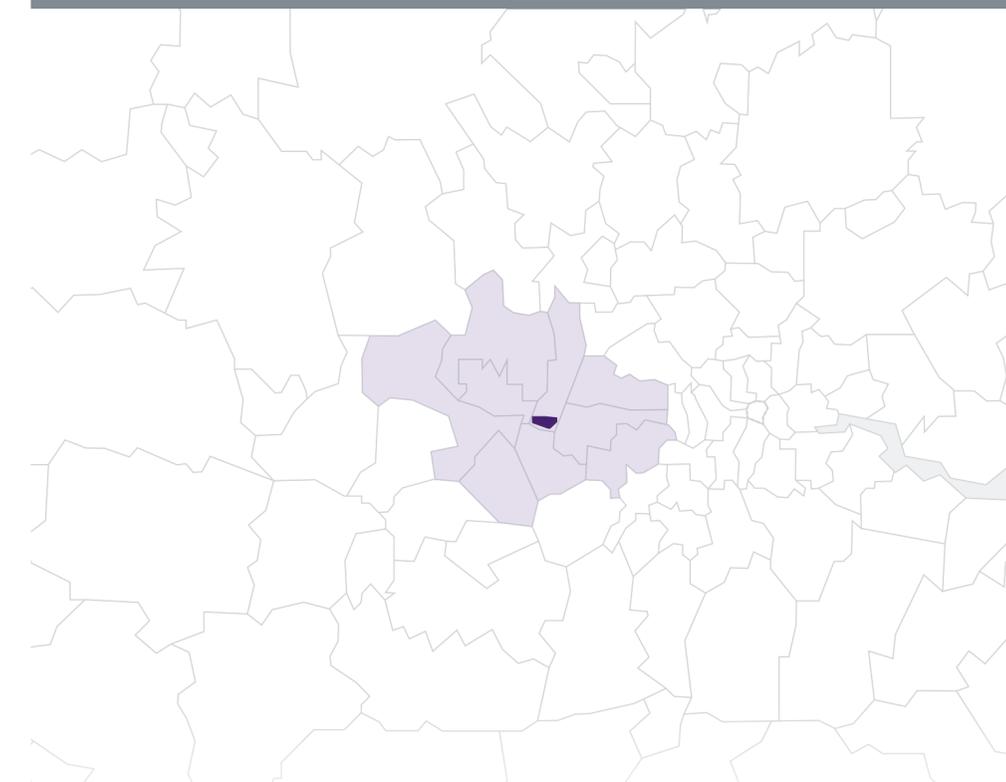
## HEATHROW REGION ACTIVITIES



Includes the scope of Heathrow Community Trust's work, Heathrow World of Work education initiatives and Heathrow local schools partnerships.



## BROADER COMMUNITIES



- Heathrow
- Heathrow region

## CLEAN AIR AT AND AROUND THE AIRPORT

Local air quality and its potential effects on public health are critical issues for our colleagues and for the communities around Heathrow. We remain committed to playing our part in improving local air quality. Many of the activities that will deliver net zero on the ground will also have a positive impact on air quality.



### GOAL/TARGET

Reduce NOx airside<sup>1</sup> by 18% compared to 2019

### 2023 PERFORMANCE

Not yet able to measure

### COMMENTS

A review is in progress to update our air quality targets which will be published later in 2024.



### GOAL/TARGET

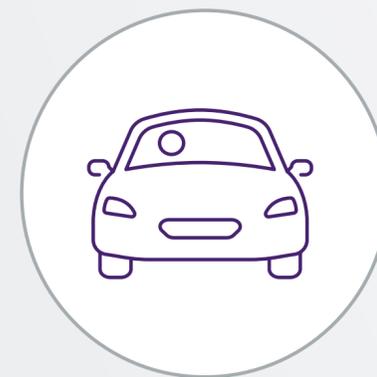
At least 45% of passengers will use public transport by 2026

### 2023 PERFORMANCE

On track

### COMMENTS

2023 performance was positive, with 43.3% of passengers using public transport by the end of the year, up from 38.27% at the end of 2022.



### GOAL/TARGET

Colleague single-occupancy-car mode share<sup>2</sup> to be 57% or less by 2026

### 2023 PERFORMANCE

Not yet able to measure

### COMMENTS

A colleague travel survey will be conducted in 2024.



### GOAL/TARGET

Number of people located within 1.5 hours of Heathrow by public transport to increase by 25%, and within 3 hours by 12%, by 2026

### 2023 PERFORMANCE

Achieved

### COMMENTS

8.4 million people are located within 1.5hrs of Heathrow by public transport (27% increase since 2019) and 21.1 million within 3 hours (13% increase) based on latest available data (2022). This target will be reviewed in 2024.



### GOAL/TARGET

All airport vehicles to be zero-emission or using biofuels by 2030

### 2023 PERFORMANCE

On track

### COMMENTS

90% of airport vehicles are now zero emission or use biofuels.

<sup>1</sup> Airside: the side of an airport terminal beyond passport and customs control

<sup>2</sup> Mode-Share: share of a mode of transport

## CLEAN AIR AT AND AROUND THE AIRPORT *cont.*

### Progress in 2023

The air quality monitoring network around Heathrow is the most extensive of any UK airport with 22 continuous monitoring stations, five of which are owned by Heathrow.

The latest available full-year monitoring data – for the year 2022 – shows that the national air quality objective level was achieved at all monitoring stations for key pollutants of concern. However, there were multiple periods of elevated ozone concentration in 2022, resulting in breaches of the national objective for ozone. The reported exceedances were consistent with other concentrations measured across the region, which is a typical seasonal pattern for ozone and not influenced by the operation of the airport as this was a regional trend.

Heathrow continued to monitor air quality throughout 2023, with the full set of air quality data for the year expected to be available at the end of Q1 2024 when the associated verification process is completed.

The long-term trend for NO<sub>2</sub> (Nitrogen Dioxide) and PM (Particulate Matter) clearly indicates a decrease in concentrations over many years. Notably, data collected at the LHR2 monitoring site, situated in close proximity to the runway, confirms this decreasing trend as a direct outcome of continuous enhancements to the aircraft fleet and the operation of cleaner aircraft cutting emissions over the course of three decades.

Monitoring data from various locations across the surrounding local area also demonstrate a decrease in concentrations of NO<sub>2</sub>. The latest results of modelling for the year 2019 indicate that airport-related emissions contribute 11-15% of the concentrations measured at these locations. The main contributor to NO<sub>2</sub> concentrations around the airport is surface access (all the ways in which passengers, communities, colleagues and goods travel to and from Heathrow), highlighting the importance of addressing traffic-related emissions. While Heathrow plays a role improving surface access strategies, a considerable portion of the overall improvement comes from national and London-wide changes, including the shift to cleaner vehicles and initiatives like the ULEZ.

In the summer of 2023, the Council for the Independent Scrutiny of Heathrow Airport (CISHA) conducted a community research project aimed at understanding local communities' perspectives on air quality in the area. The published results provided insights into the current understanding and perception of air quality by local communities, along with five recommendations:

- Building evidence on the impact of air pollution around Heathrow on public health.
- Expanding the monitoring infrastructure around Heathrow Airport.
- Improving the way Heathrow Airport displays air quality data and information.
- Setting air quality targets and expectations for airlines and other airport suppliers.
- Introducing independent oversight over Heathrow Airport's air quality targets.

We welcome these five recommendations and have set out how we will use them to inform additional activity in our efforts to deliver clean air in and around Heathrow Airport.

#### CASE STUDY

#### RESEARCH ON ULTRAFINE PARTICLES (UFPs)

Heathrow has played a significant role in advancing research on ultrafine particles (UFPs) by funding a PhD on this subject. It currently operates one of only five UFP monitoring stations in the UK. Through our [Sustainable Aviation \(SA\)](#)<sup>1</sup> membership, Heathrow is expanding research cooperation across multiple airports. The airport remains committed to supporting research in this emerging area.

<sup>1</sup>SA is a long-term strategy which sets out the collective approach of UK aviation to tackling the challenge of ensuring a cleaner, quieter, smarter future for the industry.

## CLEAN AIR AT AND AROUND THE AIRPORT *cont.*

### Progress in 2023 *cont.*

#### SURFACE ACCESS

Surface access refers to how colleagues, passengers and goods move to and from Heathrow. 2023 has been a pivotal year for implementation of our [Surface Access Strategy](#) with the opening of the Elizabeth Line as a new transport link between the airport and central London and Essex. This has helped to boost the proportion of passengers opting to travel to the airport by public transport which increased to an average of 43% in 2023, up from 38% in 2022 and indicating good progress towards our target of 45% by 2026.

In addition to the Elizabeth Line, we have continued to invest in the Sustainable Travel Zone (STZ) which supports sustainable colleague travel to work and provides enhanced travel options to local communities. In 2023 we invested over £11 million in a range of services including 24 new bus and coach routes and improvements to the frequency and timetable for services that enable colleagues working a range of shift patterns to choose public transport to travel to work. We have also introduced an enhanced cycling network which is enabling colleagues to cycle safely to and from work.

#### CASE STUDY

##### ULEZ EXPANSION SUPPORT FOR AIRPORT COLLEAGUES

At the end of August 2023, London's Ultra Low Emission Zone (ULEZ) was extended and now includes Heathrow. To support colleagues affected by the extension, we launched a package of measures.

For our own colleagues we launched a Car Loan scheme and an enhanced salary sacrifice scheme to enable colleagues to lease electric and low emission vehicles. We also introduced a 50% discount for Heathrow colleagues using the Elizabeth Line.



The ULEZ 'Way2Go' guide helps colleagues across the airport search their options to avoid ULEZ charges if they apply. This includes a new Sustainable Travel Zone Guide which helps people to find the most efficient public transport routes near them, free campus travel, cycle routes and car-sharing scheme.



In early 2023 we completed work to understand the proportion of UK residents located within 1.5/3 hours and one interchange of Heathrow by public transport, and how much this had changed since we set our improvement targets of 25%/12% by 2026. This study showed that 8.4 million people live within 1.5 hours, an increase of 27% since 2019, and 21.1 million people live within 3 hours, an increase of 13% since 2019. This means that we have already exceeded our target. This success has been largely driven by the opening of the Elizabeth Line. We are in the process of repeating this work to inform an updated target.

A key area of focus for 2024 will be a full survey of colleague travel behaviours which will provide our first detailed colleague mode share data since 2017. We had hoped to complete this work in 2023 but it is now scheduled for the first half of 2024.

## CLEAN AIR AT AND AROUND THE AIRPORT *cont.*

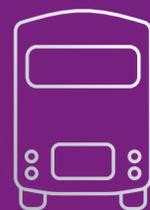
### 2023 outcomes as a direct result of the Sustainable Travel Zone

↑  
33%



Increase in the number of bus and coach services\* arriving at Heathrow **before 04:00**

*(115% increase since 2021)*



Increase in the number of bus and coach services\* departing Heathrow **after 23:00**

*(106% increase since 2021)*



387

bike services carried out **for free** at the Heathrow Cycle Hub

*(up 11.8% compared to 2022)*

52

**Way2Go** roadshows and Team Heathrow awareness sessions at the airport



767

**colleagues** joined the Team Heathrow Car Share community

*(2022 = 522)*



24

**new or improved** bus and coach services as a result of Heathrow's financial support

FREE

**Travel provided to Team Heathrow** on another 6 early morning services and 3 daytime services

*\*coach routes included are those that serve local areas with journey times of an hour or less, making them ideal for commuting.*

## QUIETER NIGHTS, QUIETER FLIGHTS

We acknowledge that noise and its management must be a priority for Heathrow. Our long-term strategy is based on the four pillars of the International Civil Aviation Organisation's (ICAO) Balanced Approach. We are one of the first airports in the world to have set a goal that focuses on tackling the negative impacts that long-term exposure to noise can have on health through annoyance and sleep disturbance.



### GOAL/TARGET

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

### 2023 PERFORMANCE

On track

### COMMENTS

Forecasting work has been undertaken to establish a 2030 target.

The details will be published alongside our forthcoming Noise Action Plan 2024-2028.



### GOAL/TARGET

Reduce noise contour areas compared to 2019

### 2023 PERFORMANCE

On track

### COMMENTS

Full details of contour trends are published in our annual [NAP contour plan](#).



### GOAL/TARGET

Introduce easterly alternation by 2028

### 2023 PERFORMANCE

On track

### COMMENTS

Initial planning work has commenced, and the project remains on track to be delivered by 2028.



### GOAL/TARGET

Introduce a voluntary protected period of the core night by 2025 (no flights except dispensed operations between 0000 and 0430)

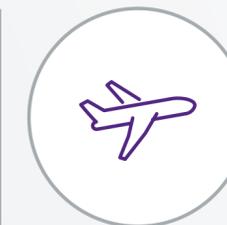
### 2023 PERFORMANCE

On track

### COMMENTS

This is a voluntary measure in addition to the night restrictions set by the Department for Transport (DfT).

We intend to commence work with airlines in 2024 to implement this by 2025.



### GOAL/TARGET

Incentivise the use of Chapter 14 aircraft to reduce Chapter 4 operations to less than 2019 levels<sup>1</sup>

### 2023 PERFORMANCE

On track

### COMMENTS

The year-on-year increase in airlines operating the best in class aircraft at Heathrow continues, with Chapter 14 now accounting for over 82%, up from 79% in 2022.



### GOAL/TARGET

Increase nights without aircraft post 23:30 relative to 2019 levels

### 2023 PERFORMANCE

On track

### COMMENTS

There were 144 nights without aircraft between 23:30 and 04:30 in 2023, compared to 119 in 2019.

<sup>1</sup> Chapter 14 refers to the quietest category of aircraft based on noise emissions. These aircraft are designed to minimize noise impact during takeoff and landing.

## QUIETER NIGHTS, QUIETER FLIGHTS *cont.*

### Progress in 2023

#### NOISE ACTION PLAN

Heathrow's established strategy to manage noise is set out in our Noise Action Plan (NAP). Our most recent NAP ran from 2019 to 2023. In 2022, we started the drafting process for the next round of action planning (2024 to 2028). During 2023 we consulted publicly on the content of our new plan, receiving over 800 individual responses which were extensively reviewed as part of the wider consultation with all stakeholders.

All concerns and comments were considered including, for example, the complexity of the NAP and how the revised plan could strike a balance between the technical details and those available for local communities. Public webinars were held to answer more technical queries.

In September 2023 we submitted our NAP to the Department for Environment, Food and Rural Affairs for adoption. It will be published later in 2024.

#### CASE STUDY

##### NOISE ACTION PLAN 2024-28

Our new NAP will provide detail on how we will manage, and where possible reduce, the impact of aircraft noise in the period 2024-2028. Doing so will support us to achieve the 2030 goals and targets set out in Heathrow 2.0. Key areas of focus include:

- Enhanced monitoring, reporting and management of all noise sources from ground and air operations
- On-going modernisation of the fleet and incentives to encourage airlines to use aircraft with the newest noise reduction technologies.
- Investigation and appropriate implementation of effective noise abatement procedures for both airport and airlines.
- Airspace design and management to minimise adverse noise impacts and, where appropriate, to maximise respite for residents.
- Provision of a comprehensive noise insulation scheme for the most affected houses and schools.

- Continual improvement of voluntary measures especially for reducing the impacts of night operations.
- Clear and transparent engagement with community groups and industry stakeholders to achieve collaborative and beneficial improvements.
- Promotion of a research agenda that enhances our understanding of the impacts of aviation and the effectiveness of the interventions used to reduce noise impacts.



#### KEY ACHIEVEMENTS OF THE NAP 2019-2023

Noise insulation programme implemented.

Annual charges: continued to monitor noise charges for the differential between the noisiest and quietest categories in our landing structure to encourage the use of the quietest aircraft practicable at Heathrow with charges published annually in our Conditions of Use.

Independent advisor funded to support Noise and Airspace Community Forum (NACF).

Revision to community noise engagement forums: appointed an independent chair.

## QUIETER NIGHTS, QUIETER FLIGHTS *cont.*

### Progress in 2023 *cont.*

#### FLEET PERFORMANCE AND AIRSPACE MODERNISATION

We need to modernise the UK's airspace to accommodate growing demand for air travel in a sustainable way. Supported by Heathrow financial incentives, airlines continue to fly newer, more efficient and quieter aircraft to Heathrow. More than 80% of them are now Chapter 14, the most recent ICAO certification standard.

In 2023 we also continued strong operational performance on measures including arriving flights taking a continuous-descent approach (89.95%) and departing flights complying with departure routes and minimum climb gradients (99.9%).

#### REDUCING NOISE AT NIGHT

We continue to focus on minimising the impact of noise at night on communities that are overflowed. In 2023 there were a total of 193 late running departures against the target of no more than 235. This was a significant improvement on 2022 performance. In 2023 there were 144 nights with no flights between 23:30 and 04:30, an improvement compared to both 2022 and 2019 (our baseline year).

#### FLEET FORECASTING FORUM

Our forthcoming Noise Action Plan sets out how Heathrow will work with airline partners to ensure that the airport operates with a best-in-class fleet mix. A new Fleet Forecasting Forum, with input from aircraft manufacturers, technical experts and our top-ten airlines by movement numbers, was established in 2023. The Forum helps us predict the pace of future technology and its likely take-up at Heathrow. We are undertaking detailed forecasting work to understand changes to the mix of aircraft types that will be operating at Heathrow by 2030. This will help us set a more specific target for limiting or, where possible, reducing the number of people highly sleep-disturbed and highly annoyed. This will be published later in 2024 as part of our update to Heathrow 2.0.

#### REVIEW OF NOISE INSULATION SCHEME

In 2023 we introduced a comprehensive noise-insulation scheme for the most affected houses and schools. We also completed a review of residents who will be eligible under the new scheme in 2024, and appointed new suppliers and a Prioritisation Panel. The Panel is an independent group to advise Heathrow on priorities for the phasing of locations where we implement the noise-insulation scheme. It contains representatives from community stakeholders, local authorities, airlines and Heathrow.

We have also commissioned the National Institute for Health and Care (NIHC) to undertake a study into the effectiveness of our school insulation program on children's learning and also research into the effectiveness of our residential schemes.

## NATURE POSITIVE AIRPORT

At COP28 in November 2023, the value of nature and biodiversity to the global economic system was once again highlighted. Heathrow's forthcoming Nature Positive Plan sets out how we intend to play our part in protecting and restoring nature.



### GOAL/TARGET

Work with partners to support a nature network around Heathrow

### 2023 PERFORMANCE

On track

### COMMENTS

We continue to work with a range of partners on nature and biodiversity related projects.



### GOAL/TARGET

Develop a Nature Positive Plan for Heathrow by 2023

### 2023 PERFORMANCE

On track

### COMMENTS

The Nature Positive Plan has been developed and we expect to publish later in 2024.



### GOAL/TARGET

Retain Biodiversity Benchmark Award

### 2023 PERFORMANCE

On track

### COMMENTS

Successfully retained for the fifteenth consecutive year running following a comprehensive audit from the Wildlife Trust.



### GOAL/TARGET

Maximise de-icer recovery through our Clean Water Programme

### 2023 PERFORMANCE

On track

### COMMENTS

114,369 litres recovered by our Pollution Control System.

## NATURE POSITIVE AIRPORT *cont.*

### Progress in 2023

#### OUR INTERACTION WITH NATURE

We completed an initial assessment of our dependencies and impacts on nature using the Taskforce for Nature-related Financial Disclosure (TNFD)'s Locate, Evaluate, Assess, Prepare (LEAP) framework.

This range of dependencies and impacts are illustrated in Figure 1.

Figure 1  
Nature dependencies and impacts at Heathrow Airport.



## NATURE POSITIVE AIRPORT *cont.*

### Progress in 2023 *cont.*

#### NATURE POSITIVE PLAN

In 2023 we focused on our approach to mitigating and enhancing Heathrow's impacts on nature. It builds on our history of biodiversity management to set commitments around the way we will manage our impacts at the airport, around the airport and on national and global scales.

We are committed to protecting and enhancing biodiversity, and to boosting the connectivity and resilience of nature and the wellbeing of people across Heathrow, while maintaining a safe airport operation.

Our approach is also aligned with emerging frameworks such as the TNFD. In January 2024 Heathrow pledged to be an inaugural early adopter of the TNFD, meaning that we intend to publish our first disclosure in 2026.

We have identified four areas of focus for Heathrow, with associated goals and commitments. The four areas address our dependencies and impacts on nature, and take account of associated risks and opportunities.

We will act to reduce our negative impacts and to restore nature through three touchpoints:

1. **At the airport** – Areas owned by Heathrow within the airport footprint, including the airfield and terminal buildings as well as airside green spaces adjacent to buildings and runways.
2. **Around the airport** – Areas which aren't within the airport footprint, such as our biodiversity sites, car parks and surrounding local communities.
3. **UK and global** – Nature that lies beyond our communities, and how we can positively influence it, for example by working through our supply chain, supporting wider scientific understanding and collaborating with industry in the UK and globally.
4. **Governance and data** – embedding nature positive decision-making into governance, and ensuring data systems, capture and monitoring are suitable for supporting long-lasting change.

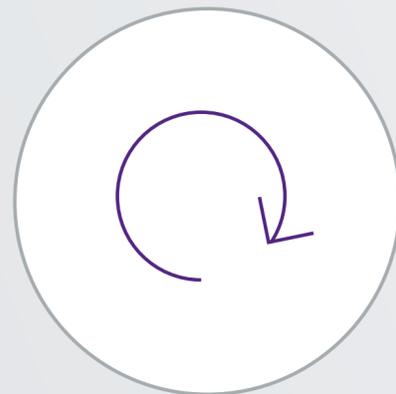
#### BIODIVERSITY BENCHMARK AWARD

The Wildlife Trust confirmed in October 2023 that Heathrow had retained the Biodiversity Benchmark for the 15th year running). The Benchmark recognises our continued commitment to managing 170 hectares across 13 biodiversity sites for conservation purposes. We also celebrated a milestone when the number of species identified on our biodiversity sites reached 4180.



## ZERO WASTE AIRPORT

Heathrow's size and scale create unique challenges for resource efficiency. The airport is akin to a small city, so when looking to reduce waste or water, it is imperative that we work with our partners and take a whole system approach.



### GOAL/TARGET

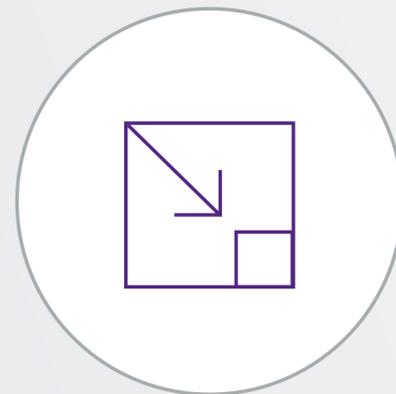
Maximise reuse, recycling and recovery of materials used at Heathrow

### 2023 PERFORMANCE

Not yet able to measure

### COMMENTS

We are progressing with work to develop a strategy to minimise avoidable waste produced at Heathrow which we anticipate will be published later in 2024.



### GOAL/TARGET

Reduce total waste generated relative to 2019

### 2023 PERFORMANCE

On track

### COMMENTS

Total waste in 2023 was 21,687 tonnes, compared to 23,934 in 2019, a 9.8% decrease.



### GOAL/TARGET

Reduce unaccounted for water by 15% compared to 2019

### 2023 PERFORMANCE

Not yet able to measure

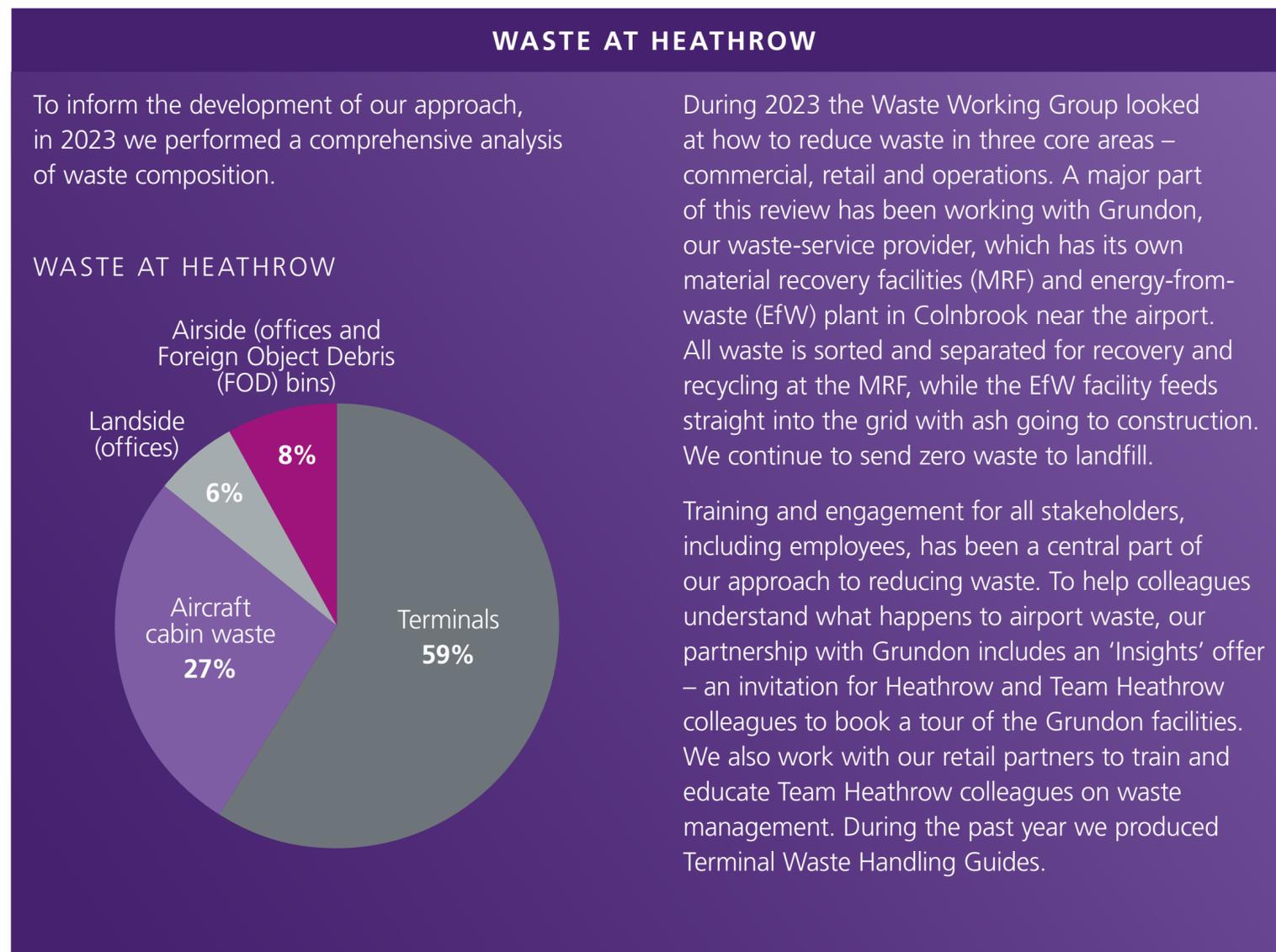
### COMMENTS

Data for consumption and supply is not complete enough to carry out meaningful analysis on unaccounted for water. Measures to rectify this are being put in place for 2024.

## ZERO WASTE AIRPORT *cont.*

### Progress in 2023

In 2023, we worked on developing Heathrow's zero-avoidable-waste airport strategy which will be published later in 2024. The strategy focuses on waste-reduction interventions across three areas: operations, construction and airlines. A supporting roadmap outlines the changes needed to reduce waste and capitalise on the associated benefits. The work includes looking at what can be done with various materials, particularly in the context of the circular economy.



### CASE STUDY

#### REDUCING TERMINAL FOOD WASTE WITH 'TOO GOOD TO GO'

The 'Too Good to Go' app, which offers discounts on close to sell by date food items has been available at Heathrow Terminals since 2023. Passengers with the app are able to change their location via the map, to London Heathrow Airport to view the full list of participating food and beverage outlets. M&S, Pret, Café Nero, Costa and Starbucks all participate in the scheme.

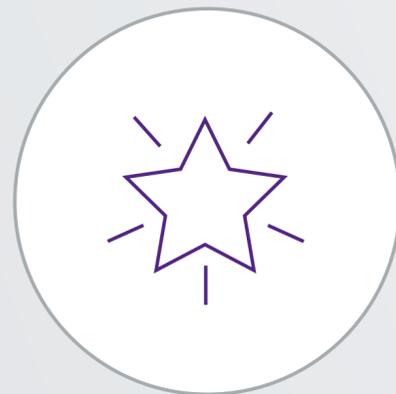
The 'Too good to Go' bags contain a selection of bargain food items and are available for collection from outlets at a range of times during the day, including, breakfast, lunch and at the end of the day.

The initiative is helping to reduce food waste, whilst also allowing passengers to benefit from cost reductions.

*According to 'Too Good to Go', food waste is responsible for 10% of greenhouse gas emissions (that's more than the whole aviation industry).*

## THRIVING SUSTAINABLE SUPPLY CHAIN

With thousands of companies operating from or supplying goods and services to Heathrow, our influence is far-reaching. We want to use that influence to encourage others to adopt ethical, low-carbon and sustainable practices, and ensure that we drive local and regional opportunities through our supply chain, including for smaller businesses.



### GOAL/TARGET

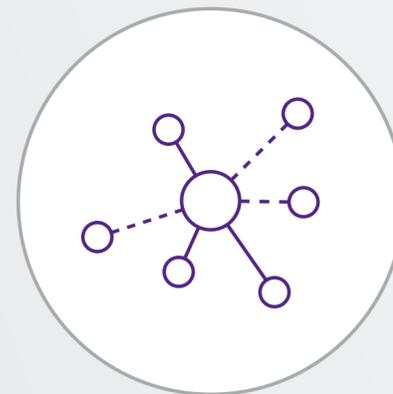
Maximise suppliers achieving gold standard against our Balanced Scorecard

### 2023 PERFORMANCE

Not yet able to measure

### COMMENTS

All our strategic suppliers are now reporting against the Balanced Scorecard. This information will form the foundation to engage suppliers on how to achieve gold standard.



### GOAL/TARGET

Deliver business opportunities at Heathrow by growing the proportion of SMEs in our supply chain (from 40%) and the proportion of local SMEs (from 50%)

### 2023 PERFORMANCE

On track

### COMMENTS

61.5% of our Tier 1 suppliers and 75% of our local Tier 1 suppliers are SMEs.



### GOAL/TARGET

Switch on CompeteFor in 2022 and then set a target to grow the level of business with SMEs amongst our Tier 1 & 2 partners and suppliers

### 2023 PERFORMANCE

On track

### COMMENTS

We will work towards setting targets later in 2024 once usage has increased as the platform becomes established.

## THRIVING SUSTAINABLE SUPPLY CHAIN *cont.*

### Progress in 2023

#### BALANCED SCORECARD

Ensuring the goals and objectives outlined in our Heathrow 2.0 strategy are reflected and carried through our supply chain is a key focus. In 2022 we launched a new Balanced Scorecard to enable clear communication of our sustainability priorities to our strategic partners, and a collaborative approach to working together to deliver our desired outcomes. The scorecard focuses on five pillars, including carbon reduction, social value and community. In 2023 we focused on collecting and analysing baseline data against our Balanced Scorecard measures from our strategic suppliers. This identified many areas of best practice, as well as opportunities for collaborative working to deliver improved outcomes. In 2024 we will compare progress against the baseline year, as well as looking to enhance and strengthen the measures in key areas.

The Balanced Scorecard baseline and measures gave us a unique insight into how and where our strategic partners environmental & socio-economic impacts aligned to Heathrow 2.0. With the balanced scorecard we are creating a revised set of qualifying criteria which (using real world data) will place sustainability prominently alongside cost/time/quality as our guiding principles for suppliers and will be used to embed sustainability criteria across our procurement and supply chain activity.

In addition, we are running the 'year 1' Balanced Scorecard data harvest to track partner progress against the baseline. This will feed directly into our supplier relationship management process, as we collaborate with partners to build capability and learning as we journey together towards Heathrow 2.0.

“

*The Heathrow Balanced Scorecard has challenged us but also given drive and impetus. Throughout the Scorecard's development the fact that Heathrow have encouraged feedback and dialogue from their partners has helped to foster a sense of collaboration on working towards sustainability goals.”*

MACE



## THRIVING SUSTAINABLE SUPPLY CHAIN *cont.*

### Progress in 2023 *cont.*

#### BUSINESS OPPORTUNITIES AT HEATHROW

The Heathrow 25th Business Summit, was held on 16th November 2023, and was attended by over 450 guests and over 45 exhibitors. Held in partnership with local Chambers of Commerce and Business Groups, the Summit connected local SMEs and suppliers, providing insights into how local businesses can become a part of the airport's operations and supply chain, and highlighting tangible work opportunities.

For the first time since 2019, in 2023 we also hosted our Supplier Awards event. 440 people attended to celebrate and share best practice across a range of sustainability categories.

#### BUILDING BUSINESS OPPORTUNITIES

CompeteFor was launched in 2022 and is a platform that provides access to Heathrow's supply chain contract opportunities. 200,000 suppliers are registered on CompeteFor with 75% of contracts going to SMEs. Since its launch, a total of 63 opportunities have been posted onto Heathrow's CompeteFor microsite, including from four of Heathrow's largest Tier 1 suppliers.

To further encourage SMEs into the Heathrow supply chain and drive innovation, we have launched Lift Off in 2023:

#### CASE STUDY

##### LIFT OFF

Heathrow Lift Off is a supplier engagement programme where we engage with innovative Small and Medium-sized Enterprises (SMEs). Each quarter we run a full day event with different themes inviting SMEs to pitch their products and services to us and our supply chain partners.

Over 2023, we have met with 33 innovative SMEs through Lift Off and had great further engagement. As outcome of Lift Off, we were brought forward great proposals and ideas that can potentially innovate our operations in sustainability, health and safety, waste management, inclusive design, passenger experience, and much more. Some of those proposals are turning into trials and meaningful changes in our operations.

Under the subject of sustainability, we met with an innovative SME who turns wasted coffee cups into artefact and architecture – Blast Studio. They were later chosen as designer and supplier of trophies of Heathrow Supplier Awards 2023. We're also in process of setting up trials with one of the waste management SMEs.



## BETTER QUALITY OF LIFE IN HEATHROW'S NEIGHBOURING COMMUNITIES

Heathrow is more than just an airport. It is a gateway to the world for West London and beyond. We want to share the benefits of being a global hub with our local communities to help them thrive.

That's why we launched our Giving Back Programme in January 2023. It has three core pillars focused on community, employment and environment, with eight community investment initiatives that support new and existing projects.



### GOAL/TARGET

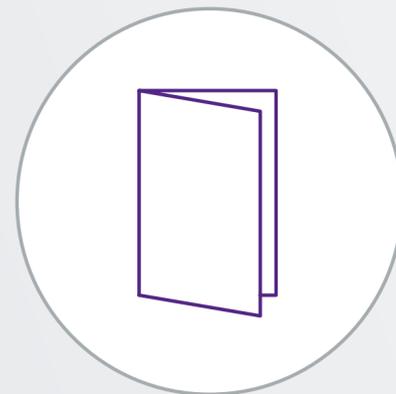
Give back to 1 million people in our local communities

### 2023 PERFORMANCE

On track

### COMMENTS

94,912 people benefitted from our Giving Back Programme activities in 2023.



### GOAL/TARGET

Publish a new Giving Back Programme in 2022

### 2023 PERFORMANCE

Achieved

### COMMENTS

We launched our Giving Back Programme in January 2023.



### GOAL/TARGET

Publish a target to increase the number of Heathrow colleague volunteering hours made available in local neighbourhoods by 2030

### 2023 PERFORMANCE

Behind

### COMMENTS

Colleague volunteering is a key strand of our Giving Back Programme, an internal target has been set and we will publish an external target later in 2024 as part of our update to Heathrow 2.0.

## BETTER QUALITY OF LIFE IN HEATHROW'S NEIGHBOURING COMMUNITIES *cont.*

### Progress in 2023

#### WORLD OF WORK

As the largest single-site employer in the UK, Heathrow has a unique role to play connecting local residents to jobs, opportunities and the world of work, both at the airport and through our supply chain. Activities through the World of Work pillar of the Giving Back Programme aim to help everyone in the communities around Heathrow develop new skills and opportunities across all age groups. In 2023 we delivered 71 World of Work events through a range of programmes.

In 2023 we launched an inclusive employability programme to connect young people in our community with first-hand experiences of the workplace, helping them get their foot on the careers ladder. This included Essential Skills Masterclasses, STEM challenges, airport visits and Virtual Work Experience opportunities to empower local young people with the confidence and skills they need to unlock jobs and careers at the airport and beyond.

A key strand of Heathrow World of Work is our long standing partnerships with five primary schools located in communities close to the airport. Regular engagement helps us to understand their changing needs. We provide support in a variety of ways, including through workshops on themes like Resilience, Preparing for High School, Entrepreneurship, and Career Awareness to support children's skills and aspirations. In 2023 we delivered 10 workshops and we also implemented a Reading Support Programme in some of our schools, where colleagues volunteer their time and listen to children read and help to improve attainment.

“

*My school has benefited enormously from tailor made, bespoke workshops, bringing the world of work alive for my pupils. As a school leader it is my strategic vision that all that we teach, all that we advocate and all the knowledge and skills we impart at Pippins, is underpinned in real life contextual relevance. Having the world as our neighbour, and a sea of expert volunteers supporting us from Heathrow, the benefits and impact of learning-based workshops are indeed tremendous, for my pupils and staff alike.”*

MIN JALAF, HEADTEACHER,  
Pippins School

#### CASE STUDY

##### BEE AN ENTREPRENEUR

The event is an enterprise workshop, which is a fun interactive facilitated session to teach children in local schools the practical skills needed for business. The children are tasked with starting their own business selling sweets, with colleague volunteers from Heathrow on hand to help them pool their talents, help them work effectively as a team, and come up with a compelling pitch to win the task.

Feedback from students who have participated show that a majority of them strongly agree that the sessions help improve their understanding of the world of work, develop enterprise and business skills and have helped build their awareness of finances including calculating costs and profits.



## BETTER QUALITY OF LIFE IN HEATHROW'S NEIGHBOURING COMMUNITIES *cont.*

### Progress in 2023 *cont.*

#### HEATHROW COMMUNITY RANGERS

Our four full-time community rangers actively contribute to improving the neighbouring villages surrounding Heathrow, with the aim of making them a better place to live and work. They work closely with local community groups, schools and councils to improve the local environment, while also creating volunteering opportunities for colleagues to give back.

In 2023 the rangers supported 61 community days, enabling 521 Heathrow colleagues to volunteer almost 2000 hours back into the local community. This included a number of improvements to Stanwell Moor Village Hall through garden maintenance, repainting of fencing and internal walls, planting, wood treatments, litter picking and preparing Santa's Grotto for their Christmas celebrations. The rangers subsequently received the Village Champion Award from the Stanwell Moor Residents Association for their continuous support of Stanwell Moor Village Hall.

#### PARTNERSHIP WITH BRITISH AIRWAYS, LONDON WILDLIFE TRUST AND THE LONDON BOROUGH OF HILLINGDON

In June British Airways and Heathrow announced a new partnership with London Wildlife Trust to help protect local wildlife and ensure Hillingdon residents can enjoy the abundance of wildlife that surrounds them.

So far, the partnership has delivered more than 530 volunteering hours with 37 sessions taking place across Gutteridge Wood, Huckerby's Meadows, Ickenham Marsh, Ten Acre Wood and Meadows and Yeading Brook Meadows.

The partnership has also delivered three community engagement days which were attended by 114 people, half of which were children. In addition, seven Hillingdon residents have been recruited as London Wildlife Trust volunteers and an additional 9 volunteers have been recruited from outside the local area.



## BETTER QUALITY OF LIFE IN HEATHROW'S NEIGHBOURING COMMUNITIES *cont.*

### Progress in 2023 *cont.*

#### HEATHROW COMMUNITY TAKE OFF FUND

The Heathrow Community Take Off Fund (HCTOF) provides small donations to local community groups to offer additional community support to the closest local areas around Heathrow Airport. It focuses on legacy projects, is flexible and responsive to the needs of the community and aims to fund 200 legacy projects in the local community by 2030. These are projects that have a lasting impact, such as improving facilities, creating green spaces, or supporting vulnerable groups. Up to 35 projects have been funded in 2023.

#### Colleague volunteering

A key focus of the Giving Back Programme in 2023 was to develop options for colleague volunteers from Heathrow to support the range of initiatives within the Giving Back Programme. Across the year, 1,095 individual colleagues participated in local community volunteering, contributing 3,844 hours.

#### CASE STUDY

#### HEATHROW COMMUNITY TRUST (HCT)

Heathrow Community Trust is an independently run grant-making charity that has funded projects that improve quality of life for communities near the airport for over 25 years.

In 2023 Heathrow's annual contribution to HCT was **£1,051,101** (2022: £542,500). We donated **£677,994** (2022: £275,000) and a further **£373,108** (2022: £270,000) was leveraged from colleague and passenger fundraising and noise fines.

In 2023 HCT supported a wide range of community projects and organisations, helping young people to raise their aspirations, bring communities together and enhance local environments.



HEATHROW  
COMMUNITY  
TRUST

#### Communities Together

HCT awarded £5,000 to Berkshire Vision, providing funding for Sight Loss Support Officers to provide in-home 1:1 person-centred holistic support to vulnerable adults with sight loss. The Officers help members to maintain/increase their independence and resilience as required through their individual needs assessment. Visits are also a gateway to accessing other services such as befriending.

HCT awarded £13,300 to Integrated Neurological Services to develop the neuro hubs in Hounslow through the current Feltham centre and a new Brentford venue, to engage hard to reach, vulnerable adults with neurological conditions and their carers, giving them access to local, dedicated support, which builds their confidence and independence to enable stronger social and community connections.

#### Projects for Young People

HCT awarded £7,500 to Harlington Hospice to support creative summer workshops for bereaved children and young people in the London Borough of Hillingdon, helping them to meet others with similar life experiences and to feel less isolated through creative arts.

#### Environment and Sustainability

HCT awarded £12,999 to Southall Community Alliance to support the creation of a sustainable environmental learning hub by making site access improvements and providing educational activities to help migrant communities learn how to protect and improve their environment.

## INCLUSIVE EMPLOYER OF CHOICE FOR LOCAL DIVERSE TALENT

At Heathrow, we believe that embracing diversity and inclusion is not just the right thing to do, it's essential to our success. As a gateway to Britain, we serve millions of passengers from around the world, and our workforce reflects the richness of that diversity as well as the diversity of the community in which we operate.



### GOAL/TARGET

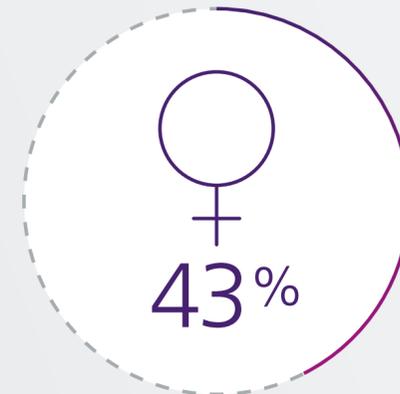
Reflect the diversity of our local community at all levels of the business (49% female and 39.9% ethnicity representation by 2030)

### 2023 PERFORMANCE

Behind

### COMMENTS

At the end of 2023 total female representation was 41.4% and total ethnicity representation was 54.3% but these levels are lower for ethnicity representation among senior managers.



### GOAL/TARGET

At least 43% female colleagues at senior levels in by 2026

### 2023 PERFORMANCE

Behind

### COMMENTS

39.8% of senior managers identified as female at the end of 2023, an increase from 39.48% at the end of 2022. We are not currently on track to achieve our 2026 target.



### GOAL/TARGET

At least 27% Black, Asian and Minority Ethnic colleagues at senior levels by 2026

### 2023 PERFORMANCE

Behind

### COMMENTS

20.1% of senior managers identified as Black, Asian and Minority Ethnic at the end of 2023, an increase from 18.28% at the end of 2022. While this is a positive movement, we are not currently on track to achieve our 2026 target.

## INCLUSIVE EMPLOYER OF CHOICE FOR LOCAL DIVERSE TALENT *cont.*

### Progress in 2023

Our diversity representation targets are focused on reflecting the diversity of our local communities because we want to ensure that careers at Heathrow are accessible to the people living closest to the airport. While we have further to go, we are proud of the progress we're making. Over 20% of our senior managers identified as Black, Asian and Minority Ethnic at the end of 2023 – an improvement on the previous year.

However, over 50% of all Heathrow colleagues identified as Black, Asian and Minority Ethnic, so we recognise there is more to do to ensure that this is reflected at more senior levels. We face several challenges in our pursuit of a diverse and inclusive workforce. Unconscious bias in recruitment and promotion, compounded by the industry's existing leadership imbalance, demands careful navigation to ensure fairness alongside genuine progress. Retention and progression require both accessible development opportunities and a truly inclusive culture where all colleagues feel valued and empowered. And while Equality, Diversity and Inclusion (ED&I) is prioritised with dedicated funding and progress tracking, external factors like economic shifts, policy changes, and societal divisions present additional challenges to achieving Heathrow's ambitious diversity goals.

Our 2023 pay gap report shows positive progress: both gender and ethnicity gaps narrowed, while female and Black, Asian & minority ethnic representation in senior roles and management increased. Yet, we must accelerate progress for colleagues from ethnic backgrounds to fully close the ethnicity pay gap. While we made strides in attracting a more diverse talent pool in 2023, we acknowledge there's more to do.

Our colleague engagement survey showed a six per cent year on year increase in people feeling that Heathrow is inclusive to all (November 2022-November 2023 Pulse survey). In 2023 we leveraged our Inclusion and Wellbeing survey and submitted evidence to the Inclusive Employers Standard to further strengthen our approach.



## INCLUSIVE EMPLOYER OF CHOICE FOR LOCAL DIVERSE TALENT *cont.*

### CASE STUDY

#### RIGHT WHERE I BELONG

Launched in 2023, Our Right Where I Belong campaign aims to raise awareness of Heathrow's commitment to equality, diversity and inclusion (ED&I), and to build on our inclusive organisation. We are an inclusive employer, and we want colleagues to feel that they can be themselves and truly belong here.

Each of our colleagues should have the freedom to express their individuality and be their genuine selves. At the same time, they should feel intrinsically connected to our inclusive and accepting community of open-minded colleagues. These ideas are at the heart of the Right Where I Belong campaign.

We want all colleagues to recognise and view Heathrow as a cultural home of acceptance, regardless of who they are, how they identify or where they come from. We want everyone to feel a sense of belonging. Here, colleagues can say that they are Right Where I Belong.

One aspect of the campaign involves Heathrow colleagues discussing how they feel they belong at Heathrow. They talk about what ED&I at Heathrow means, how it is celebrated and what opportunities are available to continue to promote ED&I.

This campaign is our commitment to colleagues. It's the start of key activity and developments – all part of enhancing and developing our current diverse culture.



### POLICIES

We have been working to review and improve our policies on ED&I issues. In 2023 we launched a new Inclusion Policy which replaced our previous Dignity at Work policy. The Inclusion Policy sets out how we will treat any concerns or allegations of unlawful discrimination, bullying and harassment. We also launched the first version of our Family Friendly Policy which details our offering in regard to maternity, paternity and shared parental leave, as well as increasing our leave allowance. In 2023, we also revised our Reasonable Adjustments Policy to include a new way for colleagues to request a reasonable adjustment.

We have five Equality, Diversity and Inclusion Networks (Altitude, en-haNCE, Proud, HAND & sPaCe) that use their platforms to promote an inclusive culture through online and in-person events, webinars and campaigns. We continue to build new methods of supporting colleague engagement from dedicated ED&I learning launched in 2023, to our Heathrow Mentoring Platform which launched in 2022 and now has over 500 colleagues signed up.

### AWARDS AND ACCREDITATIONS

We are also pleased to be viewed as a diverse place to work with formal recognition from **Glassdoor**

**Financial Times Diversity Leader for 2023**  
(we have also been awarded this in 2021 & 2022)

#### Disability Confident Leader Status



## INCLUSIVE EMPLOYER OF CHOICE FOR LOCAL DIVERSE TALENT *cont.*

### DIVERSITY NETWORKS

Responding to colleague feedback, Heathrow expanded its network of colleague diversity networks in 2023, adding a fifth focused on supporting parents and carers. Our networks now have over 1,500 members, with over 380 new members joining in 2023.

### ALTITUDE NETWORK



- Celebrated International Women's Day with a fascinating panel discussion on women's progression in the workplace and delivered a communications campaigns celebrating our talented female colleagues.
- Hosted an event on men's physical and mental health to help destigmatise men's mental health issues in the workplace and challenge toxic masculinity. Altitude partnered with Checkmate Socks for the event, encouraging our colleagues to 'check on your mate' to help build a community united to supporting those experiencing mental health challenges.
- Continued to advocate for workplace support for stigmatised health issues. This includes supporting colleagues with our Menopause Guidance and hosting an education event on menopause and perimenopause; continuing work with Hey Girls to deliver free period product dispensers in female and accessible colleague toilets; launching a trial of men's sanitary bins across various sites across the airport; and becoming an Endometriosis Friendly accredited employer.

### EN-HANCE NETWORK



- Celebrated Black History Month throughout October, this included participating in the theme of 'saluting our sisters', whereby we spotlighted our own female black colleagues across the airport. We also held a market stall in support of black owned British businesses and raised awareness of inspirational black figures, food, culture and music.
- Participated in Wear Red Day, which was in support of anti-racism charity Show Racism the Red Card. Colleagues across the airport wore something red and Heathrow's terminals were also lit up in red to champion the cause.
- Hosted a virtual interactive workshop with the organisation Islamophobia Awareness, to educate colleagues on what islamophobia is, the positive contributions of Muslims to society and how Heathrow can best support Muslim colleagues.
- Hosted a Diwali celebration event in collaboration with a range of Team Heathrow organisations, which included dancers, henna artists, dhol players and lots of traditional Indian food. Colleagues were able to share how they celebrate Diwali and what Diwali means to them.



## INCLUSIVE EMPLOYER OF CHOICE FOR LOCAL DIVERSE TALENT *cont.*

### PROUD NETWORK



- Heathrow returned to the London Pride parade, with 60 attendees from Heathrow and Heathrow Express.
- Trans awareness week was marked by flying the trans flag in Heathrow Terminals 2 and 4. Leadership affirmed Heathrow's stance as a trans-inclusive organisation, and a working group was formed to improve trans security screening experiences.
- Our Proud, en-haNCE networks & HAND Networks collaborated on joint calls throughout the year, exploring intersections of LGBTQ+ identity with religion & health.

### HAND NETWORK



- HAND hosted diverse events, from the "Pattern Seekers" book session with Harry Thornton to the "Double Rainbow" webinar on neurodiversity and LGBTQ+ with Proud. They also facilitated the return of the Autism Experience bus and supported members with epilepsy and diabetes through webinars.
- HAND members actively volunteered at the Parallel Windsor inclusivity festival and supported Harrow Richmond and Uxbridge college learners in the RaES Falcon 2 project. These efforts demonstrate their commitment to building a more inclusive airport community.
- HAND celebrated UN International Day of Persons with Disabilities by showcasing performances and distributing Parallel Purple socks in terminals. They also educated members about the connection between nutrition, shift work, and disabilities through sessions with Nutrival.
- HAND hosted an in-person guest speaker event featuring diverse experiences of living with disabilities. This open conversation aimed to reduce stigma and promote understanding within the airport.

### SPACE NETWORK



- Formally launched the new "supporting Parents and Carers everywhere (sPaCe)" network – with a competition to name the network and join as a member, an internal digital launch video, and a September launch week involving visits and discussions with colleagues across the operation,.
- Held our first ever sPaCe Bring and Buy Sale in December - asking colleagues to donate old children's toys, books and games in order to raise money for the Heathrow Community Trust.
- Marked Anti-Bullying Week in early December by launching Network Blogs – with colleagues sharing tell stories and their experiences across the sPaCe network members site – providing much needed guidance and support on a range of challenging issues related to bullying.



## INCLUSIVE EMPLOYER OF CHOICE FOR LOCAL DIVERSE TALENT *cont.*

Providing good quality opportunities for local people to develop careers at Heathrow is our priority. We want to connect residents to the world of work at Heathrow and build a diverse pipeline of skills by engaging local young people in education.



### GOAL/TARGET

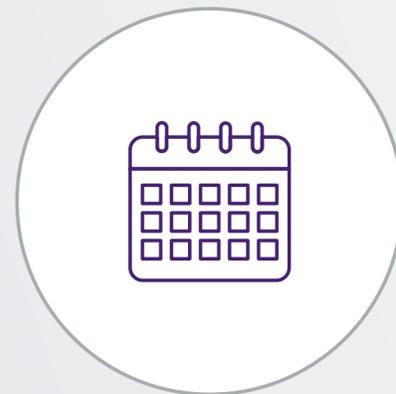
10,000 external jobs, apprenticeships, and early career opportunities

### 2023 PERFORMANCE

On track

### COMMENTS

We delivered 3,317 career opportunities in 2023, taking the total to date to 6,063. We will publish an update to our 2030 target in 2024.



### GOAL/TARGET

15,000 experience of work days by 2030

### 2023 PERFORMANCE

On track

### COMMENTS

We delivered 5340 experience of work days in 2023, taking the total to date to 8,371. We will publish an update to our 2030 target in 2024.



### GOAL/TARGET

Schools programmes available every year to children in all local boroughs

### 2023 PERFORMANCE

On track

### COMMENTS

In 2023 we continued our partnerships with 5 local primary schools and to run our Heathrow Young Explorers innovation challenge with schools in our neighbouring boroughs.

## INCLUSIVE EMPLOYER OF CHOICE FOR LOCAL DIVERSE TALENT *cont.*

### Progress in 2023

In 2023 Heathrow and our employer partners that operate at the airport continued to grow and recruit despite the ongoing challenges of a tight labour market and skills shortages. This has been particularly challenging in sectors like hospitality, where the broader UK labour market is extremely tight and as we have returned to business as usual, there has been a noticeable gap in skills.

We have focused on upskilling our workforce through our Heathrow Skills Workshops and ensuring we continue to engage with local stakeholders on how we can work to encourage the development of the skills needed in aviation in the local workforce. This includes a focus on diversity in STEM subjects.

We continue to develop our economic value, both as a direct employer and as an indirect employer. Heathrow's organisational headcount has grown by almost 50% in the past two years, presenting a unique opportunity for the airport to create employment for our local communities. Heathrow was announced as the 46th best UK employer by Glassdoor, in a year that also saw the launch of the No Place Like Heathrow campaign. This campaign showcased the buzz of Heathrow and variety of career opportunities on offer, with messaging being shared with the local community via buses, underground stations, local radio, newspapers and social media.

We delivered 2,388 career opportunities directly at Heathrow, and brokered 893 employment offers across our Team Heathrow partners through the Heathrow Employment and Skills Academy. This includes 31 apprentices in our shared apprenticeship scheme with our construction and infrastructure partners, bringing the total number of apprentices to 63. Together, this represents a significant achievement towards our longer-term goal of 10,000 opportunities and has been driven by the recovery of the aviation sector, and the corresponding high levels of recruitment.

The Heathrow Employment and Skills Academy, set up in 2004, plays a critical role in connecting local residents to jobs and careers across the diverse range of airport employers. There are two strands to the work of the Academy: Education and Skills through Heathrow World of Work and Employment and Skills through our job brokerage programme.

Heathrow's World of Work, is our inclusive employability programme that inspires young people through real experiences of work, building their confidence and skills so they can unlock jobs and careers at the airport and beyond.

Young people receive first-hand experiences of the workplace through work experience, insight visits, airport tours and essential skills activities to support them to build their understanding of careers and expand their networks.

In 2023, a total of 5,340 experience of work days were delivered through the Heathrow World of Work programme.

- 3294 experience of work days through our virtual work experience offer for local 16–19-year-olds.
- 932 days through our secondary school challenge, Heathrow STEM Generation.
- 540 days through our primary school challenge, Heathrow Young Explorers.

In 2023, 2,954 local Year 8 secondary school students took part in the Heathrow STEM Generation challenge and 1,620 local Year 6 primary school pupils took part in our Heathrow Young Explorers Challenge. We hosted three local college students from Cranford Community College on T-level placements. 32 local young people participated in the Engineering Insights weeks and we ran a series of Essential Skills Masterclasses for 236 college students with special educational needs and disabilities (SEND).



## INCLUSIVE EMPLOYER OF CHOICE FOR LOCAL DIVERSE TALENT *cont.*

### Heathrow World of Work Programme Activities



Ages 7-11: at primary age, Heathrow World of Work offers pupils a light-touch and fun introduction to work, highlighting the exciting range of opportunities at Heathrow, through an eye-opening and inspirational sustainability themed challenge.

#### EXAMPLES:

- Heathrow Young Explorers: a 2-hour innovation challenge to excite pupils about work at the airport.
- Responsible Schools Programme: partnerships with five local primary schools.



Ages 11-16: Heathrow World of Work helps young people at secondary schools and further education colleges develop the essential skills needed to unlock career opportunities through a programme of curriculum-linked activity.

#### EXAMPLES:

- Heathrow STEM Generation: a 2-hour challenge which brings the world of Engineering to life, focuses on Essential skills and highlights the wide range of careers at Heathrow.



Ages 16 and beyond: Unlocks early career pathways and entry level job opportunities across the airport that empower young people to start their career journey.

#### EXAMPLES:

- Virtual work experience: programme focusing on 5 subject areas and delivered through modules and webinars.
- Engineering Insights: delivered 3 x per year for a 5-day programme to promote the Engineering Apprenticeship and Engineering Graduate Scheme at Heathrow, for students at local colleges/universities.
- T-Levels: 4-week placement for 3 local college students hosted by the Technology team.
- Airport visits for year one university students (3 x university partners): curriculum linked showcase i.e., sustainability, engineering, technology, passenger services.
- Essential Skills Masterclasses: a workshop facilitated by Skills Builder that develops employability skills for college students requiring additional learning support.
- Guest Lecturing: delivered by Heathrow colleagues in local colleges and universities.
- Guest lecturing: delivered by Heathrow colleagues.

In 2024 we will be working with organisations such as Youth Employment UK and the Careers and Enterprise Company to help us continually improve our careers education support for young people.

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SECTION THREE

# RESPONSIBLE BUSINESS FOUNDATIONS

## RESPONSIBLE BUSINESS FOUNDATIONS

Underpinning Heathrow 2.0 is our commitment to do the right thing across a range of responsible business issues. These are closely aligned with the focus of our materiality assessment (see more information on [p.57](#)) and our most material ESG factors.

### ENVIRONMENT

Heathrow's Engineering Integrated Management System encompasses the approach we take to define and control our Engineering Operations.

We also have an Asset Management System (certified to ISO 55001:2014), an Energy Management System (certified to ISO 50001:2018), an Environmental Management System (certified to ISO 14001:2015) and a Biodiversity Management System (certified to the Wildlife Trust's Biodiversity Benchmark standard).

We focus on compliance with Heathrow's environmental permits, which cover a range of activities including water abstraction, greenhouse gases, surface water discharges, reservoirs, trade effluent discharges and waste transfer.

### SOCIAL

#### PASSENGER EXPERIENCE

A positive and accessible passenger experience has been identified as a key factor for Heathrow and as we aim to further build on our Responsible Business Foundations, providing this experience is an important focus, see next p.54 for details.

#### HEALTH AND SAFETY

At Heathrow we value the health and safety of colleagues, passengers, and anyone else affected by the airport's activities, 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.

'A safe and secure operating environment' is one of Heathrow's principal risks. For more information, please see p.62 of Heathrow's Annual Report 2023.

#### COLLEAGUE ENGAGEMENT, TRAINING AND DEVELOPMENT

Heathrow provides colleagues with training and learning to support them in performing their role, as well as develop personal and professional skills.

Our programme combines digital, classroom based and practical courses. Managers complete annual mandatory training in Health and Safety, Competition Law, Cyber Awareness, Anti-Corruption, Modern Slavery Prevention and Fire Awareness.

### GOVERNANCE

#### CYBER

As a designated site of Critical National Infrastructure (CNI) Heathrow faces a range of threats against physical and digital information. Online and real-world protection of systems and data is critical to the effective ongoing operation of the company.

Heathrow's systems and services form part of a complex ecosystem, which work cohesively to provide critical services.

To deliver these services, Heathrow utilise a mixture of Information Technology and Operational Technology.

#### RISK MANAGEMENT

Risk management: Identifying, understanding and managing risk is fundamental to our strategy and success.

Taxation: We have a corporate responsibility to collect and pay the right amount of tax and have been working hard to promote tax transparency and build trust with our stakeholders (For more information on our approach to Taxation, please see p.62 of Heathrow's Annual Report 2023).

Whistleblowing: Heathrow is keen to foster an open environment where individuals feel confident to speak up about serious concerns without fear of victimisation or detriment.

For more information on corporate governance, please see p.112 of Heathrow's Annual Report 2023.

## RESPONSIBLE BUSINESS FOUNDATIONS *cont.*

A focus on Responsible Business Foundations:

### 1 PASSENGER EXPERIENCE



A positive and accessible passenger experience has been identified as a key factor for Heathrow and as we aim to further build on our Responsible Business Foundations, providing this experience is an important focus.

- We offer some services at present such as 'Travelcare' our crisis social work team which helps to assess, advise and assist anyone in, or potentially in difficulty at Heathrow Airport, including passengers, staff and those who are at the airport for other reasons.
- We also have a multi-faith chaplaincy which has been running for the last 50 years to provide care and support for passengers and staff.

### 2 HEALTH AND SAFETY



From a fire, safety, health and wellbeing (FSHW) perspective, there really is no place like an airport.

Any airport is an ecosystem. At Heathrow, the ecosystem comprises hundreds of companies – tens of thousands of colleagues, serving millions of passengers every year. The safety of everyone who passes through the airport, as a passenger or colleague, is the product of the myriad decisions made every day by the people keep Heathrow on the move.

The airport's Board and Executive Team have set a strategic ambition of leading the airport industry to set the highest standards of FSHW by 2026. That ambition is being delivered through a combination of objectives informed by our FSHW Framework. Highlights of priorities and achievements in 2023 include:

- Increasing our focus on safety in design across our infrastructure programmes to eliminate hazards at the design stage. In 2023 HAL trained over 175 Project Managers in the Construction, Design and Management Regulations.
- Strengthening our Safety Management System with the launch of additional FSHW Standards and investing further in our assurance resources and activities.

- Engaging Team Heathrow organisations in committing to working together to drive health and safety standards and measuring safety culture and performance together. The second round of safety culture measurement has seen an improvement in culture scores and reduction in harm (measured by Lost Time Injury Frequency rate) across Team Heathrow and HAL.
- Involving Team Heathrow colleagues via our Airport Safety Weeks and our Joint Safety Forum. The JSF brings together Trade Union representatives from across Team Heathrow organisations to discuss safety concerns across the airport and to support each other in seeking resolution.
- Focusing on mental health and wellbeing, understanding the relationship between poor mental fitness, unbalanced thinking and accidents. Almost 1,000 HAL Managers have been through our Mental Fitness Programme.
- Recognising the contribution of our supply chain to our FSHW performance within our annual supplier awards.

## RESPONSIBLE BUSINESS FOUNDATIONS *cont.*

A focus on Responsible Business Foundations *cont.*:

### 3 INFORMATION AND DATA SECURITY



Effective management of access to Heathrow information, systems and services is an integral component of Heathrow's Information Security Management System (ISMS) and our Identity and Access Management Policy sets out requirements that shall be implemented when developing, administering, using and viewing any Heathrow information, systems and services.

We are committed to ensuring that Heathrow collects and uses personal data responsibly, securely, fairly and in compliance with UK privacy law under the Data Protection Act 2018, the UK General Data Protection Regulation (UK GDPR) and the Privacy and Electronic Communications (EC Directive) Regulations 2003 (PECR).

'Information security' is one of Heathrow's principal risks. For more information, please see p.69 of Heathrow's Annual Report 2023.

#### Training

Each year we set a KPI to have 95% of all bands A-E colleagues trained in General Cyber awareness. The courses are created in line with CAA guidelines and the final numbers for 2023's training are 3097/3116 persons (99.4%).

### 4 SUPPORT SERVICES AVAILABLE TO HEATHROW COLLEAGUES



#### Employee Assistance Programme (EAP):

The Employee Assistance Programme provided by Health Assured can be accessed by calling the colleague helpline number on 0330 0220 567.

They are here to help with a number of issues including access to counselling services (including face to face & telephony, relationship issues, legal advice, financial advice, bereavement and much more.

Health Assured also offer an app which offers a number of articles, support tools, videos, mini health checks as well as the option for live chat as well as the ability to request a call back from a counsellor. You can download it on your work or personal smartphone through the App Store or Google Play, just search My Healthy Advantage. Use the Heathrow code: MHA086138 and register with your Heathrow email address.

#### StRaW (Sustaining Resilience at Work) Buddies:

StRaW Buddies provide confidential peer to peer support for colleagues who would like to talk to someone in confidence about anything they may be struggling with. StRaW Buddies are not counsellors but will listen and share ways of getting professional help where appropriate. Request a StRaW Buddy by emailing [yourstrawbuddy@heathrow.com](mailto:yourstrawbuddy@heathrow.com)

#### eMed:

We know that there can be a long wait with the NHS to get an appointment. If you or your colleague is struggling with health worries, eMed is an app that provides 24/7 access to GP appointments, prescriptions, physiotherapy and health advice. Go to the APP store or Google Play and download the app. The redemption code is HEALTH2018.

While Family members cannot join for free, we do have a discount code you can use (HEATHROWFAM10) should you wish to add family members to the plan.

#### TRiM:

TRiM (Trauma Risk Management) is a service offered to colleagues who have been exposed to difficult, upsetting or traumatic incidents. It has been developed with the British Armed Forces and the organisation 'March on Stress'. It is designed to give people who have suffered trauma positive support in a healthy way. After speaking to a colleague, you as a manager can refer them for TRiM support via emailing [trim@heathrow.com](mailto:trim@heathrow.com).

#### Wagestream:

Wagestream is an app that offers confidential financial coaching, with personalised guidance and support. This includes advice on ways to reduce bills, managing debt and help to create a budget, as well as many other financial support topics. There is no limit to the number of times you can access the support, meaning you can check in with a coach as many times as you need to.

## RESPONSIBLE BUSINESS FOUNDATIONS *cont.*

Good business practices and the policies that govern these underpin Heathrow's approach to environmental, social and governance issues.

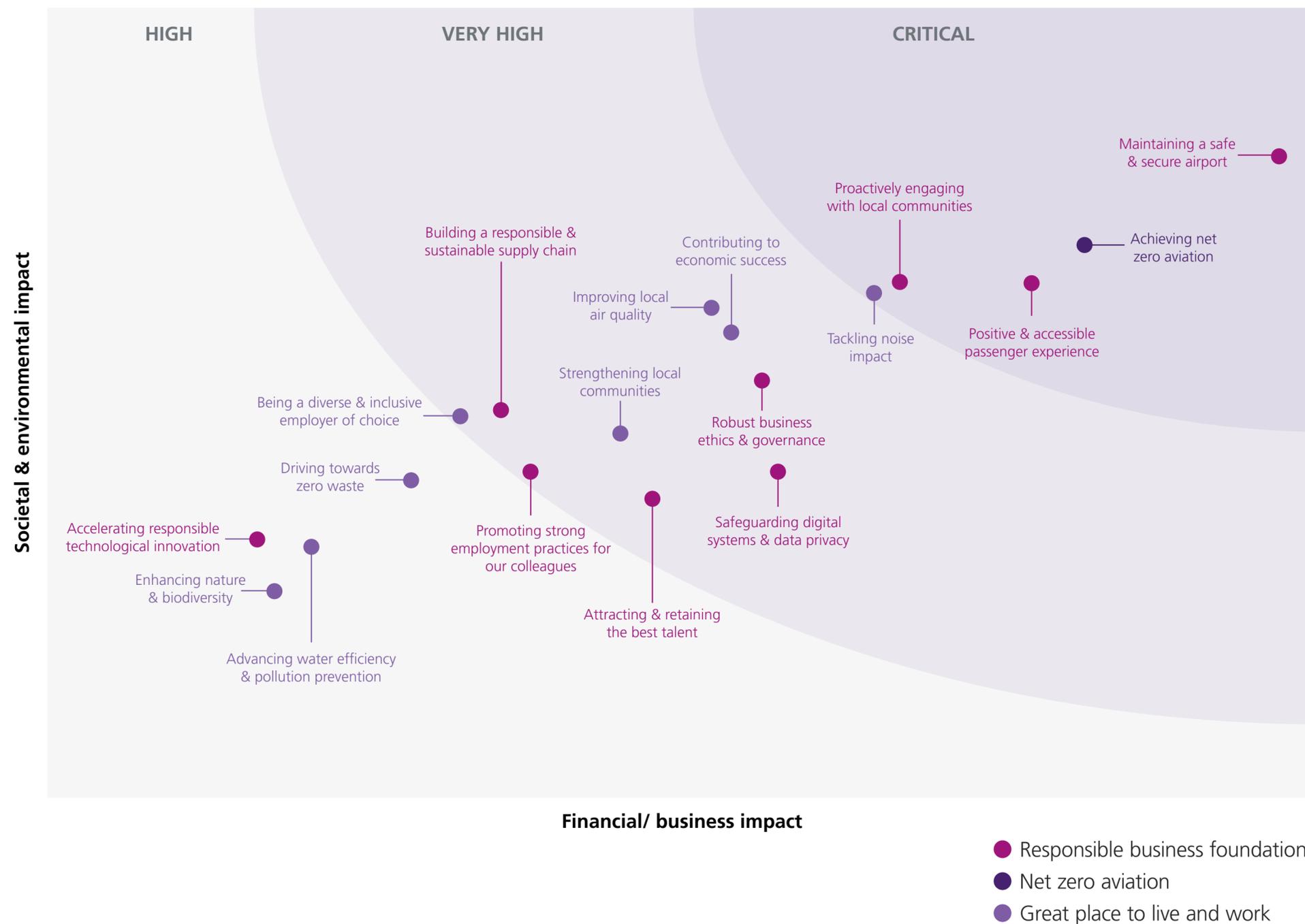
Policy	What
<b>Professional Conduct Policy and Guidance</b>	Guidelines on the conduct expected by Heathrow colleagues. It promotes the highest standards of professional behaviour in dealings with colleagues, customers, suppliers and other third parties and reminds colleagues to act with honesty, fairness and integrity at all times.
<b>Sustainability Policy</b>	Helps to ensure that Heathrow will meet its Sustainable Growth priority and support its license to operate and grow. It supports our commitment to ensuring that Heathrow's sustainability strategy, Heathrow 2.0: Connecting People and Planet, is delivered. It also outlines how responsibility and accountability should be embedded across all levels of the business.
<b>Sustainable Procurement Policy</b>	Sets out the framework for how we procure and work with our supply chain, ensures that Heathrow is committed to sustainable procurement and that key guiding principles are understood and adhered to by Heathrow colleagues, third parties and other stakeholders.
<b>Acceptable Use Policy</b>	The policy informs users of the appropriate ways of working and what is expected of them when using or working with Heathrow information, systems, and services.
<b>Information Security Policy</b>	This policy sets out the responsibility and the information security principles that should be followed by all colleagues and third parties working for or on behalf of Heathrow.
<b>Information Security Requirements for Third Parties Policy</b>	The policy sets out Heathrow's cyber security requirements for Suppliers. It defines the context of cyber security, the related responsibilities and the security principles that should be followed by all third parties working for or on behalf of Heathrow.
<b>Personal Data Management Policy</b>	Ensures that the collection and use of personal data is dealt with responsibly, securely and fairly in accordance with legislation. The policy sets out the principles and framework for personal data management at Heathrow.
<b>Identity and Access Management Policy</b>	Sets out requirements and instructions that shall be implemented when developing, administering, using and viewing any Heathrow information, systems and services.

Policy	What
<b>Communications Policy</b>	Ensures that the reputation of Heathrow is protected from negative publicity and that the conduct and that consistent messaging is used in external communications to a range of audiences and across a range of channels.
<b>Charity Policy</b>	Policy sets out who and what Heathrow will support through charitable giving and defines how we will provide this support.
<b>Public Duties Policy</b>	Heathrow will grant reasonable time off in support of involvement in both the local and wider community – this includes both civil and statutory duties.
<b>Anti-Bribery, Gifts and Hospitality Policy</b>	The policy aims to set out what colleagues must do to prevent bribery and corruption and comply with the Bribery Act to prevent colleagues and Heathrow from being exposed to criminal liability. Colleagues are reminded to act in a professional and ethical way, with impartiality, fairness and integrity, to use sound judgement and take accountability for actions.
<b>Enterprise Risk Management Policy</b>	Provides oversight and governance of the key risks that Heathrow faces, and monitor current, upcoming and emerging risks.
<b>Whistleblowing Policy</b>	How to deal with serious concerns where the interests of others, or that those of the organisation is at risk. The policy also describes the protections available to whistleblowers, the type of matters which are reportable, how colleagues can report concerns without fear of detriment, and how Heathrow will support and protect whistleblowers.
<b>Inclusion Policy</b>	This details our commitment to equality, diversity, and inclusion at Heathrow; enabling an environment that is free of unlawful discrimination, bullying and harassment. This policy also details how we will always treat any concerns or allegations with the upmost care and seriousness required.
<b>Modern Slavery Policy</b>	Given Heathrow's position as a leading international hub airport we recognise that we are uniquely placed to perform an important role in preventing modern slavery and human trafficking.

## MATERIALITY ASSESSMENT

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

To ensure that Heathrow 2.0 remains focused on addressing the issues and impacts that are most important for our business and our stakeholders, in 2023 we undertook a double materiality assessment (meaning a range of ESG topics were considered from both a financial and an impact materiality perspective). The results confirmed the importance of Heathrow continuing to act on a range of ESG issues. More than 170 stakeholders, within and outside Heathrow, were engaged in the process to review and prioritise eighteen sustainability topics regarding the current or potential impact of Heathrow on society or the environment through each topic, and the current or potential impact of each topic on Heathrow.



## STAKEHOLDER ENGAGEMENT ON SUSTAINABILITY ISSUES

Heathrow's key stakeholders are passengers, colleagues, airlines, investors, UK communities and environment, statutory authorities, supply chain and commercial partners.

For more detail on engagement activity, please see p.97 of Heathrow's Annual Report 2023. In 2023 we engaged with all these groups on sustainability, particularly around the launch of Heathrow 2.0, and to build engagement around the key themes within it.

### COLLEAGUES

In 2023, we returned to a drumbeat of sustainability communications via a wide range of internal channels with a high profile 'gold' campaign at the end of the year. The main focus of our communications this year has been around raising awareness of sustainable ways to get to work, especially with the expansion of the Ultra Low Emissions Zone (ULEZ).

We track colleague engagement with sustainability through our regular colleague surveys. In 2023 results showed strong engagement and awareness in some areas of the business, with room for improvement in others. In 2024, colleague engagement will be a priority with senior leaders attending a spotlight session around sustainability in leadership.

The year ended with 57% of colleagues agreeing with the statement: "I am proud of Heathrow's sustainability programme and initiatives".

### INVESTORS

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

We also undertake bilateral engagement on sustainability with a range current and potential investors.

### AIRLINES

We regularly engage with airlines on sustainability through Heathrow's established engagement forums, and we also undertook bilateral engagement in 2023, including with British Airways and Virgin Atlantic.

### SUPPLIERS AND COMMERCIAL PARTNERS

The Heathrow Sustainability Partnership (HSP) brings together a range of companies operating at Heathrow to take joint action on key sustainability issues. In 2023 we commenced a review of the HSP, which will be completed in 2024.

### GOVERNMENT AND REGULATOR

We engage regularly with the CAA, the Department for Transport and other government departments to discuss the development and delivery of Heathrow 2.0, alongside areas of collaboration.

## STAKEHOLDER ENGAGEMENT ON SUSTAINABILITY ISSUES *cont.*

### Communities and the environment

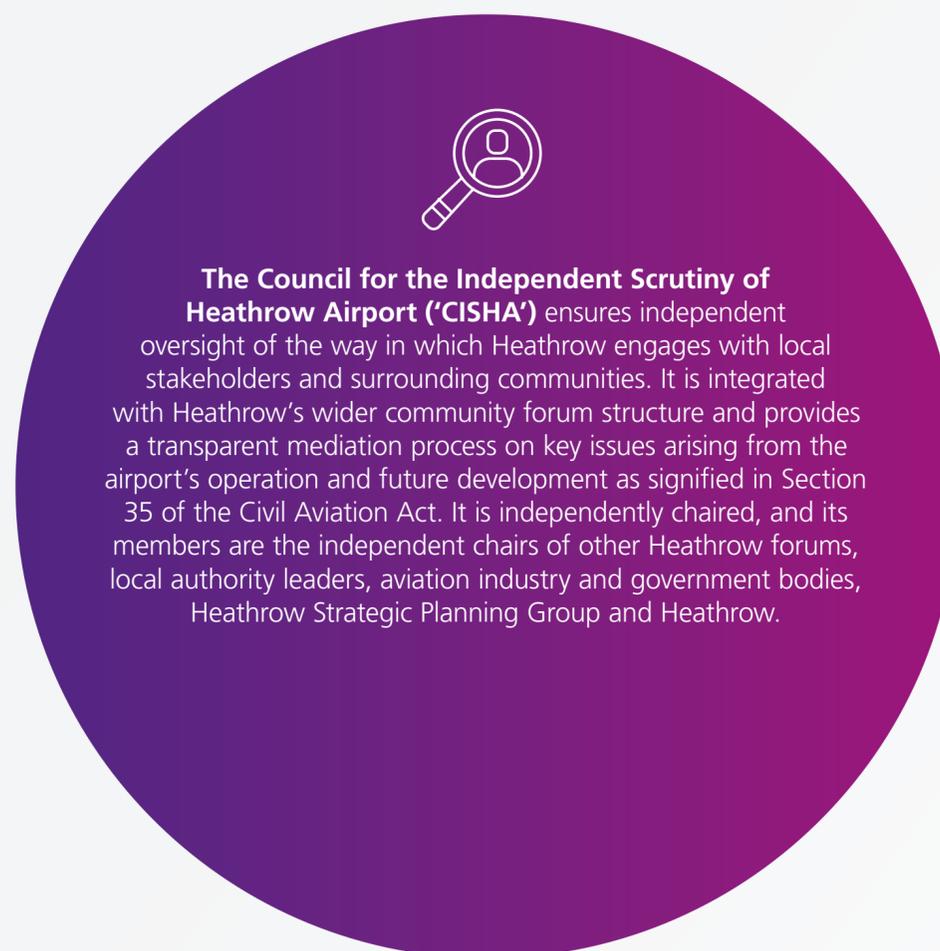
#### COMMUNITY FORUMS

In 2023 we completed the transition of Heathrow's community forums to a new structure. This included the recruitment of new independent chairs to several forums. We also use social media, our website and email communications to communicate directly with our communities.

**The Local Community Forum ('LCF')** facilitates constructive engagement between Heathrow and local communities with the goal of building relationships and trust to make Heathrow a better neighbour. Through the LCF, Heathrow is able to better understand the concerns of communities living near the airport working with them to help minimise local airport related impacts. It is independently chaired, and its members are nominated representatives of local community groups/organisations and residents' associations.

**The Heathrow Sustainable Economic Growth Taskforce ('HSEG')** was set up in 2023 and is a stakeholder forum that aims to maximise the opportunities to enhance local economies through jobs and skills, supply chain, airport development & local decarbonisation. It is independently chaired, and its members are representatives of local councils, local enterprise partnerships, education and skills providers, business groups, chambers of commerce and Heathrow.

**The Noise and Airspace Community Forum ('NACF')** engages on issues related to noise, airspace and runway operations at Heathrow, including updates on day-to-day operations and future changes. It is independently chaired, and its members are representatives of local authorities, community groups, aviation industry and government bodies and Heathrow.



**The Heathrow Area Transport Forum ('HATF')** is a partnership forum between organisations in the private and public sectors with a shared goal of improving accessibility and increasing public transport use to and from the airport and the surrounding area. It also provides input into ongoing Heathrow surface access initiatives. It is independently chaired, and its members are transport industry bodies, trade unions and Heathrow.

**The Heathrow Air Quality Working Group** provides a forum for consultation on Heathrow's air quality strategies and progress towards meeting its targets and to share best practice. It is independently chaired, and its members are representatives of local authorities and Heathrow.

**The Heathrow Strategic Planning Group ('HSPG')** is a partnership of many of the local authorities and Local Enterprise Partnerships ('LEPs') responsible for planning the land use, transport, environment, economic development and sustainable development of the sub-region surrounding Heathrow Airport. It is independent but works constructively with Heathrow.

We also use social media, our website and email communications to communicate directly with our communities.

## EXECUTIVE AND DIRECTOR ADVOCACY

Heathrow's senior leaders are actively engaged in sustainability, and several Chair, or are Members of, external groups and coalitions that focus on sustainability:

### THOMAS WOLDBYE

Chief Executive Officer

- Member of Jet Zero Council

### JAVIER ECHAVE

Chief Financial Officer

- Chair of Business in the Community's Wellbeing Leadership Team
- Co-Chair of the UK CFO Leadership Network, The Prince's Accounting for Sustainability Project (A4S)

### EMMA GILTHORPE

Chief Operating Officer

- CEO of the UK Government Jet Zero Council

### NIGEL MILTON

Chief of Staff and Carbon

- Trustee of Heathrow Community Trust
- Member of HSPG Executive
- Chair of Winmark CSO Network
- CISHA Council Member

### MATT GORMAN

Director of Carbon Strategy

- Chair of Sustainable Aviation
- Member of Jet Zero Council
- Chair of Jet Zero Council Sustainable Aviation Fuel Mandate Sub-Group
- Member of Steering Committee of Rise – the Coalition for a British Sustainable Aviation Fuel Industry

### BECKY COFFIN

Director of Communities and Sustainability

- Board Member - West London Business
- CISHA Council Member



SECTION FIVE

# PERFORMANCE DATA

## PERFORMANCE DATA

We have included 2023 full year data on several key issues, alongside data for 2022, 2021, 2020 and 2019 where possible. The impact of COVID-19 in 2021 and 2020 means that comparison from year-to-year is complex.

For several of our 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 also available and/or 2021/2022, we have included it. As we continue to establish our refreshed strategy, we will increase the number of indicators we track and report.

Bureau Veritas UK Limited have provided verification for Heathrow's greenhouse gas ('GHG') emissions data since 2020, covering the period from 1 January 2020 to 31 December 2023. The verification statement and the carbon footprint methodology can be found on our website at <https://www.heathrow.com/company/about-heathrow/heathrow-2-0-sustainability-strategy/reports-and-further-reading>. It contains information on the context, scope, reporting period and boundaries, calculation and used emissions factors of the 2023 carbon footprint. This includes a list of all emissions by scope with detailed.



## PERFORMANCE DATA *cont.*

Objective	Indicator	2019	2020	2021	2022	2023
Net zero in the air	<b>Sustainable aviation fuel</b>					
	% Heathrow flights operated by airlines committed to 10% SAF by 2030	not yet tracked	not yet tracked	66%	76%	77%
Net zero on the ground	<b>Energy</b>					
	Energy intensity kWh/m <sup>2</sup>	244 kWh/m <sup>2</sup>	212 kWh/m <sup>2</sup>	210 kWh/m <sup>2</sup>		
Clean air at and around the airport	Proportion of energy generated from on site or local renewable sources	7.60%	11.10%	1.60%	7.50%	9.74%
	<b>Emissions impacting air quality</b>					
	NOx emissions from airside sources	4,852	2,173	1972.95	3615.79	Data to be expected in 2024
	NOx emissions from airport related traffic	Data to be expected in 2024	Data to be expected in 2024	Data to be expected in 2024	unavailable	Data to be expected in 2024
	kWh consumed at EV charging points	375,012	108,591	90,850	443,672	723,791
	% aircraft CAEP 6 or newer	68.10%	77.50%	83.60%	97.50%	Data to be expected in 2024
	<b>Surface access</b>					
	% passengers using public transport	41.29%	36.68%	32.57%	38.27%	43.30%
	Colleague mode share				Not reported	N/A (colleague travel survey results available in Summer 24)
	% pax within 1.5/3 hrs by public transport				Not reported	Based on data from Dec 2022 (in process of updating for 2023): 1.5hrs: 8.4m of UK within 1.5hrs of Heathrow by PT with one interchange (≈+27% increase) 3h: 21.1m of UK within 3hrs of Heathrow by PT with one interchange (≈+13% increase)
Quieter nights, quieter flights	<b>Aircraft operating at Heathrow</b>					
	% Chapter 14 aircraft	65.40%	70.84%	77.80%	79.05%	82.26%
	% Chapter 4 aircraft	34.50%	29.05%	22.12%	20.88%	17.72%
	<b>Heathrow operations</b>					
	Late running non dispensed departures post 23:30	257	68	86	466	193 
	Nights with no flights between 23:30 and 04:30	119	281	270	107	144 
	% arriving flights following a Continuous Descent Approach (CDA)	89.93%	88.45%	89.34%	90%	89.95%
	% compliance with 4% minimum climb gradient	99.80%	99.90%	99.90%	99.87%	99.90%
	<b>Noise complaints</b>					
	Complaints received	75,838	39,083	37,132	63,679	71,041
Number of complainants	3,232	945	900	1,609	1,969	

Objective	Indicator	2019	2020	2021	2022	2023
Nature positive airport	<b>Biodiversity</b>					
	Species abundance (total species)	n/a	n/a	3,945	4,034	4,108
	New species identified	n/a	n/a	126	89	75
Zero waste airport	Surveys completed	n/a	n/a	129	113	168
	<b>Waste</b>					
	Total waste (tonnes)	23,934	9,023	8,009	17,270	21,686.91
	% total waste recycled	48.90%	50.50%	49.90%	48.16%	49.05%
	<b>Water</b>					
	Total potable water consumption	2,402,993m <sup>3</sup>	1,633,774m <sup>3</sup>	1,180,354m <sup>3</sup>	1,451,365m <sup>3</sup>	1,389,613m <sup>3</sup>
Thriving sustainable supply chain	Unaccounted for water				Not reported	
	De-icer recovery				170,718 litres	
	<b>Proportion direct suppliers SMEs</b>					
Proportion of Tier 1 suppliers that are SMEs	n/a	41.10%	45.30%	46.40%	61.50%	
Proportion of local Tier 1 suppliers that are SMEs	n/a	49.30%	55.20%	52.80%	75.00%	
Better quality of life in Heathrow's neighbouring communities	<b>Contributions to charity</b>					
	£ Heathrow donation to Heathrow Community Trust	£725,000	£425,000	£308,000	£275,000	£677,994 
	£ leveraged for Heathrow Community Trust from colleague and partner fundraising, passenger donations and noise fines	£107,000	£10,900	£5,604	£270,000	£373,108
	People benefitting from Heathrow's community investment activities				Not tracked yet	94,912
	Colleagues taking part in local community volunteering opportunities				Not tracked yet	1,095
Colleague volunteering hours contributed				Not tracked yet	3,844	

## PERFORMANCE DATA *cont.*

Objective	Indicator	2019	2020	2021	2022	2023
Inclusive employer of choice for local diverse talent	<b>Gender and ethnicity representation</b>					
	% female representation at all levels	43%	40.80%	40.80%	41.30%	41.40% 
	% female representation senior managers (Exec-Band C)	35.00%	37.20%	37.10%	39.48%	39.80% 
	% ethnicity representation at all levels	43%	45.90%	46.00%	48.13%	54.30% 
	% ethnicity representation senior managers (Exec – Band C)	17.00%	17.20%	17.10%	18.28%	20.10% 
	<b>Colleague disclosure rates</b>					
	% disclosure rate for gender	n/a	98.00%	99.80%	99.89%	98.70%
	% disclosure rate for ethnicity	n/a	92.00%	97.70%	96.94%	93.90%
	% disclosure rate for sexual orientation	n/a	19.10%	26.00%	43.67%	56.10%
	% disclosure rate for disability	n/a	19.10%	21.70%	37.81%	50.80%
	<b>Gender and ethnicity pay gap - note 2021 reporting is position as of 5th April 2021</b>					
	% median pay gap – gender	3.00%	4.50%	14.00%	1.4%	7.20%
	% mean pay gap – gender	9.80%	8.80%	7.80%	7.5%	1.40%
	% median pay gap – ethnicity	Not yet tracked	Not yet tracked	22.20%	3.6%	24.00%
	% mean pay gap – ethnicity	Not yet tracked	Not yet tracked	22.20%	17.9%	21.50%
	<b>Jobs and careers</b>					
	Total external jobs, apprenticeships and early career opportunities	Not yet tracked	Not yet tracked	Not yet tracked	2746	3117*
	Total external jobs, apprenticeships and early career opportunities (people living in local boroughs)	Not yet tracked	Not yet tracked	Not yet tracked	624	700
	Heathrow Airport Limited external hires	Not yet tracked	Not yet tracked	Not yet tracked	1910	2388
	Heathrow Airport Limited early talent opportunities	Not yet tracked	Not yet tracked	Not yet tracked	33	36
	Employment offers brokered by Heathrow Employment and Skills Academy	Not yet tracked	Not yet tracked	Not yet tracked	803	893
	New ID passes issued by the ID Centre	Not yet tracked	Not yet tracked	Not yet tracked	9072	
	Team Heathrow vacancies advertised by the Academy	Not yet tracked	Not yet tracked	Not yet tracked	2349	1243
Internal growth opportunities (promotions, secondments, lateral moves) - % of colleagues (TBC)	Not yet tracked	Not yet tracked	Not yet tracked	17.9%	15.09%	
Experience of work days	Not yet tracked	Not yet tracked	729	3031	5340	

\*200 opportunities brokered by the Academy

Objective	Indicator	2019	2020	2021	2022	2023
Responsible business foundations	<b>Health and safety</b>					
	Colleague lost time injuries per 100,000 hours worked	0.34	0.13	0.38	0.35	0.4
	Passenger incidents within Heathrow's control per one million passengers	0.59	0.63	0.57	0.42	0.21
	<b>Colleague engagement survey</b>					
	% agree/strongly agree that "Heathrow is a great place to work"	74%	n/a	51%	54%	67%
	% agree/strongly agree that "I think sustainability is important to our business"	n/a	n/a	68%	51%	57%
	<b>Sustainable supply chain</b>					
Prompt Payment – average days to pay	n/a	22	31	22.2	22.8	

## 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 emission and assess our progress in delivering our carbon reduction goals.

Our methodology for carbon reporting is informed by the Greenhouse Gas Protocol ('GHGP') and the Airport Carbon Accreditation ('ACA') standards. Our carbon and energy disclosure is in line with the reporting requirements of the Streamlined Energy and Carbon Reporting ('SECR'). It includes emissions from fuel consumption and operational vehicles in scope 1, electricity consumption in scope 2, and aircraft emissions, business travel, travel to and from the airport and infrastructure emissions in scope 3. Each annual carbon footprint includes our baseline year 2019, the current reporting year and two previous years for comparison.

Following the publication of our Net Zero Plan, as part of a refreshed Heathrow 2.0, in February 2022, we have mapped its eight goals to cut carbon 'In the Air' and 'On the Ground' to the GHGP scopes.

**Scopes 1 and 2:** Accounts for only 0.2% of Heathrow's footprint, including buildings and infrastructure and Heathrow owned vehicles.

**Scope 3:** Accounts for 99% of Heathrow's total emissions, including aircraft, surface access, supply chain and Team Heathrow vehicles, with aircraft accounting for 95% of total emissions.

Our carbon footprint in 2023 includes two new data sources that were not previously reported and third party assured.

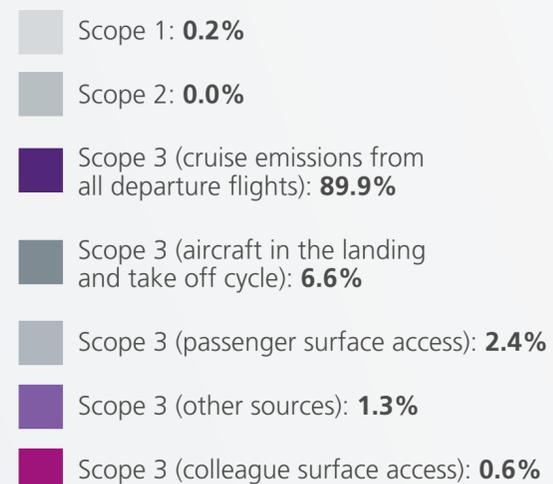
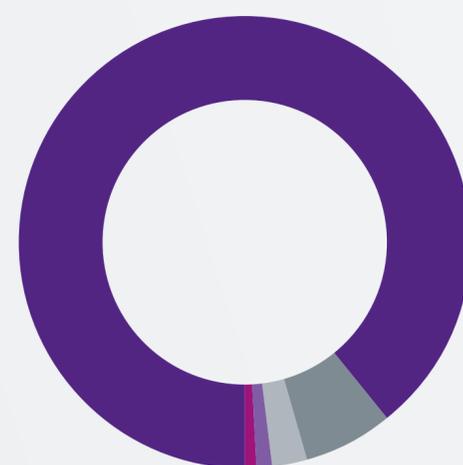
The first new data source is emissions from our supply chain, based on capital spent multiplied by industry specific intensity factors, which are now reported in Heathrow's scope 3. To improve this data source further we are also working on a Balanced Scorecard, to collect actual carbon and other sustainability related data from our strategic suppliers. Bottom-up data from this approach could be used to validate and supplement or replace current intensity factor based data in future years.

Carbon emission savings from SAF is the second new data source we are including this year for the first time. SAF has been regularly uplifted at Heathrow, since the beginning of 2022, as part of our aeronautical charges incentive scheme. In 2023, the SAF incentive was set to 1.5%, however, we delivered slightly below this level due to delays in supply. The SAF delivered had lifecycle carbon savings of 94.5% on average. There is a lack of guidance from professional bodies and standard setters on how to account for SAF and we therefore disclose the savings associated with the use of SAF over regular jet fuel in our 'Separately from the Scopes' table until further guidance is published.

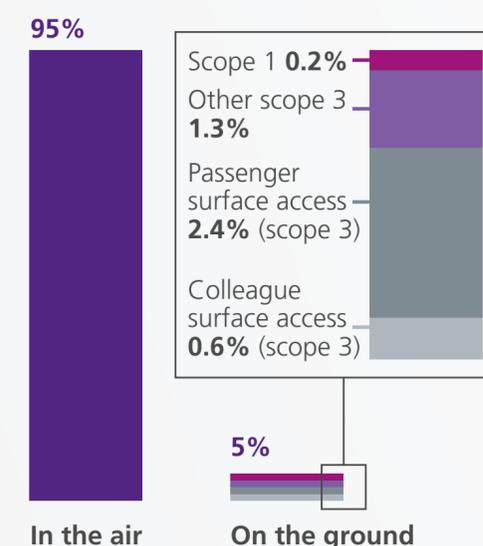
In addition to the integration of supply chain carbon and SAF, we are continuously improving the quality of all data feeding into the footprint to provide more frequent, accurate and accessible carbon reporting. Bureau Veritas UK Limited has provided independent, limited assurance for Heathrow's GHG emissions data since 2020, covering the period from 1 January 2020 to 31 December 2023.

The published methodology document contains information on the context, scope, reporting period and boundaries, calculation and used emissions factors of the 2023 carbon footprint. This includes a list of all emissions by scope with detailed information on data sources and core assumptions used for calculation.

### BREAKDOWN BY SCOPES



### BREAKDOWN BY 'IN THE AIR' AND 'ON THE GROUND'



## OUR CARBON FOOTPRINT *cont.*

Net Zero Plan		Emission source		Greenhouse gas emissions			
Objective	Goal	Greenhouse Gas Protocol	Airport Carbon Accreditation	2019	2021	2022	2023
Net zero on the ground		<b>Scope 1</b> (tonnes CO <sub>2</sub> e)		<b>26,998</b>	<b>29,091</b>	<b>29,806</b>	<b>32,116</b>
	8	Company facilities	Fuel consumption utilities – Market based – Location based	21,942 24,335	23,525 23,525	21,867 21,867	22,588 25,326
	7		Operational vehicles and equipment	1,668	1,023	791	622
	8		LPG for fire training	35	-	-	1
	8		Refrigerants	2,871	2,968	6,671	8,695
	6		De-icer	482	1,575	477	210
			<b>Scope 2</b> (tonnes CO <sub>2</sub> e)		-	-	-
	8	Purchased electricity, steam, heating and cooling for own use	Grid electricity consumption – Market based – Location based	- 71,163	- 49,066	- 52,717	- 56,134
			<b>Scope 3</b> (tonnes CO <sub>2</sub> e)		<b>21,012,356</b>	<b>8,221,882</b>	<b>14,908,385</b>
	5	Downstream transportation and distribution	Passenger surface access	632,348	130,699	361,856	436,100
			Employee commuting	115,531	78,537	89,034	125,133
		Business travel	Business travel	1,070	28	420	1,133
	6	Waste generated in operations	Waste	563	176	385	502
			Purchased goods and services	Water	2,068	434	482
	1	Use of sold products	De-icer	4,584	3,267	3,473	3,167
	6	Purchased goods and services	Supply chain	229,606	96,395	174,145	198,440
	7	Upstream transportation and distribution	Operational vehicles & equipment	33,015	12,204	15,768	26,808
	6		Construction vehicle fuels	-	1,299	1,122	1,763
		Downstream leased asset (Third party electricity) Use of sold products (PCA & FEGP)	Third party grid electricity consumption – Market based – Location based	146 43,706	69 23,785	- 24,956	- 28,630
	8		Downstream leased asset	Fuel consumption utilities	272	173	155
Net zero in the air	1 to 4	Use of sold products	Aircraft in the LTO cycle	1,250,648	505,552	985,506	1,267,909
			Cruise emissions from all departure flights	18,742,505	7,393,049	13,276,039	16,680,512
<b>Total Footprint</b> (tonnes CO <sub>2</sub> e)				<b>21,039,354</b>	<b>8,250,973</b>	<b>14,938,191</b>	<b>18,774,300</b>

Separately from the Scopes		Greenhouse gas emissions (tonnes CO <sub>2</sub> e)			
		2019	2021	2022	2023
Sustainable Aviation Fuel ('SAF')	Savings from SAF on WTT			(100,946)	(279,163)
	WTT and T&D: Electricity	27,426	20,648	20,276	20,414
Well to Tank ('WTT') and Transmission & Distribution ('T&D')	WTT: Aviation	4,139,566	1,635,181	2,952,203	3,733,589
	WTT: Utilities Fuel Consumption	3,950	4,155	8,040	5,577
	WTT: Vehicles	8,200	3,487	4,389	7,453
	WTT: Surface Access	182,957	54,053	118,275	146,205
	<b>Total scope 3 WTT and T&amp;D</b>	<b>4,362,099</b>	<b>1,717,524</b>	<b>3,103,183</b>	<b>3,913,238</b>
<b>Total Footprint including WTT, T&amp;D and SAF</b> (tonnes CO <sub>2</sub> e)		<b>25,401,453</b>	<b>9,968,497</b>	<b>17,940,428</b>	<b>22,408,375</b>

Energy		Energy (MWh)			
		2019	2021	2022	2023
Scope 1	Fuel consumption utilities	134,289	125,326	268,499	176,633
	Operational vehicles and equipment	6,732	5,324	4,867	4,988
	LPG for fire training	5	-	-	3
Scope 2	Grid electricity consumption	283,229	231,082	272,610	271,080

Carbon Intensity Metrics		Carbon Intensity (kg CO <sub>2</sub> e/passenger)			
		2019	2021	2022	2023
Greenhouse Gas Protocol	Scope 1 and 2 carbon intensity	0.3	1.5	0.5	0.4
	Scope 3 carbon intensity	259.7	423.8	242.0	236.6
	All scopes carbon intensity	260.0	425.3	242.5	237.0
Net Zero Plan	'On the Ground' carbon intensity <i>Scope 1, 2 and 3 excluding aircraft emissions</i>	12.9	18.2	11.0	10.4
	'In the Air' carbon intensity <i>Scope 3 aircraft emissions only</i>	247.1	407.1	231.5	226.6

### 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').

**Scope 1** – All direct GHG emissions from activities at Heathrow Airport under our direct control, such as our own vehicles, fuel required to heat our terminals and non-carbon emissions, including refrigerant gases.

**Scope 2** – All indirect GHG emissions from the electricity purchased for the organisation's owned and operated activities. Scope 2 market-based emissions are zero as our electricity is sourced using a Renewable Energy Guarantee of Origin ('REGO') backed contract. The REGO certificate covers Heathrow Airport Limited, our parking-pod test track and the BSC in Glasgow, all of which fall under scope 2 electricity.

### Energy related emissions:

- Market-based grid electricity and utilities consumption: market-based emissions have been used to calculate total emissions. Carbon intensity metrics, including scope 2, only include market-based scope 2 emissions. In order to ensure like-for-like comparisons in these scenarios, market-based Scope 1 emissions have also been calculated by removing the carbon reductions generated by purchase of green gas from the market.

- Location-based grid electricity and utilities: location-based emissions are based on the emissions intensity of the grid and natural gas and do not take into account the procurement of renewable energy and green gas from the market, hence are not counted in Heathrow's total emissions.

- All scope 1 and 2 emissions are UK based.

**Scope 3** – All other indirect GHG emissions from activities in relation to Heathrow Airport, occurring from sources that we do not own or control. We know that getting our own house in order is only the first step and that we must support decarbonisation across the whole industry, including flights.

**Well-to-tank and Transmission & Distribution** – Well-to-tank ('WTT') emissions are "upstream" emissions related to the production and transportation of fuel to where it will be combusted. Transmission and Distribution ('T&D') are emissions from the transmission and distribution of energy to site. Although we track WTT and T&D emissions, we do not currently include these within our reporting. The industry standards that we align to lack guidance on the inclusion of WTT emissions, including which aviation stakeholders should report these and how they relate to attributing the benefits of SAF.

# SUSTAINABILITY ASSURANCE STATEMENT

## Independent assurance report

To: The Stakeholders of Heathrow Airport Limited

### 1. INTRODUCTION AND OBJECTIVES OF WORK

BUREAU VERITAS UK (Bureau Veritas) has been engaged by Heathrow Airport (Heathrow) to provide limited assurance over selected:

- Noise,
- Equalities, Diversity and Inclusion and
- Community Investment

KPIs that feature in the 'Heathrow 2.0 2023 Progress Report' (the 'Report') accessible online here: <https://www.heathrow.com/company/about-heathrow/heathrow-2-0-sustainability-strategy/reports-and-further-reading>

The objective is to provide assurance to Heathrow and its stakeholders over the accuracy and reliability of the reported information and data.

### 2. SCOPE OF WORK

The scope of our work was limited to assurance over the following information included within the Report for the period 1st January 2023 to 31st December 2023 (the 'Selected Information'):

#### *Noise*

- Late running non dispensed departures post 23:30
- Nights with no flights between 23:30 and 04:30

#### *Community Investment*

- £ Heathrow donation to Heathrow Community Trust

#### *Equality, Diversity & Inclusion*

- % female representation at all levels
- % female representation senior managers (Exec-Band C)
- % ethnicity representation at all levels
- % ethnicity representation senior managers (Exec - Band C)

### 3. REPORTING CRITERIA

The Selected Information needs to be read and understood together with the methodology documents.

- Methodology for H2.0 KPIs – Noise (Issued 5th February 2024)
- Methodology for H2.0 KPIs – Diversity & Inclusion (Issued 17th January 2024)
- Methodology for H2.0 KPIs – Community Investment (Issued 17th January 2024)

As set out online here: <https://www.heathrow.com/content/dam/heathrow/web/common/documents/company/about/company-information/Methodology.pdf>

#### *Limitations and Exclusions*

Excluded from the scope of our work is assurance of information relating to:

- Activities outside the defined assurance period;
- Positional statements of a descriptive or interpretative nature, or of opinion, belief, aspiration or commitment to undertake future actions; and
- Other information included in the Report other than the Selected Information.

The following limitations should be noted:

- This limited assurance engagement relies on a risk based selected sample of sustainability data and the associated limitations that this entails.
- The reliability of the reported data is dependent on the accuracy of metering / monitoring measurement arrangements, particularly for aircraft movement, employed at site level, not addressed as part of this assurance.
- This independent statement should not be relied upon to detect all errors, omissions or misstatements that may exist.

## SUSTAINABILITY ASSURANCE STATEMENT *cont.*

### 4. RESPONSIBILITIES

This preparation and presentation of the Selected Information in the Report are the sole responsibility of the management of Heathrow.

Bureau Veritas was not involved in the drafting of the Report or of the Reporting Criteria. Our responsibilities were to:

- Obtain limited assurance about whether the Selected Information has been prepared in accordance with the Reporting Criteria.
- Form an independent conclusion based on the assurance procedures performed and evidence obtained.
- Report our conclusions to the Directors of Heathrow.

### 5. ASSESSMENT STANDARD

We performed our work to a limited level of assurance in accordance with International Standard on Assurance Engagements (ISAE) 3000 Revised, Assurance Engagements Other than Audits or Reviews of Historical Financial Information (effective for assurance reports dated on or after December 15, 2015), issued by the International Auditing and Assurance Standards Board.

### 6. SUMMARY OF WORK PERFORMED

As part of our independent assurance, our work included:

1. Conducting interviews with relevant personnel at Heathrow.
2. Reviewing the data collection and consolidation processes used to compile Selected Information, including assessing assumptions made, and the data scope and reporting boundaries.
3. Reviewing documentary evidence provided by Heathrow.
4. Reviewing documentary evidence about Heathrow and the Heathrow Community Trust in the public domain.
5. Agreeing a selection of the Selected Information to the corresponding source documentation.
6. Reviewing Heathrow systems for quantitative data aggregation and analysis.
7. Assessing the disclosure and presentation of the Selected Information to ensure consistency with assured information.

8. Confirmation of accuracy of information with external public domain sources.
9. Reperforming a selection of aggregation calculations of the Selected Information.
10. Comparing the Selected Information to the prior year amounts.
11. Evaluating in outline the design of internal systems, processes and controls to collect and report the Selected Information.

A 5% materiality threshold was applied to this assurance. It should be noted that the procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

## SUSTAINABILITY ASSURANCE STATEMENT *cont.*

### 7. CONCLUSION

On the basis of our methodology and the activities and limitations described above nothing has come to our attention to indicate that the Selected Information is not fairly stated in all material respects with regard to the following KPIs:

Domain	#	KPI	Verified
Noise	#1	Late running departing aircraft post 23:30	193
	#2	Nights with no flights between 23:30 and 04:30	144
Community Investment	#1	£ Heathrow donation to Heathrow Community Trust	£677,994*
Equality, Diversity & Inclusion	#1	% female representation at all levels	41.36%
	#2	% female representation senior managers (Exec- Band C)	39.70%
	#3	% ethnicity representation at all levels	54.27%
	#4	% ethnicity representation senior managers (Exec - Band C)	20.03%

\*comma indicates thousands separator

### 8. 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 certified<sup>1</sup> 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, quality reviews and applicable legal and regulatory requirements which we consider to be equivalent to ISQM 1 & 2<sup>2</sup>.

Bureau Veritas has implemented and applies a Code of Ethics, which meets the requirements of the International Federation of Inspections Agencies (IFIA)<sup>3</sup>, 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. We consider this to be equivalent to the requirements of the IESBA code<sup>4</sup>. The assurance team for this work does not have any involvement in any other Bureau Veritas projects with Heathrow other than assurance projects.

#### **Bureau Veritas UK Ltd**

Registered in England & Wales,  
Company Number: 1758622

Registered Office: Suite 206 Fort Dunlop,  
Fort Parkway, Birmingham, B24 9FD

**London, 20th February 2023**

<sup>1</sup> Certificate available on request

<sup>2</sup> International Standard on Quality Management 1 (Previously International Standard on Quality Control 1)

<sup>3</sup> International Federation of Inspection Agencies – Compliance Code – Third Edition

<sup>4</sup> Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants

# CARBON ASSURANCE STATEMENT

## Independent assurance report

To: The Stakeholders of Heathrow Airport Limited

### 1. INTRODUCTION AND OBJECTIVES OF WORK

Bureau Veritas UK Limited (Bureau Veritas) has been engaged by Heathrow Airport Limited (Heathrow) to provide limited assurance of its greenhouse gas (GHG) emissions data included in Heathrow's 2023 Annual Report (the 'Report'), at <https://www.heathrow.com/company/about-heathrow/heathrow-2-0-sustainability-strategy/reports-and-further-reading>. The objective is to provide assurance to Heathrow and its stakeholders over the accuracy and reliability of the reported information and data.

### 2. SCOPE OF WORK

The scope of our work was limited to assurance over the following information included within the Report for the period 1st January to 31st December 2023 (the 'Selected Information'):

#### *Scope 1 GHG emissions*

- Total Scope 1 emissions
- Fuel consumption (utilities)
- Operational vehicles
- Refrigerants
- De-icer
- LPG for fire training

#### *Scope 2 GHG emissions*

- Total Scope 2 emissions
- Grid electricity consumption (market based)
- Grid electricity consumption (location based)

#### *Selected Scope 3 GHG emissions*

- 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)
- Supply chain emissions
- Well-To-Tank (WTT) emissions from energy reported in Scopes 1, 2 and 3

#### *GHG emission intensity metrics*

- Scope 1 and 2 GHG emissions per passenger
- Scope 3 GHG emissions per passenger (excluding WTT)
- Scope 1, 2 and 3 GHG emissions per passenger (excluding WTT)
- 'On the Ground' emissions per passenger (Scope 1, 2 and 3 excluding aircraft emissions and WTT)
- 'In the Air' emissions per passenger (Scope 3 aircraft emissions excluding WTT)

## CARBON ASSURANCE STATEMENT *cont.*

### 3. REPORTING CRITERIA

The Selected Information are reported according to the Heathrow Airport Carbon Footprint Methodology Document 2023. The definitions for Heathrow's GHG reporting are aligned with the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard (revised edition) and Airport Carbon Accreditation (ACA) Standard.

<https://www.heathrow.com/company/about-heathrow/heathrow-2-0-sustainabilitystrategy/reports-and-further-reading>

### 4. LIMITATIONS AND EXCLUSIONS

Excluded from the scope of our work is assurance of information relating to:

- Activities outside the defined assurance period;
- Positional statements of a descriptive or interpretative nature, or of opinion, belief, aspiration or commitment to undertake future actions; and
- Other information included in the Report other than the Selected Information.
- This limited assurance engagement relies on a risk-based selected sample of sustainability data and the associated limitations that this entails.
- The reliability of the reported data is dependent on the accuracy of metering and other production measurement arrangements employed at site level, not addressed as part of this assurance.
- This independent statement should not be relied upon to detect all errors, omissions or misstatements that may exist.

The following limitations should be noted:

- Colleague Surface Access – the 2021 survey results were used alongside the 2023 passholder numbers for the 2023 calculation. It was not possible to verify the source of the number of passholders used in this calculation due to confidentiality constraints.
- Where data has been derived from independent third parties, for example for Scope 3 categories such as passenger surface access, LTO & Cruise and de-icer, our assurance work 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.

### 5. RESPONSIBILITIES

This preparation and presentation of the Selected Information in the Report are the sole responsibility of the management of Heathrow.

Bureau Veritas was not involved in the drafting of the Report or of the Reporting Criteria. Our responsibilities were to:

- obtain limited assurance about whether the Selected Information has been prepared in accordance with the Reporting Criteria;
- form an independent conclusion based on the assurance procedures performed and evidence obtained; and
- report our conclusions to the Directors of Heathrow.

## CARBON ASSURANCE STATEMENT *cont.*

### 6. ASSESSMENT STANDARD

We performed our work to a limited level of assurance in accordance with International Standard on Assurance Engagements (ISAE) 3000 Revised, Assurance Engagements Other than Audits or Reviews of Historical Financial Information (effective for assurance reports dated on or after December 15, 2015), issued by the International Auditing and Assurance Standards Board.

### 7. SUMMARY OF WORK PERFORMED

As part of our independent assurance, our work included:

1. Conducting interviews with relevant personnel of Heathrow;
2. Reviewing the data collection and consolidation processes used to compile Selected Information, including assessing assumptions made, and the data scope and reporting boundaries;
3. Reviewing documentary evidence provided by Heathrow;
4. Agreeing a selection of the Selected Information to the corresponding source documentation;
5. Reviewing Heathrow systems for quantitative data aggregation and analysis;
6. Assessing the disclosure and presentation of the Selected Information to ensure consistency with assured information. Heathrow also report against the GHG protocol categories for Scope 3. We did not detect any material issues arising from the different categorisation;
7. Reperforming aggregation calculations of the Selected Information;
8. Reperforming greenhouse gas emissions conversions calculations; and
9. Evaluating the design of internal systems, processes and controls to collect and report the Selected Information.

A 5% materiality threshold was applied to this assurance. It should be noted that the procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

## CARBON ASSURANCE STATEMENT *cont.*

### 7. CONCLUSION

On the basis of our methodology and the activities and limitations described above nothing has come to our attention to indicate that the Selected Information as stated below is not fairly stated in all material respects. However, the following should be noted that for:

Heathrow Airport: Reported GHG Emissions		
<b>Scope 1:</b> 32,116 tCO <sub>2</sub> e	<b>Scope 2 (location based):</b> 56,134 tCO <sub>2</sub> e	<b>Scope 2 (market based):</b> 0 tCO <sub>2</sub> e
<b>Scope 3 Categories:</b> Market based (excluding WTT): 18,742,184 tCO <sub>2</sub> e Location based (excluding WTT): 18,770,814 tCO <sub>2</sub> e		
<b>Intensity metrics:</b> Scope 1 and 2 GHG emissions per passenger: 0.4 kg CO <sub>2</sub> e/passenger Scope 3 GHG emissions per passenger (excluding WTT): 236.6 kg CO <sub>2</sub> e/passenger Scope 1, 2 and 3 GHG emissions per passenger (excluding WTT): 237 kg CO <sub>2</sub> e/passenger 'On the Ground' emissions per passenger (Scope 1, 2 and 3 excluding aircraft emissions and WTT): 10.4 kg CO <sub>2</sub> e/passenger 'In the Air' emissions per passenger (Scope 3 aircraft emissions excluding WTT): 226.6 kg CO <sub>2</sub> e/passenger		

### 8. STATEMENT OF INDEPENDENCE, INTEGRITY AND COMPETENCE

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Bureau Veritas operates a certified<sup>1</sup> 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, quality reviews and applicable legal and regulatory requirements which we consider to be equivalent to ISQM 1 & 2<sup>2</sup>.

Bureau Veritas has implemented and applies a Code of Ethics, which meets the requirements of the International Federation of Inspections Agencies (IFIA)<sup>3</sup>, 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. We consider this to be equivalent to the requirements of the IESBA code<sup>4</sup>. The assurance team for this work does not have any involvement in any other Bureau Veritas projects with Heathrow.

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**Heathrow**