Environment & Energy Policy for Heathrow Airport Holdings Limited

<table>
<thead>
<tr>
<th>Date of policy:</th>
<th>January 2019</th>
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<tbody>
<tr>
<td>Author:</td>
<td>Matt Gorman, Sustainability &amp; Environment Director</td>
</tr>
<tr>
<td>Last Approved by Function:</td>
<td>23 January 2019</td>
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<tr>
<td>Last Approved by Executive Committee:</td>
<td>29 January 2019</td>
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<tr>
<td>Version number:</td>
<td>1.1</td>
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Purpose

The purpose of this Environment and Energy Policy is to provide guidelines to all Heathrow colleagues, in particular the Heathrow Executive Committee, on how we will achieve the environmental and energy related goals in our sustainability strategy.

Through our sustainability strategy, Heathrow 2.0, we set out ambitious goals to reduce our environmental impacts. The purpose of this policy is to provide the framework to deliver the environmental elements of our strategy.


Scope

This policy applies to the management and operation of Heathrow Airport Holdings Ltd, and its subsidiaries. This includes the activities of all who work for and on behalf of Heathrow (including contractors, subcontractors and temporary staff).

Background

A Business Priority:

Sustainable Growth is one of Heathrow’s four business priorities, alongside Mojo, Transform Customer Service and Beat the Plan. Together, these will enable us to meet our vision to give passengers the best airport service in the world.

Sustainable growth means to operate and grow our airport sustainably, now and in the future.

Our 4 Pillars of Sustainability

The business case for a sustainable Heathrow is strong and clear across the four pillars of our strategy:

- A Great Place to Work is about helping our people fulfil their potential and work together to lead change with energy and pride;
- A Great Place to Live is about being a good neighbour and a responsible citizen, improving local quality of life.
- A Thriving Sustainable Economy is about delivering opportunities for business that will make the UK stronger and more sustainable.
- A World Worth Travelling is about ensuring that future generations can explore and enjoy our beautiful world. Tackling these challenges is critical to our licence to operate and to grow.
Our Environmental and Energy Objectives

Our approach to reducing our environmental impact is embedded in our sustainability strategy. The table below maps our material environmental impacts to the Heathrow 2.0 objective that seeks to address those impacts.

<table>
<thead>
<tr>
<th>Objective</th>
<th>Material environmental and energy issues</th>
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<tbody>
<tr>
<td><strong>A Great Place to Work</strong></td>
<td></td>
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<tr>
<td>1. Safe and well - a place where everyone can get to their destination and return home, safe and well</td>
<td></td>
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<td>2. Careers, not just jobs - a place where anyone can reach their potential</td>
<td></td>
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<tr>
<td>3. Culture of sustainability – a place that lives and breathes sustainability</td>
<td>All</td>
</tr>
<tr>
<td><strong>A Great Place to Live</strong></td>
<td></td>
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<td>4. Respite for residents – a place that’s getting quieter</td>
<td>Noise</td>
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<tr>
<td>5. Quality air, locally – a place where local air improves</td>
<td>Air emissions Carbon</td>
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<tr>
<td>6. Sustainable Communities – a place where local people shape their future</td>
<td>Biodiversity</td>
</tr>
<tr>
<td><strong>A Thriving Sustainable Economy</strong></td>
<td></td>
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<tr>
<td>7. Connecting the UK – a place that provides a gateway to the world and the world to the UK</td>
<td>Carbon</td>
</tr>
<tr>
<td>8. The next economy – a place that nurtures innovative small and medium sized business and social enterprises</td>
<td></td>
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<tr>
<td>9. Sustainable supply chain – a place that drives change throughout our supply chain</td>
<td>All, and specifically carbon</td>
</tr>
<tr>
<td><strong>A World Worth Travelling</strong></td>
<td></td>
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<tr>
<td>10. Zero carbon airport – a place that is run on renewable energy and that delivers zero waste</td>
<td>Energy, water and resource use Waste</td>
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<td>11. Accelerating the Era of Sustainable Flight – a place where innovators work together to deliver carbon neutral growth</td>
<td>Carbon</td>
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<td>12. A responsible gateway – a place that strives to end trafficking of people and wildlife</td>
<td>Wildlife trafficking</td>
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Policy

Our Executive Committee and senior leaders in the business must govern the business to ensure our company:

- Protects the environment and prevents, limits and reduces pollution, where possible
- Reduces the impact of noise and supports local communities with noise mitigation and compensation schemes
- Reduces emissions of air pollutants to help meet the local EU air-quality limits
- Aspires to make growth from our new runway carbon neutral
- Works towards operating zero carbon airport infrastructure (buildings and other fixed assets)
- Strives for all the water Heathrow uses to come from sustainable sources by 2050 and works to enhance our local water catchment
- Delivers a resource efficient, zero waste airport and supports a circular economy
- Manages our landholdings to protect and enhance biodiversity whilst maintaining aircraft safety as a priority
- Works with our partners so that no illegal wildlife or animal products pass through Heathrow

How we will do this

In addition to the statements included in our Sustainability Strategy, our Executive Committee and senior leaders in the business must:

- Implement best practice sustainable procurement practices across Heathrow, and specifically support the procurement of energy efficiency products and services.
- Monitor the use of energy and resources, managing their consumption efficiently and effectively.
- Design and build our facilities to give passengers the best airport service in the World, whilst creating a zero carbon, sustainable hub airport.
- Work with our airport partners to ensure that the airport plays its role in respecting environmental limits and adapting to the effects of a changing climate.
- In the context of infrastructure development, seek to make the best use of our existing facilities and design, construct and operate new facilities in support of our sustainability goals.
- Where there are trade-offs between different environmental and / or community impacts, seek to strike a fair balance in identifying and delivering an appropriate and sustainable solution.
- Conform to legal, Government policy and other requirements related to our environmental and energy impacts.
- Review and improve our management systems to continually improve our environmental and energy performance.
To help the company deliver the environmental and energy goals in the sustainability strategy, all of our Heathrow colleagues should:

1. Embrace Heathrow’s values and behaviours.
2. Consider the environmental impact and energy saving opportunities in key business decisions and interactions and encourage others to do so.

Accountabilities and Responsibilities

The Chief of Staff Executive Director is accountable for ensuring Heathrow has an Environment & Energy Policy appropriate to the material environmental and energy issues for Heathrow.

Our Executive Committee is responsible for ensuring that this policy is effectively deployed at Heathrow. Individual Executive Committee members are responsible for ensuring that plans are in place within their functions to deliver this policy.

All colleagues (including contractors, subcontractors and temporary staff) are required to consider this Policy during significant decision making.

Communication of Policy

This policy will be communicated to all employees through the following means:

- Company Policies page on Hub+
- Internal training, as appropriate
- Company external website

Management review of this Policy

This policy will be reviewed on an annual basis by the Sustainability & Environment Director and updated as necessary.

Related Policies

- Sustainability Policy
- Sustainable Procurement Policy

Management sign off

Executive Director accountable for this policy: Carol Hui, Chief of Staff
Review Date: 23 January 2019

Directorate policy lead: Matt Gorman, Sustainability & Environment Director
Review Date: 23 January 2019