MODERN SLAVERY ACT STATEMENT FOR 2017

This statement is made pursuant to section 54 of the Modern Slavery Act 2015 for the financial year ending 31 December 2017, and has been approved by the Board of Directors of Heathrow Airport Holdings Limited on behalf of the Heathrow Group. Information set out in this statement is correct as of the date of publication.

Introduction by John Holland-Kaye
the Chief Executive Officer of Heathrow Airport Holdings Limited:

Heathrow is one of the world’s leading international hub airports, and one of the main points of entry in to and exit from the United Kingdom. As such we have a unique responsibility to lead the way in preventing slavery and human trafficking. We are committed to maintaining and continuously improving our practices to combat slavery and human trafficking across Heathrow Airport. We are also working with Heathrow business partners (including suppliers, airlines, ground-handlers and retailers) to combat slavery and human trafficking in their supply chains.

As a Responsible Gateway, Heathrow must take the best possible care of everyone that passes through its gates. Unfortunately, we live in a world in which slavery and human trafficking still takes place. That’s why, by working together with our business partners, and across the wider Team Heathrow, we are committed to tackling slavery and human trafficking. Our Modern Slavery Act Statement for 2017 sets out an overview of the many ways in which we demonstrated that important commitment over the past year.

Heathrow 2.0, our plan for sustainable growth, captures the momentum of an industry-wide shift towards a sustainable future for aviation. It embodies the steps being taken by Heathrow towards preventing modern slavery and human trafficking. By working with our business partners and stakeholders on our joint challenges and responsibilities, we can create a future where our business, our people, our communities and our world can all thrive.

John Holland-Kaye, Chief Executive Officer
Heathrow Airport Holdings Limited
Heathrow’s Structure

Heathrow Airport Holdings Limited (“Heathrow”) indirectly owns (i) Heathrow Airport Limited, which owns and operates Heathrow Airport, the largest airport in the UK; and (ii) Heathrow Express Operating Company Limited, which operates the Heathrow Express rail service.

Heathrow is the intermediate parent company of the Heathrow Group. Heathrow (and the Heathrow Group) is indirectly owned by investment vehicles controlled or managed by Ferrovial S.A. (25.00 per cent.), Qatar Holding LLC (20.00 per cent.), Caisse de dépôt et placement du Québec (12.62 per cent.), the Government of Singapore Investment Corporation (11.20 per cent.), Alinda Capital Partners (11.18 per cent.), China Investment Corporation (10.00 per cent.) and Universities Superannuation Scheme (10.00 per cent.).

The Heathrow Group has over 6,000 direct employees and operates in the United Kingdom. For a more detailed description of our business, including profit and loss, and balance sheet, please refer to the latest annual reports and financial statements of the Heathrow Group entities.

Heathrow’s Business

Welcoming over 78 million passengers in 2017, Heathrow Airport is Europe’s biggest, and the world’s seventh biggest airport in terms of total passengers. Heathrow Airport is the primary airport in London, which is the world’s largest origin and destination aviation market with approximately 155 million passengers travelling to and from London annually. Heathrow Airport plays a critical role in the global aviation industry which is underlined by the fact that five of the top ten intercontinental long-haul routes globally pass through Heathrow Airport.

By connecting the UK with overseas markets, Heathrow enables businesses to reach customers around the world. It supports trade, attracts foreign investment into the UK and it brings overseas visitors to our shores. As one of the world’s leading international hub airports, Heathrow Airport provides the UK with global connectivity. It is one of the UK’s biggest single-site employers.

Our Supply Chain

Heathrow provides a thriving community for over 76,000 people from more than 400 companies, from the biggest airline alliances to the single self-employed cabbie. We call them “Team Heathrow”. Heathrow’s influence therefore stretches far beyond the airport’s boundary. We aim to operate Heathrow Airport as a place that drives change throughout our supply chain, delivering the most ethical, sustainable and low-carbon procurement and sourcing possible.

Heathrow’s supply chain is both extensive and global, and incorporates a wide range of products, and services spanning a variety of industry sectors, broadly grouped as follows:

- Capital Construction and Property;
- Engineering, Maintenance & Facilities Management;
- Professional Services;
- Passenger Experience;
- IT Services and Telecoms;
- Office Services, Supplies, Uniforms & Travel; and
- Group Service Contracts (including statutory services, rent, rates, utilities, policing etc.).

Heathrow is committed to complying with all applicable laws and regulations as well as to conducting its supply chain activities in a fair, transparent and professional manner at all times.
Supply Chain Risk Assessment and Due Diligence

In 2017 Heathrow introduced new due diligence processes which focus on (i) identifying the parts of our supply chain that present the greatest risk; and (ii) tackling slavery and trafficking risk in the supply chain.

In early 2017, Heathrow selected a third-party provider, Sedex (Supplier Ethical Data Exchange), as the external data platform to identify potential risks in our supply chain and support our new supply chain due diligence processes.

We set out clear objectives to tackle slavery and human trafficking risk in our supply chain, through conducting a risk assessment of our supply chain, and by targeting all medium and high risk strategic suppliers (as determined in accordance with the process described below) to be registered on Sedex by the end of 2017.

To achieve these targets, we utilised the Sedex risk methodology to identify Heathrow product categories which had a medium and high inherent risk of modern slavery.

We then targeted the Heathrow suppliers who were the highest value to Heathrow, provided the most critical goods and services and who operated in such product categories. Suppliers that were identified through this process were required to register with Sedex and complete a self-assessment questionnaire. This questionnaire assesses the residual risk of modern slavery. All our strategic suppliers who were risk assessed as having a medium or high inherent risk of modern slavery, registered with Sedex in 2017.

In 2018, we aim to extend the registration program to an increasing number of Heathrow suppliers, with a risk based approach. In addition, we will be introducing into the supplier selection process for new suppliers a requirement for suppliers in medium and high labour risk categories to make a commitment to register with Sedex. This will be incorporated into the Heathrow e-Sourcing platform and become an integral part of the internal approval process.

Our Policies & Contractual Controls

Heathrow will not tolerate slavery or human trafficking in its business or supply chain. We embed and maintain effective systems, controls and internal policies to prevent slavery and human trafficking, and take all allegations of slavery and / or human trafficking seriously.

Our Modern Slavery Policy (the “Policy”) approved in May 2017:

• makes it clear that Heathrow's approach is not to tolerate modern slavery and human trafficking;

• clarifies each individual's role in complying with applicable laws and safeguarding vulnerable persons against modern slavery and human trafficking;

• provides clear guidance explaining the concepts of modern slavery and human trafficking, and what needs to be done where an individual suspects modern slavery or human trafficking is taking place at Heathrow Airport or in our supply chain;

• makes it clear that Heathrow expects its supply chain to comply with the requirements of the Policy, including that Heathrow Business Partners are expected to conduct themselves in accordance with the standards set out in the Policy;

• includes a statement confirming that Heathrow will not tolerate modern slavery or human trafficking at any tier in our supply chain; and

• includes Heathrow's commitment to working collaboratively with Heathrow Business Partners to increase awareness, detection and prevention of modern slavery and human trafficking, and to promote responsibility on this issue and ensure that we are transparent in our actions.

Our Sustainable Procurement Policy governs the products and services we buy, the organisations we do business with, and the contracts that we manage across all four pillars of our plan for sustainable growth, Heathrow 2.0. Sustainability is embedded into all procurement processes from sourcing strategies, tenders, evaluations, contract clauses and KPIs.

Our Whistleblowing Policy is aimed largely at our employees (permanent or temporary), but also applies to consultants, agency workers, contractors working at Heathrow Airport. This policy encourages individuals to report any wrongdoing which extends to slavery and human trafficking. All whistleblowing reports are treated in the strictest confidence and are investigated fully with appropriate remedial actions taken, where necessary in accordance with Heathrow's Internal Investigations Policy.

Additionally, we have included robust provisions in our standard procurement and retail concession agreements to require our suppliers and concessionaires to comply with applicable anti-slavery legal obligations and Heathrow's own high standards, to provide relevant training to their personnel and to be transparent with their actions in this regard to enable us to monitor performance.
Training Employees

To further ensure an understanding of the risks of modern slavery and human trafficking across our business we have committed to raising awareness and understanding among employees on the importance of preventing any form of modern slavery and human trafficking.

In 2017 we worked on designing an immersive e-learning module to engage Heathrow colleagues on what modern slavery is, why it’s important in the context of Heathrow, signs to look out for and how to escalate concerns. We intend to roll this out in 2018.

In September 2017 we launched a dedicated training package on modern slavery as part of our rolling programme of refresher training for security officers. All eligible colleagues will have completed this package by July 2018. In 2018 we will also include a session on modern slavery as part of new starter training for security officers.

Wider Heathrow community

Heathrow works collaboratively with UK Border Force, the Met Police and other agencies operating at Heathrow Airport to assist them in detecting and disrupting potential occurrences of human trafficking.

In May 2017 we ran a training seminar, in conjunction with the Metropolitan Police Service, to raise awareness among Team Heathrow colleagues of issues relating to vulnerable people at Heathrow, including modern slavery and human trafficking and the multi-agency response to safeguarding at the border. Over 60 colleagues attended the event and gave positive feedback, as well as suggestions for how to further raise awareness across Heathrow which we are considering in our plans for 2018.

Our achievements in 2017 in helping raise awareness of Modern Slavery and Human Trafficking

During the past year we have taken various steps to increase our awareness of slavery and human trafficking across Heathrow Airport with both colleagues and passengers, in addition to the steps identified above.

To support making Heathrow a Responsible Gateway to the UK (a place that strives to end trafficking of people and wildlife) we hold a regular Responsible Gateway Forum, chaired by Heathrow Travel Care. It focuses on how we are working with our partners on preventing human exploitation, trafficking and how we can protect all vulnerable people travelling through Heathrow Airport. In 2017 the Forum met three times. Guest speakers from Stop the Traffik, Unseen and A21 (charities working on modern slavery and human trafficking) attended to increase awareness among members and spark discussion around how to work together to tackle these issues.

To coincide with World Anti-Slavery Day in October, we worked with A21 to support their ‘Can You See Me?’ campaign to communicate to passengers the risks of modern slavery and human trafficking. Campaign materials appeared in baggage reclaim areas in all four terminals from October through to January 2018.

Heathrow held a Modern Slavery Awareness Event at Heathrow Head Office, on 27th July 2017. This was run in conjunction with UK Border Force (the agency responsible for securing the UK border by carrying out immigration and customs controls for people and goods entering the UK), and Heathrow Travel Care (an independent charity providing crisis social work at Heathrow Airport).

Heathrow Airport is a Partner of the Supply Chain Sustainability School (the “School”), which provides practical support to suppliers in the form of e-learning modules, tailored self-assessments, action plans and sustainability training which includes ethical business practices, modern slavery and human trafficking. We intend to have all strategic suppliers to become members of the School by the end of 2018 and plan to roll this out more widely thereafter.

In February 2017 we launched Heathrow 2.0, our plan for sustainable growth. It represents a step-change for our business and captures the momentum of an industry-wide shift towards a sustainable future for aviation. By working with partners and stakeholders to devise solutions, and by investing in, and implementing breakthrough technology, we can create a future where our business, our people, our communities, our country and our world can all thrive.

Our goals in Heathrow 2.0, which embody steps taken by Heathrow in 2017 towards preventing modern slavery and human trafficking, include:

- To work with our supply chain and Team Heathrow to tackle modern slavery and human trafficking in all their forms (Goal 9.5); and
- To operate Heathrow as a Responsible Gateway – a place that strives to end trafficking of people (Goal 12.1).

Our future commitments to combating Modern Slavery and Human Trafficking

Heathrow is committed to maintaining a leadership role in working with Heathrow’s Business Partners and Team Heathrow in tackling the issue of modern slavery and human trafficking. We will keep our focus on the continuous improvement and delivery of effective strategies to meet this important commitment.