

Heathrow

Heathrow's Sustainability Report 2022

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Welcome

from our CEO

When we launched our refreshed sustainability strategy in February 2022, Heathrow was still very much feeling the impacts of the pandemic. But alongside immediate priorities to kick start recovery, we were clear in our resolution that Heathrow should continue to take a leading role decarbonising the aviation sector and ensuring the communities around the airport can be a great place to live and work.

Our new plan was a clear signal of our intention to protect the benefits of aviation as a force for good in the world, and face challenging issues head on, with the conviction that we can be successful if we stay true to our values and work together.

A year on and I'm immensely proud of the progress we're already making. Heathrow is demonstrating that a sustainable future for aviation is possible, and others are sitting up and paying attention. At the airport our financial incentive to encourage uplift of sustainable aviation fuel (SAF) at Heathrow was oversubscribed, with several key airline partners signing up. This meant that Heathrow was among the airports with the highest SAF use globally. I'm delighted that in 2023 we have tripled our target for the incentive, and that it has been oversubscribed for a second year.

Globally, in October the International Civil Aviation Organisation (ICAO) reached a landmark agreement for net zero aviation by 2050. Heathrow is taking an active role in pursuing the actions that will be needed to achieve this. These include scaling up production of SAF as quickly as possible.

In the UK, the Government has announced plans for a mandate of 10% SAF use by 2030, and offered £165m investment in SAF plants. To further signal demand for SAF, through the Sustainable Markets Initiative (SMI), Heathrow is calling on global companies to take a lead in committing to buying SAF whenever their employees travel, with a target of 30% SAF usage by 2030.

We need to take action to decarbonise on the ground at Heathrow as well as in the air. Over the next five years we will invest over £200m of capital in everything from modernising airspace to cycle lanes in the tunnels to Terminals 2 and 3. In 2022 we've already invested in net zero transport solutions in and around Heathrow, such as the electric buses for colleague parking and trialling a plug-in electric air-conditioning system for planes parked on stands. And we've launched a new Sustainable Travel Zone to provide support to colleagues, improving the public transport options available to them for their journeys to work.

// Over 15% of colleagues were able to develop their career in 2022 through a promotion, secondment or lateral move.

As well as implementing a credible plan to decarbonise, Heathrow's licence to operate and to grow depends on us minimising the negative impact of the airport on local communities and maximising the benefits.

Heathrow's growth in 2022 was remarkable. Passenger numbers rebounded as restrictions eased. Between March and July Heathrow grew faster than any other airport in the world. To service that growth, we and our airport partners have needed to quickly recruit new colleagues, creating thousands of career opportunities for people living near the airport and bringing diverse, local talent into the business. It's also meant that over 15% of colleagues were able to develop their career in 2022 through a promotion, secondment or lateral move.

This has supported progress against our goal to reflect the diversity of the local community at all levels of our business, particularly on gender, but we must step up work on ethnic diversity.

Noise remains a challenging subject; there are long-term opportunities to redesign airspace which could mean that noise is shared more fairly and predictably. In the short term, noise from night flights increased in 2022, largely because of low punctuality. This is not acceptable, and we must redouble our efforts to increase the number of nights without flights to avoid disruption to our neighbours.

An important way we will maximise the benefits of Heathrow to our local communities is through our Giving Back Programme, which we developed in 2022 and launched last month. It sets out how we will give back to at least one million people locally by 2030, through work experience, schools programmes, community projects and charity work.

There were so many exciting moments in 2022 that signalled Heathrow getting back to its best. All the progress we've made against our Heathrow 2.0 goals gives us a strong platform as we go into 2023, when we will focus on evolving our strategies for nature positive and zero waste. We look forward to sharing those plans later in the year.

JOHN HOLLAND-KAYE
Chief Executive Officer



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

"Whether business needs to address the climate change and other sustainability challenges should no longer be matter for debate. The risks are clear, they are fundamental and increasing. The businesses which tackle them effectively will build the resilience to thrive. At Heathrow, the SORC helps the business to do this through constructive challenge which brings to bear a wide-ranging perspective. It continues to probe performance and to suggest improvement areas. This role will be reinforced in 2023 by external scrutiny from the CISHA. With help from SORC and CISHA, the airport's sustainability performance is planned to progress further. Its leadership in advocating for sustainable aviation has delivered important results in 2022 and must continue to do so."



BARONESS LIZ SUGG
Independent Chair of the Council for the Independent Scrutiny of Heathrow Airport (CISHA)

"The new Council for Independent Scrutiny of Heathrow Airport is responsible for independent oversight of Heathrow Airport's engagement with its stakeholders. Our forums deal with a wide range of issues, but many of the areas of most interest to local communities and other stakeholders are aligned with the priorities in Heathrow 2.0."

As an independent Council, in the coming year CISHA will scrutinise the content of Heathrow 2.0, and consider the airport's plans to tackle a range of environmental and social issues. We will report back on the airport's progress towards its aim to be a great place to live and work."

Our approach to sustainability

Heathrow 2.0: Connecting People and Planet is our sustainability strategy which launched in February 2022. Building on Heathrow's record of sustainability leadership, it sets out how we will tackle the most material issues for our sector and make a difference this decade.

We chose to update and refresh our plan in 2022 to align with the recovery of the aviation sector following the pandemic. The timeline for the goals we have set is 2030, we set this date because we recognise that, by then, substantive progress must be made towards decarbonisation if the broader industry is to remain on track to meet its goal of net zero by 2050. We also recognise that Heathrow must be a great place to live and work. We have made commitments that aim to improve quality of life for local communities and have a positive impact on our colleagues' careers.

Our Heathrow 2.0 framework is based on two pillars. The first focuses on net zero aviation and contains Heathrow's response to tackling the global climate emergency. The second focuses on making Heathrow a great place to live and work for our colleagues and our local communities, and brings together our plans to tackle a range of environmental and social issues. Underpinning these two pillars are our responsible business foundations – our ongoing commitment to do the right thing across a range of issues.

Heathrow 2.0 is an umbrella strategy that brings our sustainability commitments together in one place. Detailed plans on specific issues are laid out in separate documents:

NET ZERO PLAN



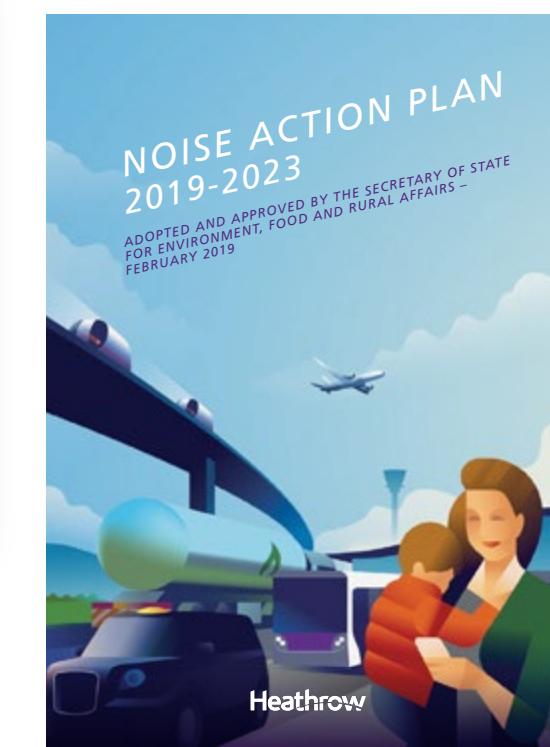
SURFACE ACCESS STRATEGY



GIVING BACK PROGRAMME



NOISE ACTION PLAN



HEATHROW LOCAL RECOVERY PLAN



Our approach to sustainability – continued

ALIGNMENT WITH THE SUSTAINABLE DEVELOPMENT GOALS

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

NET ZERO AVIATION

Net zero in the air

GOAL BY 2030:
Up to 15% cut in carbon compared to 2019

Net zero on the ground

GOAL BY 2030:
At least 45% cut in carbon compared to 2019



A GREAT PLACE TO LIVE AND WORK

Clean air at and around the airport

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

Quieter nights, quieter flights

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

Nature positive airport

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

Zero waste airport

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

Thriving sustainable supply chain

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

Better quality of life in Heathrow's neighbouring communities

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

Inclusive employer of choice for local diverse talent

GOAL BY 2030:
Reflect the diversity of our local community at all levels

Inclusive employer of choice for local diverse talent

GOAL BY 2030:
10,000 external jobs, apprenticeships and early career opportunities



OBJECTIVES AND GOALS

SUSTAINABLE DEVELOPMENT GOALS

RESPONSIBLE BUSINESS FOUNDATIONS

Our approach to sustainability – *continued*

SUSTAINABILITY GOVERNANCE

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

Heathrow Airport Holdings Limited Board of Directors: Our Board has a dedicated subcommittee which discusses sustainability issues quarterly: the Sustainability and Operational Risk Committee (SORC). The SORC is chaired by Joan MacNaughton, an influential and respected figure in international energy and climate policy. In addition, the Chair of the Audit Committee, Olivier Fortin is responsible for climate change risk and disclosure at Board level.

Executive team: Our Chief Executive and the Executive leadership team provide strategic direction for the delivery of Heathrow 2.0 through their functions. As Chief of Staff and Carbon, Nigel Milton is responsible for setting Heathrow's strategic direction on decarbonisation and other sustainability issues.

Carbon and Sustainability Delivery Committee (CSDC): This group of senior departmental leaders had a dual remit in 2022:

- Ensuring that Heathrow 2.0 is embedded and implemented across the business, and shapes departmental sustainability plans.
- Carbon Programme sponsorship, reporting and performance review.

In 2023 this will become two separate committees: the Heathrow 2.0 Leadership Committee and the Carbon Programme Committee.

INCENTIVISING SUSTAINABILITY PERFORMANCE

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



About this report

SCOPE OF DATA

Our 2022 sustainability performance data, including Heathrow's carbon footprint, can be found on [p.61](#). In each section, we have included a summary of performance against the goals and targets set out in Heathrow 2.0. For each, we have rated performance as 'on track', 'progressing', 'behind' or 'not yet able to measure'.

EXTERNAL ASSURANCE

In this report, we have included 2022 data on several key issues. Bureau Veritas UK Limited have provided limited assurance for Heathrow's greenhouse gas (GHG) emissions data, noise, charity and diversity KPIs covering the period 1 January 2022 to 31 December 2022. In the performance data section of this report we have flagged these indicators with a diamond-shaped icon. Verification statements and further detail across the breadth of issues covered in Heathrow 2.0 can be found on [p.64](#).

REPORTING STANDARDS

Heathrow has implemented the recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD). Our approach has been guided by the TCFD maturity criteria published by Accounting for Sustainability, and we have fulfilled all the areas that are necessary for a full disclosure. Our disclosure provides investors and other stakeholders with an annual account of Heathrow's exposure to both transition and physical climate risks 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. Our latest disclosure can be found on p.66 of Heathrow's 2021 Annual Report and Financial Statements. Our 2022 disclosure will be published later in 2023.

Our Modern Slavery Act Statement for 2021 gives an overview of the ways in which we have been working to ensure that slavery and human trafficking continue to be tackled through our business and supply chain. It is available [here](#). Our 2022 statement will be published later in 2023.

CONTACT US

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

About our business

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

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

Our priorities



MOJO

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



TRANSFORM CUSTOMER SERVICE

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



BEAT THE PLAN

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



SUSTAINABLE GROWTH

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

About our business – *continued*

Our values



DOING THE RIGHT THING

Doing the right thing means acting with integrity and thought for others, ourselves and Heathrow. It means living the values in everything we do and it underpins all our actions, decisions and interactions. We're responsible in the way we do business. We take a lead on sustainability and doing the right thing by being a good neighbour and delivering against Heathrow 2.0.



KEEPING EVERYONE SAFE

Caring for ourselves and one another, so that we feel safe, secure and well, and empowered to speak up across all settings and activities. We notice and care and act with consideration for others, ourselves, Heathrow and the community.



WORKING TOGETHER

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



TREATING EVERYONE WITH RESPECT

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



GIVING EXCELLENT SERVICE

We give excellent service because we are proud that passengers see Heathrow as the best place to fly from, through and to. By doing this we will achieve our vision of giving passengers the best airport service in the world.



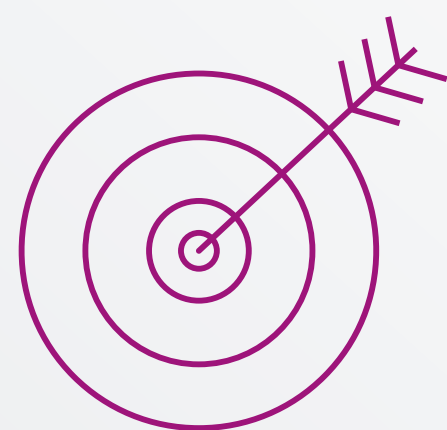
IMPROVING EVERYDAY

Being ambitious and always striving for the best, with the right tools and mindset to succeed. We grow and learn from each other by sharing our knowledge and experience. We learn from the past and apply those learnings to the future to continuously reach the best solutions.

2022 highlights – net zero aviation

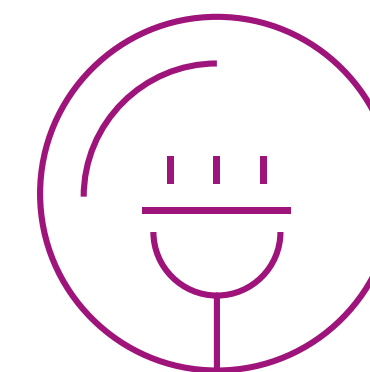
NET ZERO BY 2050

Net zero 2050 goal for whole global aviation sector agreed at ICAO General Assembly.



CUT CARBON

Trial with American Airlines of a new plug-in electric cooling solution to save airlines running engines on stand and cut carbon.

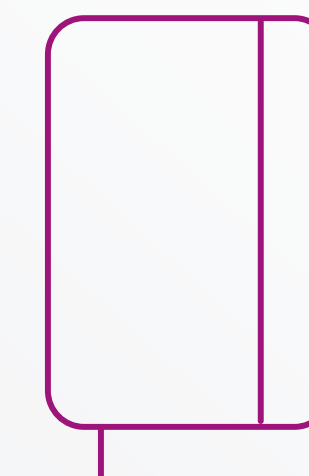


0.5% SAF

At least 0.5% of fuel delivered to airlines at Heathrow during the year was sustainable aviation fuel.

ZERO EMISSIONS AIRCRAFT

Heathrow published findings from project NAPKIN, showing that hydrogen-fuelled services could dominate domestic air travel by 2040.

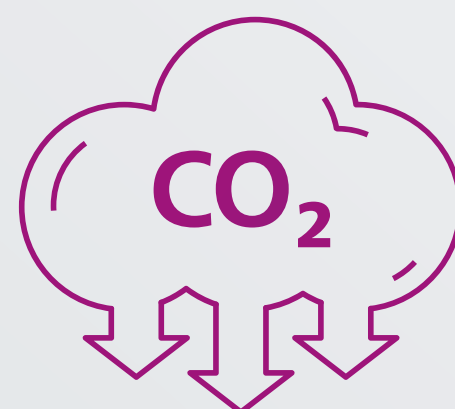


SUSTAINABLE AVIATION FUEL

SAF pocket guide launched at COP27 with Sustainable Markets Initiative – explainer for how to buy SAF and create corporate demand.

£200m

£200m investment in decarbonisation for our next five-year business plan backed by the CAA.



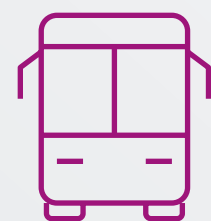
£500,000

£500,000 investment in carbon removal through UK woodland creation and peatland restoration by the end of the winter planting season.



2022 highlights – a great place to live and work

SUSTAINABLE TRAVEL ZONE



New Sustainable Travel Zone introduced to bring together the ways Team Heathrow can travel to work more sustainably, including enhancements to 14 local bus and coach routes.

GLOBAL NOISE TASK FORCE



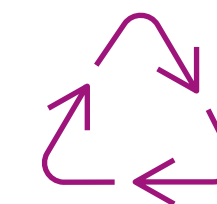
Secured support to establish a Global Noise Task Force via Airports Council International (ACI).

BIODIVERSITY BENCHMARK



Successfully retained the Wildlife Trust's Biodiversity Benchmark award for the 14th year.

IMPROVED WASTE INFRASTRUCTURE



Improvements to waste infrastructure across the airport, with consistent colour-coding to provide clarity for Heathrow colleagues and passengers.

SETTING STANDARDS



Launched a Procurement Balanced Scorecard to Tier 1 Suppliers, setting standards for Heathrow's strategic aims across carbon, social value and community.

LIVING WAGE EXTENSION



Extension of the London Living Wage to all directly employed colleagues and those working in Heathrow's direct supply chain, benefitting at least 1,300 people.

BUSINESS SUMMIT



Heathrow Business Summit attended by over 300 people including 100 Heathrow tier 1 suppliers and more than 100 local SMEs.

1m

Launched a new Giving Back Programme to benefit one million local residents by 2030.



INCREASED DIVERSITY



Improvements in gender (+2.38 to 39.48%) and ethnicity (+1.18 to 18.28%) representation at senior levels of the business.

3,000

Delivered over 3,000 experience-of-work days to local young people across a range of programmes.

2,500

Over 2,500 career opportunities at Heathrow and other airport business, brokered by the Heathrow Employment and Skills Academy.

SECTION TWO

Net zero aviation



Net zero aviation

Air travel is a force for good in the world. It brings trade and tourism to every corner of the globe, builds understanding across cultures and connects people with each other. But those benefits cannot come at any cost.

Climate change is an existential threat to our sector and to our planet, and we must address it. We must take the carbon out of flying, achieve net zero carbon emissions by 2050 and protect the benefits of aviation for the future.

In Heathrow 2.0 we have set ambitious goals to cut carbon in the air by up to 15%, and on the ground by at least 45% by 2030, reflecting the urgency to achieve absolute emissions reductions this decade. Our aim is for 2019 to be the year of peak carbon from Heathrow, with emissions not returning to 2019 levels as Heathrow continues to recover and grow. In June our approach was recognised as an example of leadership when Heathrow was shortlisted for The Net Zero Strategy of the Year at the BusinessGreen Leaders Awards.

In March 2023 we secured accreditation from the Science Based Targets initiative (SBTi) that our Heathrow 2.0 carbon reduction targets are in line with a 1.5 degree pathway. SBTi's guidance on the 1.5 degree pathway for aircraft emissions is not yet finalised, so they have approved a "customer engagement" target. This means we will work with our airline customers towards two thirds of them having set SBTi-accredited targets by 2027.

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 will work in partnership to influence others, particularly our airline customers, companies operating at the airport, our passengers, manufacturers, fuel producers, policymakers and government.

As a regulated business, we set out our plans for consecutive five-year periods to the Civil Aviation Authority (CAA), our economic regulator, who determines the regulatory settlement for each period. In the current regulatory settlement period (2022 to 2026), we have included £207m of investment in carbon and sustainability improvements in our business plan. This will allow us to deliver the essential projects up to 2026 that will keep us on track to hit our net zero goals in the air and on the ground by 2030.

INVESTING IN NATURE-BASED CARBON REMOVALS

In 2022 we invested a further £250,000 into Scottish woodland creation through Woodland Carbon Code. Our total investment is now £500,000 and ranges from native broadleaf and mixed productive woodland to peatland restoration.

LOCATION	TYPE	
Scotland	Woodland	Native broadleaf
Scotland	Peatland	
Northumberland	Woodland	Mixed productive, large native broadleaf element
Scotland	Woodland	Native broadleaf
Cumbria	Woodland	Mixed productive, native broadleaf element. Flood alleviation benefits
Scotland	Woodland	Native broadleaf, with large productive conifer element



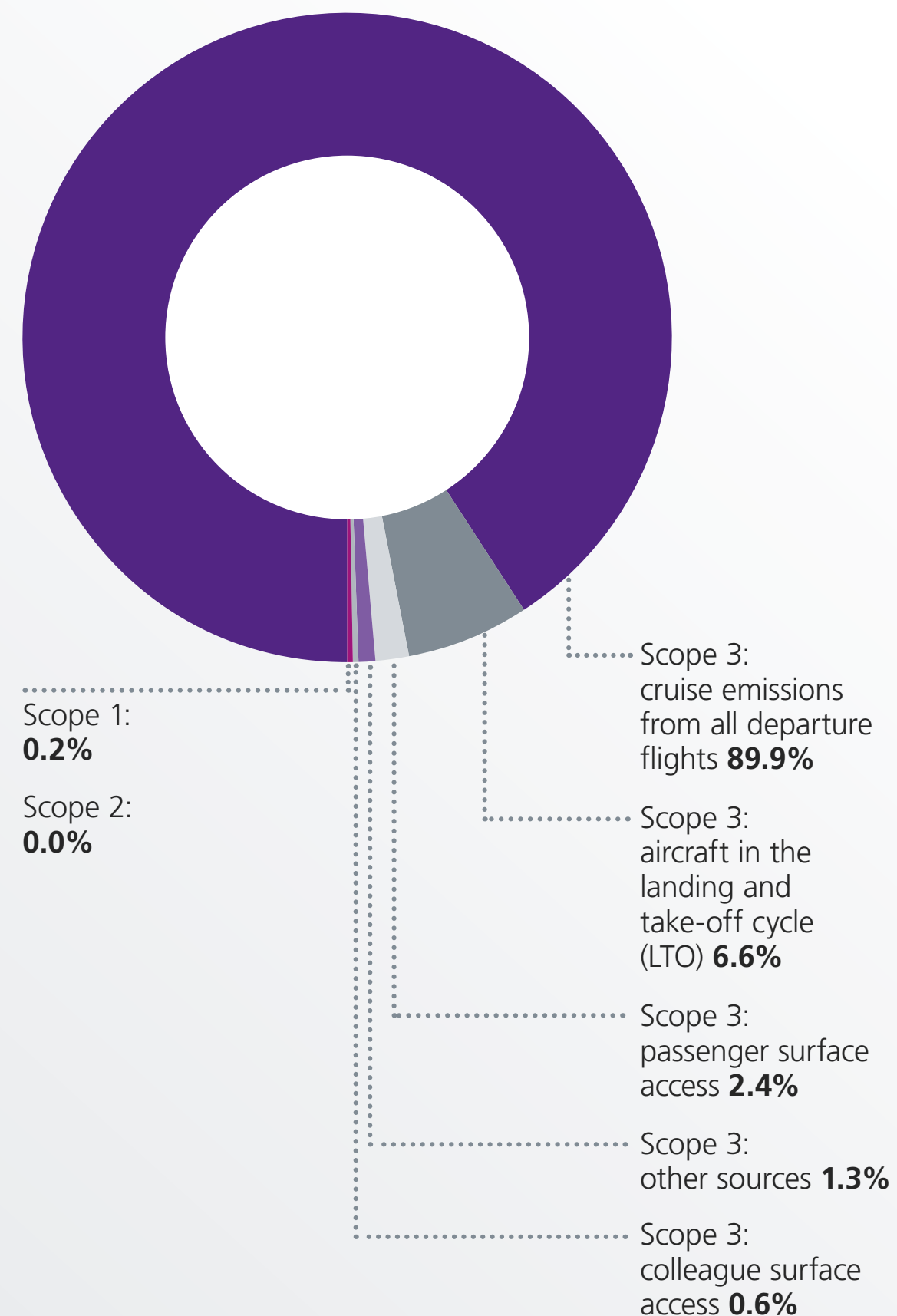
Our carbon footprint

We monitor our carbon footprint and report on our greenhouse gas emissions annually. This helps us to identify opportunities to reduce our emissions and assess our progress in delivering our carbon reduction goals. For Heathrow’s full carbon footprint for 2022, see [p.63](#). At 14.76Mt CO₂e, it is higher than 2021 due to the recovery from the pandemic resulting in more passengers and aircraft movements. However, emissions are lower than projected in Heathrow 2.0. This is partly due to the fact that air-traffic movements in 2022 were slightly lower than expected when we developed our Net Zero Plan. Each year from 2023 we will undertake a reforecasting process to track our progress against our net zero pathway, taking into account the latest forecasts for air traffic, changes to net zero technology and policy, and changes in Heathrow activities and investments. Through this we will also develop our capability to understand carbon performance trends.

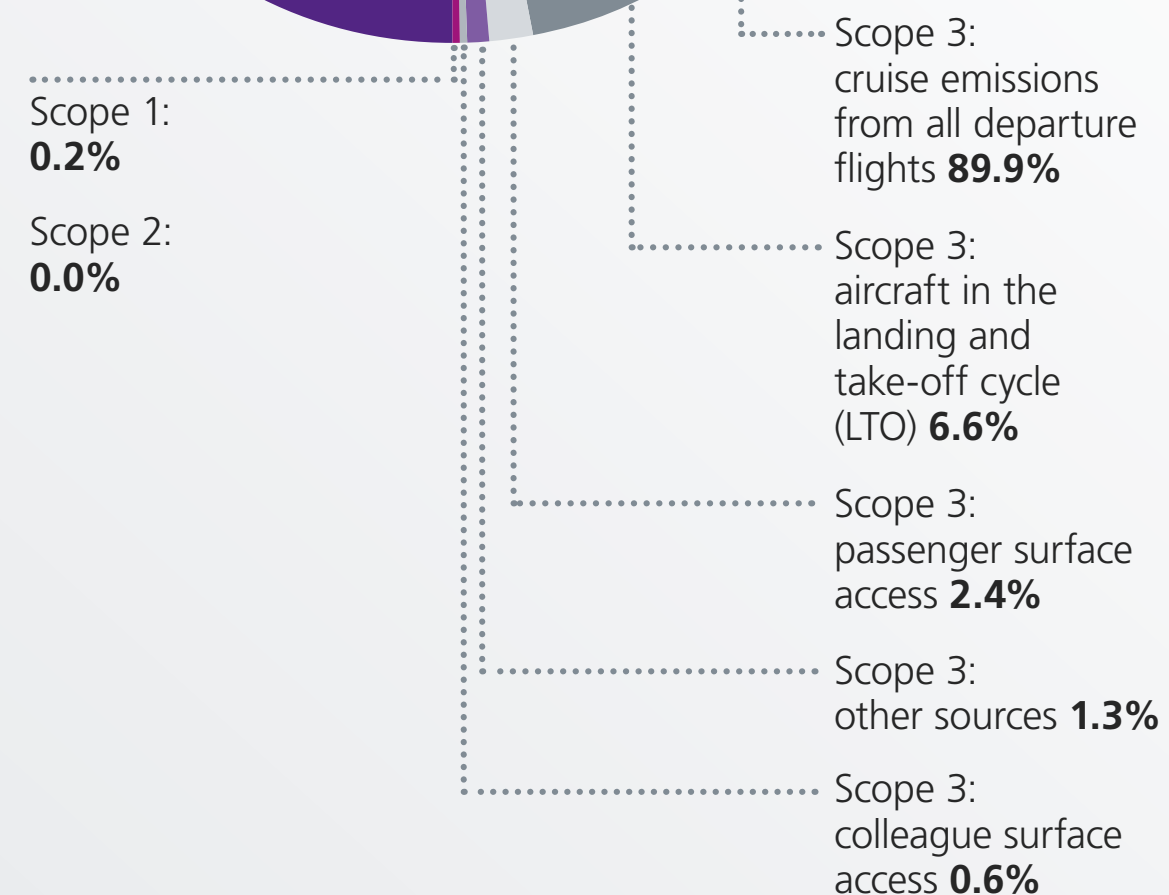
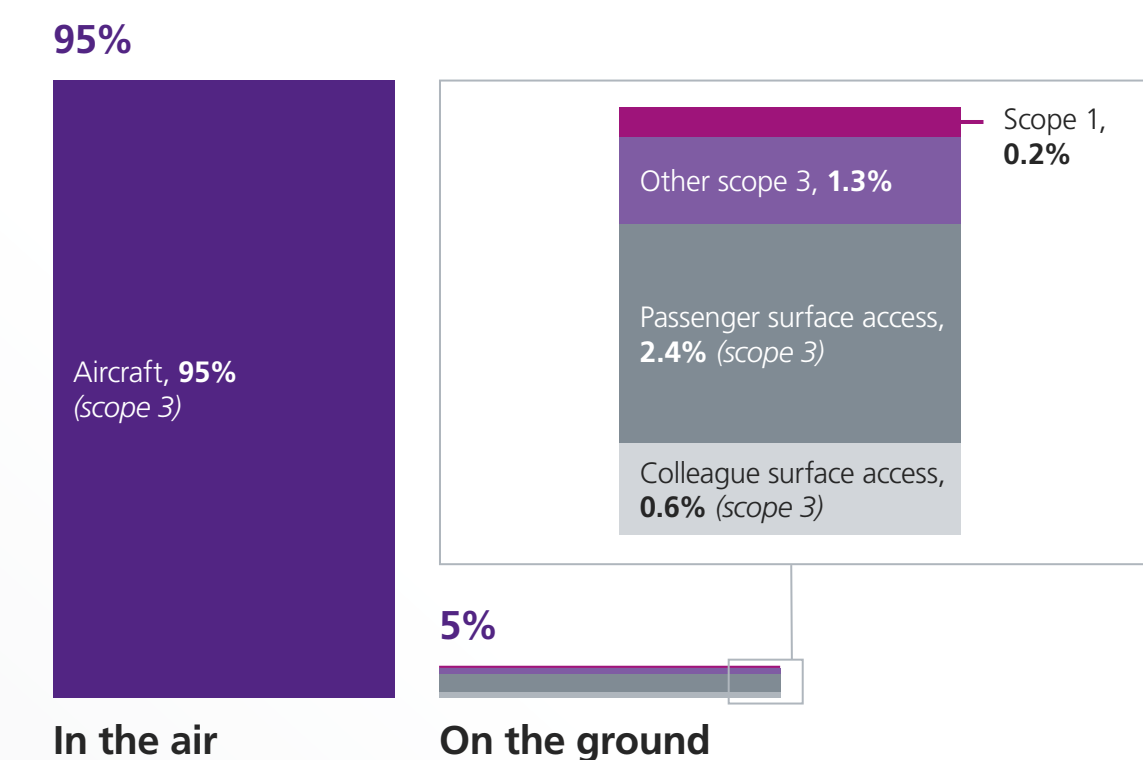
Our methodology for carbon reporting is informed by the Greenhouse Gas Protocol (GHGP) and Airport Carbon Accreditation (ACA) standards. Our carbon energy disclosure is in line with the reporting requirements of the Streamlined Energy and Carbon Reporting (SECR). It includes, for example, emissions from fuel consumption and operational vehicles in scope 1; electricity consumption in scope 2; (this is zero because our electricity was sourced using a Renewable Energy Guarantee of Origin (REGO) backed contract); and aircraft emissions, business travel, travel to and from the airport and infrastructure in scope 3.

Within Heathrow 2.0, our headline goals are to cut carbon ‘in the air’ and ‘on the ground’, with additional targets relating to reductions in specific sources of emissions. To bring clarity to reporting, we have mapped our goals and targets to the GHGP scopes. ‘In the air’ emissions are entirely part of GHGP scope 3 emissions. Scope 3 emissions account for more than 99% of Heathrow’s carbon footprint (emissions from operating aircraft alone represent approximately 95% of Heathrow’s total emissions). Emissions on the ground account for the remaining 5%.

BREAKDOWN BY SCOPES



BREAKDOWN BY ‘IN THE AIR’ AND ‘ON THE GROUND’



Net zero in the air

By 2030, our goal is that carbon from flights falls by up to 15% from peak 2019 levels. Many airlines have already committed to using at least 10% SAF by this date, including IAG, Heathrow's biggest customer.

Our plan aims for 11% SAF to be in use by airlines operating at the airport by 2030, delivering a carbon saving of over 7.5%. This is a result of Government ambition to achieve a 10% SAF blend in the UK by that date, the effects of Heathrow's landing charges incentivising its use. The aviation sector will further cut carbon emissions through operating more efficiently, modernising airspace and using fewer fossil fuels.

The International Civil Aviation Organisation (ICAO) is a United Nations agency responsible for the development of policies, standards and recommended practices for international civil aviation. A historic agreement was reached at ICAO's 2022 Assembly to achieve net zero carbon emissions for international civil aviation by 2050. A robust consensus-building process included global aviation dialogues led by ICAO and the development of coalitions, such as the International Global Aviation Climate Ambition Coalition which was led by the UK during its COP26 presidency. Through its advocacy, Heathrow contributed to building support for the agreement, including at the Commonwealth Heads of Government Meeting in Rwanda attended by our CEO John Holland-Kaye in his capacity as Chair of the Sustainable Markets Initiative Aviation Task Force.

In July 2022, at the Farnborough Airshow, the UK Government launched its Jet Zero Strategy, setting out its view on how UK aviation will get to net zero through a combination of system efficiencies, SAF and zero carbon emissions flight (ZEF). This strategy includes a commitment to have at least five SAF plants under construction by 2025, as well as the introduction of a SAF mandate which will aim for at least 10% SAF in the UK aviation fuel mix by 2030.



GOAL:

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

2022 PERFORMANCE:

Progressing

COMMENTS

Volatility in passenger numbers since 2019 means we expect a clearer performance trend against this goal to emerge in 2023-2024.



TARGET:

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

2022 PERFORMANCE:

On track

COMMENTS

Work progresses on airspace change. Most of the benefits will be seen towards the end of the decade as airspace change is implemented.



TARGET:

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

2022 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, it is too soon to confirm this as a trend.



TARGET:

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

2022 PERFORMANCE:

Behind

COMMENTS

The introduction of the Heathrow SAF incentive, together with the strong ambition in the Government's Jet Zero Strategy, represent good progress. But, we need the Government to convert ambition to action quickly, if we're to get to 10% SAF in the UK fuel mix by 2030.

Net zero in the air – *continued*

TIMELINE OF UK AND GLOBAL COMMITMENTS TO NET ZERO

FEBRUARY 2020

The UK aviation sector became the first to commit to net zero by 2050, with the publication of a decarbonisation roadmap by industry coalition Sustainable Aviation.

SEPTEMBER 2021

The entire airline sector globally committed to net zero by 2050 through its industry body – the International Air Transport Association (IATA).

OCTOBER 2022

Governments globally signed up to net zero by 2050 at the UN International Civil Aviation Organisation (ICAO) General Assembly.

Progress in 2022

AIRSPACE MODERNISATION AND OPERATIONAL EFFICIENCY

Airspace modernisation and operational efficiency Airspace modernisation

UK flight paths were designed decades ago, at a time when aircraft and navigation were much less sophisticated than today. Modernisation of the UK's airspace is required to accommodate growing demand for air travel in a sustainable way. The UK Government has embarked on its airspace modernisation strategy. The aim is to make airspace more efficient, improve punctuality, reduce carbon emissions, reduce noise and ensure there is capacity to meet future demand.

Heathrow has developed design principles encompassing our objectives for airspace change in collaboration with key stakeholders. These were submitted to the CAA in February 2022. We are now in the process of beginning to develop and assess potential route options.

Pre-conditioned air trial at T3 with SAS and American Airlines

We worked with American Airlines on a trial to enable airlines to cut carbon at the airport by switching off aircraft engines when they are on stand. The trial, which began in September, involved a new plug-in electric cooling solution.

Cleaner, quieter aircraft

Through Heathrow's [Conditions of Use](#), we continue to incentivise airlines to operate the cleanest and quietest aircraft at Heathrow. For the first time in 2022 these included a financial incentive to make SAF more affordable for airlines.

SUSTAINABLE AVIATION FUEL

SAF can be used with existing aircraft, aviation fuel pipelines and airport infrastructure. It therefore requires no significant upgrades to airport infrastructure or operational changes. It is the most certain way to achieve net zero aviation by 2050. Commitments by airlines around the world to increase the proportion of SAF they purchase by 2030 gained momentum in 2022. These include IAG aiming for 10% of its fuel to be SAF, the US airline industry setting a target for around 15% SAF (supported by strong US Government incentives) and the Clean Skies for Tomorrow Coalition (CST – a global group of airlines, manufacturers, airports, fuel companies, and users of air travel convened by the World Economic Forum) backing an ambition of 10% SAF globally. By the end of 2022, airlines representing 76.4% of Heathrow's flights had made a commitment to use 10% or more SAF by 2030.

Although Heathrow does not buy, use or supply SAF itself, we have been supporting this critical agenda in several ways:

POLICY ADVOCACY

SAF is a priority focus for the Jet Zero Council – a group of industry leaders chaired by the Government Secretaries of State for Transport and Energy Security and Net Zero. Heathrow has continued its active involvement in the Jet Zero Council throughout 2022, which is led by our Chief Operating Officer, Emma Gilthorpe.

While we wait for the government to act, corporates can play their part by purchasing SAF. John Holland-Kaye also leads the Aviation Task Force of SMI founded by HRH The King while he was The Prince of Wales. Launched at the World Economic Forum (WEF) Annual Meeting in Davos in 2020. The SMI brings together companies acting to collectively accelerate progress in areas essential to the net zero transition. At COP27 in November, the SMI, in cooperation with the CST, published a [SAF pocket guide for Corporate Customers](#), alongside a call for action for companies to commit to purchase 30% SAF for their corporate travel by 2030. With sufficient support, this can achieve significant results, accounting for the first 1% of the global 10% SAF target for 2030 that the CST has established.

Net zero in the air – *continued*

Incentivising SAF use through our landing charges

In 2022 we achieved a milestone by making SAF a regular component of fuel supply at the airport. Our 2022 landing charges incentive to help make SAF more affordable for airlines was fully subscribed. It was designed to ensure that at least 0.5% of total aviation fuel delivered at Heathrow during the 2022 was SAF. To qualify, the SAF must meet UK Government standards.

Offering passengers the opportunity to buy SAF

Through our offsetting partner CHOOOSE, we continue to [offer companies and passengers the chance to buy SAF](#). Using this platform, passengers can choose to offset their flights by paying for SAF which is used on existing scheduled flights, or a blend of the two. Once the transaction has taken place, no other claim can be made for the carbon saved, which helps to further stimulate SAF production. Heathrow was the first airport in the UK to offer passengers this opportunity.

Zero-emissions flight

Together with a consortium of manufacturers, universities, airports and a professional services company, Heathrow published findings in November from a UK Research and Innovation funded project called . The research looked at the UK domestic market potential for zero-carbon-emissions flight (ZEF). It shows that given the right conditions, hydrogen-fuelled services could dominate domestic air travel by 2040.

A major research programme by the Aerospace Technology Institute called 'Fly Zero' also reported in spring 2022. It helped to shape the work of the Jet Zero Council, where a [ZEF Delivery Group](#) was launched in 2022 to complement its focus on SAF.

Heathrow has previously announced that we will waive landing charges for a year for the first regular commercial flight operated by a zero carbon aircraft, an incentive worth up to £1 million.

CHALLENGES

SAF is more expensive than fossil kerosene. To scale up SAF production and uptake, the Government needs to create both a SAF mandate to signal demand, and a price support mechanism to de-risk investment, such as Contracts for Difference (CfD). Airlines have been setting commitments to use SAF, and Heathrow has created an incentive to help close the price gap. While policy action in the US and EU is creating favourable conditions for a SAF industry to become established, the UK needs to move swiftly to introduce the right supply-side and demand-side policies to ensure it does not get left behind.

COMING NEXT

SAF incentive

The incentive volume will rise steadily each year and will be reviewed when UK Government SAF policy is confirmed. Airlines took part in consultation regarding the 2023 aeronautical charges during Q3 2022. Since last year's scheme oversubscribed, we have implemented a 1.5% target for 2023. Our innovative SAF programme marks the next step in the airport's and the UK aviation sector's plan for net zero flying. To significantly grow the percentage of SAF used at the airport, however, the Government needs to help inject pace into the expansion of SAF with supportive policy-making.

Zero-emissions flight

The next step is to research the short-haul market potential. We expect these aircraft to begin flying from Heathrow in the 2030s, and have started to prepare for their introduction through research activity aimed at understanding the master-planning implications, infrastructure requirements and market development.

The challenge ahead is to ensure successful collaboration across the sector in the UK and globally, so that the development of aircraft technology, supporting infrastructure and the necessary standards are brought forward in a coordinated manner.

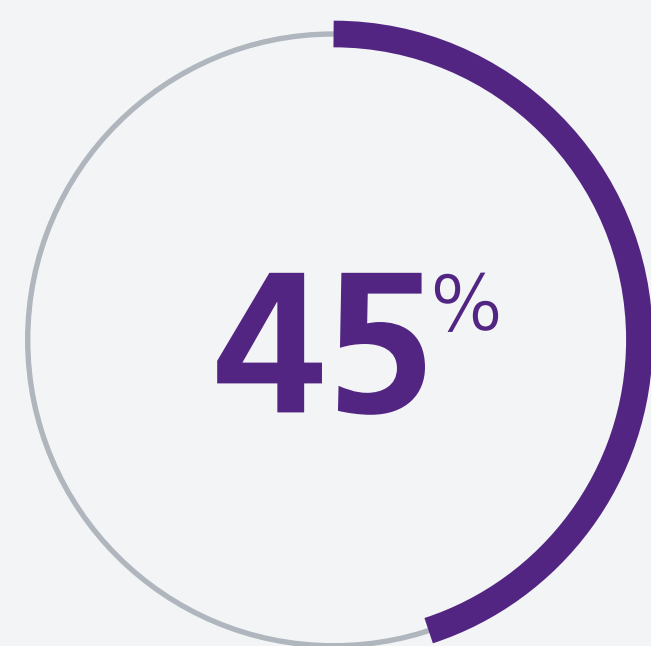


Net zero on the ground

On the ground, we will cut carbon by at least 45% compared to 2019 by enabling passengers and colleagues to access the airport sustainably, delivering 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.20](#) for further detail).

¹ A review into the source data is taking place during Q1 2023. This figure is subject to potential change

² 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.



45%

GOAL:

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

2022 PERFORMANCE:

On track

COMMENTS

Relative to the trajectory set out in Heathrow 2.0, emissions are 0.08Mt lower than forecast.



1/2

TARGET:

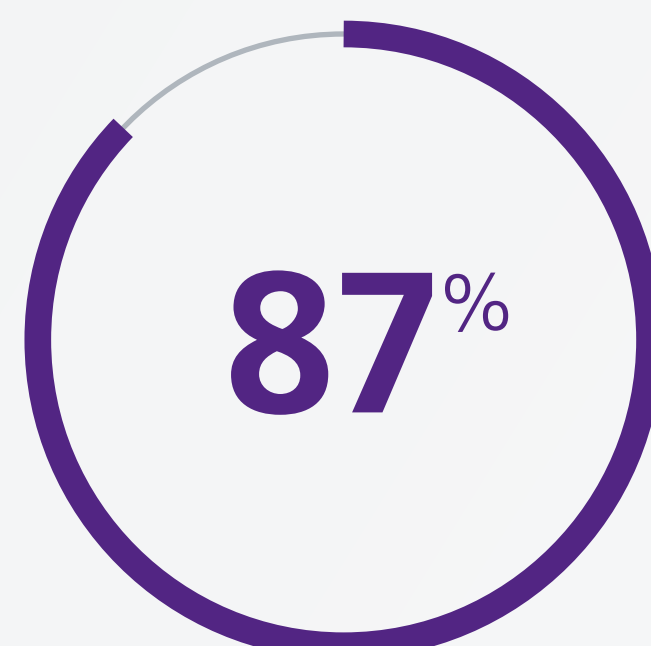
Halve surface access carbon emissions by 2030

2022 PERFORMANCE:

Progressing

COMMENTS

In 2022, passenger and colleague surface access emissions were 43% and 23% lower than 2019 levels respectively. It is too soon since the pandemic recovery to confirm the overall trend.



87%

TARGET:

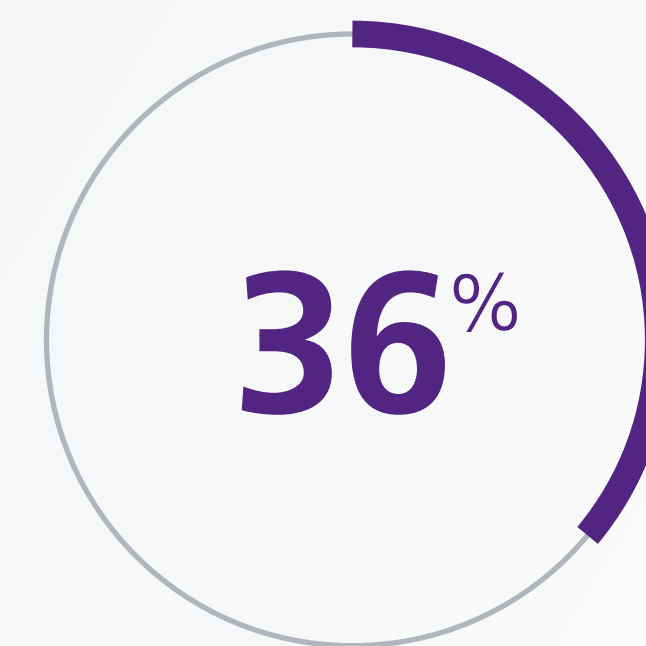
An 87% cut in carbon emissions from airport vehicles by 2030

2022 PERFORMANCE:

On track

COMMENTS

In 2022, emissions from airport vehicles were recorded 52% lower than 2019 levels¹.



36%

TARGET:

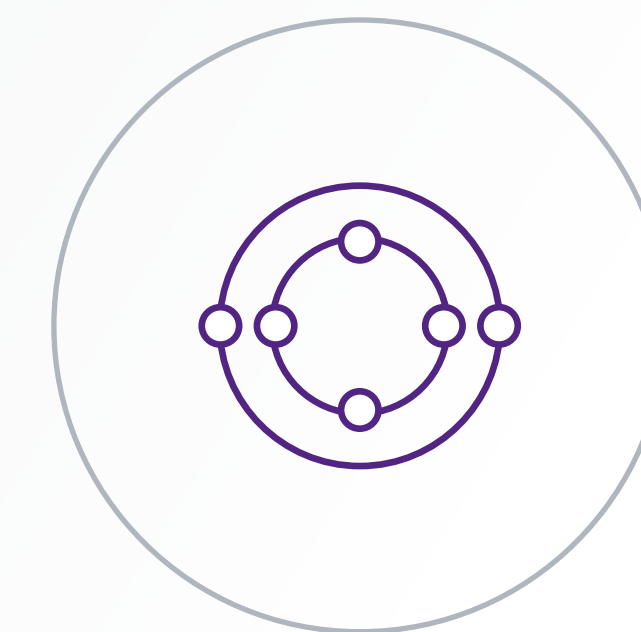
Cut supply chain carbon emissions by 36% by 2030

2022 PERFORMANCE:

Not yet able to measure

COMMENTS

We have a plan to review our measurement of supply chain emissions during 2023.



TARGET:

Heathrow buildings and infrastructure to be net zero carbon by the mid-2030s²

2022 PERFORMANCE:

Progressing

COMMENTS

Project to decarbonise the airport heating network, the main source of emissions from buildings, began in 2022.

Net zero on the ground – *continued*

Progress in 2022

SURFACE ACCESS

In August we published [Heathrow's Surface Access Strategy](#), providing further detail on how surface access will contribute to delivery of our plans to cut carbon and improve local air quality from 2022 to 2026. Our strategy will increase passenger travelling by public transport, reduce the number of colleagues travelling alone by car and increase the number of people who can access Heathrow by public transport. For further detail on progress in each of these areas, please see [p.26](#).

SUPPLY CHAIN

During 2022 we developed a new Balanced Scorecard to clearly communicate priorities and standards, including on carbon reduction, to our strategic suppliers. For further detail see [p.37](#). 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.

Working with the University of Surrey and Team Heathrow partners, we have continued to research options to use low-carbon concretes at Heathrow. In 2022, supported by an independent market review of suitable materials by the Building Research Establishment (BRE), we tested the viability of these concretes in the laboratory.

AIRPORT VEHICLES

17% of all airport vehicles are zero-emissions. Operators of these vehicles are increasingly deciding to make the switch to zero-emissions vehicle types when replacing or adding new vehicles to their fleets. We are enabling the transition to zero-emissions vehicles by increasing electric charging provision across the airport. Heathrow already provides 70 chargers. In 2023, we are planning to open our first charging hub at Terminal 2, which will provide 12 additional charging bays with 200kW ultra-rapid chargers. Additional charging hub locations will follow in 2024. We have established a forum to work with partners to understand where charging is needed to ensure we are planning the right level of charging infrastructure and to identify where we can support Team Heathrow partners to make zero-emissions choices.

As an interim solution to reduce emissions during the transition to a full zero-emissions fleet, we have made biodiesel available at our airside and landside refuelling stations. By the end of 2022, over 60% of our own diesel fleet had switched to using biodiesel. We aim to increase that to 100% in the first half of 2023, whilst increasing the supply of biodiesel and encouraging Team Heathrow partners to adopt too.

BUILDINGS AND INFRASTRUCTURE

As passenger numbers increased and we resumed use of buildings that were closed during the pandemic, we have considered energy efficiency by optimising settings and controls and monitoring energy consumption. We also continue to maximise the amount of renewable energy we generate on site from our biomass boiler and solar panels.

In 2022 we began work on developing a new zero carbon heating network which will allow us to reduce carbon from heating our buildings in phases, and ultimately deliver zero carbon heat by the mid-2030s.

Since the transition to net zero will reshape the energy mix of the airport, we began an update to the airport energy strategy in 2022 which we will complete in 2023. The resulting long-term strategic roadmap will 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.



Net zero on the ground – *continued*

CHALLENGES

Our current approach to measuring carbon emissions from our supply chain is not as sophisticated as we want it to be. Supply chain emissions are not within the scope of our carbon footprint calculation and verification process conducted by third parties. We do, however, conduct separate analysis based on capital spent multiplied with industry-specific intensity factors to contribute to a holistic view of Heathrow's scope 3 emissions.

COMING NEXT

Through our capital programme we are already working on projects to cut carbon which will be delivered in 2023. These include increasing landside provision of electric-vehicle charging infrastructure, improvement of facilities to enable and encourage walking and cycling, and better signage for these facilities and public transport options.

We are preparing an airside trial of low-carbon concretes to go live in 2023. This will allow us to study the durability of these materials in an airfield environment. Later in the year we hope to roll out further piloting in more locations at the airport.

We are reviewing our approach to measuring supply chain emissions with the intention to include them within the scope of our carbon footprint from 2023.

In the first quarter of 2023 we will continue to convert the remaining diesel vehicles in our fleet to operate using biodiesel.



SECTION THREE

A great place to live and work



A great place to live and work

Heathrow's proximity to London is an advantage for our passengers, but it also means that the airport is a close neighbour to its local communities. We recognise that this means we impact those communities in a number of ways, both positive and negative.

The great place to live and work pillar of Heathrow 2.0 prioritises action on the issues that our communities tell us matter most – noise, air quality, the local environment, opportunities for business and investing in our communities. We must be a responsible neighbour to those who live closest to us, making sure that local people benefit from cleaner air, quieter nights and improved quality of life.

Many of the tens of thousands of people who work at the airport are also members of our local communities, so it is critical that Heathrow is a diverse and inclusive workplace for all. We must also provide the skills, education and long-term employment opportunities that make Heathrow the local employer of choice and bring wider economic benefits to the regional economy. Ultimately, we want people to choose to live locally because of Heathrow, rather than in spite of it.

We want to focus on delivering tangible, measurable improvements to quality of life. To deepen our understanding of the factors that can make a difference, and the role Heathrow can play in improving them, we kicked off some in-depth research work during 2022. The starting point was the development of a methodology that we can use to regularly test perception. We will be piloting this in 2023. Our intention is that, in the future, the results of these regular surveys will inform our plans and the interventions we choose to make.

In April 2022, we released an update to the [Heathrow Local Recovery Plan](#). First published in 2020, the plan outlines how Heathrow will share the benefits of aviation's recovery with our neighbours through jobs, skills development and education. To build on achievements across the initial recommendations, the Heathrow Local Recovery Forum, chaired by Lord David Blunkett, agreed nine new actions to increase employment levels, open up procurement opportunities and support the development of a local carbon-offset market.



Defining local

Our precise focus on 'local' varies depending on the issue. Local extends from the neighbourhoods closest to the airport perimeter to the boroughs surrounding Heathrow – and to the communities beyond when we think about people impacted by aircraft noise.

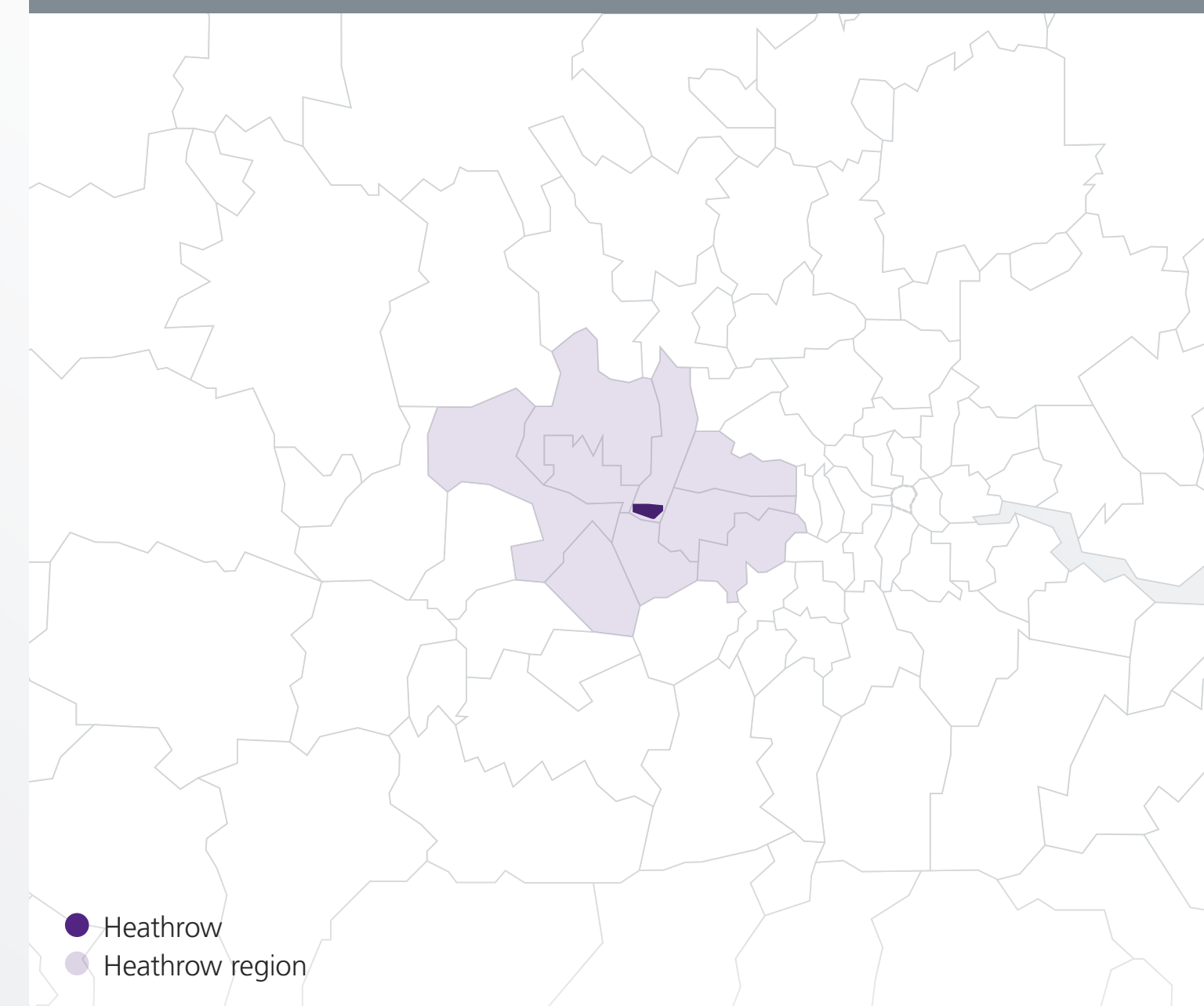
HEATHROW NEIGHBOURING VILLAGES



HEATHROW REGION



BROADER COMMUNITIES



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 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:

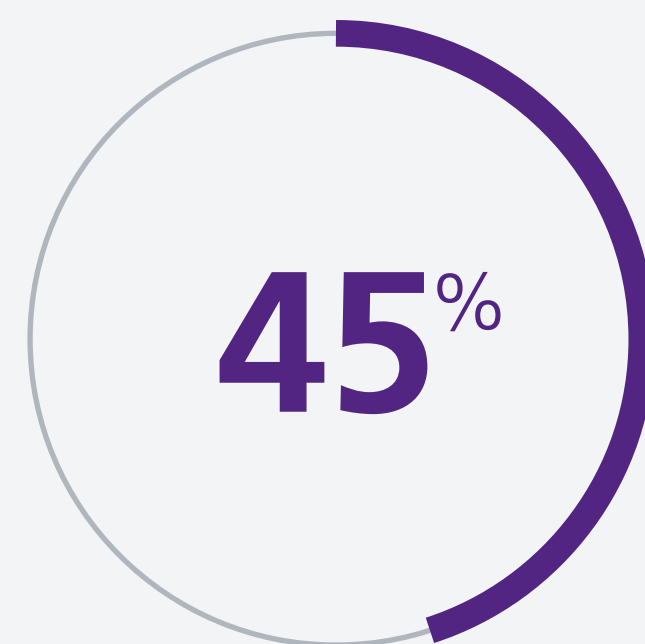
Reduce NOx airside by 18% compared to 2019

2022 PERFORMANCE:

Not yet able to measure

COMMENTS

A full emissions inventory for 2022 is underway that will be completed later in 2023. 2021 performance shows emissions at 40% of 2019 levels.



TARGET:

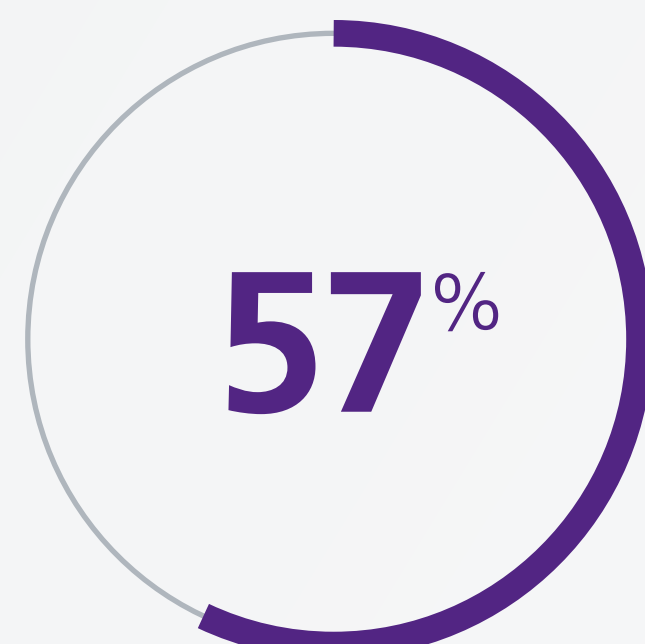
At least 45% passengers using public transport by 2026

2022 PERFORMANCE:

Progressing

COMMENTS

The average for 2022 was 38%, up from 32.5% in 2021, with a peak of 43% in September and December.



TARGET:

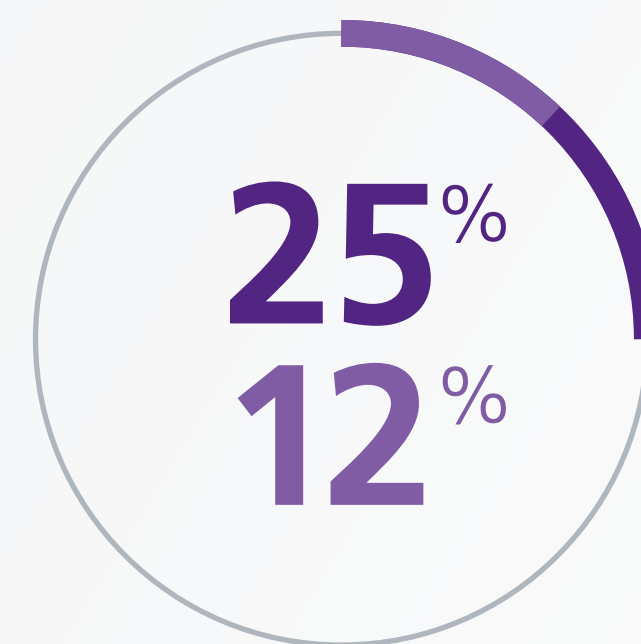
No more than 57% colleague single-occupancy-car mode share by 2026

2022 PERFORMANCE:

Not yet able to measure

COMMENTS

A colleague travel survey will be conducted in 2023 to assess performance.



TARGET:

By 2026 increase the number of people located within 1.5 hours of Heathrow by public transport by 25%, and within 3 hours by 12%

2022 PERFORMANCE:

Not yet able to measure

COMMENTS

A study has been commissioned to determine performance. We expect the results in the first half of 2023.



TARGET:

By 2030 all airport vehicles are zero emission or use biofuels

2022 PERFORMANCE:

On track

COMMENTS

17% of all operational vehicles are zero emissions, and over 60% of our own diesel fleet switched to using biodiesel in 2022.

Clean air at and around the airport – *continued*

Progress in 2022

MONITORING AND REPORTING

To date we have conducted periodic emissions inventories to establish performance against our air quality targets. The most recent analysis used 2019 and 2020 data to inform our long-term goal of an 18% reduction in NOx from airside sources by 2030. In recent years we have not undertaken a full inventory every year, which means we cannot report progress against this goal in 2022. This position will change as we plan to re-start an annual inventory process. Also during 2023, a review of monitoring, reporting and targets will aim to strengthen our work on air quality and establish how best to further enable local community members to share their views on it.

SURFACE ACCESS AND CONNECTIVITY

Surface access strategy

In August we published our [Surface Access Strategy](#), setting out how we will increase our passenger public transport mode share, reduce our colleague single-occupancy-car mode share, reduce carbon emissions and increase our public transport catchment.

Increasing confidence in public transport

We were encouraged to see the percentage of passengers using public transport increase steadily through the year to over 43% in September and December. Nevertheless, the average for the year (38%) is lower than our target of 45% by 2026.

The data indicates that passenger demand for public transport is continuing to return in line with recovery and is a positive step towards meeting our longer-term goals.

Improved connections to Heathrow

In January 2022 we delivered the first services as part of a new Sustainable Travel Zone to support sustainable colleague travel to work and provide better travel options to local communities. Additional services have been added through the year. They include improved timetables on 14 local bus and coach routes, with a focus on services arriving at Heathrow before 04:00 and departing after 23:00; expansion of the offers available to colleagues at the Heathrow Cycle Hub; free travel for Heathrow colleagues on the Heathrow Express; and free travel between Hatton Cross and Heathrow terminals on the Piccadilly line. We also launched a Way2Go virtual roadshow together with a Cycle Hub pop-up for colleagues to get their bicycles serviced and learn more about sustainable commuting. Since November Heathrow has been served by direct Elizabeth line trains from Abbey Wood, Woolwich, Custom House, Canary Wharf, Whitechapel, Liverpool Street, Farringdon, Tottenham Court Road and Bond Street. Passengers and colleagues from Elizabeth line stations between Shenfield and Stratford can connect with trains to Heathrow at Whitechapel. The Elizabeth line also reduces journey times to Heathrow for those using rail services into Liverpool Street and Farringdon.



Heathrow Sustainable Travel Zone

PRIORITY 1

Ensure existing public transport operates at the times required by all colleagues. Many colleagues work early or late shifts which start or end at times when public transport is not always an option.

PRIORITY 2

Improve active travel options for those living close enough to walk or cycle.

PRIORITY 3

Improve campus connectivity by ensuring free, easy sustainable transport options are available for journeys needing to be made during the working day and for the first and last mile of commutes.

PRIORITY 4

Discounted travel. Bus service providers, particularly those operating from outside Greater London, will be encouraged to provide discounted tickets for Team Heathrow colleagues. This also includes some coach services where stops are within easy commuter distance.

PRIORITY 5

New or significantly improved services to serve new areas or improve the service on existing routes (eg increased frequencies).



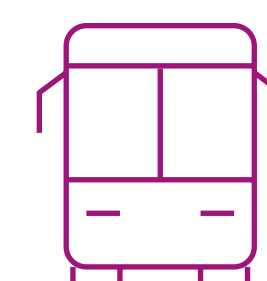
67%

67% increase in the number of bus and coach³ services arriving at Heathrow before 04:00



47%

47% increase in the number of bus and coach services departing Heathrow after 23:00

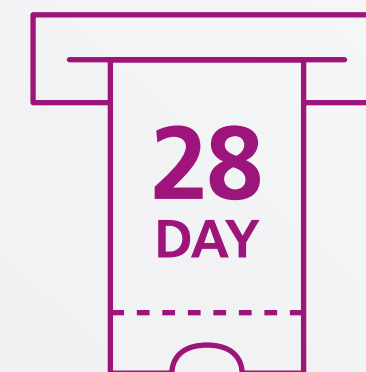


326%

326% increase in passengers using bus route 4 (Slough – Heathrow)

50% SAVING

50% saving for Team Heathrow colleagues purchasing a 28-day ticket for bus routes 4, 7 and 8 (£35 instead of £70.90) (Maidenhead – Slough – Heathrow Central; Britwell – Slough – T5; Slough – Staines – T5)



40% SAVING

40% saving for Team Heathrow colleagues purchasing a 10-trip ticket for bus route 442 (£15 instead of £25) (Englefield Green – Stanwell – T5)



30% SAVING

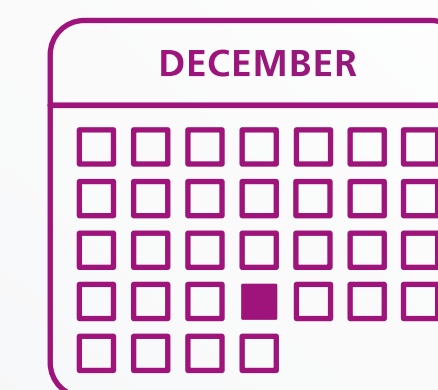
30% saving for Team Heathrow colleagues purchasing an annual ticket for the Airline coach from High Wycombe (£1,000 instead of £1,440 for 12 monthly tickets)

FREE TRAVEL

Free travel between Heathrow terminals and Hatton Cross on the Piccadilly line

192

192 journeys on Christmas Day on route 4



³ Coach routes included are those that serve local areas at frequent intervals (at least hourly) with journey times of an hour or less, making them ideal for commuting.

Clean air at and around the airport – *continued*

National connectivity

In 2022 we worked with National Express to add a new coach connection to Heathrow from Cardiff and Newport, bringing them within a three-hour direct connection to Heathrow. This helps us achieve our 2026 target to improve the number of passengers travelling from the UK who are within three hours of the airport by public transport with no more than one interchange.

AIRPORT VEHICLES

The number of zero-emission vehicles operating at Heathrow continues to grow, with utilisation of chargers now exceeding 2019 levels. We are also seeing an increasing proportion of aircraft with engines that meet our NOx emission target of CAEP (Committee on Aviation Environmental Protection) level 6 or higher, indicative of fleet renewal to cleaner aircraft engines.

Work continued to prepare to implement an airside ultra-low emissions zone (ULEZ) at Heathrow by 2025. As well as setting standards for emissions, the ULEZ will also include safety standards and incentivise optimisation of vehicles operating airside. In 2022 the focus has been on assessing current compliance, with the next steps being to develop the right set of policies and actions that will boost ULEZ compliance before 2025, whilst also maximising uptake of zero-emission vehicles.

For further detail on the transition to zero emission vehicles, and provision of electric vehicle charging infrastructure, see [p.20](#).

CHALLENGES

We will be putting more resources into a refreshed programme of activity. We will focus on air quality monitoring, further developing a research programme and identifying opportunities for collaborative projects with local authorities. We will deliver new community engagement and communications, including through the Council for the Independent Scrutiny of Heathrow Airport (CISHA). Together with the Heathrow Air Quality Working Group, we will review our targets with a view to enhancing them. We are expanding our air quality monitoring sensor network to improve our understanding of emission sources across the airport.

To understand how colleagues travel to work at the airport, Heathrow runs surveys, typically every four or five years. Since the last full colleague travel survey took place in 2017, we do not currently have colleague mode-share data that reflects the post-pandemic reality. A full survey will be undertaken in 2023 to address this, and we plan to move to a robust annual travel survey from 2024.

While 2022 has seen passenger numbers grow back, several disruptions have affected the speed with which we have been able to roll out interventions. Disruptions have also made more sustainable forms of transport seem less attractive to colleagues and passengers. For example, a shortage of bus/coach drivers has impacted development/growth of the Sustainable Travel Zone. And rail disruptions to the Heathrow Express, Elizabeth line and London Underground have, at times, forced passengers to use other modes of transport, such as taxis and private vehicles.



Clean air at and around the airport – *continued*

COMING NEXT

In 2023 we will pilot an app to incentivise colleagues to travel to work by public or sustainable transport. Journeys can be logged to earn points which can then be exchanged for vouchers.

The final timetable for the Elizabeth line will be published by May 2023, with services in the central section between Paddington and Whitechapel increasing to 24 an hour during peak times. At this point, direct services between Heathrow and Shenfield will also be introduced.

We have commissioned a study to determine progress against our target to increase the number of people located within 1.5 and 3 hours of Heathrow by public transport. We expect the results in the first half of 2023.

We are supportive of the sustainability objectives of the ULEZ extension announced by the Mayor of London to come into effect in August 2022. But the timescale for implementation presents a challenge to a significant number of colleagues across Heathrow who live both inside and outside the extension boundary and currently commute to work at the airport in non-compliant vehicles. We are reviewing various options to provide support to enable colleagues to transition to compliant vehicles, or to access public transport as a viable alternative to driving.

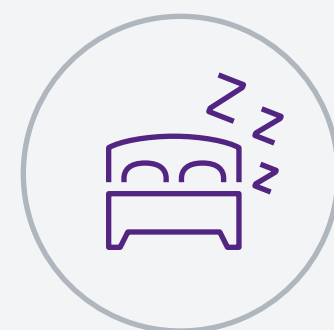
Air quality monitoring continues, and regular ultrafine particle (UFP) monitoring will commence in 2023.



Quieter nights, quieter flights

We understand that noise can impact people's quality of life in different ways, and it is a more complex issue than it first appears. When we experience noise, multiple factors – from its volume to our attitude towards it to whether we can control it – determines how it affects us.

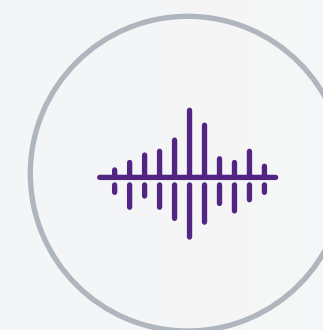
We have been working to reduce our impact for many years. Our long-term strategy is based on the four pillars of the International Civil Aviation Organisation's (ICAO) Balanced Approach, and our 2030 goal focuses on tackling the negative impacts that long-term exposure to noise can have in terms of sleep disturbance and annoyance. We want to limit and, where possible, reduce the number of people whose health is affected in this way, and ensure that all our targets lead to improvements for our local communities. We also remain committed to supporting a research agenda that enhances understanding of the impacts of aviation and the effectiveness of the interventions used to reduce noise impacts.



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

2022 PERFORMANCE:
Not yet able to measure

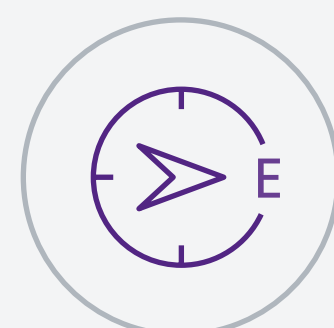
COMMENTS
Forecasting work underway to enable this goal to be refined, and annual measurement thereafter.



TARGET:
Reduce noise contour areas compared to 2019

2022 PERFORMANCE:
On track

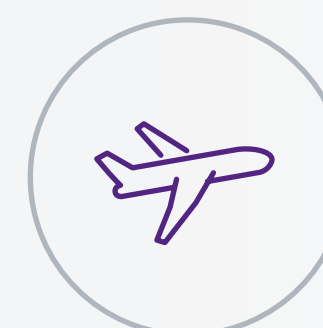
COMMENTS
2021 contours show a reduction in noise exposure, relative to 2019. 2022 will be higher, as flights increased in line with recovery, but it is not likely to exceed 2019.



TARGET:
Introduce easterly alternation by 2028

2022 PERFORMANCE:
On track

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



TARGET:
Incentivise the use of Chapter 14 aircraft to reduce Chapter 4 operations to less than 2019 levels

2022 PERFORMANCE:
On track

COMMENTS
The year-on-year increase in airlines operating the quietest types of aircraft at Heathrow continues, with Chapter 14 now accounting for over 79%.



TARGET:
Protected period of the core night by 2025 (no flights except dispensed* operations between 0000 and 0430)

2022 PERFORMANCE:
Not yet able to measure

COMMENTS
This is a voluntary measure in addition to the night restrictions set by the Department for Transport (DfT). We have begun measuring flights after 23:30 by 15 and 30 minute time periods as well as working with airlines and NATS through the Quiet Night Charter to reduce those after 00:00 and before 04:30.



TARGET:
Increase nights without aircraft post 23:45 relative to 2019 levels

2022 PERFORMANCE:
Behind

COMMENTS
We currently track nights with no flights between 23:30 and 04:30 and we have begun to also track between 23:45/00:00 and 04:30 in 2023. Performance between 23:30 and 04:30 in 2022 was behind 2019 and we are prioritising efforts to improve this.

* Under the night flight restrictions issued by Government, which limit the number and type of aircraft that can operate between 2330 and 0600, in exceptional circumstances flights can be permitted and will not count against these limits. These are collectively known as dispensations.

Quieter nights, quieter flights – *continued*

Progress in 2022

NOISE ACTION PLAN

Heathrow has a long-established strategy to manage this. Since 2009 this has been articulated in our Noise Action Plans. Our current Noise Action Plan runs from 2019 to 2023. In 2022 we started the drafting process for the next round of action planning which will be submitted to the Department for Environment, Food and Rural Affairs (Defra) in September 2023 for adoption (Round 4 – Noise Action Plan 2024-2028).

FLEET PERFORMANCE AND MODERNISATION

Supported by Heathrow financial incentives, there is a continued trend of newer, more efficient and quieter aircraft operating at Heathrow, with almost 80% of aircraft now Chapter 14, the most recent ICAO certification standard. We also continued strong operational performance on measures such as arriving flights following a continuous descent approach and departing flights complying with departure routes and minimum climb gradients.

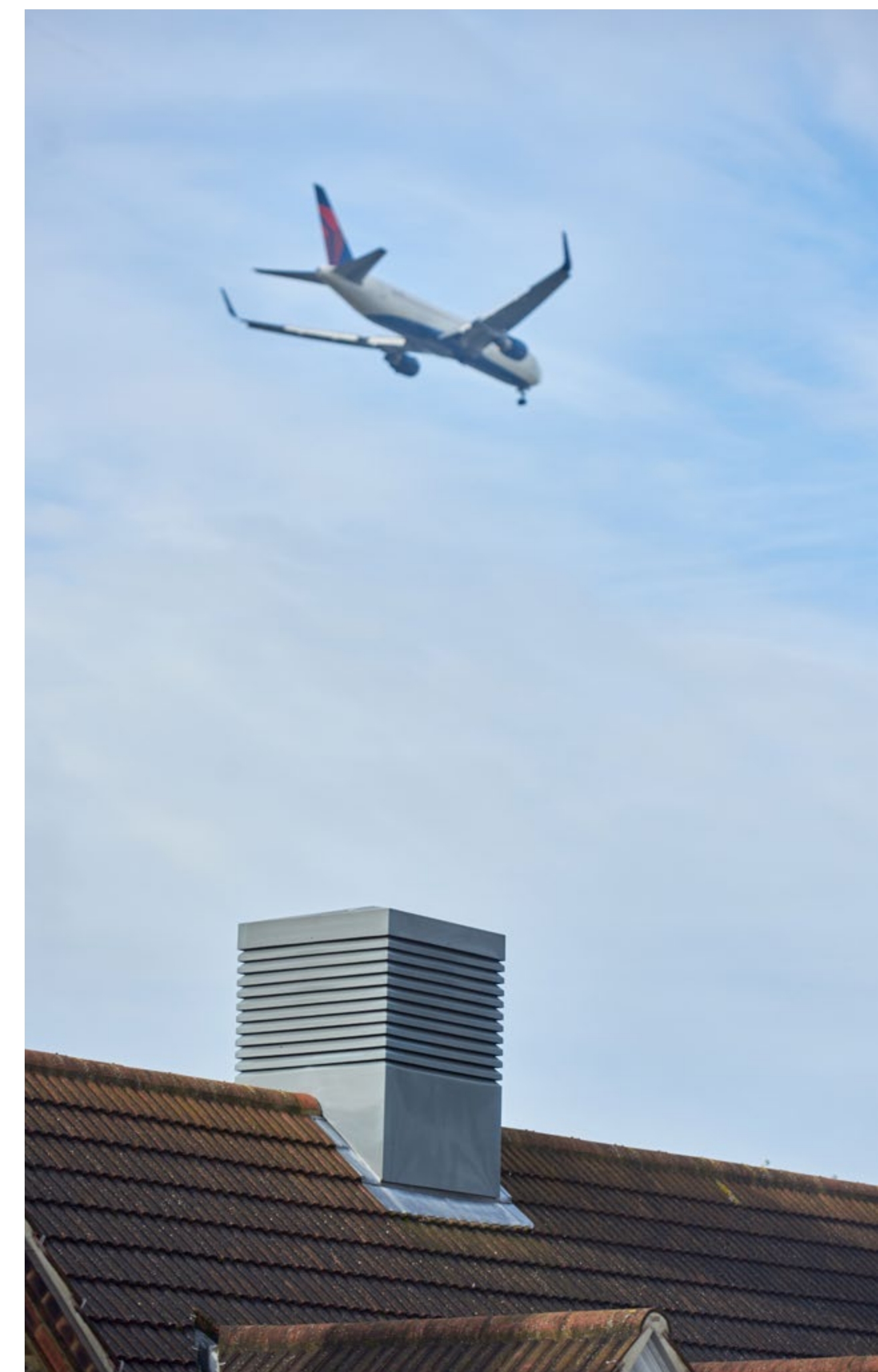
INFLUENCING AND ADVOCACY

During 2022 we have taken an active role in the international conversation around best practice in managing aviation noise. Via ACI we have secured support to establish a Global Noise Task Force, which Heathrow will jointly chair, with input from external experts. It will coordinate noise issues of high relevance across all regions, identify common areas of interest, share best practice and learning, and provide consensus views to support advocacy.

Work to influence research into the effects of aviation noise resumed in 2022. This included non-acoustic factors that are believed to significantly impact annoyance and self-reported sleep disturbance. Heathrow's noise team contributed to two papers at the international 'Inter-noise' conference in Glasgow. These focused on consolidating understanding of respite from aircraft noise in relation to airspace design and changes in aircraft noise at Heathrow during the COVID-19 lockdown from March to June 2020.

STRATEGIC REVIEW OF NOISE INSULATION AND VORTEX SCHEMES

As part of Heathrow's Round 3 Noise Action Plan, we made a commitment to review our noise insulation and vortex impact repair schemes, an important part of our noise management measures. In 2022 we completed the review of the strategic direction of Heathrow's future insulation and vortex schemes. This process involved reviewing the effectiveness of legacy schemes, seeking feedback and benchmarking against others to take an evidence-based approach to future schemes. Our refreshed schemes will provide simplified categories for residential and community buildings within a common eligibility footprint.



Quieter nights, quieter flights – *continued*

CHALLENGES

In September we published [annual noise contours](#) for 2021. They show a reduction in noise exposure for local communities due to fewer flights in 2020 and 2021. As recovery continues, contours for future years will show an increase in noise exposure relative to 2021. This growth contrasts with the long-term downward trend of the past few decades. Although 2020 and 2021 were outliers in the longer-term context, we need to acknowledge the notable differences for communities following a sustained period of low activity.

In 2022 there were a total of 465 late running departures against the target of no more than 177. A combination of resourcing issues, delays and air traffic control constraints across Europe due to capacity, regulations, low visibility and de-icing requirements has impacted performance. We are disappointed with the performance in 2022, especially given the context of the significant progress made in the preceding years. We are committed to addressing these challenges and to minimising the impact of noise at night on communities that are overflowed. In addition, we have established a new key performance indicator to track the number of nights without flights, initially between 23:30 and 04:30, and expanding to include 23:45 and 00:00 in 2023. In 2022 there were 107 nights with no flights between 23:30 and 04:30.

COMING NEXT

We are undertaking detailed forecasting work to establish a view of the likely changes to the mix of aircraft types that will be operating at Heathrow by 2030. This will enable us to set a more specific target to limit, or where possible reduce, the number of people highly sleep disturbance and highly annoyed⁴.

Engagement with key stakeholders to develop a draft Noise Action Plan (2024-2028) will continue in the first half of 2023, ahead of public consultation in the summer, and submission to Defra in the autumn for approval. Once the plan has been adopted by Defra it will be published on the Heathrow website. As part of this process, we are undertaking detailed passenger forecasting work which will enable us to set targets to limit and, where possible, reduce sleep disturbance and annoyance by 2030 relative to 2019 levels.

As part of the transition to our refreshed noise insulation and vortex schemes, we will in 2023 prioritise fulfilling insulation commitments under previous schemes, whilst also working to implement the new approach. We will also commission regular independent research to assess their effectiveness in reducing annoyance and sleep disturbance and in improving children's cognition.

Prior to 2020, Heathrow's Fly Quiet and Green programme produced a quarterly league table comparing the top 50 airlines by number of flights across metrics relating to noise, emissions and operations. The programme was suspended in early 2020 due to the COVID-19 pandemic. In 2022 we have undertaken a review and engaged with airlines to develop enhanced metrics. These will be shared, and the first refreshed airline league table will be published in the second quarter of 2023.

⁴ The dose response relationships published by the EU and provided to Heathrow by the CAA will be used to calculate the annual highly annoyed/sleep disturbed numbers. The CAA ERCD ANCON model will be used to calculate the standard annual noise contours and population exposure input to the dose response relationships. The population database, percentage of easterly and westerly operations and proportion of northern and southern runway use will remain constant for comparison purposes.



Nature positive airport

The link between global heating and the alarming loss of nature and biodiversity is clear, not only affecting tourism but damaging wider business and communities.

We rely on nature for resources and essential mechanisms such as clean air, clean water, and foodcrop pollination. Protecting nature is also a key tool in slowing the rate of climate change and helping wildlife, people, and communities to adapt to it. Heathrow is helping to reduce harm and is working towards restoring nature – something we can all play a role in.



GOAL:

Work with partners to support a nature network around Heathrow

2022 PERFORMANCE:

On track

COMMENTS

We continue to actively manage Heathrow's biodiversity sites for conservation purposes, with over 4,000 species now identified.



TARGET:

Develop a Nature Positive Plan for Heathrow by 2022

2022 PERFORMANCE:

Behind

COMMENTS

Production of Heathrow's Nature Positive Plan has been delayed to 2023.



TARGET:

Retain Biodiversity Benchmark Award

2022 PERFORMANCE:

On track

COMMENTS

Successfully retained for the fourteenth year running.



TARGET:

Maximise de-icer recovery through our Clean Water Programme

2022 PERFORMANCE:

On track

COMMENTS

Over 170,000 litres of de-icer were recovered by our Pollution Control System.

Nature positive airport – *continued*

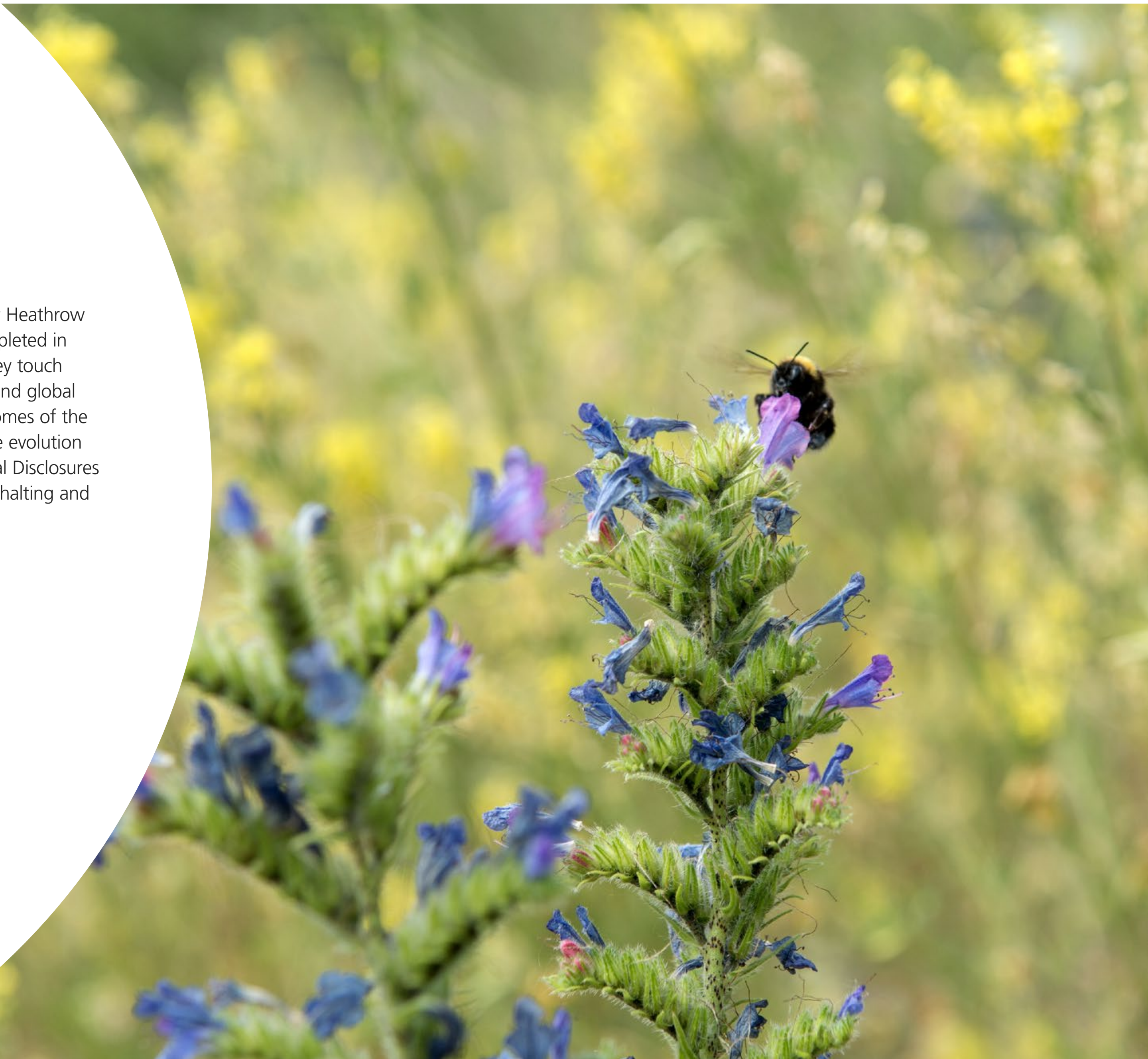
Progress

BIODIVERSITY MANAGEMENT

In 2022 we continued to manage 170 hectares across 13 biodiversity sites for conservation purposes and, in July, it was confirmed that Heathrow has successfully retained the Wildlife Trust's Biodiversity Benchmark Award for the fourteenth year running, recognising our continued commitment to biodiversity and nature. The assessor gave us no areas for improvement, but many positive comments, including that Heathrow is coping well in uncertain times in its management of the biodiversity sites which are home to many species of flora and fauna. In 2022 a milestone was achieved as over 4,000 species have now been identified.

CHALLENGES AND COMING NEXT

Work to produce a nature positive plan for Heathrow was delayed in 2022 and will now be completed in 2023. The plan will consider Heathrow's key touch points with nature, from a local, national and global perspective, and take account of the outcomes of the UN COP15 Biodiversity Conference and the evolution of the Taskforce on Nature-related Financial Disclosures (TNFD) to present Heathrow's response to halting and reversing nature loss.



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:

Maximise reuse, recycling and recovery of materials used at Heathrow

2022 PERFORMANCE:

Not yet able to measure

COMMENTS

We will develop a zero waste strategy in 2023 which will include setting measurable goals and targets



TARGET:

Reduce total waste generated relative to 2019

2022 PERFORMANCE:

On track

COMMENTS

Total waste increased from 2021 in line with recovery but was over 5,000 tonnes lower than 2019.



TARGET:

Reduce unaccounted for water by 15% compared to 2019

2022 PERFORMANCE:

Not yet able to measure

COMMENTS

We have completed studies to establish the 2019 baseline. An assessment of 2022 performance against this will happen later in 2023.





Zero waste airport – *continued*

Progress in 2022

WASTE MANAGEMENT

In 2022, we completed work to inform our longer-term plans, including a waste-composition analysis to detect any significant changes to the waste stream as we recover from the pandemic. We also rolled out improvements to waste infrastructure, ensuring that consistent colour coding is in place to support passengers and colleagues with more accurate segregation. This has been supported by a terminal training guide for airport colleagues, ensuring a consistent message is being communicated.

UNACCOUNTED FOR WATER

In 2022 we focused on gaining a greater understanding of unaccounted for water, with a view to improving measurement in the future and implementing solutions to reduce the total. Early in the year we completed a study which focused on October 2019 to provide a baseline (24.6%). We also looked at October 2021 as a point of comparison where the result was 30.9%. We have not yet completed an assessment for 2022, but we expect to see a decline compared to 2021 as water consumption increases in line with passenger numbers.

CHALLENGES AND COMING NEXT

We had hoped to develop our zero-waste strategy by the end of 2022, but resource pressures have led to that work being pushed back to 2023 to ensure we have a plan to make tangible progress this decade. We will also take steps to reduce unaccounted for water by installing 12 to 15 new water meters in 2023. These will help further improve our understanding of water use and identify and reduce losses.

Thriving sustainable supply chain

With thousands of companies operating from or supplying goods and services to Heathrow, our influence stretches far beyond our boundary. We want to use that influence to encourage others to adopt ethical, low carbon and sustainable practices.

Together we will regularly celebrate success and drive local and regional economic opportunities through our supply chain. By supporting small and medium-sized enterprises (SMEs) across the UK to do business with Heathrow, we can have a real impact on smaller businesses both regionally and those that are local to the airport, driving local economic growth and development.



GOAL:

Maximise suppliers achieving gold standard against our Balanced Scorecard

2022 PERFORMANCE:

Not yet able to measure

COMMENTS

We launched our Balanced Scorecard in 2022 and will continue to collect baseline data in 2023 to understand current performance against the standards we've set.



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%)

2022 PERFORMANCE:

On track

COMMENTS

46.4% of our Tier 1 suppliers and 52.8% of our local Tier 1 suppliers are SMEs. We will review these targets in 2023, with a view to strengthening.



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

2022 PERFORMANCE:

On track

COMMENTS

CompeteFor launched in 2022. We will work towards setting targets later in 2023 once usage has increased as the platform becomes established.

Balanced Scorecard

During 2022, we focused on developing a new Balanced Scorecard to enable clear communication of priorities to strategic partners, and a collaborative approach to working together to deliver our desired outcomes. By engaging our partners in this way, we aim to bring the best of their resources and expertise to bear at the airport and ensure we procure for value, rather than just cost. The Scorecard focuses on five pillars, including carbon reduction, social value and community. It has been launched and we are continuing to collect baseline data which will be used to agree improvement targets.



Carbon

Supports a circular economy and the development of a net zero carbon airport



Social Value

Sets new standards for social value initiatives and associated benefits



Community

Creating opportunities for local businesses

Thriving sustainable supply chain – *continued*

Progress in 2022

BUSINESS OPPORTUNITIES FOR SMEs AT HEATHROW

In November we resumed our programme of business summits. In the first event held since before the pandemic, the 24th edition of the Heathrow Business Summit was attended by over 300 people including 100 delegates from Heathrow's tier 1 supply chain, and more than 100 from local SMEs. The objective of the event was to connect these local businesses with new business opportunities at the airport and offer insight into how working with Heathrow can enable SMEs to play a central role in the airport's operation and wider supply chain. It received extremely positive feedback from stakeholders, with 84% of SMEs saying they found hearing about Heathrow 2.0 and Heathrow's procurement strategy "very useful".

In 2022 we have also launched CompeteFor, a platform that enables businesses (particularly SMEs) to compete for contract opportunities. The platform already features opportunities to do business directly with Heathrow and will be extended in 2023 to feature opportunities with our Tier 1 suppliers.

LONDON LIVING WAGE EXTENSION

In February, we announced an extension of the London Living Wage. Heathrow has been an accredited Living Wage Employer since 2017, meaning directly employed colleagues are already paid at least London Living Wage. Before the pandemic we were working on a roadmap to extend the scope to all employees within our direct supply chain. This work had to be put on hold in 2020, but in 2022 we were able to complete the roadmap. This ensures everyone working in Heathrow's direct supply chain was guaranteed to earn at least the London Living Wage from the start of April 2022. At least 1,300 colleagues at the airport benefitted from a wage increase, with over £4.5 million extra now in the pay of people at direct suppliers including Mitie and Apcoa.

HEATHROW'S VALUE TO BRITAIN

In September, we published [Heathrow: Sustainable Growth, Global Connectivity](#). The report outlines research by Frontier Economics that found that the value of the aviation sector to the British Economy totalled £12 billion in 2021. More than £153 billion of non-EU exports and imports travelled through Heathrow in 2021, while in 2019 passengers went on to spend £400 million in towns and cities across the UK. These findings underline the importance of the global hub airport model to the UK's economic growth and to Britain's exporters who rely on aviation trade routes. Heathrow's global connectivity to the world's growth markets supports the economies of Scotland, Wales, Northern Ireland and all the English regions.

CHALLENGES AND COMING NEXT

In 2023 we will focus on rolling out the Balanced Scorecard and gathering baseline data which will be used to set improvement targets for the future against the range of sustainability issues the scorecard covers. We will also prioritise embedding sustainability further within the supply chain and across our procurement processes. A key element of this will be to automate our sustainability requirements to improve the data we capture. This will enable us to ensure that sustainability goals are met and to celebrate success and share best practice across our supplier network.



Better quality of life in Heathrow's neighbouring communities

For Heathrow, being a responsible neighbour is a priority. It is important that we share the benefits of the airport with the communities, families and organisations that live or operate locally.

Progress in 2022

GIVING BACK PROGRAMME

In 2022 we undertook an in-depth review of our community investment programmes. This included a series of workshops with community stakeholders and Heathrow colleagues. Feedback from these sessions informed the design of Heathrow's new Giving Back Programme which launched in January 2023. The programme will collectively benefit one million local residents by 2030, focusing on employability, nature and the local environment and local funding support. A key way that this will be achieved is through Heathrow's continued relationship with Heathrow Community Trust (HCT), which will receive at least £6.5 million in support by the end of the decade. The Giving Back Programme builds on our history of community investment over many years. In 2022, alongside developing our future plans, we also continued to support local communities through the Heathrow Community Rangers, the Responsible Schools Programme, funding local community projects via the Neighbouring Villages Fund, direct donations of equipment and food and colleagues giving their time to volunteer.



GOAL:

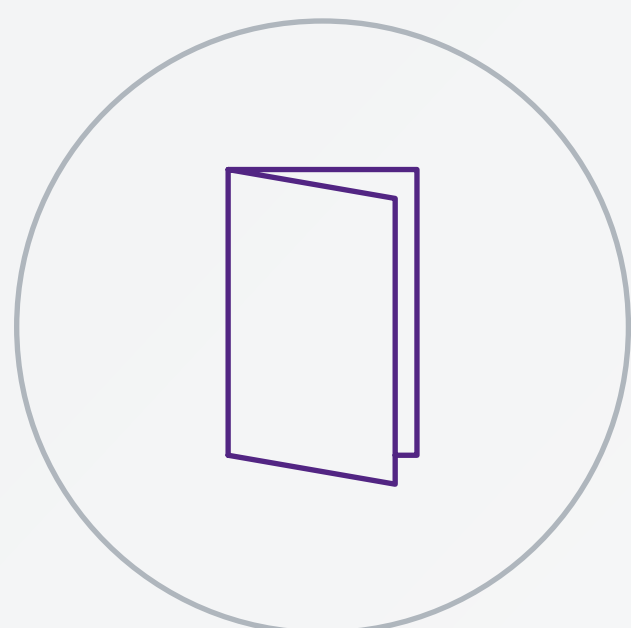
Give back to one million people in our local communities

2022 PERFORMANCE:

Not yet able to measure

COMMENTS

Our Giving Back Programme sets out the ways we will achieve our goal, and we will begin to track and measure progress towards it from 2023.



TARGET:

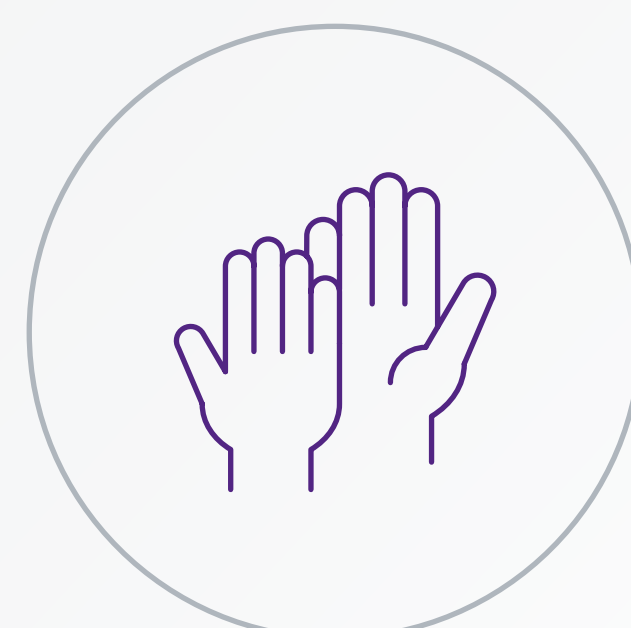
Publish a new Giving Back Programme in 2022

2022 PERFORMANCE:

On track

COMMENTS

We launched our Giving Back Programme in January 2023.



TARGET:

Publish a target in 2022 to increase the number of Heathrow colleague volunteering hours made available in local neighbourhoods by 2030

2022 PERFORMANCE:

Behind

COMMENTS

Colleague volunteering is a key strand of our Giving Back Programme, and in 2023 we will develop a volunteering policy to support this.

Our Giving Back Programme

What we will focus on

To reach our **One Million People Pledge** by 2030, we have created a new programme of eight community investment initiatives to connect our community to the opportunities they need and want. This will bring both new investments and a strengthening of our existing initiatives to build on the valuable work we have already done.



Connecting communities to the 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 the businesses in our £188bn supply chain. We will help everyone in the community develop new skills and opportunities, engaging with residents of all ages, from early years education to life-long careers. Connecting local people with opportunities to develop their careers at and around the airport is our priority as we grow. And we know from our conversations with residents over the last year, they want and need to see more long-term career prospects – more opportunities and jobs we can all be proud of. We are refreshing our existing work schemes to expand the opportunities available for every age group.



Connecting communities with the local environment – we know that residents love the green spaces throughout our community. We need to ensure these local green spaces are looked after, grown and preserved for the community and for future generations. Heathrow also has a unique role helping our communities connect with these outdoor green spaces. Through Heathrow's biodiversity team, we will continue to preserve these green spaces for current and future generations to enjoy, supporting flora and fauna to thrive around the airport. But we will ensure these green spaces are better connected to local communities, opening them up for residents and protecting our shared environment.



Connecting communities to funding and Team Heathrow – We know from our community that the past few years have been tough. Heathrow's role as a connector of community groups and organisations to funding is more important than ever. We are determined to support the fantastic work of so many community groups and organisations that are delivering an invaluable contribution to improve quality of life, day in, day out, in our local communities. We will do this through our partnership with Heathrow Community Trust, a new Heathrow Community Take Off Fund for smaller, bespoke projects, and by supporting airport partners and suppliers to focus their community investment to meet local needs.



Supported by
Heathrow

Better quality of life in Heathrow's neighbouring communities – *continued*

HEATHROW COMMUNITY RANGERS

The Heathrow Community Rangers carry out projects identified by local community members or council representatives that enhance the local area. They are our eyes and ears in the community, and can react quickly if urgent support is needed. In 2022, the Rangers delivered a range of projects, including improvements to Stanwell Moor Village Hall and the creation of new sensory gardens at Oriel Academy and Colnbrook Church of England Primary School.

COLLEAGUE VOLUNTEERING

With the lifting of COVID restrictions, we were able to resume colleague volunteering. 371 colleagues gave up their time to support a range of activities, including painting Stanwell Youth Club, stencilling the adobe building at Pippins Primary School, planting and weeding St Thomas Church, maintaining outdoor spaces across Harmondsworth, Stanwell, Colnbrook, Slough and Cranford and supporting enterprise and careers events through the Responsible Schools Programme.

RESPONSIBLE SCHOOLS PROGRAMME

A refreshed programme of delivery as part of our Responsible Schools Programme launched in March. Our delivery partner, Business Education Events (BEE), led 20 sessions across our five partner primary schools, attended by 1,184 students. The sessions were a combination of an enterprise workshop, where students are challenged to create a product, plan a presentation and pitch for a sweet shop to be opened at Terminal 5, and career events to inspire local school children to raise their aspirations.

NEIGHBOURING VILLAGES FUND

The Heathrow Neighbouring Villages Fund (NVF) provides small donations to local community groups to fund activities which bring communities together, improve quality of life, or provide resources which communities can benefit from, now and in the future. We donated £41,767 in funding via the NVF in 2022, a proportion of which funded community events to bring people together for the Jubilee celebrations in June. The NVF will become the Heathrow Community Take Off Fund from 2023.

DONATIONS

Heathrow recently upgraded all its defibrillators, leaving a surplus of working units of the previous model. In 2022 65 units were donated to a range of charities, community groups and small businesses in the boroughs surrounding the airport. We also donated 18,500 pairs of goggles to schools to use in science and design and technology lesson. These were excess PPE unused during the pandemic.



Better quality of life in Heathrow's neighbouring communities – *continued*



CHALLENGES AND COMING NEXT

Following the launch of the Giving Back Programme in January, our focus in 2023 will be on ensuring we have the right processes and partnerships in place to deliver the initiatives within it, and that we're able to capture sufficient data to measure the impact of the programme. Key elements of this include increasing colleague awareness and participation in the various strands of the programme. To support colleague volunteering, we will develop a volunteering policy, as well as enhanced training and other support for volunteers. We will also continue to work with Team Heathrow partners to identify long-term community projects drawing on a wide range of initiatives, from skills and training opportunities, to environmental enhancement projects that can collectively provide.



Better quality of life in Heathrow's neighbouring communities – *continued*

GIVING BACK TO LOCAL COMMUNITIES THROUGH OUR PARTNERSHIP WITH HEATHROW COMMUNITY TRUST

Activity in 2022 continued to focus on supporting the Heathrow Community Trust (HCT). HCT is an independently run grant-making charity that funds projects that improve quality of life for communities near the airport. In 2022 the overall contribution amounted to £542,000 (2021: £315,500). We donated £275,000 (2021: £125,000) and a further £270,000 (2021: £5,600) was leveraged from colleague and passenger fundraising and noise fines. The majority of the leveraged⁵ funding was raised in the final quarter of the year, so it will be utilised by HCT in 2023.

In 2022 HCT was able to distribute grants worth £187,000, most of which provided support to 64 local community groups and organisations. Projects that had previously received funding and were completed in 2022 benefitted over 28,000 people and involved 272 schools and 1,013 businesses.

For the first time since 2019, Heathrow hosted its sixth Midnight Marathon in October. The event gives colleagues from across the airport community a unique opportunity to run the full length of Heathrow's northern runway at midnight to raise money for charity. More than 300 colleagues took part, raising over £22,000 for HCT.

⁵ Leverage is a measure of additional resources contributed to charities from sources other than the company

Communities Together

HCT awarded funding of £2,500 to Heathrow Special Needs Centre to enable 50 people with disabilities and special needs to take part in farm, animal and horticulture activities. The project's proven benefits include improved self-confidence, improved education and a reduction in social isolation. The beneficiaries took part in a range of activities including feeding and mucking out a variety of animals. They also grow plants and vegetables in the centre's large vegetable gardens and polytunnel which have raised beds for improved accessibility.

Environment and Sustainability

HCT awarded funding of £7,494 to Trees for Cities to support the Ealing Tree Festival. This two-day event was attended by 500 local residents, with a series of workshops and educational outdoor activities across three sites. The project engaged local community groups and schools and educated communities on the importance of biodiversity and urban trees.

Projects for Young People

HCT awarded funding of £3,745 to Delight to support their Delight in Dance project in primary schools in Runnymede and Spelthorne. 84 children undertook a 6-week dance project, working with dancers and created their own dance stories. A consistent theme within evaluation at both schools was that Delight in Dance brought quieter children out of their shells, helping build confidence and particularly when speaking with other adults, not only their peers. The programme provided an alternative way of learning for those children who struggle with traditional classroom teaching.



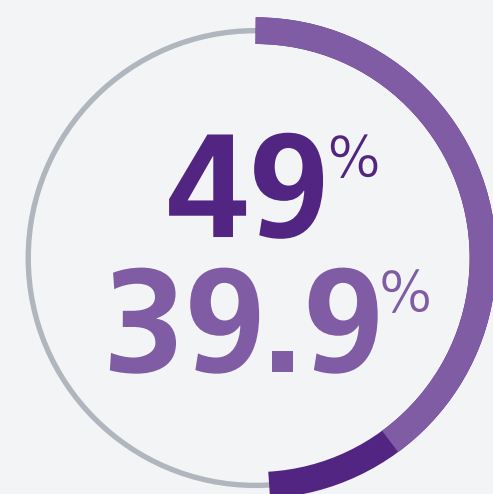
“

I have always wanted the school's disused outdoor space to be a nice space the pupils can enjoy. With help from the Heathrow Rangers this space has now been fully transformed. The gardening club has massively expanded and there's a reading corner, picnic area and even a sensory activity space for our SEND pupils. I cannot wait for the space to open and for the kids to enjoy it.”

RACHEL ALMALIKI
Year 5 Teacher & Science Lead at Oriel Academy

Inclusive employer of choice for local diverse talent

We want Heathrow to become a truly great place to work where everyone can fulfil their potential. Equality, diversity and inclusion (ED&I) are an essential part of our business strategy. Our goals focus on reflecting the diversity of our local communities within the business, recognising Heathrow's unique position as the largest single-site employer in the UK.

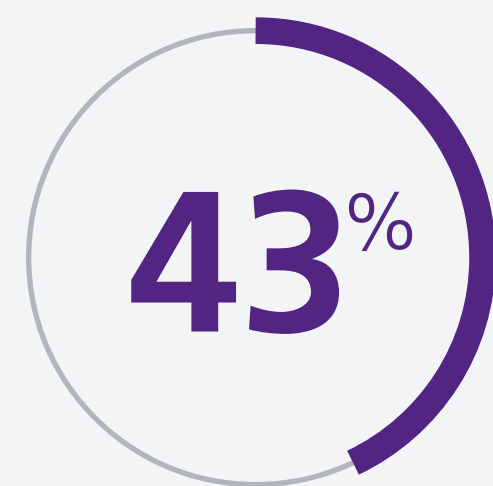


GOAL:
Reflect the diversity of our local community at all levels of the business (49% female and 39.9% ethnicity representation by 2030)

2022 PERFORMANCE:
Behind

COMMENTS

At the end of 2022 total female representation was 41.30% and total ethnicity representation was 48.13% but these levels are considerably lower for ethnicity representation among senior managers.

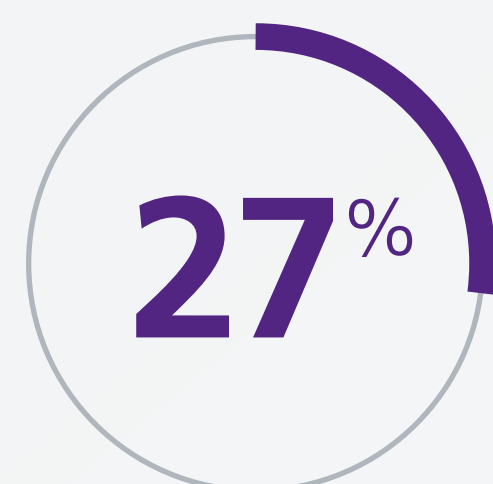


TARGET:
At least 43% female colleagues at senior levels in by 2026

2022 PERFORMANCE:
On track

COMMENTS

39.48% of senior managers identified as female at the end of 2022, an increase from 37.10% at the end of 2021.



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

2022 PERFORMANCE:
Behind

COMMENTS

18.28% of senior managers identified as Black, Asian and Minority Ethnic at the end of 2022, an increase from 17.10% at the end of 2021. While this is a positive upward trend, we are not currently on track to achieve our 2026 target.



Inclusive employer of choice for local diverse talent – *continued*

Progress in 2022

The recovery of the aviation sector from the impacts of the pandemic led to a high level of recruitment in 2022. This extended to new career opportunities at the airport, and career development opportunities for existing colleagues, with many securing a promotion, secondment or lateral move. This has had a positive impact on both gender and ethnicity representation at senior levels. We also saw significant increase in the number of colleagues disclosing their sexual orientation and disability information. This data will provide key insight to inform future plans.

Beyond representation, we remain focused on creating a truly inclusive culture. In 2022 we introduced a question to our colleague survey to gather colleague views on this. The data will provide valuable insight as our plans evolve, and we will continue to ask the question on a regular basis.

In February, we launched the Heathrow Mentoring Platform. Building on the success of a pilot scheme in 2021, the online platform facilitates mentoring for colleagues by supporting them to find, build and develop mentoring relationships. It also provides guidance for both mentors and mentees.

In September we marked National Inclusion Week by hosting an event to bring together colleagues from many airport businesses to share ideas and align plans. Guest speakers from organisations including Atkins, American Airlines, Wilson James, Computacenter, Dyer & Butler and AECOM joined senior leaders from a range of Heathrow teams, and the leads of our diversity networks to explore topics such as measuring success, creating a sense of belonging and collaborating as a Team Heathrow community.

In 2022 we were delighted to be awarded Diversity Leader status by the Financial Times following a survey of readers, including Heathrow colleagues, who were asked for their views on the extent to which their employer promotes ED&I. In addition, we were also shortlisted at the National Diversity Awards.



Inclusive employer of choice for local diverse talent – *continued*

Our colleague networks delivered a range of events and initiatives in 2022:



Gender Equality Network
Diverse & Inclusive Heathrow

ALTITUDE (GENDER EQUALITY NETWORK)

- Produced Menopause Guidance detailing support available for colleagues to help them manage perimenopause and menopause symptoms, both at work and home.
- Hosted an event to mark International Men's Day covering topics like the impact of parenthood on fathers and the opportunity for men to take shared parental leave.
- Launched a partnership with Hey Girls to install over 100 free period product dispensers in female and accessible colleague toilets across Heathrow.



en-hANCE Culture & Ethnicity Network
Diverse & Inclusive Heathrow

EN-HANCE (CULTURE AND ETHNICITY NETWORK)

- Participated in anti-racism charity Show Racism the Red Card's Wear Red Day. Colleagues across the airport wore something red, and Heathrow's terminals lit up in red lights.
- Hosted a Diwali celebration event in collaboration with a range of Team Heathrow organisations.
- Supported the My Name Is Campaign as part of Race Equality Month, encouraging colleagues to include the phonetic spellings of their names in their email signatures.



HAND
Heathrow Airport's Network for Disability
Diverse & Inclusive Heathrow

HAND (DISABILITY NETWORK)

- Hosted the Training2Care Virtual Dementia Tour and Autism Reality Experience, enabling attendees to experience the airport through the eyes of individuals with dementia or autism.
- Worked with the Colleague Welfare Team to inform work to update and improve colleague restrooms to ensure that they are inclusive for our colleagues.
- Marked International Day of Persons with Disabilities by lighting up Heathrow terminals and walkways in purple, encouraging colleagues to wear purple socks to demonstrate support and, together with Team Heathrow colleagues, staging a flashmob outside Terminal 2.



PROUD Network
Diverse & Inclusive Heathrow

PROUD (LGBTQ+ NETWORK)

- Marked LGBTQ+ History Month by collaborating with Heathrow's other networks to explore intersectionality, supporting colleagues to better understand themselves and those around them.
- Range of activities to celebrate Transgender Awareness week, including flying the Transgender Pride flag at Terminal 4 and launching Transition at Work Guidance to provide support to Heathrow colleagues and managers.
- Celebrated Pride Month with social and learning events and participation in the Pride in London Parade.

Inclusive employer of choice for local diverse talent – *continued*

CHALLENGES

We have not yet made the progress we would like on ethnicity representation, particularly at senior levels, where, despite a year-on-year increase to 18.28%, we are still over 10% below our target of 29% by 2026. This will be a priority in 2023, and we will continue to consider how to support the pipeline of internal talent already working at Heathrow (over 48% of colleagues identify as Black, Asian or minority ethnic) to progress. We will also look at ways to attract a diverse range of local candidates to the opportunities we offer externally.

COMING NEXT

In 2023 we will focus on building a consistent culture around ED&I by launching a colleague-facing campaign. Among other messages, the campaign will encourage colleagues to disclose their diversity information. We will build deeper insight to support progress towards an inclusive culture by continuing to ask an ED&I question via regular colleague surveys, as well as a deep dive additional survey. We have already started a process to review our ED&I policies, and this will continue in 2023.



Inclusive employer of choice for local diverse talent – *continued*

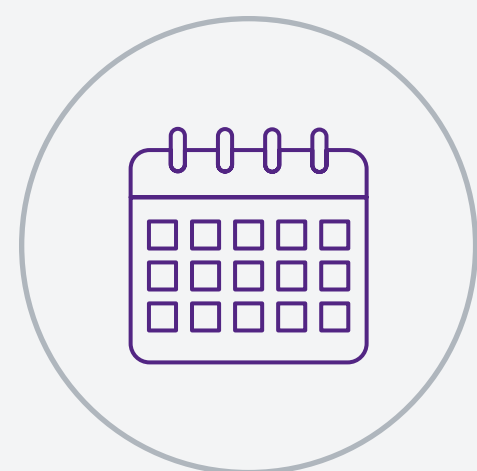
Providing good quality opportunities for local people to develop careers at Heathrow is our priority. We want to connect residents to the world of work at Heathrow and build a diverse pipeline of skills by engaging local young people in education.



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

2022 PERFORMANCE:
On track

COMMENTS
We have already delivered nearly 2,500 career opportunities and 2023 is forecast to show a similar level of growth so we will review our 2030 goal with a view to increasing it.



TARGET:
15,000 experience-of-work days by 2030

2022 PERFORMANCE:
On track

COMMENTS
We have delivered over 3,000 experience-of-work days, with additional programmes due to launch in 2023 so we will review our 2030 goal with a view to increasing it.



TARGET:
Schools programmes available every year to children in all local boroughs

2022 PERFORMANCE:
On track

COMMENTS
In 2022 we continued our partnerships with five 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 – *continued*

Progress in 2022

2022 was a significant year of growth for Heathrow and other businesses operating at the airport. We delivered over 2,300 career opportunities, and over 800 employment offers were brokered by the Heathrow Employment and Skills Academy. This represents a significant achievement towards our longer-term goal of 10,000 opportunities which has been driven by the recovery of the aviation sector, and the corresponding high levels of recruitment.

During 2022 we worked collaboratively with partners to help service the recruitment demand at the airport and ensure that its career opportunities are available and accessible to local people. This includes Jobs Centre Plus running monthly events to promote jobs at Heathrow and working with West London Alliance and others to recruit Security Officers via guaranteed interview schemes.

HEATHROW ACADEMY

The Heathrow Employment and Skills Academy was set up in 2004 to connect local residents to jobs and careers across the diverse range of airport employers. Since then, the Academy has supported thousands of people into either employment or an apprenticeship. During the past two years when employment fell, the Academy worked with external partners such as the Jobcentre Plus to provide support to those affected, and it is now playing a crucial role in helping back into employment following the pandemic. One route is through delivery of Essential Skills Workshops in which participants are guaranteed interviews on completion of the course. However, the education, employment and skills landscape has changed, and we are therefore reviewing the current support provided by the Academy. The aim is to help ensure the support provided is future fit for Heathrow, other organisations operating at the airport, local education and employment partners and candidates.

EARLY TALENT PROGRAMMES

As well as high levels of external recruitment, we were able to resume our Future Leaders Graduate Programme in 2022 and we also concluded a colleague internship process. This gave colleagues in operational roles the opportunity to spend 10 months working in another part of the business from November 2021 – August 2022 to expand their skills and grow their understanding of career progression opportunities. The programme was extremely successful, with the majority of participants going on to secure permanent new roles.

Heathrow's Engineering Apprenticeship programme has been running for 45 years, with over 50% of our engineering colleagues having started their careers at the airport as apprentices. It has a retention rate of 73% – the highest in the UK (verified by National Apprenticeships UK). In 2022 we welcomed 14 apprentices and three accelerated apprentices, including seven who moved onto the scheme from other roles at Heathrow.

36 colleagues are currently progressing through our Shared Apprenticeship Scheme which is run in partnership with an accredited Apprenticeship Training Agency (ATA). It brings together some of the construction companies working at Heathrow to offer local people the chance to work on projects at the airport, whilst gaining a nationally recognised qualification. The scheme offers a breadth of opportunities across construction, as well as funded placements in local further education colleges.

EXPERIENCES OF WORK

In 2022 1,200 primary school children took part in our Heathrow Young Explorers Challenge and 1,445 young people participated in our virtual work experience offer for 16–19-year-olds. We also hosted 6 students from Uxbridge and Cranford Community College on T-level placements and 12 students on Engineering Insights Placements, and ran a series of Essential Skills Masterclasses for college students with special educational needs and disabilities (SEND).

Inclusive employer of choice for local diverse talent – *continued*

The Heathrow World of Work is an inclusive employability programme that inspires young people through real experiences of work, building their confidence and skills so they can unlock employment at the airport and beyond. Young people receive first-hand experiences of the workplace through work experience, insight visits, employability and essential skills support to help build their understanding of careers and expand their networks.

Heathrow World of Work takes young people on a journey through **three stages**, inspiring young people to pilot their careers:



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 two-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 skills needed to unlock career opportunities through a programme of curriculum-linked activity.

EXAMPLES:

- New STEM challenge: our Engineering, Talent and Education teams are co-designing a new challenge to launch in 2023 and feed into early careers curriculum.



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 five subject areas and delivered through modules and webinars.
- Engineering Insights: 3 x 12 students per year for a five-day programme.
- T-Levels: four-week placement for six students from two local colleagues hosted by the Technology team.
- Airport visits for year one university students (three university partners): curriculum linked showcase, ie sustainability, engineering, technology, passenger services.
- Essential Skills Masterclasses: a workshop facilitated by Skills Builder that develops employability skills for college SEND students.
- Guest lecturing: delivered by Heathrow colleagues.

Inclusive employer of choice for local diverse talent – *continued*

CHALLENGES

The pandemic had a significant negative impact on employment levels in the boroughs around the airport. Despite recruitment demand rebounding in 2022, we and our airport partners have faced challenges in finding candidates locally whose skills match the needs of the job opportunities available. This has been particularly challenging in sectors like hospitality, where the broader UK labour market is extremely tight and the barriers to working at Heathrow, such as the lead time for airport referencing, public transport options and shift times mean that opportunities elsewhere can seem more attractive. There is also sometimes a disconnect between the employment opportunities available at Heathrow and the job-readiness of candidates. This is where initiatives like our Essential Skills Workshops can help, but often a candidate might need longer-term or more in-depth support.

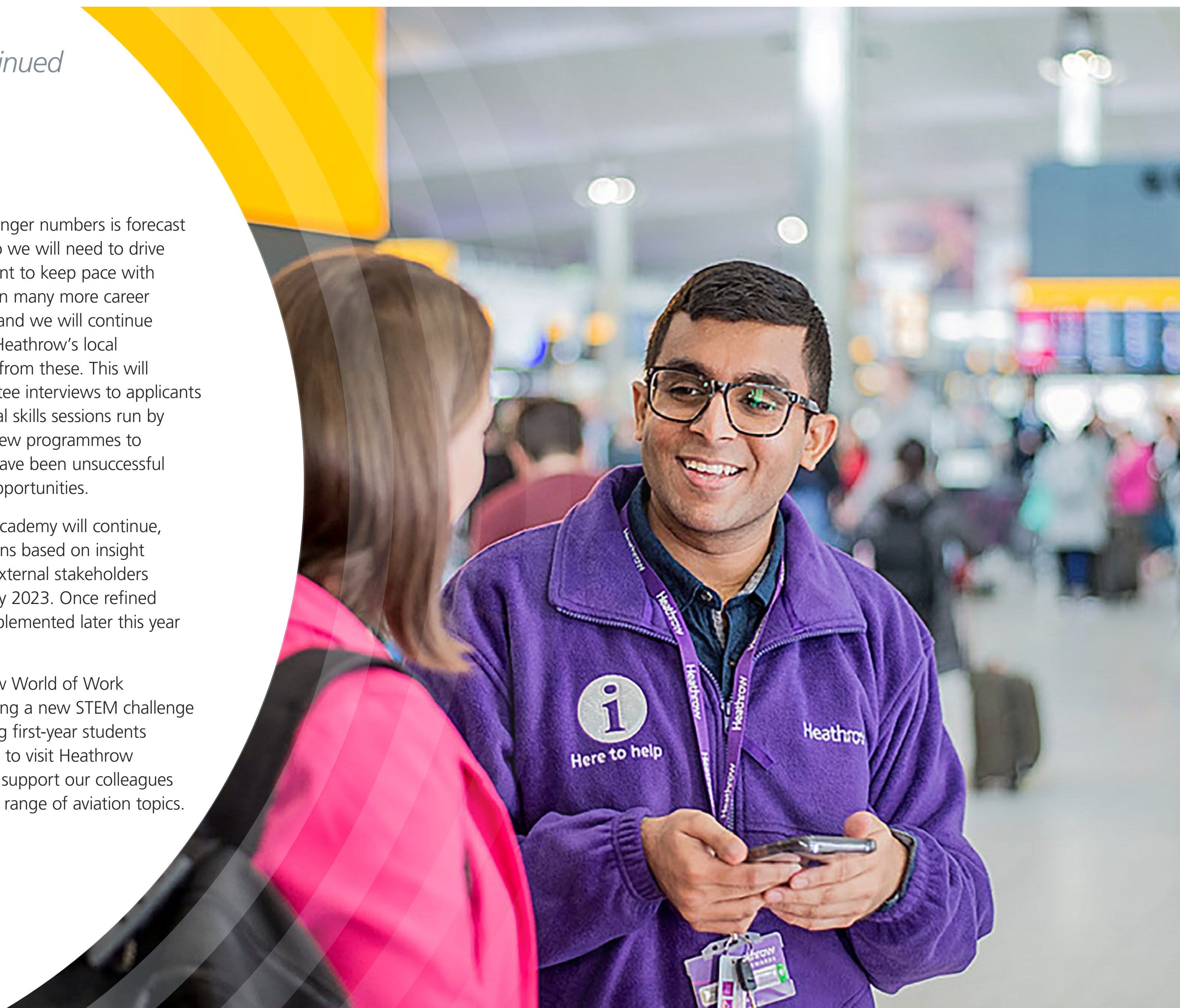
As with many other sectors at the airport, we have needed to regrow the Heathrow Employment and Skills Academy team. That process is ongoing and, as additional resource becomes available, we are keen to increase the amount of community outreach we are able to do. We know that this can make a real difference to enabling local people to access career opportunities.

COMING NEXT

Heathrow's recovery in passenger numbers is forecast to continue through 2023, so we will need to drive significant levels of recruitment to keep pace with this demand. This will result in many more career opportunities at the airport, and we will continue to take steps to ensure that Heathrow's local communities are benefitting from these. This will include continuing to guarantee interviews to applicants who have completed essential skills sessions run by the Academy, and creating new programmes to encourage candidates who have been unsuccessful to engage with alternative opportunities.

Our strategic review of the Academy will continue, with a set of recommendations based on insight gathered from internal and external stakeholders developed and shared in early 2023. Once refined and agreed, these will be implemented later this year and beyond.

We will expand the Heathrow World of Work programme in 2023 by offering a new STEM challenge for 11 to 14-year-olds, inviting first-year students from local university partners to visit Heathrow as part of their learning, and support our colleagues to deliver guest lectures on a range of aviation topics.



SECTION FOUR

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.

Heathrow's policies cover a broad range of environmental, social and governance issues. They define how those issues are managed within the business.

- Our Professional Conduct Policy and Guidance provides guidelines on the conduct expected by Heathrow colleagues, promotes the highest standards of professional behaviour and reminds colleagues to act with honesty, fairness and integrity at all times.
- Our Sustainability Policy ensures Heathrow will meet its Sustainable Growth priority and support its licence 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.
- Our Sustainable Procurement Policy sets out the framework for how we procure and work with our supply chain. The policy 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.

HEALTH AND SAFETY

At Heathrow we value, above all else, the health and safety of colleagues, passengers, and anyone else affected by the airport's activities. 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. The Executive Team share a commitment to provide safe and healthy working conditions for the prevention of work-related injury and ill health.

Everyone working at Heathrow is responsible for setting the highest health and safety standards and for showing strong leadership in keeping others safe from harm. At Heathrow, we care for each other. If we see something that could injure someone, we take action to make it safe and then report it as a close call. If we are asked to do something that could harm ourselves or others, we will stop and report it. Action will then be taken to ensure that the activity can be done either safely or not at all. If we all notice and care by reporting incidents, work-related ill health and close calls, and share what we know about working safely, we will understand how we are doing today. And we can make things better for tomorrow through continual improvement of our fire, health and safety management system.

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



Responsible business foundations – *continued*

INFORMATION AND DATA SECURITY

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.

Our Acceptable Use Policy highlights the importance that the use of information, systems and services are controlled to protect against computer misuse, reduce unnecessary risk to the company and to ensure that Heathrow continues to meet its legal and compliance obligations. 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.

Heathrow's systems and services form part of a complex ecosystem that works cohesively to provide critical services. To deliver these services, Heathrow utilises a mixture of information technology and operational technology. Our Information Security Policy sets out Heathrow's strategic direction on, and commitment to, information security. It defines the context of information security within Heathrow, the related responsibilities and the information security principles that should be followed by all colleagues and third parties working for or on behalf of Heathrow. Our Information Security Requirements for Third Parties Policy sets out the responsibilities and the security principles that should be followed by all third parties working for or on behalf of Heathrow.

Effective management of access to Heathrow information, systems and services is an integral component of Heathrow's Information Security Management System (ISMS). 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 strive to ensure 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). Our Personal Data Management Policy sets out the principles and framework for personal data management at Heathrow.

OPERATIONAL ENVIRONMENTAL ISSUES

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 issues including water abstraction, greenhouse gases, surface water, reservoirs, trade effluent discharge and waste. Where issues occur, we follow a process to identify, investigate and implement mitigation measures.

COLLEAGUE ENGAGEMENT, TRAINING AND DEVELOPMENT

We want to provide opportunities for talented colleagues to develop their careers. In 2022 we continued building strong leadership capability. Across the year 247 colleagues were promoted and 285 colleagues were assigned to training and development programmes. We undertook a colleague engagement survey three times in 2022. By the end of the year, the number of colleagues agreeing or strongly agreeing that "Heathrow is a Great Place to Work" had increased to 54% from 51% in 2021, but still significantly lower than 74% in 2019. This lower score is a continuing reflection of the impacts of the pandemic on the business.

Heathrow provides colleagues with training and learning to support them in performing their role, and to develop their 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.

Responsible business foundations – *continued*

SOCIAL ISSUES

As the UK's leading airport, we have a responsibility to not only reduce the negative impacts we create for our stakeholders, but to deliver a positive future as well. Working with charity partners to raise funds and meet shared objectives is one way that we can achieve this across the whole airport community. In addition to providing charitable grants and raising funds, there is also an opportunity to donate time and gifts-in-kind. Our Charity Policy sets out who and what Heathrow will support through charitable giving and defines how we will provide this support. Our Public Duties Policy sets out that Heathrow will grant reasonable time off in support of involvement in both the local and wider community, which includes both civil and statutory duties.

Heathrow will not tolerate any behaviour deemed to be discriminatory, bullying and/or harassment linked to age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex or sexual orientation. Details are set out in our Dignity at Work Policy.

GOVERNANCE ISSUES

Anti-bribery and corruption and competition law

Heathrow takes a zero-tolerance approach to bribery and corruption and is committed to conducting its business in an honest and ethical manner, in compliance with the Bribery Act 2010 and applicable anti-bribery and anti-corruption laws. This is set out in our Anti-Bribery, Gifts and Hospitality Policy. Our Competition Law Policy ensures that Heathrow competes in a vigorous and fair manner. All colleagues are responsible for ensuring that we are compliant with competition law. This policy provides an overview of the applicable laws and how they apply to colleagues.

Communications

Our Communications Policy aims to ensure that the reputation of Heathrow is protected from negative publicity and that consistent messaging is used in external communications to a range of audiences and across a range of channels.

Risk management

Identifying, understanding and managing risk is fundamental to our strategy and success. The Heathrow Risk and Assurance Management framework and Enterprise Risk Management Policy provide oversight and governance of the key risks that Heathrow faces, while monitoring current, upcoming and emerging risks. The framework provides guidance on how risks should be identified, mitigated, reviewed and reported within Heathrow.

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. Our Anti-Facilitation of Tax Evasion Policy sets out steps to ensure the prevention of tax evasion and provides guidance on recognising and appropriately addressing the facilitation of tax evasion.

Whistleblowing

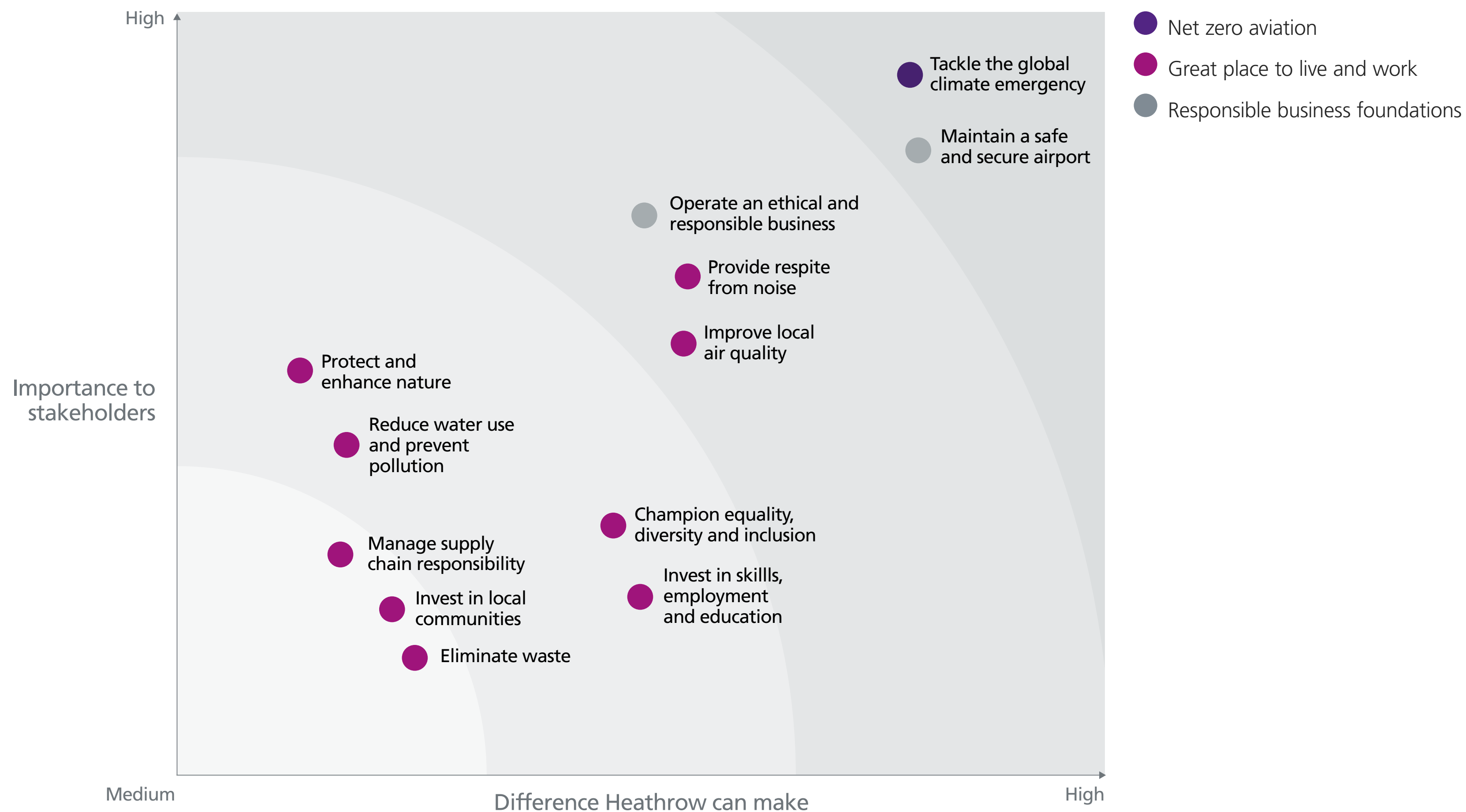
Heathrow is keen to foster an open environment where individuals feel confident to speak up about serious concerns without fear of victimisation or detriment. Our Whistleblowing Policy covers how to deal with serious concerns where the interests of others or of the organisation are at risk.

Materiality assessment

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

MATERIALITY ASSESSMENT

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



Stakeholder engagement on sustainability issues

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

In 2022 we engaged with all these groups on sustainability, particularly around the launch of Heathrow 2.0, to build engagement around the key themes within it.

PASSENGERS

- Sought passenger feedback via our Horizon consumer panel.
- Provided the opportunity to use CHOOOSE to offset emissions from flights, including by opting to purchase SAF.
- Continued to communicate to passengers on climate change via our 'elephant in the airport' campaign.
- Undertook in-depth consumer research to understand motivations around sustainability, and expectations on the action Heathrow is taking.

COLLEAGUES

We track colleague engagement with sustainability through our regular colleague surveys. In 2022 results showed strong engagement and awareness in some areas of the business, with room for improvement in others. This insight will inform activation of a plan in 2023 to enhance internal sustainability culture at Heathrow.

In 2022, we communicated the launch of Heathrow 2.0: Connecting People and Planet to colleagues via a wide range of internal channels. We also ran a colleague campaign focused on sustainable commuting, and publicised a range of opportunities for colleagues to engage in activity to support Heathrow's local community or charity partners. Sustainability was integrated as a key theme within a new colleague induction event.

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 of 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 2022, including with British Airways and Virgin Atlantic.

SUPPLIERS AND COMMERCIAL PARTNERS

The Heathrow Sustainability Partnership brings together a range of companies operating at Heathrow to take joint action on key sustainability issues. The Leadership Board met twice in 2022.

GOVERNMENT AND REGULATOR

We engage regularly with the CAA, DfT and other government departments to discuss the development and delivery of Heathrow 2.0.



Communities and the environment

COMMUNITY FORUMS

In 2022 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 a positive dialogue between Heathrow Airport and its neighbouring communities to help build relationships and enable Heathrow to be a better neighbour. It is independently chaired by Dr Roger Green, and its members are nominated representatives of Local Community groups and organisations and Heathrow. In 2023 the forum will set out to grow and diversify its current membership, ensuring that a wide range of views and topics are discussed. As the LCF begins to grow, we will look to reintroduce The Local Liaison Working Groups, to ensure we are working with communities on the issues that matter most to the local community.

The Heathrow Local Recovery Forum (HLRF) was set up in 2020 to collaborate with stakeholders on local economic recovery and growth post-pandemic and to deliver the recommendations set out in Heathrow's Local Recovery Plan. It is independently chaired by Lord David Blunkett, and its members are representatives of local councils, enterprise partnerships, education 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 by Andreas Lambrianou, and its members are representatives of local authorities, community groups, aviation industry and government bodies and Heathrow.



The Council for the Independent Scrutiny of Heathrow Airport (CISHA) ensures independent oversight of the way in which Heathrow engages with stakeholders. It is a separate legal entity, integrated with Heathrow's wider community forum structure and provides a transparent mediation process for constructive and effective engagement with the airport as signified in Section 35 of the Civil Aviation Act. It is independently chaired by Baroness Liz Sugg, and its members are the independent chairs of other Heathrow forums, together with senior representatives of the aviation industry and government bodies, Heathrow Strategic Planning Group and Heathrow. From 2023, CISHA will undertake scrutiny on a limited number of distinct commitments within Heathrow 2.0 that will have a material impact on the quality of life in surrounding communities. These reviews will take stock of the current target and the direction of travel, what communities want – established through broad community engagement and involvement – and conclude with recommendations to Heathrow.

The Heathrow Area Transport Forum (HATF) provides input to ongoing surface access initiatives related to the Heathrow. It is independently chaired by Val Shawcross, and its members are industry bodies, trade unions and Heathrow.

The Heathrow Air Quality Working Group (HAQWG) provides a forum for consultation on Heathrow's air quality strategies and progress towards meeting those targets. It is chaired by Heathrow, 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.

Exec and director advocacy

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

JOHN HOLLAND-KAYE

Chief Executive Officer

- Chair of Sustainable Markets Initiative (SMI) Aviation Taskforce
- Commissioner with the Energy Transitions Commission
- Member of the UK Government Jet Zero Council
- Member of the Council for Sustainable Business
- Fellow of Business in the Community

JAVIER ECHAVE

Chief Financial Officer

- Chair of Business in the Community's Wellbeing Leadership Team
- Co-Chair of the European 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 Partnership Board
- London Chair of Winmark's Chief Sustainability Officer (CSO) network
- Member of Airport Operators' Association Board
- Member of the Aviation Council

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
- "Taskforce Champion" for Sustainable Markets Initiative Aviation Taskforce
- Member of Steering Committee for the Clean Skies for Tomorrow Coalition
- Member of Advisory Board for WasteFuel

BECKY COFFIN

Director of Communities and Sustainability

- Board Member – West London Business
- Member of Confederation of British Industry (CBI) London Council

Consumer research

In 2022 we undertook in-depth research to understand consumer views related to sustainability, and how they relate to the aviation sector and to airports in particular. We also sought consumer views on Heathrow's role in addressing sustainability issues. The results will help inform updated communication to passengers and consumers in 2023.

RESEARCH OBJECTIVES:

- What does sustainability mean to consumers in 2022?
- How do consumers engage with sustainability in the context of travel?
- How can Heathrow communicate its sustainability initiatives?

KEY FINDINGS:

- Sustainability remains an important societal issue, but the cost-of-living crisis is dominating headspace. People continue to be more concerned about environmental aspects of sustainability, but social concerns are increasing.
- Sustainable travel is hard. People give more importance to mainstream and tangible behaviours, but they are concerned about the impact of flying and they are ready to make changes to travel more sustainably. Lack of information and perceived difficulty are key barriers.
- Heathrow's sustainability strategy aligns with what people want to see and hear from airports.

SECTION FIVE

Performance data and assurance



Performance data

We have included 2022 full-year data on several key issues, alongside data for 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 year. Our most common baseline year is 2019 because that was our most recent full year of typical operations. It was also the busiest year in Heathrow's history in terms of passenger numbers and flights, which means that our targets are appropriately stretching. Where data is also available for 2020 and/or 2021, we have included it. As we continue to establish our refreshed strategy, we will increase the number of indicators we track and report.

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 2022. The verification statement and the carbon footprint methodology can be found [on our website](#) at. That page contains information on the context, scope, reporting period and boundaries, calculation and emissions factors used for the 2022 carbon footprint. This includes a list of all emissions by scope with detailed information on data sources and core assumptions used for calculation.

◆ OUR CARBON FOOTPRINT

Our methodology for carbon reporting follows the Greenhouse Gas Protocol (GHGP) and Airport Carbon Accreditation (ACA) standards. It includes, for example, 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 in scope 3. We have included 2019 as our baseline year. Future reports will feature the baseline, the two previous years and the current year actuals.

In 2022 a regular supply of SAF was delivered to Heathrow by airlines participating in our aeronautical charges incentive scheme. Over 22,000 tonnes of SAF were delivered, with lifecycle carbon savings of at least 70% based on estimates made by the UK industry coalition, Sustainable Aviation. We are currently working on incorporating carbon savings from use of SAF into future footprints.

In addition to the integration of supply chain carbon and SAF accounting, we are continuously improving the quality of all data feeding into the footprint to provide more frequent, accurate and accessible carbon reporting.



Performance data – continued

Objective	Emission source		Greenhouse gas emissions			
	GHGP (Greenhouse Gas Protocol)	ACA (Airport Carbon Accreditation)	2019*	2020	2021	2022
Net zero on the ground	SCOPE 1 (tonnes CO ₂ e)		26,998	23,209	29,091	29,806
	Company facilities	Fuel consumption utilities				
		- Market based		21,942	18,903	23,525
		- Location based ⁶	(24,335)	(18,903)	(23,525)	(21,867)
			[134,288.9 MWh]	[162,578 MWh]	[125,326 MWh]	[268,499 MWh]
	Company vehicles	Operational vehicles and equipment	1,668	1,121	1,023	790.9
			[6,732 MWh]	[4,597 MWh]	[5,324 MWh]	[4,867 MWh]
	Company facilities	LPG for fire training	35	-	-	-
			[4.9 MWh]	[0 MWh]	[0 MWh]	[0 MWh]
	Company facilities	Refrigerants	2,871	2,777	2,968	6,671
	Company facilities	De-icer (airfield)	482	407	1,575	477
	SCOPE 2 (tonnes CO ₂ e)		0	0	0	0
	Purchased electricity, steam, heating and cooling for own use	Grid electricity consumption				
		- Market-based		-	-	-
		- Location based ⁶	(71,163)	(52,392)	(49,066)	(52,717)
			[283,229 MWh]	[224,722 MWh]	[231,082 MWh]	[272,610 MWh]
	SCOPE 1 and 2 carbon intensity (kg CO ₂ e/passenger)		0.33	1.05	1.50	0.48
	SCOPE 3 (tonnes CO ₂ e)		20,782,751	8,845,890	8,125,487	14,734,239
	Downstream transportation and distribution	Passenger surface access	632,348	195,040	130,699	361,856
	Employee commuting	Colleague surface access	115,531	66,428	78,537	89,034
Business travel	Business travel	1,070	245	28	420	
Waste generated in operations	Waste	563	1,407	176	385	
Purchased goods and services	Water	2,068	980	434	482	
Use of sold products	De-icer (aircraft)	4,584	1,517	3,267	3,473	
Upstream transportation and distribution	Operational vehicles and equipment	33,015	18,075	12,204	15,768	
	Construction vehicle fuels	-	771	1,299	1,886	
Downstream leased asset/use of sold products	Third party grid electricity consumption					
	- Market based	146	125	69	-	
	- Location based ⁶	(43,706)	(28,790)	(23,785)	(24,956)	
	Fuel consumption utilities	272	266	173	-	
Net zero in the air	Use of sold products	Aircraft in the LTO cycle	1,250,648	511,056	505,552	985,506
		Cruise emissions from all departure flights	18,742,505	8,049,981	7,393,049	13,276,039
Scope 3 carbon intensity (kg CO ₂ e/passenger)		256.89	400.27	418.84	239.19	
Scope 1, 2 and 3 (excl. aircraft emissions) carbon intensity (kg CO ₂ e/passenger)		10.09	13.94	13.19	8.16	
TOTAL (tonnes CO ₂ e)		20,809,603	8,868,974	8,154,578	14,764,810	
Emission source (tonnes CO ₂ e)		2019	2020	2021	2022	
Scope 3 well-to-tank ('WTT') and transmission and distribution ('T&D')		4,362,098	1,864,309	1,717,522	3,103,182	
Total including WTT and T&D		25,171,847	10,733,407	9,872,100	17,867,227	

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). We align our reporting with the Greenhouse Gas Protocol, which provides accounting and reporting standards, as well as sector guidance from Airport Carbon Accreditation.

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 for 2022 were zero. This is because our electricity was sourced using a Renewable Energy Guarantee of Origin (REGO) backed contract. The REGO certificate covers Heathrow Airport Limited, our parking-pod test track and Business Support Centre in Glasgow, all of which fall under Scope 2 electricity.

- Market-based grid electricity consumption: market-based emissions for grid electricity have been used to calculate total emissions.

- Location-based grid electricity: location-based emissions for grid electricity are based on the emissions intensity of the grid and don't take into account the procurement of renewable energy from the market, hence are excluded from the total emissions.
- Renewable Energy Guarantee of Origin ('REGO') contract: the REGO certificate covers Heathrow Airport Limited, our parking-pod test track and our Business Support Centre, all of which fall under Scope 2 electricity.
- All scope 1 and 2 emissions are UK based.

Scope 3

All other indirect GHG emissions from activities in relation to Heathrow, 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.

Note: well-to-tank (WTT) emissions – these are 'upstream' emissions related to the production and transportation of fuel to where it will be combusted. Although we track (WTT) emissions, we do not currently include them 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. We will engage with industry bodies and Government in 2023 to determine how best to report these emissions.

* 2019 greenhouse gas emissions data is not covered in the scope of verification undertaken by Bureau Veritas

⁶ Emissions for location-based grid electricity are based on the emissions intensity of the grid and don't take into account the procurement of renewable energy from the market, hence are excluded from the total emissions.

Performance data – continued

Objective	Indicator	2019	2020	2021	2022
Net zero in the air	Sustainable aviation fuel				
	% Heathrow flights operated by airlines committed to 10% SAF by 2030	New indicator from 2021	New indicator from 2021	66%	76.4%
Net zero on the ground	Energy				
	Proportion of energy generated from on site or local renewable sources	7.60%	11.10%	1.60%	7.50%
Clean air at and around the airport	Emissions impacting air quality				
	NOx emissions from airside sources	4,852	2,173	1,982	Not yet available
	kWh consumed at EV charging points	375,012	108,591	90,850	443,672
	% aircraft CAEP 6 or newer	68.10%	77.50%	83.60%	Not yet available
	Surface access				
	% passengers using public transport	41.29%	36.68%	32.57%	38%
Quieter nights, quieter flights	Aircraft operating at Heathrow				
	% Chapter 14 aircraft	65.40%	70.84%	77.80%	79.05%
	% Chapter 4 aircraft	34.50%	29.05%	22.12%	20.88%
	Heathrow operations				
	Late running aircraft post 23:30	257	68	86	466 ♦
	Nights with no flights between 23:30 and 04:30	119	281	270	107 ♦
	% arriving flights following a Continuous Descent Approach (CDA)	89.93%	88.45%	89.34%	90%
	% compliance with 4% minimum climb gradient	99.80%	99.90%	99.90%	99.87%
	Noise complaints				
	Complaints received	75,838	39,083	37,132	63,679
Number of complainants	3,232	945	900	1,609	
Nature positive airport	Biodiversity				
	Species abundance (total species)	n/a	n/a	3,945	4,034
	New species identified	n/a	n/a	126	89
	Surveys completed	n/a	n/a	129	113
Zero waste airport	Waste				
	Total waste (tonnes)	23,934	9,023	8,009	17,270
	% total waste recycled	48.90%	50.50%	49.90%	48.16%
	Water				
	Total potable water consumption	2,402,993m ³	1,633,774m ³	1,180,354m ³	1,451,365m ³
	De-icer recovery	New indicator from 2022	New indicator from 2022	New indicator from 2022	170,718 litres
Thriving sustainable supply chain	Proportion direct suppliers SMEs				
	Proportion of Tier 1 suppliers that are SMEs	n/a	41.10%	45.30%	46.40%
	Proportion of local Tier 1 suppliers that are SMEs	n/a	49.30%	55.20%	52.80%
Better quality of life in Heathrow's neighbouring communities	Contributions to charity				
	£ Heathrow donation to Heathrow Community Trust	£725,000	£425,000	£308,000	£275,000 ♦
	£ leveraged for Heathrow Community Trust from colleague and partner fundraising, passenger donations and noise fines	£107,000	£10,900	£5,604	£270,000

Objective	Indicator	2019	2020	2021	2022
Inclusive employer of choice for local diverse talent	Gender and ethnicity representation				
	% female representation at all levels	43%	40.80%	40.80%	41.30% ♦
	% female representation senior managers (Exec-Band C)	35.00%	37.20%	37.10%	39.48% ♦
	% ethnicity representation at all levels	43%	45.90%	46.00%	48.13% ♦
	% ethnicity representation senior managers (Exec – Band C)	17.00%	17.20%	17.10%	18.28% ♦
	Colleague disclosure rates				
	% disclosure rate for gender	n/a	98.00%	99.80%	99.89%
	% disclosure rate for ethnicity	n/a	92.00%	97.70%	96.94%
	% disclosure rate for sexual orientation	n/a	19.10%	26.00%	43.67%
	% disclosure rate for disability	n/a	19.10%	21.70%	37.81%
	Gender and ethnicity pay gap – our 2022 pay gap report will be published later in 2023				
	% median pay gap – gender	3.00%	4.50%	14.00%	1.4%
	% mean pay gap – gender	9.80%	8.80%	7.80%	7.5%
	% median pay gap – ethnicity	Not yet tracked	Not yet tracked	22.20%	3.6%
	% mean pay gap – ethnicity	Not yet tracked	Not yet tracked	22.20%	17.9%
	Jobs and careers				
	Total external jobs, apprenticeships and early career opportunities	New indicator from 2022	New indicator from 2022	New indicator from 2022	3,337
	Total external jobs, apprenticeships and early career opportunities (people living in local boroughs)	New indicator from 2022	New indicator from 2022	New indicator from 2022	624
	Heathrow Airport Limited external hires	New indicator from 2022	New indicator from 2022	New indicator from 2022	1,910
	Heathrow Airport Limited early talent opportunities	New indicator from 2022	New indicator from 2022	New indicator from 2022	33
Employment offers brokered by Heathrow Employment and Skills Academy	New indicator from 2022	New indicator from 2022	New indicator from 2022	803	
New ID passes issued by the ID Centre	New indicator from 2022	New indicator from 2022	New indicator from 2022	9,072	
Team Heathrow vacancies advertised by the Academy	New indicator from 2022	New indicator from 2022	New indicator from 2022	2,349	
Internal growth opportunities (promotions, secondments, lateral moves) – % of colleagues (TBC)	New indicator from 2022	New indicator from 2022	New indicator from 2022	17.9%	
Experiences of work					
Experience of work days	New indicator from 2021	New indicator from 2021	729	3,031	
Responsible business foundations	Health and safety				
	Colleague lost time injuries per 100,000 hours worked	0.34	0.13	0.38	0.35
	Passenger incidents within Heathrow's control per one million passengers (CAT 3)	0.59	0.63	0.57	0.42
	Colleague engagement survey				
	% agree/strongly agree that "Heathrow is a great place to work"	74%	n/a	51%	54%
	% agree/strongly agree that "I think sustainability is important to our business"	n/a	n/a	68%	51%
	Sustainable supply chain				
	Prompt Payment – average days to pay	n/a	22	31	22.2

Assurance statements

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 2022 Annual Report (the 'Report'). 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 1 January to 31 December 2022 (the 'Selected Information'):

Scope 1

- Fuel consumption
- Operational vehicles
- Refrigerants

Scope 2

- Electricity (market based)
- Electricity (location based)

Selected Scope 3 (location and market based):

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

Intensity metrics (market-based):

- Scope 1 and 2 GHG emissions per passenger
- Scope 3 GHG emissions per passenger (excluding WTT)
- Scope 1, 2 and 3 GHG emissions (excluding aviation emissions and WTT) by passenger numbers

3. REPORTING CRITERIA

The Selected Information are reported according to the Heathrow Airport Carbon Footprint Methodology Document 2022. 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-sustainability-strategy/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.

The following limitations should be noted:

- Colleague Surface Access – the 2021 survey results were used alongside the 2022 passholder numbers for the 2022 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.
- 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.

Assurance statements – *continued*

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

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 rising from the different categorisation.
7. Reperforming aggregation calculations of the Selected Information
8. Reperforming greenhouse gas emissions conversions calculations
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.

8. 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:

- Operational Vehicles & Equipment and Construction Fuel the data for Heathrow's 2022 Carbon Footprint excludes operational vehicle fuel consumption data from three fuelling stations, and a portion of bulk fuel consumption provided by a supplier, this affects scope 1 and scope 3 but this is not considered to have caused a material misstatement.

Heathrow Airport: Reported GHG Emissions

Scope 1:	Scope 2 (location based):	Scope 2 (market based):
29,806 tCO ₂ e	52,717 tCO ₂ e	0 tCO ₂ e

Scope 3 Categories:

Location based: 17,862,377 tCO₂e

Market based: 17,837,421 tCO₂e

Market based (excluding WTT): 14,734,239 tCO₂e

Intensity metrics (market based):

- Scope 1 and 2 GHG emissions per passenger: 0.48 kgCO₂e per passenger
- Scope 3 GHG emissions (excluding WTT) per passenger: 239.19 kgCO₂e per passenger
- Scope 1, 2 and 3 GHG emissions (excluding aviation emissions and WTT) by passenger numbers: 8.16 kgCO₂e per passenger

Assurance statements – *continued*

9. 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 certified⁷ 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 & 2⁸.

Bureau Veritas has implemented and applies a Code of Ethics, which meets the requirements of the International Federation of Inspection Agencies (IFIA)⁹, 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 code¹⁰. The assurance team for this work does not have any involvement in any other Bureau Veritas projects with Heathrow.

Bureau Veritas UK Limited
London
22 February 2023

⁷ Certificate available on request

⁸ International Standard on Quality Management 1 (Previously International Standard on Quality Control 1) & International Standard on Quality Management 2

⁹ International Federation of Inspection Agencies – Compliance Code – Third Edition

¹⁰ Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants

Assurance statements – *continued*

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 2022 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 1 January 2022 to 31 December 2022 (the 'Selected Information'):

Noise

- Late running aircraft 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 3 February 2023)
- Methodology for H2.0 KPIs – Diversity & Inclusion (Issued 1 February 2023)
- Methodology for H2.0 KPIs – Community Investment (Issued 3 February 2023)

as set out on line here: <https://www.heathrow.com/company/about-heathrow/heathrow-2-0-sustainability-strategy/reports-and-further-reading>

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.

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; and
- 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.

Assurance statements – *continued*

6. 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.
7. Confirmation of accuracy of information with external public domain sources
8. Reperforming a selection of aggregation calculations of the Selected Information
9. Comparing the Selected Information to the prior year amounts
10. 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.

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:

Noise	#1	Late running aircraft post 23:30	465
	#2	Nights with no flights between 23:30 and 04:30	107
Community investment	#1	£ donation to Heathrow Community Trust	£275,000
Equality, diversity and inclusion	#1	% female representation at all levels	41.30%
	#2	% female representation senior managers (Exec-Band C)	39.48%
	#3	% ethnicity representation at all levels	48.13%
	#4	% ethnicity representation senior managers (Exec-Band C)	18.28%

8. STATEMENT OF INDEPENDENCE, INTEGRITY AND COMPETENCE

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Bureau Veritas operates a certified¹¹ 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 & 2¹².

Bureau Veritas has implemented and applies a Code of Ethics, which meets the requirements of the International Federation of Inspections Agencies (IFIA)¹³, 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 code¹⁴. 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 Limited
London

22 February 2023

¹¹ Certificate available on request

¹² International Standard on Quality Management 1 (Previously International Standard on Quality Control 1)

¹³ International Federation of Inspection Agencies – Compliance Code – Third Edition

¹⁴ Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants



Heathrow