



EAST MIDLANDS AIRPORT

CSR 2016-17

SUMMARY REPORT

eastmidlandsairport.com



WELCOME



Andy Cliffe
Managing Director
East Midlands Airport

Welcome to this year's EMA Corporate Social Responsibility report. This year has once again proven to be record breaking for the airport in many areas, with our busiest summer on record followed by a ground-breaking and award winning runway renewal project.

I am proud of our excellent track record in remaining a responsible, committed company, focused on the satisfaction of all our stakeholders. We work hard to ensure that East Midlands Airport supports growth in the local, regional and national economies. As one of the region's largest employment sites, with over 7,000 people employed across over 80 companies, we are integral to the growth of the region, playing an important role by supporting local jobs and businesses. This year our direct economic contribution to the region has grown by 30% to £260 million. Our aim is to deepen the role that we play in the Midlands, driving growth through better connectivity, creating jobs, attracting investment and enabling more passengers to travel to their favourite destinations from their local airport.

This year saw over 4.7m passengers pass through our airport, a 5% increase on last year, with many new routes and destinations including Keflavik and Dubrovnik and we continue to see increased numbers month on month. Last year was also a record year for our cargo operations

with 326,533 tonnes of cargo carried, as we successfully maintained our position as the UK's largest pure freight airport. We continue to work closely with our cargo operators who are significantly investing in their operations. The £90 million DHL development is now fully occupied and we are excited about emerging plans for a significant investment into new cargo facilities on the eastern side of the airport.

We are committed to growing the airport in a responsible and sustainable way, working with our partners to minimise disturbance and reduce emissions, whilst maximising the benefit we can bring to our neighbours. We work hard to engage with our local communities in ways that work best for them and are pleased that 80% of our stakeholders told us they felt they could trust us in our recent Community Engagement survey. We remain grateful to the members of our Independent Consultative Committee who serve a vital role in the engagement between the airport and our neighbouring communities.



OUR BUSINESS

The most significant development at the airport this year has been the completion of our runway renewal project. Following two years of planning and, delivered over a course of seven consecutive two-day periods, we successfully re-surfaced, strengthened and installed new LED lighting across the whole runway in a project costing over £15m.

The runway closures also provided us with a unique opportunity to hold our very first Charity Run. Both the 10k race and the 2k family fun run were very popular with over 2,600 runners helping to raise over £20,000 for our corporate charity CLIC Sargent.

We have seen continued improvement in our customer service with an uplift of 8% in our Net Promoter Score. We have invested in many key points through the customer journey. We increased the capacity of both our security facility and our immigration hall by 20%, and opened a brand new Starbucks in the departures lounge. We have reconfigured our car parks, creating more capacity and a wider range of product choice, and the relocation of the car hire village along the on-site bus route improves the passenger experience for these users.

There is a clear benefit to our region when we employ local people, and our dedicated Airport Academy is now in its fourth year, helping unemployed people in the region develop their workplace skills and return to work. Last year our Airport Academy gave 222 local unemployed people vital skills, confidence and experience and a level 2 Customer Service NVQ qualification. As a result of their time in the Academy 159 went on to secure employment and 127 took advantage of the opportunity to take part in work experience within our business, many of which resulted in offers of employment. Each year we attend a number of job fairs within the community including at Swadlincote, Ilkeston, Long Eaton, Nottingham, Derby and Leicester. In addition our annual 'Big Job Fair' took place in January in preparation for our busy recruitment season and this year we saw over 1,600 attendees, making it the most well attended job fair we've held so far.

We know that a lack of skills is not the only barrier to employment. For many, reliable transport is an issue and for this reason we have worked tirelessly for over 15 years to deliver a good quality and reliable

transport infrastructure with improved sustainable travel choices for both passengers and employees. Through our ongoing partnerships in the East Midlands Enterprise Gateway area, we're working with other local businesses. As part of a joint strategy we have already seen recent improvements to bus links to important employment catchments in Shepshed, Coalville and Clifton. We will continue to seek transport solutions for target employment areas including Woodville, Newhall, Swadlincote, Burton-upon-Trent and Ilkeston as well as other nearby towns and villages including East Leake. We are working in partnership with local authorities, local bus operators and other nearby employers in order to further develop these plans.

In addition the airport makes an annual contribution every year to our EMA Community Fund, which has helped to benefit over 1,180 noteworthy local community groups and projects over the past 14 years. This year we contributed £80,426 to support 78 local projects within our area of benefit, as well as £8,962 spent supporting 67 local events and initiatives.



OUR ENVIRONMENT

We work closely with all our stakeholders including our employees, airlines, on-site businesses, local and national government to improve our performance and reduce our impacts. We have a proven track record of assessing, understanding and managing our impact upon the environment.

We have maintained our ISO14001 standard for 16 years and we're also proud to have once again maintained our Carbon Neutral status and recently won the Better Society Award for Carbon Reduction alongside our sister airports.

As part of our drive to reduce our carbon footprint we're replacing all halogen light fittings on a rolling programme. We started by replacing all halogen light fitting with LEDs not only on the runway and taxiways but on roads and in car parks. We have seen a 40% reduction in energy consumption for lighting as a result of this project. We are also committed to working with our partners to increase the amount of electric vehicles, equipment & ground handling fleet, and recently installed 10 charging points around the airport for both staff and passengers. We've also invested

in a new more energy efficient building management system to control the heating, ventilation and air conditioning in our Terminal during it's quiet hours and low occupancy, thus reducing the energy consumption.

Last year we recycled over 95% of all waste generated at the airport, our only landfill contribution being the food waste from non-EU countries, which has to be deep buried in line with legislation. As part of the sustainable development of the airport, the recently completed staff car park was laid with an experimental surface made by recycling some of the several hundred tons of surface materials removed from the runway as part of our runway renewal project. These materials are currently stored at the east end of the airport for future projects of this type, such as the planned new car park storage on the eastern side of the airport. The surface allows rainwater to soak away naturally without further impacting the surface water drainage systems. In addition, by reusing this recycled material from the runway's old surface, we will reduce the impact of heavy vehicles operating on the local roads to dispose of the old materials and also to bring new aggregates to the site.

We are continually striving to improve the quality of the water we discharge to the rivers and brooks local to the airport. Currently 97% of water samples taken are within discharge consents. We are trialling a new Total Organic Compound measurement system to further improve management and reporting. We've also invested new air quality monitoring equipment which became operational in February, along with a new monitoring agreement, and we're proud to have had no breaches in air quality limits last year.

We recognise that for those living closest to the airport and its flight paths, our operations can be disruptive. We continue to work to limit the impact on local communities whilst supporting those who experience the greatest noise through a wide range of environmental initiatives, which are all outlined within our Noise Action Plan. These include the proactive management and improvement of procedures such as Continuous Descent Approach and the adherence to our Noise Preferential Routes. For those living closest to the airport we also offer a Sound Insulation Grant Scheme. We fully investigate and respond to all noise concerns raised. We are pleased that noise complaints are down by 45% this year and our noise footprint has reduced by 7% during the day and 5% during the night.



OUR COLLEAGUES

We know that the success of our airport is down to our people. Their contribution to an exceptional level of passenger experience and the efficiency of our operation is second to none. It is important that our colleagues feel that this is a great place to work and that they are able to develop their skills and careers. We therefore survey colleagues regularly and in 2017 saw improvements in almost every area we asked colleagues about, with overall engagement and empowerment scores up compared with the previous year.

It's also important that everyone knows how they have individually contributed to the success of the business and feel valued for their work. This is why we place such an emphasis on every colleague having at least one meaningful conversation with their manager each year through a performance review meeting, something that nearly 80% of all our colleagues received last year.

We encourage our employees to be ambitious and to strive to be the best they can be. Last year we invested significantly in management and

leadership development with around 66% of front line leaders participating in our management development programme, Elevate and almost 60% of our Heads of Department attending our leadership programme, Aspire. We will continue to build a leadership ethos and will work to harness the unique strengths of every individual in the business.

At MAG we take a proactive approach to health and safety with a target of zero fatalities, disabling injuries, long term harm to health injuries and lost time injuries. 'Vision Zero' is a strategic campaign across all the airports in our group, committed to achieving this target. Last year we recorded two lost time accidents of which one was required to be reported as a RIDDOR (Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013) incident.

A significant amount of work goes into not only preventing accidents and injuries each year, but also into reporting 'near misses'. This is a means of recording any incident which could have resulted in an accident but did not. We do this so that improvement plans can be put in place to reduce the likelihood of recurrence.

We are currently investing around £80K in improving the airport roadway markings and signage across all our internal roads, to raise greater awareness about issues such as speed limits and directional flow. This initiative should improve the passenger experience and reduce the accidents on our roads. We have also drawn up plans for a significant safety improvement initiative within our bus station to include barriers, fencing, better lighting and wayfinding signage.

We are always seeking ways to raise awareness around health and safety issues for our colleagues and have introduced a colleague emergency card so that everyone knows what to do in the event of an emergency. This year we also took part in our first UK wide airport safety awareness week which included visits from local schools. The event was well received with demonstrations from our own Fire Service, Leicestershire Police, the Air Ambulance and East Midlands Ambulance Service community first responders.



OUR COMMUNITY

East Midlands Airport is proud of its role in raising achievement and aspirations in our local communities. Supporting young people's learning is vital if we are to ensure our workforce of the future, and we do this through our 'Inspiring Young People' programmes.

This year 3,189 young people have visited our Aerozone, which was launched in 2010 as a dedicated on-site education centre that provides young people from foundation level all the way to college and university with an opportunity to get a real insight into life at the airport. Visits to our airport usually include a tour of our airport terminal, a chance to talk to real airport employees about what they do, and the opportunity to role-play some real customer service scenarios in 'East Midlands' - our mini airport.

In addition 2,181 young people last year have been inspired through education outreach activities such as career fairs, employability sessions, mock interviews and careers talks at school assemblies. This is all made

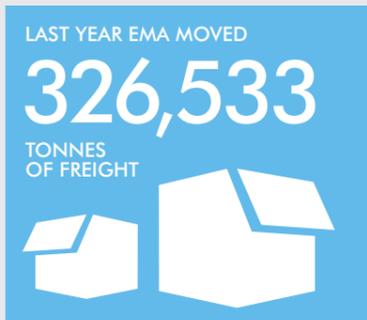
possible thanks to our colleagues, who volunteer their own time to talk local young people about the world of work, raising the aspirations of our future generations.

Over the past couple of years we've been working closely with both the BITC Business Class programme and more recently the LLEP funded Careers & Enterprise Company and have been able to forge relationships with three local secondary schools - Bemrose School in Derby, Farnborough Academy in Clifton, Nottingham and our closest secondary school, Castle Donington College. We are also excited to have developed a formal partnership with Derby College to support students who are completing their Level 3 Aviation qualification. Last year this unique group of students had the opportunity to visit the airport on a number of occasions including some 'behind the scenes' visits which gave them a real insight into what a job in aviation really looks like. They also came along to support us at our

'Big Job Fair' in January, acting as ambassadors and helping to direct over 1,600 visitors who came to find out about employment opportunities on offer to the various employers who took part.

There is a wealth of evidence that shows that the more encounters young people have with employers, and experiences of the workplace, the less likely they are to become NEET (not in employment, education or training). In developing these stronger lasting partnerships we can have a more meaningful impact in helping to close the gap between the world of education and the world of work.

We know that real work experience is invaluable and we encourage our various departments and on-site business partners to be part of our work experience programme, enabling students to be aware of the many various careers that are available at our airport. This year we have been able to offer 39 young people aged 15-19 with over 110 days of work experience.



KEY PERFORMANCE INDICATORS

| KPIs | INDICATOR | 2014-15 | 2015-16 | 2016-17 | PERFORMANCE |
|--|--|---------------------|---------------------|---------------------|------------------------|
| OUR BUSINESS | | | | | |
| Regularly analyse and report the economic impact of our operations | Direct economic contribution to the regional economy (£m) | £168m | £200m | £260m | +30% |
| We aim to train 200 people each year through our Airport Academy(£) | Number of local unemployed people trained through Airport Academy | 92 | 144 | 222 | +54% |
| At least 50% of Academy trainees placed into employment(£) | Number of Airport Academy completers gaining employment. The long term aim for the Academy is to place 120 people a year into employment (£) | 25 | 96 | 159 | +66% |
| Regularly analyse and report the economic impact of our operations | Direct on-site employment*(£) | 6,730 | 7,196 | 7% | |
| Regularly analyse and report the economic impact of our operations | Total cargo by tonne | 312,005 | 326,380 | 326,533 | Marginal increase |
| We will maximise the economic impact of our operations | % of local suppliers (within 25 miles of airport) | New measure | 28.1% | 25% | -3% |
| Passenger feedback | Airport Net Promoter Scores (NPS) | | 39.3% | 47.3% | +8% |
| OUR ENVIRONMENT | | | | | |
| Reduce climate change emissions. Maintain carbon neutral operations at EMA | Total net carbon emissions** | 0 | 0 | 0 | Maintained performance |
| Limit and reduce the number of people significantly affected by aircraft noise | Day time noise footprint (57 dBLAEQ 16h peak summer) | 8.3km ² | 8.5km ² | 7.9km ² | 7% smaller |
| Limit and reduce the number of people significantly affected by aircraft noise | Night time noise footprint (55 dBL night annual noise contour) (†) | 10.7km ² | 11.1km ² | 10.6km ² | 5% smaller |
| Limit and reduce the number of people significantly affected by aircraft noise | % departures within preferred noise routes | 97% | 94% | 94% | No change |
| Limit and reduce the number of people significantly affected by aircraft noise | % flights using continuous descent approach | 92% | 89% | 88% | -1% |
| Limit and reduce the number of people significantly affected by aircraft noise | Number of complaints per 1000 air traffic movements | 11.8 | 4.5 | 2.5 | 44% improved |
| Send no waste to landfill after 2018 | % Waste recycled/recovered | 71% | 78% | 95% | +17% |
| Ensure we protect the natural environment by operating responsibly within environmental limits | Samples within water discharge consent limits (%) | 81% | 94% | 97% | +3% |
| Ensure we protect the natural environment by operating responsibly within environmental limits | Local air quality – average annual concentration of NO ₂ | 17.9 | 14.2*** | 17 | - |
| Ensure we protect the natural environment by operating responsibly within environmental limits | Local air quality – average annual concentration of PM ₁₀ | 17.1 | 14.3*** | 14 | - |

KEY PERFORMANCE INDICATORS continued

| KPIs | INDICATOR | 2014-15 | 2015-16 | 2016-17 | PERFORMANCE |
|---|--|---------------------------------|---|---|-------------|
| OUR COLLEAGUES | | | | | |
| To work towards an equal gender split | Percentage of women working at EMA | 36% | 38% | 38.5% | +0.5% |
| Provide safe places for our colleagues and customers and continually reduce accidents | Accident frequency rate (or RIDDOR reportable accidents?) at EMA | 1 RIDDOR and 1 lost time injury | 3 RIDDOR Incidents of which all 3 were lost time injury accidents | 2 lost time accidents of which 1 was RIDDOR | Improvement |
| To create an inclusive environment where colleagues can contribute to the improvement of MAG | Colleague engagement score | 44% | 42% | 43% | +1% |
| OUR COMMUNITY | | | | | |
| Encourage and support our people to participate in voluntary work | Employee volunteer hours | 724 | 811 | 876 | 8% |
| Increase colleague volunteering with long term goal of 30% (‡) | Percentage of employees who volunteered. We will achieve a minimum of 23% of our workforce in volunteering, rising to a long-term target of 30% (‡) | 20% | 27% | 24% | -3% |
| Invest in our local communities | We will continue to make a minimum annual donation of £50,000 to the Community Fund (‡) | £52,291 | £73,581 | £80,426 | |
| Invest in our local communities | Total charitable donations (excluding Community Fund) (£) | £7,736 | £7,989 | £8,962 | |
| To contribute to directly supporting the education of at least 50,000 young people across MAG by 2020 | Support the education of young people with a long term target of 5,000 visitors the EMA Aerozone (on site Education Centre) (‡) | 3,005 | 3,036 | 3,189 | +5% |
| To contribute to directly supporting the education of at least 50,000 young people across MAG by 2020 | Number of young people reached through education outreach (school visits for career fairs, employability sessions, world book day etc.) | New measure for 2015-16 | 2,900 | 2,181 | |
| To directly support the education of at least 50,000 young people across MAG by 2020 | Number of 15-19 year-olds benefiting from work experience placements at EMA. We will provide a minimum of 14 week-long work placements each year (‡) | 15 | 18 | 39 | +117% |
| To deliver community outreach programmes | A minimum of 6 outreach events within communities most affected by EMA operations (‡) | New measure for 2015-16 | 12 | 6 | |

* EMA Employee Survey carried out every two years. Most recent on-site employment figure is for 2015-16. Every on-site employer is contacted and asked for their total employment figure.

** Our carbon footprint includes emissions from activities within our direct operational control. It has been calculated using Department for Environment, Food and Rural Affairs (Defra) conversion factors (2016 conversion factors applied to calculate 2016-17 emissions, 2015 conversion factors applied to calculate 2015-16 emissions, 2014 conversion factors applied to calculate 2014-15 emissions). MAG purchases and retires carbon offsets from independently verified emission reduction projects. These offsets are certified to the Verified Carbon Standard, Clean Development Mechanism or the Gold Standard.

*** In 2015 the 90% Defra Guidance data capture target was not achieved for continuous NO2 or PM10 monitoring. We have therefore not undertaken a year on year comparison for this data.

(†) All data within the KPI table, except where indicated by this symbol, has been externally audited as part of the verification process for our group level MAG CSR Report 2015-16.

(‡) Target set in Sustainable Development Plans 2015. For full details of the target and broader context please see our Sustainable Development Plan, which is available at www.eastmidlandsairport.com/about-us/development-plan