





## Our reporting

BAA Scotland's airports play an important role in the life of Scotland. This year, more than 20 million people travelled through Aberdeen, Edinburgh and Glasgow Airports en route to more than 100 destinations worldwide.

Our airports also welcome millions of visitors to Scotland every year. In partnership with the Scottish Executive, VisitScotland and others, BAA Scotland is working to improve our connectivity, bringing Scotland closer to the rest of the world.

But our airports are more than just gateways to and from Scotland. They provide employment for thousands of people across the country, and generate investment opportunities for businesses across a wide spectrum of commercial interests.

Our airports are also helping to regenerate their respective communities, providing vital support for local charities, community and environmental projects. As a responsible company, we recognise that we have an obligation to our neighbours. It is a responsibility we take seriously.

But we know there is more to do. This report looks at some of the progress we have made and outlines some of the challenges we face in the future.



Stephen Baxter  
Managing Director, BAA Scotland

## About this report

This report covers BAA's three Scottish Airports - Aberdeen, Edinburgh and Glasgow and their progress towards achieving social, economic and environmental targets over the last financial year.

Our reporting is subject to independent verification to ensure that we provide a complete and accurate picture of our performance.

We would like to know what you think of our reporting and what you think of our performance. Please get in touch with any comments.

The information in this report covers the financial year 2005/06 unless otherwise stated. Our reporting is subject to independent verification by ERM. Social and environmental information and data in this report relate to BAA's UK operations.

## Who we are

BAA Scotland operates Aberdeen, Edinburgh and Glasgow airports and is part of BAA, the world's leading airport company. A record 20.3 million passengers used our airports during 2005/06, an increase of 4.7% on the previous year. BAA Scotland directly employs over 1300 people across a diverse range of roles and supports around 32,000 jobs across the country.

Corporate Social Responsibility is not an add-on to our business, it is central to it. It means running airports which are safe and secure treating our employees fairly and with respect, and minimising our environmental impacts. We strive to be a responsible, responsive company which aims not only to address and act on the things we can control but to use our influence to persuade the wider airline industry to act also.



Charlotte Ratcliffe



Raye Wyllie



Stuart Torpey



Victoria Colling

## How we work

### Our policies and positions

BAA Scotland recognises that its responsibility goes far beyond just running airports. We impact on society and communities in both positive and negative ways. Sustainable development is increasingly at the heart of what we do. We strive to mitigate the negative impacts of our airports by supporting sustainability projects across the country, by engaging with, and responding to the needs of our communities and by taking the action outlined in this report. We understand the global picture and the responsibility of both government, the industry and the airports to address global climate change and environmental issues.

### Minimising our impact

Our environmental and sustainability targets are formulated to both meet and exceed those set by government. We understand more than ever the impact of our airports on our communities and our environment and, consequently, we are setting increasingly more challenging targets going forward. Each airport is allocated its own targets to allow for different local needs and circumstances to be addressed. The team in charge of delivery, pictured, are Raye Wyllie, community relations manager for BAA Scotland, Charlotte Ratcliffe, environment and sustainability manager, Glasgow, Stuart Torpey, Environment Manager at Aberdeen and Victoria Colling, environment manager at Edinburgh.

### Management framework

BAA Scotland has established a dedicated community strategy group which will assist in formulating and implementing BAA Scotland community policy. The new group meets quarterly to share best practice, develop new ideas and feedback the views of communities and stakeholders.

BAA Scotland's new Managing Director Stephen Baxter is responding to our drive to ensure that the environment and our communities are at the top of our agenda. Stephen is leading a corporate responsibility review group which is designed to ensure that we continue to address these challenges. The group first met in June 2006.

BAA and airport level corporate responsibility programmes are supported by management systems that have long-term objectives and annual targets. To help ensure effective and integrated management, guidance has been issued to each of BAA's businesses in the form of a management framework.

### Assurance

Within BAA, senior managers need assurance that policies are being delivered and that we have an accurate assessment of our performance. Externally, our stakeholders need assurance that our reporting provides a comprehensive and accurate assessment of BAA's efforts in this field. We deliver that assurance in a number of different ways, including our internal audit process and an annual review by our external corporate responsibility assurance provider, ERM.

### Benchmarking

To allow us to assess how we are performing relative to our peers and to ensure we have the appropriate level of ambition we participate in a range of benchmarking exercises.

## Assurance and verification

### ERM Assurance Statement for BAA Scotland

#### Scope and Activities

BAA plc engaged ERM to assess whether the seven UK airports, including the three Scottish airports (BAA Aberdeen, Glasgow and Edinburgh), accurately reported within BAA achievement of their sustainability targets.

As part of this process ERM:

- Reviewed self-assessment reports provided by the Scottish airports on the extent of achievement of their 27 sustainability targets;
- Undertook site visits to Edinburgh and Glasgow airports to interview management about a sample of eight of the targets, relating to noise, surface access, energy use, waste, water quality and socio-economic issues;
- Undertook a telephone interview with one senior manager at BAA Aberdeen in relation to overall target achievement.

ERM did not review the Scottish Airport's 2005/06 Corporate Responsibility Report (in which this statement is presented) to evaluate the accuracy of external reporting on target achievement.

#### ERM Findings

Subject to the scope of ERM's assessment and based on information provided by BAA Scotland, ERM believes that BAA Scotland's internal monitoring process fairly states target achievement.

BAA Scottish airports achieved the targets set on water quality, water consumption, surface access, diversity and community. In addition, Glasgow completed the waste target and Edinburgh achieved the energy use (climate change) target.

Through the target assurance activities set out above, ERM identified the following highlights in target achievement:

- Surface transport: The number of passengers using public transport to and from Glasgow, Aberdeen and Edinburgh airports increased this year as a result of efforts to tackle surface transport issues.
- Economic development: Each of the airports established and tracked a set of measures to understand the economic value provided by the airport.
- Energy use (climate change): All of the Scottish airports made progress implementing energy efficiency technologies, with Glasgow and Edinburgh airports reducing carbon dioxide emissions against the business as usual forecast.
- Water quality: Aberdeen, Edinburgh and Glasgow airports continued to implement activities to improve water quality management and ensure compliance with the surface and foul water discharge consents.
- Water use: All three airports reduced water consumption compared with their business as usual forecasts.

ERM also noted that BAA Scottish airports experienced some challenges in achieving targets during the year:

- Noise: The Scottish Noise Strategy was drafted however it was not published by the target date of April 2006.
- Energy use: Aberdeen Airport did not reduce carbon dioxide emissions below the business as usual forecast because the airport introduced two new developments that were not accounted for when the business as usual forecast was calculated.
- Waste: The Scottish airports found it difficult to increase the amount of waste recycled through the BAA waste contract, at Edinburgh this was partly due to the availability of space to segregate waste and an increase in passenger numbers. Also, Glasgow airport amended its waste target during the year as business circumstances changed, however the decision by senior management to amend the target was not clearly documented.
- Economic development: The study to understand the economic value of the new routes at all of the airports was not completed.

#### Recommendations

ERM recommends that BAA Scotland:

- Complete the work required to publish the Scottish Noise Strategy and report on economic value of the new routes, then develops improvement targets that align with the strategy and findings.
- Continue to work with airport tenants to encourage higher levels of waste recycling and reduced waste generation.
- Enhance change management procedures to provide evidence of senior management decisions to change targets and ensure clear communication of these changes to interested stakeholders.

#### ERM May 2006

BAA management has prepared BAA Scotland Corporate Responsibility Report and is responsible for the collection and presentation of the information in it. Our responsibility in performing our work is to BAA management in accordance with the terms agreed. We do not therefore accept or assume any responsibility for any other purpose or to any other person or organisation.

Environmental Resources Management Limited (ERM) is an independent, global environmental, social and corporate responsibility. ERM has experience in the design, development and assurance of sustainability/corporate responsibility reports in a wide range of industry sectors, and operate strict conflict checks to ensure complete independence of our assurance activities.

## Policies and position

BAA's purpose as a company is to enable the profitable and responsible growth of air travel.

One of our key strategies is to earn the trust of our stakeholders, by running our airports safely, securely and responsibly and by communicating clearly with stakeholders.

In order to earn that trust, we need to manage the key social and environmental issues associated with our business, enhancing the positive impacts and minimising the negative ones. We see this as our contribution to society's wider goal of sustainable development.

We are guided by well-established policies. Our corporate responsibility policy provides the overall framework for our approach. Our code of ethics sets out what is and is not acceptable in working with each other, our business partners and the outside world.

These are supported by a series of more detailed policies which provide guidance in specific areas, from health and safety, to the use of environmentally sensitive materials, to bullying and harassment etc.

## Our stakeholders

Without the permission of our stakeholders we cannot grow. They are a fundamental part of our business and our relationship with them is more important than ever. The wide ranging consultation on our three airport MasterPlans was our most comprehensive and engaging ever. It provided us with unprecedented feedback from our communities, our politicians, our suppliers, pressure groups and other parties with an interest in our development. Their views will help shape our future and so we will continue to develop a positive and constructive working relationship and dialogue with all our stakeholders.

## Performance in brief

### The year in review

2005/06 was a year of continued growth for Scotland's airports. For the first time, the number of passengers using Glasgow, Edinburgh and Aberdeen Airports passed the 20 million mark, a reflection of the growing demand for air travel in Scotland. International traffic growth was particularly strong as more and more passengers chose to bypass the more congested airports of the south east and fly direct from Scotland.

Aberdeen was the fastest growing of BAA Scotland's three airports, underlining its growing importance as a business and leisure hub for the north east of Scotland. Edinburgh enjoyed its busiest summer ever, as it played host to thousands of international visitors during the G8 Summit.

A raft of new international services were introduced from the Capital. Meanwhile, Glasgow, voted Best UK Airport by leading holiday airline, Thomas Cook, enjoyed the busiest day in its history, with over 41,000 passengers at the start of the traditional Glasgow Fair.

BAA Scotland's drive to improve Scotland's connectivity resulted in 27 new services in 2005/06, many of them to new international destinations. And as passenger numbers grew, so too did investment in our airports. BAA Scotland invested more than £46 million on new passenger facilities, terminal and airfield developments, with the new Air Traffic Control Tower at Edinburgh Airport perhaps the most striking - and visible - example of BAA's commitment to Scotland.

### Consulting Scotland - Airport MasterPlans

2005/06 was also a year of unprecedented dialogue between BAA Scotland's airports and their neighbours.

In line with our commitment to engage more openly with our communities, each airport published a draft 25 year MasterPlan, outlining their ambitions for the future, and released them for public consultation, the largest ever undertaken by BAA Scotland.

These wide ranging, three month, consultations saw airport managers engage with a variety of stakeholders, from the Scottish Executive to members of the public, and airport neighbours.

Currently BAA Scotland's airports are preparing their revised MasterPlans. These will aim to address, wherever possible, the views and concerns expressed during the consultation and identified in an independently commissioned Liddell Thomson report. All three of the revised Airport MasterPlans are due to be published during the summer of 2006.

### Financial performance

From a revenue of £185 million, the three airports generated an operating profit of £69 million, an increase of 7.8% on the previous year.

### Passenger growth and air transport movements

BAA Scotland's airports handled record numbers of passengers and continued to attract new airlines to Scotland. In 2005/06, the number of air transport movements (landings and take-offs) increased by 6.7%.



## Performance this year

### Our Environment

■ BAA Scotland's airports are, and will continue to be, managed and developed in the context of the Government's strategy for sustainable development.

Responsible growth of air transport and airports should only be undertaken where it is aligned with these key national sustainability objectives.

BAA Scotland recognises that the biggest global environmental issue facing aviation is its contribution to greenhouse gas emissions. BAA believes that international aviation emissions should be brought within the Kyoto framework as soon as possible. An EU emissions trading scheme will force the aviation industry to make a choice: either cut emissions or pay for permits which will fund innovation in other industries to deliver matching emissions reductions.

As the demand for air travel continues to grow and airports expand, the environment and its protection becomes increasingly important. BAA Scotland recognises that it not only has an obligation to meet customer demands but a responsibility to both understand and mitigate the impact of growth on the environment. We have set out a broad introduction to the environmental issues faced by our airports in Scotland, the performance of each airport over the last year in achieving their environmental targets, and what we plan for the coming year to set the bar higher and continue to take seriously our commitment to our communities and the environment. BAA Scotland's Environmental targets are set annually and are externally verified by ERM. As well as performance against these targets, we also report on our objectives and achievements against other environmental issues that are important to our business.

## Key issues and priorities

BAA Scotland believes that the growth of air transport and airports should only be undertaken where it is aligned with key national sustainability objectives. We continually strive to find the right balance between the social and economic benefits to the UK and its communities and the environmental impacts of aviation. While there are real environmental issues which require a clear specific response, such as the Earth's capacity to handle greenhouse gases, it is also necessary to recognise economic and social costs and benefits. This is particularly important to communities around airports, which enjoy significant employment and economic benefits, but are also subject to impacts such as noise disturbance.

There are a number of environmental, social and economic issues that are particularly important across BAA Scotland. The environment and our impact on our communities remains a key priority, with issues such as noise, air quality and climate change high on our agenda. These priority issues have been identified through dialogue with local stakeholders and a clear recognition of global environmental issues and sustainability. For some of these issues, we have direct or significant control, for others, we need to exert influence and leadership, working with other stakeholders, including our airline customers and other business partners. In the following sections, we discuss in more detail in relation to each issue how we seek to manage it.

The BAA Corporate Responsibility policy is available at: [www.baa.com/corporateresponsibility](http://www.baa.com/corporateresponsibility)



## Air Quality

### The issue

Air quality is not only important to the environment but to our staff and airport communities. The quality of air is affected by chemicals and particles emitted into the atmosphere as a result of human activity. Certain types of emissions are of concern in the context of potential health impacts. Notably, in the cases of fine particulate matter (PM10) and Nitrogen Dioxide (NO<sub>2</sub>), which have widespread significance to health in the UK, the largest single contributor is currently road traffic.

### Target 2005/06

No specific target was set for 2005/06, however we continue to roll out our air quality strategy.

### Our strategy

BAA Scotland has worked with the relevant local authorities on Local Air Quality Management Plans, which involve a review of air quality in the area and identify and address areas of poor air quality. BAA is committed to ensuring that air pollution issues are managed responsibly and, to that end, has developed an air quality strategy which sets out objectives to reduce the impact of the airport on local air quality. The objectives aim to inform management strategies and air quality measurement and action programmes, including the promotion of alternative fuels and emissions abatement technology for vehicles operating at the airport.

### Aberdeen

#### Our performance

- As well as using the four LPG vehicles already situated at Aberdeen, the airport has ordered a small compact electric van to replace a mid-sized diesel van. This will not only reduce pollution from the vehicle source, but will also reduce any noise pollution and promote the use of alternatively fuelled vehicles.

#### Going forward

- During 2006/07, the airport will again be carrying out an air quality monitoring programme, the results of which will be shared with the local authority.

### Edinburgh

#### Our performance

- Edinburgh Airport has continued to deliver on its commitment to improve local air quality. For example, air quality concerns were a key consideration in the design of the new airport forecourt, where priority has been given to public transport and a bigger set down area provided to reduce congestion.

#### Going forward

- As part of our ongoing commitment to monitoring air quality, we will carry out six monthly air quality sampling during 2006/2007 and share the results with Edinburgh City Council.

### Glasgow

#### Our performance

- Glasgow Airport understands that air quality is an emotive subject for some of our local neighbours. Airport road vehicles and aircraft emit a number of pollutants which are monitored by Glasgow Airport and targeted through the national regulatory framework by local government. However, other factors - including cars, buses and lorries using the local road network - will contribute significantly to levels of air pollutants around the Glasgow Airport campus. Through our air quality strategy we have made a commitment to carry out air quality monitoring in the coming year to ensure that we continue to meet the national air quality objective.
- Reviewing the comments on the airport MasterPlan relating to air quality, and the external 2004 air quality monitoring report, has allowed us to better understand the impact of air quality. We understand that air quality is also impacted by external sources such as the nearby road and motorway network. We will also continue to use differential charges for vehicles that use the airside areas of our airport to encourage cleaner engines to be used by our business partners.

#### Going forward

- As part of the airport's air quality strategy a six month monitoring program will be carried out during the coming year and the results will be shared with Renfrewshire Council, our local authority.



## Biodiversity

### The issue

BAA Scotland recognises that future developments at our airports may have an impact on the surrounding area. In order to reduce this potential impact, we will look at ways we can safeguard and promote wildlife opportunities within our current airport boundaries.

### Target 2005/06

No specific target was set for 2005-6, however we continue to develop our biodiversity strategy with local stakeholders.

### Aberdeen

#### Going forward

- At Aberdeen Airport during the year 2006/07, it is intended to write and publish the Scottish Airport Biodiversity Action Plan. This will cover issues such as site location and boundaries, the topography, geology and hydrology of the airport site, the biodiversity management responsibilities and safeguarding of any wildlife opportunities identified.

### Edinburgh

#### Going forward

- Edinburgh Airport is home to a surprising and varied assortment of wildlife. The two rivers which run close to the airport provide sanctuary for otters, trout, water voles and kingfishers.
- In order to better understand the ecosystems and biodiversity of the airport, BAA Edinburgh will carry out an ecological survey and develop a biodiversity action plan in 2006/07.

### Glasgow

#### Our performance

- Glasgow Airport continues to play an active role in the management of the Paisley Moss reserve which lies within the airport's boundary. The management group members include Renfrewshire Council, Scottish Natural Heritage, and the Scottish Ornithologists Club.
- In early 2006, the airport worked closely with the management group to install a boardwalk path through some areas of the wetland, increasing accessibility to the site for visiting groups.

#### Going forward

- During 2006/07 we intend to publish an Airport Biodiversity Action Plan which will cover issues such as the topography and geology of the airport site and biodiversity management responsibilities. It will also detail sites of importance for nature conservation. We will also install interpretation and orientation signage at the Local Nature Reserve, Paisley Moss.



## Climate change

### This issue

Climate change is one of the biggest issues facing the world. It is not the responsibility of government or big business to address this alone, it is the responsibility of all of us. We recognise that as individuals and as an expanding business we have a responsibility to ensure that our airports are as clean, energy efficient, resource effective and as operationally efficient as possible. And where a negative impact on the environment is unavoidable we seek new ways of mitigating its effect.

### Target 2005/06

Achieve cuts of 3.5% at Glasgow, 2% at Edinburgh, and 8% at Aberdeen in total energy use against business as usual. \*

### Our strategy

BAA promotes the responsible use of energy and each of its airports have been set targets to reduce carbon dioxide emissions. The overall target for BAA is to reduce CO<sub>2</sub> emissions by 15% on 1990 levels by March 2010 in line with UK government targets. Each airport within the BAA group is given a specific annual target towards meeting this 2010 objective. As utility costs increase year on year and as our airports expand, BAA Scotland is increasingly focusing on the achievement of its annual CO<sub>2</sub> target.

\* To calculate the target of reduction against the business as usual energy consumption forecast, analysis of the historical energy consumption of the airport is carried out. The forthcoming planned annual airport developments, such as retail units, car parks or aircraft hangars, and their forecast energy consumption is then calculated to generate a 'business as usual' energy growth forecast. The airport is then allocated a target which is based on a reduction against this forecast growth, i.e. what the increase in energy consumption would have been without conservation measures.

To address aviation's impacts, our strategy is to work closely at BAA corporate level with key stakeholders in Europe including Governments, airlines and NGOs. Over the last few years we have been actively engaged in the debate over climate change and have built support for incorporating aviation into the European emissions trading scheme.

### Aberdeen

#### Our objective

- Aberdeen Airport set itself an extremely challenging target for the year 2005/06. The target was to reduce the business as usual target of 7,688 tonnes of CO<sub>2</sub> to 6,745 tonnes of CO<sub>2</sub> for the year.

#### Our performance

- The actual figure achieved was 7,270 tonnes. This reduction was achieved through the efforts of an airport-wide utility reduction group and against the background of the continuing growth of the airport, which saw increased levels of development from the previous year.
- Several new developments were completed during the last year which added to the total CO<sub>2</sub> footprint for the year, including a recently commissioned 800m<sup>2</sup> new lounge development which has been designed as CO<sub>2</sub> neutral.
- We have also completed numerous other energy-saving projects throughout the year with the involvement of the utility reduction group and through our employee suggestion scheme, under the 'Let's grow Aberdeen' banner.

#### Going forward

- Moving forward into the next year, Aberdeen Airport plans to reduce its energy consumption by an additional 2% against a business as usual figure. This will be achieved by targeting areas throughout the airport with a newly-installed metering system, allowing identification of high use areas.



### Edinburgh

#### Our objective

- The overall aim was to reduce the amount of electricity and gas used at the airport.
- In order to achieve this we aimed to improve our monitoring regime and data collation by installing more meters, and producing department specific data.
- Improving the monitoring of consumption helps us identify potential savings more readily.
- Our objective was to reduce our CO<sub>2</sub> associated emissions by 2% against business as usual predictions, establish measures and CO<sub>2</sub> consumption targets for each department, and implement at least three energy reduction projects.

#### Our performance

- We reduced our CO<sub>2</sub> emissions by 100% against our target of 2%. Compared to business as usual we achieved a 4% reduction, improving on our target by 2%.
- We installed over 80 new meters around the airport, which allowed us to better monitor the consumption of energy by tenants and third parties.
- We also set up a monthly Energy Group in which each department reviews their own energy consumption and identifies opportunities for reduction.
- The output from the Energy Group provides a list of energy saving ideas, which are assessed and progressed as appropriate.
- Additional smaller activities carried out include installation of Passive Infra Red and light level sensors in the Belfast Lounge, mesh cooling to improve chiller and boiler energy efficiency and a review of energy use at the Fire Station.
- The 'Make You Think' energy saving awareness poster campaign encouraged staff to think about and reduce the amount of energy they use.

#### Going forward

In 2006/07 Edinburgh Airport's CO<sub>2</sub> target is to achieve a 3% reduction of CO<sub>2</sub> against business as usual predictions.

### Glasgow

#### Our objective

- Glasgow Airport's Climate Change targets for 2005/06 aimed to reduce Carbon dioxide (CO<sub>2</sub>) emissions generated by gas and electricity consumption by 3.5% against business as usual growth, by March 2006.

#### Our performance

- Glasgow Airport's carbon dioxide emissions reduced by 2.5% against our business as usual target. Actual CO<sub>2</sub> emissions were 17,411 tonnes against a maximum target of 17,170 tonnes. As the target was to reduce our emissions by 3.5% we therefore exceeded our target by 1%.

Activities aimed at reducing CO<sub>2</sub> emissions included:

- A working group to identify opportunities for energy saving initiatives.
- A 'Breakthrough Event' that identified additional energy saving initiatives.
- A 'S\*\*\*\*\* OFF!', ('Switch Off!') campaign for the airport staff and business partners.
- Energy efficient equipment such as movement sensors on lights.
- Targets for different departments and specific energy users to target the reduction in energy consumption, (including, for example, maintenance department buildings, the fire station and the T2 check-in facility).

These and other energy saving activities are reviewed by the Energy Management Team. The progress against our CO<sub>2</sub> target is measured on a monthly basis.

#### Going forward

- In 2006/07 Glasgow airport's climate change target is to achieve a 2% reduction of CO<sub>2</sub> against business as usual forecast growth.



## Noise

### The issue

For people living under flight paths or close to an airport, noise is a major concern and its effective management is an important part of our ability to deliver corporate responsibility. While aircraft are becoming progressively quieter, there is little doubt that noise remains an issue. BAA believes that airlines have to make further progress to reduce the noise impacts of their operations.

### Target 2005/06

Re-publish the BAA Scotland noise strategy with detailed action plans for each airport covering 2006-11.

As a result of the airport MasterPlan consultation process, and a subsequent MORI survey, both carried out in 2005, the issue of noise was confirmed as a concern for sections of the local community. Take off and landings continue to cause the highest level of concern among our neighbours.

BAA Scotland is working with stakeholders to identify and encourage the use of flying procedures which minimise levels of noise heard at ground level.

### Aberdeen

#### Our objective

- In order to ensure continuity across the three Scottish airports, we agreed to develop a BAA Scotland Noise Strategy covering 2006-2011; and then prepare detailed action plans for each airport.

#### Our performance

- Our objective for 2006 was to re-publish a BAA Scotland Noise Strategy and prepare an Aberdeen Airport Noise Action Plan.
- A noise review group was established across the three Scottish airports which worked towards the revision and publication of the BAA Scotland Noise Strategy. This strategy, including specific action plans for each Scottish airport, has been drafted and is awaiting publication.
- A well established noise complaint management system is in place. Aberdeen Airport endeavours to reply in writing to all complaints within five working days.

- Local protocols have been implemented to manage the noise impact on the east side of the airport. These restrict the use of Echo 3 (specified area of the airport) as a holding point for helicopters at certain times and limit certain activities that are permitted by the east side operators.
- Quarterly meetings are held with members of the local community to discuss their areas of concern and how the airport can change operating procedures where reasonably practicable.
- In accordance with a Section 75 agreement, an annual ambient noise survey with data from six receptor sites is undertaken, the results of which are shared with Aberdeen City Council environmental health and planning departments.
- Following discussions with Aberdeenshire Council, Aberdeen Airport agreed to include further monitoring in the Cothal area. This was over and above the requirements of the planning consent. The results of the Cothal monitoring were shared with Aberdeenshire Council.

#### Going forward

- At Aberdeen Airport we will continue to review the noise climate and work with the UK Government's Department for Transport, the Civil Aviation Authority and the Scottish Executive.
- We will seek input from other airports and encourage initiatives from National Air Traffic Services, airlines and their pilots, working towards delivering a noise strategy.
- We will review options for noise mitigation and compensation schemes to mitigate the adverse effect of noise on specific local communities.



### Edinburgh

#### Our objective

- In order to ensure continuity across the three Scottish airports, we agreed to develop a BAA Scotland Noise Strategy covering 2006-2011 and then prepare detailed action plans for each airport.

#### Our performance

- The BAA Scotland noise management strategy to 2010 has been drafted and has been translated into local actions through the Edinburgh Airport Noise Action plan (2006 - 2007) which is currently in draft format. However some of the actions from the action plan have already been progressed as shown below:
- On 1st January 2006 a new dedicated phone number was launched for members of the public to contact the airport with noise related concerns. The number is operational 24 hours a day and free to phone. All calls are recorded and all complaints are investigated.
- In May 2006, Edinburgh Airport introduced a system of fining for aircraft movements that infringe stated noise thresholds. Between 0600 and 2330, the noise threshold is 94dBA and between 2330 and 0600, the threshold is 87dBA. Edinburgh Airport now charges any aircraft which infringes these thresholds, with the level of the charge dependent on the severity of the infringement. All money raised from these fines is placed into the Edinburgh Airport Community Fund, which will be invested in local community projects and good causes.
- The airport now forecasts future air noise and aims for a significant reduction in the area contained within the daytime 16-hour 57dBA Leq contour.
- Air noise in selected local communities is now routinely monitored.
- Differential airport charges have been set, which encourage airlines to operate quieter more environmentally friendly aircraft.
- The airport works with stakeholders to identify and encourage the use of flying procedures which minimise levels of noise heard at ground level, encouraging manufacturers to design quieter aircraft, and international organisations to set tougher standards for aircraft noise.

- Our airport MasterPlan seeks to safeguard land for a possible second runway, in line with the conclusions of the Government's 2003 White Paper, The Future of Aviation. In August 2005, BAA Edinburgh published details of two schemes designed to protect the local area from generalised blight arising from the Government's proposals for a possible second runway at Edinburgh Airport. Properties that are affected by this are covered by the first scheme: the Property Market Support Bond. A second scheme, the Home Owner Support Scheme, assists property owners in the area who would be newly exposed to medium to high noise levels should a second runway receive approval.
- A third scheme covering properties within the 69dbLeq contour has also been published.

#### Going forward

- In 2006/07 we will review options for noise mitigation and compensation schemes to mitigate against the adverse affect of noise on specific local communities.
- We will also explore the potential impact of lowering the dBA limit for night periods (currently at 87 dBA for night period).



### Glasgow

#### Our objective

- The noise targets for 2005/06 were to establish the benefit of N70 noise contours and, if appropriate, commission contours for 2005 as well as developing a measure of night time noise, and refresh the BAA Scotland Noise Strategy with detailed action plans for each airport covering 2006-2011.

#### Our performance

- Noise contours for 2015 forecast data were commissioned in February 2006 and the actual contours for 2005 will be carried out in summer 2006.
- A noise review group was established across the three Scottish Airports which worked towards the revision and publication of the BAA Scotland Noise Strategy. This strategy, including specific action plans for each Scottish Airport, has been drafted and is awaiting publication.
- A MORI community survey was carried out at each of BAA's Scottish airports to gauge the views of the communities towards their local airport, its future plans, their perceptions of the airports activities and what they feel the airport could do to embed itself further in the communities it serves. These views are essential not only to inform the airport community strategy or any wider BAA Scotland strategy but to gain permission to grow and better understand the communities in which BAA operates. The Glasgow poll surveyed the immediate community of Whitecrock, the communities within a five mile radius of the airport and again a five mile radius beyond that.
- The results clearly highlighted that in the context of very positive general feedback (83% favourability rating), noise was at the top of the agenda for communities living within the immediate vicinity of the airport.
- This level of engagement in conjunction with the most extensive consultation of local community groups and other stakeholders ever undertaken by BAA Scotland during the MasterPlan consultation gave Glasgow a very clear indication of the issues facing these communities and what needs to be done to address them.

- Glasgow airport will continue to listen and respond to the concerns of residents and communities.
- The continued tracking of noise complaints, using our Noise and Track Keeping (NTK) system which shows the flight path of aircraft.
- We submitted our response to the Environmental Noise Directive consultation in June 2005.
- We have voluntarily adopted noise measures in line with Department for Transport requirements that are in operation in the BAA South East airports.
- Establishing a quota count system for both summer and winter night time operations.
- Worked towards establishing a web site containing more readily accessible noise information to the public.

#### Going forward

- In 2006/07 we will be reviewing options for noise mitigation and compensation schemes to mitigate the adverse affect of noise on specific local communities.



## Surface Access

### The issue

Improving access to and from our airports is a key priority. As our airports grow, it is vital that we have in place a range of transport options to allow passengers, and airport staff, to access the airport. Good surface access is vital to the continuing growth of our airports in Scotland. With passenger numbers at record levels, our airports and stakeholders continue to work hard on providing a mix of public transport options and completing the objectives contained within their Surface Access Strategies.

### Target 2005/06

By 2007, increase the percentage of passengers using public transport from 8% - 12% Glasgow, 16%-25% Edinburgh and 4.5%-7% for Aberdeen.

### Our strategy

Improving public transport is at the heart of our surface access strategy. BAA Scotland is committed to working with our partners and stakeholders to continually improve access to our airports.

### Aberdeen

#### Our objective

- The main aims were to increase the opportunities for passengers to use public transport by identifying and implementing projects to achieve this aim. The target was to increase public transport use from 4.5% to 7% by 2007.

#### Our performance

- 7.3% of passengers now use public transport against a target of 7% by 2007.
- An additional bus service has been recently introduced following work undertaken by the Dyce Transport Management Organisation (DTMO).
- The airport has a senior manager as a DTMO director. The DTMO comprises a group of companies who have joined together to form a 'stand alone' company to improve all modes of transport for the community of Dyce.
- Aberdeen Airport has a video conference system which is actively promoted to reduce the need for employees to travel between airports.

### Going forward

- By the end of March 2007, Aberdeen Airport will produce an updated surface access strategy which will complement the progress made under the existing strategy. This will also aim to understand the fuel consumption of airport vehicles and seek to advise departments on efficiency measures.

### Edinburgh

#### Our objective

- The main aim is to increase the opportunities for staff and passengers to use public transport. The strategies for surface transport are developed through regular Airport Transport Forums which are attended by various stakeholders.
- Increase the percentage of passengers using public transport from 16% to 25% by 2007. Identify and progress three projects to increase public transport access to the airport.

#### Our performance

- 20% of passengers travelled by public transport in 2005-6. Several initiatives have been undertaken this year as part of the 2001-2007 Surface Access Strategy. These included:
  - The movement of the 100 Airlink bus stop to the front of the terminal, resulting in a 20% increase in passenger use.
  - Continuation of the Air Transport Forum.
  - The re-introduction of the Lothian 35 bus service to the Gyle, Fountainbridge and Leith.
  - The introduction of the new 747 Airdirect service to South Queensferry and Fife.
  - Staff discounts on local bus services.



### Going forward

- The Edinburgh Airport surface access target for 2006-7 is to produce an updated surface access strategy with clear targets to increase the proportion of passengers and staff using public transport.

### Glasgow

#### Our objective

- Our Surface Access Objectives for 2005/06 were to increase the percentage of passengers using public transport from 8% to 12% by 2007 and identify and progress three projects to increase public transport access to the airport.

#### Our performance

- Glasgow Airport is on target to achieve its target of 12% of passengers using public transport by January 2007. In March 2006, 11% of passengers were using public transport.
- Plans have been agreed to change the layout of the forecourt in an effort to reduce congestion, improve public safety and give greater priority to public transport. These changes will be implemented in June 2006.
- Public transport campaigns were funded through the Public Transport Levy (including discounted tickets).
- An overnight route to the city centre was installed with FirstBus and as a result of the success of this service a second service was introduced by another company. This provides a competitive price for customers and also has increased the frequency of the bus service.

- A city link service was introduced for employees to ensure that they can get to the airport for early shifts.
- BAA Glasgow worked with bus operators to pursue grants from the Scottish Executive.
- The car share scheme was promoted for BAA Glasgow staff and our business partners.
- Target implementation is tracked through the Airport Transport Forum, the General Management Meeting and the Managing Responsibly Board.

#### Going forward

- The BAA Glasgow surface access target for 2006-7 is to produce an updated Surface Access strategy for Glasgow Airport by the end of March 2007.
- The strategy will require engagement from our stakeholders involved with Surface Access, including recommendations received from the Airport Transport Forum.

## Waste and recycling

### The issue

The issue of waste disposal is an ever increasing concern. With a rise in associated costs due to the landfill tax, increasing transport costs, longer distances travelled to landfill sites, and the reduction in number of landfill sites, we are keen to ensure that we minimise the amount of waste we produce, and dispose of our waste in a sustainable manner. Waste is generated from a variety of sources across the airport, including aircraft, catering, retail outlets, maintenance and construction activities.

### Target 2005/06

Recycle 30% of airport waste. Reduce waste to land fill by 10% based on 2001/02 baseline.

### Our strategy

It is our responsibility, working with the waste management contractor and our business partners, to reduce the volume of landfill waste generated and to increase the opportunities for waste to be recycled. We have carried out a number of initiatives during 2005-6 to drive our recycling performance across the three Scottish airports.

### Aberdeen

#### Our objective

- Our airports adopt the principle of 'reduce, reuse, recycle', targeting both an increase in waste recycled and a reduction in the amount of waste sent to landfill overall.

#### Our performance

- The year 2005/06 saw Aberdeen Airport recycle 27% of its total waste, which was short of the target of 30%. However, the airport did achieve a 13% reduction in waste sent to landfill against a 2001/02 baseline.
- We have introduced a stricter monitoring process for our waste contractor to ensure that they deliver towards helping us achieve our targets.
- Aberdeen Airport also provides a local environmental charity with materials which would normally go to landfill, but which the charity recycles and reuses. So far, we have supplied Creative Waste Exchange with a variety of office equipment and furniture.
- Our 'Let's Suggest' scheme has encouraged employees to become engaged in responding to environmental issues.

#### Going forward

- The year ahead has a target for the airport to recycle 30% of its overall waste, with a stretch target of 35%. This target will be challenging. However, by implementing a new SMART compaction system to encourage recycling, airport-wide initiatives and events using the current waste contractor should all contribute to success in achieving this target.

### Edinburgh

#### Our objective

- Our objective was to recycle 30% of airport waste by end of March 2006 and reduce waste sent to landfill by 10% by end of March 2006 based on 2001/02 baseline.

### Our performance

- 23% of airport waste recycled and a 2.5% reduction in waste sent to landfill based on 2001/02 baseline. Although the 30% target was not achieved, several initiatives implemented in 2005/06 were carried out. These include:
  - The purchase and use of the Fire Service Green Cone for composting.
  - The introduction of plastic bottle recycling.
  - Appointment of a recycling manager in our cleaning contractor to encourage retailers to recycle.
  - The renegotiation of our contract with our waste contractor to incentivise greater investment in recycling technologies.

### Going forward

- Our aim is to recycle 30% of airport waste by the end March 2007.
- Because we missed the 30% recycling target in 2005/06, we have chosen to continue this target for 2006/07.
- However with airport expansion, recycling 30% of our waste is a considerable challenge and the introduction of more shops will likely mean an increase in associated waste.

### Glasgow

#### Our objective

- Our target for 2005/06 was to identify and implement five initiatives to reduce waste to landfill.

#### Our performance

- Glasgow Airport recycled 24% of the waste managed through the waste contract and sent 76% of waste to landfill. This was delivered through the activities detailed below:
  - Negotiation of the new Waste and Recycling contract for Glasgow Airport, to ensure we offer the best facilities to increase the percentage of material we recycle.
  - The retail team met with retail operators to assist them in reducing the waste materials being delivered to the airport, for example reducing packaging materials and using reusable containers.
  - The appointment of a Recycling and Service Yard Operative to educate and raise awareness with the retailers about recycling their waste.
  - Increased the controlled access to our service yards to reduce fly-tipping and to increase use of the recycling facilities.
  - Developed a recycling education and awareness training package for the airport cleaning contractor.

#### Going forward

- In 2006/07, Glasgow Airport will aim to recycle 30% of all waste generated.

## Water quality

### The issue

The quality of the water is essential to the wildlife and ecosystems around our airports. There are several airport activities which have the potential to affect the quality of local water courses, including the de-icing of aircraft and airside areas, vehicle and aircraft washing, aircraft and vehicle maintenance, run-off from construction sites, aircraft refuelling, waste and cargo handling and fire training. It is important that we manage these potentially polluting activities to minimise our impact on the local water courses and the surrounding environment.

### Target 2005/06

**Glasgow** - implement infrastructure upgrades to ensure 100% compliance with the oil standard for outfalls.

**Edinburgh** - implement chemical storage upgrades and water quality modelling work to ensure compliance with airport surface water consents and commitments.

**Aberdeen** - implement the measures identified in the water quality strategy which improve the quality of run-off into receiving waters in order to comply with discharge consents at BAA surface water outfalls.

### Aberdeen

Working together with local authorities and the Scottish Environmental Protection Agency (SEPA), Aberdeen Airport strives to ensure full compliance with the consents to discharge.

### Our objective

- In addition to maintaining current water quality standards and meeting surface water consents and commitments, BAA Aberdeen used this year to raise the standards of chemical storage around the airport to achieve compliance with the Oil Storage Regulations prior to their implementation in Scotland.

### Our strategy

- Preliminary discussions have also taken place with SEPA to inform them of Aberdeen Airport's proposed 300 metre runway extension, to identify any potential consent or construction issues.

### Our performance

- Following on from the major development to implement a full surface water quality system, the airport continues to sample the surface water inlets/outlets and outfalls monthly, with the results being analysed to ensure we meet our targets.

- The airport surface water discharges to the River Don which is a Salmonid Class A watercourse. Biological monitoring also continues at the airport, with all data used to analyse the impacts of the discharges on the local water ecology of the River Don as well as the local tributaries.
- The airport has successfully met its water quality targets, working closely with Aberdeen & District Angling Association to ensure no adverse impact on their recreational activities.
- Aberdeen Airport believes in proactive consultation and engagement with stakeholders and this includes regulatory authorities. For instance, Aberdeen Airport is consented to discharge its surface water into the River Don and has done so for almost four years. This consent was granted after an extensive joint airport and SEPA water quality impact study. This ongoing study examines the chemical and biological impact of surface water discharges and is being carried out in consultation with the regulator as well as Aberdeen & District Anglers Association. The joint study shows that airport operations are not having a negative impact on the River Don.

### Going forward

- During the next year, we will continue to work with SEPA and Aberdeen & District Anglers Association to understand their requirements in terms of water quality.
- We will also continue to communicate with them regularly on water quality issues. It is also planned to ensure all organisations on the airport site have all-chemical bulk storage in line with best practice.

### Edinburgh

#### Our objective

- In addition to maintaining current water quality standards and meeting surface water consents and commitments, Edinburgh Airport has raised the standards of chemical storage around the airport to achieve compliance to the Oil Storage Regulations prior to their implementation in Scotland. The airport continued to implement modelling and planning work, which seeks to improve water quality treatment around the airport.
- Our specific objectives were to implement chemical storage upgrades and ensure compliance with Oil Storage Regulations, to prevent pollution incidents and to carry out water quality modelling work to ensure compliance with airport surface water consents.

#### Our performance

- We have made some progress with regard to chemical storage across the airport. All Edinburgh Airport managed chemical stores have been maintained to the Oil Storage Regulation requirements and, in some cases, above the legislative requirements. This has been achieved by removing a redundant de-icer storage tank and setting up an inspection regime for all chemical storage areas. We continue to provide practical guidance for tenants which operate within the airport to ensure high levels of chemical storage are adopted.
- Edinburgh Airport's water sampling regime consists of monthly chemical sampling and seasonal biological sampling. This data is analysed to identify any change in water quality. However, while Edinburgh Airport can demonstrate that the quality of discharges into the rivers is not deteriorating, it is understood that to meet the Water Framework Directive requirements, a step change improvement in the water quality of the rivers is required.
- As a member of the Gogar Burn Partnership Group, the airport has had a vital role to play in the stewardship of the burn. This group is tasked with finding a sustainable solution to address water quality, flooding and land use pressures on the Gogar Burn, whilst enhancing wildlife and public access to the burn for amenity purposes.

#### Going forward

- For 2006/07 we will continue to focus on improving chemical storage, targeting the third parties which operate at the airport. We will also continue to monitor the quality of our consents and work with SEPA to understand the requirements on the airport to help meet the Water Framework Directive targets.

#### Glasgow

Water quality continues to be a significant environmental issue for Glasgow Airport. We continue to work with the Scottish Environmental Protection Agency (SEPA) and our on-airport business partners to ensure compliance with our consents.

#### Our objective

- During 2005/06, Glasgow Airport set out to implement a budgeted programme of infrastructure improvements to ensure 100% compliance with the oil standards for outfalls, and to establish an early warning measure for compliance while updating the surface water discharge consents in conjunction with SEPA.

#### Our strategy

- During the investment in a new interceptor system that drains a large proportion of the airport campus, a temporary pumping solution was installed to ensure that we continued to meet our surface water consent.
- Additional monitoring was also carried out at out surface water outfalls. This investment has also provided us with the opportunity to upgrade the electronic monitoring system at the interceptor.

- To further strengthen our early warning measures for surface water compliance, our contingency plan was re-launched and additional training was provided to the Maintenance Team.
- Throughout the year communication and site visits with SEPA have been essential to ensure that our investment meets their legal requirements and our operational requirements.

#### Our performance

- The investment plan for improving the infrastructure to allow the removal of oil at the surface water outfalls was initiated in 2005. To ensure the design of this system would comply with any future consent it was essential that forthcoming future water quality legislation was taken into account to enable us to get best value from the project for the years ahead.

#### Going forward

- In 2006/07, the target for water quality will focus on modelling de-icer application and associated run-off while further investigating the impact on local watercourses.

## Water consumption

### The issue

With passenger numbers growing, and the cost of this precious resource rising, we have taken concrete steps to reduce the consumption of water across the airports.

### Target 2005/06

Reduce water consumption per passenger by 2% year on year based on Group baseline.

### Aberdeen

#### Our objective

- Our main aim was to reduce the amount of water consumed at the airport by 2% against a business as usual target.
- Part of this strategy was to increase our understanding of how water is used throughout the airport campus and, with this information, target key areas for reduction.

#### Our performance

- This work, as well as a continued utility targeting programme, reduced the water consumption for the year by 7,700m<sup>3</sup> - from 89,600m<sup>3</sup> to 81,900m<sup>3</sup>.
- Following the introduction of the automated meter reading system (AMR), consumption was monitored across the site, reviewing and identifying possible leaks or target areas for action. This worked alongside a leak detection project which was initiated campus wide to further realise the data from the AMR system.
- Many of the passenger facilities throughout the terminal have been fitted with sensor controlled taps and toilets.

#### Going forward

- For 2006/07, Aberdeen will identify and progress projects to reduce water consumption in line with our utilities target of a 3% reduction on business as usual.

### Edinburgh

#### Our objective

- Our main aim is to reduce the amount of water consumed at the airport. Part of this strategy is to increase our understanding of how water is used throughout the airport campus. Using this information, we can then target key areas for reduction.
- Our objective was to identify and implement three initiatives to reduce water consumption by 2% based on business as usual predictions.

#### Our performance

- Edinburgh Airport reduced its water consumption by 9%, 2% more than the reduction target. Performance benefits were expected to come from water use initiatives carried out the previous year as well as new initiatives identified at the beginning of the 2005/06 year.
- Initiatives comprised of toilet bags being introduced in BAA staff office locations, installation of new meters, improved metering of tenants and comprehensive metering of the fire service.

### Going forward

- For 2006/07 we will continue to focus on water reduction and have set ourselves a target of reduction against business as usual of 3%. In order to achieve this target, we will need to ensure that all new developments at the airport consider water conservation as well as harvesting options.

### Glasgow

#### Our objective

- Our target for this resource saw us commit to identifying and implementing three initiatives to reduce water consumption by 2% year on year.

#### Our performance

- Glasgow Airport reduced water consumption by 23% below the business as usual reduction target in 2005/06.
- We achieved this excellent reduction in consumption through the following activities:
- Potable water leaks, identified as a problem in a survey completed in 2005, were halted. Leak detection surveys are now carried out every six months. Previously they were carried out on an annual basis.
- Refurbishment of toilet facilities within the terminal now incorporate water saving solutions.
- Improved maintenance of water tanks, pumps and hydrants.

#### Going forward

- Our potable water targets for 2006/07 will again be focused on reducing water use. We will be targeted to identify and progress projects to reduce water consumption in line with utilities target of a 3% reduction on business as usual.



## Our people

BAA is dedicated to putting the right people in the right jobs, helping them earn the skills they need now and for their future career, and ensuring the correct policies are in place to make this happen.

### Target 2005/06

- Our target for 2005/06 was to roll out a diversity awareness training package and establish measure of success.

### Our strategy

- At our airports it is important to understand the diversity of our airport employees and our passengers to ensure that we provide a high level of service as part of our operation.
- The diversity training package was developed into a workbook which consisted of five modules; Personal Space, Touch, Eye Contact, Gestures and Expressions, and Non Verbal Communication.

### Our performance

- Workbooks have been completed by the security team by the end of March 2006, with the new recruits, (for summer 2006), all being taken through this training process.
- The success of the workbooks has led to other airport operational and passenger facing departments requesting to receive this training.

### Going forward

- In 2006/07 the Diversity training package will continue to be delivered to operational departments. There will not be a specific target on diversity during 2006/07.

### Our Employment Policies

BAA's success depends on well trained and motivated staff and we are committed to the creation of an open working environment which encourages high achievement and personal growth for all our staff. To support our commitment to being a responsible employer, we have in place employment policies that reflect best practice and which

are in tune with changes in employment legislation. These policies are reviewed regularly to ensure that they are effective. They are designed to promote a working environment that supports the recruitment and retention of highly effective employees, fosters relationships free of discrimination and improves productivity and performance.

### Equal Opportunities Policy

BAA's equal opportunities policy states: 'a positive attitude towards equality and diversity is right for our company, our employees, our customers and our business partners and suppliers.' This means we must encourage our people to welcome diversity and respect each person's individuality. This includes the promotion of a common awareness among employees of the financial, economic and strategic factors affecting business performance.

### Bullying and Harassment Policy

Our policy aims to create a workplace environment which is free from all forms of harassment and enables all individuals to contribute more effectively to business success and to achieve higher levels of job satisfaction. The policy seeks to ensure that everyone is treated fairly and with respect and all staff are entitled to a working environment which is free from bullying and harassment.

### Employee Communication

Our employee communications strategy aims to provide best practice for BAA Scotland by evolving a culture of openness, sharing, learning and encouragement that celebrates success and is an enabler to further growth, innovation, and better customer service in line with our business goals.

In 2004/05, we introduced a robust employee communications infrastructure incorporating written, electronic, and face to face communications channels including monthly newsletters and cascade briefings. These are designed to meet the range of employee information needs and ensure consistency of message, timing, and quality across the organisation while incorporating the necessary flexibility for each airport to express its unique character and focus on specific local issues. We consult with Trade Union representatives and incorporate their views on a range of issues.

### **Staff Survey**

Every year we run an employee survey, 'Make your Mark', designed to involve employees in improving our business and the way we can work together. It includes questions on how people feel about their leadership team, how they are developed, how they are recognised, how we communicate with them and what they think about their working environment. This helps managers to engage with their teams, improve performance, build trust and focus on making BAA a better place to work.

### **Employee Benefits**

During the year ended March 2006 BAA plc offered eligible staff (those employed by the company on 1 November 2005) the opportunity to take part in an Inland Revenue approved Sharesave scheme. Staff who complete their savings contract (three or five years) have the opportunity to purchase shares at a discounted rate and gain a stake in the company and their future.

### **Pension Scheme**

BAA plc operates one main final salary pension scheme for its UK employees. We also have a stakeholder scheme for employees on fixed-term contracts.

### **Employee Assistance Programme**

BAA Scotland understands that its employees may sometimes be faced with practical or emotional challenges where it would help to talk through the issues or concerns with someone outside the organisation. BAA has introduced for all employees an Employee Assistance Programme. This is a confidential service covering all permanent and fixed term contract employees and their immediate families, available via a freephone help line service, 24-hours a day, 365 days a year.

### **Occupational Health**

We provide occupational health services for staff including health checks, absence management and advice to reduce the risk of work related ill health.

### **Flexible Retirement Policy**

A joint management and trade union working party considered the feasibility of a new flexible approach to retirement in BAA. Taking account of changes to legislation, BAA agreed a new flexible retirement policy in January 2005 which includes the following:

- **Staying on:** The new policy allows staff to continue working five years beyond their normal retirement date.
- **Winding down:** Staff over 55 can opt for part-time working.
- **Stepping down:** Staff approaching retirement can request to move to a lower graded role.
- **Retirement and return:** Retired employees can opt to return to BAA employment.

### **Long Service Awards**

BAA recognises staff who have been with the company for both ten and 25 years. The 25 year award includes an evening reception hosted by the Chief Executive Officer of the company where the staff member and their partner enjoy a relaxed evening with the directors of the company. The event in 2005/06 was held at the Dorchester Hotel, London. They also receive a Sharesave certificate with a cash value of approximately £600.

### **Learning and Development**

Like other organisations BAA faces a climate of continuing change. To rise to its business challenges BAA needs skilled, energetic and knowledgeable people who can anticipate and shape our future. To ensure that people receive the learning and development that they need to manage their career we have established a one stop shop for learning at BAA through the creation of a virtual (Uni) website, accessible to all our people. This includes information about what learning and development is available and how to make the most of it. Since it was introduced in 2002 it has received thousands of hits every month. BAA has introduced a new 'My Talent' website where people can gain information and support to help them manage their career, and put together a career development plan.

## Health and safety

### Our objective

We aim to provide efficient, effective security that reflects our customer's needs and expectations at all our airports. To enable us to achieve our objectives we continue to monitor developments in new technologies in order to secure our airports.

### Our strategy and performance

#### Edinburgh

Security is a key priority for Edinburgh Airport and a number of positive and proactive initiatives have been undertaken in the last 12 months. We have continued with the chairmanship of the Airport MATRA group and, working with our partners, we have taken forward the joint airport patrolling between Lothian and Borders Police and BAA Security, introduced membership of the Crimestoppers initiative and enhanced airport perimeter patrolling.

The airport also realigned its security structure to ensure our security strategy is delivered in the most effective way. Our new security compliance manager ensures that standards and search regimes are robust and comply with DfT guidelines. The compliance team are also involved in developing a campus wide security awareness message through various MATRA sub-groups and by working with our business partners on specific individual tasks. The airport is also focused on providing the right resources for effective security. We have recently completed the recruitment of almost 40 new security officers and have developed a planning tool which allows the airport to deploy our resources in the most effective way.

#### Glasgow

Health and Safety is given high priority in every area at Glasgow Airport. This year Glasgow did well to reduce false alarms from 80 to 55 following the introduction of a Duty Safety Team who are part of the Duty Management Team. Their priority is the safety of staff and public and they are on duty 24 hours a day, 365 days a year. Glasgow also reduced accidents to members of the public by 15%.

#### Glasgow Airport Safety Campaign April 2006

This year's airport Safety Campaign took place from 25 - 27 April in Gate 26 in the Domestic Pier. The event was opened by the Strathclyde Police Divisional Commander and over 400 staff and members of the public attended.

This year's exhibitors included Aviance, Trading Standards, McAlpine, AMEC, Mitchells, Raynesway Construction, ROK, Strathclyde Police, Airfield Operations, Security, Occupational Health and Environment.

#### 21st Century Security project

As part of the Glasgow Airport Security Team's continuous improvement programme, a project has been developed to look at improving the effectiveness and efficiency of the central search areas in a sustainable manner, whilst ensuring they meet the needs and expectations of our customers.



The areas under consideration include:

- Search area environment for our staff and customers.
- Improved customer information systems.
- Use of new technologies to improve effectiveness and efficiencies.

Our overall aim is to earn the trust of our stakeholders by operating and growing our airports responsibly, safely and securely and communicating clearly with our stakeholders.

#### Aberdeen

Health and Safety is given high priority in every area at Aberdeen Airport and to this end we have recently recruited a Safety Duty team to further enhance staff and public safety in and around the airport. Last year Aberdeen had only two minor accidents to members of the public and two 'lost time' accidents to staff.

Aberdeen Health and Safety day was held on 2 November 2005 as part of European Health and Safety Week.

Companies taking part included HSE, SP Darker, Raynesway, BA, Grampian Police, Mansells, Airport Fire Service and the airport's Environment and Occupational Health departments. Topics covered included smoking, working at height, home fire safety, work related stress and noise at work.

#### Going forward

Our effectiveness and performance is continually measured by the security regulator (DfT) and through our own internal performance monitoring systems. We will continue to influence the DfT, Police and Control Authorities to integrate efforts to improve overall security while allowing growth in capacity and have been working with our business partners to ensure the development of effective business controls to mitigate the risks from abuse of process and criminal activity.



## Local communities

### The issue

Our communities are important to us. Our airports in Scotland are integral parts of the local community, providing both jobs and economic benefits. However we recognise that the impacts are not all positive.

### Target 2005/06

Establish measures of community support that can be used to track progress year on year and a 1% increase in the number of hours of BAA Scotland staff involved in community initiatives.

### The strategy

We realise that we cannot grow without the permission of the communities around our airports, nor would we wish to as a responsible company. The past year saw a step change in our community focus and activity. The redrawing of our community strategy has already begun to deliver. The creation of a dedicated community strategy group designed to provide both direction, focus and the sharing of best practise across Scotland has raised the profile of community issues. We took forward the work carried out in the previous year and refocused the strategy to three key areas:

**Education** - engaging with schools, improving employment skills, encouraging life long learning and entrepreneurship. These all link in with, and support, the Scottish Executive's priorities and we believe that through this strategy we can add real value to our communities.

**Environment** - this is at the top of our corporate responsibility agenda and we will be undertaking a comprehensive and wide ranging review of our activity and its environmental impact. We will then implement a series of measures which will aim to effectively prepare us to address these important issues.

**Sport** - linking with the Government's health agenda on physical activity, especially amongst young people. Sport is a direct way in which we can effectively engage with young people, schools and communities around our airports. We recognise the social make up of our communities and believe that providing opportunities through sport is both worthwhile and meaningful to these communities.

Our community investment is targeted in areas where our skills, resources and efforts will complement and add value to communities, complement core business competences and give our staff opportunities for professional and personal development.

To ensure that we are addressing community concerns we have engaged our communities in dialogue to identify key issues of concern. In part this was carried out through MORI, who conducted community surveys on our behalf, and through face to face consultation during the roll out of the Airport MasterPlans. This informed the community strategy and helped us identify more clearly the concerns of our neighbours.

### BAA Scotland Outreach programme

Through a new trailblazing project we have joined forces with the Prince's Trust Scotland and the National Trust Scotland to deliver a flagship community project. The project will benefit both organisations, communities surrounding the airport and BAA Scotland staff. It is our intention to launch a new national high profile Outreach Programme in 2006/07.

### BAA Communities Trust

The BAA Communities Trust, BAA's own charity, continues to provide benefits to people living in airport communities. Each year, BAA contributes 0.15% of pre-tax profits to the trust. In its first ten years the Trust has made grants totalling more than £3 million. The Trust focuses its giving into three main areas:

- Supporting local community activity around our airports.
- Initiatives proposed by BAA staff.
- International and national charities - supporting overseas development whilst creating development opportunities for young people in the UK, through aviation and travel.

## Glasgow

### Our objective

- Continue to build effective partnerships with community stakeholders. Increase and record contact with our key stakeholders.
- Communicate and consult with all stakeholders on the content and implications of the airport MasterPlan.
- Create a method of recording staff volunteering hours and increase the number by 1% year on year for the next five years.
- Implement an internal and external communications programme so that staff can list the three aspects of sustainability and explain the sustainability business case.
- Create a diary of events/projects which provide opportunities for staff volunteering.
- Develop our links with schools to encourage entrepreneurship.
- Improve employment skills - airport jobs fair, improve work experience opportunities, work with universities and colleges to offer real life student projects, ambassadors programme.
- Imbed our airport as part of the local community, encouraging members of the wider community to enjoy their airport.

### Our performance

- Induction training for new staff now includes a section on sustainability awareness.
- Increased stakeholder contact both internally and externally.
- MORI Community Survey over 500 people surveyed around each airport.
- Consulted with all stakeholders including communities and community groups over the content and direction of the MasterPlan and airport development.
- Line managers have met with over 100 key stakeholders.
- This year 39 staff volunteered 1344 hours - a 30% increase in participation and a 20% increase in hours.
- Staff took part in 12 events/projects as well as volunteering in their own communities (see case studies).
- Students from local universities taking a course in travel & tourism have been given practical job experiences at the airport.
- The airport has helped fund Unity Enterprise, a registered charity which provides support for passengers with disabilities and other special needs.
- Engaged with and listened to suggestions from our aviation enthusiasts, encouraging them to be an integral part of the airport community.

- Service Improvement workshops have been implemented to encourage staff participation in reducing environmental impacts.
- Delivered a high profile energy event for passengers and airport staff in partnership with energy business providers.
- Through Common Purpose - Your Turn Programme over 60 pupils, including those with disabilities, from 12 schools in Glasgow area have experienced how an airport is run and what job opportunities may be available to them in the future.
- The airport has continued to work in partnership with Glasgow City Council and Renfrewshire Council to deliver its high profile Youth Games project. Involving over 4,000 youngsters from across Glasgow and over 500 from Renfrewshire, the Games are now a highlight of the local sporting calendar.
- Staff at all levels have been encouraged to take part in national education initiatives including Industrial Awareness Days, Determined to Succeed Programmes, Young Engineers, and Young Enterprise.

### Going forward

- Support work with National Trust/Princes Trust as part of a new outreach program - to be lead by airport departments, as part of volunteering strategy.
- Introduce community newsletter.
- Build on the success of the Youth Games.
- Continue to drive forward sustainability awareness within our business and across the airport campus.
- Engage further with local authorities, community groups and other stakeholders to ensure the effective delivery of the BAA Scotland community strategy.
- Launch of the new BAA Education website in Scotland, a resource for both pupils and teachers, in Autumn 2006.

## Edinburgh

### Our objective

- Appointment of dedicated community and public affairs manager.
- Establish community newsletter.
- Set up dedicated community noise line.
- Roll out community programme in line with BAA Scotland community strategy.

### Our performance

- In September, Edinburgh Airport appointed a new Public Affairs Manager, specifically tasked with working with local communities.
- The Community Forum, made up of staff volunteers continued their work in administering local community grants.
- The airport also continued with its flagship Youth Games project, now in its 6th year, involving over 800 children from across Edinburgh in a variety of sporting activities.
- There has also been a focus on staff volunteering, with Edinburgh Airport employees successful in several categories of the 2005 BAA I-Volunteer awards.
- 2005 saw the launch of the draft 25 year Edinburgh Airport MasterPlan and a proactive approach was undertaken with the local community during the consultation period through a series of public meetings and one to one briefings.
- A number of the suggestions put forward by residents have now been taken forward including the setting up of a free phone 24 hour noise line and the launch of a regular community newsletter delivered to almost 10,000 households.
- The airport also initiated an in depth and thorough analysis of possible measures to reduce the noise heard by the airport's nearest neighbours.

### Going forward

- Administer the new Edinburgh Airport Community Fund in an effective way, prioritising local projects which focus on education, the environment and sport.
- Develop the airport's quarterly community newsletter which is sent to approximately 9,000 local homes.
- Initiate a series of public information evenings following the publication of the final MasterPlan.
- Promote a programme of staff volunteering, ensuring the company supports individuals undertaking community activity.
- Conduct a MORI survey of local communities, with a greater focus on those residents living closest to the airport boundary.

## Aberdeen

### Our objective

- Develop our links with the local community by working in partnership with local schools (see case study 'Determined to Succeed').
- Increase staff volunteering levels.
- Employ dedicated media manager to assist relationship building and PR management both internally and externally.

### Our performance

- We have also hosted several school visits to the airport in the last year and will be working closely with a group of local schoolchildren to develop an airport educational quiz for our younger passengers in the coming year.
- We are continuing to forge close links with several local schools and have worked on specific projects to ensure local children feel the airport is very much part of their community.
- We continue to support a successful local charitable organisation that works to prevent and alleviate youth homelessness and unemployment.
- Our link with this charity has seen us take on two people for six-month work placements at the airport. The charity provides supported accommodation, access to a range of education, training, employment opportunities and community health services for young people and their community.
- Our second 'recruit' from the charity has now successfully completed his work placement with the Motor Transport Team, and the skills he developed during his six months with us has helped him secure full-time employment at a local garage.
- The number of airport employees involved in community volunteering has increased over the last year, with a wide variety of local groups and charities benefiting from the airport's support. We now have approximately 25 people who have strong links with local groups and who give their time to help promote their cause.

### Going forward

- We will take on a new group of school pupils to build on the success of our school vocational training programme - Determined to Succeed.
- We will also widen the programme to give the youngsters access to a variety of airport functions, including security and fire service training.
- We will work with local schools to encourage them to develop an airport educational quiz package aimed at entertaining children who are travelling through our airport.
- We will launch a young fire fighters' association to involve local children and give them a formal introduction to life in the airport fire service.
- We will introduce a new "back-to-work" programme with Aberdeen Foyer charity.



## Local communities - case studies

Below is an outline of some of the initiatives undertaken across Scotland last year:

### Glasgow Airport Reporters Project

The project involved 60 pupils from Linwood High School and was aimed at giving the pupils life and work skills which could be used to gain employment in the future or access further education. The pupils worked with a reporter, photographer and writer to create a portfolio of interviews that could be used in local newspapers, school and airport magazines. Airport staff took part in a series of profiles, while passengers, including newsreader and TV presenter Kirsty Wark, were asked about their travel experiences.

### Edinburgh Airport Noise Line

In January, Edinburgh Airport set up a freephone telephone line for noise complaints in direct response to specific requests from local residents. The number is operational 24 hours a day. All calls are recorded and all complaints investigated. The airport provides a written response to each call made, where necessary detailing the reason for the noise and any action taken by the airport as a result. The new system has made it easier than ever for local residents to raise their concerns about noise.

### Edinburgh and Glasgow Youth Games

The 2005 Youth Games held in Edinburgh and Glasgow were a huge success with over 5,000 participants from local Primary and Secondary schools, including many young people with disabilities. The Youth Games aim to encourage children to stay active and reap the benefits of regular exercise. They remain central to BAA Scotland's community strategy.

### Hudson Challenge

Two Human Resource teams from BAA Scotland took part in the Hudson Challenge in October 2005 where they raised £2,000 for Cancer Research and the Prince's Trust. The event is open to businesses from across Scotland, many of which use the event to encourage team building amongst their staff.

### Aberdeen Determined to Succeed

Aberdeen Airport ran a vocational training programme over the school year for four senior pupils from Bankhead and Dyce academies. This was delivered as part of the Scottish Executive's 'Determined to Succeed' programme and was implemented by airfield operations. The programme saw the four boys visit the airport in pairs for a day each week. The pupils worked their way through training modules and were awarded marks for each completed module. We are in the process of recruiting for a new intake of pupils.

### Renfrewshire Provost Community Awards

Glasgow Airport sponsors the Special Needs Child category of the Renfrewshire Provost's Community Awards, where young people who have overcome their personal difficulties and play an active part in the community are rewarded for their efforts. This year's winner, David Hopkins, won the award for playing a full part in his school activities, including championing recycling activities and taking a starring role in the school Christmas show.

### Unity Enterprise

Unity Enterprise is a registered charity, based at Glasgow Airport, which helps passengers with disabilities and other special needs. By working in partnership with the airport, Unity Enterprise offers young people and adults with learning difficulties practical on the job training and, for many, their first taste of a workplace environment. The charity currently supports 13 trainees at the airport with half of all trainees who complete the project moving on to further education or employment. Glasgow Airport is helping to expand the service by providing financial assistance over the next two years.

### Global Xchange

Global Xchange is an international youth programme sponsored by Voluntary Service Overseas, Community Service Volunteers, the British Council and Glasgow Airport through the BAA Communities Trust. It gives young people aged 18-25 the opportunity to make a difference in a developing country and in deprived parts of the UK. A team of young volunteers visited India for three months at the end of 2005 and worked on a range of social and environmental projects. In February 2006, volunteers from India spent three months working on projects in the Govan area of Glasgow.



**Enterprise Inverclyde**

Glasgow Airport has been praised by Inverclyde Council Education Services for its work with schools in the local community. The Enterprising Inverclyde Award recognises businesses which help deliver and support entrepreneurial programmes for primary and secondary schools. The airport has worked closely with the Enterprise Centre based at St Stephen's High School to develop ideas on 21st century security projects, encouraging pupils to consider the challenge facing airports in the new century.

**I-Volunteer Awards**

Now in their second year the I-Volunteer Awards, which recognise the vital contribution made by BAA staff who volunteer in their local communities, have increased in number from 113 applicants in 2004 to over 180 in 2005.

Three Scottish winners took major prizes including:

Neil Overton and his team at Edinburgh Airport for their work with the Young Firefighters Association (YFA). The team won the Best Volunteer (Team) category and received £5,000 for the YFA.

William Chrystal, from Glasgow Airport who was highly commended in the Best Volunteer (individual) category for his work with Careers Scotland where he helps long term unemployed people gain a recognised first aid qualification. Careers Scotland received £2,000.

Mark Stevenson from Edinburgh Airport who was highly commended in the Outstanding Contribution to the Community category for his work with the Scottish Burned Children's Club where he is campaigning to have domestic hot water taps regulated by law. The charity received £2,000.



## Our economic role

BAA Scotland recognises that all three airports are critical to regional and national economic growth. New routes are essential to the development and growth of Scotland's economy, tourism and business sectors. BAA invests over £20 million a year in support of new routes, through discounted airport charges and financial support for marketing campaigns. BAA's Route Development Fund, supported by Glasgow City Marketing Bureau, VisitScotland and the Scottish Executive, has helped revolutionise air travel in Scotland, attracting world class airlines such as Emirates, Continental and Delta.

With international travel a key growth area across the three airports - international traffic grew by over 8% in the period - BAA believes Scotland has the potential for further growth and to attract a greater and wider selection of new routes and services.

The growth of BAA Scotland's airports has required massive investment. BAA has been at the forefront of the drive to modernise Scotland's transport infrastructure, investing more than £500 million across its three airports over the past ten years. Currently, BAA invests around £1 million a week in its Scottish airports. Going forward, BAA Scotland plans to invest some £600 million across its airports over the next ten years.

BAA directly employs over 1,300 people in Scotland across a diverse range of roles, from security to airfield operations, finance to retail management. For 2005/06, BAA directly employed 451 people at Glasgow, 410 people at Edinburgh and 238 people at Aberdeen. A further 32 people worked for parent company BAA Scotland. Meanwhile, the BAA Business Support Centre (BSC), based at Hillington near Glasgow Airport celebrated its fifth anniversary. Opened in 2000 by Paisley North MSP Wendy Alexander, the BSC initially employed 40 people. Today it employs over 200 people and plans to increase staff numbers to 350 within the next two years. The BSC provides a wide range of services for the BAA group. Its three teams provide 24 hour engineering, customer service and airport information helpdesks, and also handle payroll, expenses and staff references for BAA's seven UK airports.

BAA Scotland's airports support some 32,000 jobs across the country, with many people working directly with airlines, others with airport retailers, handling agents, Government agencies, and transport providers. As our airports develop, the number of people working in the airport industry is likely to increase significantly.

### Target 2005/06

Update studies assessing BAA Scotland's contribution to the Scottish Economy. Update and build on our economic contribution. (e.g. capture value of new routes such as Emirates to Dubai).

### Our performance

- Each of the airports established and tracked a set of measures to understand the economic value provided by the airport.
- A study of the economic value of new routes at all of the airports has been commissioned through the world renowned Fraser of Allander Institute, but is not yet complete.

### Going forward

It is critical to understand the financial benefit that the airport brings to the local, regional and national economy. This will be done by understanding the range of factors which will be highlighted in the updated Fraser of Allander report and data from airlines, projects, and retail etc.

- Work with Scottish Enterprise to establish route value methodology.
- Continue to track measures to better understand the economic value provided by each airport.



### Route development

BAA Scotland is committed to improving Scotland's connectivity. The growth of air travel has brought tangible benefits to Scotland's economy. Emirates' Dubai service, just one example of the many successful new routes introduced in recent years, is estimated to benefit Scottish industry to the tune of £10 million a year.

Glasgow, Edinburgh and Aberdeen Airports now serve around 120 destinations worldwide, more than at any other time in their history, with BAA Scotland investing £21.1 million in support of new routes in 2005/06.

Throughout the year, 27 new services were introduced with direct support from BAA Scotland's Route Development Fund, including flights to Pakistan, Egypt, Switzerland, Spain and Norway. Across the three airports, international traffic grew by 8.7%, with domestic traffic up by 2.2%.

From June 2006, flyglobespan will launch Scotland's first daily scheduled service to Orlando, the airline's first long haul service. Meanwhile, easyJet announced a major expansion at Glasgow with a raft of new services, including Scotland's only direct service to Berlin. EasyJet also announced that Glasgow and Edinburgh were to host the airline's new fleet of Airbus A319 aircraft, underlining their future commitment to Scotland. At Edinburgh, US airline Delta announced plans to launch a new daily service to Atlanta.

### Case Studies

#### Cargo

Cargo volumes at BAA Scotland's three airports reached over 45,000 tonnes in 2005/06, an increase of 10.8% on the previous year. Edinburgh Airport enjoyed the sharpest increase, with cargo volumes rising by 13.2% to 31,867 tonnes. Aberdeen Airport handled 4,248 tonnes of cargo shipments, a rise of 9.7%. Glasgow Airport saw cargo volumes rise by 3.6% to 8,965 tonnes. The increase in freight traffic across the three airports serves to underline their importance to the economy of Scotland.

### Emirates adding value

Emirates SkyCargo's daily service from Glasgow to Dubai has been key to the growth of cargo traffic at Scotland's busiest airport. The Dubai-based carrier shipped over 6,300 tonnes of cargo during its second year of operation from Glasgow - an increase of 22% on the previous year. In March 2006 alone, Emirates SkyCargo shipped over 700 tonnes of freight, a new monthly record for the route.

### Supply Chain

BAA Scotland's airports support their respective economies in a variety of ways, most obviously through their network of local suppliers. Hundreds of companies are based at the three airports and many more have connections to our airports through our supply chain. Our suppliers offer a variety of products and services including buildings works, print services, cleaning, waste management, trolley management, landscaping and utilities. In 2005/06, BAA Scotland had a supply chain spend of £65 million.

### Investment

At each airport, significant investment will be required to meet the forecast growth in passenger numbers, as outlined in our airport MasterPlans. Work is already underway. In 2005/06 BAA Scotland invested more than £46 million upgrading its three airports, including £11 million on Edinburgh's new Air Traffic Control Tower, almost £10 million on a major expansion of Glasgow's international pier, and £3 million on a new departure lounge at Aberdeen Airport. Going forward, BAA Scotland has earmarked over £600 million for future development over the next ten years.