

Gatwick Airport

Sustainability Performance Report 2008

July 2009



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This is my third report as Gatwick's Managing Director and I remain committed to running Gatwick Airport responsibly, maximising the positive social and economic benefits and minimising our environmental impacts. Sustainable growth will only be achieved through balancing our economic and social impacts with the environmental impacts of our operations.

This report focuses on our environmental impacts including energy, air quality, noise, surface transport, waste, water consumption, land and water quality, biodiversity, community and local economy. It demonstrates our economic impacts and how we work with our community. It also details our focus on our passengers, airlines and contractors and on health, safety and security at the airport.

This report demonstrates our ongoing commitment to sustainability which has been an integral part of our business for nearly a decade. Sustainability is a shared responsibility for us all. It is driven by our senior leadership team and is an intrinsic part of our daily operation and long-term decision making.

In 2008, Gatwick Airport welcomed around 34 million passengers. Gatwick is the UK's second largest airport and the world's busiest single runway operation. Our passenger numbers are set to increase to around 40 million passengers per year over the next 10 years, in line with government policy to make full use of existing airport runways.

Last year we celebrated our 50th anniversary in what proved to be a highly eventful year for Gatwick Airport and for the wider aviation industry. When the south terminal opened 50 years ago it was ground-breaking in design and put the passenger at its heart. Today, we remain true to that principle by putting the passenger first.

During the year we announced plans to invest close to £1 billion to revitalise the airport and ensure the predicted growth in passenger traffic can be accommodated at the passenger service levels we aspire to.

Another significant highlight in 2008 was the signing of a S106 legal agreement with West Sussex County Council and Crawley Borough Council, valid until December 2015. It outlines how the airport's operation, growth and environmental impact will be managed. It underpins the important relationship between the airport and its local authorities responsible for planning, environmental management and highways.

This legal agreement demonstrates a desire for all those involved to see the airport grow to 40 million passengers per year and to deliver new capacity for the South East, whilst balancing our environmental impacts. It is a possibility that at some time in the future a second runway may be required at Gatwick, but we remain committed to the legal agreement that prevents the construction of a second runway before 2019.

The latter part of 2008 was dominated by BAA's announcement of its intention to sell Gatwick Airport. I believe the sale presents a unique opportunity in Gatwick's history as we move towards an airport that is independent from BAA. Gatwick Airport is a landmark asset and brings significant local, regional and national economic benefits.

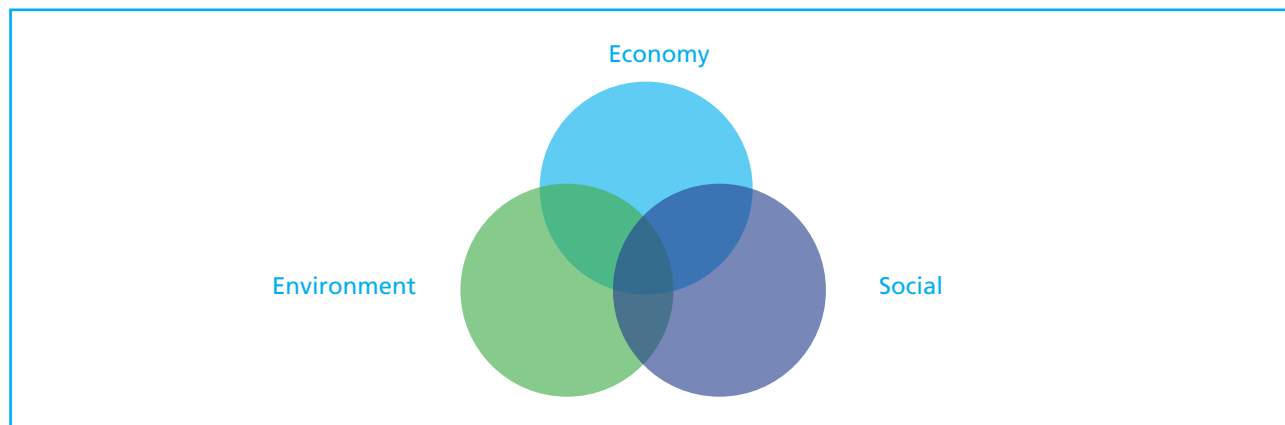
Against this challenging backdrop we have continued to make progress in delivering our sustainability agenda. Our business priorities help us to remain focused on cost effective operational excellence and delivering a high quality service for our passengers. I remain committed to operating Gatwick Airport as a safe, secure and responsible airport business for all our passengers, airlines, staff, local communities and other stakeholders.

Andy Flower
Managing Director, Gatwick Airport

2 Executive summary

To maintain our licence to operate, we need to grow in a sustainable way. This means operating and developing the airport in a way that minimises our environmental impact and maximises the socio-economic benefits for the local community, region and nation.

Sustainable growth will only be achieved through balancing our economic and social impacts with the environmental impacts of our operations.



We know that Gatwick Airport generates substantial benefits for the community and economy, e.g. it brings jobs, wealth and easy access to overseas travel. However, there are intrinsic environmental impacts relating to operating an airport. Use of the airport is predicted to grow to 40 million passengers per year over the next 10 years and this will generate further prosperity for the region and the UK.

- ***Managing our environmental performance***

We have made a commitment to minimising the impacts of our growing business on the environment and local communities, through the continuous improvement of our environmental performance. Last year we made good progress on the majority of our targets but we recognise that we need to continuously improve and monitor our progress as we move into 2009. This progress will be made through delivery of our action plans which are published on our website.



2 Executive summary

A summary of our performance for 2008 is set out in Figure 1 below.

Issue	Target 2008	Performance review
Climate change and energy	Reduce our site CO ₂ emissions by 5% against 'business as usual' forecast between January 2008 and December 2008 through improvements in energy efficiency.	Target bettered.
Air quality	Implement a training package to all ground handlers by September 2008 in the use of FEGP.	Some progress made - this is an ongoing target.
Noise	In line with DEFRA guidelines consult, publish and begin implementation of a noise action plan by December 2008.	Some progress made - due to the delays in guidance from DEFRA we published an interim noise action plan in December 2008 to meet our S106 obligation. DEFRA guidelines and action plan to be published in 2009.
	Drive achievement of continuous decent approach across the 24 hours period from 81% in 2007 to 82% in 2008.*	Target achieved.
Sustainable transport	36% of non-transfer passengers using public transport to travel to and from Gatwick Airport.*	Target achieved.
Waste	Increase recycling for the general waste handled by the airport waste contract from 21.9% to 30% for 2008.	Some progress made - this is an ongoing target.
Water consumption	Reduce our water consumption by 2% against business as usual forecast between January 2008 and December 2008 (Forecast: 1.04 million m ³ ; target: 1.02 million m ³).	No progress (increased by 4.5%).
Water and land quality	To have no breaches of our water quality discharge content.*	Target achieved.

* For full details of the assurance process please see page 8. We selected a range of targets to be audited by BAA internal audit as part of a rolling audit programme. This process was verified by DNV. The targets marked with an asterisk were not included in this process.

- **Maximising our economic impact**

As the 2nd largest airport in the UK, over 34 million passengers travelled through Gatwick last year with over 5.3 million passengers travelling for business purposes. Gatwick plays a significant role in attracting and retaining investment in London and the South East. The airport facilitates trade and contributes to the global competitiveness objective of the South East Regional Economic Strategy of assisting more businesses to operate internationally.

Almost 80% of our passengers are travelling to or from London and the South East (CAA 2008). Gatwick has almost 10% of the total UK in-bound tourism market (Travel Trends 2007). These international visits play an important role in generating economic benefits such as trade, hotel bookings and consumer spend.

The airport is a significant economic value generator for the London and South East economies in terms of supporting international connectivity and it is recognised as the key economic driver of the Gatwick Diamond sub-region. We believe it is critically important to work with our customers (airlines and passengers) and stakeholders to drive Gatwick's economic performance. We continue to be an active member of the Gatwick Diamond initiative and during 2008 worked closely with many stakeholders at local, regional and national levels.

We are a regulated business and in 2008, the Civil Aviation Authority (CAA) published its regulatory settlement for Gatwick. Part of this settlement was an ambitious capital investment plan for the airport. This means that we will be investing around £1 billion between 2008 and 2013 to revitalise our infrastructure, improve passenger service and increase capacity. A key part of delivering this plan is working with our stakeholders. First of all in developing and delivering our plans we need to undertake extensive consultation with all of our stakeholders. Our investment plan was agreed along with our regulatory settlement for the next 5 years in March 2008. The plan was developed with the airlines, CAA and ourselves through the regulatory process of constructive engagement. As we implement the projects, the local planning process will also involve significant stakeholder engagement to ensure appropriate activities are followed and people are informed of these investments and associated impacts.

- **Demonstrating our social benefits**

Many people have an interest in what happens at Gatwick Airport, both in day-to-day operations and new developments and in business decisions that impact local people and the economy. We influence and are influenced by a diverse range of stakeholders. From employees and nearby communities to local authorities, airlines, passengers, businesses, government and regulators, many people for varying reasons, are interested in both the day-to-day operations and also our future plans to develop the airport. Our aim is to listen and respond to stakeholder concerns on issues such as climate change, noise, air quality and congestion.

In addition, we aim to make a positive contribution to those local communities most affected by the airport's operation. One way we do this is through our community investment programme. We have long-standing partnerships with local community groups and focus our programme around the issues that matter to our business and our stakeholders – education, skills development and the environment. We also aim to support our employees and others who work at the airport to get involved in the community through volunteering and fundraising. In 2008 we also reaffirmed our commitment to the Gatwick Community Trust as part of our S106 legal agreement.

Sustainable growth will only be achieved by balancing these three elements: environmental mitigation, maximising economic impact and demonstrating social benefits. But our growth will only be achieved if our passengers continue to choose to fly from Gatwick. That's why we are passionate about making Gatwick a great airport that works. This means ensuring that we deliver our core service in a planned straightforward, consistently reliable and cost-effective way. To do this, it is important for us to focus on how we can improve the overall passenger experience and their journey through the airport. An average of 90,000 passengers depart or arrive from the airport each day and we need to ensure that our passenger experiences a seamless journey that is safe, quick and comfortable.

2 Executive summary

The job of ensuring the health, safety and security of our passengers and staff is one we take very seriously. With thousands of people either working in or passing through our airport on an average day, this is a huge and complex task and one that involves everything from fire safety through to the physical and emotional wellbeing of our employees.

Security requirements placed on us by the government in recent years continue to grow. Inevitably this has had an impact on the passenger experience and their perception of the airport. In 2008, we continued to work hard to deliver above and beyond our targets, and acknowledge areas where there is room for improvement.

It takes a lot of people to successfully manage an airport of this size and scale. In 2008, the total working population at Gatwick was around 23,000, which is the equivalent to a small town. Of this, approximately 10% are directly employed by us, and the rest by our 200 business partners and contractors. In addition, the airport has the busiest airport rail station in the UK with over 12 million rail users in 2008 (Office of the Rail Regulator). This complexity and scale of operations makes communications challenging. We aim to be flexible to differing needs and requirements and communicate in a way that provides a safe and secure working environment for everyone. Our priority is to support all our staff at all times.

3 About this report

This annual report highlights our approach, performance and achievements in managing sustainability at Gatwick Airport for the period January 2008 to December 2008, which includes our key areas:

- Health and safety;
- Security;
- Mitigating environmental impacts;
- Demonstrating our economic benefits;
- Working with our business partners;
- Working with our community;
- Managing our people; and
- Focusing on how to improve our passengers' experience.

In order for us to meet our legal obligation as part of our S106 legal agreement with West Sussex County Council (WSCC) and Crawley Borough Council (CBC), we have published a climate change report, which contains our carbon footprint for 2008.

Annual targets are set and agreed by the Managing Director and Gatwick Airport's Managing Responsibility Board, taking into consideration issues such as past performance, stakeholder interests, long-term business objectives, our contribution to corporate objectives and any anticipated changes, for example new regulations and legislation. Agreed targets are then presented to BAA for final agreement.

This process is then audited on our behalf by BAA, who consider the work we have undertaken and rate how effective this has been in meeting the health, safety and environmental targets set. Additionally, Det Norske Veritas (DNV) were then asked to verify the process and outputs from the internal BAA audit. DNV's assurance statement, including their key observations and recommendations for improvement, can be found in the 'Assurance statement' section of this Report on page 63.

4 About Gatwick Airport

Gatwick Airport is the second busiest airport in the UK and welcomed over 34 million passengers (mppa) in 2008. It is the world's busiest single runway airport, sixth busiest airport in Europe and the tenth busiest airport internationally.

In 2008, around 80 airlines operated to around 200 destinations world-wide from Gatwick Airport. Last year the top three airlines by passenger numbers were easyJet, British Airways and Monarch and the top three destinations were Malaga, Dublin and Faro. We have a balance of different airline models with low cost, scheduled and charter airlines all operating from Gatwick Airport. Our business is around 80:20 leisure to business. In 2008, over 5.3 million passengers travelled on business from Gatwick Airport and around 10% of our passengers were transfer passengers.

The airport is located 28 miles south of London and is located on the M23 motorway. It is an important public transport hub for the region and the rail station is the UK's busiest with over 12 million rail users in 2008 (Office of the Rail Regulator) (ORR). The airport is located on the London to Brighton main rail line. Each day there are over 900 rail services operating from Gatwick Airport railway station, using six platforms, served by six train service providers including the Gatwick Express rail service. Just over 36% of our non-transfer passengers use public transport to travel to and from Gatwick Airport. We also have just under 34,000 car park spaces in short and long stay car parking facilities.

The total area of the airport is 674 hectares, with an additional 74 hectares east of the railway line.

We have over 200 business partners. In 2008 there were around 170 retail outlets run by 84 different businesses at the airport.

Gatwick Airport is a significant employer and generates around 23,000 jobs on the airport campus. We estimate that an additional 4,000 people are employed off-site in roles directly related to the airport's operation, and indirectly the airport creates around a further 9,000 jobs. (Gatwick Employment Survey 2008).



5 Managing sustainability at Gatwick Airport

The issue and our approach

We believe that sustainability means operating and developing the airport in a way that minimises our environmental impacts and maximises the socio-economic benefits for the local community, region and nation.

Our sustainability approach is built into our governance framework and driven by our senior leadership team. Our aim is to ensure that we have the right systems in place to set strategy and policies, determine and deliver appropriate plans and solutions and to manage our business safely and responsibly.

Sustainability policy

Our sustainability policy has guided the way we do business so that we:

- Operate with integrity and honesty;
- Comply with the law and seek to implement best practise;
- Engage with our stakeholders to understand their priorities;
- Provide a safe and healthy work environment that is free from discrimination and harassment;
- Support freedom of association and the learning and development of our workforce;
- Support the protection of human rights;
- Maximise the positive, and minimise the negative, impacts on local communities;
- Identify how our community activities can most benefit those adversely affected by our operations;
- Reduce and mitigate our environmental impacts; and
- Report on our sustainability performance.

Sustainability governance

Our Senior Leadership Team oversees the overall management and direction for our organisation.

At Gatwick Airport, the responsibility for setting strategy and policy sits with our strategy team and embedding the sustainability agenda across the airport is a responsibility for all business functions, including security, safety, human resources, community engagement and environmental management. Our Managing Responsibly Board, comprises of a number of directors and senior managers and is responsible for monitoring progress and performance on all matters to do with sustainability performance and assurance. Our Environment Strategy Group is the key governance group that reviews environment strategies and policies for Gatwick Airport.

As we work towards becoming an independent airport, we will ensure that we have the appropriate organisation in place to undertake functions and roles previously been managed centrally by BAA. It is an opportunity for us to build on the work we have already started with BAA but also for us to think afresh about what sustainability means for Gatwick Airport.

We have a robust process for setting our business priorities each year, with objectives and milestones clearly owned and communicated across our leadership team. This way our people know what is expected of them, and we have a clear link between our day-to-day management and our more strategic, longer term planning. Our business priorities for 2008 had five themes:

- Get the basics right;
- Keep everyone safe and secure;
- Build commercial relationships;
- Hit the numbers; and
- Get people involved.

5 Managing sustainability at Gatwick Airport

Sustainability commitments

Our 2008 S106 legal agreement sets out our main sustainability obligations and commitments with West Sussex County Council (WSSCC) and Crawley Borough Council (CBC). The initial agreement was signed in 2000 and revised in 2008. It outlines our approach on the following key impact areas: climate change, air quality, noise, surface access, land use, development and biodiversity, community and economy, water quality and drainage, waste management, utility management, action planning and monitoring and reporting. These obligations and commitments provide a clear framework for action. Meeting our sustainability commitments is a top priority for our management teams.



Gatwick Airport, West Sussex County Council and Crawley Borough Council sign a revised S106 legal agreement December 2008

The year ahead

During 2009 our plan is to update our current sustainability research plan and data-bank. We will also review our existing environmental strategies and targets so that we are able to set clear and robust strategies for 2010 with supporting action plans (that are driven by accurate baseline data).

We will also be reviewing performance of our airport business priorities and ensuring that we have the right plans developed to take the airport into 2010 and beyond.

We will be undertaking an economic assessment study of Gatwick so that we understand the economic benefits the airport generates for the London and South East economies.

We will be implementing our S106 legal agreement and establishing robust procedures for monitoring performance internally and consulting regularly with our stakeholders and customers.

We will also review our current approach to managing and communicating about sustainability. We aim to complete this review by the end of 2009 and implement improvements in time for our 2010 sustainability performance report.

6 Our environmental impacts

Gatwick Airport generates substantial economic benefits and brings people and families all over the world together. However, there are intrinsic environmental impacts relating to operating an airport. Our focus is on reducing pollution to air and water ways, reducing our noise impacts, ensuring we conserve our water, minimising our waste, and reducing the impacts of staff and passenger travel to the airport. The following section outlines these issues in more detail.

Gatwick Airport is predicted to grow to 40 mppa over the next 10 years. We have important commitments aimed at minimising the impacts of our growing business on the environment and local communities, through the continuous improvement of our environmental performance. We strive to act as responsible stewards of the environment at all times and have formalised our key environmental obligations and commitments in our 2008 S106 legal agreement.

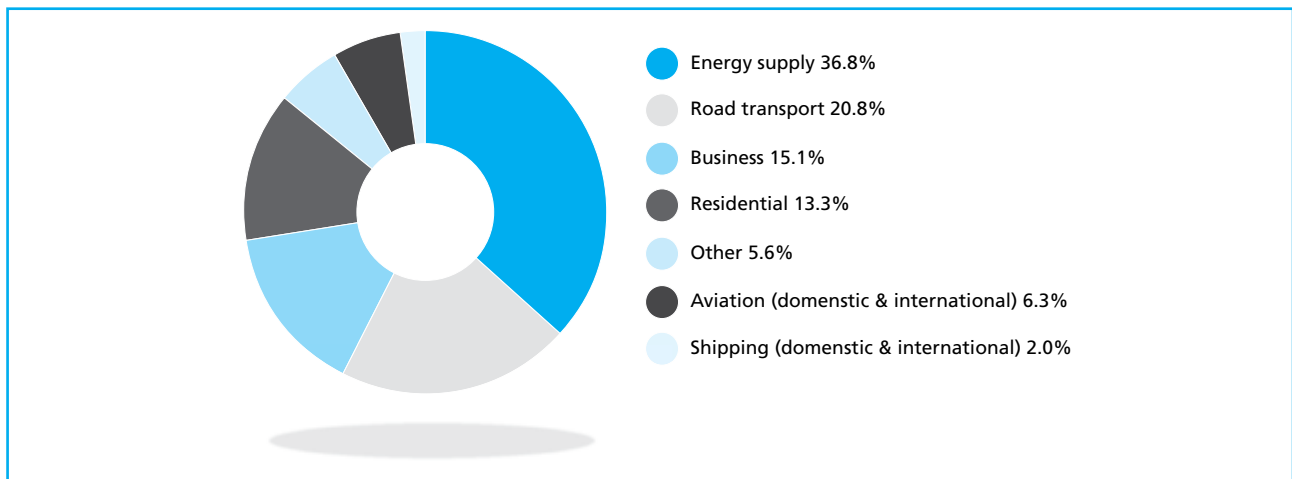
6.1 Climate change summary

Aviation and climate change

Over the past few years, consensus has developed on the respective roles of industries and governments in contributing to efforts to combat climate change. The aviation industry is clear about the role it has to play in this serious global challenge, and as a leading international airport, we take our responsibilities seriously.

Over the past few decades demand for air travel has grown significantly. In global terms, air travel makes up 1.6%¹ of worldwide CO₂ emissions and this could reach 3% by 2050², as the trend for increased air travel continues. In the UK, CO₂ emissions from UK aviation continue to grow in line with the growing demand for air travel. However, as an overall contributor to the UK's CO₂ emissions, air travel only represents 6.3%³ of the UK's total, with energy suppliers and road transport representing a significantly higher contribution.

Figure 2: Aviations' share of total UK CO₂ emissions 2007⁴



¹ World Resources Institute, available at www.wri.org/stories/2006/10/greenhouse-gases-and-where-they-come-from

² Working Group III Report, IPCC, 2007

³ Factsheet 5, UK Aviation: Carbon Dioxide Emissions, DfT, 2009

⁴ Factsheet 5, UK Aviation: Carbon Dioxide Emissions, DfT, 2009

6 Our environmental impacts

Notwithstanding this growth, it is widely acknowledged that aviation plays a vital role in supporting the UK's participation in the global economy, and that it must continue to play its part.

Efforts from the industry necessarily involve extensive collaboration between airports, airlines, transport services, local communities, national and international governments. Considerable progress has been made, though much remains to be done.

Our role as an airport operator

We recognise the role we have to play in contributing to the wider industry effort. For this reason we have published an extensive and in-depth climate change report which can be found on our website (www.gatwickairport.com).

This report outlines our understanding and approach to the issue, and includes our first comprehensive baseline carbon footprint of the airport. We will be using this assessment as a foundation for our own low-carbon strategy. This strategy will set out in detail, our commitments, our targets, and an action plan to deliver them.

We acknowledge that we cannot deliver our commitments without the support and close collaboration with our key local stakeholders, business and airline partners and employees. Our climate change report outlines our intentions and efforts we are making to strengthen these important relationships.



6.2 Energy

The issue and our approach

Understanding and proactively managing the airport's impact is a high priority for our senior leadership team. Given the growing public concern over climate change, we know that a robust and proactive approach to carbon and energy management is fundamental to our licence to operate. Moreover, it also makes business sense. Improving the efficiency of our operations and reducing our energy bills are important parts of maintaining a competitive cost base.

We work with our retailers to encourage efficient use of energy in our terminal buildings. We explain best practice energy use to new retailers and require them to design their units to meet our energy efficient targets. This covers local heating, ventilation, air conditioning, all electrically-powered appliances, equipment and lighting. We have covered our approach to energy commitments in more detail in our climate change report. This can be found on our website (www.gatwickairport.com).

Our goal

Our goal is to manage our assets and people to drive efficiency in utility use, and thereby reduce the CO₂ emissions attributable to energy consumption at Gatwick Airport. Our intention is to reduce energy consumption from operations within our control, such as our terminals and office buildings. Encouraging behavioural change amongst our employees is part of this.

Our long-term goal is to reduce our CO₂ emissions from energy consumption by 15%, (from 1990 levels), by 2010 and 30% by 2020 against business as usual.

Our performance

2008 performance targets

Our target was to reduce our on-site CO₂ emissions by 5% against the business as usual forecast through improvements in energy efficiency. Our business as usual forecast of CO₂ emissions for 2008 was 91,476 tonnes.

In 2008 we were able to reduce our CO₂ emissions against our business as usual forecast by more than 5% thereby bettering our target.

Challenges

Consistent forecasting approaches and methodologies are always difficult. Det Norsk Veritas (DNV) have recommended that we should consider developing a procedure to ensure a consistent approach to forecasting business as usual CO₂ emissions, setting targets for reduction and measuring the result. We have acknowledged their recommendation and will review our procedures in place during 2009. Figure 4 below shows 2008 CO₂ data derived using the current conversion factor (for comparability with 2006 and 2007) and using the revised conversion factor recommended by the Department for Environment, Food and Rural Affairs (DEFRA).

Performance data

The tables below provide a summary of our energy performance over the last 3 years.

Figure 3: Electricity consumption and gas consumption

	2006	2007	2008
Electricity	179,920,776 kWh	168,000,351 kWh	163,477,226 kWh
Gas	80,422,119 kWh	62,881,367 kWh	67,493,119 kWh

Gatwick Airport 2009

6 Our environmental impacts

Figure 4: CO₂ emissions

	2006	2007	2008
CO ₂ emissions (tonnes) Using the BAA long-term conversion factor of 0.43	92,645	84,445	84,478
CO ₂ emissions (tonnes) Using new conversion factor of 0.537			102,270

Gatwick Airport 2009

The figures above show that CO₂ emissions (from electricity and gas consumption) have increased in 2008 compared to 2007. The first figure (84,478), although a slight increase over 2007, represents a 7% decrease on our business as usual forecast. The second figure (102,270) shows a larger increase over 2007, this is due to the change in the electricity carbon conversion factor recommended by DEFRA (to 0.537 from the previously used conversion factor of 0.43) in effect increasing indirect carbon emissions by nearly 25%. Therefore, even though Gatwick's electricity consumption has fallen CO₂ emissions have increased due to the change in the carbon factor. For 2009 we will amend our greenhouse gas (GHG) reporting methodology to align with the DEFRA GHG Guidelines 2008.

Our achievements in 2008 included:

- Publication of our utilities management action plan, which contains the measures we intend to take to meet our objectives in this area.
This is available to download from our website at www.gatwickairport.com;
- As part of our review of our building management system, we used degree day data – an online database of historical temperatures recorded at weather stations - to reduce the number of days that the airport's boilers were used for heating. We employed similar methodologies for the airports' chillers and reduce running times by four weeks, from 26 weeks in 2007 to 22 weeks in 2008;
- Upgrading and replacing airport lighting with energy saving bulbs; and
- Implementing "on demand" sensors to escalators in the North Terminal.

The year ahead

We have provided details on our approach and key activities for 2009 in both our climate change report and our utilities management action plan. Both the report and the action plan can be found on our website (www.gatwickairport.com).

Some of our commitments include the following:

- Reviewing our procedures to forecasting business as usual CO₂ emissions, setting targets for reduction and measuring the result;
- Installing more starting on demand sensors to passenger sensitive equipment such as lifts, escalators and conveyors that will save energy;
- Investigating the feasibility of replacing lights in airport signage with lower energy LED lighting; and
- Continuing the roll out of upgrading and replacing airport lighting with energy-saving bulbs.

With regard to our construction projects, we have made a commitment for all construction projects to follow comprehensive energy performance planning, and where possible, go beyond best practice. Beyond 2009 we realise that bigger construction solutions may include investments in combined heat and power (CHP) or through the use of alternative energies such as biomass and wind turbines.

Our targets for 2009 include:

- To reduce our onsite CO₂ emissions by 5% against the business as usual forecast.

6.3 Air quality

The issue and our approach

Emissions of pollutants are of concern because they can affect human health and the local environment. Two specific pollutants of concern are nitrogen dioxide (NO₂) and fine particulates (PM10). Emissions from aircraft, ground vehicles and traffic at and around Gatwick add to air pollution near to the airport, though housing and industry also contribute.

Our air quality management is guided by local, national and European frameworks. The government and devolved administrations published the national Air Quality Strategy in 2007 which is designed to implement the requirements of the European Air Quality Framework Directives.

Local authorities are obliged to review and assess air quality within their boundaries. If an air quality limit is exceeded or is likely to be breached, the area must be declared as an Air Quality Management Area (AQMA) and an action plan then be drawn up outlining what will be done to strive to meet the target(s). The airport is a contributor to local emissions so we work closely with Reigate and Banstead Borough Council (RBBC) because the airport makes a significant contribution to concentrations of NO₂ in the Horley Gardens AQMA.

We undertake continual monitoring, modelling and forecasting to help us more accurately estimate impacts and trends. As part of our S106 legal agreement with WSCC and CBC we have made a financial commitment to fund equipment to further support air quality monitoring for RBBC, which will replace existing monitors.

We also:

- Have financial incentives in place such as landing charges based on engine emission certification;
- Work with BAA and airport industry groups such as the Airports Operators Association (AOA) and Airports Council International (ACI) to influence future international emissions standards;
- Restrict the age of vehicles on site and set requirements for engine testing; and
- Provide fixed electrical ground power (FEGP) for aircraft to use electricity while on the stand. This generates fewer emissions than using aircraft auxiliary power units or diesel ground power units.

Our goal

Our goal is a commitment to take reasonable steps to manage emissions to air from airport activities, driving compliance with prevailing air quality standards and seeking where practicable to improve on those standards.

Our performance

2008 performance targets

One of our key targets that we published for 2008 was to implement a training package to all ground handlers by September 2008 in the use of FEGP. Some progress has been made in this area and it is an ongoing activity.

In 2008, we achieved the following:

- Held constant our on-site CO emissions;
- Reduced NO₂ concentrations recorded at monitors in the Horley Gardens AQMA from nearly 40 µg/m³ in 2007, to 35.8 µg/m³ in 2008;
- Met our 2008 target of implementing our training programme for ground handlers in the use of FEGP;
- Published our air quality management action plan;
- Increased our APU compliance monitoring regime;
- Made a commitment to hold a quarterly meeting with RBBC to consult on local air quality and set up a steering group to manage our commitments and obligations in relation to the 2008 S106 legal agreement;
- Consulted with airside vehicle operators and trialled a new emissions management strategy; and
- Completed a full dispersion model based on our 2005/06 emissions inventory. We compared our actual monitored data with data from our air quality modelling and forecasting study to inform our 2010 inventory work (a full report will be available in 2009).

6 Our environmental impacts

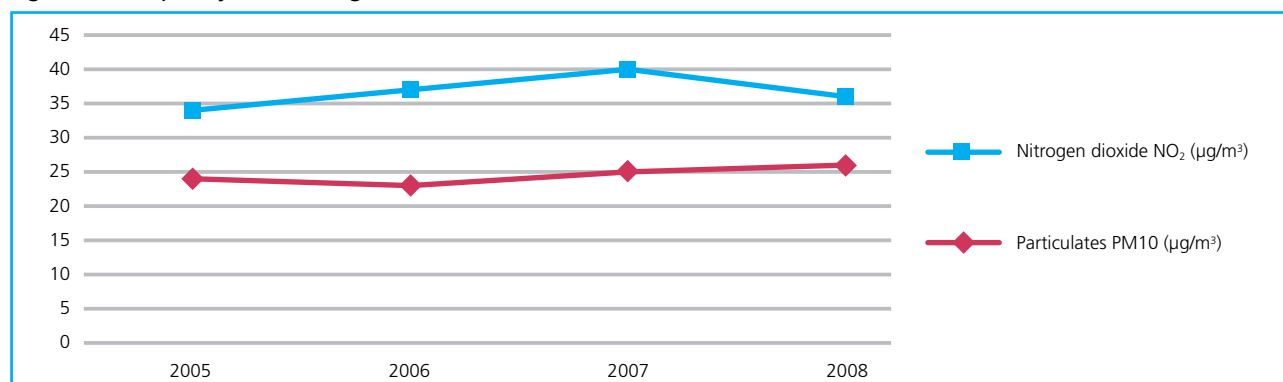
Challenges

Our on-site emissions of particulates rose slightly in 2008. We will develop a strategy to manage this going forward. Implementation of our airside vehicle emissions strategy had also been planned for 2008 but this is now forecast to happen in 2009.

Performance data

The graph and tables below summarise our air quality performance.

Figure 5: Air quality monitoring



Gatwick Airport 2009

	2006	2007	2008
Nitrogen dioxide NO ₂ (µg/m ³)	36.9	40.0	35.8
Particulates PM10 (µg/m ³)	22.4	25.0	25.6
Carbon monoxide CO (mg/m ³)	0.3	0.5	0.5

Figure 6: Air quality at off-airport monitoring sites – NO₂

Off-airport monitoring sites – NO ₂ (µg/m ³)	2007	2008
RG1 (Michael Crescent, Horley, Grid ref. 528206 142333)	30.1	27.2
RG2 (The Crescent, Horley, Grid ref. 528527 141877)	32.8	32.0
RG3 (Poles Lane, Lowfield Heath, Grid ref – 526419 139640)	20.8	20.9

Gatwick Airport 2009

The year ahead

Our 2009 plans include:

- Implementing an airside vehicle emissions reduction strategy;
- Commissioning a study to evaluate and investigate best practice turnaround and ground procedures to reduce ground level NOX emissions;
- Commissioning a feasibility study to investigate whether new procedures to make engine shut-down on taxi-in a standard operating procedure could realise an emissions reduction;
- Adopting best-practice to reduce dust and emissions from construction machinery for any significant development at the airport; and
- Reviewing targets for encouraging airport staff living in Crawley/Horley to use local buses for travel to work.

Further details on our air quality management action plan can be found on our website: www.gatwickairport.com

Our targets for 2009 include:

- To complete a full airport odour study by 31 December 2009.

6.4 Noise

The issue and our approach

Noise from aircraft landings and take offs as well as from passenger traffic can disrupt the enjoyment of daily life for those living nearby. Gatwick Airport is the world's busiest single runway airport and the increase in flight numbers over the past 30 years has offset some of the noise reductions gained following improvements to aircraft airframe and engine design as well as improved airport controls and procedures.

Closer to the airport, noise from aircraft auxiliary power units (APU's), aircraft taxiing and engine testing are also commonly heard. The government sets the noise policy for Gatwick Airport and the Department for Transport (DfT) is responsible for the night flying programme, noise abatement procedures (outlined in the Aeronautical Information Publication or AIP) and other mitigation measures.

The Flight Evaluation Unit (FEU) of the airport produces a quarterly report on data relating to aircraft noise and track keeping which enables us to develop a strategy, set our targets and implement effective noise mitigation schemes.

With regard to specific issues we work closely with NaTMAG (Gatwick's Noise and Track-Keeping Monitoring and Advisory Group) and the Ground Noise Committee (GNC). These report to the Gatwick Airport Consultative Committee (GATCOM), and the Air Noise Monitoring Advisory Committee (ANMAC), a government-led noise policy committee. Our airline partners also work with us to improve our performance in our Flight Operations and Performance Committee (FLOPC).

Our goal

Our goal is to employ all reasonably practicable means of minimising the aircraft noise impacts associated with maximum use of Gatwick Airport's runway capacity, within the framework established by Government.

Our interim noise action plan outlines five key themes:

- A continual commitment to managing aircraft noise impacts associated with Gatwick Airport's operations:
 - Encouraging the quietest fleet practicable;
 - Encouraging quieter aircraft operations where practicable, balanced against NOx (oxides of nitrogen) and CO₂ (carbon dioxide) emissions. For example, single engine taxiing reduces CO₂ emissions due to reduced fuel burn, but there is a negligible reduction in total NOx emissions due to one engine operating at higher temperatures;
- Engage with our communities to ensure we better understand their concerns;
- Influence planning policy to minimise the number of noise sensitive properties around the airport;
- Organise ourselves to efficiently and effectively manage aircraft noise; and
- Build on our existing understand of aircraft noise to inform our priorities strategies and targets.



Our performance

2008 performance targets

In 2008, our target was in line with DEFRA guidelines to consult, publish and begin implementation of a noise action plan by December 2008. Given the delay in the DEFRA guidelines being published we prepared an interim noise action plan as an interim measure which was published as part of the our S106 legal agreement. Gatwick's European Noise Directive (END) action plan (in line with DEFRA guidelines) will be published in 2009.

Our other target was to drive achievement of continuous decent approach (CDA) across the 24 hour period from 81.0% in 2007 to 82.0% for 2008. We successfully reached our continuous descent approach (CDA) target of 82% across the 24 hour period. This is an operational procedure which aims to keep aircraft higher for longer, reducing prolonged periods of level flight below 6000 feet and is summarised in the chart below.

Our independent benchmarking consultants identified that Gatwick Airport is in the top five airports worldwide in terms of operational controls and amongst the leading airports with regard to mitigation and compensation measures. However it also highlighted the greatest scope for development was in the area of stakeholder communication on noise issues.

Other areas of focus for 2008 were:

- Working with local environmental health officers using data from our mobile noise monitors to keep track of the noise climate around the airport;
- Implementation of our noise insulation scheme for properties eligible for acoustic insulation assistance;
- Engaging with our community and airport stakeholders to improve our ground noise operations analysis and reporting;
- Reviewing our formal instruction (managing director instruction - MDI) to airfield users for the running of auxiliary power units. The outcome resulted in shortening the time that aircraft use their APU to only 20 minutes;
- Supporting the precision area navigation (PRNAV) departure trial to improve departure track keeping;
- Continual reporting of our performance against the requirements of the AIP; and
- Gatwick Airport's Flight Evaluation Unit (FEU) continued to register and investigate all complaints in relation with noise.

Challenges

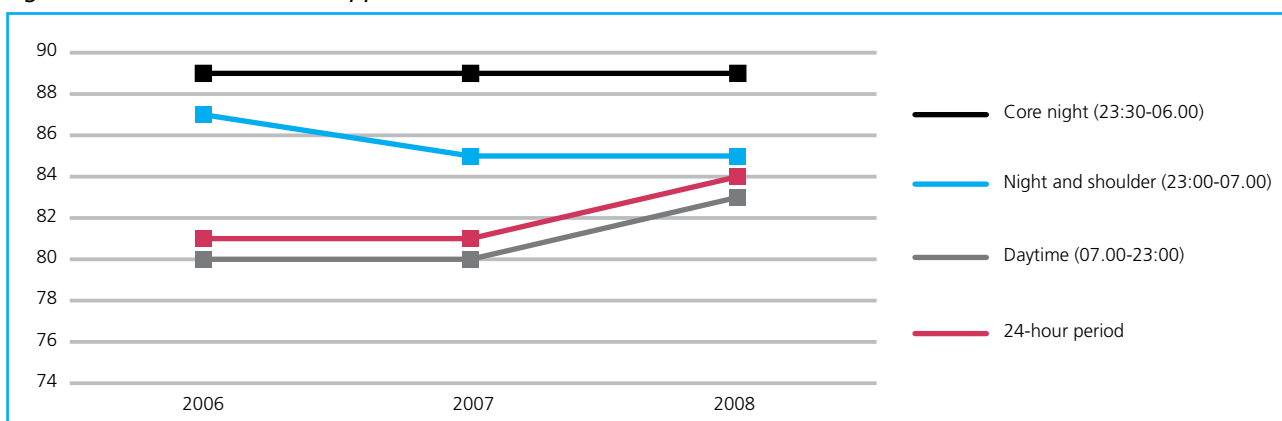
We had planned to publish our END action plan in 2008 however, due to a delay in receiving DEFRA guidelines this will be postponed until 2009. To comply with our S106 legal agreement we have published an interim noise action plan in 2008.

Performance data

Our noise performance for 2008 is summarised below.

Continuous descent approach (CDA) performance (Percentage of arriving flights)

Figure 7: Continuous descent approach %



Gatwick Airport 2009

6 Our environmental impacts

Callers & enquiries

Figure 8: Callers & enquiries

	2006	2007	2008
Callers	794	672	406
Enquiries	6758	5288	6315

Gatwick Airport 2009

Night quota

The night restrictions for Gatwick Airport define a night period, 2300-0700 hours, and a night quota period, 2330-0600 hours. During the night period, the noisiest types of aircraft (classified as QC/4 QC/8 or QC/16) may not be scheduled to land or to take off (other than in the most exceptional circumstances). In addition, during the night quota period movements by most other types of aircraft (including the new QC/0.25 category) will be restricted by a movements limit and a noise quota, which are set for each season: summer (based on British Summer Time) and winter.

Figure 9: Night quota - Winter

Winter	2006/07	2007/08	2008/09
Movement limit	3250	3250	3250
Noise quota	2300	2240	2180

Gatwick Airport 2009

Figure 10: Night quota - Summer

Summer	2007	2008
Movement limit	11200	11200
Noise quota	6700	6600

Gatwick Airport 2009

Population and area within 57dBA LAeq daytime (the A-weighted average sound level over the 16 hour daytime period of 0600-2300) **contour** (We take guidance from the DfT on how to reduce this, but there are no targets set at present).

Figure 11: Population and area within the 57dBA LAeq daytime contour

	2006	2007	2008
Population (individuals)	4500	4800	3700
Area (km ²)	46.7	49.0	46.7

Gatwick Airport 2009

The year ahead

In 2009 we intend to:

- Work in conjunction with our airlines, to improve our methods of communicating with the public by agreeing upon a set of metrics that are more easily understood;
- Investigate the feasibility of single engine taxiing to reduce noise; and
- Publish our END action plan.

Our targets for 2009 include:

- Compared against other UK and international airports, achieve a top 10 ranking in noise communication measured to a benchmarking survey.

6.5 Sustainable transport

The issue and our approach

As an airport with 34.2 million passengers and around 23,000 staff working on site the demand for travel to and from the airport every single day is substantial. By providing a range of high quality transport and on-airport parking options we not only help reduce emissions and cut congestion but we also provide an excellent passenger experience and strengthen Gatwick's role as a regional transport hub. Our airport surface access strategy (ASAS) sets out how we intend to deliver in this area and will be supplemented with the publication of our detailed surface access action plan later this year.

Our goal

In 2007 we published our ASAS. Our overall goal is for 40% of passengers to travel by public transport to the airport by the time the airport reaches 40 mppa. The ASAS sets out three strategic objectives:

- To reduce the rate of growth of trips by private car and taxi by encouraging greater use of public transport;
- To ease congestion by improving traffic management and implementing strategic road improvements; and
- To manage on-site emissions.

We intend to publish a surface access action plan in 2009 where we will build upon the key activities identified within the 2007 ASAS and focus on delivering the benefits of the three objectives outlined above.

The ASAS also sets out a range of passenger and staff transport mode share targets that will be reviewed as part of the action plan development – these targets and the performance against them is detailed below.

Our performance

Performance and targets

Given the long term need for change, we have both mid and longer-term surface transport targets which are set out below.

Figure 12: Sustainable transport targets and performance

	Region	Target and delivery date (%)	2007 performance (%)	2008 performance (%)
Air passengers using public transport**	All passengers	40 at 40mppa*	34.7	36.3
	All passengers	36 by 2008	n/a	36.3
	Central London corridor	90 by 2015	77	77.4
	Kent corridor	15 by 2015	9.8	12.1
	Sussex Coast corridor	25 by 2015	22.7	24.9
	Brighton corridor	50 by 2015	9.8	12.1
	M3 corridor	20 by 2015	17.2	20.9
	M4/M40 corridor	30 by 2015	27.5	26.4
Airport staff using public transport***	Crawley & Horley (local bus)	20 by 2008	n/a	29.9
	South Coast (public transport)	30	n/a	22.6
	South London (public transport)	45	n/a	37.3

* mppa (million passengers per annum)

** CAA Passenger Survey Data 2008

*** Gatwick Airport Employment Survey 2008

6 Our environmental impacts

Rail

Gatwick Airport's rail station is the busiest UK airport rail station with over 12 million users in 2008 (ORR). Approximately 30% of air passengers travelling to and from Gatwick Airport do so by rail. During 2008 we worked closely with Network Rail to look at options for the redevelopment of the station to increase capacity and enhance passenger experience.

The Department for Transport (DfT) also consulted on the re-franchising of the South Central Rail Franchise during 2008. We lobbied both the DfT and the individual bidders to ensure Gatwick Airport's requirements were raised and understood by all parties involved. Our response to the consultation focused on the following key points:

- Maintaining the current service and looking for opportunities to enhance Gatwick Express;
- Maintaining greater connectivity to the airport beyond London to the north and east; and
- Providing early morning services to match the airport peaks – some 35-40% of our daily passengers can be through the front door before 7am.

We also engaged with Network Rail on the Sussex Route Utilisation Strategy which sets the priorities for investment in the rail network around the airport principally between 2014-2019 (with a strategy to 2039). We have ensured that the airport's interests have been represented and we will be providing a response to the final output in 2009.

Coach

Our efforts in 2008 focused on the development of new express coaching services in support of our corridor mode share targets. We regularly meet with a number of coach companies to discuss our requirements and identify any potential opportunities – in particular we looked closely at new services from both Kent and the Hampshire/Dorset regions, plus supplementary services from Brighton and the South Coast in the early morning.

Bus

We further strengthened our working relationship with Metrobus during 2008. We ran a number of joint promotional campaigns and identified a new route that will be launched in summer 2009 providing a direct connection to the airport for key staff residential location in the Crawley area. Overall, we have seen local bus travelcard usage increase by nearly 600% since 2006.

Cycling

We provided funding for the resurfacing of the main north-south cycle route through the airport, which forms part of the national cycle network route 21. We have also investigated future opportunities to improve walking and cycling links across the airport campus to reduce local car journeys.

Gatwick Commuter travel plan

We focused on strengthening the Gatwick Commuter (promotion of sustainable staff travel) scheme in 2008 - all leaflets and promotional material were reviewed and updated and we met with all our key transport operators to make sure their services and discount schemes were attractive to employees. In the summer we appointed a travel plan consultant to lead our ongoing airport community engagement programme. A review was undertaken to compare the current scheme against best practice and the needs of the airport community. This will inform the development of an enhanced Gatwick Commuter scheme in 2009.

Public transport Levy (PTL)

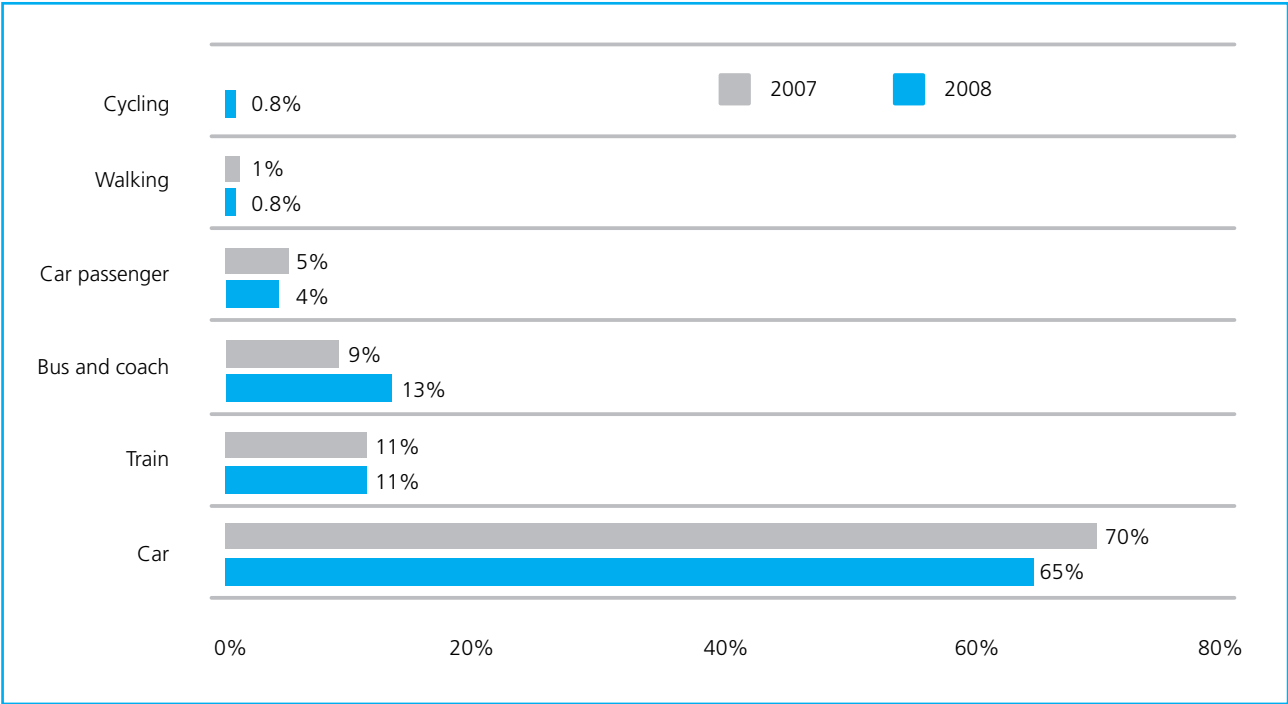
The primary source of funds for our public transport and staff initiatives is a transport levy which we impose on all our public and staff car parking. The revenue is then ring fenced for projects that support our surface access objectives. In 2008 the PTL was worth around £1 million and is a key part of our S106 legal agreement.

6 Our environmental impacts

Performance data

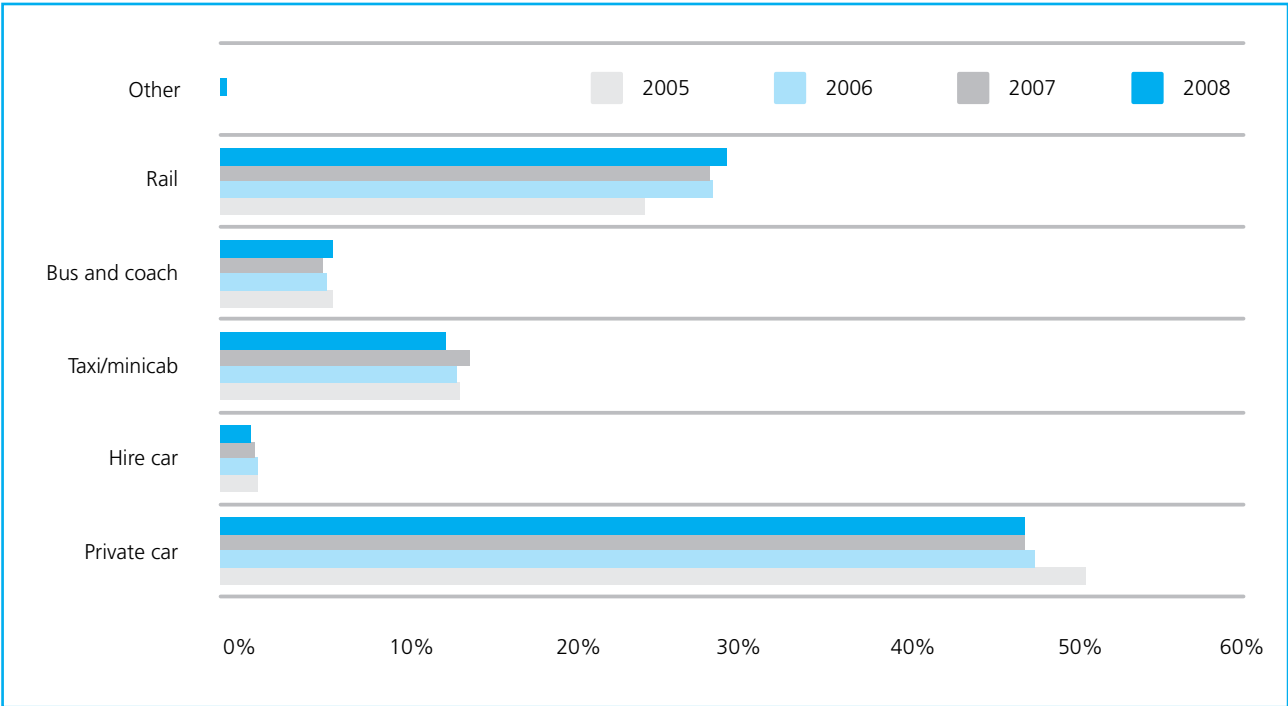
We have summarised our sustainable transport performance below:

Figure 13: Staff travel mode to work 2008



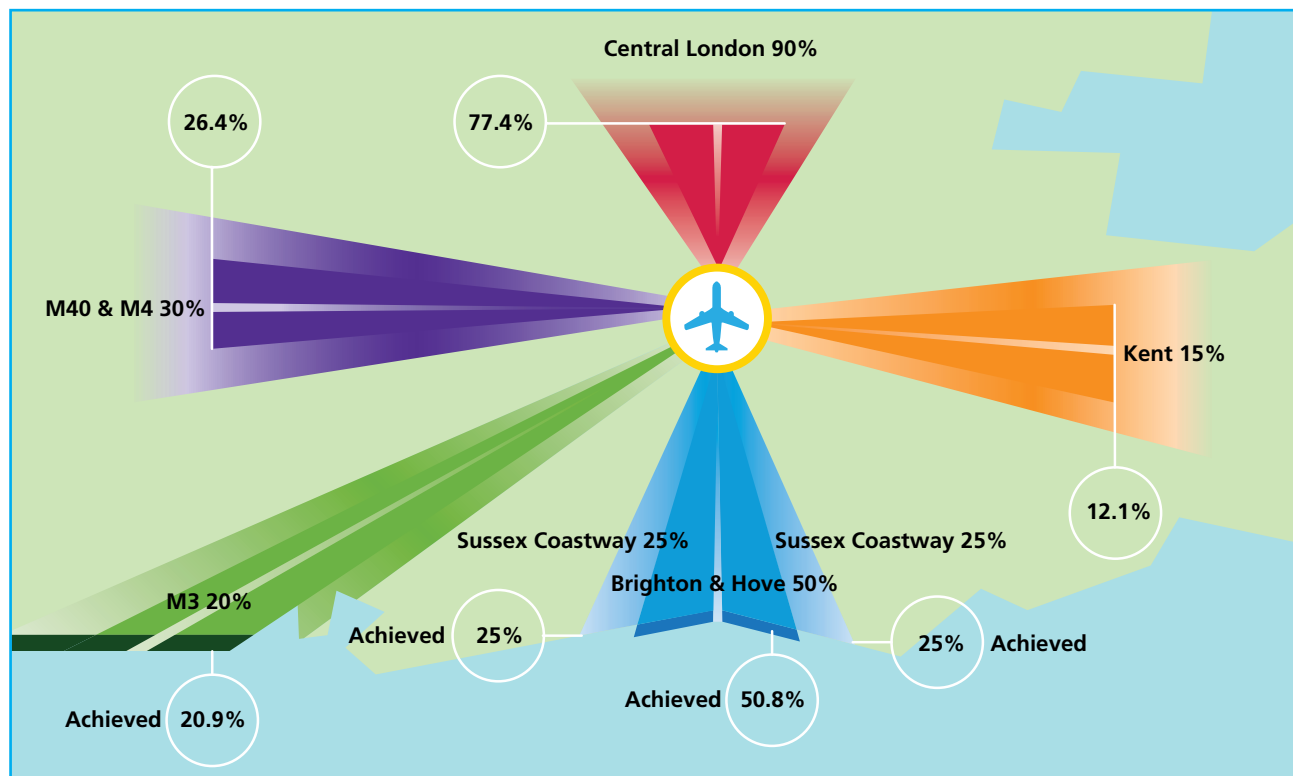
Gatwick Airport Employment Survey 2008

Figure 14: Air passenger travel mode to the airport 2008 (%)



CAA Passenger Survey Data 2008

Figure 15: Air passenger public transport mode share by transport corridor 2008



CAA Passenger Survey Data 2008

The year ahead

Our plans for 2009 include:

- Implementing an onward journey communication campaign to help passengers understand their travel options on arrival at the airport;
- Undertaking analysis to help us understand passenger travel behaviour, so that we can provide the right products and services for passengers;
- Launching the new Gatwick Commuter travel plan for 2009 which aims to increase the number of airport employees travelling sustainably through improving the available discount schemes, refreshing our marketing schemes, and defining our approach to engaging with on-airport employers;
- Delivery against our new car parking strategy which has been agreed with local authorities. This strategy is aimed at ensuring we provide the right facilities for our passengers whilst easing congestion around the airport;
- Introducing the new Pound Hill/Maidenbower bus service;
- Launching a new coach service providing a direct link between North Kent and Gatwick Airport;
- Undertaking a study to measure and monitor the carbon impact of passenger travel and will report on this in the climate change section of this report in 2010;
- Completing the construction of a new link road between A23 and the airport perimeter road to improve traffic flows and accessibility of the airport;
- Working with our local authorities and the Highways Agency to agree the necessary road infrastructure required to support the future development of Gatwick Airport; and
- Continuing to work with Network Rail and train operators to improve the frequency and quality of rail services from the airport. Where appropriate, we will also lobby for rail investment, particularly for the rail station and other infrastructure, to help increase public transport mode share.

Our targets for 2009 include:

- Figure 12 on page 21 details our long-term sustainable transport targets.

6.6 Waste

The issue and our approach

Waste at Gatwick Airport arises from most activities on site- both ours, and our business partners - including retailing, on-site airport catering, offices, cargo handling, cabin waste, and aircraft maintenance. Most of the airport's waste is managed through a single contract in place across BAA's South East airports. Waste from construction and refurbishments are handled separately.

As outlined in our waste action plan and in response to the Governments waste hierarchy, we have the following approach to waste management:

- Reduce waste creation;
- Reuse materials;
- Recycle waste;
- New generation thermal treatment;
- Traditional energy recovery from waste; and
- Landfill final residual waste.

Our goal

Reflecting local and national waste objectives, our goal is to reduce the amount of waste sent to landfill to zero by 2020.

Our goal is set against our objective to manage the generation, recycling and disposal of waste from the airport in a way that mitigates its impact on the environment. We are also working to consolidate our waste management so that all waste, including waste from construction and refurbishment is managed under one contract.

We aim to monitor and report annually on:

- Total waste arising (tonnes);
- Waste per passenger;
- Percentage recovered – recycled/energy recovery; and
- Percentage disposed.



6 Our environmental impacts

Our performance

2008 performance targets

Our key target for 2008 was to increase recycling for general waste handled by the airport waste contract from 21.9% in 2007 to 30% for 2008. We made some progress in that we achieved 26.6% but we recognise that further improvements are required in order for us to meet our 30% annual target.

The total waste handled by our waste contractor in 2008 was recorded as 12,297 tonnes, of which 73.4% (9,026 tonnes) was sent to landfill and 26.6% (3,271 tonnes) was recycled. Waste per passenger decreased from 0.45 kg in 2007 to 0.36 kg in 2008, this represents a 20% decrease over the 2007 total.

In 2008 we also achieved the following:

- Publication of our waste action plan as part of the 2008 S106 legal agreement (for review at least every three years); and
- Installation of a weighbridge to improve our waste measurement allowing individual waste consignments to be weighed at site.

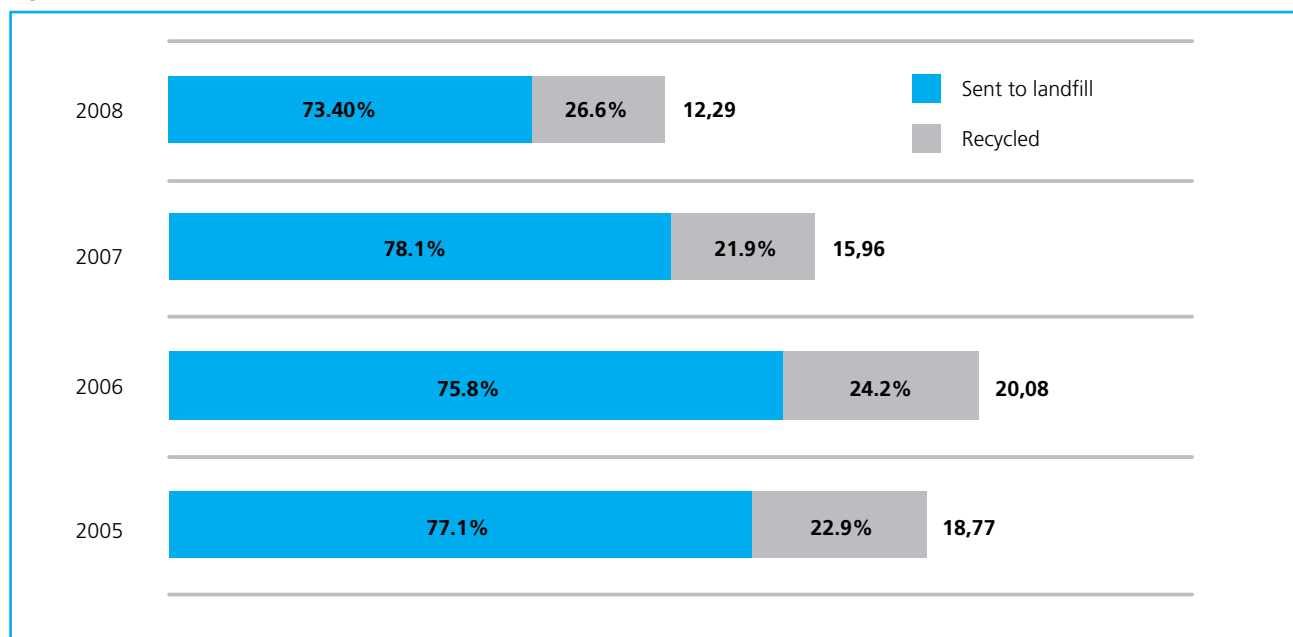
Challenges

An audit of our contract waste was conducted with the aim of achieving our recycling target of 30%. Unfortunately this target was missed and a total of 26.6% recycling was achieved. We will undertake a waste mapping study in 2009 to help us to achieve next year's target of 30% recycling.

Performance data

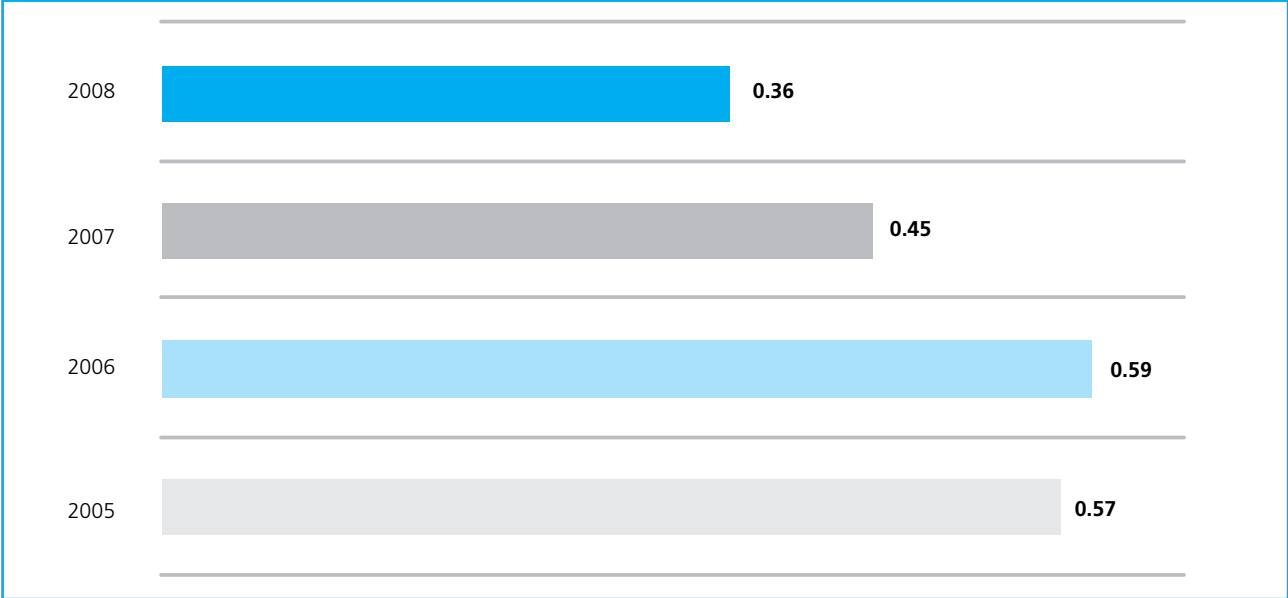
Our waste volume has reduced from 2007 figures; however we suspect that this is in part due to more accurate measurement of our waste following the installation of a weigh bridge. Additionally, a number of companies working at the airport currently handle their waste independently of the current contractor.

Figure 16: Total waste (tonnes)



Gatwick Airport 2009

Figure 17: Waste per passenger (kg)



Gatwick Airport 2009

The year ahead

In 2009 we will carry out a waste mapping study which will identify all our waste streams as well as all the waste that is managed on airport by separate contractors. This will allow us to better understand our waste footprint at the airport and to implement effective waste management systems and facilities.

We also plan to:

- Fully implement the actions from our waste audit carried out in December 2007;
- Work with airlines to increase recyclable materials in cabin waste through segregation, leading to a reduction in waste to landfill; and
- Implement the actions from our waste management action plan.

Details of our waste action plan can be found on our website: www.gatwickairport.com

Our targets for 2009 include:

- 33% of our contract waste to be recycled.

6.7 Water consumption

The issue and our approach

Water is essential to a healthy environment and is a valuable resource which must be used efficiently. A significant amount of water is used in our operation and construction activity at the airport making the existing scarcity of water a threat to our business as well as to our environment and the local communities.

Each year we undertake a water balance audit to highlight areas of imbalance in use or leakage. We endeavour to identify areas where water conservation can be implemented and encourage staff to consider ways of reducing their water consumption.

Our goal

Our goal is to manage our water consumption responsibly by:

- Measuring our water use;
- Detecting leaks;
- Installing low-water technology in our new buildings;
- Implementing water conservation initiatives in our existing buildings, where possible; and
- Providing water that is fit-for-purpose for non-drinking use around the airport. For example, grey water recycled from our surface water ponds.

Our performance

2008 performance targets

Our key target was to reduce our water consumption by 2% against business as usual forecast between January and December 2008. (Forecast: 1.04million m³; target: 1.02 million m³). Unfortunately this was not achieved and our water consumption actually increased by 4.5%.

In 2008, we also carried out a grey water recycling programme on our airfield facility. This water was used for stand cleaning, plant irrigation and construction.

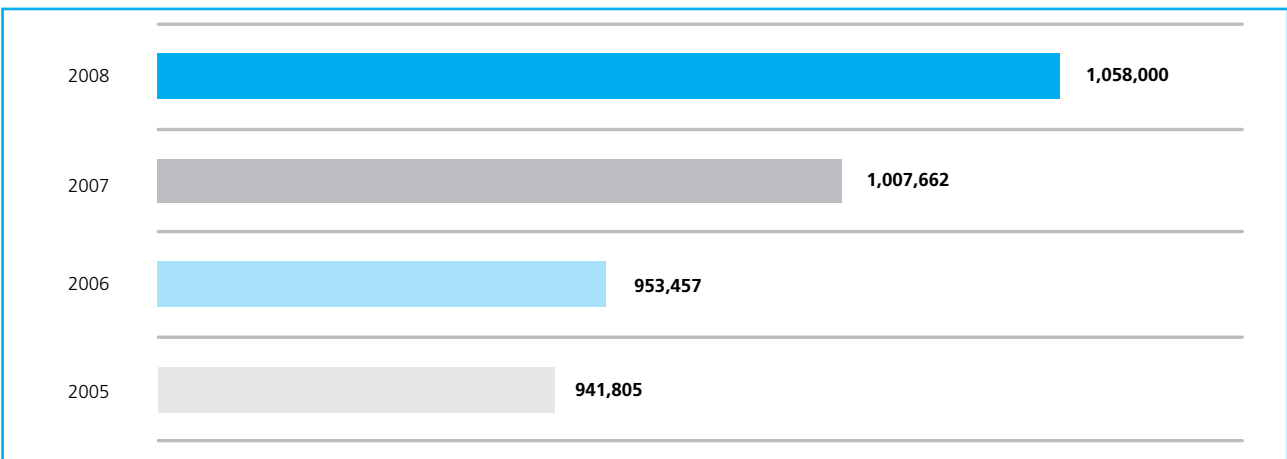
Challenges

In 2008 we missed our target of a 2% reduction against our business as usual water consumption. We have commissioned therefore commissioned a study to review and understand in greater detail our water consumption at the airport. The outcome of the study will enable us to develop a more rigorous approach to water management in 2009.

Performance data

The chart below summarises our water consumption performance for 2008:

Figure 18: Water consumption (m³)



Gatwick Airport 2009

6 Our environmental impacts

The year ahead

As part of our £1 billion capital investment plan (2008-2013) we will ensure that any new buildings are designed to incorporate low water technologies.

In 2009 we will also:

- Continue to encourage our contractors to use grey water recycling;
- Conclude our work on mapping our water use and begin the process of developing a water consumption action plan;
- Continue to track our water consumption on a monthly basis;
- Work with our business partners to reduce their water consumption; and
- Integrate and expand the use of the grey water recycling facility at the North Terminal sanitation block.

Our targets for 2009 include:

- Achieve a 2% reduction in water consumption against business as usual consumption.



6.8 Water and land quality

The issue and our approach

It is an environmental priority for us to protect the land and rivers that surround the airport. We take seriously our responsibility to manage airport activities properly to minimise pollution reaching nearby rivers and to mitigate the risk of local flooding.

We focus our efforts on careful management of waste water from aircraft and stand washing, fuel or other spillages, discharge from de-icer application, and surface water run off from the airfield and other large, concrete areas.

Our management process involves channelling rain and waste water into a series of balancing ponds and ditches. We use the balancing ponds to hold the water while we clean it and release it slowly back into the surrounding area. We must ensure that discharge from the balancing ponds will not harm aquatic life. To this end we are regulated by the Environment Agency (EA) and we are required to follow legally-binding conditions regarding the quality and quantity of effluent discharged to rivers and streams.

Our goal

Our water quality objective is to manage the airport assets and activities to mitigate the airport's impact on the water environment. In 2008, we published our water quality management action plan as part of our S106 legal agreement which sets out specific activities that we will undertake from 2009 – 2011 to meet our objectives. Details of our action plan can be found on our website: www.gatwickairport.com

Our performance

2008 performance target

To have no breaches of the EA water quality discharge consent.

We are pleased that we met our 2008 performance target of having no breaches of our water quality discharge consents through 2008. Below we highlight our other major activities this year.

Water management

A key development for us in 2008 was to publish our water quality management action plan to demonstrate to our stakeholders our commitments and plans to minimise our impact on water quality. The action plan was developed in consultation with local authorities.

Water quality

In 2008, we also worked with Thames Water to put a solution in place to manage the small quantities of cadmium from aircraft plating found in waste water after aircraft washing. We now treat cadmium discharges on-site and have established a comprehensive sampling process to gain accurate readings of cadmium levels in waste water. We will continue to work with Thames Water on this in 2009.

Balancing ponds

In 2008, we improved the capacity of our main balancing pond "D" by removing 8330 tonnes of accumulated sediment.

River Mole assessment

In 2007/08, we also continued our annual biological monitoring investigation on Gatwick Stream and the River Mole. The assessors concluded that "in this fourth year of monitoring, the dataset reveals that the discharges from the airport operations are having no significant detrimental impact upon the invertebrate assemblages and the biological water quality."

6 Our environmental impacts

Challenges

An internal audit in October 2008 highlighted some areas for us to consider to improve our monitoring process. Examples include;

- rental car washing facilities - to ensure that their chemical storage and trade effluent consents were compliant; and
- the bulk storage register - a list of a bulk (> 1000 litres) liquid storage facilities (oil, fuel, de-icer) through out the airport to ensure that they meet legal requirements.

In our 2007 report, we committed to improving our spillage recovery with a new sweeper vehicle. Unfortunately, this project has not progressed and will be reviewed on an annual basis.

Performance data

De-icer recovery

This year our reporting period has changed from April – March to January – December. The figures quoted for 2007 in our last report were not complete as they only represented April 2007 to December 2007.

Figure 19: De-icer recovery

	Aircraft de-icer application (litres)	De-icer recovery (litres)	% de-icer recovery
Jan – Dec 2007	682,238	211,355	31%
Jan – Dec 2008	1,201,914	235,800	20%

Gatwick Airport 2009

For safety reasons, we are unable to limit the amount of de-icer product used on our airfield so we focus on recovering it post-application. De-icer is applied in a 75/25% kilfrost/water solution. From this year onwards we will report on the litres of solution applied to aircraft as opposed to only the de-icer content.

Figure 20: Reported fuel spills

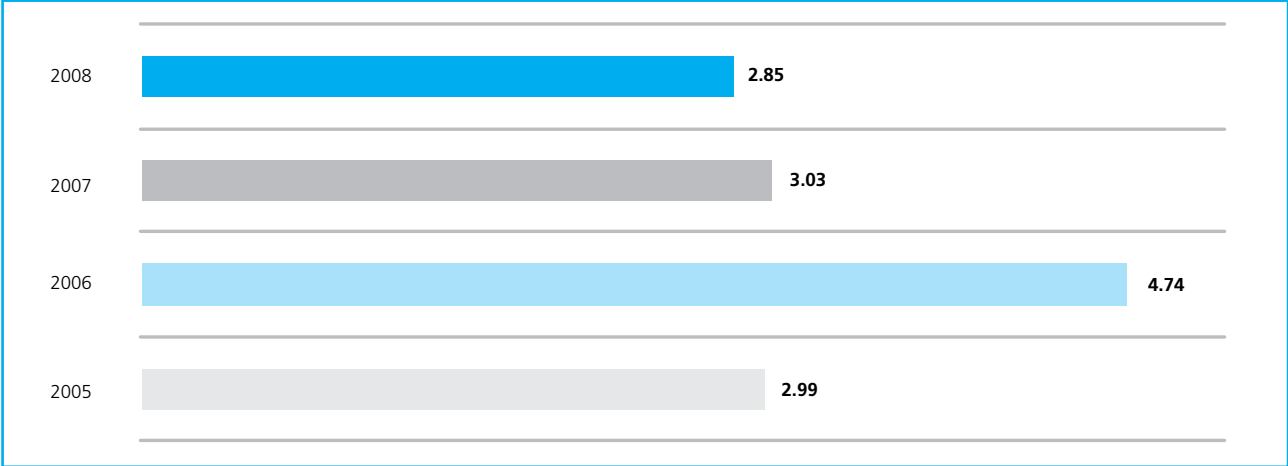
	Fuel spills
2007	58
2008	36

Gatwick Airport 2009

Biological monitoring investigation on the Gatwick Stream and the River Mole

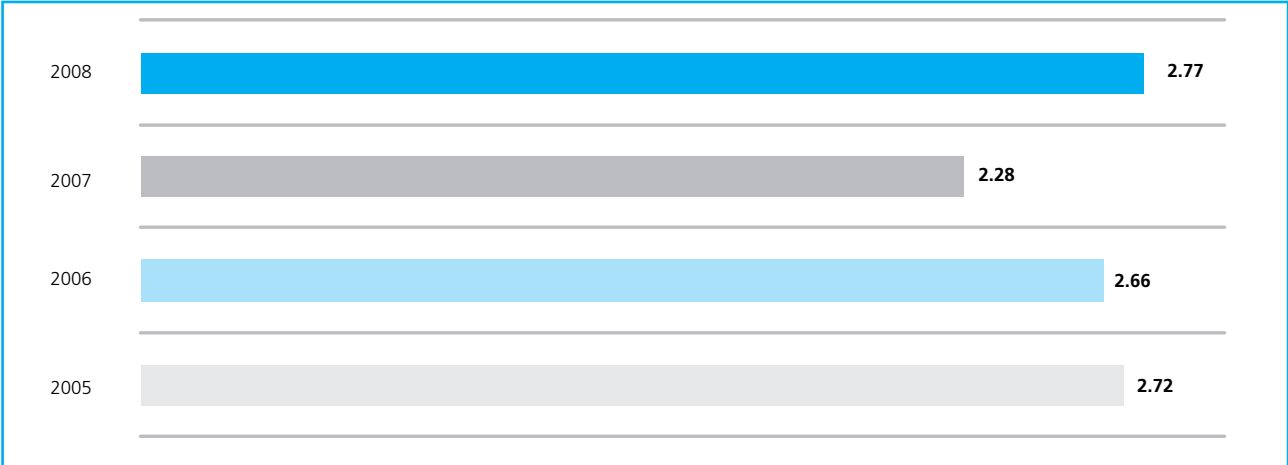
Average biochemical oxygen demand (BOD) of 6.93 mg/l is higher than last years average of 3.63 mg/l. This is due to the effects of a storm event in December 2008, when D pond had a short term BOD of 40 mg/l influencing the yearly average figure. This high BOD water was treated by aeration to lower the BOD to an acceptable level of < 10 mg/l before river discharge.

Figure 21: River Mole upstream BOD (mg/l)



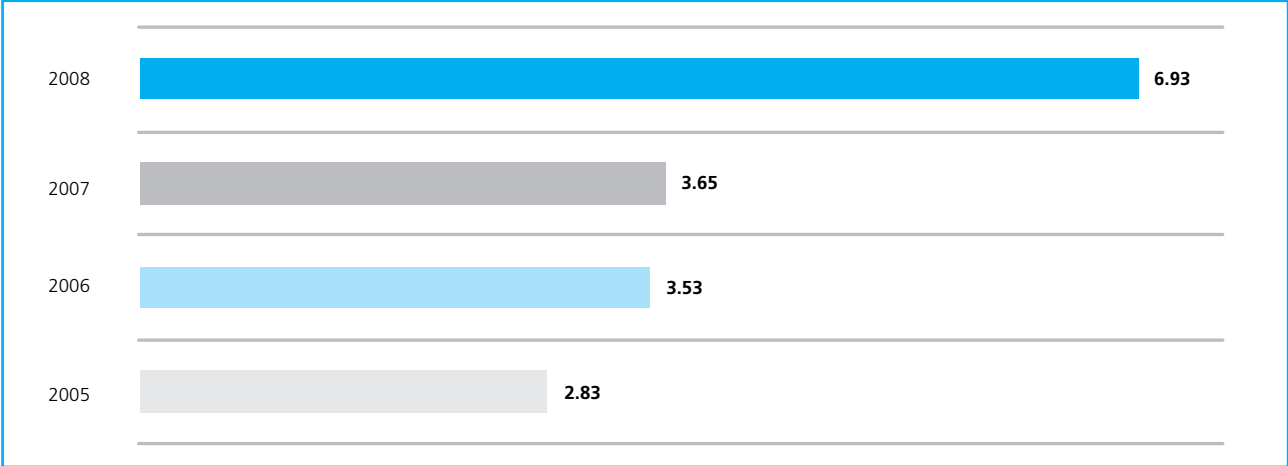
Gatwick Airport 2009

Figure 22: River Mole downstream BOD (mg/l)



Gatwick Airport 2009

Figure 23: River Mole average BOD (mg/l)



Gatwick Airport 2009

6 Our environmental impacts

The year ahead

In 2009 we will:

- Update our flood resilience strategy for the airport, which will detail the required levels of flood resilience for each area of the airport and identify the protection measures necessary for specific business-critical assets;
- Develop guidance on designing for flood resilience and site surface water attenuation for all our projects.(as applicable);
- Continue to work closely with the EA and adopt a more strategic approach to flood protection and management for the airport – this will include discussions about our contribution to the Upper Mole Flood Alleviation Scheme (UMFAS);
- Update our procedures for spill response including training needs and spill reporting;
- Review, upgrade and produce contingency plans for flood response and contamination of foul and surface water systems;
- Update our de-icing code of practice guide; and
- Conclude the survey on surface water drainage, which commenced in August 2008.

More information can be found in our water quality action plan on our website www.gatwickairport.com

Our targets for 2009 include:

- To have no breaches of EA water quality discharge consent; and
- To develop clear site maps showing drainage infrastructure (surface and foul) in order to risk assess and mitigate the chance of non compliance.



6.9 Biodiversity

The issue and our approach

Biodiversity is the variety of life including plants, animals and micro-organisms, their genes and the habitats that support them. Maintaining biodiversity is essential to maintaining the earth's ecosystems and supporting human life. The day to day operations of the airport can have an impact on biodiversity. Our main impact is the potential loss of habitats from development. We work within statutory requirements and aim to achieve good practice in minimising our impact on biodiversity.

Our goal

Protecting biodiversity is an essential part of managing the airport and its growth and development. Our biodiversity objective is to develop the airport in a manner that achieves efficiencies in the use of land and resources whilst seeking to minimise adverse visual and environmental impacts.

We also aim to maintain, implement and monitor the outcomes of biodiversity enhancement and management plans for:

- On-airport water courses – the River Mole, Mans Brook and Crawter's Brook (in conjunction with the EA);
- Areas of our undeveloped land east of the London to Brighton railway line; and
- Brockley Wood.

Our performance

In 2008 we continued to:

- Work with the Gatwick Greenspace Partnership on biodiversity protection and enhancement in a 74 hectare area of land east of the London to Brighton railway line; and
- Conduct our quarterly biological survey of the Gatwick Stream and River Mole, so that we maintain our understanding of the health of fauna populations within these watercourses.

We have conducted additional population and microinvertebrate studies in the area of the Gatwick Stream. As part of the project to replace the transit system at the airport. Further surveys were also carried out on protected species to better understand how to manage existing populations on our airport campus.

Challenges

Managing biodiversity at the Airport is a challenging task. We aim to improve this with the development of a structured action plan.

Performance data

Our quarterly biological survey continues to confirm that the airport has no significant detrimental effect on the populations of microinvertebrates in the Gatwick Stream and River Mole.

The year ahead

Major projects within our capital investment plan (2008-2013) contain environmental performance activities, including biodiversity issues, as an integrated part of the project process. Specifically this has included carrying out checks and surveys on populations of various species within the transit replacement and North-West Zone stands projects to name but two.

We also plan to:

- Keep under review the possibility of securing the Wildlife Trust's Biodiversity Benchmark Award; and
- Continue to build our understanding of biodiversity so that it becomes an integral part of our environment strategy development process and our responsible airport management and development activities.

7 Our neighbours

An airport benefits the local community in a number of ways. It brings jobs, wealth and easy access to overseas travel. We want to maximise the economic benefits of the airport for our employees, suppliers, business partners and the community groups that we support. We plan to expand the capacity of the airport to 40 million passengers per year over the next 10 years. This will generate further prosperity for the region. However, to maintain our licence to operate, we have to grow sustainably. We aim to listen and respond to stakeholder concerns on issues such as climate change, noise, air quality and congestion.

This section sets out our approach to being a responsible neighbour. It covers our sustainable growth plans, our contribution to the local economy, our stakeholder engagement activities and our charitable giving.



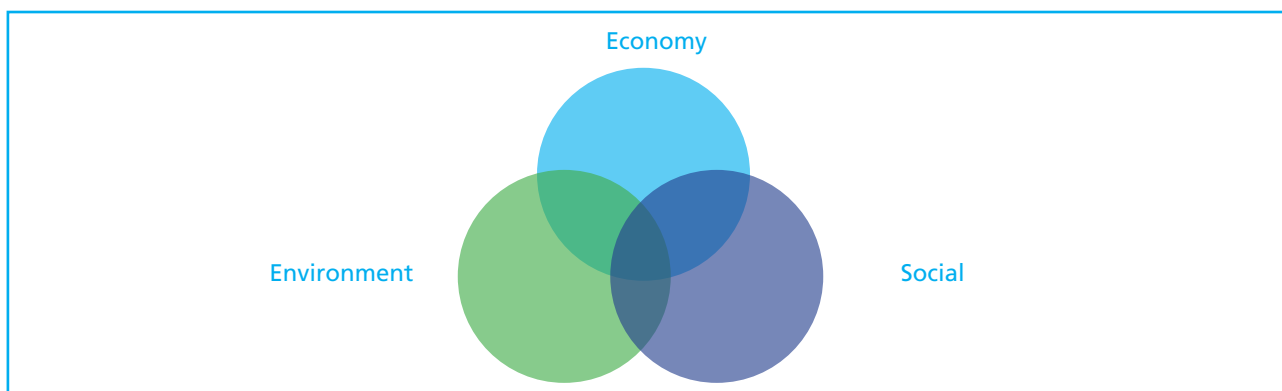
7.1 Sustainable growth

The issue and our approach

Aviation is a global issue and often in the public eye for many different reasons from security changes to carbon management, from competition and regulatory policy to passenger experience.

We know that aviation enables trade and business and is critical to businesses operating in an international context and particularly inward investment. But if we want to grow we have to do it in a sustainable way and therefore for us sustainable growth is at the heart of our business strategy. Gatwick's sustainable growth will be achieved through balancing our economic impacts and social benefits with the environmental impacts of our operations.

Sustainable growth will only be achieved through balancing our economic and social impacts with the environmental impacts of our operations.



We know that the airport generates substantial benefits for the community and economy, e.g. it brings jobs, wealth and easy access to overseas travel. However, there are intrinsic environmental impacts relating to operating an airport. Use of the airport is predicted to grow to 40 million passengers per year over the next 10 years and this will generate further prosperity for the region and the UK.

It is important to recognise that our sustainable growth plans are influenced by many external factors for example:

- In 2008, BAA decided to sell Gatwick as a result of the Competition Commission recommendations published in September 2008. Since then BAA and Gatwick Airport have been involved in facilitating the sale process and also managing the activities required in order to separate Gatwick Airport from BAA. Having the three London airports under separate ownership is considered likely to introduce changes to the markets in which they operate;
- We are experiencing huge economic downturn (and a volatile oil price) on a global basis and we are seeing this manifested into airline consolidations, some bankruptcies and passenger numbers declining. We must ensure that we work closely with our customers to understand how they are managing these economic difficulties and help them prepare for the upturn in the economy and their future plans for Gatwick;
- The future expansion of airports in the South East is under review and the National Policy Statement on Aviation is not due to be published until 2011. Our approach is to continue to safeguard land at Gatwick for the possibility of a wide spaced second runway after 2019; and
- We recognise that we need to minimise the impacts that airport operations have on the environment. We need to continue to manage our facilities in a responsible manner. We will be investing around £1 billion between 2008 and 2013 to revitalise our infrastructure, improve services to our passengers and increase capacity. We need to demonstrate that these investments are designed and constructed in a sustainable way. We also need to explain the economic benefits that such projects will bring to the London and South East economies.

We have a complex operating environment with many different stakeholders and customers. Our approach is to work with our stakeholders so that we all have a better understanding of the long term view and bring the relevant parties together to tackle issues so that we achieve mutual benefit.

Government planning policy

National

In discussing Gatwick Airport's growth plans, it is important to reference the Government's 2003 Air Transport White Paper (ATWP) – The Future of Air Transport. The ATWP's first priority is to make the best possible use of the existing runways at the major South East airports, including Gatwick's. This is why we have focused on achieving maximum use of Gatwick's current runway. The ATWP also identifies the development of two new runways in the South East by 2030, the first at Stansted and the second at Heathrow provided stringent environmental restrictions can be met. In addition, the ATWP requires the safeguarding of land at Gatwick Airport for a potential wide spaced second runway in case a new runway at Heathrow cannot be delivered.

We have previously outlined our intentions to maximise the use of Gatwick Airport's single runway in our Interim Master Plan (published 2006), and we will continue to safeguard land in line with current government policy on airports. Much uncertainty exists at the present time but it is hoped that the new National Policy Statement, expected to be published in 2011, will give more clarity.

Regional

The South East Plan (SEP), was approved in May 2009. It provides a framework for the region's development to 2026. It records that the region's international gateway ports and airports are of both national and regional economic importance. It also identifies the importance of providing consistently good access between the United Kingdom and the world through these international gateways. The key economic role played by the Gatwick sub region is acknowledged. Gatwick Airport is recognised as the single most important element of the area's economy and of significant economic importance to the region as a whole. Further development of the airport is supported by the SEP.

Local

Local Policies are contained in Crawley Borough Council's (CBC) Core Strategy, the Crawley Local Plan as well as specific Supplementary Planning Guidance on Gatwick Airport. The Core Strategy recognises that the economy of Crawley is driven by the presence of Gatwick Airport. Many firms are choosing to locate close by at the airport. This approach supports the further development at Gatwick which contributes to the safe and efficient functioning of the airport as a single runway, two-terminal airport (subject to appropriate environmental safeguards and impact assessment).

Our goal

Our aim is to reach 40 mppa over the next 10 years, whilst maintaining the highest standards in security, delivering a seamless passenger journey and managing the impacts of our operations in a responsible manner.

Our performance

We have highlighted below key areas of work undertaken in 2008 to support our sustainable growth strategy.

Capital investment

In 2008, we launched our £1 billion capital investment plan following the conclusion of the Q5 regulatory review process by the CAA. These investments will be a key enabler for Gatwick to reach its goal of 40 mppa by 2019. We expect to complete the majority of these projects in time for the 2012 Olympic and Paralympic Games.

Key projects include:

- A new forecourt and extension for North Terminal;
- A refurbished South Terminal including a new forecourt and refreshed check-in and arrivals areas;
- Airfield capacity to accommodate new aircraft types and meet required service levels; and
- Airport efficiency improvement projects to enable operational excellence for example improving security facilities and baggage systems.

7 Our neighbours

In 2008, planning applications were submitted for two critically important major capital investment projects for i) the North West Zone stands development (this project required an environmental impact assessment and planning permission was granted by CBC in January 2009) and ii) the North Terminal forecourt and interchange development (this project was endorsed by CBC in January 2009).

Our sustainable construction process is robust and comprehensive. We undertake sustainability assessments for all our projects at each stage of the project's development and ensure we consult appropriately with relevant stakeholders both in the planning and construction phases. Details of our planning applications can be found on our website so you can see the exciting new developments taking place at Gatwick.

During the planning process we consulted with key stakeholder groups including parish, district and county councils, Environment Agency, Highways Agency, Natural England, English Heritage, and Gatwick Airport Conservation Campaign.

More generally, we continue to work closely with CBC and key stakeholders on all developments requiring planning approvals.



South Terminal a revitalised concourse

Challenges

We have many stakeholders to work with in order to achieve our sustainable growth plans. Therefore, it is important that we continue to work closely with our stakeholders so that we influence and shape future policy and decision making that impacts Gatwick.

For example last year we worked closely with Network Rail and stakeholders to develop options to enhance the railway station at Gatwick. The airport has the busiest airport rail station in the UK with over 12 million passengers per year (ORR) and approximately 900 train movements per day. Almost 30% of air passengers arrive at Gatwick by train (CAA Passenger Survey Data 2008). Network Rail has developed a scheme to provide an additional platform to allow extra capacity for rail services terminating at the station. It is also expected that there will be some improvement to the existing station environment. In parallel, we are investing over £90 million to improve the entrance and forecourts of the South Terminal alongside the rail station. These projects will greatly improve the experience for passengers and rail users. It is hoped that these projects will be delivered by 2012.

The year ahead

In the year ahead we plan to:

- Continue working closely with our stakeholders to position Gatwick and its important role;
 - Continue to work with Network Rail to enhance the airport's rail station;
 - Work closely with CBC to better inform them about all our developments and in particular those that require planning approvals;
 - Respond to CBC's consultation on further development of its Core Strategy and Local Development Framework; and
 - Work closely with government agencies, for example the Environment Agency and Highways Agency, so that we develop a more strategic approach to enable the airport to grow to 40 mppa over the next 10 years;
- Begin the construction of key projects such as the development of six new aircraft stands in the North West Zone. This work is due to start in May 2009 and will take 12 to 14 months to complete. We will also start construction of the new North Terminal forecourt which is due to be completed in 2011;
- Consult on a number of other developments to the airport and submit a planning application for an extension to the North Terminal;
- Respond to key government consultations for example on rail, planning and environment issues; and
- Monitor our business priorities for 2009 and publish a new set for 2010 so that our teams have the right targets, budgets and work plans in place.



7.2 Our economic impacts

The issue and our approach

The economic benefits of Gatwick Airport comprise both the direct income and employment created at the airport and supported through its operation and, as importantly, the contribution it makes as a facilitator of other types of economic activity i.e. the wider economic benefits of the Airport.

As the UK's second largest airport welcoming around 34.2 million passengers in 2008 with over 80 airlines operating to over 200 destinations, Gatwick Airport is a significant economic value generator not just for the South East economy but it is widely recognised that it is the key economic driver of the Gatwick Diamond sub-region. Gatwick Airport has a mix of both scheduled (full service and low cost carriers) and charter airlines. Our current £1billion investment plan (2008-2013) will enable the Airport to reach 40 million passengers per year over the next 10 years.

Gatwick Airport is a significant employer and this is a major contributor to the local, regional and national economy. In 2008, the airport generated around 23,000⁵ people jobs on its site and an additional 4,000 people were employed off-site in roles directly related to the Airport's operation. Indirectly, the airport created a further 9,000 jobs, for example, through our supply chain. Much of the employment available at the Airport is taken up by local residents with one third of all Airport employees living in Crawley.

In 2008, over 5 million passengers travelled for business reasons from Gatwick (CAA 2008) making Gatwick the second largest in the UK in terms of business travellers. Almost 80% of passengers are going to or from London and the South East. It is the main London airport for business passengers going to or from East and West Sussex (CAA 2008).

Gatwick is a major public transport hub providing rail and coach services to London, the south coast and the west. In 2008 over 12 million rail passengers used the station at the airport and almost 1 million of these passengers were interchange passengers (ORR). This makes it the busiest airport rail station in the UK. The rail connections to London are used by many local residents on a daily basis and the airport has a commuter car park to cater for the needs of these passengers.

Gatwick has a vitally important role to play in attracting and retaining investment in London and the South East. The airport facilitates trade and contributes to the objectives of the South East Regional Economic Strategy. These are to assist more business to operate internationally and contribute to global competitiveness.

Gatwick has a significant role to play in facilitating international tourism and has almost 10% of the total UK in-bound tourism market (Travel Trends 2007). These international visits made to the UK generate important economic benefits in terms of trade, hotel bookings and spend.

Our Goal

Our goal is to make a positive contribution to the economy and quality of life in and beyond the Gatwick Diamond sub-region. Working with our key stakeholders and business partners will be key to our success in delivering and maximising our economic value locally, regionally and nationally.

⁵ Gatwick Airport Employment Survey 2008

7 Our neighbours

Our performance

In 2008, we focused on the following activities:

Working with our stakeholders

Gatwick Diamond

During 2008 we worked closely with the Gatwick Diamond which is an economic led initiative of public and private sector partners set up by the Surrey and West Sussex Economic Partnerships. The Gatwick Diamond aims to facilitate and co-ordinate actions to promote strong economic growth in the area and its vision is:

“By 2016 the Gatwick Diamond will be a world-class internationally recognised business location, achieving sustainable prosperity”.



The Gatwick Diamond has identified three strategic initiatives that have been identified to deliver a world-class knowledge economy and internationally- recognised business location. These initiatives are: Inspire, Connect and Grow:

- **Inspire:** inspiring knowledge to enhance skills, productivity and innovation;
- **Connect:** improving facilities and transport connections by encouraging investment; and
- **Grow:** smart growth to build our reputation as an economic powerhouse, but achieved in a sustainable way, safeguarding our quality of life and beautiful surrounding countryside.

In the Gatwick Diamond Future Plan 2008-16, Gatwick is identified as a key element to the vision:

“At the heart of the Diamond will be a world-class airport that works to achieve more sustainable aviation”.

Working with local and regional government

During 2008, we maintained a pro-active engagement programme with a range of organisations and economic forums at both local, regional and some national levels. These include: Crawley Local Economy Action Group, West Surrey Economic Partnership, Sussex Economic Partnership, South East England Development Agency, (SEEDA), and South East England Regional Assembly (SEERA).

7 Our neighbours

Working with business organisations

During 2008, we continued to build existing links and develop new relationships with important business and industry stakeholders including CADIA, Institute of Directors (IOD) and Confederation of British Industries (CBI) through hosting and attending events, contributing to surveys and representation on committees.



We are a main sponsor of the annual 'Meet the Buyers' event. In 2008 we successfully hosted an event that was attended by around 200 businesses.

Working with the community

We have a community programme which it delivers to contribute to the quality of life of the local area and to maximise the positive effects of Gatwick on its community. At the heart of our community programme are education and skills. We support a number of initiatives including the Mobile Construction Classroom, Young Enterprise in Business Programme and VSO Global – an international

volunteering exchange programme. We continue to provide funding to the Gatwick Community Trust as part of our S106 legal agreement.

Working with education and training providers

The Gatwick Skills Centre (a joint venture with Gatwick Airport, local authorities, SEEDA and local colleges) was relaunched in 2008 will also ensure that the training and development is in place to ensure that the right skills are available at the Airport to meet its current and future needs.

We also have regular engagement with the University of Brighton and support its initiative to develop a university centre in Crawley.

The year ahead

- As we separate from BAA it will be necessary to build stronger economic relationships at regional, national and international levels to influence government policies on aviation and demonstrate our important role and significant economic impacts the airport has on the regional and national economies and also the wider aviation industry;
- Commission an economic impact study to demonstrate the local, regional and national economic value of the airport;
- Update our 2008 employment study to understand the local employment changes in 2009;
- Continue to be a member of the Gatwick Diamond and work closely with its members and sub-group; and
- Work closely with our local authorities and business groups. We will continue to support the Gatwick/Crawley Meet the Buyer event and the Gatwick Diamond awards event.



Top: Gatwick Airport and Institute of Directors
Bottom: New Gatwick Skills Centre opens November 2008

7.3 Community engagement

The issue and our approach

Many people have an interest in what happens at Gatwick Airport, both in day-to-day operations and new developments and business decisions that impact local people and the economy. Gatwick Airport influences and is influenced by a diverse range of stakeholders. From employees and nearby communities to local authorities, airlines, passengers, businesses, Government and regulators, many people for varying reasons, are interested in both day-to-day operations, future plans and the development of Gatwick Airport.

We have established good links with our stakeholders to ensure we better understand their views and opinions, and so that they are familiar with our operations and our future plans. Our aim is to build interest, communication and mutual understanding, both informally and formally. For example:

- Gatwick Airport Consultative Committee (GATCOM) was established in 1956. It is a statutory advisory body constituted by BAA Gatwick in accordance with the Civil Aviation Act 1982 (as amended by the Airports Act 1986). GATCOM has acted as the airport's independent adviser since 1956. GATCOM has 28 appointed representatives from a wide range of interests including local authorities, airlines, passenger, business and community and environmental groups. It is an important way of engaging with representatives of all our stakeholders groups on a regular and structured basis;
- We have a comprehensive S106 Agreement with WSCC and CBC which has been in place since 2000 and was renewed in 2008. This agreement explains how we approach community and economy issues and focuses on how the airport can make a positive contribution to the economy and quality of life in and beyond the Gatwick Diamond area. Commitments include:
 - maintaining a proactive approach to engaging with key local authority stakeholders in programmed discussions about matters of mutual interest with particular emphasis on the airport's current operation and future prospects;
 - working with relevant partners in the local and regional economy in order to improve understanding of the airport's economic role, and inform opportunities to maximise its economic benefits in the region; and
- We work across the region's business communities and with government agencies, in particular the members of the Gatwick Diamond and SEEDA.



Our performance

On a local level, our main achievement in 2008 was the re-negotiation of our S106 legal agreement with WSCC and CBC. In developing this new agreement we consulted widely and liaised with seven other adjoining councils with the help of WSCC and CBC. The aim of the agreement is to outline how the airport's operation, growth and environmental impacts will be managed responsibly as Gatwick Airport grows to 40 million passengers per year over the next 10 years. It contains far reaching objectives and commitments and for the first time includes publication of our environmental action plans.

We are also committed to sharing information with our local authorities and other stakeholders. We believe this sets a collaborative, transparent approach to implementing our obligations under the agreement. The signatories of the legal agreement meet quarterly with a jointly agreed agenda to review progress against Gatwick Airport's commitments and share performance data.

The year ahead

Our plans in the year ahead will focus on:

- Implementing the 2008 S106 legal agreement and monitoring progress with our local authorities;
- Increase our understanding of regional issues and strategies;
- Building relations at broader national and international levels to increase the airport's profile with the aviation industry; and
- Continuing to work more closely with GATCOM to proactively consider issues effecting Gatwick and its community.



7.4 Community investment

The issue and our approach

We aim to make a positive contribution to those local communities most affected by the airport's operation. One way we do this is through our community investment programme. We have long-standing partnerships with local community groups and focus our programme around the issues that matter to our business and our stakeholders – education, skills development and the environment. We also aim to support our employees and others who work at the airport to get involved in the community through volunteering and fundraising.

As part of our legal commitment with our local authorities, we also make an annual donation to the Gatwick Airport Community Trust. The Gatwick Airport Community Trust operates as a wholly independent charity and has an annual grant-making scheme to support local charitable causes.

Our goal

Our objective is to contribute to the quality of life in and beyond the Gatwick Diamond area. In addition, the 2008 S106 legal agreement details our annual obligations to supporting the Gatwick Airport Community Trust and our Greenspace Partnership.

Our community objectives, obligations and commitments are set out in our S106 legal agreement.

We are also committed to working in partnership to develop and implement a programme of environmental and educational activities in the local area.

Our performance

We have an annual community investment programme. In 2008, we funded the Gatwick Airport Community Trust and also collected passenger donations, plus staff time and in-kind donations and sponsored community events and activities.

Gatwick Airport continues to provide support for Gatwick Travel-Care recognising the vital role that it plays at the airport in dealing with passengers' needs. In 2008 Gatwick Airport contributed £45,000 of funding for the charity including accommodation within South Terminal. Gatwick Travel-Care is a registered charity which supports the needs of passengers in distress at Gatwick Airport. For over 20 years, the charity which employs five staff and over 20 volunteers, handles passengers' travel related difficulties, liaising with airlines, handling agents, consulates, embassies, social services and the police. Travel-Care provide this service seven days a week with a 24 hour on call facility. On average the team helps more than 2000 clients a year, including assistance to passengers in the event of an emergency or incident at the airport).

7 Our neighbours

Here are some highlights from our community investment programme in 2008, supported by funding through the BAA Communities Trust:

- We continued our support for our Gatwick Greenspace partnership with Sussex Wildlife Trust including the leasing of a vehicle. Further funding from BAA Communities Trust provided the partnership with a dedicated Project Officer who delivered 48 volunteering tasks at 15 wildlife sites - totalling 2,358 volunteer hours. The project officer also delivered 10 corporate volunteering events for companies in the area amounting to a further 732 volunteer hours, plus organising 16 guided walks;
- We supported a project to raise the profile of employee volunteering delivered by the Horsham Volunteer Bureau. This included arranging a two day event for Gatwick Airport employees at Outreach 3Way, a local charity supporting people with learning disabilities. The volunteers constructed a new path providing safe access to the centre;
- We supported Surrey SATRO project by sponsoring its mobile construction classroom which toured Surrey providing skills to key stage 4 students;
- We held an engineering professional development day with Surrey Education Business Partnership to showcase the engineering challenges at Gatwick and provide classroom resources for students;
- Provided financial support to help Oriel High School and Westergate Community School in pursuit of specialist school status;
- Ongoing support for the Surrey and Sussex Youth Games to encourage and acknowledge the importance of volunteering in sport; and
- Second year support of Fulcrum, a charity that encourages local students to develop their personal confidence, teamwork and leadership skills through fundraising, culminating in an overseas village community project in India.

The year ahead

During 2009 we plan to review our community investment programme to ensure it continues to meet the needs of the local community. While the review is underway, we will continue with our core activities and key partnerships already established.



8 Our passengers, airlines and contractors

The issue and our approach

We are passionate about making Gatwick Airport a great airport that works. This means ensuring that we deliver our core service in a planned straightforward, consistently reliable and cost-effective way. To do this, it is important for us to focus on how we can improve the overall passenger experience and their journey through the airport. An average of 90,000 passengers departing or arriving from and at Gatwick Airport. We need to ensure the passenger experiences is a seamless journey that is safe, quick and comfortable.

Security requirements placed on us by the government in recent years continue to grow. Inevitably this has had an impact on the passenger experience and their perception of the airport. We continued to work hard to deliver above and beyond our targets, and acknowledge areas where there is room for improvement.

We continued to achieve many of the Service Quality Rebate (SQR) targets set out by our regulator - the Civil Aviation Authority (CAA) on issues such as availability of lifts, escalators, queuing at departures security area and availability of reclaim belts, stands, and pier service.

To keep our finger on the passenger pulse, we have various ways of gathering and managing passenger feedback:

- A dedicated feedback website and feedback cards located at key points around the airport keeps us up to date on passenger concerns and needs; and
- A monthly quality of service monitor (QSM) survey, which interviews passengers on various elements of their departures and/or arrivals experience, aids us in making the right decisions to enhance passenger experience.

We employed a total of 2,288 employees (of which 68% were in customer facing roles) in 2008. Over 200 business partners ranging from airlines and retailers through to ground handling agents and special contracts operate at the airport. We are the key interface between our business partners and passengers and we work hard to ensure that everything works, so that we improve our end-to-end passenger experience.

Managing an airport of this size and scale means we have to work with many customers (airlines and passengers) and business partners (retailers, air traffic control, contractors, etc). We manage to do this by regularly meeting with these organisations, information and data sharing as well as focused consultative groups.

We continue to invest with our contractors through our supply chain strategy to improve business relationships.

We need to be proud of the service that we offer our passengers and confident that we have done everything we can to make the experience a seamless one. From how we communicate with our passengers before they arrive or during their visit to the airport, through check-in, to the way the airport looks, how our equipment works and how passengers feel when dealing with our people. All this contributes to that overall experience.

Our goal

Our overall goal is to make Gatwick Airport the most enjoyable airport experience in Europe. Through our business strategy focus of operational excellence our objectives include

- Improving and simplifying our processes and performance monitoring;
- Up-skilling our teams to enable them to deliver service with confidence and appropriate skills;
- Investing in infrastructure and procedures that will improve the passenger experience;
- Developing and strengthening partnerships with our business partners to deliver a seamless service - for example, the service offered to passengers with reduced mobility (PRM); and
- Working with the ground handling community to improve performance against basic passenger level services such as delivery of last bag to reclaim belt and on time flight departures.

8 Our passengers, airlines and contractors

Our performance

- Security queuing; the percentage of passengers perceiving that they queue at security for less than five minutes has increased significantly from 59% in December 2007 to 66% in December 2008;
- Service quality; we continue to achieve our SQR target in a number of areas such as flight information, the availability of reclaim belts, lifts, passenger conveyors and escalators;
- Our QSM survey highlighted passenger satisfaction has increased in a number of areas within the passenger journey including waiting time at check in, availability of information, helpfulness of staff and thoroughness of security. 41% of the 68 measured elements rated between good and very good in December 2007 compared to 53% in December 2008;
- Passenger complaints dropped 14% in 2008 compared to 2007. The most significant improvement in 2008 compared to 2007 was the 93% drop in complaints about 'security waiting time';
- Airport service quality (ASQ); in the quarterly survey comparing the top ten European airports, we ranked first for availability of parking facilities, value for money in parking facilities, and value for money in shopping facilities. We are proud to have come third for 'Overall satisfaction with the airport' against the top ten European airports; and
- Investment in our assets; for the period of April 2008 to March 2009 we invested £104 million as part of our overall capital investment plan.

Challenges

During 2008 we focused on a number of areas that we identified for improvement, including:

- Providing special assistance to our passengers with reduced mobility;
- Cleaning;
- Pier service; and
- Seat availability in the departure lounge.

However, these are only some of the areas we are focussing on to improve the passenger experience and airport performance.

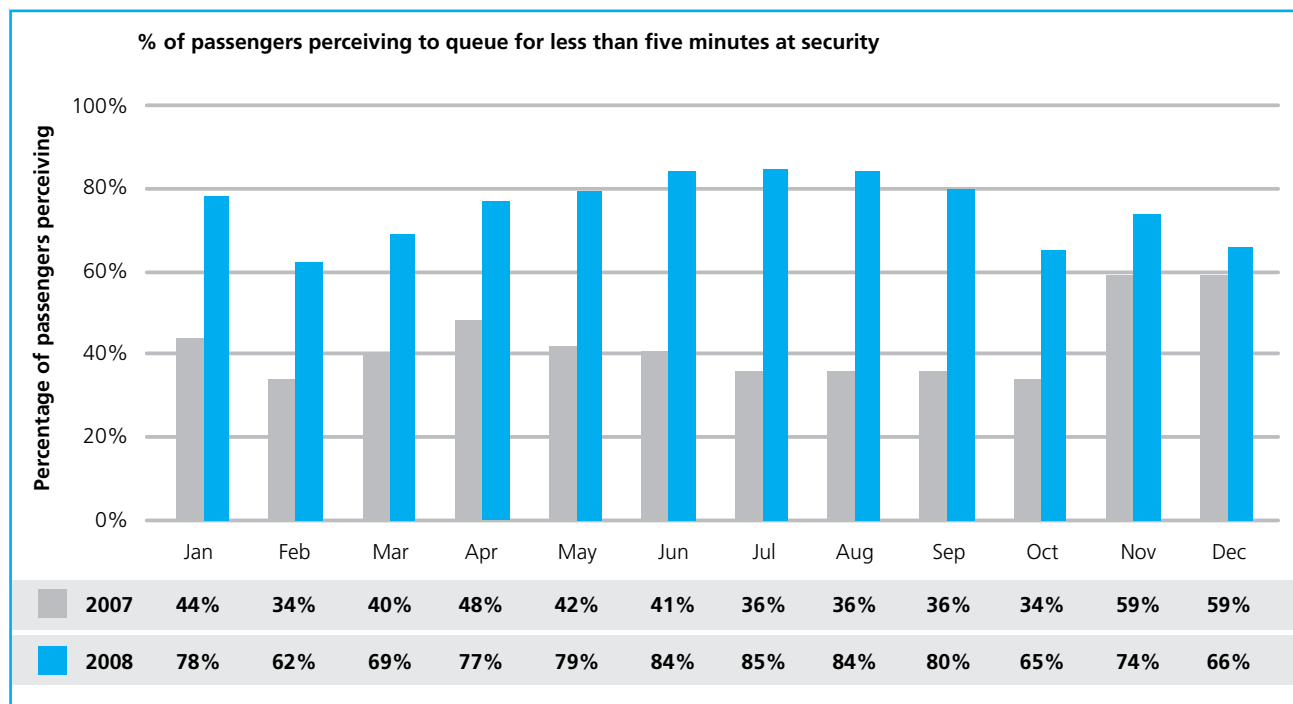


8 Our passengers, airlines and contractors

Performance data

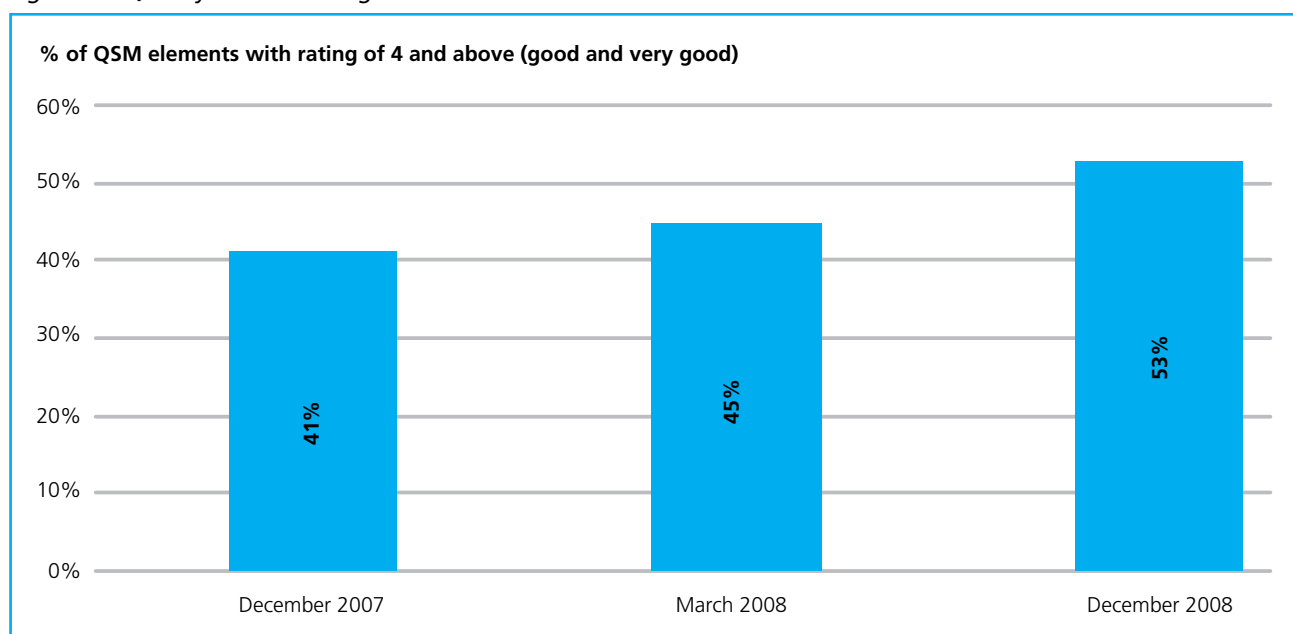
The section below summarises our service performance for 2008:

Figure 24: Security queuing



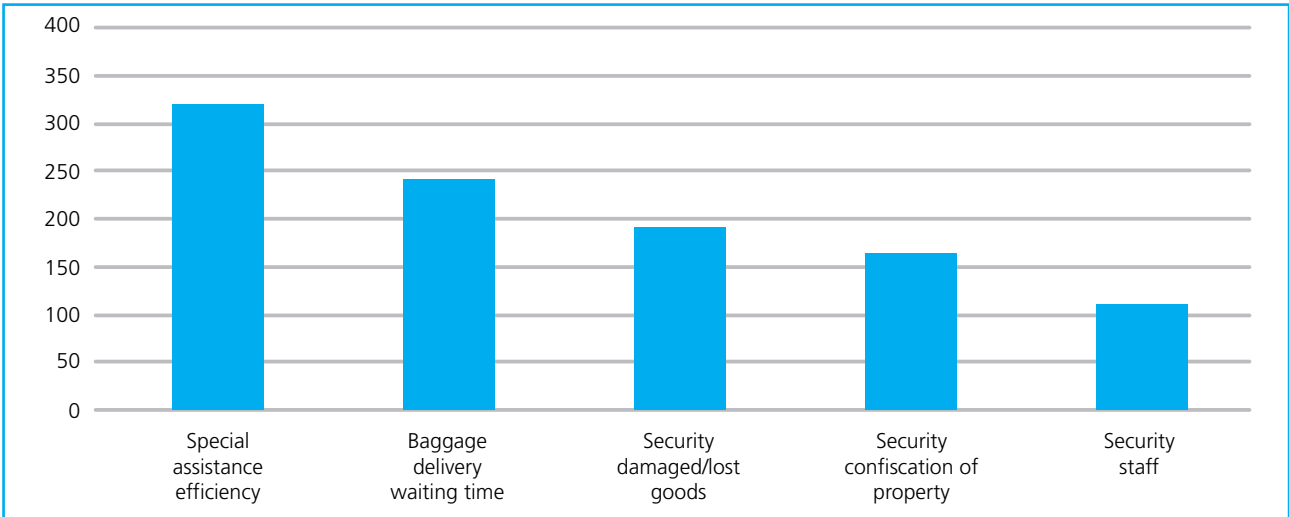
Gatwick Airport 2009

Figure 25: Quality service management



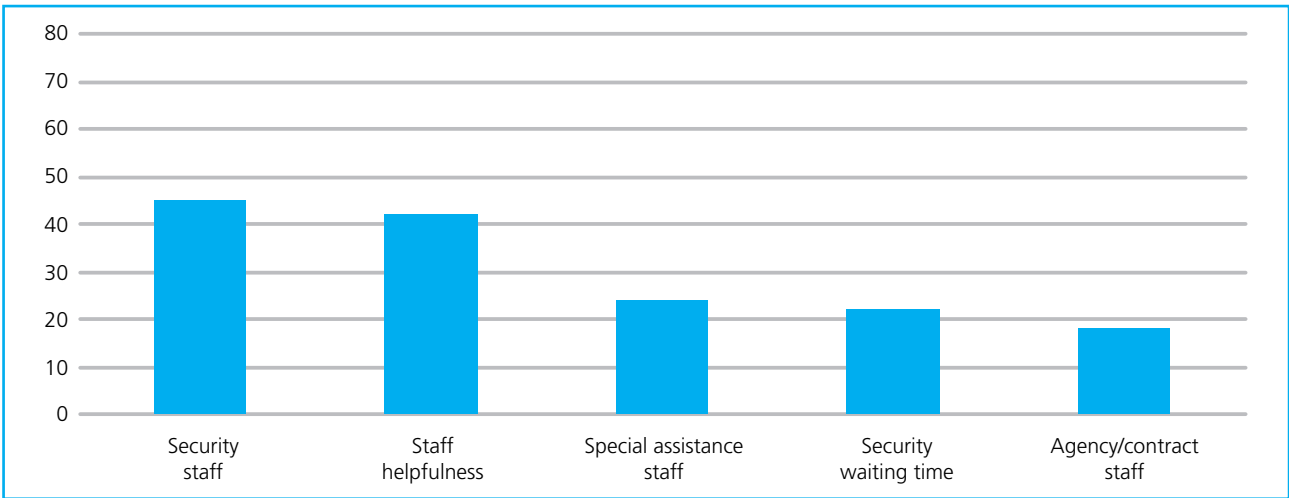
Gatwick Airport 2009

Figure 26: Top 5 passenger complaints 2008



Gatwick Airport 2009

Figure 27: Top 5 compliments 2008



Gatwick Airport 2009

8 Our passengers, airlines and contractors

The year ahead

Our plans for 2009 include:

- Greater responsiveness to passenger feedback - our goal is to reduce average response time from ten days to five;
- Improving the quality of passenger feedback – we will have hand held devices to collect feedback in all key locations (security, departures and arrivals);
- Improvements in key areas, such as departure lounge seating, 'way finding' around the airport, cleanliness and pier service;
- Continuing to reduce waiting time in security queues, whilst working towards creating & sustaining the best possible quality & customer service levels; and
- Improving relationships with airlines and our supply chain partners to facilitate a seamless end to end passenger journey.



9 Health, safety and security

The job of ensuring the health, safety and security of our passengers and staff is a quarter of what we do and one we take very seriously. With thousands of people either working in or passing through our airport on an average day, this is a huge and complex task and one that involves everything from fire safety through to the physical and emotional wellbeing of our employees.

Our comprehensive approach to managing this issue is set out below.

Section 9.1 Health and safety

The issue and our approach

We have a duty of care for everyone who either works for us or uses our services. It starts the moment someone arrives at the airport, and concludes only when they have safely departed. However, our journey is a continual one whose end destination can only be a healthy and safe airport at all times of the day and night.

Our five year strategy forms the framework for our activities. This strategy is based on both a retrospective and a forward-looking view of our progress to ensure we continually challenge ourselves. We assess our risks and performance routinely and seek to embed a sound health and safety culture for our two most important assets – our passengers and our employees.

Responsibility for health and safety lies with everyone and is driven by our senior leadership team, for example our senior managers, who conduct quarterly 'tours' over and above their existing responsibilities to ensure they stay in touch with the breadth of health and safety issues.

Our goals

In 2008 our goals were:

- To continue building a safe working environment for staff and provide them with the help they need to do their jobs well. This includes everything from occupational health and medical drop-in services through to stress awareness workshops and counselling. Training is an essential part of this;
- To secure full fire safety provisions by constantly updating, maintaining, and staying alert to fire hazards. In addition to routine fire training for all staff we have specifically trained fire responders and marshals and a sophisticated alarm system in place to respond quickly to both real, and false alarms; and
- To continue to minimise passenger accidents in and around the airport. As well as reducing hazards where possible (eg. regular cleaning regimes). We have an on-site paramedics service as well as a team of 153 trained first aiders to manage the full range of possible incidents from 'slips trips and falls', through to the more serious.

Our performance

In 2008 we focused on the following four key areas:

- Developed a set of 'leading KPIs' to drive better performance and will be reporting on these in years to come;
- Built on our ongoing assessment of both our own, and our contractors' and business partners' health, safety, security and environment (HSSE) systems and coverage;
- Improved data capture on passenger incidents. Last year we reported 400 passenger incidents which represents 1 in 50-60,000. We record any passenger injury we identify, or that is reported to us, (even minor injuries), including those which would appear to have no cause other than passengers direct behaviour. Many of these incidents are related to slips, trips and falls associated with passenger luggage or associated with the use of escalators and travelators. We have started to monitor 'hot spots' for incidents and consider what actions we might take to reduce the risk further; and
- Our lost time injury rate (LTIR) unfortunately increased over the last year from 0.55 LTI/100,000 hours to 0.58 LTI/100,000 hours. Lost time injury rate is defined as the number of lost time injury cases per 100,000 hrs of work-time. It is a measure that is used by other industries and allows us to benchmark against national data. The rate, which is a 12 month rolling rate, was low at the beginning of 2008 due to very low accident LTI number in the latter part of 2007. To drive improvements, we are focusing on the key potential causes and intend to reduce these.

Challenges

With ambitious plans underway as part of our capital investment plan over the next five years, we acknowledge the need to constantly evolve and upgrade our systems. For example, increased construction work on site means a need for increased vigilance over health and safety issues. We will continue to work closely with our business partners, and focus on up-skilling more staff working at the airport to manage fire evacuations.

Performance data

The table below sets out our health and safety performance for 2008:

Figure 28: Health and safety key performance indicators (KPIs)

	KPI 2007	Actual 2007	KPI 2008	Actual 2008	Target for 2009
Staff LITR (LTI/100,000 hrs)	0.81	0.55	0.5	0.58	0.5
Passenger incidents (category 3 injury* / 1 million persons)	3.21	2.5	2.25	4.51	3.84
Significant false (fire) alarms	Different measurement used in 2007	Different measurement used in 2007	6.68	7.72	6.68

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* A category 3 injury is an incident where the airport may have been partially responsible for the incident (e.g. slippery floor results in accident). However, the performance is not a direct rate, since the category 3 injuries are weighted by severity).

The year ahead

Notwithstanding the degree of uncertainty surrounding new ownership of the airport, the critical issues of health and safety for our staff and passengers remain the same. We know that new ownership will continue to place as much importance on these issues as BAA has done, and that there will always be opportunities for improvement and learning. Our aims for the year ahead include:

- Greater clarity, consistency and accountability in systems and performance management;
- Better understanding of our risks - where they are and how to manage them more effectively;
- Closer integration of health and safety issues into key contractual relationships (e.g. transport, G4S);
- Stronger systems for managing business continuity in case of fire;
- Evolution of our key performance indicators to take better account of passenger safety; and
- An increase in training on health, safety and environment.

We have in development, a set of leading key performance indicators that we intend to drive our improvements across key issues such as training on HSE, passenger safety, fire control, and LTIR. In the course of the next few months we will be finalising these as we move into new ownership.

9.2. Security

The issue and our approach

Eight years on after the events of September 11 2001, the nature and importance of airport security remains our central priority. While we have been fortunate not to have suffered a serious incident at the airport to date, we cannot afford to be complacent. The safety and security of our passengers and those operating in the airport are of paramount importance to us. Airports also attract other types of criminal activity such as theft of high-value cargo and property. As threats evolve and become more sophisticated, so too do we need to evolve in order to stay ahead of the game and maintain the confidence of our passengers, partners and staff.

Our strategy for managing security at Gatwick involves an increasingly complex set of rules and close working relationships with key partners in government, intelligence and security organisations. The Multi-Agency Threat and Risk Assessment (MATRA) process ensures that these key agencies (including the Home Office, UK Border Agency, security services and our business partners) stay focused on delivering an integrated security plan. The integral nature of safety and security with the broader health and safety concerns of our around 23,000 staff and contractors means that we also work hand-in-hand with our colleagues responsible for managing health safety and environment (HSE) issues.

Our goal

Our goal remains unequivocally the same: the maintenance of increasingly sophisticated security systems to safeguard the airport and all who use it, with the minimum disruption to passengers and business continuity. Key elements involved include:

- Advancing technology and equipment for security screening and surveillance;
- Enhanced searching of passengers, staff, vehicles and baggage;
- Increased staffing capacity and training to manage security issues; and
- Shared intelligence and co-operation with business partners, airlines and contractors, government and police departments.

Our performance

We are pleased to have successfully delivered on our commitments for last year:

- Removal of the 'one bag rule';
- Completed delivery of general security awareness training to all airport pass holders;
- Continued building on the success of Project Griffin – a joint programme with the Sussex Police to deliver security awareness training;
- Completed refurbishment of security and screening equipment for almost all public security areas;
- Significantly increased the number of security lanes and security staff to operate them (in 2008 we employed 356 new Airport Security Officers); this has reduced on queuing time and delivered a better passenger experience; and
- Around 700 security officers have been trained between 2005 and 2008.

These improvements, in addition to our continued investment in security staff training have reaped rewards in terms of passenger feedback. Overall, passengers have reported real improvements in helpfulness and efficiency.

Challenges

Maintaining a safe and secure airport 24 hours a day, 7 days a week will always be a challenge. As security issues become increasingly complex and sophisticated, we inevitably face a continual need to upgrade systems, processes and intelligence networks.

The year ahead

Our five year capital investment plan (2008-2013) and prospects of new ownership can only inject new energy into our efforts. Central to our plans for the coming year, include:

- Continued investment in talent and expertise on security matters (this has begun already);
- Completion of the refurbishment for all passenger security areas;
- Implementation of security service quality standards for non-passengers (i.e. staff and contractors);
- Enhanced staff and vehicle screening;
- Continued investment in new security technology;
- More training on customer services and conflict management; and
- Increased collaboration with multiple agencies for contingency planning.



10 Our people

It takes a lot of people to successfully manage an airport of this size and scale. The current total working population at Gatwick Airport is equivalent to a small town, at around 23,000. Of this, approximately 10% are directly employed by us, and the rest by our 200 business partners and contractors. We need to be operational 24 hours a day, 7 days a week. 90% of our staff work on shifts across 674 hectares of airport campus. This complexity and scale of operations makes internal communications challenging. As a result, we need to be flexible to differing needs and requirements. We aim to ensure we provide a safe and secure working environment for everyone. Our priority is to support all our staff at all times.

10.1 Our people

The issue and our approach

People are the foundation on which our success as an airport is built. We rely on them to deliver a myriad of many services around the clock. For this reason, the core of our people strategy is about supporting them to do a good job, retaining good staff, and regular and effective engagement. We are committed to building confidence, core skill development, and promoting from within. To date this strategy has paid off. Our staff turnover is below industry norms.

We have well established management systems and policies inherited from BAA that help to deliver this strategy. Additionally we have an annual staff survey to capture issues, concerns and feedback to keep us on our toes. For the many people working shifts and operating out of offices we have routine face-to-face debriefs to ensure they stay connected, safe and supported.

Our goal

Our focus has been on delivering on our commitments to staff rather than developing new initiatives. Our goals for the year included:

- Responding to a need for more and better training at all levels;
- Streamlining team structures to improve communication and support;
- Acting on feedback from employee survey on local action plans linked to business priorities (please see section on our community activities for more information);
- Delivery of a number of changes in the office environment in response to staff surveys, including designed offices and rest areas across the business, a new communication framework for operational staff, and rosters that support time for communications; and
- A focus on continuous improvement and an introduction of performance management in new areas of the business.

Our performance

In 2008, we have restructured teams to allow a closer and more direct relationship between line manager and employees. We also hired a new training director to develop a comprehensive training strategy. Finally we made great strides in employee satisfaction; our employee satisfaction survey in December 2008 showed that we've improved our performance on keeping people informed of all the changes taking place (up 33% since 2005). We also scored well in improving staff working conditions (up 29% since 2005).

Our December 2008 employee survey recorded improvements in a number of employee satisfaction indices:

Action on performance management and alignment of line managers to their teams

- I know how my performance is measured +15%
- My line manager tells me when I've done well + 10%
- I know what's expected of me in my job + 16%

Action on enhancement of work and rest area

- I think my physical working conditions are good + 19%

Action on new communication framework and rostering time

- I am kept well informed about the changes that affect me + 21% (the strongest improvement)

Action on Involvement groups

- I can make a difference at Gatwick: + 20%

Challenges

Restructuring of any kind unfortunately raises difficult decisions about making redundancies. However, we are confident that we conducted the process responsibly and sensitively. After a comprehensive consultation exercise, the employees affected were given full outplacement support.

In a time of transition such as we are, and with the number of employees we have, it can be a challenge to keep people motivated and up to date with the changes that affect them. With three in five people telling us they feel informed about these changes, we're not doing badly, but there's always room for improvement.

10 Our people

Performance data

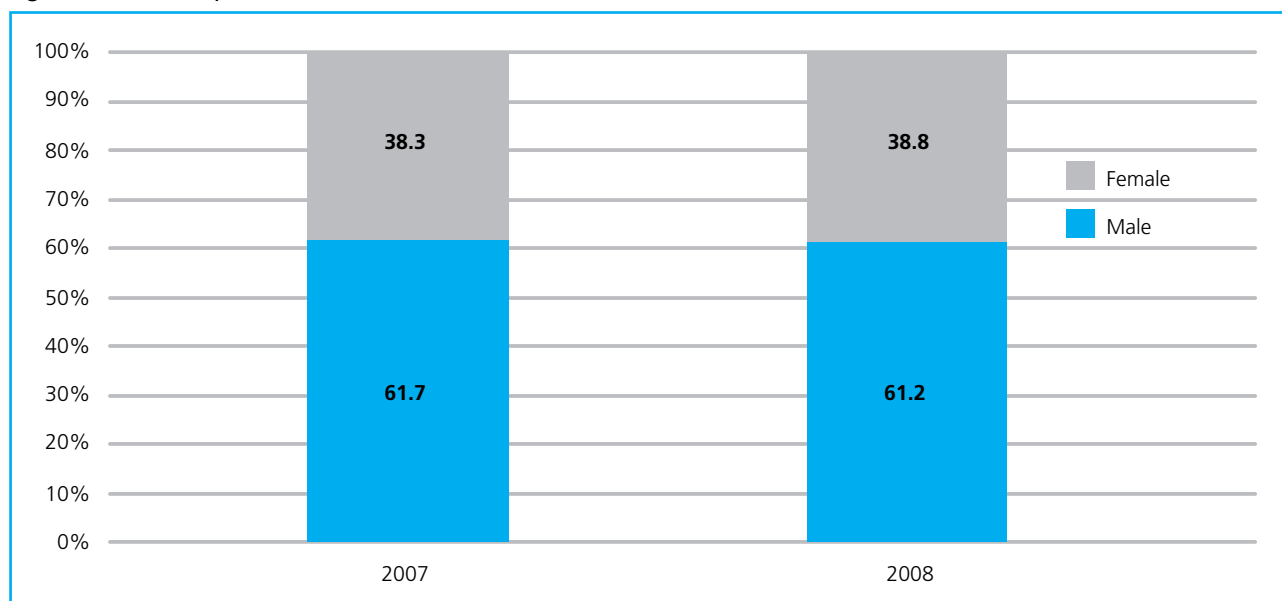
The ethnic mix of our staff, gender and age profile as well as the gender ratio in key operational roles is shown below.

Figure 29: Ethnic mix of staff

Ethnic origin	2006	2007	2008
Other	1.2%	1.8%	0.9%
Asian	3.4%	3.5%	3.7%
Black	0.9%	1.3%	1.4%
Chinese	0.2%	0.3%	0.2%
Mixed	0.6%	1.1%	0.9%
White	91.6%	91.1%	91.4%
Unallocated	2.1%	1.8%	1.5%

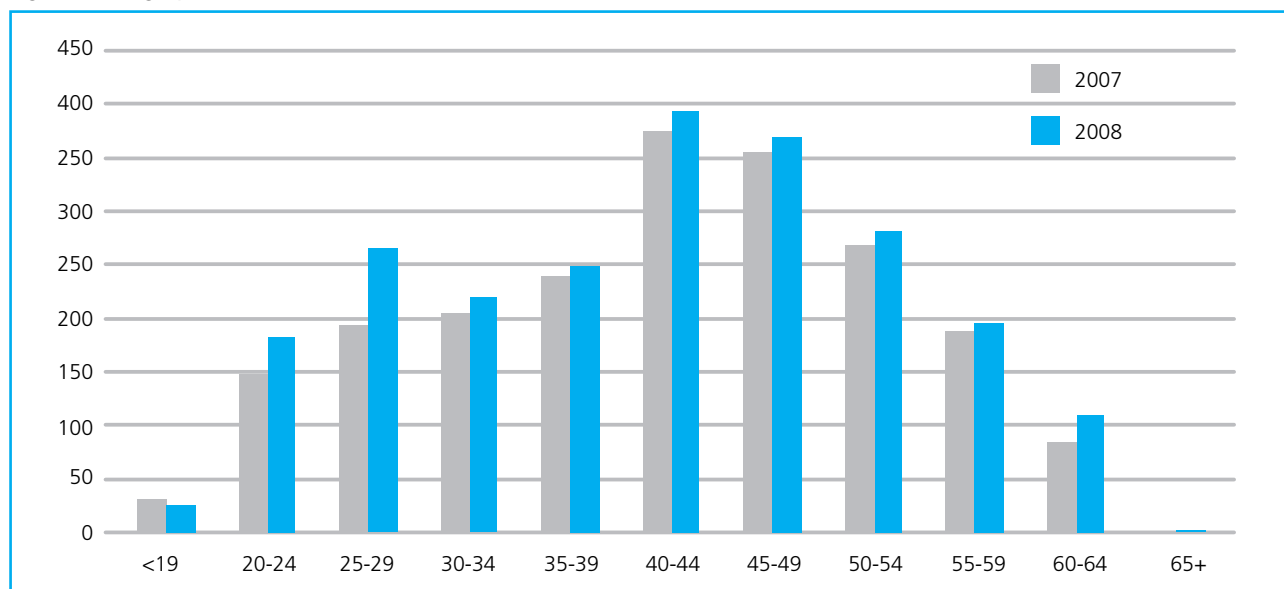
Gatwick Airport 2009

Figure 30: Gender profile



Gatwick Airport 2009

Figure 31: Age profile



Gatwick Airport 2009

Figure 32: Gender ration in key operational roles



Gatwick Airport 2009

The year ahead

Our preparations for sale and separation from BAA has inevitably thrown some uncertainty into plans for the future. A new owner for Gatwick Airport will bring fresh ideas and expectations. However, our role to date, and our role in the year ahead will remain the same: supporting and managing employees in this transitional environment. Our focus will be on embedding good practices, rolling out our training programmes, and working on remaining inefficiencies, so that a new buyer inherits a happy, skilled and motivated workforce.

11 Looking to the future

The sale of the airport will inevitably bring uncertainty in the year ahead. Nevertheless, we are confident that sustainable growth will be a core strategy for our new owners. Managing our growth responsibly will remain central to our licence to operate, irrespective of ownership. Public scrutiny and external expectations will remain, or even grow, as we move into new ownership.

We hope that our stakeholders will be reassured by the longevity of our approach to sustainability which is reflected in our plans for the future including our capital investment plan and our S106 legal agreement.

- Our capital investment programme which has been developed with the airline community. We will invest around £1 billion between 2008 and 2013 to revitalise our infrastructure and enable us to grow capacity to serve 40 million passengers a year over the next 10 years, providing them with excellent service, whilst maintaining high levels of security; and;
- Our S106 legal agreement which sets out how we plan to develop the airport in a way that minimises environmental impacts as much as possible and ensures that the social and economic benefit it brings to the local, regional and national economies is maximised, to enable the airport to grow to 40mppa over the next 10 years.

As we look to the year ahead, working with our stakeholders will be of up-most importance, so that we deliver our sustainable development plans. We will continue to work hard on maintaining existing relationships with local authorities, regional business groups and community organisations. As we continue to separate from BAA we will proactively build wider networks as we endeavour to make our voice heard at a national and international levels so that we can influence and play a part in shaping future aviation and transport industry policies and plans.

We will continue to report on our progress through our annual sustainability performance report.

12 Assurance statement

DNV Assurance Statement

BAA London Gatwick Ltd Sustainability Performance Report 2008

Det Norske Veritas (DNV) carried out an independent verification of BAA's internal audit process applied at BAA London Gatwick Ltd ('Gatwick Airport') in connection with its Sustainability Performance Report 2008 ('the Report').

The Management of Gatwick Airport is responsible for all information provided in the Report as well as the processes for collecting, analysing and reporting that information. DNV's responsibility regarding this verification is to Gatwick Airport only, in accordance with scope of work commissioned. DNV disclaims any liability or responsibility to a third party for decisions, whether investment or otherwise, based on this Assurance Statement.

Scope

DNV's scope of work included the verification of the adequacy of the process applied by BAA's Internal Audit personnel to verify the accuracy and completeness of data and assertions made in the Report in relation to the targets listed below (as stated by Gatwick Airport). Those targets were selected by BAA Corporate and Gatwick Airport Sustainability management personnel, as part of a rolling programme for Internal Audit and External Assurance.

- Reduce our site CO₂ emissions by 5% against 'business as usual' forecast between January 2008 and December 2008 through improvements in energy efficiency;
- Implement a training package to all ground handlers by September 2008 in the use of FEGP;
- In line with DEFRA guidelines consult, publish and begin implementation of a noise action plan by December 2008;
- Increase recycling for the general waste handled by the airport waste contract from 21.9% to 30% for 2008; and
- Reduce our water consumption by 2% against business as usual forecast between January 2008 and December 2008 (Forecast: 1.04 million m³; target: 1.02 million m³)

DNV was commissioned to review of the process, methods and deliverables applied by BAA's Internal Audit personnel during the audit of Gatwick Airport. The scope of DNV's verification did not include a detailed assessment of the credibility of performance information or data presented in the Report, which would have involved site visits or review of data at source. Moreover, it did not include an assessment of the adequacy, effectiveness or efficiency of Gatwick Airport's strategy or management of Sustainability issues. It also excluded the verification of Sustainability management, performance or reporting practices by any of BAA's suppliers or any other third parties mentioned in the Report.

Methodology

This verification was carried out between January and July 2009 by a multi-disciplinary team of suitably qualified and experienced professionals, in accordance with the DNV Protocol for Verification of Sustainability Reports.

The following methods were applied:

- Desktop review of the internal audit programme;
- Review of the internal audit scope and process, through an interview with the relevant BAA Internal Auditor;
- Review of documentation and data collected by the BAA Internal Auditor;
- Desktop review of the reports of the internal audits, in relation to the targets within the scope of this verification;
- Review of relevant data and assertions made in the Report and assessment of the alignment with the findings of the Internal Audits; and
- Reporting of the external assurance findings to the BAA Internal Auditor and Gatwick Airport Sustainability Reporting personnel.

12 Assurance statement

Statement of Independence

DNV states its independence and impartiality with regards to this assurance engagement. In 2008, DNV did not work with Gatwick Airport or any of its stakeholders on any engagements which could compromise the independence or impartiality of our findings, conclusions or recommendations. Moreover, DNV was not involved in the preparation of any text or data provided in the Report, in addition to this Assurance Statement.

Conclusions

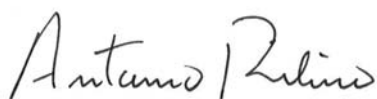
Based on the scope of work carried out, DNV concludes that:

- The Report provides an appropriate representation of Gatwick Airport's performance against the targets within the scope of this assurance engagement, in the 12-month period ending on 31 December 2008; and
- The internal audit process highlighted key strengths and weaknesses in available data and data management processes. The internal audit process was successful in encouraging continual improvement in the quality of data and information presented in the Report.

Recommendations

Based on the scope of work carried out, DNV provides the following main recommendations, which do not affect the above mentioned conclusions and are made to encourage continual improvement:

- The Report should clearly describe how the targets were selected for the purposes of the Internal Audit. Of particular interest would be to demonstrate how these relate to material issues, the processes for involving stakeholders in the selection of issues for the Report (inclusivity) and how the Report seeks to respond to stakeholder interests and concerns (responsiveness);
- There is scope for improvement in data collection and the planning of the internal audit process, to ensure that the data, assertions and information presented in the Report are not significantly different from those reviewed and scrutinised during the Internal Audit process; and
- Gatwick Airport should ensure that objectives and targets are specific, measurable, achievable, realistic and timely. These should also be expressed appropriately in order to ensure that there is clarity on how they are measured.



Antonio Ribeiro
Lead Verifier



Chris Luck
Verifier

Det Norske Veritas, London, 31 July 2009



DNV is a global independent provider of certification, assurance and advisory services, focusing on sustainability, climate change, environmental and health and safety issues across a range of sectors, including aviation.

For further information on BAA Gatwick, please visit our website
www.gatwickairport.com

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