

The way we run our business

Environment

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Climate change

Climate change is an issue of huge importance to us and we have a long-term commitment to address it. Our climate change programme covers four main areas: policy measures to curb emissions growth; voluntary carbon offsetting; fuel efficiency; and support for scientific research.

Our target is to reduce our net CO₂ emissions by 50 per cent by 2050, relative to 2005. Meeting this target will require investment in new technology, sustainable biojet fuels and in cost-effective emissions reductions in other sectors of the economy through the creation of effective global carbon trading markets.

Governments will come together in December 2009 to discuss a future global agreement on climate change. International aviation emissions were not included in the Kyoto Protocol, but we believe that they must be incorporated into this new agreement. We are playing a leading role in aviation groups to develop a global policy approach for the sector.

In December 2008 the European Union finalised the conditions for including aviation in its Emissions Trading System (ETS). With our experience of emissions trading since 2002 we are well placed to meet the EU ETS requirements.

Our offsetting scheme allows passengers to add a carbon offset when they book a flight through ba.com. During 2008, some 150,000 customers offset over 55,000 tonnes of CO₂ in this way and their contributions have helped fund UN-certified carbon cutting initiatives in China and Brazil. In March 2009 our scheme became the first airline offset product to meet the requirements of the UK Government’s Quality Assurance Scheme for Carbon Offsetting – a guarantee that we are achieving genuine, additional and measurable carbon reductions.

We continue to look for ways to improve fuel efficiency and over 600 projects have so far been assessed. Of these, 55 have been implemented, delivering over 65,000 tonnes of CO₂ savings, equivalent to nearly

21,000 tonnes of fuel. In addition, we have reduced CO₂ emissions associated with our UK property portfolio by nearly 11 per cent.

In 2008 our carbon efficiency, expressed in grammes of CO₂ per passenger kilometre (gCO₂/pkm), was just over 107 grammes. Our target is to improve that figure to 83 gCO₂/pkm by 2025. Our carbon footprint was 17.6 million tonnes of CO₂ in 2008.

We are also supporting a number of scientific research projects. These include the European Commission’s IAGOS project which is investigating whether aircraft can be used to collect atmospheric data in-flight and a partnership to develop new policies on preventing deforestation.

Waste

We aim to minimise waste, reduce disposal to landfill and increase reuse and recycling. Where we cannot prevent waste disposal, we aim to manage our waste responsibly.

In 2008 we recycled 35 per cent of dry waste at Heathrow and Gatwick (up from 30 per cent the year before). We have set ourselves the target of recycling 50 per cent by 2010. We will achieve this through the provision of more recycling centres, handling a wider range of materials and by encouraging better segregation of waste.

The amount of waste at Heathrow and Gatwick sent to landfill fell by 7.2 per cent to 3,424 tonnes, during the year. Our non-recyclable waste at Heathrow and Gatwick will be processed through a waste to energy plant before the end of 2009, helping us to meet our target of zero waste to landfill by 2010.

Noise

We are investing in quieter aircraft and technology and aim to change the way we fly to reduce the noise of our activities. We have set a target to reduce our average noise per flight by 15 per cent by 2015.

Night noise is a particular concern for people living near Heathrow and is one of the key issues we want to address. During 2008, we contravened the noise limits at



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Environment continued

Heathrow 36 times, a reduction of 23 per cent compared with 2007. This year, these were principally a result of Boeing 747-400 departures being delayed.

At Heathrow, we use a Continuous Descent Approach on landing to save fuel and cut noise. During 2008, 95 per cent of all day and night flights operated this way, compared with an airport average of 82 per cent for daytime and 88 per cent for night time flights.

Air quality

We have a number of operating initiatives to improve our air quality performance. We have already achieved a reduction in NO_x emissions (nitrogen oxide – a greenhouse gas) through the modification of Boeing 747 (RB211) engines and Boeing 777 (GE90) engines. We plan to further modify our Boeing 737 engines to deliver a 20 per cent reduction in NO_x.

At Terminal 5 and other airports worldwide, we are able to use aircraft stands with fixed ground power and pre-conditioned air which means we will rely less on aircraft auxiliary power units. We have developed procedures for aircraft to taxi on one less engine after landing, and

are now developing similar procedures to taxi out to the runway. These measures will cumulatively reduce CO₂ and NO_x emissions, fuel consumption and noise.

Fleet modernisation

In response to delivery delays for our new efficient Boeing 787 aircraft, we have contracted for six Boeing 777-300ER aircraft (two acquired, four leased) due to start arriving in 2010, with options on a further four. We have ordered two Airbus A318 aircraft for our transatlantic services from London City Airport. Additionally, we have ordered six Embraer E190SR and five E170 aircraft to replace the RJ85 and RJ100 aircraft currently operated from London City Airport.

We are also improving our performance on the ground. At Terminal 5, we have invested in buses specified to the future Euro 5 exhaust emission standard and a fleet of electric baggage tugs. Remote monitoring by telematics technology is being used to manage fleet efficiency and an automatic fuel management system has been fitted to refuelling equipment at Heathrow. We continue to be a member of the Heathrow Clean Vehicles Programme.

Summary of environmental achievements and targets

	Target	2008 ^a	2007 ^a	2006 ^a
Carbon efficiency gCO ₂ /pkm ^b	83 by 2025	107	110	110
CO ₂ emissions (million tonnes)		17.6	17.7	16.6
Heathrow departure noise violations – day		4	1	9
Heathrow departure noise violations – night		32	46	56
Continuous Descent Approach (Heathrow) % – day	95	95	95	84
Continuous Descent Approach (Heathrow) % – night	95	95	94	88
Total waste at Heathrow and Gatwick – including our catering companies (metric tonnes)		26,184	27,121 ^c	26,920
% recycling (Heathrow and Gatwick)	50 per cent by 2010	35.1	30.1	28.9
Waste to landfill (tonnes) (Heathrow and Gatwick)	Zero by 2010	3,424	3,688	4,063
Waste per passenger (kg) (Heathrow and Gatwick)	reduce by 2 per cent per annum	0.78	0.79 ^c	0.78
Heathrow air quality/NO _x emissions to 1,000ft (metric tonnes)		1,081	1,107	1,096

a Calendar years.

b With effect from 2008, traffic statistics now include data related to customers who have flown on 'frequent flyer' mileage redemption tickets. This change brings the Group into line with industry standards, and also into line with all major scheduled carriers.

c Increased due to revised data on catering waste.