

## Environment

We recognise that by providing air transport services we have an impact on the environment. We are committed to reducing our environmental footprint, including playing our full part in reducing global greenhouse gas emissions.

We believe the airline sector should be included in a global sectoral approach with emissions reductions targets of carbon neutral growth from 2020 and a 50 per cent reduction in net emissions by 2050.

We are also focusing on reducing our absolute carbon emissions. A key element of this strategy is the adoption of sustainable alternative fuels, which is why in February 2009 we established a partnership with Solena to build Europe's first biomass to liquid plant to supply us with biofuel from 2014.



We have also taken steps to improve air quality and noise conditions through investment in improved technology. This shows our ongoing commitment to meet the targets set by the Government linked to the construction of the third runway.

### Climate change

Climate change is an issue of huge importance to us and we have a long-term commitment to reduce our emissions.

Our climate change programme is focused in five main areas:

- Securing a global sectoral policy regime with ambitious long-term CO<sub>2</sub> reduction targets;
- Improving our carbon efficiency;
- Developing the potential of low-carbon fuels;
- Promoting our voluntary carbon offset scheme; and
- Supporting scientific research into aviation's climate change impacts.

We continue to play a leading role in the development of a global framework for regulating aviation's carbon emissions.

We are working closely with the International Air Transport Association (IATA), in promoting the target to reduce net CO<sub>2</sub> emissions by 50 per cent by 2050, relative to 2005. Meeting this target will require investment in new technology, sustainable biofuels and in cost-effective emissions reductions in other sectors of the economy through the creation of effective global carbon trading markets.

Indeed, we recognise that biofuels will play a critical role in helping the airline sector reduce its carbon emissions. We are working on a number of projects to help accelerate the implementation of biofuels into the airline industry.

From January 2010, monitoring of emissions and traffic data began in preparation for the start of aviation's entry into the EU Emissions Trading System in 2012.

Our carbon efficiency is expressed in grammes of CO<sub>2</sub> per passenger kilometre (gCO<sub>2</sub>/pkm). Our target is to improve our fuel efficiency to 83 gCO<sub>2</sub>/pkm by 2025.

In 2009, this was 106.1 gCO<sub>2</sub>/km. As a comparison, the average for a car is 109 gCO<sub>2</sub>/pkm. This represents an improvement on last year reflecting better aircraft utilisation, higher load factors and savings delivered through our carbon efficiency programme.

Our carbon footprint was 16.67 million tonnes of CO<sub>2</sub> in 2009, a reduction of 5.2 per cent over the previous year. This is due both to fuel efficiency improvements and capacity reductions during 2009.

During 2009, more than 126,000 passengers offset their emissions. We are the first airline to meet the UK Government's quality assurance scheme for offsetting. We continue to improve our carbon offset product by offering passengers to offset according to their cabin of travel. The scheme helps to support vital renewable energy projects in China and Brazil.

We are also the only airline and, indeed, one of the first UK companies to complete a Forest Footprint Disclosure (FFD). This is an audit of the impacts of our business on global deforestation.

### Noise

We are investing in quieter aircraft and changing the way we fly to reduce noise impact. 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 airports and is one of the key areas where we want to improve. During 2009 at Heathrow, we reduced the number of departure noise infringements by over 30 per cent compared with 2008.

### Air quality

We have a number of operating initiatives to improve our air quality performance. We are modifying our Boeing 737 (CFM56-3) engines to deliver a 20 per cent reduction in Nitrogen Oxide (NO<sub>x</sub>) emissions. The recently introduced Airbus 318 (CFM56-5B) is a lower NO<sub>x</sub> engine.

We use aircraft stands with fixed power and pre-conditioned air so we rely less on using aircraft auxiliary power units and have also developed procedures

## Running a responsible business continued



for aircraft to taxi on one less engine after landing. We operate a large fleet of electric vehicles and continue to be a member of the Heathrow Clean Vehicle Programme to further improve the environmental performance of our ground fleet.

### Waste

We aim to improve resource efficiency through waste minimisation, increased reuse and recycling and reduced disposal to landfill.

We are on track to achieve our target of recycling 50 per cent at our main bases of Heathrow and Gatwick by the end 2010. We achieved 39 per cent recycling throughout 2009.

We are also on track to meet our target of zero waste to landfill by the end of

2010 for our main activities. Over the last year, the amount of waste managed through our contracts at Heathrow and Gatwick disposed to landfill on an annual basis reduced by 36 per cent from 3,424 tonnes to 2,187 tonnes. We have also begun processing our non-recyclable waste at Heathrow and Gatwick through a waste to energy plant which will enable us to meet our zero waste to landfill target.

### Community Investment

We are committed to supporting communities in countries where we operate through our community investment programme.

At present we work with over 120 community and conservation

organisations worldwide. We also have an extensive education programme for children and young people at our Community Learning Centre at Heathrow, which has welcomed over 58,000 learners since it opened in 1999.

Our 16 year partnership with UNICEF came to a close in March 2010. We raised more than £27 million through the generous support of our customers and colleagues through the Change for Good programme. Since the partnership began we have funded projects in over 58 countries and all of the projects we have supported leave a valuable legacy for vulnerable children in the communities where both British Airways and UNICEF operate.

### Summary of environmental data and targets

|   | Target                          | 2009*              | 2008*       | 2007        |
|---|---------------------------------|--------------------|-------------|-------------|
| Carbon efficiency gCO <sub>2</sub> /pkm** | 83 by 2025                      | <b>106</b>         | 107         | 110         |
| CO <sub>2</sub> emission (million tonnes) |                                 | <b>16.67</b>       | 17.60       | 17.7        |
| Average noise per flight                  | 15% reduction by 2015           | <b>On track***</b> | On track*** | On track*** |
| % Recycling (LHR and LGW)                 | 50% by end 2010                 | <b>39.0</b>        | 35.1        | 30.1        |
| Waste to landfill (tonnes LHR and LGW)    | zero to landfill by end of 2010 | <b>2,187</b>       | 3,424       | 3,688       |

\* Calendar years.

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

\*\*\* Our fleet replacement programme is on track to deliver this target.