ags horizons



Sustainability & ESG Strategy

2025–2030



Foreword

It was the United Nations that defined Sustainability as the ability to "meet the needs of today without compromising the ability of future generations to meet their own needs."

For an organisation to truly achieve this requires two things. First, is a recognition that as businesses we don't operate in isolation. At AGS, our airports are much more than critical pieces of national infrastructure. The connectivity they provide generates meaningful employment; enables businesses across the UK to access global markets; supports our burgeoning tourism sector and delivers widespread benefits for the communities they serve. We must also recognise that our operations can have negative impacts which we need to mitigate. Secondly, if a business wants to strive for sustainable growth, then it should have a clear, compelling and transparent strategy detailing the steps it will take and be held accountable to.

It has been four years since AGS launched its Sustainability strategy which set out how we would balance the undoubted social and economic benefits our airports deliver, with our climate change responsibilities. Since then, both AGS and the wider aviation sector have made significant progress in advancing our respective journeys to net zero.

In that time, government policy has also evolved with the introduction of a sustainable aviation fuel (SAF) mandate, investment in research and development of zero-emission aircraft technologies and a renewed determination to modernise the UK's airspace.

At AGS, we have seen SAF supplied at our airports, we have worked with government on research into the infrastructure required to support hydrogen flight, and through our partnership with the NHS we successfully conducted live flight trials in a bid to deliver the UK's first national medical distribution network using drones. Added to this was the sale of AGS in January 2025 to AviAlliance, one of the world's leading private industrial airport investors and operators.

This progress, coupled with our change in ownership, necessitated a review of our approach to Sustainability and the priorities we identified in 2021. We can never lose sight of our environmental responsibilities as we work to enhance connectivity for our regions. However, it is important we continually seek to extend and deepen our airports' roles as instruments of positive social and economic change.

In developing this document, we sought the views of our airline partners, the businesses who operate at our airports, our colleagues, our passengers, the college sector and, perhaps most importantly, representatives from our local communities. Their feedback was instrumental in shaping this strategy and identifying the areas we will focus our efforts on over the course of the next five years.

Sustainability is integral to our business model and long-term success. We have worked hard to embed it into our core operations; however, we cannot stand still. This strategy and the targets which underpin it, will not only ensure AGS can continue to lead by example, it will also help ensure our partners, passengers, staff and communities can share in our success.

Kam Jandu
Chief Executive

Section 2

Our approach to Sustainability & ESG

In 2021 we published our Sustainability strategy which detailed 10 areas AGS would focus on to ensure we can balance the undoubted social and economic benefits our airports deliver with our climate change responsibilities.

These 10 areas, which we defined as "material issues", were underpinned by 40 short-, medium- and longer-term targets and key performance indicators (KPIs) which were grouped into the following three strategic pillars:

- Achieving net zero
- Supporting our communities
- Supporting our people

Importantly, the strategy was anchored in the United Nations' (UN) 17 Sustainable Development Goals (SDGs) which are defined as "a universal call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity." The SDGs are interdependent and based on the three pillars of sustainable development referred to as the "triple bottom line" by the Global Reporting Initiative (GRI), the international institution that sets global Sustainability reporting.

- Social progress
- Economic growth
- Environmental protection

In the four years since its publication, both AGS and the wider aviation industry have achieved a great deal on our decarbonisation journey and in the delivery of our wider Sustainability commitments. In recognition of this progress, it was important we conducted a full review of our strategy to understand if the material issues identified in 2021 were still of relevance and where they could be enhanced.

In reviewing our strategy, we have continued to use the SDGs as the blueprint for our approach to Sustainability



Section 3

Achievements since 2021

Supporting economic growth



Launched our **AGS Diversity, Equality & Inclusion Strategy** for 2024-2028



Held **4** job fairs



Introduced our **AGS Sustainable and Ethical Procurement policy**



Created **2,000+** jobs across our airports



Introduced an **Environmental, Social and Governance** (ESG) supplier survey



Delivered Southampton's **runway extension**



Members of the **Slave Free Alliance**



Engaged **220** local companies in our supply chain



ABZ & GLA are signatories to the **Scottish Business Pledge**

Achieving net zero

All three airports achieved ACA Level 3+

Top ranking GRESB scores

Reduced direct emissions by 65% since 2018 (13% reduction in scope 1)

Hydrotreated Vegetable Oil Used in our operational vehicles

ISO14001 compliant airports

100% non-hazardous waste diverted from landfill

Installed **48 EV chargers** 20 new electric vehicles (includes hybrid)

Completed phase 1 (feasibility) of Glasgow Airport Hydrogen Hub

Carbon neutral airports

Salary sacrifice scheme for staff to support the take-up of electric vehicles.

Updated our **Net Zero** Roadmap

Published **climate change adaptation** reports for each airport

All catering outlets across AGS have **removed plastic straws** and offer sustainable alternatives

Supporting our communities



Donated £270k to over 275 local charities & community groups



Raised £130k through three runway runs



Enrolled in DYW **Young Person's Guarantee** employer scheme



Led a **£10m IUK part funded initiative** in conjunction with NHS conducting live flight trials in a bid to deliver the UK's first national medical distribution network using drones.



Hosted the **Faraday Challenge** with Institute of Engineering and Technology



Consulted publicly on **our Noise Action Plans**

Section 4

Methodology

To develop this Sustainability & ESG strategy, we first carried out an impact materiality assessment to identify key topics across environmental, social and governance (ESG) themes.

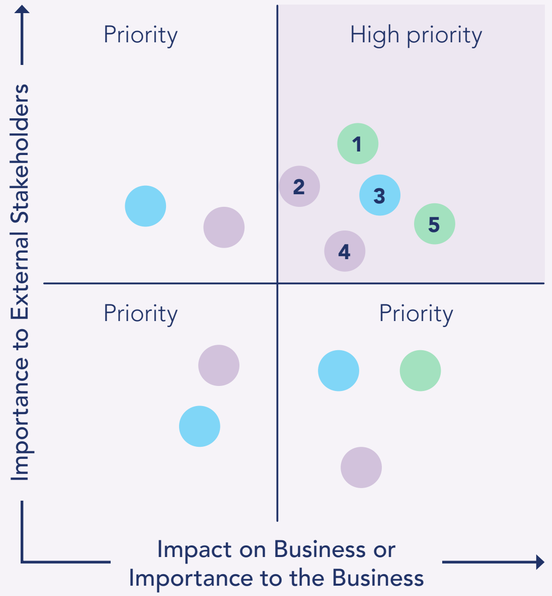
Materiality refers to the importance of information in shaping decisions or actions. In the context of ESG, materiality assesses the relevance of specific topics to AGS' performance, risk profile, and long-term Sustainability.

To do this, we sought the views and input of a wide range of stakeholders including our airline and airport partners, our colleagues, service providers, representatives from our consultative committees and communities. Through a mix of questionnaires and hosting focus groups we were able to explore AGS' key impacts on the environment and society from the perspective of our stakeholders.

The feedback we received not only helped identify topics we should focus on, it provided us with a better understanding of what is important to our stakeholders which we were able to map on a materiality matrix.

Alongside this feedback, we also conducted an extensive benchmarking exercise and used a range of sources to establish the parameters of the matters that would form the basis of our new strategy. These sources included the Global Reporting Initiative (GRI) and the European Sustainability Reporting Standards (ESRS).

Extract from prioritisation exercise showing examples of some of the areas identified



Environmental		Greenhouse Gas Emissions	1	Noise	4
Social		Employability	2	Climate Change	5
Governance		Governance & Ethics	3		

Section 5

Ambition setting and target development

The overarching ambition of our new strategy remains the same and that is to ensure AGS balances the undoubted social and economic benefits our airports deliver with our climate change responsibilities.

As a result of our materiality assessment and through listening to the feedback from our colleagues and partners we have identified nine material issues which we have grouped into four pillars.

These are underpinned by a 10th material issue Corporate Governance and Ethics

- Achieving net zero
- Supporting our communities
- Supporting our people
- Innovation

The addition of a fourth pillar recognises the importance of harnessing innovation in advancing aviation's journey towards net zero. This includes research and development into the rapid upscaling of sustainable aviation fuel (SAF) production, the development of zero emission aircraft, more efficient ground operations at airports, the modernisation of the UK's airspace and carbon capture and removals technology.

Investing in innovation is already yielding positive results for the aviation industry. By the end of 2023, passenger numbers in the UK were 21% higher than they were in 2005, yet carbon emissions had fallen by 9%.

This improvement was due to the billions of pounds invested by the sector into the development and roll out of newer, more efficient aircraft and engines and the initial stages of airspace modernisation. Nonetheless, we recognise the importance of increasing our efforts and accelerating progress in these areas.

At AGS, with funding from the Scottish Government in 2023 we undertook a feasibility study focused on establishment of the Glasgow Airport Hydrogen Hub . The airport led a consortium to test the feasibility of a hydrogen production, storage and distribution hub that would support zero emission flight.

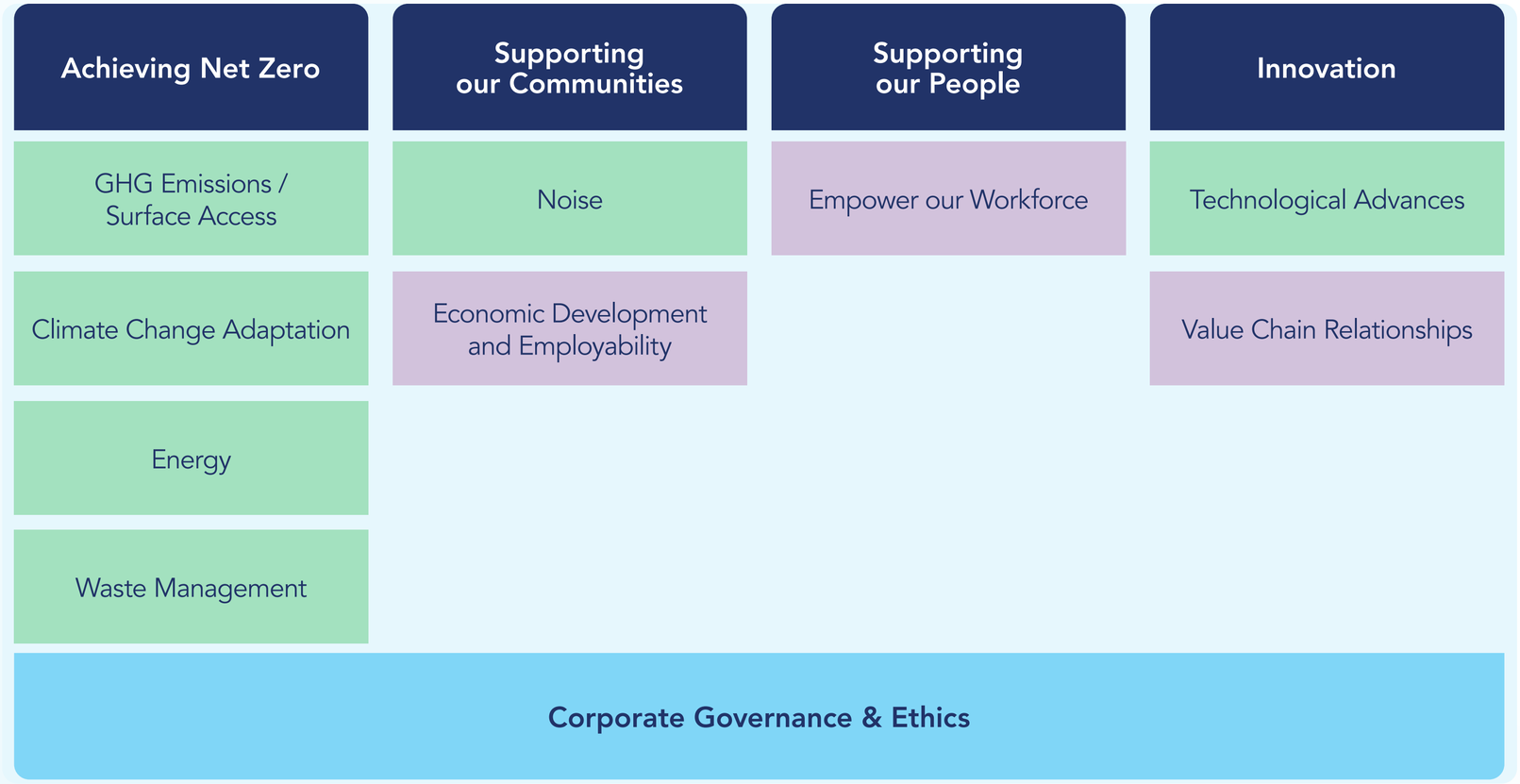
We also entered a five-year partnership with the Connected Places Catapult, the UK's innovation accelerator for cities, transport, and place leadership, to create the UK's first Connected Airport Living Lab. This partnership puts AGS at the heart of testing a diverse range of innovations aimed at addressing challenges facing the aviation sector. This has included trialling artificial intelligence to enhance the customer experience at our airports.

Target development

Each of the 10 material issues has an overarching objective setting out our ambition. Each of the material issues have clear targets setting out the steps we will take to ensure their successful delivery. We have also highlighted the 10 of the 17 SDGs our targets align with.

SUSTAINABLE DEVELOPMENT GOALS

The pillars of our Sustainability & ESG strategy



- Environmental
- Social
- Governance

Section 6

Achieving net zero

The decarbonisation of our airports by 2035 is one of the central pillars of our new strategy. In 2023 we updated our net zero roadmap focusing on the two key Scope 1 emissions: heating and groundside transport.

The targets we have set will ensure we can make further progress in reducing our emissions while preparing our airports for the challenges that climate change and severe weather can bring. Alongside this, we will continue to work with the wider UK industry to achieve the sector's collective goal of net zero carbon emissions by 2050.



Glasgow Airport's fleet of zero emission buses

Section 6

Topic	Objective	Targets	SDG
GHG Emissions/ Surface Access:	Reduce GHG emissions and enhance surface access solutions across our airports to promote Sustainability and improve connectivity	• By 2035 we will achieve net zero carbon for our direct emissions (Scopes 1 & 2) • By 2035, our fleet will transition to low-carbon vehicles wherever feasible and we will roll out FEGP at our airports, supporting our commitment to achieving Net Zero emissions • No longer procure fossil fuelled vehicles and equipment where a suitable zero emission option exists • Our airports will work with local and national government to enhance surface access provision at our airports including the delivery of the Glasgow Metro • Apply for Airport Carbon Accreditation (ACA) Level 4 by end of 2025 and Level 5 by 2035	
Climate Adaptation	Enhance airport resilience to climate risks	• Strengthen airport infrastructure and operations to withstand climate related hazards and extreme weather events, ensuring long-term resilience and adaptability • Conduct annual reviews of climate risk, integrating the latest climate science into our risk management process • Partner with local groups, schools and our contractors to implement biodiversity protection initiatives around our airports • Assess and categorise climate change risks annually for inclusion in the AGS risk register	
Energy	Improve Energy efficiency across our airport operations	• Achieve 25% on-site renewable energy generation for our own consumption by end 2026 at Glasgow Airport, while continuing to purchase renewable electricity • Develop an energy strategy which has carbon reduction at its core across all airports • Strengthen in-house expertise with a primary focus on enhancing energy efficiency across operations • Meet our commitments as set out in the Energy Saving Opportunity Scheme • Achieve ISO 50001 energy management standard by 2030	
Waste Management	Lead waste reduction and recycling initiatives across our airports to promote Sustainability	• Adopt a comprehensive waste strategy that prioritises both waste reduction and recycling, with clear targets including: • % of onsite waste recycled • % increase in onsite recycling rates • % waste volume per passenger • % of reusable packaging used • Achieving 100% diversion from landfill • Develop a uniform waste management approach for the group, ensuring that all airports follow the International Catering Waste (ICW) waste protocols	

Section 7

Supporting communities

Our airports generate in excess of £2bn in Gross Value Added (GVA) per year and, importantly, support in excess of 30,000 jobs across a sophisticated supply chain; so it is no understatement to say our airports are assets of strategic national importance.

They have a vital role to play in mobilising and driving change for the better by promoting sustainable connectivity, skills development, fostering innovation and providing access to meaningful employment.

We are committed to ensuring the local communities we serve can share in our success through access to employment opportunities, skills development as well as the support available through our community funds.

As well as the undoubted benefits provided by our airports, we recognise that aircraft noise can be an important issue for local communities. Each of our airports has a published Noise Action Plan which sets out how we manage and reduce the adverse effects of aviation related noise. Aligned with these plans, we have set targets within this strategy to support our aim of minimising the impact of noise as far as reasonably practicable.



Section 7

Topic	Objective	Targets	SDG
Noise	Minimise aircraft noise impact through effective management strategies	• Maintain our leadership role in the UK's Airspace Change Programme as the first deployment cluster, driving innovation and progress • Enhance our Residential Noise Insulation Scheme to support residents within the 60dB contour, prioritising those most impacted by aircraft noise, and exceeding current aviation noise policy standards • Fulfil commitments as outlined in our Noise Action Plans (NAPs) • Enhance community dialogue through regular engagement and continuous improvement of communication efforts • Collaborate with our partners in Sustainable Aviation to achieve the ambitious noise reduction targets set out in Flightpath 2050, aiming for a 65% decrease in perceived aircraft noise (15dB) by 2050, compared to 2000 levels	
Economic Development and Employability	Enhance workforce skills, foster local talent, and drive innovation through targeted programmes and partnerships	• Foster and expand partnerships with academic institutions to drive innovation and advance Sustainability & ESG initiatives including offering opportunities for student placements • Establish an early years schools outreach programme promoting STEM and Sustainability within the aviation industry • Maximise the recruitment of staff from local communities to strengthen our connection with the region • Establish a formal apprenticeship programme to nurture and develop talent within AGS • Continue to support our communities through our airport community funds	

Section 8

Supporting our people

At AGS, we are committed to providing valued conditions of employment, respecting diversity and promoting equal opportunities for all staff through rigorous ethical, professional and legal standards.

A diverse and inclusive workforce which reflects the customers we serve at our airports is fundamental to our ambitions.

Our AGS Diversity, Equality & Inclusion (DE&I) strategy for 2024-2028 will help create an organisation that is even more inclusive and diverse. Recognising the importance of DE&I we have set targets as part of our Sustainability & ESG strategy to empower our workforce, support their continued development and increase their awareness of Sustainability.



Section 8

Topic	Objective	Targets	SDG
Empower our Workforce	Empower our workforce through expert development, inclusive practices, and continuous learning to drive growth and Sustainability	• Strengthen in-house expertise to drive Learning & Development initiatives that accelerate workforce growth and skill development • Increase internal Sustainability awareness by providing annual Sustainability & ESG training for all employees • Launch a mentoring and coaching program to foster professional growth and development across AGS • As part of our DEI strategy, we will: • Continuously assess and update policies and practices to ensure fairness, eliminate bias, and uphold a zero-tolerance stance on discrimination • Ensure our recruitment processes are inclusive, unbiased, and accessible, while building a workforce that reflects the diverse communities we serve	

Section 9

Innovation

Harnessing and embracing innovation will be central to realising our net zero ambitions.

Hydrogen flight is becoming an increasingly viable option for regional and short-haul aircraft with new use cases developing quickly for electric eVTOL and drones. As a regional airport group that serves the Highlands and Islands, as well as the Channel Islands from Southampton, we are ideally placed to be a testbed for zero emission flight.

We want to continue to play our part in advancing zero emission flight while looking at how innovation can also enhance the efficiency of our airports.



Boeing's ecoDemonstrator aircraft at Glasgow Airport

Section 9

Topic	Objective	Targets	SDG
Technological Advances	Drive technological innovation at the airport to enhance efficiency and Sustainability	• Implement the first scheduled Zero Emission Flight (ZEF) passenger route in the UK • Waive landing charges for the first airline to operate zero-emission aircraft during their inaugural year of operation from an AGS airport • Lead the transition to hydrogen-powered aircraft by taking a lead role in industry groups, driving innovation, and advancing infrastructure development and regulatory collaboration • Accelerate the advancement of Advance Air Mobility through strategic partnerships focused on new airframe technologies and urban air mobility solutions • Implement ground operations projects that promote Sustainability, including the adoption of green technologies and zero-emission equipment, in collaboration with industry partners to enhance flight operations • Launch and implement a Sustainable Aviation Fuel (SAF) incentivisation scheme at AGS Airports	 
Supply Chain Relationships	Drive sustainable procurement and carbon reduction while promoting local sourcing and ethical practices	• Actively promote and seize opportunities to increase the involvement of local suppliers in AGS's procurement processes, fostering regional economic growth and supporting local businesses • Integrate circular economy principles to foster and promote sustainable development across our suppliers • Develop and integrate an Sustainability & ESG Code of Conduct into our procurement process for both tendering and incumbent suppliers, with progressive integration for incumbents, and continuous monitoring to ensure compliance and drive Sustainability • Ensure the integration of the Sustainability & ESG Code of Conduct into concession agreements to align with Sustainability and ethical standards. • Monitor and assess the inclusion of ESG metrics in procurement contracts, with the aim of ensuring all applicable contracts include ESG metrics • Measure and reduce the embodied carbon in development projects, with the goal of achieving PAS2080 certification for supply chain construction management	

Section 10

Corporate governance and ethics

We have a responsibility to our passengers, business partners, communities and shareholders to providing the necessary assurances that we run our business in a responsible and ethical manner.

Doing so requires a solid ESG framework for managing risk, ensuring compliance and communicating in an open and transparent way.

By enhancing governance around our Sustainability & ESG performance, we can drive accountability across the business and in doing so deliver the targets set out within this strategy.



Section 10

Topic	Objective	Targets	SDG
Corporate Governance and Ethics	Enhance Sustainability & ESG governance through alignment, transparency, compliance, and stakeholder engagement.	• Conduct a comprehensive review of ESG measures, targets, and reporting mechanisms at both the Executive and Board levels to ensure alignment, transparency, and accountability. • Clearly define and communicate roles and responsibilities within the governance structure to ensure transparency, accountability, and effective decision-making • Conduct a review of Sustainability & ESG within asset management as part of an organisational review • Create consistent channels for stakeholder feedback and ensure all concerns are addressed openly and transparently • Publish an annual Sustainability & ESG performance report	

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Sustainability Strategy 2025–2030