



**Aberdeen International
Airport**

**GLASGOW
AIRPORT**
PROUD TO SERVE SCOTLAND

AGS Airports'

ESG STRATEGY

2025-2030

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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 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**



Created
2,000+ jobs
across our airports



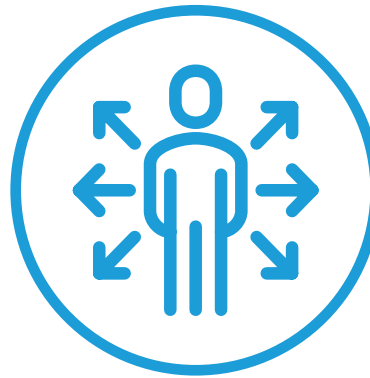
**Delivered
Southampton's
runway
extension**



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



**Members of
the Slave Free
Alliance**



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

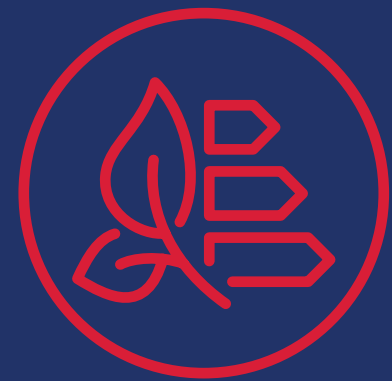


ABZ & GLA
are signatories
to the Scottish
Business Pledge

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



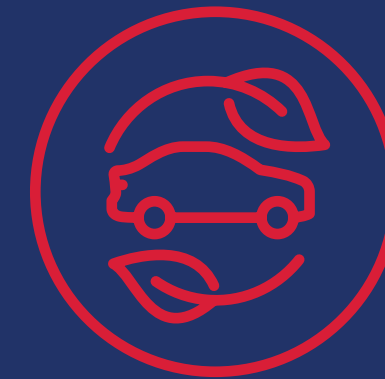
Installed
48 EV chargers
20 new electric vehicles (includes hybrid)



Completed phase 1 (feasibility) of
Glasgow Airport Hydrogen Hub



Carbon neutral airports



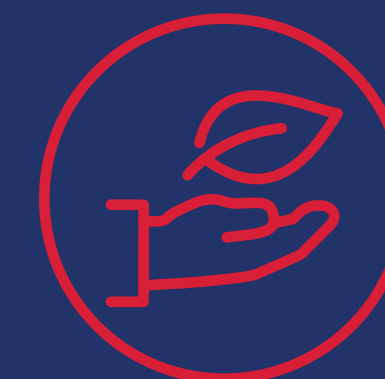
Salary sacrifice scheme
for staff to support the take-up of electric vehicles.



Updated our
Net Zero Roadmap



Published
Climate change adaptation
reports for each airport



All catering outlets across AGS have
Removed plastic straws
straws from circulation and are offering sustainable alternatives.

Supporting our communities



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

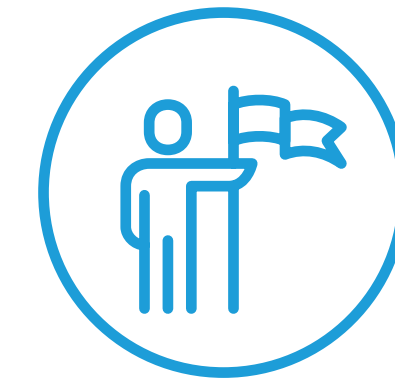


**Led a £10m IUK
part funded
initiative**

in conjunction with NHS
conducting live flight trials in
a bid to deliver the UK's first
national medical distribution
network using drones.



Raised £130k
through three
runway runs



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



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



Consulted publicly on
**Our Noise
Action Plans**

Section 4

Methodology

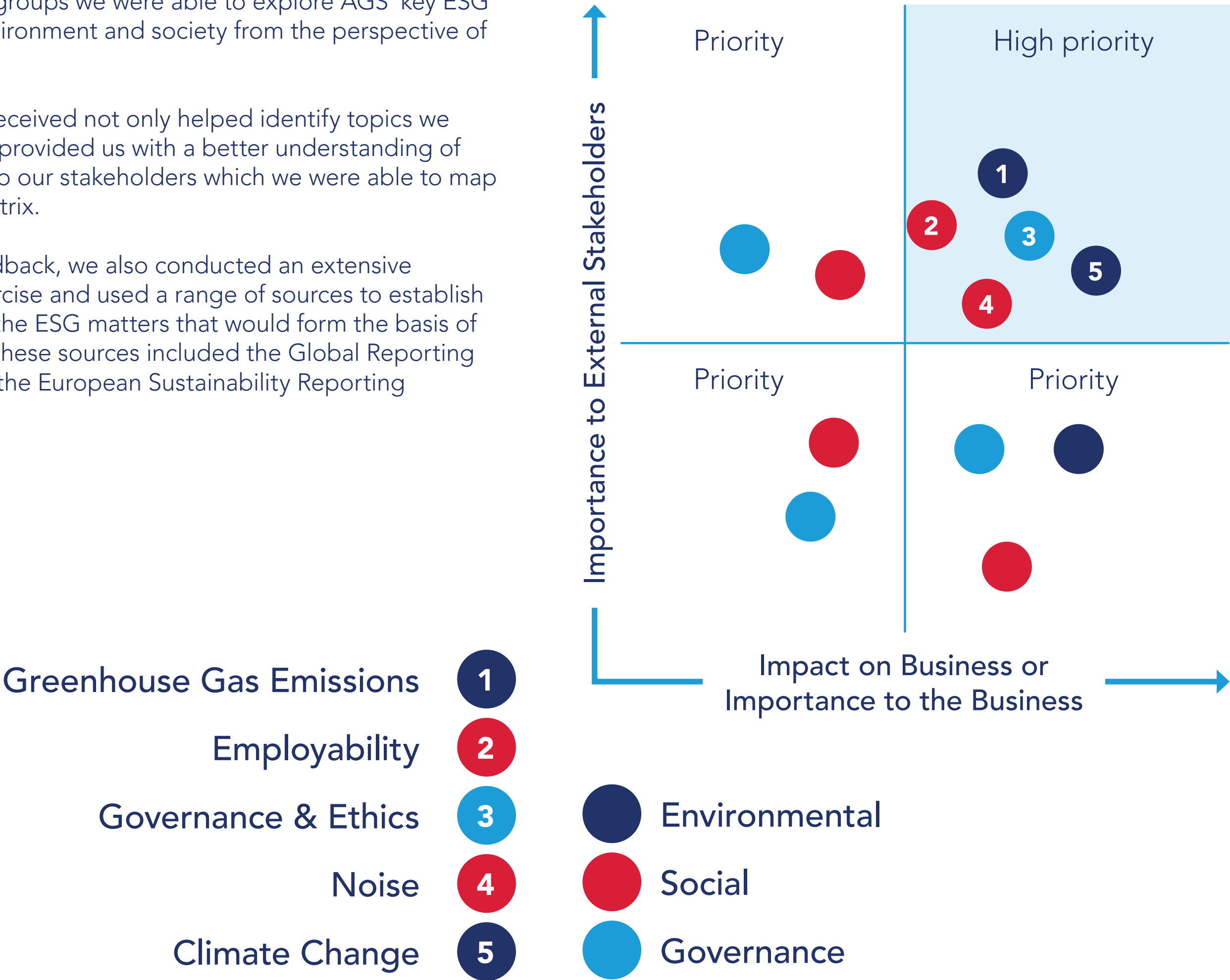
To develop this ESG strategy, we first carried out an impact materiality assessment to identify key topics across environmental, social and governance (ESG) themes. Materiality refers to the importance of information in shaping decisions or actions. In the context of ESG, materiality assesses the relevance 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 ESG 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 ESG 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.



Section 5

ESG 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.



The pillars of our 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

ESG 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	<ul style="list-style-type: none">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 emissionsNo longer procure fossil fuelled vehicles and equipment where a suitable zero emission option existsOur airports will work with local and national government to enhance surface access provision at our airports including the delivery of the Glasgow MetroApply for Airport Carbon Accreditation (ACA) Level 4 by end of 2025 and Level 5 by 2035	<div>7 AFFORDABLE AND CLEAN ENERGY</div> <div>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</div>
Climate Adaptation	Enhance airport resilience to climate risks	<ul style="list-style-type: none">Strengthen airport infrastructure and operations to withstand climate related hazards and extreme weather events, ensuring long-term resilience and adaptabilityConduct annual reviews of climate risk, integrating the latest climate science into our risk management processPartner with local groups, schools and our contractors to implement biodiversity protection initiatives around our airportsAssess and categorise climate change risks annually for inclusion in the AGS risk register	<div>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</div> <div>13 CLIMATE ACTION</div>
Energy	Improve Energy efficiency across our airport operations	<ul style="list-style-type: none">Achieve 25% on-site renewable energy generation for our own consumption by end 2026 at Glasgow Airport, while continuing to purchase renewable electricityDevelop an energy strategy which has carbon reduction at its core across all airportsStrengthen in-house expertise with a primary focus on enhancing energy efficiency across operationsMeet our commitments as set out in the Energy Saving Opportunity SchemeAchieve ISO 50001 energy management standard by 2030	
Waste Management	Lead waste reduction and recycling initiatives across our airports to promote sustainability	<p>Adopt a comprehensive waste strategy that prioritises both waste reduction and recycling, with clear targets including:</p> <ul style="list-style-type: none">% of onsite waste recycled% increase in onsite recycling rates% waste volume per passenger% of reusable packaging usedAchieving 100% diversion from landfillDevelop a uniform waste management approach for the group, ensuring that all airports follow the International Catering Waste (ICW) waste protocols	

Section 7

Supporting our communities

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.

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.



Section

7

ESG Topic	Objective	Targets	SDG
Noise	Minimise aircraft noise impact through effective management strategies	<ul style="list-style-type: none">Maintain our leadership role in the UK’s Airspace Change Programme as the first deployment cluster, driving innovation and progressEnhance 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 standardsFulfil commitments as outlined in our Noise Action Plans (NAPs)Enhance community dialogue through regular engagement and continuous improvement of communication effortsCollaborate 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	<div><div>1NO POVERTY</div><div></div></div> <div><div>11SUSTAINABLE CITIES AND COMMUNITIES</div><div></div></div>
Economic Development and Employability	Enhance workforce skills, foster local talent, and drive innovation through targeted programmes and partnerships	<ul style="list-style-type: none">Foster and expand partnerships with academic institutions to drive innovation and advance ESG initiatives including offering opportunities for student placementsLaunch the AGS Skills Academy to develop and nurture talent, empowering our workforce with the skills needed for future successEstablish an early years schools outreach programme promoting STEM and sustainability within the aviation industryMaximise the recruitment of staff from local communities to strengthen our connection with the regionEstablish a formal apprenticeship programme to nurture and develop talent within AGSContinue 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 ESG strategy to empower our workforce, support their continued development and increase their awareness of sustainability.



Section

8

ESG Topic	Objective	Targets	SDG
Empower our Workforce	Empower our workforce through expert development, inclusive practices, and continuous learning to drive growth and sustainability	<ul style="list-style-type: none">Strengthen in-house expertise to drive Learning & Development initiatives that accelerate workforce growth and skill developmentIncrease internal sustainability awareness by providing annual ESG training for all employeesLaunch a mentoring and coaching program to foster professional growth and development across AGSAs part of our DEI strategy, we will:<ul style="list-style-type: none">Continuously assess and update policies and practices to ensure fairness, eliminate bias, and uphold a zero-tolerance stance on discriminationEnsure our recruitment processes are inclusive, unbiased, and accessible, while building a workforce that reflects the diverse communities we serve	<div>4 QUALITY EDUCATION</div> <div>5 GENDER EQUALITY</div> <div>10 REDUCED INEQUALITIES</div>

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

ESG Topic	Objective	Targets	SDG
Technological Advances	Drive technological innovation at the airport to enhance efficiency and sustainability	<ul style="list-style-type: none">Implement the first scheduled hydrogen-powered passenger route in the UKWaive landing charges for the first airline to operate zero-emission aircraft during their inaugural year of operation from an AGS airportLead the transition to hydrogen-powered aircraft by taking a lead role in industry groups, driving innovation, and advancing infrastructure development and regulatory collaborationAccelerate the advancement of Advance Air Mobility through strategic partnerships focused on new airframe technologies and urban air mobility solutionsImplement ground operations projects that promote sustainability, including the adoption of green technologies and zero-emission equipment, in collaboration with industry partners to enhance flight operationsLaunch and implement a Sustainable Aviation Fuel (SAF) incentivisation scheme at AGS Airports	<div><div>9</div><div>INDUSTRY, INNOVATION AND INFRASTRUCTURE</div></div> <div><div>12</div><div>RESPONSIBLE CONSUMPTION AND PRODUCTION</div></div>
Supply Chain Relationships	Drive sustainable procurement and carbon reduction while promoting local sourcing and ethical practices	<ul style="list-style-type: none">Actively promote and seize opportunities to increase the involvement of local suppliers in AGS's procurement processes, fostering regional economic growth and supporting local businessesIntegrate circular economy principles to foster and promote sustainable development across our suppliersDevelop and integrate an 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 sustainabilityEnsure the integration of the 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 metricsMeasure 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 framework for managing risk, ensuring compliance and communicating in an open and transparent way.

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



Section

10

ESG Topic	Objective	Targets	SDG
Corporate Governance and Ethics	Enhance ESG governance through alignment, transparency, compliance, and stakeholder engagement.	<ul style="list-style-type: none">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-makingConduct a review of ESG within asset management as part of an organisational reviewCreate consistent channels for stakeholder feedback and ensure all concerns are addressed openly and transparentlyPublish an annual ESG performance report	<div><div>16</div><div>PEACE, JUSTICE AND STRONG INSTITUTIONS</div><div></div></div>

