

Assurance statement

BAA Limited (BAA) appointed Environmental Resources Management Limited (ERM) to provide independent assurance on selected information presented in its Corporate Responsibility Report 2007 (the report).

Scope of our work

We designed our assurance engagement to allow us to conclude as to whether BAA has appropriately reported the following in the report:

- A. Management's approach to identifying and prioritising BAA's corporate responsibility issues;
- B. The selected 2007 key performance indicators (KPIs) set out below:

Waste

- Total waste produced (tonnes)
- Amount of waste landfilled, recycled/composted or incinerated (tonnes, percentage)

Community investment

- Total donations to charitable causes (£)

Health and safety

- Employee reportable accident frequency rate (per 100,000 full-time employees)

Human resources

- Number of courses (including e-Learning) delivered

Security queuing/passenger experience

- Average passenger experience ratings for security queuing time at each BAA airport (based on passenger experience survey data)

- C. Progress made against selected 2007 corporate level health and safety targets; and
- D. Progress made against selected 2007 airport level environmental targets, in relation to energy consumption, air quality, noise, waste, water consumption, water quality and surface transport.

Objectives, basis of our work and limitations

We planned and performed our work to obtain all the information and explanations that we believe were necessary to gather sufficient evidence to provide a basis for our assurance conclusions as to whether the reported information and data set out in the 'scope of our work' was appropriately reported.

We undertook assurance work at corporate level only for scope A, B and C, and at airport level for scope D.

If we had been asked to conclude on whether the reported information on the selected assurance topics is materially accurate, we would have needed to conduct more work at corporate and site level and gather further evidence to support our assurance opinion.

The reliability of the reported information and data is subject to inherent uncertainties given the available methods for determining, calculating or estimating the underlying information. It is important to understand our assurance conclusions in this context.

Reporting criteria and assurance standards

BAA applies its own internal approach to managing and reporting the corporate responsibility assurance topics outlined above. These are described in the following sections of the report:

Scope A – Our approach to corporate responsibility, page 8;

Scope B – Waste, pages 30 and 31; community investment, pages 58 and 59; health and safety, pages 52 and 53; our people, page 51; and passenger experience, pages 44 and 45;

Scope C and D – Managing corporate responsibility, pages 64 and 65;

We performed our work in accordance with ERM's assurance methodology which is based on the international assurance and audit standards: ISAE 3000, ISO 19011 and, where appropriate to our scope of work, AA1000AS.

Respective responsibilities and ERM's independence

BAA management is responsible for preparing the report and for the collection and presentation of information within it. ERM's responsibility is to express our assurance conclusions on the selected scope of work agreed with BAA.

During 2007, ERM worked with BAA on other consulting engagements. ERM operates strict conflict checks and we have confirmed our independence to BAA for delivering this assurance engagement.

Our team and assurance activities

A multi-disciplinary team of environmental, health and safety, sustainable development and assurance specialists performed the engagement.

We conducted the following assurance activities:

- Face-to-face interviews with the owners of the six KPIs at corporate level, reviewed relevant supporting documentation and assessed the internal control/audit processes in place;
- Face-to-face interviews with management at corporate level to understand the processes in place for identifying and reporting BAA's material issues. This was followed up with a review of relevant documentation;
- Visited all seven BAA UK airports to interview the relevant environmental target owners and review documentary evidence to support their self-assessed progress against each target;
- Reported our assurance findings to management as they arose to provide them with the opportunity to correct them prior to finalisation of our work; and
- Reviewed the presentation of information relevant to the scope of our work in the report to ensure consistency with our findings.

Our conclusions

Based on our work undertaken as described above, we conclude that, in all material respects BAA has appropriately reported:

- A. Management's approach to identifying and prioritising BAA's corporate responsibility issues, and that the selected key corporate responsibility issues set out on page 8 are an appropriate reflection of the outcome of this process during 2007;
- B. The above selected KPIs for 2007 set out as follows: Waste, pages 30-31; community investment, pages 58-59; health and safety, pages 52-53; our people, page 51; and passenger experience, pages 44-45;
- C. Progress made against selected 2007 corporate level health and safety targets set out on pages 52-53; and
- D. Progress made against selected 2007 airport level environmental targets, in relation to energy consumption, air quality, noise, waste, water consumption, water quality and surface transport, set out on pages 64-65.

Our key recommendations

Based on the assurance activities set out above, and without affecting our assurance conclusions, we provide the following recommendations for future improvements:

- **Achieving targets:** Continue to work towards delivering the 2007 targets where no or some progress was made; and
- **Setting performance targets:** Ensure targets set are stretching, measurable, achievable, realistic and time-based (SMART) so that performance can be effectively measured and monitored against them.



Environmental Resources Management Limited

London, UK
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ERM is an independent global provider of environmental, social and corporate responsibility consulting and assurance services. Over the past four years we have worked with over half of the world's 500 largest companies, in addition to numerous governments, international organisations and NGOs.

BAA response to ERM's recommendations

BAA thanks ERM for their assessment work and contribution towards our corporate responsibility and environmental management.

The recommendations made by ERM are consistent with the aims that BAA has and we plan to respond positively to these recommendations:

- We will continue to work towards the 2007 targets where some or no progress was made. For a full discussion of our plans, please see our individual airport reports.
- We recognise the importance of setting targets that are stretching, measurable, achievable, realistic and time-based (SMART) and will continue to review our targets against those criteria and seek to improve them where appropriate.

Contact us

Our reporting aims to provide you with a window on BAA's performance on corporate responsibility issues. We would like to know what you think of our reporting and what you think of our performance.

You can contact us at: corporateresponsibility@baa.com

For further information on BAA, please visit our website www.baa.com.
If you would like this document in an alternative format, please call us on 0800 731 4247.

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