

Heathrow

MODERN SLAVERY AND HUMAN TRAFFICKING STATEMENT

2023



CONTENTS



- 3** Introduction
- 4** About Heathrow
- 5** Corporate structure
- 6** Ownership
- 7** Our supply chain
- 8** Governance and policies
- 10** Risk identification and mitigation
- 14** Training and capacity building
- 15** Performance indicators
- 16** Priorities for 2024

INTRODUCTION



Heathrow's eighth Modern Slavery Statement (the "Statement") is made pursuant to section 54 of the Modern Slavery Act 2015 for the financial year ending 31 December 2023.

It sets out the steps we have taken to prevent modern slavery and human trafficking from occurring in our own operations and our supply chain. It has been approved by the Board of Directors of Heathrow Airport Holdings Limited ("Heathrow") on Wednesday 22nd May 2024 on behalf of the relevant companies of the Heathrow Group (as defined below) including those listed in Annex 1. Information set out in this Statement is correct as of Wednesday 22nd May 2024.

//

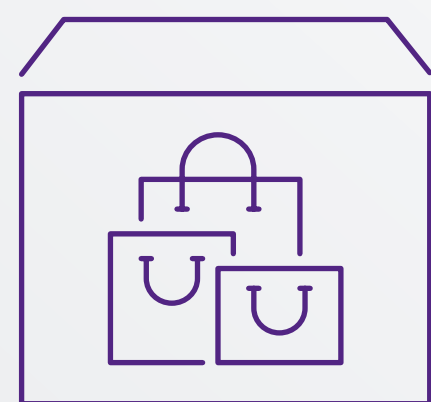
At Heathrow, doing the right thing is one of our core values. We recognise that we have a responsibility to prevent and mitigate risks relating to modern slavery. To ensure that our approach remains robust, in 2023 we commissioned an independent review which identified recommendations that have been applied in this statement, as well as ways we can continue to strengthen in the future. We will continue to work with our customers and stakeholders to ensure that people in our business and supply chain are treated fairly."

THOMAS WOLDBYE
Chief Executive Officer

ABOUT HEATHROW

Heathrow is the sole hub airport in the UK. Hub airports combine direct passengers, transfer passengers and freight to enable long-haul aircraft to fly to destinations all over the world.

These destinations could not be served by point-to-point airports which rely on local demand alone. By connecting the UK with overseas markets, Heathrow enables businesses to reach markets around the world. The airport supports trade, attracts foreign investment into the UK and brings overseas visitors to the UK's shores. As one of the world's leading international hub airports, Heathrow provides the UK with global connectivity.



320+
RETAIL UNITS

70+
RETAIL BUSINESS
PARTNERS



79.2 MILLION
passengers served in 2023

81
PASSENGER
AIRLINES



70+
FOOD AND
BEVERAGE UNITS



1,500+

ADVERTISING
SITES



80,000+
people working across

Team
Heathrow



237
DESTINATIONS
SERVED

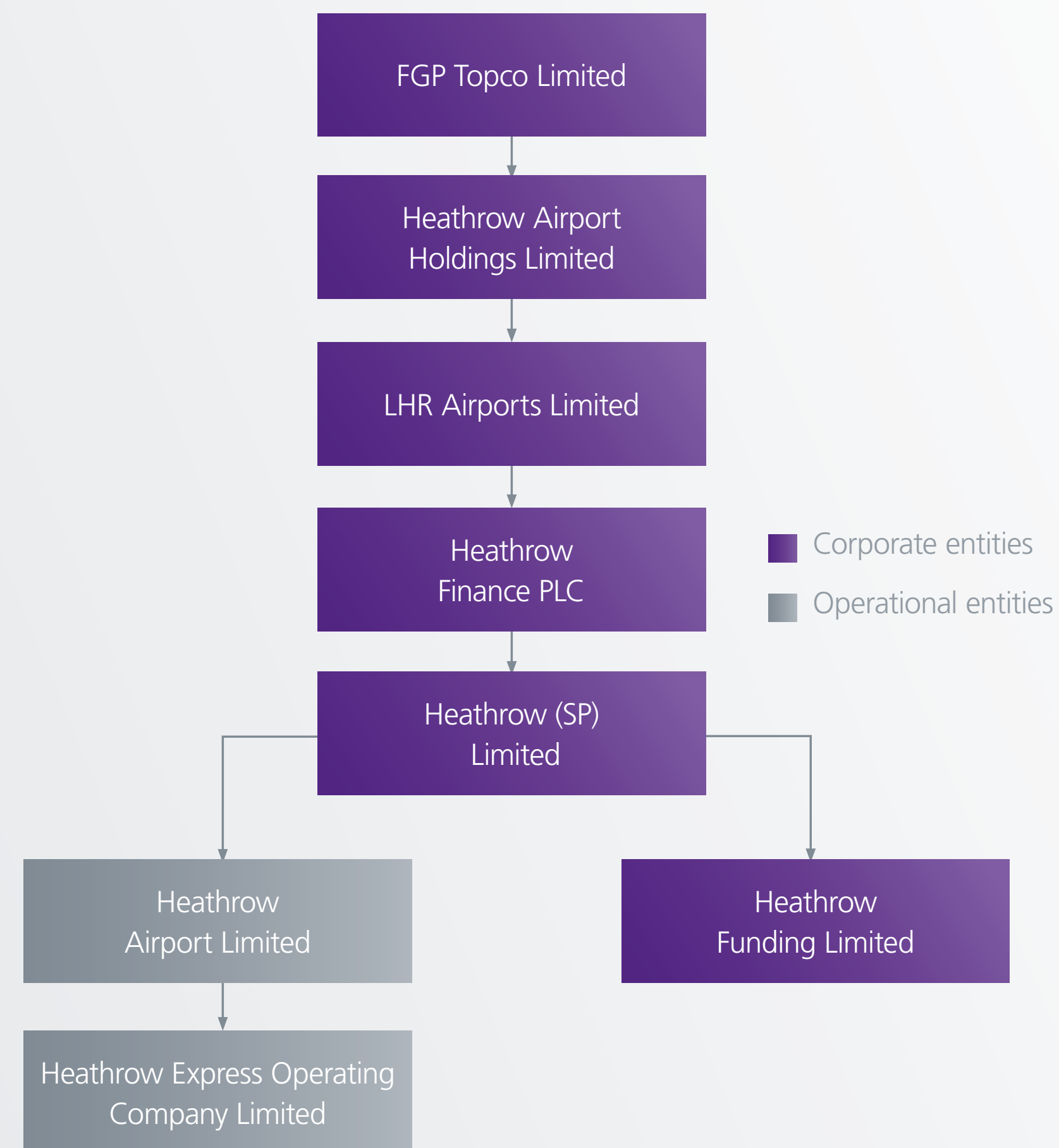
CORPORATE STRUCTURE

Heathrow Finance plc (the 'Company' or 'Heathrow Finance') is the holding company of Heathrow (SP) Limited, which itself is the holding company owner of a group of companies that owns Heathrow Airport ('Heathrow') and operates the Heathrow Express Rail Service. Heathrow Finance is an indirect subsidiary of the Heathrow Airport Holdings Limited group (the 'HAHL Group').

The Board of Directors of Heathrow Airport Holdings Limited (the 'HAHL Board') determines the long-term strategy of the HAHL Group, ensuring that it acts ethically, has the necessary resources to meet its objectives, monitors performance, and meets its responsibilities as a major airport group.

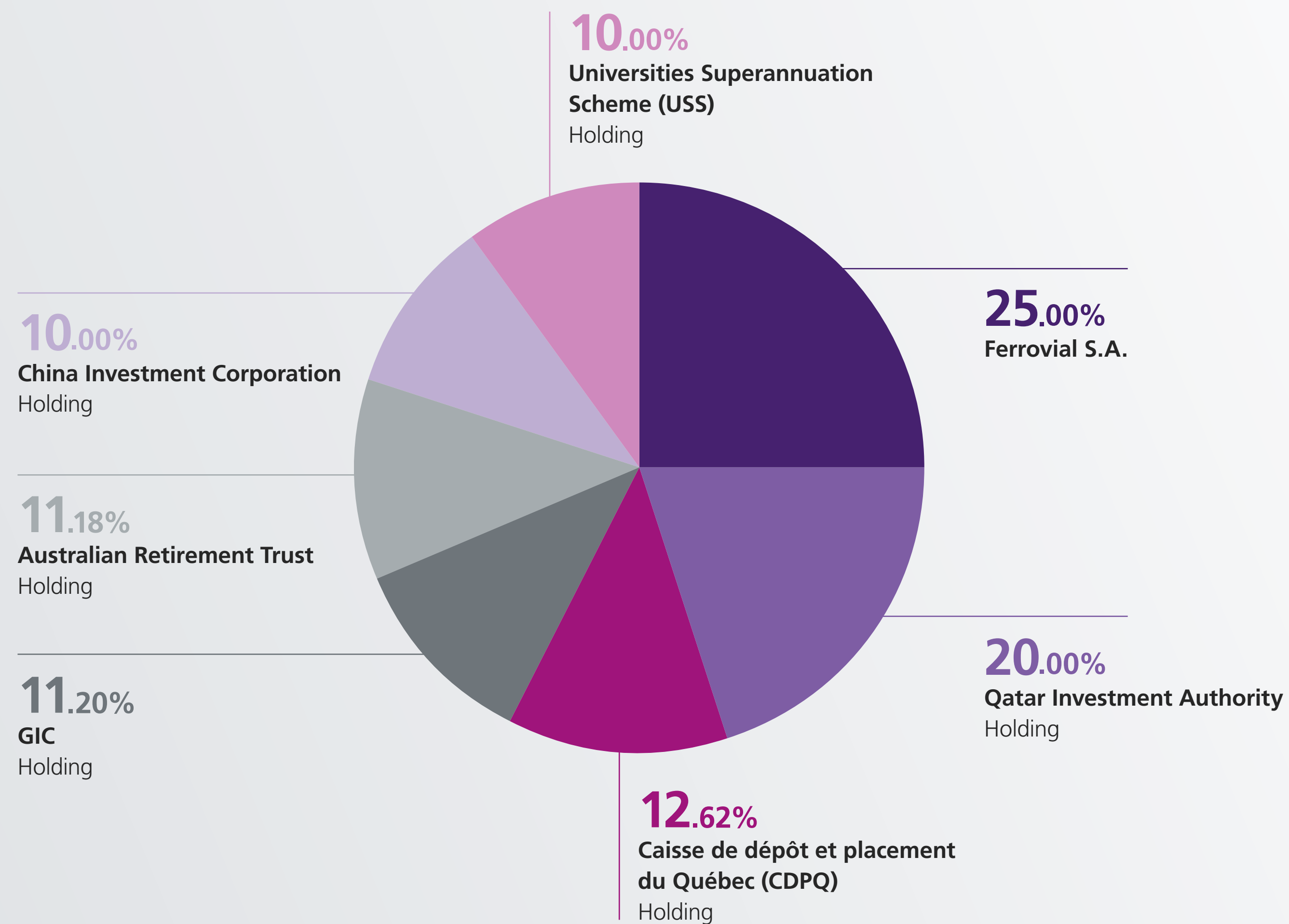
As the functions of the HAHL Board and its Committees are applied equally to all subsidiaries of the HAHL Group, including the Company, the discussion in the Corporate Governance section relating to the governance structure and composition of the HAHL Board and its Committees has been extracted from the financial statements of Heathrow Airport Holdings Limited.

The ultimate parent company of the HAHL Group is FGP Topco Limited. A simplified structure of FGP Topco Limited and its subsidiaries along with their principal activities within the HAHL Group is illustrated in the diagram opposite.



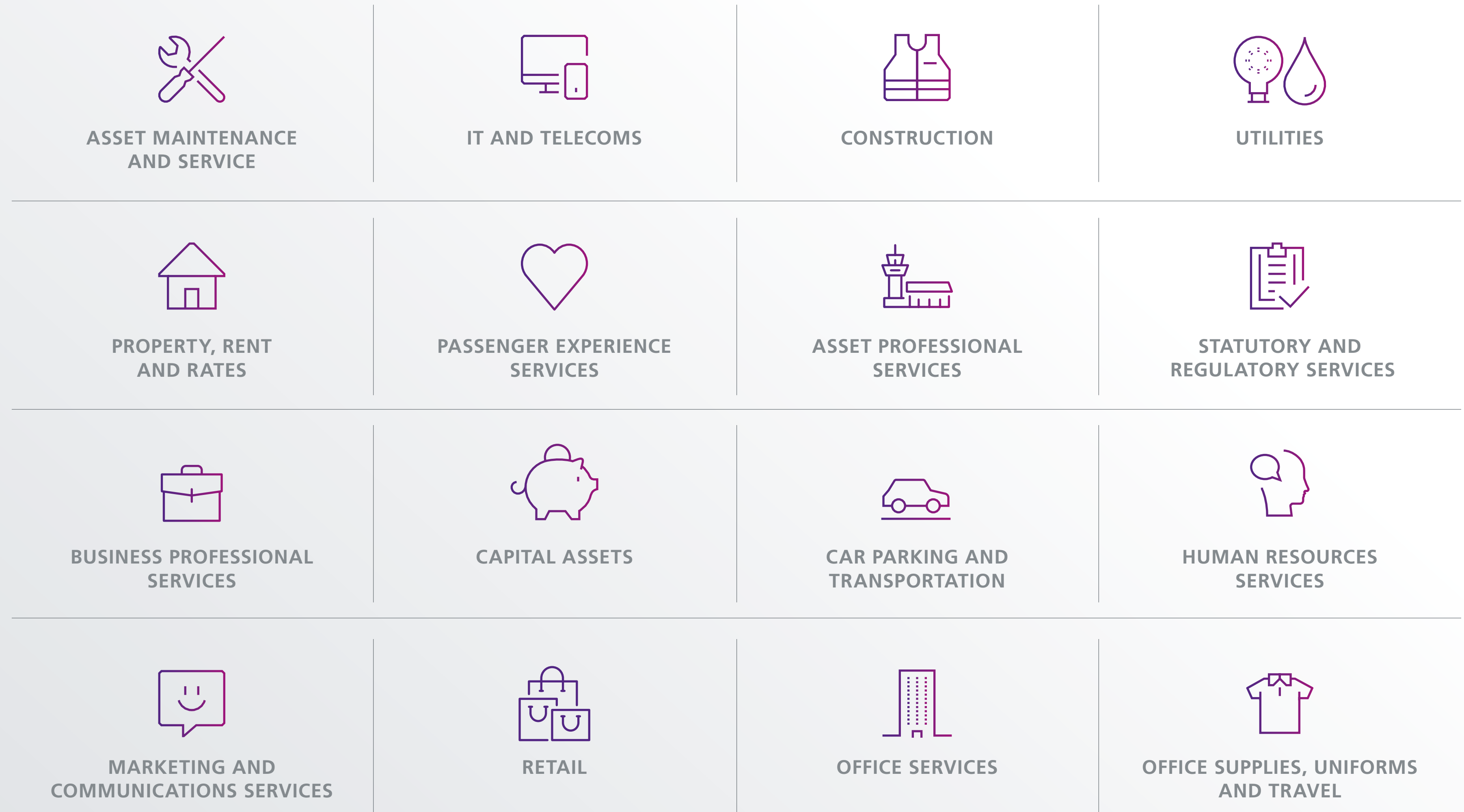
OWNERSHIP

The HAHL Group is owned by a consortium of investors (the 'Shareholders') who hold shares in FGP Topco Limited. Details of the Shareholders' equity interests, as at 31 December 2023, are shown in here:



OUR SUPPLY CHAIN

Heathrow's operation is enabled by our comprehensive and international supply chain, encompassing a range of products and services across multiple industry sectors. In 2023 we were supported by over 1,250 suppliers, with over 1,150 of these headquartered in the UK. Our suppliers are spread across the following categories:



GOVERNANCE AND POLICIES

GOVERNANCE STRUCTURE

Heathrow has implemented a robust top-down governance structure to manage modern slavery risk. Ultimate accountability sits with the Board of Directors. The airport also has a suite of policies that guide our approach to managing modern slavery and mitigating risk within our operations and supply chain.

Oversight of modern slavery sits with the Environment, Social, Governance (ESG) Committee, which was formed in 2023. Strategic decision making and risks and opportunities associated with wider sustainability topics – including modern slavery – are discussed at bi-monthly meetings. Individuals within Heathrow's management team also engage with industry and drive formation of action plans that are aligned with industry best practice.

Functional groups with Director-level sponsorship are responsible for delivering strategic and day-to-day workstreams, as well as working with partner agencies and suppliers to manage modern slavery risk.



GOVERNANCE AND POLICIES *cont.*

POLICIES

POLICY	CURRENT STANDING AND PROGRESS
Professional Conduct	<ul style="list-style-type: none"> • Sets out requirement for Heathrow and its employees to operate within laws and professional standards, including those pertaining to modern slavery in employment and supply chain dealings. • Requires compliance with the internal governance processes through which corporate operations and decision making occurs.
Recruitment and Secondment for Heathrow Airport Limited	<ul style="list-style-type: none"> • Sets out Heathrow's commitment to ensuring that due process is followed during the recruitment process. This ensures that key criteria including right-to-work and any necessary background checks are followed to mitigate risk of exploitation and modern slavery risk.
Modern Slavery	<ul style="list-style-type: none"> • Sets out Heathrow's approach to maintaining and enforcing effective systems and controls to prevent modern slavery and human trafficking within our business and supply chain. • Clarifies each individual's role in complying with applicable laws and safeguarding vulnerable persons against modern slavery and human trafficking. • Provides clear guidance explaining the concepts of modern slavery and human trafficking, and what needs to be done if an individual suspects modern slavery or human trafficking is taking place at Heathrow Airport or in our supply chain. • Makes it clear that Heathrow expects its supply chain to comply with the requirements of the Policy, including that Heathrow Business Partners are expected to conduct themselves in accordance with the standards set out in the Policy. • Includes a statement confirming that Heathrow will not tolerate modern slavery or human trafficking at any tier in our supply chain. • Includes Heathrow's commitment to working collaboratively with Heathrow Business Partners to increase awareness, detection and prevention of modern slavery and human trafficking, and to promote responsibility on this issue and ensure that we are transparent in our actions.
Sustainable Procurement	<ul style="list-style-type: none"> • Governs the products and services we buy, the organisations we do business with, and the contracts that we manage. • 'Heathrow 2.0: Connecting People and Planet' is Heathrow's refreshed sustainability plan. Amongst other sustainability commitment, it reinforces our commitment to combatting modern slavery and is embedded into all procurement processes from sourcing strategies to tenders, evaluations, contract clauses and KPIs.
Whistleblowing	<ul style="list-style-type: none"> • Aimed at our colleagues (permanent or temporary) and applies to all Heathrow Business Partners working at Heathrow Airport. • This policy encourages individuals to report any wrongdoing which would include slavery or human trafficking. • All whistleblowing reports are treated in the strictest confidence and are investigated fully with appropriate remedial actions taken, where necessary, in accordance with Heathrow's Internal Investigations Protocol.

RISK IDENTIFICATION AND MITIGATION

Heathrow 2.0: Connecting People and Planet is our sustainability strategy. It includes an ongoing focus on tackling modern slavery and human trafficking as one of the foundations that ensures that Heathrow is a responsible business.

Heathrow's 'Risk and Assurance Management Framework' is a comprehensive enterprise risk management system aimed at overseeing and governing the key risks faced by the organisation, including modern slavery. It guides the identification, mitigation, review, and reporting of risks throughout Heathrow. The framework undergoes continuous evolution to enhance data quality, completeness of risk information, control measurement, and overall reporting integrity.

Heathrow recognises the diverse range of modern slavery risk relevant to an international hub airport. The core areas of focus are our own operations, our workforce and our supply chain.



RISK IDENTIFICATION AND MITIGATION *cont.*

OPERATIONS

With 79.2 million passengers in 2023 Heathrow is one of the busiest international airports in the world, serving as a major transit hub for travelers from diverse backgrounds. This high volume of passengers and connections poses a risk from human traffickers seeking to exploit individuals and the potential for modern slavery to arise.

RISK MANAGEMENT

Heathrow is committed to being a responsible gateway, striving to end trafficking of people and wildlife. To support this, Heathrow supports Heathrow Travel Care (<http://heathrowtravelcare.co.uk/>), an independent crisis social work team based at the airport. As a registered charity, its purpose is to assess and advise anyone in crisis or distress at Heathrow Airport. This includes passengers, staff, and others present at the airport for various reasons. Their support extends to those with concerns about modern slavery and human trafficking.

Heathrow Travel Care attends the Joint Strategic Safeguarding & Trafficking Group (JSSAT), which ensures that children and vulnerable adults are safeguarded from the point of entering the London Borough of Hillingdon at Heathrow. There is also Operation Limelight – a Police-led operation focusing on flights in which passengers may be at increased risk of prominent elements of modern slavery including female genital mutilation (FGM), forced labour and travel for other involuntary reasons.

To raise awareness among passengers, during 2023 Heathrow maintained its support for the A21 'Can You See Me' initiative, which concentrates on empowering the public to identify signs of human trafficking and report any suspicions. Promotional materials for the campaign were kept on trolleys and the backs of doors in arrivals bathrooms.

Additionally, Heathrow's security officers received specialised training to identify instances of modern slavery within the Airport's operation and to manage it accordingly. More information is available on this training in the 'Training and Capacity Building' Section of this statement.

Heathrow receives information about the number of reports logged to police regarding a range of incidents at the airport. Due to the method of the information capture process involved, it is not possible to differentiate and report on specific numbers of modern slavery occurrences at Heathrow as a subset of this data. Furthermore, Border Force does not currently publicly disclose information related to modern slavery instances due to sensitivity of information.

DUE DILIGENCE

Heathrow is subject to a raft of regulatory measures that enforce audits to ensure that the Airport and its stakeholders are effectively assessing and managing operational modern slavery risks.

The UK has a mandated responsibility to follow the ICAO Convention on International Civil Aviation Annex 9, which addresses the facilitation of modern slavery and human trafficking. Adaptation of this guidance occurs through the UK Government. Audits are carried out by ICAO every five years to assess Heathrow's compliance with the ICAO Convention, with Annex 9 audits carried out periodically – most recently in 2022.

The Immigration Act 1971 Section 25 mandates the methods and conduct required of Border Force to detect and manage human trafficking. Associated performance is audited by the Operational Assurance Department's Independent Chief Inspector of Borders and Immigration (ICIBI) to ensure compliance with legislative requirements.

Furthermore, Heathrow has an established Whistle Blowing policy and reporting mechanism called "Speak up" through which employees can escalate suspicions of modern slavery activity to Heathrow's security team and through appropriate corporate governance.

RISK IDENTIFICATION AND MITIGATION *cont.*

WORKFORCE

In 2023 Heathrow directly employed 7,626 people (monthly average number), with approximately 86,000-90,000 people working across Team Heathrow – the wider network of external partner stakeholders that operate at the airport. We recognise the risk of exploitation and forced labour and the necessity for rigorous controls to ensure effective management of modern slavery risk.



RISK MANAGEMENT

Heathrow abides by UK employment law, which aims to mitigate the risk of modern slavery in the workforce. The cornerstone is the Modern Slavery Act 2015, which mandates companies, including Heathrow, to publish annual statements disclosing efforts to combat slavery and human trafficking within operational employment arrangements.

Additionally, Heathrow abides by employment laws such as the Employment Rights Act 1996 and the Gangmasters and Labour Abuse Authority (GLAA) Licensing Standards, which play crucial roles in safeguarding workers' rights, preventing exploitation, and prosecuting offenders.

These laws and standards support authorities to investigate suspected cases of modern slavery, enforce labour standards, and provide support and protection to victims. Moreover, regulatory bodies and government agencies work collaboratively to raise awareness, monitor compliance, and ensure the effective implementation of these laws, reinforcing the UK's commitment to eradicating modern slavery from its workforce; measures that Heathrow fully cooperates with and engages in.

DUE DILIGENCE

All Heathrow colleagues have continued access to a well-publicised grievance and mediation policy, ensuring timely and equitable resolution. This approach, agreed upon with our Trade Unions and regularly reviewed for legal compliance and best practice, is overseen by the Company's Policy Governance Group, comprising Trade Union and Management representatives. Accessible via our intranet, awareness of the policy is ingrained across all levels of the organisation.

Furthermore, Heathrow is subject to routine National Minimum Wage Audits, to ensure that minimum wage payments are maintained, including consideration of elective deductions. Automated monitoring is also maintained through the Airport's online employee management system, Theo.

Regarding internal process, Heathrow has stringent recruitment procedures in place to ensure that all employees are hired legally and ethically. Within the onboarding process, Heathrow systematically verifies the identity of candidates, carries out extensive reference checks, and conducts background checks. Right to work is also assessed, helping minimise the risk of exploitation of employees. This extends to Team Heathrow colleagues working at the airport, with ongoing compliance monitored through Heathrow's identity management system.

Heathrow is also committed to mitigating elements of modern slavery risk within employee compensation packages. In 2017 Heathrow became a Living Wage employer and zero hour contracts were abolished within the airport's direct workforce. Since then, Heathrow has worked to ensure that all direct suppliers also pay the living wage, and we continue to support other Team Heathrow partners to adopt it. Heathrow is also subject to regular Working Time Audits, to ensure that employees working hours remain within regulation.

RISK IDENTIFICATION AND MITIGATION *cont.*

SUPPLY AND VALUE CHAIN

Heathrow relies on a wide variety of material flows and services to maintain its operations, processes and infrastructure. Over 1,250 strategic, critical, operational and routine suppliers support Heathrow's supply chain. Furthermore, a wide range of independent tenants operate at the airport, providing a variety of goods and services. Heathrow recognises that modern slavery risk is present within this broad supply and value chain.

RISK ASSESSMENT AND MANAGEMENT

Heathrow uses a third-party provider, SEDEX (Supplier Ethical Data Exchange), as the external auditing platform to support our supply chain due diligence processes. This includes evaluation of supplier management of modern slavery risk. Each of Heathrow's Tier 1 suppliers is subject to SEDEX assessment, which is enforced within supplier contracts. Over 2023 the Airport worked on supplier assurance processes with the view to improve SEDEX uptake and compliance. The SEDEX process and assessment consists of the following elements:

- **Membership and Registration:** Heathrow, as a member of SEDEX, has access to the tools and resources provided by the platform for managing supplier data and assessments.
- **Supplier Engagement:** Heathrow engages with its suppliers to ensure they understand the importance of ethical and responsible business practices, including those to combat modern slavery risk. This involves communicating Heathrow's expectations regarding labour standards, health and safety, paying the London Living Wage, an absence of zero-hour contracts and business ethics.
- **Data Sharing:** Suppliers provide relevant data to Heathrow through the SEDEX platform. This includes information on labour conditions, environmental impact, health and safety protocols, and compliance with applicable regulations and standards.

- **Data Management:** Heathrow collects and manages supplier data within the SEDEX platform. This includes storing audit reports, performance metrics and other relevant information related to supplier compliance.
- **Continuous Improvement:** Heathrow works with its suppliers to address any issues identified through assessments and audits. This involves implementing corrective actions, providing support to integrate data with SEDEX and resources for improvement and monitoring progress over time.
- **Transparency and Reporting:** Heathrow promotes transparency by sharing high-level information about its supply chain practices with stakeholders, including suppliers, customers, investors, and the public. This information is generally shared within Heathrow's annual [Sustainability Report](#).

DUE DILIGENCE

Heathrow maintains an effective, straightforward dashboard to monitor supplier compliance with modern slavery risk management. This includes maintaining a view of compliance with the Prompt Payment Code, paying the London Living Wage and no zero hour contractors (as set out in Heathrow's Sustainable Procurement Policy).

Suppliers are subject to Heathrow's Supplier Assurance Process, which sets out the steps that the Airport follows to gather modern slavery-related information and to confirm compliance. Due diligence around supplier compliance with modern slavery standards is monitored on a frequent basis.

Furthermore, in 2023 Heathrow established a dedicated Sustainable Procurement Manager role. Part of the function of this role is to work directly with suppliers to assess, support and drive progress in modern slavery risk assessment and management across Heathrow's suppliers.

Additionally, Heathrow has developed its Balanced Scorecard to assess Tier 1 suppliers' performance across modern slavery and other sustainability practices. Supplier performance is assessed against a raft of sustainability standards, with modern slavery risk being a key component of this. Heathrow has entrenched its commitment in supporting supplier performance against scorecard performance as one of its flagship sustainability goals, as set out in Heathrow 2.0: Connecting People and Planet.

TRAINING AND CAPACITY BUILDING

Heathrow recognises the importance of establishing targeted training programmes to increase knowledge of modern slavery identification and management practices across its stakeholder groups.



Heathrow has developed a comprehensive training programme that is delivered through the Airport's online knowledge hub, Theo. This ensures a consistent baseline level of modern slavery prevention knowledge across the Airport's employee base. Training covers critical areas including:

- Providing an overview of the basic principles of modern slavery.
- Identifying appearances and behaviors of human trafficking in regular airport operations. This has been identified as a unique and critical element of modern slavery risk owing to Heathrow's position as an international hub.
- Providing a clear understanding of the grievance and escalation process for identifying and managing modern slavery risk and occurrence.

All employees are required to undertake the module upon joining Heathrow and refresh their understanding on an annual basis. In 2023, the Airport reported that 83.28% of non-operational and 88.52% of operational employees had completed the training.

Heathrow also extends the availability of its modern slavery prevention training to non-Heathrow employees and stakeholders at the airport. This is facilitated through Airdat, a separate Learning Management System that allows external access to Heathrow training and learning content. In 2023, a limited group of external stakeholders had access to this platform.

Furthermore, Heathrow provides frontline security officers with specialised, mandatory annual training to drive knowledge around the identification of modern slavery behaviors and indicators that vulnerable populations may exhibit.



PERFORMANCE INDICATORS

During 2023, Heathrow gathered data on several key metrics to inform our view of modern slavery risk:



Prompt payment: The **average number of days** Heathrow takes to pay invoices in full, to ensure suppliers are paid promptly for their work.

2021	2022	2023
31.2	22.15	22.8



Percentage of **operational employees** that have completed Modern Slavery training:

88.52%



Percentage of **non-operational employees** that have completed Modern Slavery training:

83.28%

PRIORITIES FOR 2024

We recognise that we cannot combat modern slavery and human trafficking in isolation and are committed to continuously sharing insights, providing training, and working closely with key partners to continually evolve our approach. In 2024 Heathrow will focus on the following areas:

- 01 Establishing a cross-functional working group focused on addressing modern slavery risk.
- 02 Expanding the availability of our modern slavery learning module to external stakeholders within the wider airport community.
- 03 Improving policies relating to operational modern slavery risk response to support colleagues to understand the steps that should be taken when modern slavery risk is identified.
- 04 Establishing a more robust process for aligning supplier ESG information with Heathrow's expectations and building upon the Airport's capability to assist suppliers in this journey.
- 05 Developing a Qualifying Value Criteria (QVC) framework, to assess compliance with modern slavery legislation and presence of management frameworks across suppliers beyond Tier 1.
- 06 Developing assessments and audits of Heathrow's Tier 1 suppliers to verify compliance with ethical and responsible business practices as part of the Sedex process.

Heathrow