

Welcome to Heathrow



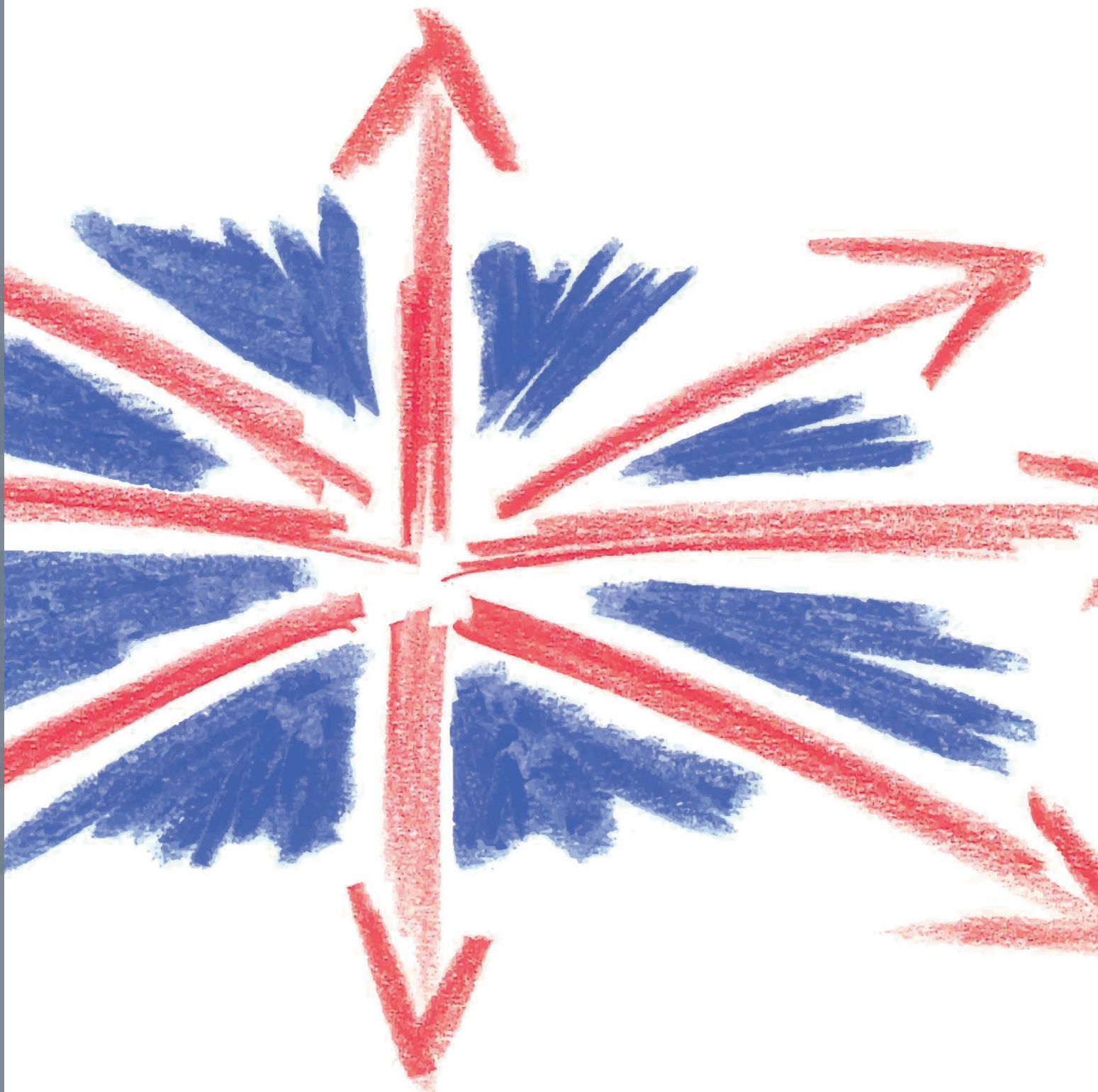
The Promise of Heathrow

Heathrow's vision for growth

Heathrow

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Foreword



Heathrow, more than an airport

The UK stands on the brink of a huge opportunity. An opportunity to help rebalance our economy by connecting the whole of the UK to centres of global growth. An opportunity to secure £100 billion of new growth for the whole country and more than 120,000 new jobs. An opportunity to give children growing up today the skills and training they need to access these jobs of the future together with vital new apprenticeships. An opportunity to give a significant and lasting boost to UK trade and exports. An opportunity to secure a lasting legacy for future generations and to move ahead of our international competitors, not fall behind.

This is the promise of Heathrow. This is the prize we can secure not just for today's society but for future generations. This is the prize that awaits the UK if we, as a country, take a positive decision in favour of future economic growth by allowing expansion at Heathrow.

It is a decision we have ducked for too long and for which we are now paying the price in lost jobs, lost trade and lost growth. We are in a global race for trade and prosperity and we are giving our rivals a head-start. While Heathrow, the UK's only hub, is running at 98% capacity, our competitors are investing in their international hub airports.

Heathrow is a national asset of which Britain can be proud. It is one of the biggest and, according to passengers, best airports in the world. Heathrow is one of a handful of world-class hub airports with the connections, infrastructure, transport links and cargo capability to enable British companies to compete. We do not need to build from scratch to deliver the new growth the UK seeks. We can build from strength and lead in connectivity to growth markets if we have the vision and the courage to seize this chance.

It is our collective responsibility to take the right decisions today to secure prosperity for future generations of Britons. It is our responsibility to help the UK face out to the world, not turn our back on it.

Our vision – our promise – is for Heathrow connecting the whole country to the fastest growing markets of the next 50 years: in Asia, Latin America and North America. A vision which when taken together with the new approach to expansion at Heathrow that was set out in Taking Britain Further will deliver the economic growth the country needs at the same time as becoming a cleaner and quieter airport.

The airport debate is often described as a decision about where to build a runway. But it's not about runways. Heathrow is far more than just an airport. It comes down to a fundamental question of "What do we want for our country?"

Expanding Heathrow will keep Britain at the heart of the global economy. Expanding Heathrow will grow Britain. We can grasp the prize of growth that only Heathrow can deliver or we can choose to hand that prize to France and Germany instead.

So let us seize the positive promise of growth.

Let us secure the promise of new jobs and skills for future generations here in the UK.

Let us secure the promise of Heathrow.

Heathrow's new promises

We are making five new growth promises that set out what Britain can expect from an additional runway at Heathrow

Expansion at Heathrow will deliver greater economic benefits to the UK than any other option for new runway capacity. We estimate benefits of at least £100 billion present value would accrue to the UK. It will create jobs, facilitate trade and inbound tourism and boost spending in the wider economy.

We want to ensure that all of Britain will benefit from Heathrow expansion. We want to show how that economic benefit will translate into real jobs for real people. We want to help ensure that children starting school today will have the workplace skills they need to take these jobs in the future and that everyone in the UK, no matter where they live will see the benefits and have access to the business support and employment opportunities we can deliver.

With this aim we are making five new promises that set out what Britain can expect from an additional runway at Heathrow.

We have identified how the potential expansion of Heathrow could act as a catalyst for growth and regeneration in a number of ways – tackling youth unemployment, narrowing the skills and training gap, delivering the connections that regional business tells us it needs to grow, increasing UK exports and becoming a cleaner and quieter airport.

These priorities have been chosen because they are the ones that matter most to Britain's future success. We have been speaking to a number of national organisations and businesses as well as local stakeholders to help us understand what their own objectives are and what they see as future priorities. The expansion of Heathrow will offer a unique chance to deliver specific benefits to the local, regional and national economies and, whether or not they support Heathrow's proposals for an additional runway, many recognise the enormous opportunities expansion could bring.



1

**The promise
of new
apprenticeships
and skills**

Heathrow expansion will double the number of apprenticeships across the airport to 10,000 and extend programmes to champion employability skills training in schools

2

**The promise
of new jobs**

Heathrow expansion will create more than 120,000 new jobs and has the potential to end youth unemployment in the five local Heathrow boroughs

3

**The promise
of connecting
every economic
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UK to growth**

Heathrow expansion will help rebalance the UK economy by connecting all of the UK's regions and nations to growth markets

4

**The promise
of new trade
and exports**

Heathrow expansion will enable a significant increase in UK exports to close the gap between the UK and our European competitors

5

**The promise
of a cleaner
and quieter
Heathrow**

Heathrow expansion will keep CO₂ emissions within UK climate change targets, meet local air quality limits and cut the number of people affected by noise by at least 200,000

1

The promise of new apprenticeships and skills

Heathrow expansion will double the number of apprenticeships across the airport to 10,000 and extend programmes to champion employability skills training in schools

Creating jobs is not enough – young people need skills

Equipping young people with the training and opportunities they need to compete for jobs in a global economy is an essential part of Heathrow's vision for growth. As a leading employer we want to help ensure that local young people leave school and college with the skills that are in demand not just today, but in the future. That means making sure that children starting school today get the guidance and the opportunities they need so that they are able to compete in an increasingly global market.

A shortage of skills

There are significant shortages across the UK of vocationally trained individuals with the skills that many businesses need if they are to grow. For businesses, the availability of a skilled workforce is a significant factor in deciding where to locate. Whether those skills are in computer programming, engineering, technology, languages or digital media, these skills shortages limit many companies' ability to recruit the people they need and to expand as a result. Many employers state that there are not enough young people with the specialist skills that they require, both now and in the future.



Heathrow's Schools Challenge went out to:

235

PRIMARY SCHOOLS

90

SECONDARY SCHOOLS

“ *The jobs of the future will need more skills and at higher levels, so a core element of the UK's long-term growth strategy is raising skill levels so businesses are equipped with the talent they need to succeed.* ”

CBI's Ambition for All campaign



The opportunity

Heathrow expansion will allow us not only to continue to support education and the development of valuable workplace skills through our existing programmes, but to undertake a significant extension of these programmes. We promise to create additional opportunities to double the number of apprenticeships across the airport to 10,000.

Education, skills development and employment training at the heart of Heathrow's community

Heathrow is much more than an airport. It's a community of businesses offering a diverse range of careers and skilled jobs in numerous sectors including aviation, construction, engineering, retail, logistics, communications, planning, security and technology. For everyone who works in those industries, Heathrow offers opportunities for a career, not just a job.

We already run educational programmes designed to support all levels of education from primary schools through to universities.

These programmes aim to bridge the skills gap in STEM related subjects and raise awareness of the range of careers available at the airport. We seek to help raise aspirations and the academic achievements of local young people. Our colleagues support our initiatives in a variety of ways, for example by volunteering in schools, guest lecturing at universities and becoming school governors.

Working in partnership with the airport community and our supply chain we already host one of the largest single day jobs and careers fair in the UK, showcasing the 300+ companies operating at Heathrow. In 2014 almost 6,000 16-24 year old school and college students, their families and young job seekers visited the fair.

The Heathrow Academy supports local unemployed people through a combination of pre-employment training, advice and guidance as well as specialist engineering, retail and construction apprenticeships. In 2013 we trained 1007 unemployed local people, which led to 525 people being placed into work and a further 150 gaining an apprenticeship.

Further investment in schools

With expansion and the new jobs that would be created, Heathrow will need to work with local boroughs to help ensure that children leaving education to enter the workplace are equipped with the necessary academic and non-academic skills they need to compete. In some cases, this will require Heathrow to work with local authorities, governors and other partners in improving school facilities and infrastructure.

Heathrow's Schools Challenge reached:



1 The promise of new apprenticeships and skills

Extending our educational programmes even further

Investing in young people and providing them with the skills they need to compete in a global market is already a key part of our community investment programme. But we want to go further. Education partners tell us that capturing the imagination and harnessing the aspirations of children is vital if we are to prevent young people from leaving school without the skills and qualifications they need to access jobs of the future. If Heathrow expansion goes ahead there will be plenty of new jobs available. Our role is to support the link between education and future careers so that local young people can access those jobs. We will do this through an extension of our current programmes to include:

- A Heathrow colleague becoming a school governor in every local school that wants one. Many schools need the skills of business people. This scheme encourages our colleagues to build long term relationships with local schools and to ensure schools receive the support they need.

- A series of careers focused resource packs for teachers linked to each of the five national curriculum key stages (ages 5-18) to enable lessons and workshops to be delivered around airport careers and related industry sectors.
- Working closely with our local universities, the University of West London and Brunel University, to provide deeper links between Heathrow and the universities' staff and students, through guest lecturing, research opportunities and curriculum development.
- Extensive work experience and internship programmes to provide opportunities for students to experience different working environments and to see what a career at Heathrow might mean for them.
- Continued support for youth social action through the Step Up to Serve scheme which aims to double the number of young people taking part in social action by 2020.
- A widening and deepening engagement with our supply chain and airport community across all education and employment and skills programmes.

“ Step up to Serve are delighted that Heathrow have become a Pioneer Business for the #iwill campaign. By making this commitment, Heathrow are demonstrating they believe passionately in the power of youth social action to help young people develop the skills and qualities to reach their full potential and make a significant contribution to their communities. ”

Step up to Serve



#iwill campaign



This Heathrow Academy graduate trained as a chef and is now working at Heston Blumenthal's Michelin starred restaurant in Terminal 2



The Heathrow Academy

The Heathrow Academy helps to ensure local unemployed residents benefit from the employment opportunities at the airport. Combining a programme of pre-employment support with an insight into on-site employer requirements, courses are aimed at unemployed residents from five boroughs surrounding Heathrow – Ealing, Hillingdon, Hounslow, Slough and Spelthorne. Our target is to recruit 50% of all our colleagues from within the local boroughs and the Heathrow Academy supports this objective.

Heathrow works with employers at the airport to make sure candidates receive training which reflects the competencies and skills needed to work in the industry they have chosen. Job opportunities following the courses can range from skilled positions for candidates with qualifications and relevant experience to entry level positions for those with little or no experience. Once in employment, candidates are encouraged to continue their professional development, in many cases by pursuing professional qualifications and career progression either with Heathrow or with one of our business partners.

Expanding the Heathrow Academy

We are already considering a number of ways to expand the work of the Heathrow Academy including by teaching basic skills and extending the range of sectors the scheme supports. Working with partners, we will also consider how the Academy could be opened up to people living in a wider geographic area including parts of East London. Heathrow expansion will also provide additional opportunities for us to substantially extend the sector training we provide and to involve a number of new airport employers as Academy partners. This would include training in a range of airport related sectors such as hospitality, travel services, customer services, aircraft operations, cargo handling, security and general management. We will work with local authorities, Local Enterprise Partnerships, training providers, Jobs Centre Plus as well as schools, local colleges and universities to consider the future employment opportunities and what this means for skills development and training.

It's not just the number of jobs at Heathrow that matters, but the quality of those jobs and the quality of the skills development and training opportunities that come with them.

Deliver 5,000 additional apprenticeships

The expansion of Heathrow will enable us to double the number of apprenticeships across the airport to 10,000 by 2030 as a result of the huge increase in direct jobs at the airport. Approximately 300 apprenticeships are currently started each year across the airport. An additional runway would result in an extra 5,000 opportunities. In the lead up to construction, we will create 1,500 additional apprenticeships. During construction, we will add a further 1,500 and then another 2,000 during operation until 2030. We will continue to deliver an apprenticeship programme beyond 2030 and will establish our target for this by 2025.

Our Business Partners

The vast majority of people who come to work every day at Heathrow are employed by the companies whose businesses are based at the airport. We have over 100 retail and restaurant partners; we work with a number of construction companies involved in the continuing development of Heathrow; and there are numerous operators in the aviation and logistics businesses. All these partners offer thousands of jobs and a vast range of careers.

2

The promise of new jobs

Heathrow expansion will create more than 120,000 new jobs and has the potential to end youth unemployment in the five local Heathrow boroughs

Heathrow stands at the heart of a vibrant airport based economy

The current centre of UK economic gravity is to the west of London, the Thames Valley and Surrey where highly productive clusters in industries like IT and pharmaceuticals have grown up around Heathrow over the last 50 years. Out of the top 300 companies in the UK, 202 have their headquarters clustered within a 25 mile radius of Heathrow. There are 60% more international companies around Heathrow than in the rest of the UK, 100% more US businesses and 260% more Japanese businesses.

Heathrow is already one of the UK's largest single-site employers with more than 76,000 people directly employed on the site. In the surrounding area, Heathrow supports a total of 114,000 jobs and accounts for one in five (22%) of local jobs.

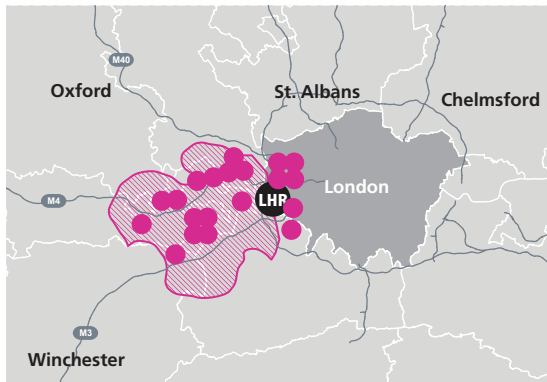
Boosting the UK economy

Heathrow expansion would deliver greater economic benefits to the UK than any other short-listed option by creating the hub capacity the UK currently lacks and maximising direct connections to emerging markets. Benefits of at least £100 billion present value would result from an additional runway and expansion would create more than 120,000 new jobs across the UK by 2040.

Jobs during construction

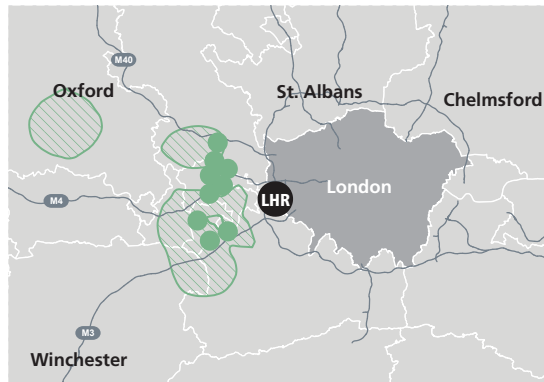
The building of a new runway and the redevelopment of the airport will create many new quality infrastructure, engineering and construction jobs across the country. This would be one of the UK's largest infrastructure projects and construction will support the wider UK economy by creating direct jobs locally and indirect jobs nationwide.



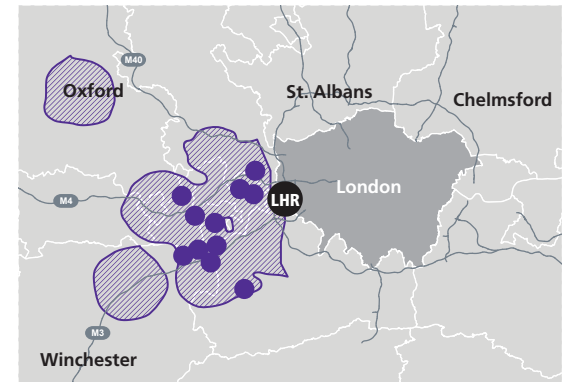


●● UK head offices

IT cluster



Pharmaceutical cluster



Knowledge-intensive business services cluster

Strong and growing business clusters

Not surprisingly, airport related industries excel in the local boroughs around Heathrow. Strong business clusters linked to aviation have emerged and expansion would help to strengthen these further. In particular air related freight and courier businesses, transport, software, security, IT, and food services are all strongly represented. These clusters exist due to their proximity to the airport and expansion will help them to grow further.

The sectors that need strong global links are the same ones that the London and the Thames Valley have successfully attracted over the last thirty years recognising the benefits of locating close to an international hub airport. Financial services accounts for 55% of the UK's (non-EU) foreign direct investment (FDI); other key sectors include ICT, business services and pharmaceuticals.

The enhanced connectivity and improved range of destinations that an expanded hub airport could support will lead to more foreign direct investment and more trade. London and the South East has already attracted a large number of high value businesses that offer well-paid jobs and contribute significantly to the UK's economic success.

Recent research shows that Slough ranks second behind only London in the top 150 UK towns and cities for business creation. Slough's location on the M4 corridor with its concentration of

high-technology companies, and the short distance to international transport links from Heathrow is cited as a big draw for businesses.



Green Park, Reading. Source: Ecotricity

2 The promise of new jobs



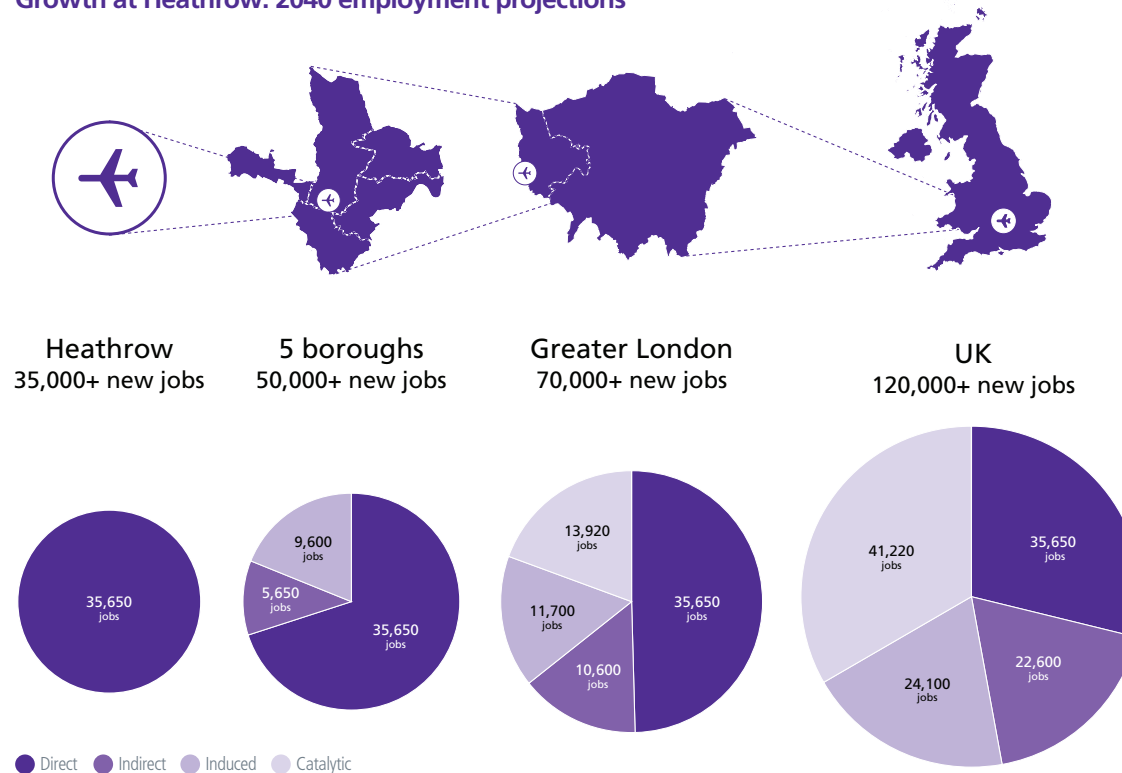
Engineering Apprenticeships can lead to great roles at Heathrow

Boosting local employment

Expansion at Heathrow will create an additional 35,000 direct jobs at the airport, taking the total number from over 76,000 today to more than 111,000 by the time an additional runway is operational. These direct jobs will be in a range of occupations – including baggage handlers, engineers, shop assistants, pilots and cabin crew, management, security and air traffic control. This will require a range of skills from entry level jobs through high quality and higher level apprenticeships to highly skilled jobs requiring many years of training.

We estimate 50,000 jobs will be located within the five boroughs immediately around the airport, of which 35,000 will be direct airport jobs, and the remainder indirect and induced employment. We anticipate that many of these jobs will be taken by people who live in these five boroughs; - enough to reduce unemployment in these boroughs by over 50% based on today's figures. The expansion of Heathrow would go a long way to providing some of the best local employment prospects anywhere in London.

Growth at Heathrow: 2040 employment projections



“ The best way to tackle long-term youth unemployment is through high quality schemes that provide real experience of paid work, with unions and employers working together to design and deliver programmes. If this initiative increases access to such opportunities, then it will provide an important means to reduce unemployment and improve young people’s chances for the future. ”

Frances O’Grady, General Secretary, TUC



The Central Research Laboratory within the Old Vinyl Factory development. Source: Cathedral Group

The potential to end youth unemployment in our five local boroughs

Youth unemployment (age 16-24) currently accounts for around a third of all unemployment in the area around Heathrow, including approximately 2,500 NEETs (Not in Education, Employment or Training). Our promise is that if Heathrow expansion goes ahead, with the number and range of jobs on offer and in conjunction with our education, skills development, apprenticeships and training programmes, youth unemployment in the boroughs around Heathrow could be ended all together. Opportunities would exist for every young local resident who wanted to take advantage of them.

Boosting all of London

The full opening of Crossrail in 2019 will bring much of East London into a 60 minute catchment area for Heathrow. Journey times from Whitechapel, Canary Wharf and Stratford to Heathrow will be 36, 40, and 41 minutes respectively. Heathrow will be linked to priority regeneration schemes throughout the region – to Old Oak Common and the Royal Docks via Crossrail, Slough via Western Rail Access and Nine Elms/Battersea by Southern Rail Access. These links will make it

possible for people living in East London to consider Heathrow within a commutable distance. Jobs in and around Heathrow that are currently out of reach will in the future be attractive to Londoners wherever they live. We will talk to Local Authorities across London to explore how we can encourage their residents to consider job opportunities at Heathrow in the future and what support we could offer to ensure that young people are made aware of the opportunities and develop the skills they need to take these jobs in the future.

Of the more than 120,000 new jobs created by Heathrow expansion, we estimate that 70,000 jobs will be created throughout Greater London. This is made up of 35,000 direct airport jobs and the remainder a range of indirect, induced and catalytic jobs, many as a result of Heathrow’s extensive supply chain. As a result of this growth, existing and future suppliers will get a massive boost to help them to grow their own businesses.

Commercial development will offer a great location for small business

A development on the scale of Heathrow offers much more opportunity than just additional flights and more passengers. Our expansion plan

is built around enabling businesses to flourish. Redevelopment of the airport will provide land which we will safeguard for new commercial development. We want to support SMEs and entrepreneurs and we will therefore look at providing flexible space specifically for business incubator schemes to occupy.

Business incubation and support for start-ups

We will also prioritise support for new business start-ups and small businesses linked to local developments including Slough, Old Oak Common, Park Royal and Nine Elms. As an example the Central Research Laboratory, due to open in Q4 2015, is set to create hundreds of jobs in Hillingdon and provide innovative manufacturing start-ups with technical infrastructure and business services. We will work with relevant partners to look at hosting a similar project and are considering ways in which we could focus our support on export led initiatives. We will also seek to provide support to local young entrepreneurs who are looking to establish a new business.

3

The promise of connecting every economic centre in the UK to growth

Heathrow expansion will help rebalance the UK economy by connecting all of the UK's regions and nations to growth markets

Connectivity matters to business

The UK is in a global race for trade, jobs, and economic growth. Business places a high value on the connectivity provided by global hub airports. UK businesses trade 20 times as much with emerging market countries that have a direct daily flight to the UK as they do with those countries that do not. And 85% of UKTI clients said exporting led to a level of growth not otherwise possible. It is projected that by the year 2050, growth markets like China, India and Brazil will represent nearly half (46%) of global GDP. We want to ensure that all of Britain will benefit from Heathrow expansion.

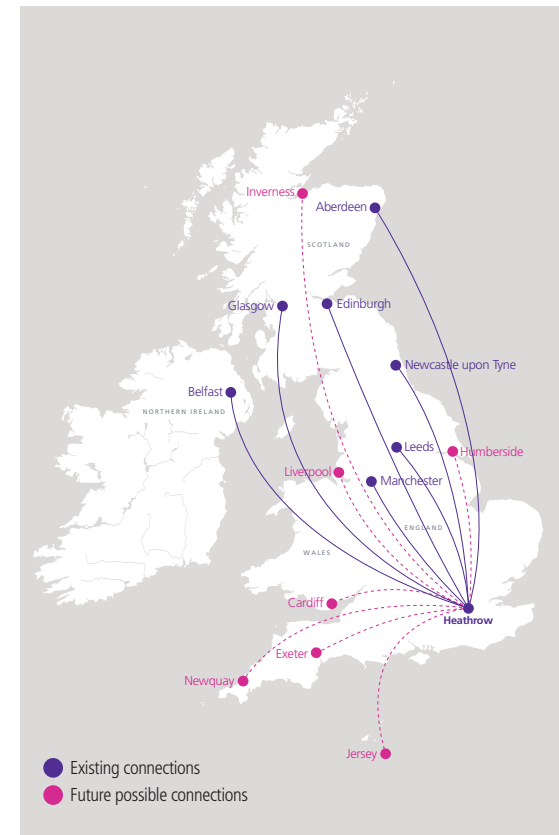
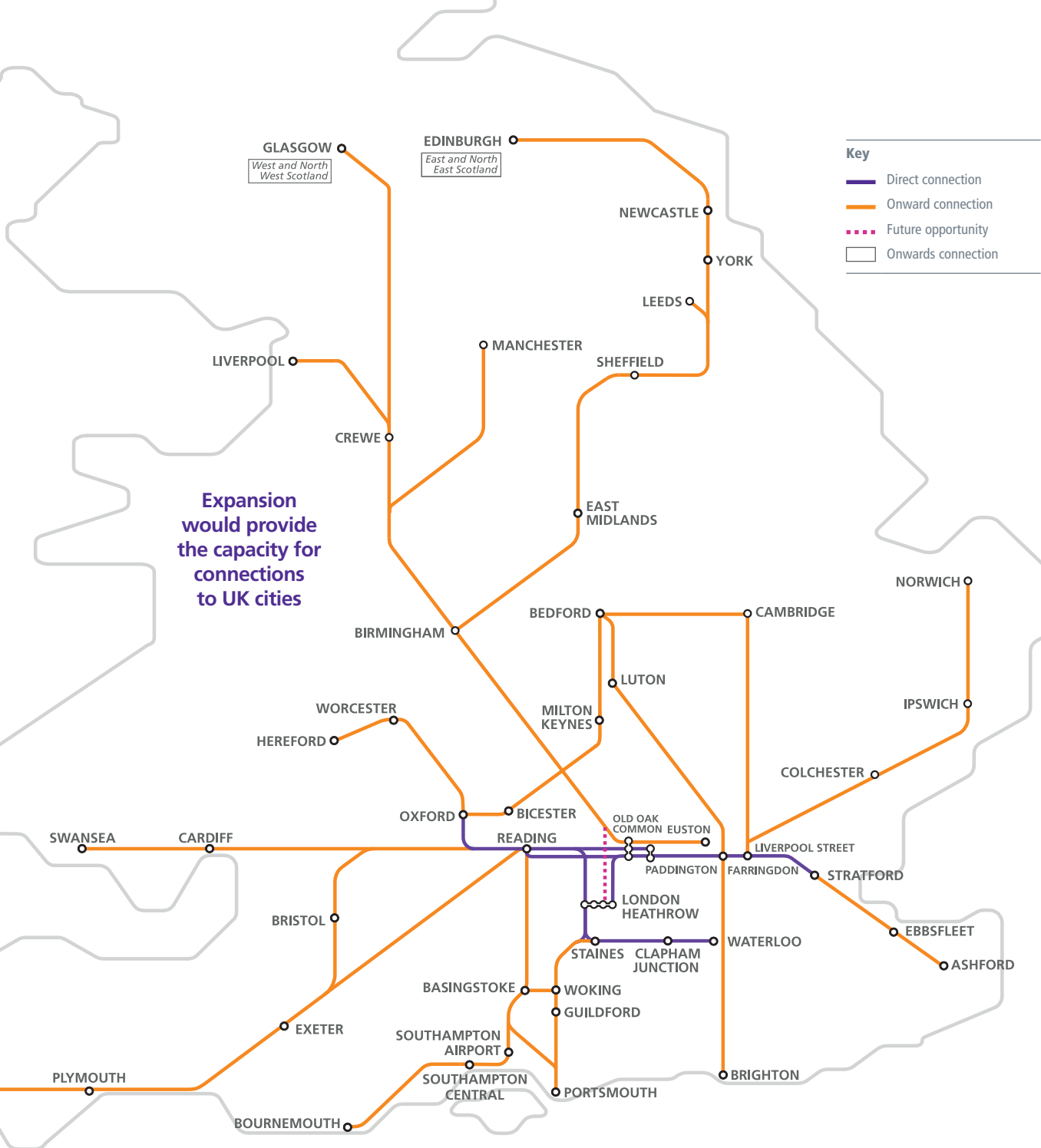
UK businesses trade 20 times more with emerging markets with a direct daily flight to the UK as they do with those that do not



Direct flights are vital for continuing to connect the whole of the UK to growing economies and driving the UK economy as a result. Connections open up multiple new business opportunities for trade and exports, and provide our manufacturers with sources of cheaper raw materials. Direct flights also drive inbound tourism and enable UK residents to reach new leisure destinations. Heathrow expansion will enable us to deliver the connections that regional business tells us it needs to grow.

Connecting Heathrow to every economic centre in the UK

Heathrow is one of only six airports in the world that provides flights to more than 50 long haul destinations. But many passengers in the UK's nations and regions no longer have the choice of flying via Heathrow because domestic flights have been squeezed out as capacity has become constrained. Heathrow currently offers domestic flights to seven UK destinations while Amsterdam has routes to 24 UK airports. For some UK regions the only available option is to fly via Amsterdam or another EU hub airport. This provides connectivity but is unreliable, often inconvenient and, without competition, expensive.



Regional airports want flight connections via a UK hub

Expanding Heathrow would create the hub capacity needed to provide air connections to a number of UK cities, giving passengers a UK hub through which to travel on to their long haul destination and helping UK business succeed on the international stage. Demand indicates at least seven UK routes which could be provided with the additional capacity that an expanded Heathrow will bring, including Exeter, Newquay, Cardiff, Liverpool, Jersey, Inverness, and Humberside.

3 The promise of connecting every economic centre in the UK to growth



National Connectivity Task Force

We are already committed to actively working with the Government to find solutions to maximise flights into Heathrow from the rest of the UK. We have established the National Connectivity Task Force, independently chaired by Lord Shipley, to develop proposals on how regional air links to Heathrow can be improved; to enable every part of Britain to be better connected to global markets.



The National Connectivity Task Force is made up of 15 experts drawn from academia, think tanks, the aviation industry and the UK's nations and regions. The Task Force will commission a comprehensive programme of research and analysis, and engage with a wide range of relevant parties, in order to examine the best ways to provide the connections required. Using this evidence the Task Force will make recommendations to the Airports Commission, Heathrow's Board, the Government and to both local and regional stakeholders on the measures required and a suggested timetable for implementation.

Members	Organisation
Lord John Shipley OBE, Chair	Peer, House of Lords
Lord Chris Haskins, Vice Chair	Peer, House of Lords
Prof. Ben Derudder	Geography School, Ghent University and Director of GaWC
Paul Hildreth	Independent Advisor on Cities, Regions and Local Economies
Neil Pakey	CEO Shannon Airport and Ex-President of Airport Operators Association
Sandie Dawe	Ex-Chief Executive of Visit Britain
Sir Rod Eddington	Ex-CEO, British Airways
Prof. Harry Dimitriou	Director of Planning Studies and OMEGA centre – Bartlett School of Planning, UCL
Prof. Peter Tyler	University Professor, Department of Land Economy, University of Cambridge
Derrick Murray	Director, Nestrans
Dan Fell	Deputy Chief Executive, Doncaster Chamber of Commerce
Jenny Stewart	Chief Executive, Liverpool Chamber of Commerce
Sir Peter Rigby	Chair of Patriot Aerospace and Ex-Chair Warwickshire & Coventry LEP
Suzanne Bond	Chief Executive of Cornwall Development Company
Iestyn Davies	Head of External Relations, Federation of Small Business (Wales, Scotland and NI)
Doreen Mckenzie	Chief Executive of Knock Travel & Board Member at ABTA

It will report initially by the end of 2014 with the aim of presenting recommendations to the Airports Commission in early 2015. In particular it will look at:

- the financial, economic and environmental costs of implementing the recommended measures;
- the key partners – both public and private, local and national – whose co-operation will be required to ensure delivery; and
- the extent of support and opposition for its proposals.

Connecting across the UK by rail and road

Heathrow is already the UK's best connected transport hub. It is the only airport with a London Underground connection. It has the only dedicated non-stop express airport rail link in the UK. It has the UK's busiest bus and coach station. It is the best connected airport to the strategic road network with the M25, M4, M40, M3 and M1 motorways all within close proximity.

Major new public transport schemes are already committed for Heathrow

New rail services to the North, East, South and West will be delivered by the time a new runway would become operational. Heathrow's rail capacity will treble and already committed improvements such as Crossrail, the Piccadilly Line upgrade, Western Rail Access and HS2 will be augmented by Southern Rail Access and new and enhanced bus and coach services. Our plans for expansion will place Heathrow at the heart of the UK transport system with a total population of 12 million people within 60 minutes of the airport.

Building on the UK's success

The service sector is booming across the UK, with the UK currently the second largest exporter of services in the world behind the United States. In particular, businesses trading within the professional, scientific and technical activities sector, including legal and accounting services, management consultancy, architecture, engineering, scientific research and development have been a major success story. Trading around the world they are the largest contributors to UK exports with a value of £33 billion, up 14% on the previous year.

Yet there is still untapped potential. The Work Foundation has said: *"In many ways, the business services sector has joined manufacturing as the mainstay of the UK economy. The business services sector has created millions of jobs and is a high-value sector. While the business services sector has a very strong net trade performance, exports remain relatively low given the size of the sector. Turning business services into a mass export sector should be a top priority for revitalising the UK economy."*

Supporting the UK's services industry

We have identified 10 major UK cities which between them have over 27,000 businesses in the professional, scientific and technical sectors. This is a growth sector where the UK already has a comparative advantage, and we want to keep it growing. An expanded Heathrow would provide connections to new global growth markets, bringing the benefits of additional trade, tourism and growth to businesses the length and breadth of the UK. By 2030, a business wanting to send an analyst, a scientist, or a lawyer to sell their expertise in Mexico, Salt Lake City, or Shanghai will be able to do so via Heathrow in these journey times as shown above.



These ten cities represent a major growth opportunity for the UK services sector

Easy ticketing

We will make it easier for people to get from their offices to overseas' opportunities. Building on the ground-breaking Heathrow Express – First Great Western – Singapore Airlines ticketing deal, we will work with airlines and rail companies to offer seamless travel so that by the time the new runway is operational, boarding passes could take travellers directly from Liverpool to Lima, Cardiff to Chile and from Manchester to Mombasa.

4

The promise of new trade and exports

Heathrow expansion will enable a significant increase in UK exports to close the gap between the UK and our European competitors

More trade and new exports

Trade with other countries is vital to the economy. Facilitating further export growth is therefore a major government priority, and central to helping the UK to win the global race for growth. UK business needs to be able to pursue opportunities in high-growth, emerging markets while traditional markets in Europe face a slower growth future. Growing our exports depends on businesses identifying new opportunities and creating trading relationships. Currently 1 in 5 of the UK's small and medium sized businesses export, and the UK is the world's 10th largest exporter of goods. The UK Government has already set clear ambitions for exports.



Doubling UK exports to £1 trillion a year by 2020
(Budget Statement, March 2012)



Getting 100,000 more UK companies exporting by 2020
(Prime Minister, November 2011)

But against fierce competition from our European neighbours, this level of exports can only be sustained into the next decade if the UK has the direct air connectivity that will allow its trading relationships to flourish, and its goods to be transported. Our promise is that Heathrow expansion will provide the means for the UK to grow its exports throughout the next decade, and close the gap with our European competitors.

Exports depend on connectivity

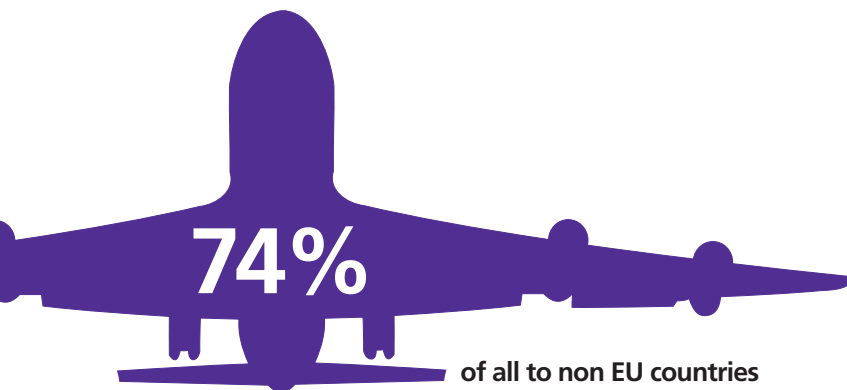
The competitiveness of UK businesses trading with the rest of the world depends on connectivity. UK businesses trade 20 times as much with emerging market countries that have a direct daily flight to the UK as they do with those countries that do not. British exporters rely not only on being able to transport their goods, but on the greater ease of travel which enables them to make and sustain the business relationships needed to export in the first place.

“ Those already exporting to China, the United Arab Emirates and India regard those markets as offering the greatest potential for their business. This shows the confidence and willingness of UK businesses to expand their sales in the fastest-growing markets once they have taken the steps to export there. The positive experience of companies that have made the leap into these markets hints at the huge potential for the UK to grow its export base if the support is there to help them connect to these markets. ”

John Longworth, Director General of the British Chambers of Commerce (BCC) commenting on BCC International Trade Survey May 2013



Air freight tonnage through Heathrow



Air freight

Air freight is essential to keeping the UK economy moving and continuing to drive an export-led economic recovery. Air freight accounts for about 40% of UK imports and exports by value. Global shippers pay the UK air freight industry over £3bn to carry two million tonnes of goods a year. But despite this the importance of air freight to the UK economy is often overlooked.

Air freight is particularly vital to high value trade links. It serves major export industries such as electronics, telecoms, financial and business services. Air freight also serves industries where urgency, safety and security are key factors – pharmaceutical and biotech industries as well as food producers are heavy users of air freight, and UK manufacturing relies on air freight to import and export key components to keep factories working. Much of the UK’s high value manufacturing is located outside London and the South East and it is essential that these businesses have fast and direct access to their global markets.

Heathrow is already the UK’s air freight hub

Heathrow is the most significant airport for freight in the UK, carrying two thirds of all UK air freight each year. Heathrow’s network airlines and the huge range of passenger services from the airport are crucial to its success as an air freight hub. Heathrow alone accounts for a quarter of the UK’s non-EU trade by value. By contrast, Felixstowe, the UK’s largest container port, accounts for 12%.

Heathrow is the predominant UK global air-freight hub because it serves more business destinations, flown by network airlines and provides more long haul flights capable of carrying air freight. Low cost airlines operating from point to point airports across the UK do not carry freight because their business model is based on fast turnaround times that do not allow for the loading or unloading of freight in any volume. In addition many of the airport destinations they fly to are not centres of manufacturing and commerce but leisure destinations without the airport ground freight facilities to enable onwards transportation.

4 The promise of new trade and exports



Capacity constraints prevent UK companies from seizing export growth

Continued capacity constraints prevent Heathrow from providing the additional routes and services that airlines and businesses require. A successful air freight hub relies on an extensive route network; carrying more cargo to more places and making efficient use of existing belly hold capacity. But air freight business is increasingly being forced to bypass Heathrow and is choosing to operate from our hub competitors in Europe and the Middle East.

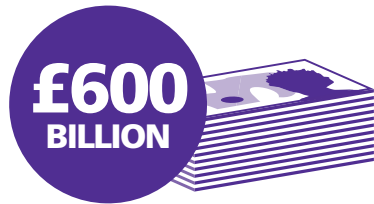
Expansion will enable a significant increase in UK exports

We are developing proposals for a complete overhaul of our cargo facilities as part of our expansion plans for an additional runway. Redevelopment of the airfield will provide an opportunity for the first time to expand the site and create new efficiencies. This will allow us to double our throughput to over three million tonnes each year, more than 100 times the size of Gatwick's current capability. New routes including those to developing markets will provide airlines and freight handlers with the connectivity they

require. This will provide capacity at Heathrow for freight and cargo to be carried in the belly hold of passenger flights that could not be matched by any other UK airport.



Heathrow's committed to supporting sustainable economic growth and prosperity in the local communities



UK trade value sustained through airlines' route networks at Heathrow



Business passengers travelling through the airport every year



Estimated new business won by local businesses

We have already embarked on a period of engagement and consultation with our freight partners, customers, airlines, local communities, business and national stakeholders. We want to ensure that our cargo provision is driven by their needs and that we focus on providing the high volume, time sensitive facilities that air freight relies upon. Working with partners including SEGRO, we will prioritise investments and, in the longer term, ensure that we can realise the opportunities expansion would bring.

Helping to grow air freight businesses

Air freight currently provides approximately 39,000 jobs in the UK, the majority of which are dependent upon and clustered around Heathrow. Expansion will bring new jobs and business growth together with increased opportunities for apprenticeships. Many of these new opportunities will be created within air freight businesses and will in turn support jobs throughout the supply chain, bringing benefits across the UK as well as to local communities.

The Heathrow Business Summit

SMEs are the lifeblood of the UK economy, accounting for over 99% of all UK businesses and employing over 13 million people. Our goal is to enable more and more SMEs to connect to new opportunities for growth locally, nationally and internationally.

Through the Heathrow Business Summit we are working to connect local businesses with each other, with the airport, and, through the airport, to the world. It began as an annual event seventeen years ago and has grown into a series of business workshops run in each of our five local boroughs, giving local SMEs the opportunity to meet and trade, facilitating introductions to the Chambers of Commerce and providing opportunities to share knowledge and expertise. SMEs get expert advice on maximising procurement opportunities with the airport and on new supply chain and sub-contracting opportunities. Since these events began they have helped companies win new business worth an estimated £90 million.

Expanding the Heathrow Business Summit

Since 2012 we have partnered with UKTI to help businesses make the most of Heathrow's connectivity to export and access global growth opportunities. UKTI have identified 100 High Value Opportunities across the world and the Business Summit will continue to support SMEs to access these opportunities and make the most of supply, export and growth opportunities. We will increase the number of suppliers and airport community businesses involved in the Business Summit and support SMEs across the country to access all of Heathrow's many procurement opportunities.



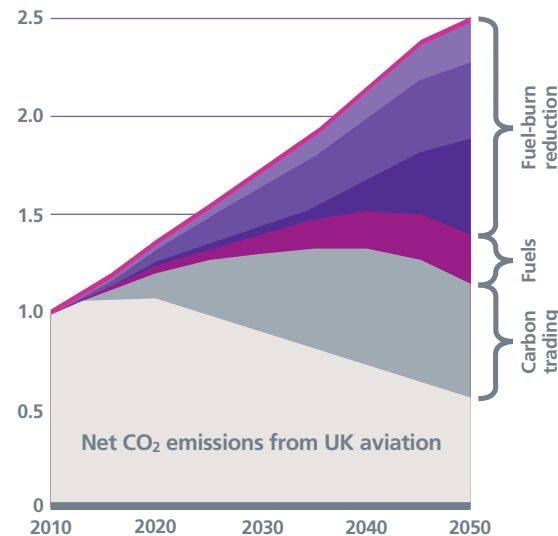
5

The promise of a cleaner and quieter Heathrow

Heathrow expansion will keep CO₂ emissions within UK climate change targets, meet local air quality limits and cut the number of people affected by noise by at least 200,000

A cleaner and quieter Heathrow

Our vision is not just about securing prosperity for future generations, it is about doing it responsibly. We recognise that people have legitimate concerns about what the environmental impact of a new runway would be. A new runway should only go ahead within the UK's climate change and air quality targets and with strict environmental limits on noise.



Climate change

Growth in aviation is compatible with tackling climate change

The Airports Commission's interim report and the Committee on Climate Change found that an additional runway is compatible with the UK meeting its climate change reduction targets. A combination of new aircraft and engines, more efficient airspace and sustainable alternative fuels mean that aviation can grow significantly without increasing emissions. The aviation industry was the first to set a 2050 carbon target: to halve net emissions. We support that.

The number of flights from UK aviation can increase without substantially increasing emissions

Legend: Demand growth, Operations & ATM, Imminent aircraft, Future aircraft, Sustainable fuels, Carbon trading, Net emissions

“ Sustainable Aviation is the UK industry’s sustainability strategy, bringing together the leading airlines, aircraft and engine manufacturers, airports and NATS. Sustainable Aviation will be happy to work with the Airports Commission’s recommendations for an additional runway in the south east. Whilst Sustainable Aviation is not specifically endorsing any of the runway options being considered, if Heathrow is selected as the location for a new runway, Sustainable Aviation will work in partnership to help deliver on the commitment to make an expanded airport cleaner and quieter. ”

Sustainable Aviation



Managing our carbon

Many of the proposals that we are developing for aircraft operations both on the ground and in the sky if Heathrow were to be expanded will contribute to a reduction in carbon emissions as well as having a positive impact on noise. The extra capacity will allow us to eliminate aircraft stacking which will reduce both noise and carbon emissions. Extra capacity will also reduce overall emissions by enabling airlines to operate more

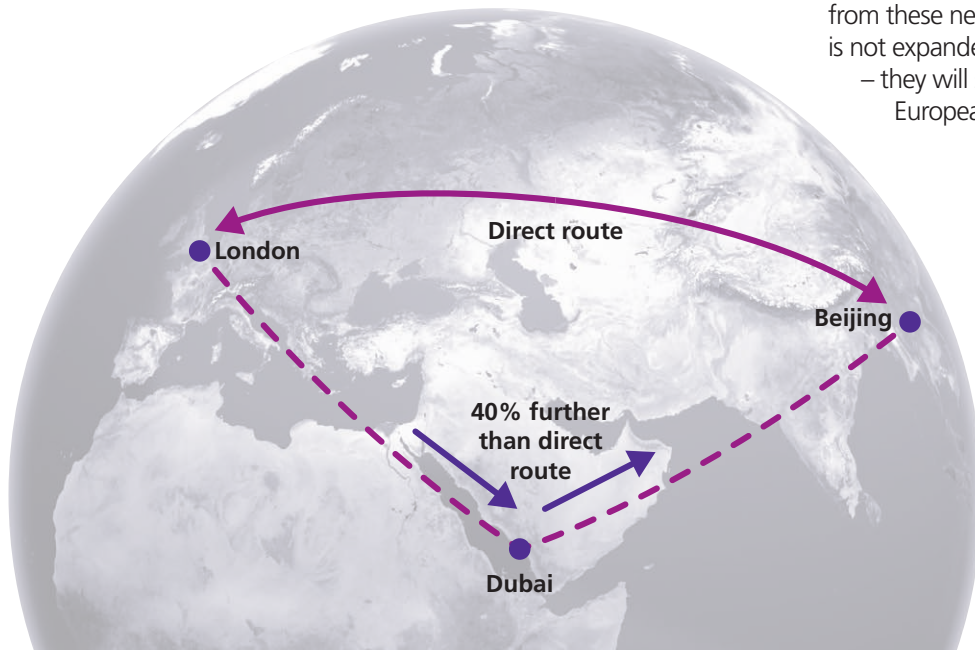
direct flights to destinations not currently served; enabling passengers to take one flight rather than travel indirectly on two flights via another hub airport. Capacity constraints at Heathrow have not limited overall global emissions. Instead the emissions are pushed, together with the economic benefits, offshore.

- Since Heathrow has been capacity-constrained, evidence shows that new routes have gone elsewhere as airlines add flights from other European hub airports. The emissions resulting from these new flights will still exist if Heathrow is not expanded. Passengers would still fly – they will simply be pushed to other European airports.

- Heathrow could handle these passengers with lower carbon impact than other airports. Heathrow attracts larger planes flying at higher load factors than other airports – resulting in lower emissions per passenger.
- By adding extra landing and take-off capacity, an additional runway might actually shrink the global emissions associated with air travel by reducing congestion and aircraft queuing times and by enabling millions of passengers each year to fly directly to new destinations, eliminating thousands of transfer journeys.

A resource efficient Heathrow

We will ensure that the airport’s own infrastructure supports Government energy targets. The airport in 2030 will produce 60% less carbon from energy use compared to 2010. This will be achieved by investing in new technologies and practices that increase the efficiency of the airport. Compared to today the airport will consume less water, and result in less waste per passenger with over 80% of waste recycled.



Flying from the UK to Beijing via Dubai is 40% further than going direct

5 The promise of a cleaner and quieter Heathrow



Air Quality

Better air quality than today

Throughout the planning for an expanded Heathrow, our clear aim has been to reduce emissions from airport operations and activities wherever possible. In the last decade we have achieved significant reductions in emissions – even though the numbers of people and aircraft using Heathrow have increased.

We can add capacity at Heathrow while improving air quality

We will reduce emissions from aircraft through:

- **Cleaner aircraft technology** – emission based landing charges provide an incentive for airlines to use the lowest emitting aircraft; and
- **Cleaner aircraft operations on the ground** – reduced taxi and hold times, and reduced delays both in the air and on the ground as a result of improved efficiencies.

Improved public transport links

New public transport options will provide an alternative to travelling to the airport by road. We have set a 50% target for public transport mode share for passengers and staff. Heathrow already funds the UK's largest free travel zone. With an additional runway, we will look to expand this even further, improving access and enhancing Heathrow's role as a local as well as a national transport hub.



We will also look at whether additional funding contributions could be made by the airport to help subsidise specific bus routes to areas of deprivation and unemployment in the local community.

Cleaner vehicles

New aircraft technology combined with cleaner vehicles on the roads in the future means that levels of nitrogen dioxide (NO₂) would be within EU limits. Levels of fine particles (PM₁₀ and PM_{2.5}) are already within the limits and would continue to be with an additional runway. We will operate a Clean Vehicles Programme to promote low and zero emissions vehicles among airport companies. We already host the UK's first publicly accessible hydrogen refuelling site and are increasing the number of electric vehicle charging points at our passenger car parks. A congestion charge could provide a new mechanism for managing demand and ensuring there will be no more Heathrow-related vehicles on the roads than today.



Noise

There isn't a choice between more flights or less noise

There isn't a choice between more flights or less noise. Heathrow can deliver both. Heathrow is significantly quieter than it was in the past. Since the early 1970s both the area and the number of people within Heathrow's noise footprint have fallen around tenfold, despite the number of flights doubling. Our proposals for expansion at Heathrow will see noise reductions continue.



5 The promise of a cleaner and quieter Heathrow



Difference in population inside the Heathrow noise contour in 2040 compared to 2011

Airspace redesign option	Contour boundary	Difference in population inside noise contour in 2040 compared to 2011
Minimise the total number of people overflowed	55 Lden	-44%
	57 LAeq	-21%
Minimise the total number of new people exposed to noise	55 Lden	-28%
	57 LAeq	-14%
Maximise the periods of predictable noise relief for people	55 Lden	-45%
	57 LAeq	-19%

Independent analysis

The CAA (Civil Aviation Authority) has produced independent analysis on the number of people affected by aircraft noise with an additional runway in 2040 compared to today. This shows that between 28% and 45% fewer people would be affected by noise using the 55dB Lden measure preferred by European policymakers, and between 15% and 21% fewer people affected by noise against the Government's preferred 57dB LAeq measure of noise.

This equates to at least 199,550, and potentially as many as 325,950 people taken out of Heathrow's noise footprint, using the 55dB Lden measure, and between 34,450 and 49,550 fewer people could be affected according to 57dB LAeq measure. These noise reductions would be delivered through a combination of a new runway location, steeper landing approaches and new aircraft technology.

Heathrow is not proposing any extra night flights and our plans could reduce the number of night flights on existing flight paths. Residents under existing flight paths could have night flights only every third week rather than every other week as is the case today. There would be a 60% reduction in the number of people exposed significant levels of night noise.



Airspace design

Adding a runway at Heathrow would require airspace to be redesigned. This would include the redesign of arrivals and departures flight paths for Heathrow. The main objective when redesigning airspace would be to minimise and where possible reduce the impact of noise. However, there are choices in how airspace could be redesigned to achieve this objective. While we recognise that determining which approach should be pursued is ultimately a matter for Government, we believe that maximising the periods without planes overhead ('noise respite' or 'fairer flight-paths') offers clear advantages. The public consultation that Heathrow held at the start of 2014 showed a strong preference from local communities for runway alternation and noise respite to be maintained.

Quieter aircraft

We charge noisier aircraft more to land at Heathrow and quieter aircraft less. 90% of aircraft at Heathrow will be 'next generation' technology like the Airbus A380, Boeing 787 and Airbus A320 NEO by the time the new runway opens. We also support the introduction of 'green slots' where new capacity would only be given to airlines willing to operate quieter aircraft. We will seek the earliest possible phase-out date for the noisiest aircraft while proposing a stronger financial penalty for those aircraft in our landing charges.

New noise insulation and fair compensation

Heathrow currently operates one of Europe's largest noise insulation schemes. More than 40,000 properties are eligible for some form of noise insulation. In areas of high noise or in areas experiencing a significant increase in noise we will offer free noise insulation to residents.

Over the last 20 years Heathrow has spent £30m on insulating homes, schools and community buildings from noise. Our expansion plans include a proposal for a £250m fund to pay for free noise insulation and compensation for people in high noise areas.

A fair property compensation scheme

In the event that expansion goes ahead we will treat those most affected fairly. We recognise that the compulsory purchase of 750 homes is a significant undertaking and that such circumstances deserve exceptional compensation for residents. That is why anyone whose home needs to be compulsorily purchased will receive 25% above unblighted market value compensation plus legal fees and stamp duty costs on their new home. For the houses lost to the airport development, we will help fund replacement housing schemes within land already earmarked for development by local authorities.



Expanding Heathrow will grow Britain

Our five promises that will take Britain further:

- 1 We promise new apprenticeships and skills
- 2 We promise new jobs
- 3 We promise to connect every economic centre in the UK to growth
- 4 We promise new trade and exports
- 5 We promise a cleaner and quieter Heathrow

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