

DNV Assurance Statement

Det Norske Veritas (DNV) carried out an independent verification of selected information presented in BAA Ltd ('BAA') Corporate Responsibility ('CR') Report 2008 ('the Report'). The Management of BAA is responsible for all information provided in the Report as well as the processes for collecting, analysing and reporting that information. DNV's responsibility regarding this verification is to BAA only, in accordance with scope of work commissioned. DNV disclaims any liability or responsibility to a third party for decisions, whether investment or otherwise, based on this Assurance Statement.

Scope

DNV's scope of work included the verification of the accuracy and completeness of data and assertions made in the Report in relation to the Key Performance Indicators (KPIs) and targets listed below. These were selected by BAA as part of a rolling programme for External Assurance.

BAA's internal audit and external assurance programme

BAA has a programme of audit and assurance covering a selection of key performance indicators published in the CR report each year and the level of achievement of environment targets set by each airport. The selection process to identify which KPIs are included is informed by the materiality work carried out by BAA in 2007 which defines the priority issues for the company's stakeholders. The programme captures a different selection of indicators each year and enables an independent review of a wide range of performance measures.

The KPIs and airport environment targets included in the scope of the assurance work this year have been audited by BAA's Health, Safety and Environment (HSE) internal audit team verified by DNV, the nominated independent assurance provider.

BAA Corporate KPIs:

- Continuous Descent Approach (CDA) compliance at London airports.
- Percentage of aircraft fleet with Nitrogen Oxide (NOx) emissions at least 20% better than the CAEP/4 standard.
- Number of people completing National Vocational Qualifications (NVQs) managed by BAA.
- Water consumption per passenger.

Heathrow targets:

- Reduce Carbon Dioxide (CO₂) emissions by 3% against business-as-usual forecast through improvements in energy efficiency.
- Externally consult, finalise and publish the Heathrow noise action plan by 30 April 2008. Implement actions in the action plan for 2008 by 31 December 2008.
- To improve APU compliance as measured by turnaround audits by 10% from 2007 baseline of 65%.
- Increase recycling for general waste handled by the airport waste contract from 37.35% in 2007 to 38% by 31 December 2008.
- Develop and publish the Heathrow Water Resources Action Plan for 2009-2013.

This verification focused solely on a review of the process, methods and deliverables from BAA's internal audits focusing on the above mentioned KPIs and targets. This verification did not include an assessment of the adequacy, effectiveness or efficiency of BAA's strategy or management of CR issues. It also excluded the verification of CR management, performance or reporting practices by any of BAA's suppliers or any other third parties mentioned in the Report.

Methodology

This verification was carried out between January and March 2009 by a multi-disciplinary team of suitably qualified and experienced professionals, in accordance with the DNV Protocol for Verification of Sustainability Reports.

The following methods were applied:

- Face-to-face interviews with BAA personnel responsible for the preparation of the Report and for fulfilling roles in the following areas: Noise, Air Quality, Waste, Water Quality, Human Resources, Supplier Management, Environmental Data Management.

- Review of relevant supporting information relating to the Corporate KPIs and Heathrow targets verified including, self-assessment questionnaires completed by airports, performance records, data management procedures and instructions.
- Review of the processes and tools used to collect, aggregate and report on CR data relating to the KPIs and targets within the scope of this verification.
- Investigation of assertions, information and claims made in the Report through the review of data at source and discussions with the originators of the data.
- Observation of the internal audit process at Heathrow.
- Review of the internal audit scope and process at all airports through an interview with the relevant BAA Internal Auditor and BAA staff managing the internal audit process.
- Desktop review of the reports of the internal audits in relation to the KPIs and targets within the scope of this verification.
- Reporting of the external assurance findings to BAA data/target owners, enabling data to be corrected or provided, wherever errors or omissions were found.
- Review of relevant data and assertions made in the Report and assessment of the alignment with the findings of the External Assurance.

DNV states its independence and impartiality with regards to this assurance engagement. In 2008, DNV did not work with BAA or any of its stakeholders on any engagements which could compromise the independence or impartiality of our findings, conclusions or recommendations. Moreover, DNV was not involved in the preparation of any text or data provided in the Report, in addition to this Assurance Statement.

Conclusions

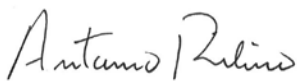
Based on the scope of work carried out, DNV concludes that:

- the Report provides an appropriate representation of BAA's performance against the KPIs and targets within the scope of this assurance engagement, in the 12-month period ending on 31 December 2008; and
- an appropriate internal audit process is in place, which was found to contribute to the improvement of CR data management and reporting processes, and the quality of the information presented in the Report.

Recommendations

Based on the scope of work carried out, DNV provides the following main recommendations, which do not affect the above-mentioned conclusions and are made to encourage continual improvement:

- The Report should clearly describe how the KPIs and targets were selected for the purposes of the internal audit and external assurance. Of particular interest would be to demonstrate how these relate to material issues, the processes for involving stakeholders in the selection of issues for the Report (inclusivity) and how the Report seeks to respond to stakeholder interests and concerns (responsiveness).
- BAA should ensure that the KPIs and targets selected for internal audit and external assurance purposes in any one year are aligned with those stated in the previous Report. Should changes occur, these should be described and explained in the Report.
- BAA should ensure that KPIs are specific, measurable, achievable, realistic and timely. These should also be expressed appropriately in order to ensure that there is clarity on how they are measured.
- BAA should ensure that quantitative information presented in the Report is based on 'actual' performance data, rather than estimates or assumptions, wherever possible. This will avoid the need for revisions or re-statements in future Reports.
- BAA should ensure consistent use of passenger data.



Lead Verifier



Verifier

Det Norske Veritas, London, 27 April 2009

BAA response to DNV's recommendations

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

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

- We have described our process for selecting indicators for inclusion in the audit process and plan to improve our communication of issue inclusivity and stakeholder engagement.
- We have and will continue to review annual alignment of targets.
- We commit to developing increasingly 'SMART' indicators.
- We are reviewing our approach to data management to increase the availability of 'actual' performance data.

DNV is a global independent provider of certification, assurance and advisory services, focusing on sustainability, climate change, environmental and health and safety issues across a range of sectors, including aviation.

