



SUSTAINABILITY REPORT 2016



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1. CEO's Statement

I am pleased to present Malta International Airport's second Sustainability Report covering the year 2016. The report encapsulates our sustainability initiatives, projects and their individual impacts, which cumulatively, year after year, help us realise our collective aspiration of having a more sustainable and socially responsible business.

Now in its 25th year of operation, the airport terminal reached an important milestone in terms of growth, with the terminal handling more than 5 million passengers in a given year for the first time ever. Whilst this was a proud moment for everyone - not just the airport, but also key stakeholders involved in the tourism industry - it was also a reminder of how important it is for a business such as ours to be committed to sustainable growth and to be conscious of its economic, social and environmental impacts. This, in fact, is the very motivation why we voluntarily decided to follow GRI standards, to transparently report both the positive and the negative impacts of our business, and to have our sustainability report independently audited. Growth and success bring with them added responsibilities and we are eager to take on such responsibilities for the mutual benefit of all our key stakeholders.

In addition to following GRI standards, Malta International Airport also took its first steps towards carbon neutrality in September 2016, when it voluntarily joined ACI's Airport Carbon Accreditation programme at Level 1. We feel that this initiative reflects our sustainability development aspirations and we are happy to be part of the growing ACI global community.

All the work and successes described in this report are ultimately down to our Corporate Responsibility (CR) Committee, whose sole focus is to implement the company's CR Strategy. We, therefore, treat our CR programmes and

initiatives like any one of our revenue-generating business units, with a determination to achieve our CR goals and take effective decisions promptly, whilst benefitting from a cross-functional perspective of our business.

Furthermore, we are also proud of our young foundation - the Malta Airport Foundation - which successfully concluded its second full year of operation and was active in managing or implementing the airport's external investments. In 2016, for instance, the foundation undertook the largest CR investment in the airport's history, with the sponsorship of the Combined Operations Room within the underground war headquarters in our capital city, Valletta, which amounts to €284,000. We are, I think, getting the right balance of cultural, environmental and tourism-related projects and initiatives, which benefit Malta as a whole, and this has always been the very purpose of our external CR investment strategy.

Finally, it gives me great pleasure to see our Company's corporate responsibility gather momentum internally and become ingrained in our company culture. Sustainability is a collective effort and I trust this will become evident as you read through our sustainability report. I would like to thank everyone involved in this process; our key stakeholders, the CR Committee members, the foundation board, and all those who play their part behind the scenes to make all this possible. We can all be proud of another positive year.

2. About this Report

This is the second, annual sustainability report that adheres to the Global Reporting Initiative's (GRI) G4 sustainability reporting guidelines. The present report covers the period from the 1st January 2016 to the 31st December 2016 and focuses on the issues that are most material to our key stakeholders in the economic, environmental and social fields.

In order to ensure maximum transparency and accuracy, and on a voluntary basis, PricewaterhouseCoopers (PWC) have been engaged to provide an independent assurance report, which is attached as an Appendix.

As from next year, the Company will adopt the new GRI standards when reporting on its Sustainability Report (2017).

3. Corporate Responsibility (CR) Strategy and Committee

Malta International Airport approaches corporate responsibility with a dual-pronged strategy, which seeks to achieve two complementary strategic objectives, namely: to measure, monitor, and manage the company's positive and negative impacts and to channel external investments to the airport's independent and not-for-profit Malta Airport Foundation.

The CR Committee - which is chaired by the CEO - is the mechanism used to implement the company's CR Strategy, and has overall responsibility for the formulation of the Company's internal CR policies and initiatives, sustainability targets, GRI reporting and the implementation of the company's CR policies and initiatives. The Committee also evaluates and approves all external CR investments, which the MAF is tasked to implement, oversee and manage.

4. The Malta Airport Foundation

The Malta Airport Foundation, which is a voluntary and independent organisation, was established in 2015 in order to focus on the airport's external CR investments. Projects are assessed and evaluated by the airport's CR Committee, but implemented and/or managed by the Foundation.

The Foundation has already been instrumental in implementing and administering a number of initiatives and projects aimed at enhancing the local environment and Malta's tourism product, for the benefit of both tourists and locals. The Foundation's first project was initiated in 2015 and involved a €120,000 investment in the restoration of Ta' Xutu Tower in Wied iż-Żurrieq. The newly restored tower will open its doors to the public in 2017. In the year under review, the Malta Airport Foundation also launched a 30-minute documentary, which brings the unique species harboured by the waters surrounding the little-known islet of Filfla to light

Towards the end of 2016, the Malta Airport Foundation announced that it was going to be restoring the Combined Operations Room within the underground war headquarters in Valletta, in collaboration with Fondazzjoni Wirt Artna. Built in the early stages of the Air Battle for Malta in 1940, the Combined Operations Room was where some of the key military figures of the time worked and took crucial decisions, which helped the strategically located island emerge victorious from what was to become one of the greatest battles of World War II. With a contribution of €284,000¹ to the project, this restoration is the foundation's heftiest investment in Malta's heritage to date.



5. General Standard Disclosures

Organisational Profile

G4-3: Name of Organisation

Malta International Airport plc.

G4-4: Products and Services:

The company's products & services are divided in two, namely those related with the company's core business and those related with the company's non-aviation business, as can be seen below.

Aviation-related products & services

- Airport infrastructure catering for commercial airlines, private jets, aviation schools, cargo and mail
- VIP Products – La Valette, High Altitude, VVIP Terminal
- Office Space

Non-Aviation products & services

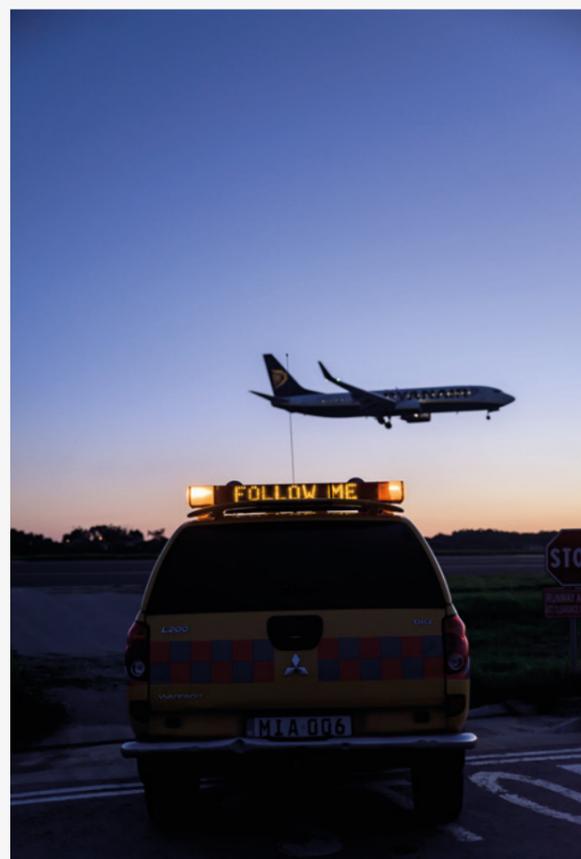
- SkyParks Business Centre
- Retail and F&B offerings
- Parking
- Advertising
- Property
- Meteorology Office

G4-5: Location of headquarters

Malta International Airport plc.
Luqa, LQA 4000, Malta

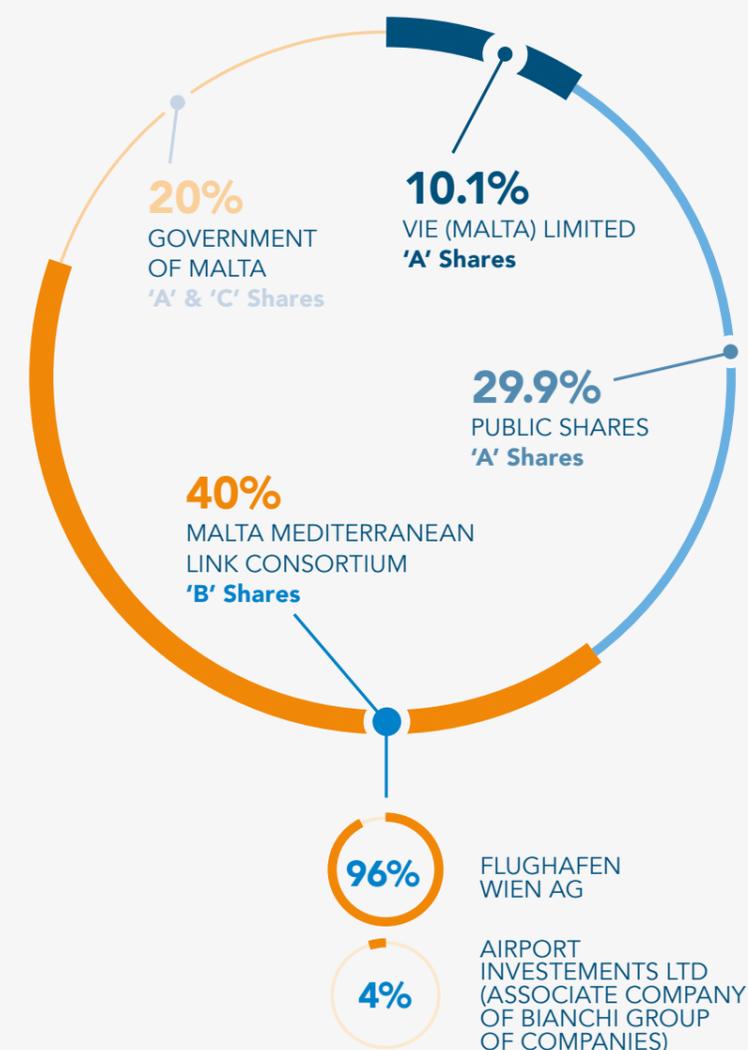
G4-6: Countries the organisation operates in or are relevant to the sustainability topics covered

Malta International Airport operates in Malta and is the only airport connecting the island with the rest of the world. In the reporting year, the airport was served by 37 commercial airlines flying to 92 destinations in 35 countries. The Company continuously strives to attract new airlines and develop new routes, as the success of the airport also impacts the Maltese economy positively.



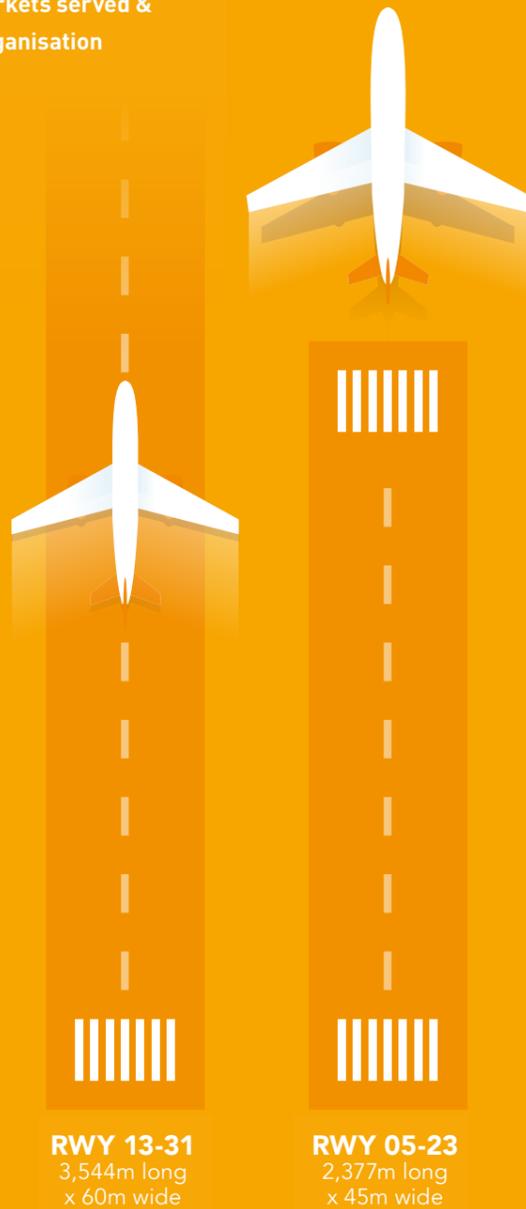
G4-7: Nature of ownership and legal form

The airport is a public company with the following shareholders:



On April 1 2016, Flughafen Wien AG acquired SNC-Lavalin Group Inc.'s indirect stake in MMLC Holdings Malta Limited (formerly, SNC-Lavalin (Malta) Limited, "SNCL Malta"). SNCL Malta had a 38.75% interest in Malta Mediterranean Link

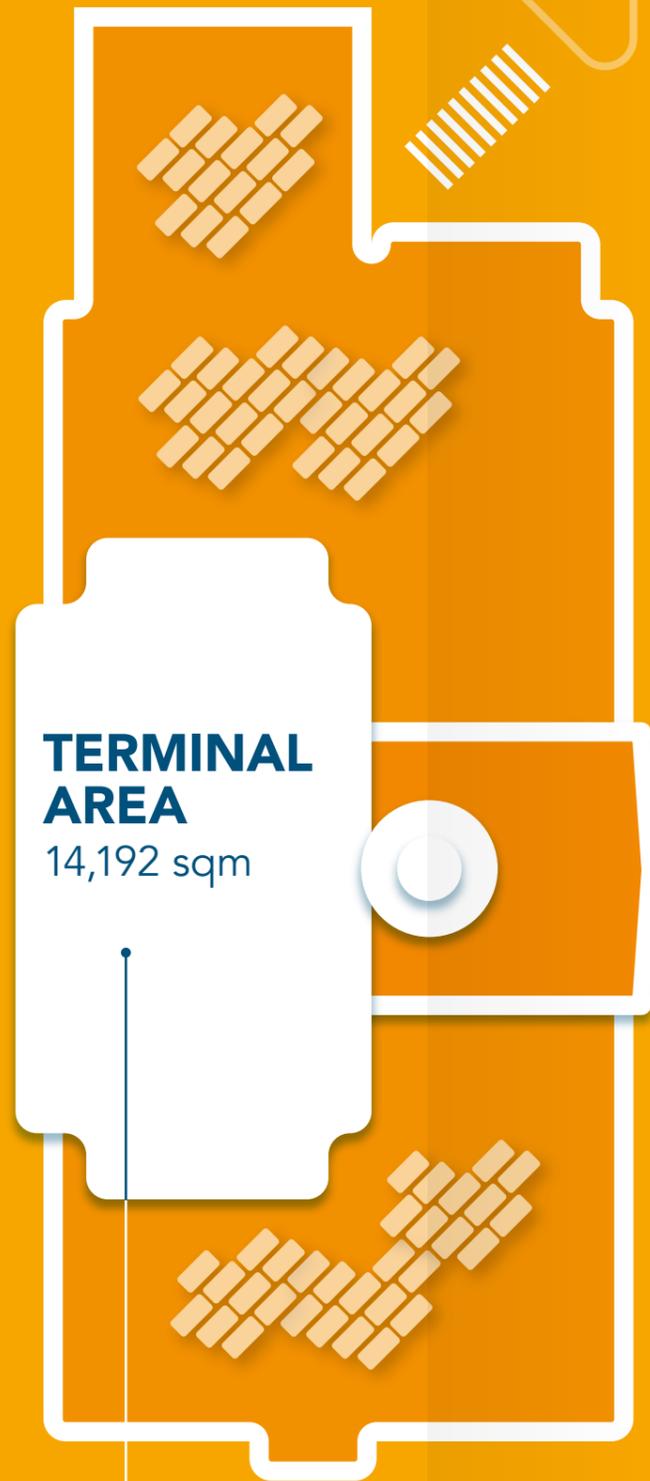
Consortium Limited, which in turn has a 40% interest in Malta International Airport plc ("Malta Airport"). Therefore, the total consolidated holding of Flughafen Wien AG in Malta International Airport now amounts to more than 48%.



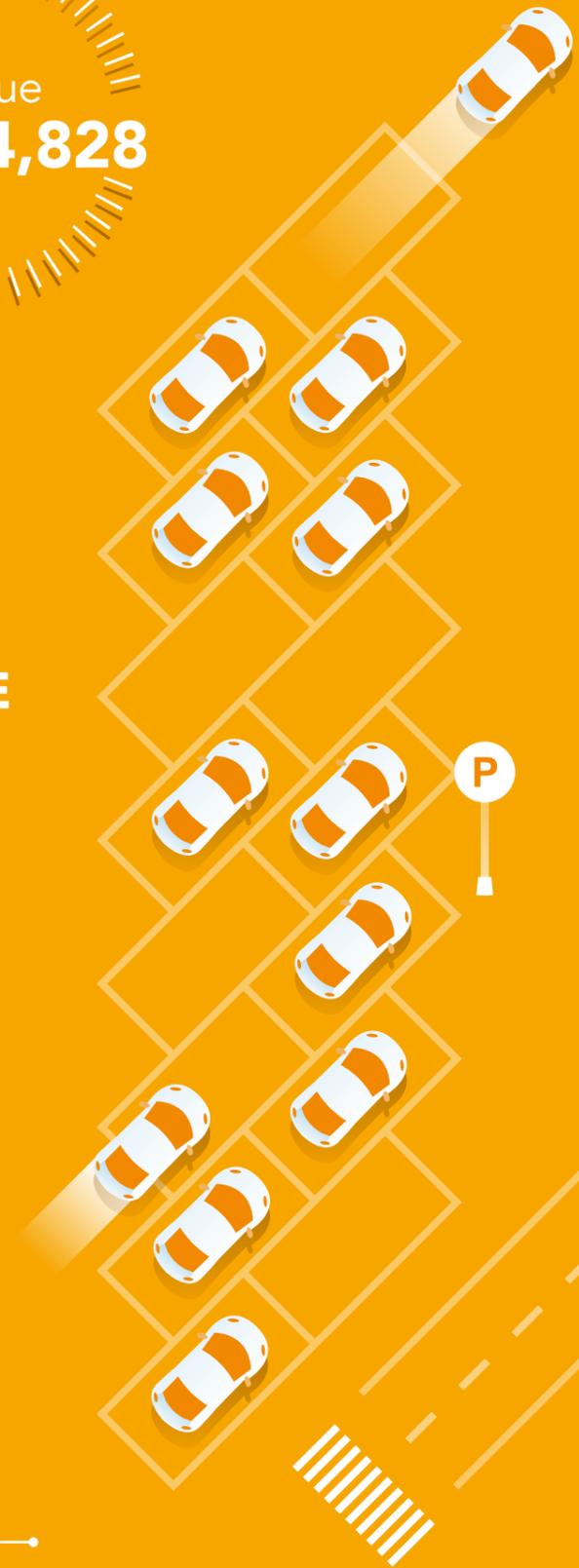
Runways



**AIRSIDE
(WITHIN THE
FENCE PERIMETER)
AREA**
2,974,962 sqm

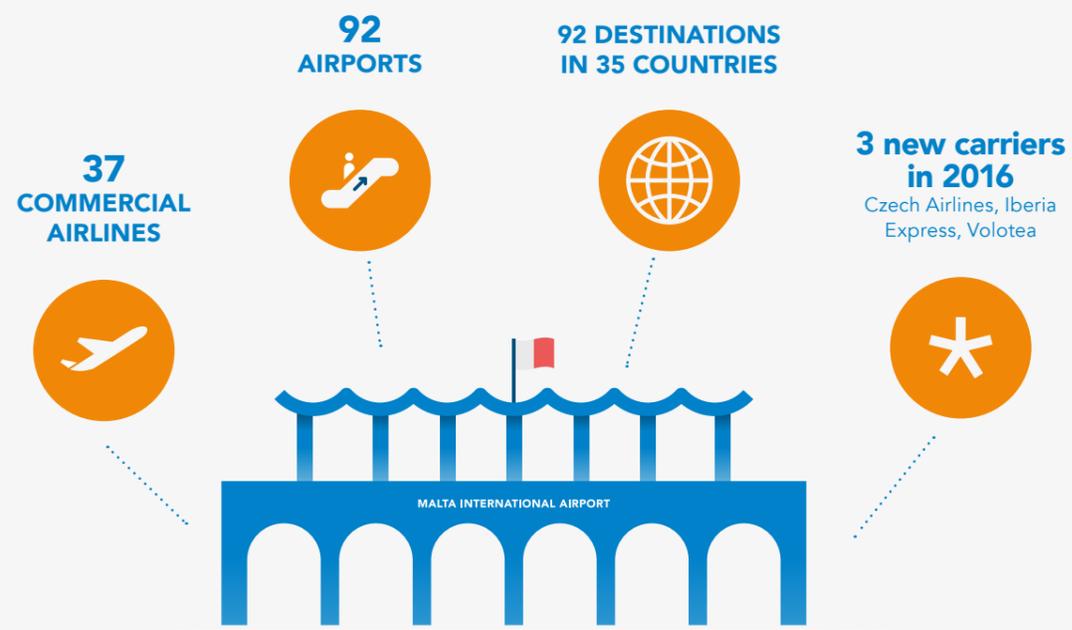


**LANDSIDE
AREA**
162,487 sqm

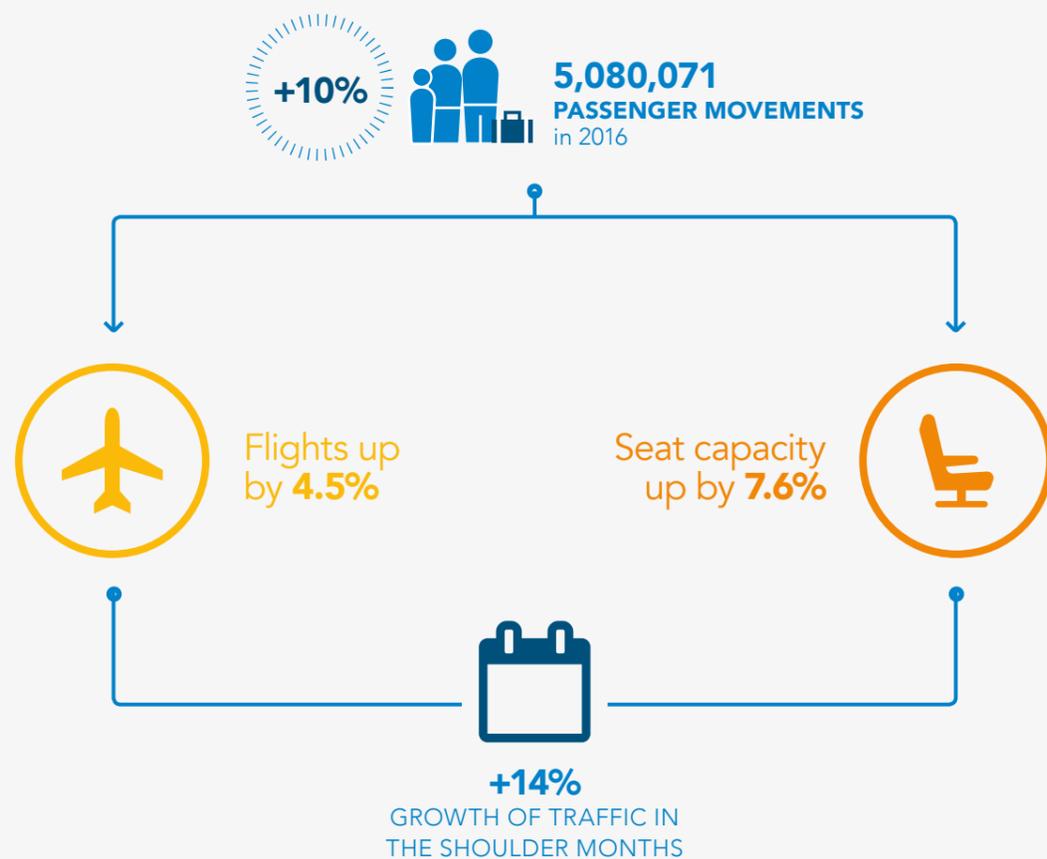


Airport size
↓
Total airport area
3,151,641 sqm

Network



Traffic



Employees

303

Revenue

2016: €73.06 million

G4-10: Type of Employees

Out of the total 303* employees working with the Company, in the reporting year, 201 were males and 102 were females. In turn, these can be divided according to their employment category and employment contract. Additionally, there are a number of supervised workers, who work on site or on behalf of the organisation, but are not recognised as MIA employees under national law or practice. Due to the seasonality of the industry, during peak months namely between May and September, a number of part-time or casual workers are employed in order for the airport to be able to handle increased numbers of passengers.

By Contract

Indefinite full-time & Part-time	228
Full-time fixed term:	45 (41 employees + management)
Part-time	32 (30 fixed term + 2 indefinite)

By employment type

Full-time	271 employees
Part-time	32 employees

By Gender

Males	201
Females	102

Supervised Workers

Maintenance	201 (1 + 2 full-timers)
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Contracted

Cleaning	228
IT/Cute	25
	5
	2
	8
	3
	7
Security	105
Fire	9 (Full-time 8 + Part-time 1)

G4-11: Percentage of employees covered by collective bargaining agreements

Approximately 90% of the workforce is covered by collective bargaining agreements.

G4-12: The organisation's supply chain

Malta International Airport's main suppliers include suppliers that support the airport's developments or deliver services to the airport and provide maintenance of airport facilities. During the year under review, **837** suppliers provided very diverse products and services, ranging from office utilities to security equipment and vehicles to construction services.

Top groups

- Construction & Planning
- Security services and equipment
- Energy & Water Consumption
- Maintenance and repairs
- IT
- Contracted services (incl. PRM Service & Cleaning)

G4 - 13: Report any significant changes during the reporting period regarding the organisation's size, structure, ownership, or its supply chain

The Company's changes during the year under review can be split into three categories: infrastructural (physical), changes in ownership of the Company, and other material changes.

*This figure includes all employees working with subsidiaries of MIA plc

• Infrastructural Changes

The terminal saw the refurbishment of washrooms, the replacement of lifts, and the opening of a new Schengen-to-Schengen transit corridor. Moreover, the investment in more efficient signage, both around the terminal and in the car park, and the installation of new PV panels helped the Company continue to honour its pledge towards environmental sustainability. Meanwhile, the procurement of new X-ray machines and more Explosive Trace Detection (ETD) equipment, served to further strengthen the airport's security services, which are at the core of providing a secure environment for passengers at all times. Works on Malta International Airport's €12 million Terminal Reconfiguration Project were started in September 2016. Phase 1 of the project which will be completed by the end of 2017, will see the addition of a minimum of 8 new check-in desks, as well as the doubling of the area dedicated to passenger security.

• Changes in ownership structure

In April 2016, Flughafen Wien acquired SNC-Lavalin Group Inc.'s indirect stake in SNC-Lavalin (Malta) Limited ("SNCL Malta"). Following this acquisition, the total consolidated holding of Flughafen Wien AG in MIA, directly and indirectly, went up to over 48% of the total issued share capital of the Company.

During the financial year, Mr Youssef Sabeh resigned from his position as a Non-Executive Director, with effect from the 30th of March 2016. Following this resignation, Mr Wolfgang Koeberl was appointed Non-Executive Director, with effect from the 1st of May 2016.

• Other material changes

In July 2016 the airport entered into a partnership with global air transport IT specialist SITA, with the main aim of boosting its operational excellence and establishing itself at the forefront of technology in the aviation industry. SITA's experience in managing large-scale ICT transformation programmes is now extended to Malta International Airport to support it in integrating ICT at the heart of its growth strategy over the long term, to ultimately succeed in its ongoing mission of improving its guests' airport experience.

G4-14: Describe how and why the precautionary approach or principle is addressed by the organisation

MIA observes the Precautionary Principle by adhering to every legal obligation which applies to it and which is derived from the Precautionary Principle.

G4-15: Externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses (included in different parts of the report).

All of the below programmes and incentives are implemented by the Company on a voluntary basis:

- Incentive Programme for airlines (2007, updated in 2012) **(more on page 22)**
- The Malta Airport Foundation (2015) **(more on page 26)**
- Participant in Airport Council International's Airport Carbon Accreditation Programme at the Mapping Level (2016) **(more on page 25)**
- Donation to Youth Alive Foundation's Dar Frate Jacoba (charity chosen for 2016) by the Sport and Social Committee **(more about donations to charity on page 23)**

G4-16: List memberships of associations (such as industry associations) and national or international advocacy organizations in which the organization: i) Holds a position on the governance body ii) Participates in projects or committees iii) Provides substantive funding beyond routine membership dues iv) Views membership as strategic This refers primarily to memberships maintained at the organizational level.

• Airports Council International (ACI)

Malta International Airport has been participating in ACI's ASQ survey since its inception in 2005, and joined the global organisation's Airport Carbon Accreditation Programme in 2016. As an ACI member, Malta International Airport attends fora and conferences organised by ACI regularly. These provide an opportunity for MIA to meet representatives of other airports and discuss prevalent trends in the industry, best practices, and other issues.

• Malta Hotels & Restaurants Association (MHRA)

As a member of the MHRA, MIA attends meetings, events, and conferences to keep abreast of developments in the hospitality industry. This association also provides the airport with reports and other information.

• Malta Tourism Authority (MTA)

Malta International Airport works in close cooperation with the MTA to promote the Maltese islands as a year-round tourist destination, to continue improving seat capacity especially during off-peak periods, and to attract new business from different segments across several markets. Representatives of MIA and the MTA regularly meet airlines in order to widen the route network connecting Malta with the rest of the world and further develop the island's accessibility. MIA's CEO sits on the board of this authority.

Identified Material Aspects and Boundaries

G4-17: List all entities included in the consolidated financial statement or equivalent documents – report if any entity is included in the financial statements is not included in the report. (This can be referenced to a public document)

- SkyParks Business Centre Limited
- SkyParks Developments
- Airport Parking Limited
- Kirkop PV Farm

G4-18/19/20/21: Explain the process and the implementation of the reporting principles to define the report content and aspects/ List all the material aspects identified in the process for defining report content/ For each material aspect, report the aspect boundary within the organisation – list the entities included in G-17 for which it is material and for which it is not material. Also reporting any limitation re: the aspect boundary with the organisation/ For each material aspect, report the aspect boundary outside the organisation

In 2014, the Company commissioned an external consultant PricewaterhouseCoopers, Malta (PwC), to advise on the GRI reporting framework. PwC's recommendations were considered by the Corporate Responsibility Committee as part of the implementation process. In its first report, the Company identified its material aspects, which aspects have remained unchanged for the purpose of its second Sustainability Report. The table overleaf lists all the aspects on which the Company will be reporting, which are considered as 'material' by the Company, as well as the boundaries for each aspect.

Category	Material Aspect	Outside the Org.	Inside the Organisation	Both Outside & Inside
Social	Employment		x	
	Labour/Management Relations		x	
	Occupational Health & Safety			x
	Training & Education		x	
	Diversity & Equal Opportunity			x
	Equal remuneration for women and men		x	
	Investment		x	
	Non-discrimination			x
	Freedom of Association & Collective Bargaining			x
	Security practices			x
	Local communities			x
	Anti-corruption			x
	Public policy			x
	Anti-competitive behaviour			x
	Compliance			x
	Supplier Assessment for Impacts on Society			x
	Grievance Mechanism for Impacts on Society			x
	Customer Health & Safety			x
	Product & Service Labelling		x	
	Marketing Communications			x
Customer Privacy			x	
Compliance			x	
Environmental	Energy			x
	Water			x
	Emissions			x
	Effluents & Waste			x
	Compliance			x
Economic	Economic Performance			x
	Market Presence			x
	Indirect Economic Impact			x
	Procurement Practices			x

G4-22: Report the effects of any restatements of information provided in previous reports and the reason for such restatements

As reported in further detail in EN-16 within the environmental category, the emission factor for scope 2 was restated following an audit carried out by Enemalta plc, which verified this emission factor after the Sustainability Report for 2015 was issued. Originally reported as 0.7181 kg CO₂/KWh, the emission factor was revised to 0.7394 kg CO₂/KWh.

G4-23: Report significant changes from previous reporting periods in the Scope and Aspect Boundaries

There are no significant changes from previous reporting periods to report.

Stakeholder Engagement

G4-24: Provide a list of stakeholder groups engaged by the organisation:

Stakeholder Group	Type of Engagement	Frequency of Engagement	Key Interests
All	Website	Daily	<ul style="list-style-type: none"> • Airport operation and development • Passenger Experience • Retail offering and airport value • Route Network • Facilities and Services
	Facebook	Daily	
	Twitter	Daily	
	Email / Web contact	As needed	
Passengers	ASQ Survey	Quarterly	<ul style="list-style-type: none"> • Passenger Experience • Retail offering and airport value • Facilities and Services • Waiting times, cleanliness, ambience • Flight Information • Route Network
	On-site Advertising	Daily	
	Customer Service Team Interaction	As needed	
	Feedback Forms	As needed	
	Flight Information Display System		
Investors	Company Announcements	As needed	<ul style="list-style-type: none"> • Airport operation and development • Terminal Facilities & Services • Share Price • Financial performance • Traffic growth • Corporate governance
	Shareholders' Newsletter	Periodically	
	Phone / Email contact	As needed	
	Annual Report	Yearly	
	Traffic Results	Monthly	
Media	Press Releases	As needed	<ul style="list-style-type: none"> • Airport operation and development • Traffic growth • Weather • Safety and Security • Environmental Impact
	Traffic Results	Monthly	
	Email / Phone Contact	As needed	
	Meetings	As needed	
	Hospitality Events	Yearly	

Continued >
on page 18

G4-26: Report the organisation's approach to stakeholder engagement – frequency of engagement with each stakeholder and if any engagement was specifically taken to prepare the report (incl. surveys, focus group, written communication etc.)

The Company engages with its different stakeholders via different channels, platforms, and means depending on the issue at stake. While the Company strives to listen to what all of its stakeholders have to say, it makes an additional effort with regard to social, environmental, and economic issues that impact its stakeholders or matter to them.

G4-27: Report the key topics and concerns that have been raised through stakeholder engagement and how the organisation has responded to those key topics and concerns, including through its reporting. Report the stakeholder groups that raised the key topics and concerns.

Stakeholder Group	Type of Engagement	Frequency of Engagement	Key Interests
Landside / Local Visitors	Local Advertising	Periodically	<ul style="list-style-type: none"> Retail offering and airport value Parking Availability - Value
	On-site Advertising	Daily	
	Events	As needed	
Students	Job Shadowing/Placements	Ongoing	<ul style="list-style-type: none"> Hands-on work experience Experience in a work environment
Airlines	Day-to-day communications	As needed	<ul style="list-style-type: none"> Operational Issues - Slots, Timely processes Charges - Incentives Safety & Security Airport planning and development Airport services
	Conferences	As needed	
	Meetings	As needed	
	Events	Biannual	
	Newsletter	Quarterly	
Local Community	Local Council meetings to discuss ongoing concerns	Biannual	<ul style="list-style-type: none"> Traffic Congestion Air Quality Noise Impact of airport developments
Tenants	Meetings with main operators	Monthly	<ul style="list-style-type: none"> Passengers - Experience and Growth Business continuity planning Operational Issues Staff benefits - parking etc. Marketing Collaborations Customer feedback and consumption trends
	Marketing Initiatives Meetings	Quarterly	
	Ad hoc meetings	As needed	
Suppliers	Day-to-day communications	As needed	<ul style="list-style-type: none"> Airport safety and security Ethics and integrity Health & Safety Service performance Supply chain management Procurement practices
	Key Supplier Meetings	Monthly	
	Presentations (Pax Survey)	Biannual	
	Feedback and improvements meeting (Fuel Services Provider)	Monthly	
	Feedback of Airport Service Quality	As needed	
	Improvement on existing procedures and feedback on airlines' comments (MATS)	Bimonthly	

Stakeholder Group	Type of Engagement	Frequency of Engagement	Key Interests
Ground Handling Services	Occurrence Report Meetings	Monthly	<ul style="list-style-type: none"> Capacity constraints - airport planning Operational efficiency Safety & Security Passenger experience Passenger growth
	Resource Allocation	Quarterly	
	Customer Experience Improvements	Quarterly	
	Aircraft turnaround meetings and other operational requirements	Quarterly	
	Feedback of Airport Service Quality	Quarterly	
	Staff training and Competency (PRM providers)	Bimonthly	
Tourism Bodies - MTA, MHRA	Meetings	Monthly	<ul style="list-style-type: none"> Connectivity Airline satisfaction Passenger Growth Customer experience
	Day-to-day communications	As Needed	
	Conferences	Quarterly	
Regulators / Committees (incl. Customs Authority, Immigration Authority, Airline Operators Committee, Airport Users Committee)	Aircraft and Passenger Handling Meetings (Airline Operators Committee)	Bimonthly	<ul style="list-style-type: none"> Capacity constraints Airport planning and development Operational issues Airport safety and security
	Terminal and Airfield Operations (Airport Users Committee)	Biannual	
	Day-to-day communications on Aviation & Airport Security (OMAS/AVSEC)	As Needed	
	Airport Emergency Planning meeting (AFM, CPD, MDH, Malta Police)	As Needed	
	Aerodrome Regulatory Meeting (TM-CAD)	Bimonthly	
	Feedback of Airport Service Quality	As needed	
	Resource Allocation Meetings	As Needed	
Employees	Employee Survey	Biannual	<ul style="list-style-type: none"> Occupational Health and Safety Business continuity and strategic planning Staff remuneration, benefits and well-being Job Satisfaction Operational issues Corporate governance Compliance
	Consultative groups	As needed	
	Day-to-day communications as part of operational management	Daily	
	Occupational Health & Safety Committee	Bimonthly	
	Connections Employee Magazine	Biannual	
	Exit interview	As needed	
	Departmental Meetings	Quarterly	
	Performance reviews (management team)	Biannual	
	Internal Marketing News	As needed	

Report Profile

G4-28: Reporting Period (such as fiscal or calendar year) for information provided.

Year ending 31st December 2016

G4-29: Date of most recent previous report (if any)

Year ending 31st December 2015

G4-30: Reporting cycle

Annual

G4-31: Provide the contact point for questions regarding the report or its contents

The Marketing & Brand Development Department.

G4-32: Report the:

A) 'In accordance' option chosen – **Core**

B) Content Index – **Refer to first pages of report**

C) External Assurance - **Pricewaterhouse Coopers, Malta (PwC) was engaged to provide assurance in respect of the selected sustainability information marked with a ¹ in the Company's sustainability report for the year ended 31 December 2016. PwC's assurance report may be found in the Appendix on pages 54-56.**

G4-33: Report the policy and current practice with regard to seeking external assurance of the report

PwC Malta was engaged to provide assurance in connection with the Sustainability Report 2016.

Governance

G4-34: Governance Structure

The Company has 11 different committees and executive bodies that govern different aspects that are of interest to the Company. These committees and bodies convene regularly, creating a space where employees from different departments can share their skills and expertise. For more information regarding the composition of all of these committees please refer to G4-LA12 in the Social Section.

Ethics and Integrity

G4-56: Describe the organisation's values, principles, standards, and norms of behaviour such as codes of conducts and codes of ethics.

In the year under review, the Company continued to communicate its core values, which are listed on the right, to its employees, to ensure that every member of its workforce is familiar with the organisation's guiding principles.

The Company believes that only when every employee lives these by values, can it be in a position of reaching its vision of offering the best airport experience in Europe that consistently seeks to delight its guests.

- Service Excellence - We want our people to provide excellent service to each and every guest. We aim to be caring and meticulous in everything we do and continually seek to exceed our guests' expectations.

- Integrity - We embrace the highest standards of integrity in all our actions particularly honesty and commitment.

- Sustainability - We cherish sustainable strategies that balance the interests of the community on which we have an impact, the environment and our economic performance over the long term.

- Teamwork - We seek to build the success of this company on the teamwork of our people and collaboration with our airport and tourism partners in order to satisfy the needs of our guests.

In addition to these values, so as to safeguard the interests of MIA and its employees whilst championing best practices, the Company drafted and revised five policies, which were all approved by the Audit Committee in the year under review.

Policy	Description	Implementation
Media Policy 2.0	To provide practical advice to employees regarding how to deal with the media, to ensure the Company's reputation is protected at all times	November 2016
Occupational Health & Safety	To establish an Occupational Health and Safety Management System (OHSMS) based on compliance with legal and statutory obligations through safety risk management	November 2016
Training & Development	To provide a framework for identifying the Company's training needs and addressing them	January 2017
Equality & Diversity	To promote equal opportunities for all employees and job applicants	January 2017
Anti-bullying & Harassment	To ensure all employees are treated, and treat others, with dignity and respect, without ever resorting to harassment and bullying	January 2017

6. Economic Section

TARGETS FOR 2016

(1) To increase the volume of passenger traffic in the winter months proportionally with the summer months.

Travel and tourism's contribution to Malta's Gross Domestic Product (GDP) amounts to around 25%, which is significantly higher than Europe's average of 8.7%. However, attracted by the island's hot summers, crystal clear waters, and diving opportunities, the biggest numbers of tourists visit Malta during the summer months, giving rise to the issue of seasonality and consequent implications for those who work in the hospitality sector.

In order to address this, Malta International Airport has been working in close cooperation with the Government and the Malta Tourism

Authority on a strategy to promote Malta as an appealing year-round destination, most notably through an attractive incentive programme for airlines. As a result of these efforts, in 2016 a number of airlines extended more than a total of 10 routes from summer into winter, while five new routes were launched in the winter period. In turn, this contributed to the shoulder months' noteworthy growth of 14%. This increase led Malta International Airport to achieve a new passenger traffic milestone towards the end of the year, when it hosted its 5 millionth passenger for 2016. Of these, over 1.9 million passengers were inbound tourists.

(2) To sustain the ratio of the Group's non-aviation income as a percentage of its total revenue at 30%.

The aviation industry is constantly evolving and so are airports worldwide. To keep up with the changing environment within which it operates and be in a better position to contribute to the local economy, Malta International Airport has been investing significantly in the non-aviation segment of its business, in line with the diversification pillar of its business strategy. Revenue generation from this segment has become an important indicator of the Company's performance, which is why maintaining this segment's contribution to total revenue at 30% has become one of the Company's economic goals.

Malta International Airport's non-aviation segment includes parking spaces, food and retail, airport advertising, La Valette Club luxury services, and SkyParks Business Centre. In 2016, a positive trend was registered across all revenue drivers within the retail and property portfolio, with the Company's VIP product registering significant growth. This trend pushed non-aviation revenues up by 5.1% to reach the targeted 30% of the Group's total revenues. The most significant developments in this area during the year under review were the opening of two new restaurants; BeerKitchen at SkyParks Business Centre and Relish within the airport's Departures Area.



(3) To increase MIA's 'positive impact on the Maltese economy', using 'Return on Equity' (ROE) as the metric to measure this, and aiming for a 23% ROE.

The Return on Equity of 24.7% registered, surpassing the target 23%, indicates that this goal too was met successfully. The Company uses this metric to help it evaluate its impact on the local economy, inject wealth in the local economy, and stimulate it to grow further.

EC1 – Direct economic value generated and distributed

In 2016, the economic value distributed by the airport increased by 2.5% in total, while the retained economic value increased by 26.2%. This was the result of an increase in payments to suppliers of capital, mostly through dividends distributed to shareholders, an increase in payments to government, and a 16.2% increase in community investments. In addition to community

investments, which include donations to charity organisations, Company employees donated a further €2,039.01 to charity from their salary and from fund-raising activities.

All of these indicators grew at a rate which outperformed the revenue growth rate, ultimately resulting in a greater overall net distribution of value. Operating costs rose by 8.3%, with some of the most significant increases registered in repairs and maintenance, passenger security services, cleaning services and marketing and communications. Most of these increases can be directly attributed to bigger volumes of passenger traffic. Employee wages and benefits were 1.8% less than the previous year, mainly due to the fact that the Company offered an early retirement scheme in 2015.

Direct Economic Value Generated		2016		2015
Revenues	i	€73,064,828	9.1%	€66,965,843
Sale of Assets	ii	€208,765	0.0%	€208,765
Financial Investments	ii	€1,023,081	-62.9%	€2,760,817
		€74,296,674	6.2%	€69,935,425
Economic Value Distributed				
Operating Costs	iv	€24,944,368	8.3%	€23,041,120
Employee Wages and Benefits	v	€8,131,939	-1.8%	€8,281,368
Payments to Providers of Capital	vi	€15,520,102	-9.1%	€17,066,944
Payments to Government	vii	€11,405,856	8.4%	€10,518,553
Community Investments	viii	€303,660	16.2%	€261,325
		€60,305,925	2.5%	€58,848,603
Economic Value Retained				
EVG - EVD		€13,990,749	26.2%	€11,086,822
		€13,990,749	26.2%	€11,086,822

EC2 – Financial implications and other risks and opportunities for the organisation’s activities due to climate change

As yet, climate change does not present an immediate threat to the operation of the airport or the wellbeing of its staff, customers, and passengers. However, the airport’s success is dependent on the islands’ tourism offering which includes clean air, clean seas, and good weather. In this sense, the future threat of climate change can very tangibly affect operations and traffic flow. In order to participate in addressing these risks, the airport has adopted a standard methodology which is based on the guiding principles of the International Risk Management Standard ISO 31000:2009 and the COSO (Committee of Sponsoring Organisations of the Treadway Commission) standard for Enterprise Risk Management. A Risk Committee was set up in 2015 to oversee the development and implementation of the Risk Management Policy and Procedures. Part of the committee’s role is to identify the threats posed by climate change and provide possible solutions.

The Risk Committee’s main functions are to:

- Build a risk-aware culture within the organisation including appropriate education;
- Develop and recommend to the Board a risk management framework, including the relative policy and procedures;
- Coordinate and review the risk assessment, evaluation and response processes undertaken by management;
- Monitor and report on risk performance.

Moreover, in order to get a better understanding of its carbon emissions and achieve further carbon reductions, Malta International Airport joined Airports Council International’s Airport Carbon Accreditation Programme at the Mapping Level in the year under review. This means that the airport is currently being assessed on the basis of its efforts to measure its carbon footprint. Another important initiative in this regard is the publication of this very report, which is aimed at enabling Malta International Airport measure and audit its practices in a transparent and accountable manner.



EC4 - Financial Assistance received from government

Malta International Airport did not receive any financial assistance, including grants and subsidies, from the Government in any form. The Government of Malta has a stake in Malta

International Airport, as a result of which it receives returns in the form of dividends. This shareholding is always reported in the financial statements.

EC5 – Ratio of standard entry level wage by gender compared to local minimum wage

Malta International Airport is bound by a collective agreement with two workers’ unions, namely UHM and GWU, which represent its employees to an entry level wage, which is at least 49% higher than the minimum wage. This being said, the actual entry level wage at the airport is on average in excess of the

wage levels defined by the collective agreement. On average, the wage gap between males and females is small, with the discrepancy noted in the technical section arising from the fact that there are only two female employees within the technical team.

	Minimum Wage 18years+ Full-time	Entry level salary 2016 as per Collective Agreement	Ratio to Minimum Wage	Actual lowest paid salary 2015 Female	Ratio to Minimum Wage	Actual lowest paid salary 2015 Male	Ratio to Minimum Wage
Administration	€8,736.52	€13,040.08 ¹	149% ¹	€ 14,952.08 ¹	171% ¹	€ 13,772.08 ¹	158% ¹
Operational	€8,736.52	€14,693.08 ¹	168% ¹	€ 15,335.08 ¹	176% ¹	€ 14,693.08 ¹	168% ¹
Technical	€8,736.52	€13,928.08 ¹	159% ¹	€ 21,180.08 ¹	242% ¹	€ 16,771.08 ¹	192% ¹

EC6 – Proportion of senior management hired from the local community

86% of senior management, which includes the CEO and the heads of department, were hired from the local community. While the airport is committed to promoting equal opportunities and

diversity among employees and job applicants, it also deems it very important that the local community and local interests are represented at the highest levels of decision making.

EC7 – Development and impact of infrastructure investments and services supported.

Malta International Airport is the only airport connecting the Maltese islands to the rest of the world. This makes it particularly important for the Company to continuously invest in a well-designed terminal that is efficient in handling the airport's increasing number of passengers,

whilst providing them with a pleasant and safe airport experience. Excluding the terminal reconfiguration project, the Company's investments in 2016 totalled €7.2m, which were divided as shown below.

Terminal Embellishments €2M	Airfield €4M	Operations & Security €940,000	Information Technology €300,000
Replacement of lifts	Renovation of the Aircraft Accident Emergency Operations facility	Network re-organisation & new gensets	Network upgrades
New washrooms	Update of the aircraft recovery equipment inventory	Car park extension	WiFi additions
PV panels, quadrupling the airport's clean energy generation capacity	Upgrade works on Taxiway Charlie & Runway 23/05	Anti-terrorist bollards	New data centre

In terms of external investments, the Malta Airport Foundation has been channelling funds into Malta's culture, heritage, and environment for the benefit of both tourists and locals since its setting up in 2015.

- Its first project, to which it contributed €120,000, was the complete restoration of Ta' Xutu Tower in Wied iż-Żurrieq, with the watchtower opening its doors to the public in 2017.
- Towards the end of 2016, the Malta Airport Foundation announced that it was going to be restoring the Combined Operations Room, within the underground war headquarters in Valletta, in collaboration with Fondazzjoni Wirt Artna. The Foundation has committed €284,000¹ to this restoration, €120,000¹ of which were paid in 2016. Upon completion, the Combined Operations Room will be accessible

to the public via guided tours, serving as a museum of wartime days gone by.

- In the year under review, the Foundation launched a documentary about the little-known islet of Filfla and its surrounding marine environment. This gathers more significance in light of the fact that Malta's underwater world entices some 110,000 tourists to visit for a diving holiday every year.
- In 2016, the Malta Airport Foundation's ambassador, Nicola Said, completed her studies at the prestigious Guildhall School of Music and Drama in London. The foundation supported the talented soprano's education financially, and remains committed to backing her up and helping her secure new opportunities as she travels the world on her operatic journey.

EC8 – Significant indirect impacts

With being an island comes the challenge of insularity and a host of consequent implications for economic growth and the realisation of a country's full potential. Thus, Malta International Airport's role in keeping the island plugged in to the world via the most convenient flight schedule possible becomes even more important. This does not only benefit the hospitality and tourism sector, but also enables local industries that depend on the efficient transportation

of people and goods to thrive. Malta's solid network of airlines and destinations is doubtlessly one of the factors, along with a robust business climate and favourable tax rates, that has led certain sectors such as financial services and gaming to experience noteworthy growth. While airports in general are known to have this catalytic effect on the economy, Malta International Airport's impact is more widespread precisely because it serves an island.

Source of information: The Economic Impact of European Airports (2015)

	Direct	Indirect	Induced	Catalytic	Total
GDP (€ million)	€208	€80	€82	€292	€662
Employment	3,800	2,100	2,300	7,100	15,300

	Jobs	Income € bln	GDP € bln	% National GDP
Direct	3,800	0.12	0.21	2.9%
Direct, Indirect and Induced	8,200	0.21	0.37	5.1%
Catalytic	7,100	0.21	0.29	4.1%
Total	15,300	0.34	0.66	9.2%

4 – EC9 Proportion of spending on local suppliers at significant locations of operations

Local suppliers account for the vast majority of the airport's procurement spending, with 15% being outsourced to EU and non-EU suppliers. The airport indirectly sustains some 2,100 jobs, of which a large proportion is linked to local suppliers.

Figures for 2016 are the following:

	2016 - €	Share
Non EU	€1,190,920	3%
EU	€4,320,627	12%
Local*	€31,085,140	85% ¹
	€36,596,687	100%

*Figures for this category exclude operational leases payable to the Government of Malta.

7. Environmental Section

TARGETS FOR 2016

Building on 2015's positive results in this category, the Company strived to make further headway in reducing its carbon emissions resulting from electricity and fuel consumption through a number of new and continued initiatives. Ultimately, the Company's main target was to reduce Greenhouse Gas (GHG) emissions intensity to 1.90 kg of CO₂ per passenger, as the number of passengers continued to thrive.

Another environmental goal the Company set for itself for the year under review was the reduction of water consumption. This goal remained unattained, with the volume of water supplied by the Water Services Corporation (WSC) more than doubling over 2015. This was the combined result of low levels of rainfall and poor quality of the groundwater used. More information regarding water consumption can be found under EN8 – EN10.

Final figures show that investment in LED lighting, increased PV capacity and more efficient lifts, amongst other things, contributed to an overall decrease in CO₂ emissions, which led to the achievement of a GHG emissions intensity of 1.86 kg of CO₂ per passenger, which was below the set target. Moreover, this represents a decrease of 10% over 2015.

Data reported with regard to Greenhouse Gas (GHG) emissions intensity does not include reporting on G4 – EN17 of the G4 Sustainability Reporting Guidelines; other indirect Greenhouse Gas (GHG) emissions (Scope 3). Malta International Airport chose not to report on these third party emissions as it has very little control over them and their measurement.

In order to understand its emissions better, in 2016 the Company joined Airport Council International's (ACI) Airport Carbon Accreditation programme at the Mapping Level, with the final aim being to achieve carbon neutrality in the medium term.



EN3 – Energy consumption within the organisation

• Electrical Energy*

Malta International Airport purchases energy in the form of electricity mainly from Enemalta plc, while additional electricity is produced by the airport's photovoltaic system. In 2016, a hefty investment in photovoltaic panels – quadrupling the airport's PV capacity - enabled the Company to increase the generation of clean energy by a noteworthy 28%¹. While the new installation's full potential - circa 480,000 KWh of clean energy - will be reached in 2017, due to the fact that the system was only commissioned in November, this investment has already contributed to a drop of 47,109 KWh in the energy purchased from Enemalta plc. Moreover, a number of new and continued energy-saving measures led to a nominal reduction of 2,398 KWh in the total consumption of electrical energy, in spite of a 10% increase registered in passenger traffic.

Description	2015 (KWh)	2016 (KWh)
Electrical energy bought from Enemalta for Airfield & Terminal Operations	12,747,056	12,699,947
Electrical energy produced by the MIA PV system	157,362	202,073
Total net electrical energy consumed by MIA (exc. Sky Parks Business Centre)	12,904,418	19,902,020
Electricity consumption of Skyparks Business Centre	N/A	677,562
Total net electrical energy consumed by MIA and Skyparks Business Centre	N/A	13,579,582

*Data presented in 2016 for the preceding year did not include Malta International Airport's net consumption of electrical energy at SkyParks Business Centre.

• Fuel

The Company uses fuel to power its generators and run its vehicle fleet. In 2016, the volume of fuel consumed by the airport's terminal and airfield generators dropped by 1,639 litres, after a number of standby generators were decommissioned and replaced by new generators for airfield standby electrical power. The amount of fuel used by the Company's vehicles also decreased, following a programme that replaced existent vehicles by more efficient ones.

Description	2015 (litres)	2016 (litres)
Fuel used by standby generators (terminal)	Diesel - 1,850	Diesel - 630 ¹
Fuel used by standby generators (airfield)	Diesel - 4,839	Diesel - 4,420 ¹
Fuel used by operational vehicles	Diesel - 55,218	Diesel - 53,158 ¹
	Petrol - 3,763	Petrol - 3,072 ¹
Total volume of fuel used	Diesel - 61,907	Diesel - 58,208 ¹
	Petrol - 3,763	Petrol - 3,072 ¹
Total volume of fuel used (incl. SkyParks Business Centre)	Diesel - 62,207	Diesel - 58,629 ¹
	Petrol - 3,763	Petrol - 3,072 ¹

Note: SkyParks Business Centre does not utilise petrol for its operations. The diesel consumed by SkyParks Business Centre is used by the standby electricity generator.



EN5 – Energy intensity

In 2016, Malta International Airport registered a further decrease in net energy consumption over 2015, while passenger traffic grew by 10% to reach over five million movements for the first

time in the airport's history. As a result of these efforts, energy intensity dropped from 2.794 KWh per passenger to 2.540 KWh per passenger, translating into a decrease of 9.10% over 2015.

	2015 (excl. SkyParks Business Centre)	2016 (excl. Skyparks Business Centre)	2016 (incl. SkyParks Business Centre)
Passenger movements	4,618,642	5,080,071	5,080,071
Traffic Units	4,721,914	5,154,217	5,154,217
Total (net) energy consumed	12,904,418	12,902,020 ¹	13,579,582 ¹
Energy Intensity (Kwh/passenger)	2.794 KWh/passenger	2.540 KWh/passenger	2.673 KWh/passenger
Energy Intensity (Kwh/Traffic Unit)	2.733 KWh/traffic unit	2.503 KWh/traffic unit	2.63 KWh/traffic unit

EN6 – Reduction of energy consumption

The benefits of a number of measures taken in 2015 became fully effective in 2016, contributing to a reduction of circa 230,000KWh in energy consumption in the year under review. However, when using the Energy Intensity figures reported in EN-5 and applying a 30% factor, calculations show that the increase in passenger numbers experienced during 2016 led to an estimated increase in electricity consumption of more than 350,000KWh. This means that the actual total electricity consumption reduction was that of just over 2,300KWh, as reported under EN-3.

Carrying on from 2015, the Company continued to replace its lifts with more efficient systems and proceeded to substitute old lighting systems with LED lighting. The Company also quadrupled its PV capacity with an investment of over € 300,000 in photovoltaic panels and is investigating the possibility of increasing this capacity even further with additional photovoltaic installations. During the year under review, the Company also planned the phased replacement of airconditioning plants and that of the aprons' flooding systems, which are envisaged to be carried out in 2017/18.



EN8 – Water withdrawal by source

Water Source	Volume 2015 (m ³)	Volume 2016 (m ³)	Volume 2016 (m ³) (incl. SkyPraks Business Centre)
Water Services Corporation	17,152	35,127 ¹	35,150 ¹
Groundwater (contractor – non-potable)	73,496	75,874 ^{1*}	82,364 ¹
Rainwater collected (calculated, MIA)	37,317	22,961 ¹	27,026 ¹
Total water consumption	127,965	133,962 ¹	144,540 ¹

Low annual rainfall, aquifer depletion, and a dense population make Malta one of the most water-stressed countries, with groundwater availability per capita standing at a very low 50 to 60 cubic metres. In light of this fact, the need for careful water management becomes increasingly more important. Although the Company included the reduction of water consumption in its environmental goals for 2016, the tabulated figures show that more water was used when compared to the previous year, with the amount supplied by the Water Services Corporation (WSC) more than doubling in volume.

This significant increase can be attributed to:

- The lack of rain water in 2016, which led to a higher demand for borehole (groundwater) supply. However, the quality of water delivered from this source fell short of that recommended, necessitating the purchase of water from the WSC to maintain non-potable, reservoir water at acceptable levels.

The dry winter experienced in 2016, with the Meteorological Office recording a total rainfall of circa 200mm less than the previous year, led to a substantial reduction in rainwater harvesting, as indicated in the table on the next page.

EN9 – Water sources significantly affected by withdrawal of water

As already noted, the total rainfall for 2016 was substantially less than the total recorded in 2015, resulting in reduced rainwater harvesting. Normally, this would have led to an equivalent increase in the use of groundwater extraction, however, only a nominal increase was recorded. The reason for this was the relatively poor quality of groundwater extracted that was being delivered, and which had to be substituted by water from WSC sources.

The recorded 75,874 m³ of groundwater consumed represents circa 0.3% of the total amount of groundwater (in the region of 25,000,000m³, as per FAO report 2006) that can be sustainably extracted. This is well below 5% of the groundwater source, which means that the airport's water consumption is not considered to be significant.

¹1,804 cubic metres of groundwater extracted from the Airfield (Fire Section and Cargo Village) were included in the present report, but not in 2015

EN10 – Percentage and total volume of water recycled and reused

Total water withdrawal 2015 (excl. SkyParks)	127,965m ³
Rain water collected/stored for re-use 2015	37,317m ³
% of recycled water used, 2015	29%
Total water withdrawal 2016	133,962m ³ ¹
Rain water collected/stored for re-use 2016	22,961m ³ ¹
% of recycled water used, 2016	17% ¹
Total water withdrawal 2016 (incl. SkyParks Business Centre)	144,540 m ³ ¹
Rain water collected / stored for re-use 2016 (incl. SkyParks Business Centre)	27,026 m ³ ¹
% of recycled water used, 2016 (incl. SkyParks Business Centre)	19% ¹

The percentage volume of rain water harvested and reused during the year under review was circa 17%, representing a drop of 12%¹ from 2015.

It is worth noting that the overflow of rainwater from MIA land is directed to soakaways around the airfield, contributing to the replenishment of groundwater. This means that, since the airfield covers an area of more than 2,000,000m², for every 100mm of rainfall, circa 200,000m³ of rainwater is directed to the soakaways/valleys. The Company has also identified that there is ample scope for increasing rainwater harvesting capacity for its own use in the future.

EN15 - Direct greenhouse gas (GHG) emissions (Scope 1)

As indicated in the table below, a relatively significant reduction in direct GHG emissions of circa 11.5 tonnes of CO₂, representing a reduction of 6.7% when compared to previous year, was recorded in 2016. This reduction resulted from a phased replacement programme of the Company's vehicles by more efficient ones.

Source of Emission	2015 (Lts)	2016 (Lts)	Emission factor Kg CO ₂ / liter	2015 CO ₂ (Tonnes)	2016 CO ₂ (Tonnes)
Fuel used by Generators - Diesel	6,689	5,050	2.675	17.9	13.5
Fuel used by Generators - Diesel (Skyparks)	300	421	2.675	0.8	1.1
Fuel used by vehicles - Petrol	3,763	3,072	2.272	8.5	6.9
Fuel used by vehicles - Diesel	55,218	53,158	2.675	147.7	142.2
Total (excluding Skyparks)				174	163¹
Total (including Skyparks)				175	164¹

EN16 – Energy indirect greenhouse gas (GHG) emissions (Scope 2)

A very nominal reduction in indirect GHG emissions of 158 tonnes of CO₂, a decrease of circa 1.7% when compared to previous year, was recorded in 2016. This reduction becomes significant when one takes into consideration the noteworthy increase in passenger traffic and the subsequent increase in airport operations during 2016.

Source of Emission	2015	2016 (exc. SkyParks Business Centre)	2016 (incl. SkyParks Business Centre)
Electricity bought from Enemalta (KWh)	12,747,056	12,699,947	13,377,509
Emission factor Kg CO ₂ / KWh	0.7394*	0.7297	0.7297
CO ₂ emissions (kg)	9,425,132	9,267,190	9,961,568
CO ₂ emissions (Tonnes)	9,425	9,267 ¹	9,762 ¹

*NOTE: The Enemalta Emission factor for Scope 2 emissions was corrected by Enemalta following an audit exercise for 2015. Consequently, the figures for 2015 have been restated accordingly; from 0.7181 to 0.7394 kg CO₂/KWh). The same emission factor, limited to the Delimara power station only (since the Marsa power station was switched off in 2016), namely that of 0.7297 kg CO₂/KWh, is being used for 2016 emissions. The final emission factor will be available after the release of the present Sustainability Report, meaning that a restatement will have to be included in next year's report.

EN18 – Greenhouse gas (GHG) emissions intensity

Source of Emission	2015	2016 (exc. SkyParks Business Centre)	2016 (incl. SkyParks Business Centre)
Scope 1 Emissions (EN 15)	174	163 ¹	164 ¹
Scope 2 Emissions (EN 16)	9,425	9,267 ¹	9,762 ¹
Passenger Movements	4,618,642	5,080,071	5,080,071
CO ₂ Emissions Intensity (Kg CO ₂ / Passenger)	2.078*	1.86	1.95

*NOTE: This was corrected by Enemalta following an audit exercise for 2015 (from 2.020 Kg CO₂/Passenger to 2.078 Kg CO₂/Passenger). For more detailed information, please refer to EN 16.

EN19 – Reduction of greenhouse gas (GHG) emissions

Malta International Airport was able to reduce its greenhouse Gas (GHG) emissions by 169 tonnes of CO₂ in 2016, which figure does not include other indirect Greenhouse Gas (GHG)

emissions (Scope 3) and excludes SkyParks Business Centre. The reduction registered is roughly the equivalent of the CO₂ released by 76 cars in a year.

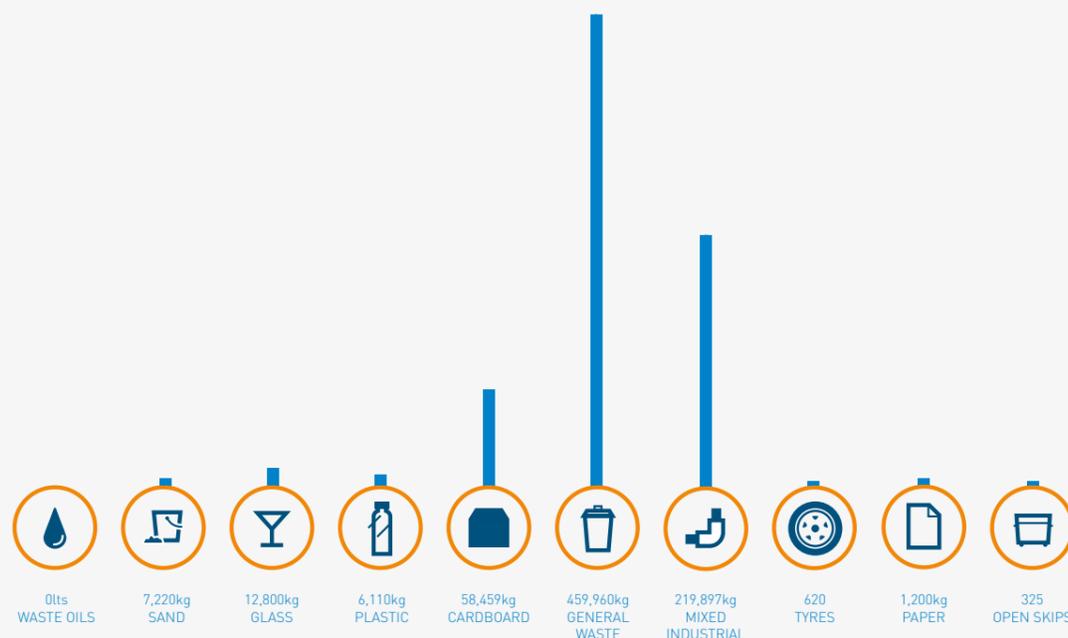
EN20 – Ozone Depleting Substances

Nothing to report as CFC gases are no longer in use.

EN23 – Waste management

The table below shows the type of waste generated by the airport and how it was disposed of. The Company reduced the waste it disposed of in landfills due to better monitoring and improved reporting by a new contractor.

Type of Waste	Unit	Disposal Method	Qty - 2015	Qty - 2016
Cardboard	kg	Recycling	61,800	58,459 ¹
Plastic	kg	Recycling	7,650	6,110 ¹
Glass	kg	Recycling	12,224	12,800 ¹
Sand	kg	Landfill	3,820	7,220 ¹
Waste Oils	lts	Recycling	3,230	0 ¹
General waste	kg	Landfill	471,180	459,960 ¹
Mixed Industrial waste	kg	Landfill	296,280	219,897 ¹
Paper	kg	Recycling	5,516	1,200 ¹
Tyres	kg	Recycling	0	620 ¹
Number of Open type skips emptied	No	Landfill	290	325 ¹



EN24 – Number and volume of significant spills

A number of spills were reported in 2016; however none of these were significant.

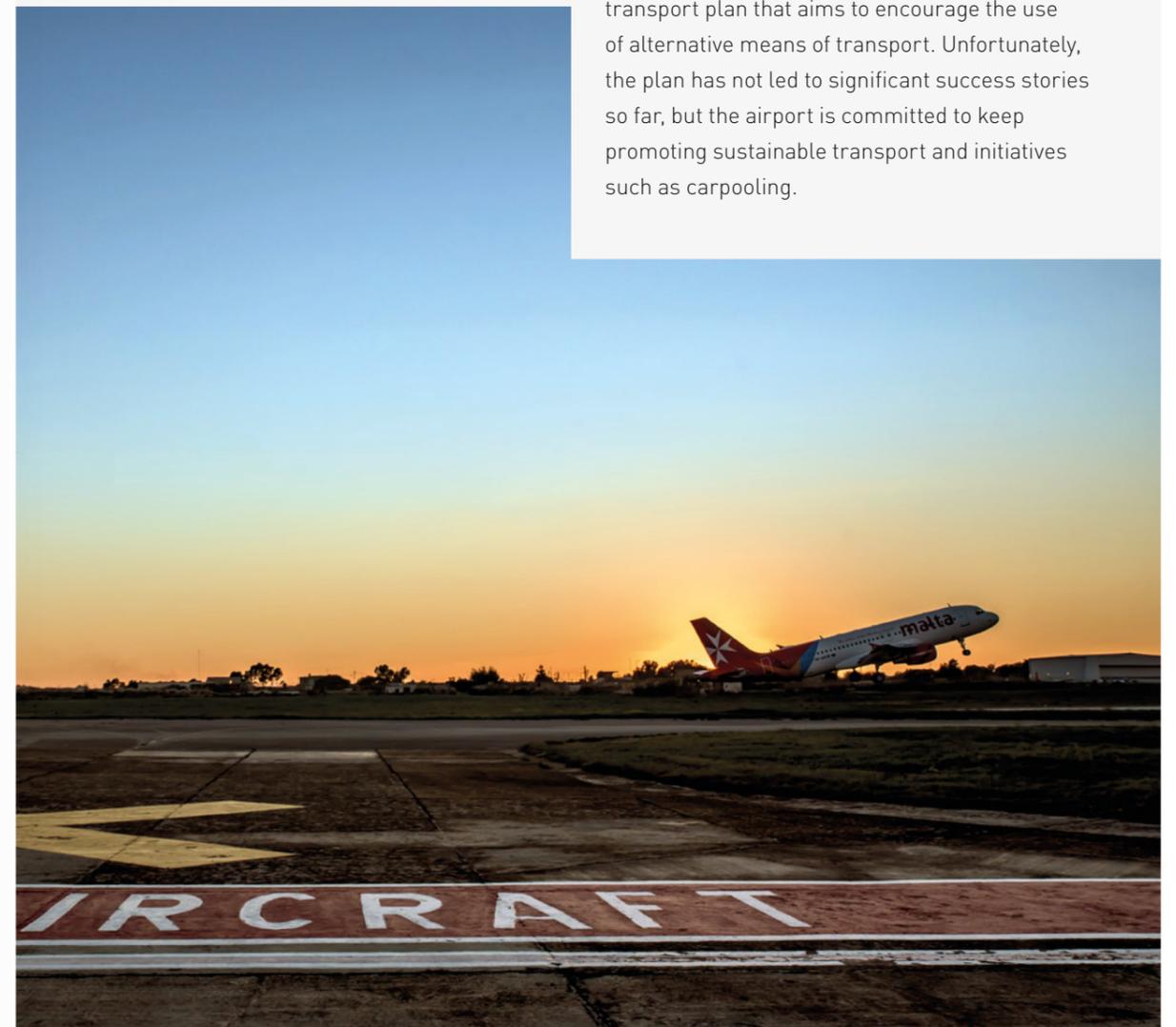
EN29 – Non-compliance with environmental laws

No fines or non-monetary sanctions for non-compliance with environmental laws and regulations were imposed on the airport for 2016. Moreover, no significant complaints regarding environmental issues were reported to the airport in 2016.

EN30 – Significant environmental impacts of transporting products and other goods and materials for the organisation's operations, and transporting members of the workforce

The airport's influence over the public transport system does not extend beyond providing the necessary space, free of charge, for the transport system. In 2016 there were no changes to report regarding public transport from the airport to other locations; however it is worth noting that improvements in public transport to the airport are being implemented over the years.

Additionally, Malta International Airport has a transport plan that aims to encourage the use of alternative means of transport. Unfortunately, the plan has not led to significant success stories so far, but the airport is committed to keep promoting sustainable transport and initiatives such as carpooling.



8. Social Section

TARGETS FOR 2016

1. To draw up the Training and Development Policy.

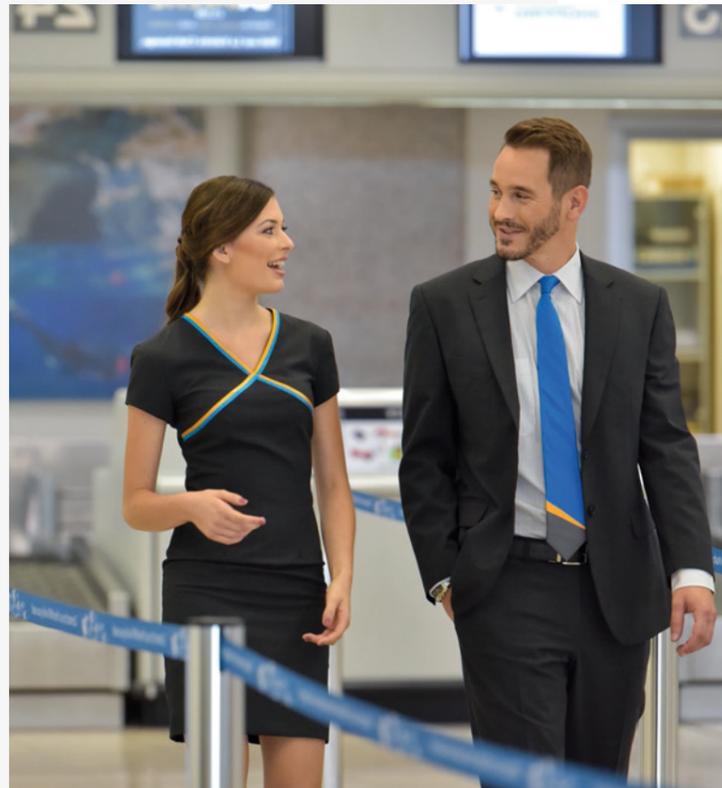
To better structure the efforts directed at developing its people's talents, the Company drafted a Training and Development Policy, which was approved in the year under review and implemented on the 1st of January 2017. This policy does not only provide for an extensive induction programme when an employee joins the Company, but it also ensures that employees benefit from training, develop existent skills, and acquire new ones throughout their employment with Malta International Airport.

2. To improve employee engagement.

To improve employee engagement, the Company continued to encourage two-way dialogue through initiatives such as My CEO Time, enhanced its communication channels, and organised a number of activities, such as company-wide teambuilding sessions, that foster teamwork. The Annual Employee Survey revealed that these efforts were indeed successful as employee engagement improved by 11.49% and employee satisfaction with the Company's methods of communication registered an improvement of 17.99%. Moreover, the response rate to this survey grew by 11%, a result which in itself shows a higher level of engagement.

3. To invest in more employee training and achieve a better balance between training offered to males and females.

Over 4,700 hours of training were supported by the Company, marking an increase of circa 700 hours over 2015. Male employees benefitted from an average of 15.91 hours of training and female employees benefitted from an average of 15.33 hours, indicating that the Company was successful in striking the better balance it set out to reach.



G4-LA1 – Total number of new employees hired and employee turnover by age, group, gender and region.

In 2016, the Company welcomed more new recruits than in the preceding year. Of the 63 employees who joined the Company in the year under review, 34 were male and 29 were female. While the biggest group of new employees fell within the under 30 age bracket, the Company also recruited a good number of employees aged between 30 and 50, and a male

and a female employee who were over 50. Seven of the total number of employees who left the Company were retirees.

The data in the table below was elicited from the Male/Female Payroll Report, and excludes summer workers and interns.

Age Groups	MALE				FEMALE			
	Hired	%	Left	%	Hired	%	Left	%
Under 30 years	17 ¹	5.6 ¹	13 ¹	4.29 ¹	21 ¹	6.93 ¹	10 ¹	3.30 ¹
30 - 50 years	16 ¹	5.3 ¹	12 ¹	3.96 ¹	7 ¹	2.31 ¹	12 ¹	3.96 ¹
Over 50 years	1 ¹	0.33 ¹	12 ¹	3.96 ¹	1 ¹	0.33 ¹	1 ¹	0.33 ¹

NOTE: The calculations presented here were prepared on the basis of the number of employees of the Group at the end of the reporting period, as highlighted in G4-10.



G4-LA2 – Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation.

The majority of full-time employees, excluding Management, are covered by a Collective Agreement, entered into by the Company and two unions. The Collective Agreement splits the area of operation into three categories namely

Administration, Technical and Operations. Employees in these three categories are entitled to the below list of benefits under 'Collective Agreement Employees':

Benefit Type	Management	Collective Agreement Employees
Health Insurance	x	x
Group Life Insurance	x	x
Redundancy Payments	x	x
Allowances for working in dangerous areas		x
Transport Arrangements		x
Uniforms		x
Dry Cleaning		x
Grooming Allowance		x
Welfare Fund		x
Employee Car Parking	x	x
Company Bonus		x
Disability & Retirement Benefit	x	x
Injury Benefit	x	x
Bereavement Leave	x	x
Marriage Leave	x	x
Study Leave	x	x
Birth of Child Leave	x	x
Reward & Recognition Scheme	x	x
Company Doctor	x	x
Monetary Discounts - at MIA outlets	x	x
Discretionary Performance Bonus	x	
Communication Allowance	x	
Mobile Allowance	x	
Airport VIP Lounge membership	x	
Gym membership	x	
Unpaid Special Leave	x	x

G4 – LA3 – Return to work and retention rates after parental leave, by gender

During the reporting period none of MIA's employees used their parental leave. MIA employees do not usually avail themselves of this type of leave, as the Company provides

employees with up to one (1) year of unpaid special leave, which can be taken after maternity leave, subject to approval by the Company.

G4 – LA4 – Minimum notice periods regarding operational changes and their inclusion in the collective agreement

The Company must provide information and consult on decisions that are likely to lead to substantial changes in work organisation or in contractual relations, including collective redundancies and transfer of business. The information must be given in a timely manner so as to allow information and consultation representatives to conduct adequate studies and to prepare for consultation, where applicable

also with trade unions representatives. In the case of transfer of business, notice is to be given at least fifteen (15) working days before the transfer is carried out or before the employees are directly affected by the transfer. This is not specified in the Collective Agreement. However, the Company adheres to the local legislation - S.L. 452.96 in this case.

G4 – LA5 – Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programmes

Committee Name	Number of Members	% of Total Employees
Terminal Emergency Planning Committee	8	2.6%
Occupational Health and Safety Committee	7	2.3%

Members of these two committees include employees from across the organisation, that is, both at management level and employees who are covered by the Collective Agreement. The Terminal Emergency Planning Committee and the Occupational Health and Safety Committee work towards fostering a company-wide culture that promotes health and safety and strengthening the level of preparedness of the Company for

an emergency scenario. In light of this, in 2016 the Terminal Emergency Planning Committee organised six fire drill and evacuation exercises, which were carried out in different parts of the terminal. On the other hand, the Occupational Health and Safety Committee was reassembled under a new set of Terms of Reference and a new Chairman.

G4 – LA6 Type of injury and rate of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and gender

In addition to the data tabulated below, it is worth noting that no instances of occupational diseases and work-related fatalities were reported in 2016. The Company strives to create awareness for occupational health and safety through the efforts of its Occupational Health and Safety Committee and training. Moreover, an Occupational Health and Safety Policy helps the Company implement and administer all processes related to health and safety at work so that employees' health and working capacity are promoted and maintained at all times.*

		MALE EMPLOYEES	RATE	FEMALE EMPLOYEES	RATE
Injury Rate	Number of injuries	4 ¹		0 ¹	
	Total hours worked	350,433 ¹		156,211 ¹	
Lost Day Rate	Number of days lost	29.19 ¹		0 ¹	
	Total hours scheduled to be worked	364,799 ¹		162,208 ¹	
Absentee Rate	(Actual absentee days lost / Days scheduled to be worked)*100%		3.94% ¹		3.70% ¹

The absentee rate for 2016 is in line with that reported for the preceding year. Figures presented above concern Malta International Airport employees only, since the Company does not possess sufficient information to include subcontracted workers too.

G4 – LA7 Workers with high incidence or high risk of diseases related to their occupation

Workers at MIA are not at high risk of diseases related to their occupation. However, should this change in the future, the Company will report it in the same manner as it reports injuries

at work. The Occupational Health & Safety accident, incident and damage report, and first aid procedures are processes adopted by the Company to report such risks.

*Calculations for G4 – LA6 were prepared on the basis of number of employees of the Group at the end of the reporting period (303) as highlighted in G4-10 and do not include supervised workers or staff of independent contractors.

G4 – LA8 Health and Safety topics covered in formal agreement with trade unions

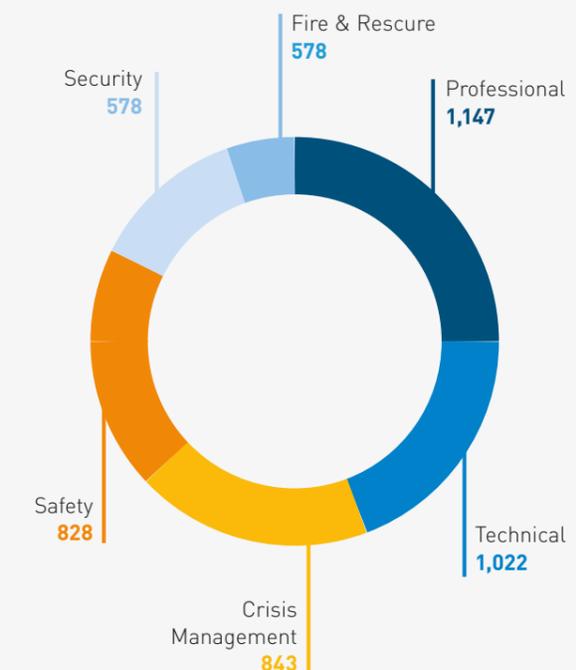
To date, MIA does not have any formal Health and Safety agreements with the Trade Unions; the Collective Agreement only makes reference to Injury on Duty and the Health and Safety Committee. In fact, Heading 34 of this Collective Agreement provides for the setting up of a Health & Safety Committee in accordance with the

prevailing Law governing Health and Safety. This committee has been functional for a number of years. With regard to safety, Company provides protective wear and safety clothing to employees should they need such clothing, in accordance with the Collective Agreement and Company procedures.

G4 – LA9 Average hours of training per year per employee by gender, and employee category

The Company recognises that employee training and development are of utmost importance as, on the one hand, they enable the Company to achieve its ambitious objectives and, on the other hand, help the workforce enjoy higher levels of job satisfaction and motivation at work. With this in mind, the Company invested in over 4,700 hours of training delivered in the form of courses, seminars, and conferences to employees across all departments and levels.

	Male	Female	Mgt	Admin	Ops	Technical	Total
Total No. of hours	3199	1563	273	690	2541	1257	4762 ¹
Average No. of hours	15.91	15.33	10.51	11.90	15.78	21.68	15.72 ¹



G4-LA10 Programmes for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings

In 2016, the Company took a very important step in its training and development endeavours, with the drafting and approval of a new Training and Development Policy. This policy does not only stipulate the organisation's commitment to the development of its people, but also how it plans to fulfil it. To ensure that employees' skills always match the Company's targets and objectives, the policy also specifies that talent audits should be carried out regularly, with the aim of singling out possible skills gaps.

While the Company adopts a proactive approach towards identifying training needs and providing matching training opportunities, it also accepts requests for sponsorship from employees who choose to pursue studies, which are related to their work duties or can open up career progression paths for them.

Besides helping its own employees grow throughout their journey at Malta International Airport, the Company also has a number of initiatives and programmes in place aimed at assisting University of Malta and MCAST students make a smooth transition from their studies to the work place. In 2016, Malta International Airport issued its second Graduate Management Programme call for applications,

through which it brought on board three fresh graduates in three different departments. Moreover, the Company rolled out a Graduates' Personal Development Training Programme, aimed at helping the first intake of graduates grow in their respective roles. A number of students were also given the opportunity to carry out internships, job shadowing, and placements with the Company, amounting to more than 2,220 hours of experiences in a work environment.

Other Training & Development Highlights

- The Company extended into 2016 its programme of support services provided by the Richmond Foundation to employees nearing retirement age.
- One of the most notable training sessions in 2016 was a day-long crisis management exercise, which brought together around 40 stakeholders and Malta International Airport employees. The exercise was aimed at assessing the level of preparedness of these players in an emergency scenario and furnishing them with skills would be needed in the efficient management of a crisis.



G4 – LA11 Percentage of employees receiving regular performance and career development reviews, by gender and by employee category

Employees occupying managerial roles amount to 8.6%¹ of the total workforce. 9%¹ of male employees have their performance assessed on a yearly basis, while 8%¹ of female employees have their performance assessed annually.

G4 – LA12 Composition of Governance Bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity

There are a total of 11 committees, each one bringing together employees from different Departments of the Company and enabling an unhindered flow of knowledge and information.

COMITTEE	FEMALES	MALES	Under 30	30 to 50	Over 50
Board of Directors	1 ¹	7 ¹	0 ¹	6 ¹	2 ¹
Executive Committee	2 ¹	9 ¹	0 ¹	9 ¹	2 ¹
Welfare Fund Committee	3 ¹	3 ¹	0 ¹	4 ¹	2 ¹
Sports & Social Committee	7 ¹	3 ¹	3 ¹	6 ¹	1 ¹
Occupational Health & Safety Committee	2 ¹	5 ¹	1 ¹	4 ¹	2 ¹
Terminal Emergency Planning Committee	2 ¹	6 ¹	1 ¹	5 ¹	2 ¹
Audit Committee	1 ¹	3 ¹	0 ¹	3 ¹	1 ¹
Corporate Responsibility Committee	3 ¹	4 ¹	1 ¹	5 ¹	1 ¹
Customer Value Proposition Committee	5 ¹	5 ¹	0 ¹	9 ¹	1 ¹
Finance Committee	1 ¹	5 ¹	1 ¹	3 ¹	2 ¹
Risk Management Committee	3 ¹	2 ¹	0 ¹	5 ¹	0 ¹

Breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.

	UNDER 30	30-50	OVER 50	TOTAL
Administration	19 ¹	33 ¹	8 ¹	60¹
Females	13 ¹	23 ^{1*}	3 ¹	39¹
Males	6 ¹	10 ¹	5 ¹	21¹
Management	1 ¹	18 ¹	7 ¹	26¹
Females	1 ¹	7 ¹	-	8¹
Males	-	11 ¹	7 ¹	18¹
Operations	35 ¹	84 ¹	40 ¹	159¹
Females	24 ¹	27 ¹	2 ¹	53¹
Males	11 ^{1*}	57 ^{1*}	38 ¹	106¹
Technical	5 ¹	38 ¹	15 ¹	58¹
Females	-	2 ¹	-	2¹
Males	5 ¹	36 ¹	15 ¹	56¹
Total	60¹	173¹	70¹	303¹

¹Figures include four employees (three male, one female) with disabilities.

G4-LA13 Rate of basic salary and remuneration of women to men by employee category, by significant locations of operation

On average, males and females within Administration and Operations earn a similar salary and total remuneration. The most significant difference lies in the average remuneration of managerial staff, where the average remuneration

ratio of females to males is 1.0 : 1.7. This discrepancy arises from the fact that this year's calculations included the salaries of the CEO and the CFO, both of who are male.

	Male Employees	Female Employees
Management	18¹	8¹
Ratio - Average Basic Salary	1.64 ¹	1.0 ¹
Ratio - Average Remuneration	1.71 ¹	1.0 ¹
Administration	21¹	37¹
Ratio - Average Basic Salary	1.01 ¹	1.0 ¹
Ratio - Average Remuneration	1.01 ¹	1.0 ¹
Operations	106¹	55¹
Ratio - Average Basic Salary	1.0 ¹	0.96 ¹
Ratio - Average Remuneration	1.03 ¹	1.0 ¹
Technical	56¹	2¹
Ratio - Average Basic Salary	1.0 ¹	1.07 ¹
Ratio - Average Remuneration	1.01 ¹	1.0 ¹

G4 – HR2 Total hours of employee training on human rights policies or procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained

During 2016, the Company did not organise any training programmes on human rights policies and procedures concerning aspects of human rights that are relevant to operations.

The Company did, however, draft and approve two important documents – the Equality and Diversity Policy and the Anti-Bullying and Harassment Policy – in order to promote and uphold employees' right to equal opportunities and the right to work in an environment where they are respected and treated with dignity. These policies were implemented in January 2017. In addition to this, a Human Rights Policy is awaiting final approval.

G4 – HR3 Total number of incidents of discrimination and corrective actions taken

In 2016, MIA did not receive any reports of discrimination.

G4 – HR4 Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights

MIA does not have operations in which its employees are not allowed or restricted from exercising freedom of association or collective bargaining. Employees are fully protected through the Collective Agreement, which specifically highlights that:

“The Company shall not discriminate against, intimidate or in any way victimise any of its employees because of Union’s membership or for reason of participation in Union’s activities and/or actions”.

The Company provides to the Union any reasonable assistance required in order to carry out legitimate functions. This includes granting to employees accredited as representatives or as shop stewards all the necessary facilities required in connection with their activities, together with special leave with pay to attend seminars, conferences or congresses of the Union and/or to represent the Union locally or abroad. All new recruits, covered with the Collective Agreement, are provided with this document, which highlights the points mentioned above.

G4 – HR7 Percentage of the security personnel trained in human rights policies or procedures that are relevant to operations

A Human Rights Policy has been drafted and is awaiting Board approval, following which it will be implemented and the necessary training will be delivered to security personnel.



G4 – SO2 Operations with significant actual and potential negative impacts on local communities

The airport's operations affect the neighbouring communities mainly through noise, emissions, parking limitations, and in the case of a crash disaster, but these impacts are synonymous with airports in general. Furthermore, the organisation has in fact commissioned several studies and reports to consider actual or potential impacts, in line with the precautionary principle.

Internal sources of information about actual and potential negative impacts of operations on local communities include:

- The water plan
- The MEPA report
- Aircraft movements
- The masterplan for SkyParks 2 and the Terminal Extension plan
- Risk management register

G4 – SO3 Total number and percentage of operations assessed for risks related to corruption and the significant risk identified

The Company's risk register includes an area, which presents a potential risk of corruption:

Department	Procurement & Administration
Key Business Function	Procurement Management
Main Objective	Ethical conduct in supplier relationships
Key Risk	Bribery / corruption of MIA officials in the award and administration of supplier Purchase Orders to contracts

G4 – SO4 Communication and training on anti-corruption policies and procedures

The Business Conduct & Ethics Policy, which was approved by the Board of Directors in 2015, was communicated to new employees who joined in 2016 as part of their induction programme. Some of the most salient points of this policy are included in the Company's employee handbook, which was published and distributed to all employees in the year under review.

In parallel with this, Integrity was adopted as one of the Company's core values in the year under review.

G4 – SO5 Confirmed incidents of corruption and actions taken

The Company has never been involved in allegations relating to corruption and no incidents of corruption have been reported or confirmed. For the sake of completeness, the Company also wishes to disclose that its former CEO has been dismissed on the basis of allegations that he disclosed information pertaining to the Company. The former CEO is contesting the allegations before the Malta Industrial Tribunal. The former CEO is contesting the allegations before the Malta Industrial Tribunal.

G4 - SO6 Total value of political contributions by country and recipient/beneficiary

As stipulated in the Company's Business Conduct & Ethics Policy, this is not acceptable and it is specified in Point 3.1.3 of same policy that:

"Political contributions on behalf of MIA to a political campaign, political party or to any activity in support of a political party, shall not be made. Political contributions can include monetary items, non-monetary items (such as loaned or donated equipment, or free technology services) or use of corporate resources (such as facilities, e-mail, stationery, or personnel time)."

G4 – SO7 Total number of legal actions for anti-competitive behaviour, anti-trust, and monopoly practices and their outcomes

There were no antitrust or anti-competitive actions involving MIA during the reporting period.

G4 - SO8 Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations

The Company is not aware of any significant fines or non-monetary sanctions imposed on it for non-compliance with laws and regulations.

G4 – SO9 Percentage of new suppliers that were screened using criteria for impacts on society

The Company does not screen new suppliers on their products' impact on society.

G4 - SO10 Significant actual and potential negative impacts on society in the supply chain and actions taken

N/A

G4 - SO11 Number of grievances about impacts on society filed, addressed, and resolved through formal grievance mechanism

As per the organisation's Collective Agreement, employees can report grievances through Clause 39 of the Grievances Procedure, with no grievances being reported in the year under review.

G4 - PR1 Percentage of significant product and service categories for which health and safety impacts are assessed for improvement

N/A

G4 - PR2 Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes

N/A

G4 - PR5 Results of surveys measuring customer satisfaction

Presently, customer satisfaction is measured through two main exercises, namely ACI'S Airport Service Quality Survey and the MISCO Information Desk Mystery Shopping, which are carried out on a quarterly basis.

The ASQ survey measures passengers' satisfaction across 34 performance indicators covering amongst other things cleanliness, security, ease of access and helpfulness of staff. In 2016, Malta International Airport placed third in the European Region Category of the said survey, with its highest score to date of 4.25.

ASQ Results for 2016	Q1	Q2	Q3	Q4	FY
Overall Impression	4.21	4.18	4.26	4.33	4.25
Feeling Safe & Secure	4.10	4.10	4.08	4.19	4.12
Cleanliness of terminal	4.28	4.25	4.31	4.34	4.29

* 5 being highest & 0 being lowest

The MISCO Mystery Shopping exercise involves visiting the Information Desks within the Check-In Hall and Departures' Hall in order to observe and record the customer experience. The exercise analyses the various aspects of the service provided to members, as well as the general atmosphere, presentation, and check-in desks.

MISCO Results - Information Desks*	Q1	Q2	Q3	Q4
Overall Service	3.55	3.70	3.70	3.60
Overall Impression	3.50	3.80	3.80	3.75
Helpfulness	3.80	4.00	4.00	3.70
Friendliness	3.60	4.00	3.70	3.60

* 4 being highest & 1 being lowest

In addition to this, the leading air transport industry audit organisation, Skytrax awarded MIA four stars following an in-depth evaluation of its frontline products and services. Only 13 other European airports enjoy this prestigious four-star ranking.



G4 - PR7 Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes

The Company did not have any incidents of non-compliance.

G4 - PR8 Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data

The Company did not receive any complaints from outside parties or from regulated bodies in relation to breaches of customer privacy and losses of customer data.

G4 - PR9 Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services

Malta International Airport plc. has not been found in breach of any laws and regulations concerning the provision and use of products and services.



GRI Appendix



Criteria for reporting on select Sustainable Information – 31 December 2016

The following reporting criteria are based on the GRI-G4 sustainability reporting guidelines.

Category	Aspect	Indicator	Description of indicator	Specific	Basis of measurement	Page in report
Economic	Market presence	EC-5	Ratio of standard entry level wage by gender compared to local minimum wage	(1) 2016 entry level salaries (2) 2016 actual lowest paid salary	(1) Information was extracted from the latest available Collective agreement (2013) (2) Information was extracted from the Company's payroll records	25
	Indirect economic impacts	EC-7	Development and impact of infrastructure investments and services supported	€284,000 of airport funds committed to the restoration of the Combined Operations Room, €12,000 of which were paid in the year under review.	Information was based on a contractual arrangement	26
	Procurement practices	EC-9	Proportion of spending on local suppliers at significant locations of operations	Less than 15% of total supplies are being outsourced to EU and non-EU suppliers	Information was extracted from the Group's purchase ledger, adjusted to include accruals	27
Environment	Energy	EN-3	Energy consumption within the organisation	(1) Indirect energy consumption in Kwh (electricity)	(1) Electricity consumption was based on MIA meter readings and supplier invoices (net of metered energy consumption by tenants/airport partners)	29
				2) Direct energy consumption in litres (Fuel: Diesel & Petrol)	2) Consumption of fuel purchased was based on supplier invoices	
	Water	EN8	Water withdrawal by source	Water sourced from: (1) Water Services Corporation (2) Ground water (3) Rainwater collection	(1) Water consumption was based on MIA meter readings and supplier invoices (2) Information for ground water extraction was based on third party invoices (3) Estimate based on catchment areas and MET office rainfall readings	31
				EN10	Percentage and total volume of water recycled and reused	
	Emissions	EN15	Direct greenhouse gas (GHG) emissions (Scope 1)	EN3 scope 1 measurements converted to GHG emissions using standard emission factors for fuels.	Reference Document: Airport Carbon Accreditation Guidance Document; Issue 5: September 2012 published by Airports Council International.	32
				EN16	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	
Effluents & Waste	EN23	Waste management	Waste generated by MIA and its disposal	Information was extracted from documentation provided by third party contractors	34	

Category	Aspect	Indicator	Description of indicator	Specific	Basis of measurement	Page in report
Social	Employment	LA1	Total number of new employees hired and employee turnover by age, group, gender and region		Information was extracted from the Company's payroll records	37
	Occupational health and safety	LA6	Type of injury and rate of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender	(1) Injury rate (2) Lost day rate (3) Absentee rate	(1) Information was extracted from the Company's payroll records (2) Information was extracted from MIA's payroll system (3) Information was extracted from MIA's payroll system	40
	Training and education	LA9	Average hours of training per year per employee by gender, and employee category		Information was based on records kept by the Company	41
				LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	
	Diversity and equal opportunity	LA12	Composition of Governance Bodies and breakdown of employees per employee category, age group, minority, group membership, and other indicators of diversity		Information was based on terms of reference for each committee and payroll records	43
	Equal remuneration for men and women	LA13	Rate of basic salary and remuneration of women to men by employee category, by significant locations of operation		Information was extracted from the Company's payroll	44

Independent assurance report on the **Malta International Airport p.l.c.** sustainability report for the year ended **31 December 2016**

To the Corporate Responsibility (CR) Committee of the Malta International Airport plc

We have undertaken a limited assurance engagement in respect of the selected sustainability information listed below and identified with a 1 in the Malta International Airport plc ('MIA') sustainability report for the year ended 31 December 2016 ('Sustainability Report 2016') ('Identified Sustainability Information').

Identified Sustainability Information

The Identified Sustainability Information for the year ended 31 December 2016 is summarised below:

- Energy consumption (as identified within EN-3)
- Water consumption (as identified within EN-8 and EN-10)
- Greenhouse gas emissions (Scope 1 and 2) ('GHG') (as identified within EN-15, EN-16)
- Waste disposal (as identified within EN-23)
- Certain social indicators primarily related to employee related information (as identified within LA-1, LA-6, LA-9, LA-11, LA-12 and LA-13)
- Ratio of standard entity level wage by gender compared to local minimum wage (EC-5)
- Financial commitment for project undertaken by MIA Foundation (as identified within EC-7)
- Proportion of spending on local suppliers (EC-9)

Our assurance was with respect to the year ended 31 December 2016 information only and we have not performed any procedures with respect to any other unidentified elements included in the Sustainability Report 2016 and, therefore, do not express any conclusion thereon.

Criteria

The criteria used by MIA to prepare the Identified Sustainability Information is set out in the GRI Appendix 'Criteria for reporting on select Sustainable Information – 31 December 2016' on pages 52 and 53 of the Sustainability Report 2016 (the 'Criteria').

MIA's Responsibility for the Identified Sustainability Information

MIA is responsible for the preparation of the Identified Sustainability Information in accordance with the Criteria, including the GRI G4 Guidelines. This responsibility includes:

- designing, implementing and maintaining internal control relevant to the preparation and presentation of the Identified Sustainability Information that is free from material misstatement, whether due to fraud or error;
- applying an appropriate basis of preparation and making estimates that are reasonable in the circumstances;
- establishing objective criteria for preparing the Identified Sustainability Information;
- application of GRI G4 principles to ensure compliance with GRI G4's Guidelines at the Core level;

- responsibility for the content of the Sustainability Report 2016, including responsibility for determining the Material Aspects (as defined in GRI G4 Guidelines), Indicators (as so defined) and other content of the Sustainability Report 2016; and
- retention of sufficient, appropriate evidence to support the aforementioned.

Inherent limitations

The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, measures and measurement techniques and can affect comparability between entities. In addition, GHG quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Identified Sustainability Information based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements 3000, Assurance Engagements other than Audits or Reviews of Historical Financial Information', and, in respect of greenhouse gas emissions, International Standard on Assurance Engagements 3410, Assurance Engagements on Greenhouse Gas Statements, issued by the International Auditing and Assurance Standards Board. These standards require that we plan and perform this engagement to obtain limited assurance about whether the Identified Sustainability Information is free from material misstatement.

A limited assurance engagement involves assessing the suitability in the circumstances of MIA's use of the Criteria as the basis for the preparation of the Identified Sustainability Information, assessing the risks of material misstatement of the Identified Sustainability Information whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the Identified Sustainability Information. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

The procedures we performed were based on our professional judgment and included inquiries, inspection of documents, evaluating the appropriateness of quantification methods and agreeing or reconciling with underlying records.

Given the circumstances of the engagement, in performing the procedures listed above we

- made inquiries of the persons responsible for the Identified Sustainability Information;
- obtained an understanding of the process for collecting and reporting the Identified Sustainability Information.

- performed limited substantive testing on a selective basis of the Identified Sustainability Information to check that data had been appropriately measured, recorded, collated and reported;
- evaluated whether the Company's methods for developing estimates are appropriate and
- considered the presentation of the Identified Sustainability Information.

Our procedures were limited to the Identified Sustainability Information, and we have not performed any procedures in relation to any other GRI G4 disclosures included in the Sustainability Report 2016, including the completeness thereof.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether MIA's Identified Sustainability Information has been prepared, in all material respects, in accordance with the Criteria.

Limited Assurance Conclusion

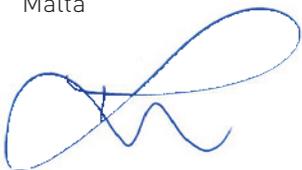
Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the MIA's Identified Sustainability Information for the year ended December 31, 2016 is not prepared, in all material respects, in accordance with the Criteria.

Restriction of Use

This report, including the conclusion, has been prepared solely for the CR Committee of MIA as a body, to assist them in reporting on MIA's sustainable development performance and activities. We permit the disclosure of this report within the Sustainability Report 2016, to enable the CR Committee to demonstrate that it has discharged its governance responsibilities by commissioning an independent assurance report in connection with the Sustainability Report 2016. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the CR Committee as a body and MIA for our work or this report save where terms are expressly agreed and with our prior consent in writing.

PricewaterhouseCoopers

78 Mill Street
Qormi
Malta



Romina Soler, Partner
31st May, 2017