

A Sustainable Journey: A PILLAR AT A TIME

MALTA INTERNATIONAL AIRPORT PLC
SUSTAINABILITY REPORT 2017



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The cover of this report was illustrated by Marisa Attard to show the three pillars of sustainability; Economic, Environmental and Social, on which the company's corporate responsibility efforts are based.



CEO Statement

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It is with great satisfaction that I introduce our third sustainability report, which presents the initiatives taken by Malta International Airport in 2017 in a bid to be a more responsible company over the long term. There may be different views as to what makes an organisation so, but to Malta International Airport being responsible constitutes persistent endeavours to contribute to the local economy, to be a good neighbour and employer, and a business that creates value that enhances the island's tourism offering.

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In being a socially responsible company, we choose to transparently report both the positive and negative impacts of our business. With this, we remain committed to our sustainable growth and mindful of our economic, environmental, and social impacts on the community. We also seek to actively engage with our main stakeholders, using their feedback to better identify and address issues that affect them the most, and that are material to the tourism industry in which we are important actors.

In these last few years, we have come to embrace the creation of shared value as the principle that underpins our actions and decisions, which in turn enable us to coexist harmoniously with the other parts of the wider community of which we are members. Using its Corporate Responsibility strategy as the main compass, Malta International Airport continued to give its support to others, favouring projects and initiatives that simultaneously value long-term sustainability and the enrichment of Malta's tourism product, as much as our company does.

The Malta Airport Foundation complemented the work undertaken in this regard by investing in elements of the Maltese cultural, historical and environmental heritage, which make up the different facets of the island's package for those who visit it. 2018 promises to be an exciting year for our independent foundation as it will be unveiling three major projects which were in the works throughout 2017; the restored Combined Operations Room within the Underground War Headquarters in Valletta, the restored 17th-century Xutu Tower in Wied iż-Żurrieq, and a documentary centering on Comino. We shall also be doing our utmost to ensure that more locals and tourists become acquainted with the Malta Airport Foundation and enjoy projects it has contributed to over the last three years.

I am proud to say that, in 2017, through our philanthropic contributions, which form part of the economic value distributed by the company, we supported causes that fall in line with our own values. In turn, these donations enabled the realisation of a number of projects, all of which were anchored in the desire to see different segments of society prosper. It was also very heartening to see our people come together on numerous occasions to organise internal drives for charity, for indeed corporate responsibility gathers even more significance when it stems from a team effort.

Our business is first and foremost concerned with the operation of an air terminal, and I feel that I cannot leave our passengers unmentioned in this introduction. In 2017, we were responsible for providing an unprecedented number of passengers with a safe and pleasant airport experience, in line with our promise to deliver an excellent service every time. Being equally committed to safeguarding our surrounding environment, we strived to absorb the emissions resulting from this increased activity as best as possible. A number of mitigating measures taken during the year under review enabled us to register a drop in emissions per passenger, and we are now focusing on reaching a further decrease by the time the year is through.

As a company, we are proud that through these efforts we have joined a wider global movement that is pushing towards a bright future for this generation and others to come. I would like to thank the team, especially the members of our Corporate Responsibility Committee, the board of the Malta Airport Foundation, and our stakeholders for helping us come closer to our aspiration of being a more sustainable business year after year.

About this Report

This third sustainability report published by Malta International Airport plc. covers the period between the 1ST of January 2017 and the 31ST of December 2017.

In compiling this report, the company adhered to the new Global Reporting Initiative (GRI) standards for the first time, and also took a different approach to presenting the sustainability initiatives undertaken during the year under review. The company's initiatives and subsequent results are, in fact, segmented according to five of the United Nations' 17 Sustainability Development goals:

- Good Health and Wellbeing;
- Decent Work and Economic Growth;
- Industry, Innovation and Infrastructure;
- Responsible Production and Consumption;
- Climate Action.

This presentation was opted for in a bid to show that the company's sustainability endeavours are being made in parallel to those of other organisations that are all working towards the same ultimate goal: that of advancing the wellbeing of both present and future generations.

To make the report more appealing, the company commissioned Maltese illustrator Marisa Attard, who is best known for illustrations having a humorous touch. This is but one of the airport's many collaborations with Maltese artists, through which it strives to support local talent.

To learn more about similar collaborations with artists and small businesses, please refer to the Industry, Innovation and Infrastructure section, on pages 27-28.

Report Profile

Reporting period for information provided
Year ending 31st December 2017

Date of most recent previous report
Year ending 31st December 2016

Reporting cycle
Annual

Contact point for questions regarding the report
The Marketing & Communications Department on: communications@maltaairport.com

Claims of reporting in accordance with GRI standards
The report was prepared in accordance with the GRI standards: Core option.

The Corporate Responsibility Committee, which is chaired by the Chief Executive Officer Alan Borg, engaged Pricewaterhouse Coopers (PwC), Malta, an independent assurance provider, to provide assurance with regard to the selected sustainability information marked with a ✓ in the present report for the year ended 31st December 2017. For the GRI content index, please refer to Appendix 4 on pages 58-60.

In 2014, the company engaged an external consultant Pricewaterhouse Coopers Malta (PwC) to advise on the GRI reporting framework. PwC's recommendations were considered by the Corporate Responsibility Committee as part of its implementation process. In its first report, the company identified the material aspects tabulated on the opposite page, which aspects have remained unchanged for the purpose of this report.

CATEGORY	MATERIAL ASPECT	OUTSIDE THE ORGANISATION	INSIDE THE ORGANISATION	BOTH OUTSIDE & INSIDE
ECONOMIC	Economic Performance			x
	Market Presence			x
	Indirect Economic Impact			x
	Procurement Practices			x
ENVIRONMENTAL	Energy			x
	Water			x
	Emissions			x
	Effluents & Waste			x
	Compliance			x
SOCIAL	Employment		x	
	Labour/Management Relations		x	
	Occupational Health & Safety			x
	Training & Education		x	
	Diversity & Equal Opportunities			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	

Organisational Profile

Products & Services

The company's products and services can be divided into two.



AVIATION RELATED

- 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 RELATED

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



Entities included in the consolidated financial statement or equivalent documents



ASSOCIATIONS AND ORGANISATIONS IN WHICH THE COMPANY IS A MEMBER OR ACTIVELY PARTICIPATES

AIRPORTS COUNCIL INTERNATIONAL (ACI)
As an ACI member, MIA regularly attends fora and conferences organised by ACI. MIA has been participating in ACI's Airport Service Quality (ASQ) survey ever since its inception in 2005, and joined the organisation's Airport Carbon Accreditation Programme in 2016.



MALTA HOTELS & RESTAURANTS ASSOCIATION (MHRA)
As a member of the MHRA, MIA attends meeting, events, and conferences to keep abreast of developments in the hospitality industry.



MALTA TOURISM AUTHORITY (MTA)
Malta International Airport works in close cooperation with this authority to promote the Maltese islands as a year-round destination and attract new business from different markets. MIA's CEO sits on the board of this authority.

Markets Served

Malta International Airport operates from its headquarters in Luqa, and in the year under review it was served by:



The Company's Values



Service Excellence

We want our people to provide an excellent service to each and every guest. We aim to be caring and meticulous in everything we do and continually seek to exceed our visitors' 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.

Employees



311

EMPLOYEES



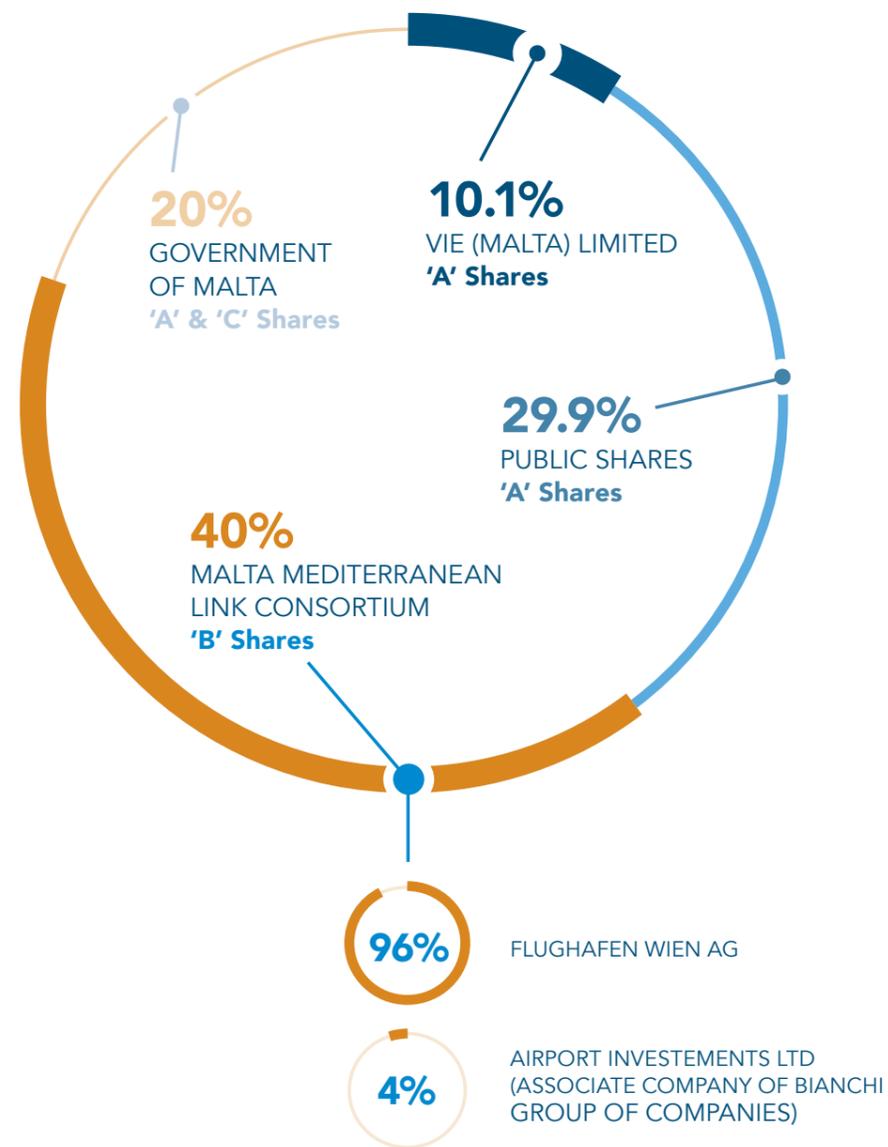
202
MALES



109
FEMALES

AROUND 81%
COVERED BY COLLECTIVE BARGAINING AGREEMENTS

The Company's Shareholding



About the company

Changes in the Year Under Review

INFRASTRUCTURAL CHANGES

2017 was Malta International Airport's twenty-fifth year in operation; a year during which the terminal underwent major infrastructural changes through the company's Terminal Reconfiguration Project¹ and other investment channelled into terminal and airfield improvements. Through these developments Malta International Airport is better poised to help the country meet, and even exceed, its growing need for robust tourist infrastructure at a time when it is experiencing a boom in this important sector.

- › New VIP Lounge
- › Reconceived Observation Deck
- › Bigger security screening area
- › Upgraded washrooms
- › Construction of a new service road
- › New airport management system

STRUCTURAL CHANGES

Changes within two of the company's departments were implemented so as to enable the company to optimise the use of its available resources. This apart, the company appointed Mr Florian Nowotny as Non-Executive Director on its Board of Directors, who also replaced Ms Rita Heiss in the role of Chairman of the company's Audit Committee.

- › Appointment of a new Head of Financial Control, Risk and Compliance within the Finance Department; Mr Thomas Wohlfahrtstätter
- › Reorganisation of the Technical Services Department under the leadership of a newly recruited Head; Ing. Kevin Alamango
- › The merging of the Traffic Development and Customer Service Departments, under the leadership of a newly appointed Head; Mr Alex Cardona. This change came into effect on the 1st January 2018.

The company is obliged to 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, in a timely manner. In the case of transfer of business, the notice is to be given at least 15 working days before the transfer is carried out or before the employees are directly affected by this transfer, as stipulated in the local legislation; S.L. 452.96.



Our Approach to Corporate Responsibility

Malta International Airport approaches corporate responsibility through a dual-pronged strategy, which enables it to set out, and realise, a number of internal and external commitments.

Managed by a Corporate Responsibility (CR) Committee, the company's internal commitments encompass the monitoring and management of its economic, environmental, and social impacts, including efforts to mitigate any negative impacts and maximise positive ones. So as to manage these impacts in a transparent manner, Malta International Airport adopts the Global Reporting Initiative (GRI) standards in writing and publishing an annual sustainability report, components of which are independently audited and made available to the public.

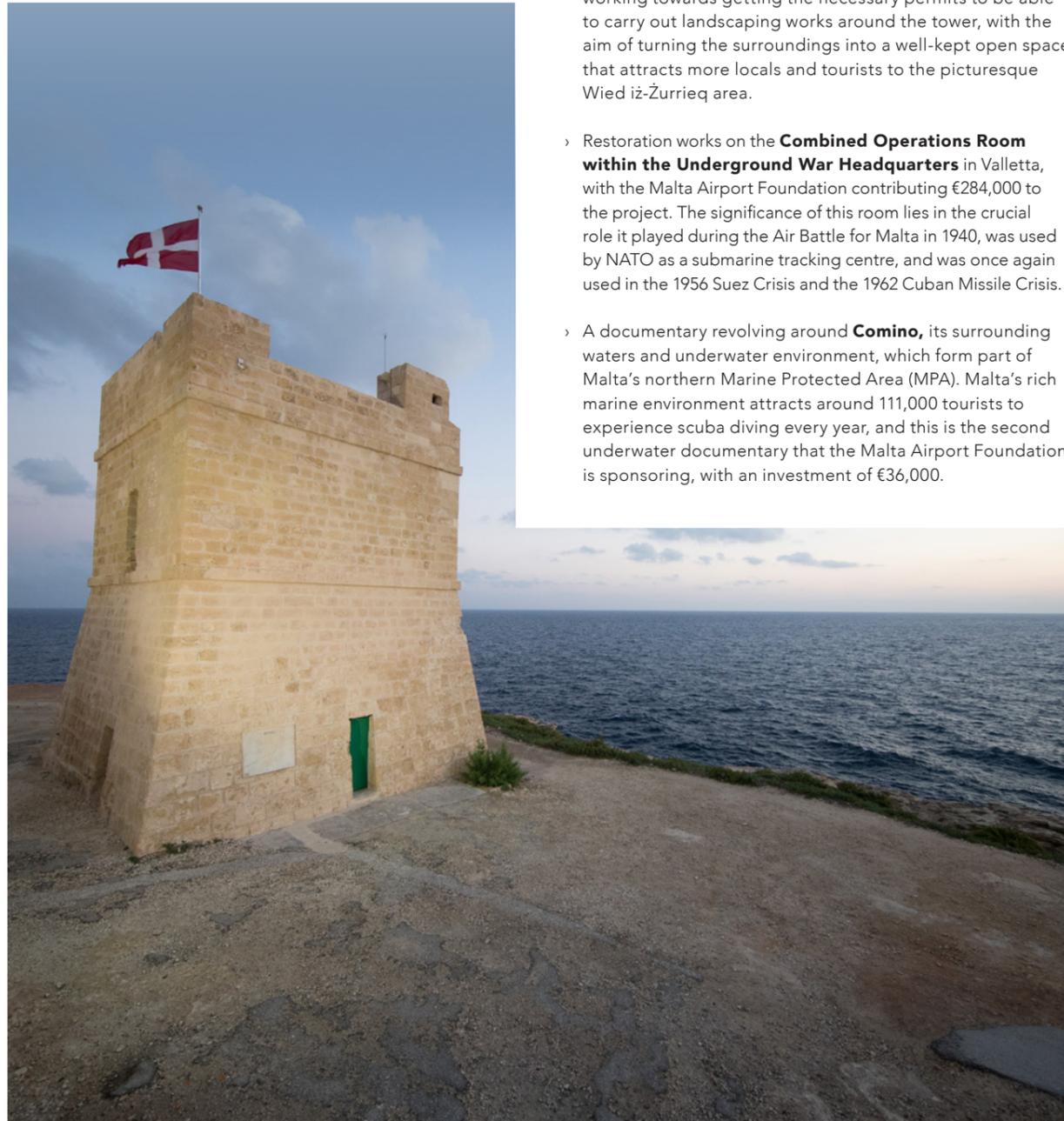
On the other hand, external commitments, which are mainly aimed at safeguarding and enhancing Malta's environmental, cultural, and historical heritage, fall under the responsibility of the Malta Airport Foundation. This independent non-profit organisation has already been instrumental in implementing a number of important initiatives, and plans to launch a further three projects in 2018.

As the company strives to realise its commitments with the help of its strategy, it takes steps in its journey towards becoming a more responsible player on the Maltese stage. For other general disclosures, refer to Appendix 3 on pages 44-47 of this report.

¹ For more information about the Terminal Reconfiguration Programme, refer to the Industry, Innovation and Infrastructure on pg 25.

The Malta Airport Foundation ²

Since its setting up in 2015, the Malta Airport Foundation has overseen a number of projects, all of which it considers to be an investment in Maltese heritage and the environment, with the aim of increasing the islands' appeal to both tourists and locals. The non-profit organisation is independently run by a board of administrators. In the year under review, the Foundation Board was joined by Dr Timothy Gambin and Mr Josef Formosa Gauci.



In 2017, the Malta Airport Foundation supported the below projects and initiatives, as well as its ambassador, soprano Nicola Said.

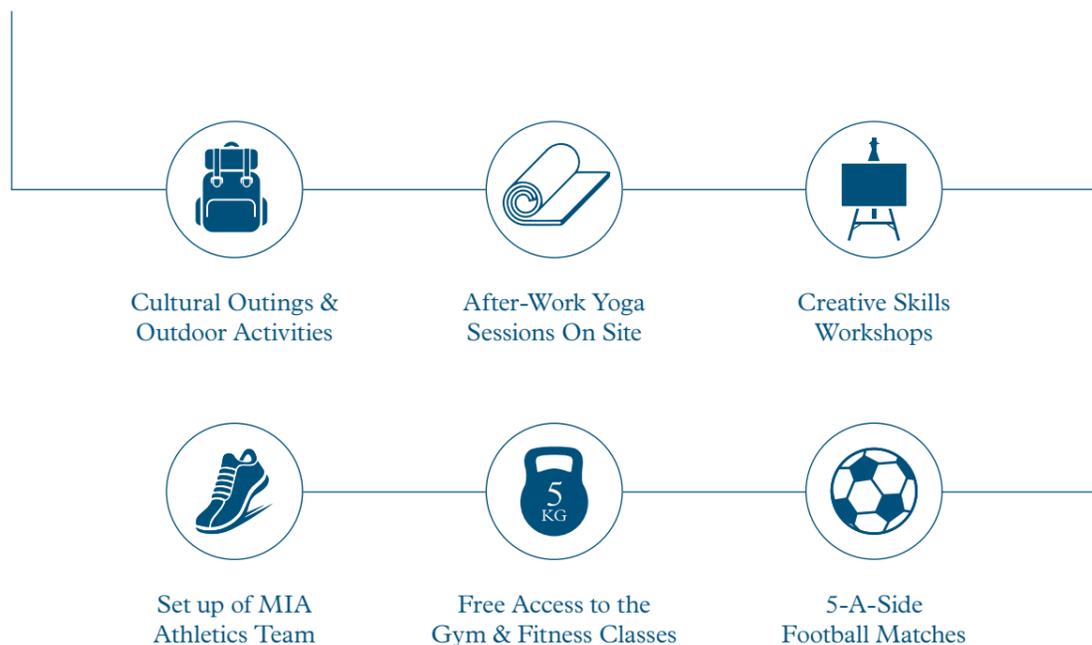
- › The complete restoration of the 17th-century watchtower; **Torri Xutu in Wied iż-Żurrieq**. The Foundation has thus far invested a total of €120,000 in this restoration, and it is working towards getting the necessary permits to be able to carry out landscaping works around the tower, with the aim of turning the surroundings into a well-kept open space that attracts more locals and tourists to the picturesque Wied iż-Żurrieq area.
- › Restoration works on the **Combined Operations Room within the Underground War Headquarters** in Valletta, with the Malta Airport Foundation contributing €284,000 to the project. The significance of this room lies in the crucial role it played during the Air Battle for Malta in 1940, was used by NATO as a submarine tracking centre, and was once again used in the 1956 Suez Crisis and the 1962 Cuban Missile Crisis.
- › A documentary revolving around **Comino**, its surrounding waters and underwater environment, which form part of Malta's northern Marine Protected Area (MPA). Malta's rich marine environment attracts around 111,000 tourists to experience scuba diving every year, and this is the second underwater documentary that the Malta Airport Foundation is sponsoring, with an investment of €36,000.

Good Health & WELLBEING



² For more information about the Malta Airport Foundation, refer to the company's Annual Report 2017, pgs 59-63, available for download on www.maltairport.com

The Wellbeing Programme



The 2017 launch of The Wellbeing Programme kick-started a drive towards a more active and balanced lifestyle for the company's employees. The Wellbeing Programme encompassed several initiatives, including free access to a nearby gym, after-work events that were generally open to

family members to foster a sense of community, and on-site artistic skills workshops and yoga classes. 2017 was also the year which saw the setting up of The MIA Athletics Team, bringing the number of sports teams supported by the company up to four.

The Leaving Work Support Programme

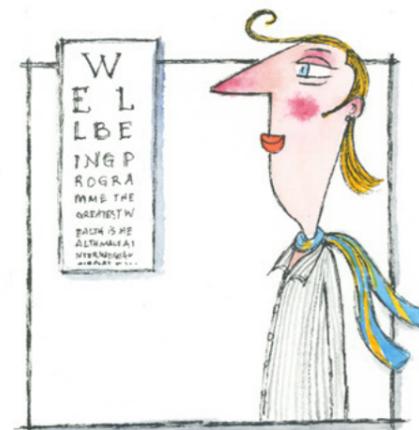
To give back to employees who would have contributed to the airport's success story, the company has in place a Leaving Work Support Programme for employees who would be retiring soon. This programme, which ropes in professionals from a local organisation that promotes wellbeing within the community, is aimed at helping soon-to-be retirees ease into their new lifestyle. The Leaving Work Support Programme may be availed of on a voluntary basis, and it is also open to employees who choose to retire early.

Results from last year's Annual Employee Survey revealed that:

- 85.4% of respondents would recommend MIA as a good employer
- Employees were more satisfied with the company's wellbeing initiatives, as indicated by a 10% improvement in the wellbeing question over 2016

An Internal Drive towards Higher Wellbeing Levels

Malta International Airport believes that to be able to set ambitious goals, both sustainability related and others, it must first take care of the very people who are at the heart of its many achievements. Here, the company's focus is on helping its employees strike a good work-life balance and on maintaining a work environment that enables team members to thrive and reach their full potential.



Other Wellbeing Initiatives

- Free fresh fruit available to all employees
- Free influenza vaccination
- General practitioner available on site three times a week
- Free eye tests every two years
- A welfare fund to support employees in times of financial need
- Introduction of counselling and support services given by professional mental health practitioners, including clinical psychologists and psychotherapists, with every employee being entitled to 12 individual counselling sessions
- A commitment towards supporting employees with substance abuse problems, as stipulated in the company's newly introduced alcohol & drug abuse policy

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Really enjoyed the yoga class with Yasmine, it's a nice way to relax and unwind after work and a good remedy to boost one's mood.

INGRID MICALLEF

Aerodrome Officer, Airside Operations

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Occupational Health and Safety and Emergency Preparedness

Occupational Health and Safety is another important contributor to improved levels of wellbeing. During the year under review, the Health and Safety Department stepped up its efforts in driving awareness for the importance of occupational health and safety through a project called LunCHats. This ongoing initiative gives employees room to voice their thoughts and concerns about the matter, and in 2017 it was crucial in driving reports of near misses up by 26% and providing the company with instant feedback about employees' perception of safety at work.

Going forward, this feedback will also be used in identifying OH&S training needs and addressing them.

While MIA employees are not at high risk of diseases related to their occupation, should this change in the future, the company will report it in the same manner as it reports injuries at work. The Occupational Health and Safety accident, incident and damage report and First Aid procedures are processes by which the company reports such risks.

The company's Health and Safety Committee, which was set up in accordance with Heading 34 of the Collective Agreement³, met four times to discuss further initiatives that can contribute to a more OH&S-centred culture.

Ensuring Occupational Health & Safety for All

Since projects being undertaken on airport grounds very often require the input of contractors and service providers, the Health and Safety team was heavily involved in ensuring that the relevant standards were adhered to at all times by third parties. This was done through regular OH&S inspections, risk assessments, approval of machinery being used, and ensuring that the appropriate safety and protective clothing items were always worn.

The Terminal Emergency Planning Committee

In addition to this, the company's Terminal Emergency Planning Committee continued to work towards strengthening the level of preparedness of the company for an emergency scenario. This committee spearheaded several emergency preparedness exercises throughout the year, with the most significant one being a simulation involving the opening and management of the Friends and Relatives Centre, as would be the case in the event of an actual aircraft accident.

Committee Name	Number of Members	% of Total Employees
Terminal Emergency Planning Committee	9 ✓	2.9% ✓
Occupational Health & Safety Committee	7 ✓	2.3% ✓

³ To date, the company does not have any formal Health and Safety arrangements with Trade Unions

Supporting the Community's Wellbeing

Community Philanthropy and Charity Drives

In addition to its external Corporate Responsibility initiatives spearheaded by The Malta Airport Foundation, Malta International Airport engages in philanthropic and charitable work within the wider local community.

A number of entities, organisations, and individuals approach the company for financial support year in year out, and 2017 was no different. While the requests were many, the company chose to support those that were the closest to its values, following a thorough evaluation of all requests received, by the company's Corporate Responsibility Committee.

Being strongly committed to investing in the airport's neighbouring communities, three of the entities that

benefitted from the company's support were youth organisations in the proximity of the airport. The company also aided other organisations, such as Hospice Malta and Id-Dar tal-Providenza, that have the wellbeing of particular individuals and segments of the community at the heart of their mission.

In addition to this, several events and initiatives, such as the annual Lost, Found and Auctioned event, donation boxes placed at different points of the terminal, and Malta Airport staff initiatives, helped the company raise more funds that were donated to different charities.



Identifying Stakeholders & Communicating with them

The company believes that regular engagement with its stakeholders and other entities upon which it has an impact, enables it to identify ways in which it can support these groups and forge closer relationships with them, especially with regard to any social, environmental and economic concerns they may have.

For this reason, it segments its stakeholders, and identifies the channels and frequency of communication that can help best in addressing every group's particular concerns. In addition to this, the company constantly seeks to find new and better ways of working with its key stakeholders so as to further reinforce its relationship with them.

Some of the company's top stakeholder groups include:

- › Passengers and Airport Visitors
- › Other people working on the airport campus (and who are not considered to be Malta International Airport employees)
- › The Local Community
- › Employees

Decent Work & ECONOMIC GROWTH

Passengers and Airport Visitors

In the year under review, ongoing works as part of the company's Terminal Reconfiguration Project necessitated more frequent communication with most of these stakeholders, especially passengers and airport visitors and people working on the airport campus. The company used both traditional and new media to reach out to these groups of people so as to advise them of these ongoing works and of how they might impact their journey if they were travelling, or their business if they operated from the terminal.

Tenants and People working on the Airport Campus

Throughout 2017, the company worked on the development of a platform; Radar. Launched in May 2018, this platform is accessible to tenants, suppliers, and other people working on the airport campus who are not Malta International Airport employees. This platform is expected to ameliorate communication between the company and these parties, whilst fostering better engagement and levels of involvement in the day-to-day operation of the airport.

The Local Community

The local community, especially villages in close proximity to the terminal, is mainly concerned by how the airport's operations impact it environmentally, parking limitations and congestion, and by how it would be affected if an accident scenario were to unfold on airport grounds.

Besides regular meetings with local councils representing these communities, Malta International Airport commissions several studies and reports to consider actual or potential impacts on the said communities, 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 (Planning Authority) report
- › Aircraft movements
- › The master plan for the airport campus (approved in 2018)
- › Risk management register

Employees

The company communicates with its employees on a close-to-daily basis via The MIA Team Updates and The Employee Wellbeing newsletters, as well as through an internal platform dedicated to the workforce; Compass, which was launched at the beginning of 2017. In addition to these modes of communication, the company publishes an employee magazine, which includes employee interviews, practical tips, and updates about events and activities, twice a year.

Employees are encouraged to voice their concerns and opinions through a number of channels and initiatives, with the annual Employee Survey being a very important tool in this regard. Survey results for 2017 showed that while employees' satisfaction with how the company communicates with them is on the increase, many team members believe that there still is room for improvement in this area.



Decent Work

EMPOWERING EMPLOYEES AND ENABLING THEM TO GROW

The company's success is ultimately dependent on how much it lets employees themselves grow uninhibitedly, feel empowered, and know that they are vital members of the Malta International Airport family. As the needs of the business grow, so does this airport family and, in 2017, it welcomed 66 new employees, half of whom were males and the other half were females.

Training opportunities, measures taken to safeguard employees' rights, performance reviews and a fair remuneration system are some of the means by which

the company strives to create and maintain quality employment conditions for its workforce.

Throughout 2017, the company was in talks with the two unions – UHM and GWU – which represent around 81% of its workforce, to negotiate better benefits for its employees, whilst ensuring that the company remains sustainable in the long run. These negotiations led to the drafting of a Collective Agreement providing for a number of new and better benefits, which was signed in May 2018.

POLICIES

Two policies that came into effect in January 2017, namely the **Equality and Diversity Policy** and the **Anti-Harassment and Bullying Policy**, clearly stipulate the company's commitment towards:

- › Promoting equal opportunities and diversity for existent employees and job applicants
- › Creating a work environment in which all individuals can make the best use of their skills, free from discrimination or harassment, and in which all decisions are based on merit
- › Adopting a zero tolerance approach to instances of harassment and bullying that can impede employees from reaching their full potential

These policies are easily accessible to all employees on the company's intranet. Moreover, the Collective Agreement specifically highlights that:

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The company shall not discriminate against, intimidate or in any way victimise any of its employees because of Union membership or for the reason of participation in a Union's activities and/or actions."

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The company strives to provide equal opportunities for all and to promote diversity among its workforce, but it also deems it to be very important that the local community and local interests are represented at the highest levels of decision-making. In the year under review, **80% of senior management, including the CEO and the heads of department, were hired from the local community.**

TRAINING AND DEVELOPMENT FOR EMPLOYEES

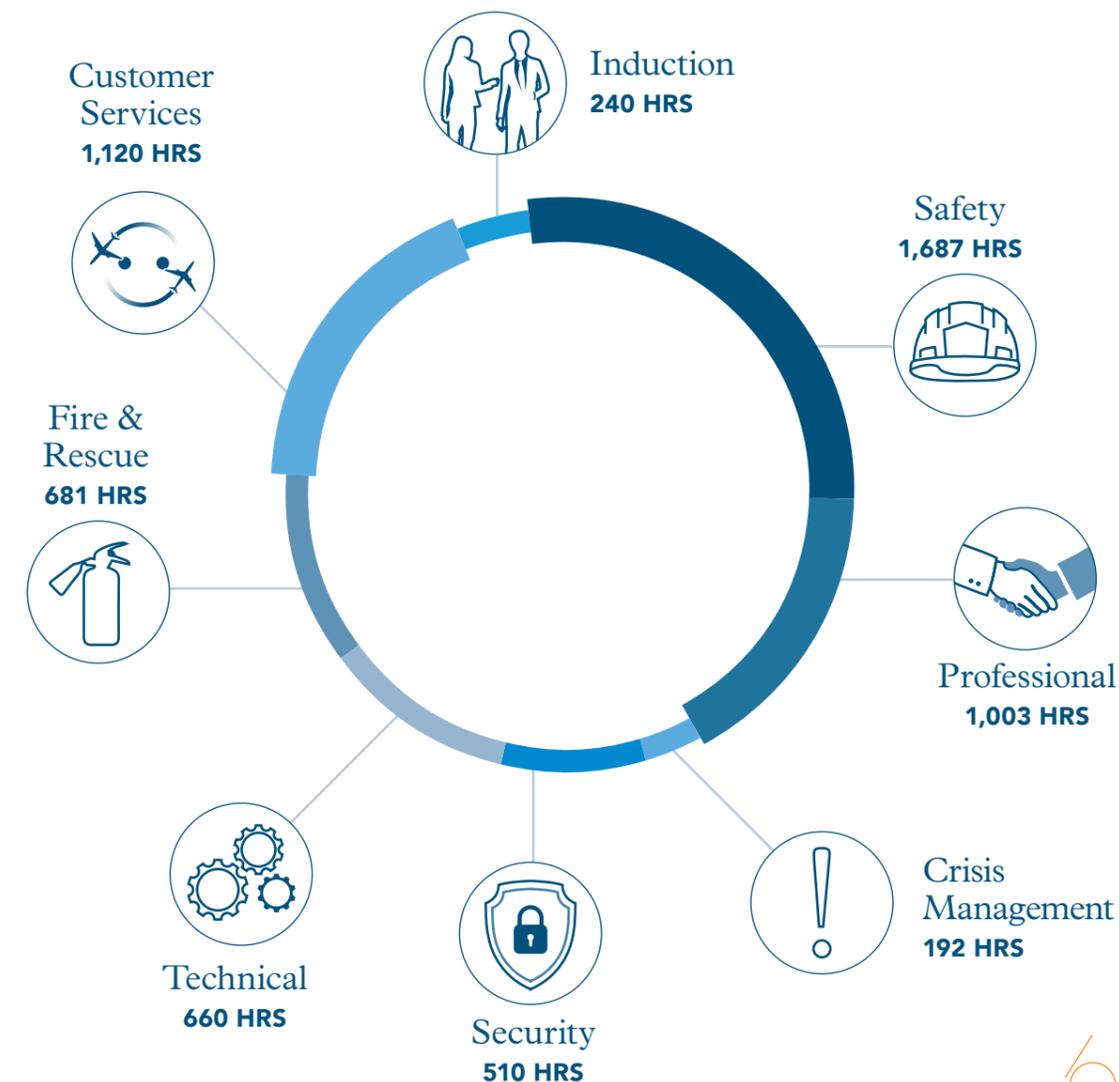
In 2017, a total of 6,093 ✓ hours of training, excluding on-the-job training, were supported by the company, with every employee benefitting from an average of 20 ✓ hours of training. This total includes 240 ✓ hours of induction training, during which new recruits get acquainted with how the company operates, their rights and obligations, and some of the most important policies such as the Business Conduct and Ethics Policy.

Besides keeping track of training hours, and in line with its new Training and Development Policy, the company introduced a feedback system, whereby employees could evaluate training they would have received. In the year under review, **an encouraging 85% of the respondents were satisfied with their training, whilst 88% said that they found the training to be useful and informative.**

This post-training feedback system is one of the ways by which the company keeps a pulse on the sentiment of its team. Employees are also encouraged to make their opinions known through other channels such as the Annual Employee survey, a suggestion box integrated into the company's intranet which was launched in the year under review, and the initiative My CEO Time. In addition to this, several employees are members of the company's various committees and bodies, which focus on important issues for the business, ranging from risk management to enhancing the customer experience.

Training Hours

6,093 HRS TOTAL



Moreover, the company is currently funding the studies of four of its employees, who have chosen to widen their knowledge of subjects that are relevant to their current roles through courses at different levels, ranging from diplomas to Master's degrees.

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I have been working at Malta International Airport for 14 years, and I recently decided to invest in my career by reading for a Bachelor's Degree in Business Management. Balancing work and studies is no easy task, and the support I am receiving from the company is crucial to the successful completion of my studies. I hope that this course will enable me to progress within the company.

ERICA BONNICI

Assistant Administrator, Retail & Property

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I completed a 100-hour placement with the HR Department at Malta International Airport, where I gathered a deeper understanding of how to conduct interviews, draft contracts and, more importantly, manage various day-to-day tasks in the most efficient manner. I also came to appreciate the level of synergy needed among the different departments to be able to operate such a big organisation in a smooth manner, with the ultimate aim of providing customers with an excellent service. During my placement, I always found the help I needed from friendly and professional team members.

MARIA GALEA

B.A. Tourism Studies student at the University of Malta



PERFORMANCE REVIEWS AND REMUNERATION

While the company already had a performance review system in place for its management and professionals, in 2017 it introduced an appraisal system for employees across the board with the aim of providing them with formal feedback about their performance and stimulating better engagement at work.

WORK AND PLACEMENT OPPORTUNITIES FOR GRADUATES AND STUDENTS

Recognising that new graduates have a lot to offer, yet do not always necessarily possess the practical skills required in the working world, in 2015 the company launched the Graduate Management Programme. Through this programme, new graduates benefit from mentoring and hands-on experiences, and are given the opportunity of pursuing a career at the airport after a year of training. Between 2015 and 2017, nine graduates were welcomed on board in different departments, with many of them choosing to extend their career with the company after completing the year-long programme.

Moreover, knowing that academic education is more effective when complemented by on-the-job training experiences, Malta International Airport provided 13 students, studying in Malta and abroad, with the opportunity to carry out placements and internships within the company's different departments during the course of the year.

For more details on social disclosures, refer to Appendix 3 on pages 52-57 of this report.

Economic Growth

OPERATING IN AN ECONOMICALLY SUSTAINABLE MANNER

Given that Malta International Airport hosts around 97% of all tourists visiting the island and supports, both directly and indirectly, around 4,900 jobs, the company's role in the local economy is a very important one. This gains further significance in light of the fact that travel and tourism accounted for a noteworthy 26.7% of Malta's GDP in 2016.⁴

One of the goals the company pursues, so as to be able to continue to operate in an economically sustainable manner, is the increase of traffic in the shoulder months.

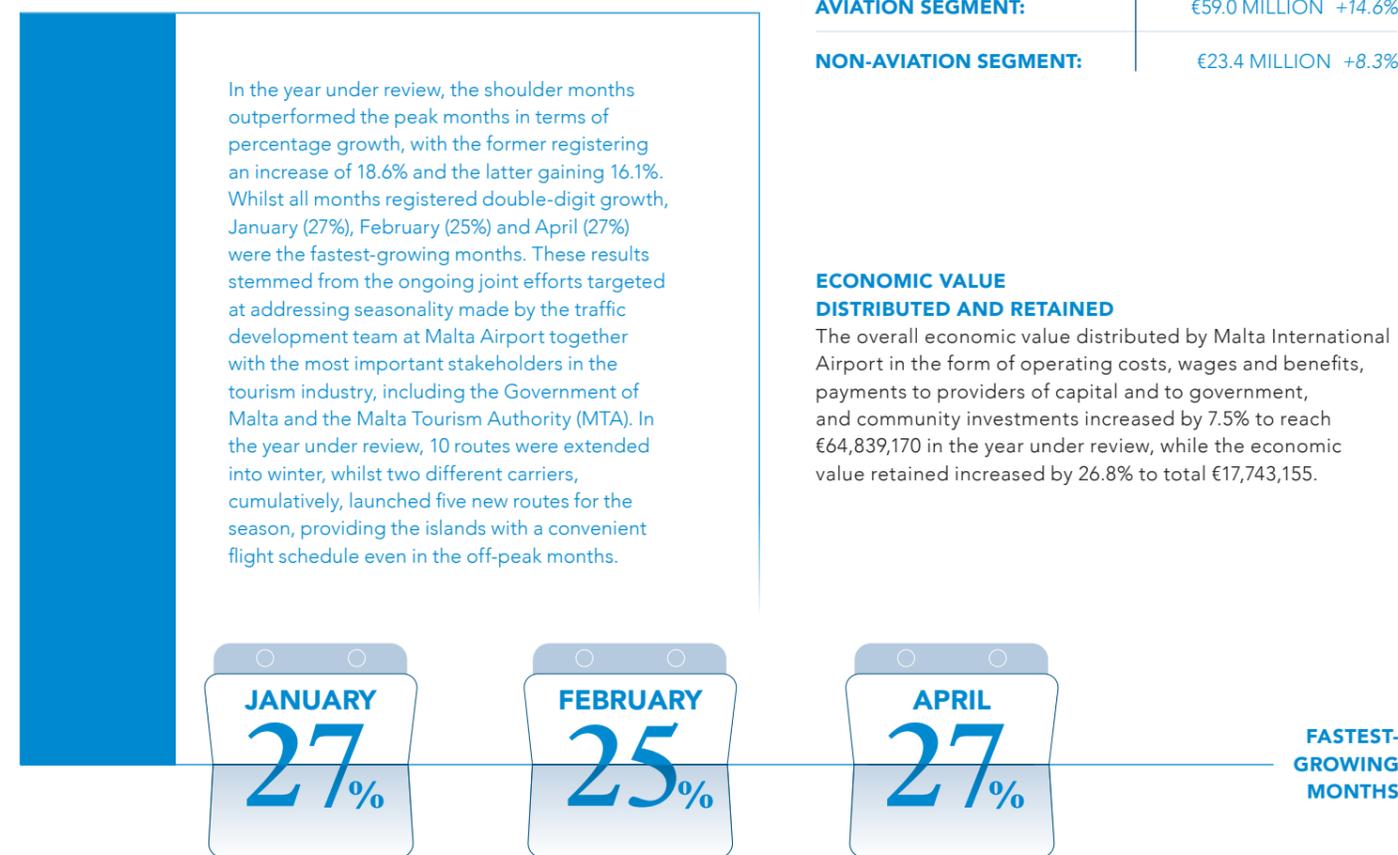
REVENUES

In line with its diversification strategy, the company invests heavily in both its aviation and non-aviation segments. The extraordinary growth in passenger traffic is boosting revenues from this segment significantly on a year-on-year basis. In the year under review, the aviation segment contributed 71.6% of the total revenue and the non-aviation segment contributed 28.4% of this total.

TOTAL REVENUE:	€82.4 MILLION +12.7%
AVIATION SEGMENT:	€59.0 MILLION +14.6%
NON-AVIATION SEGMENT:	€23.4 MILLION +8.3%

ECONOMIC VALUE DISTRIBUTED AND RETAINED

The overall economic value distributed by Malta International Airport in the form of operating costs, wages and benefits, payments to providers of capital and to government, and community investments increased by 7.5% to reach €64,839,170 in the year under review, while the economic value retained increased by 26.8% to total €17,743,155.



For more details on economic disclosures, refer to Appendix 3 on pages 48 and 49 of this report.

⁴ World Travel and Tourism Council, Travel & Tourism Economic Impact 2017: Malta.

Industry, Innovation & INFRASTRUCTURE



The Terminal Reconfiguration Project

THE TERMINAL RECONFIGURATION PROJECT

2017 marked the eighth consecutive year of growth in passenger numbers for Malta International Airport, with traffic increasing by 17.5% to reach 6,014,548 passenger movements. This, together with the fact that further growth in traffic is forecast for Malta's only air terminal, makes it particularly important for the company to ensure that the infrastructure with which it operates is both well-suited to handling existent passenger numbers and to cater for future growth.

Whilst the company has invested consistently in its terminal facilities and the airfield ever since its privatisation, 2017 was a pivotal year in terms of infrastructural improvements, which were mainly brought about by the company's Terminal Reconfiguration Project.

This project totalled €12 million, and in the year under review, it delivered the following upgrades:

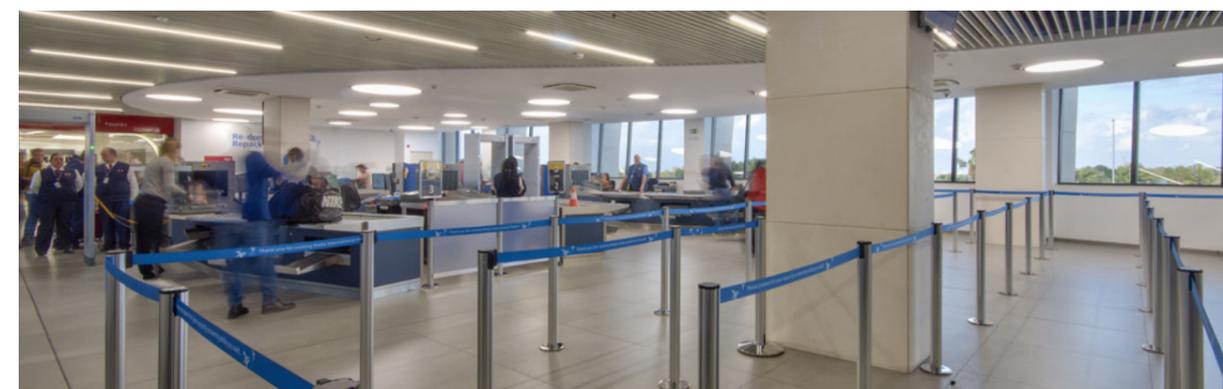
- › The relocation of the Central Security Area to a bigger space, that is allowing for the more efficient processing of passengers at this point of the airport journey.

- › A new La Valette lounge that can accommodate more guests, and which has enhanced Malta International Airport's VIP offering. This new lounge earned a prestigious Priority Pass commendation at the beginning of 2018.
- › A revamped Observation Deck that adds to the airport's appeal as a destination among locals and provides aviation enthusiasts with a new plane-spotting experience.
- › The installation of eight additional check-in desks, the refurbishment of existent ones, and the introduction of more circulation space within the Check-in Hall.

In addition to these terminal improvements, the upgrade of Baggage Handling System is expected to be completed in 2018 as part of this reconfiguration project. This system will provide better baggage handling capacity and allow for the possibility of an extension of the system with future terminal expansions. Moreover, this lays the groundwork for the introduction of new x-ray machines to allow for more thorough luggage screening, in accordance with the European Civil Aviation Conference's (ECAC) provisions.

OTHER INVESTMENTS IN THE YEAR UNDER REVIEW

Operations & Security €1,800,000	Airfield €1,700,000	Terminal Improvements €900,000
New Airport Management System providing an automated analysis of the terminal's resources to enable both the airport and its stakeholders to plan ahead better and make optimum use of the said resources	The construction of a new service road around Runway 23-05, which has facilitated connectivity between the east and west sides of the airfield, easing vehicular flow across the aforementioned runway	Upgrade of public washrooms as part of the company's drive towards enhancing the airport experience
PABX telephone system replacement	Taxiway and airfield lighting system control update	Replacement of old air-conditioning units with more energy efficient ones
State-of-the-art CCTV platform		



THE AWARD OF THE AERODROME OPERATING CERTIFICATE

In 2017, Malta International Airport carried out a compliance exercise to align itself with the EU Commission Regulations stipulating requirements and administrative procedures relating to aerodromes. The company also submitted the necessary documentation to the Civil Aviation Directorate for its review, in an effort to demonstrate its alignment with the regulations in place. Having satisfied the relevant criteria, the airport was awarded with an Aerodrome Operating Certificate by Transport Malta towards the end of 2017. Being a holder of this certificate means that Malta International Airport meets the most recent, and strictest, European aviation standards for its infrastructure and aviation safety management methodologies.



MALTA INTERNATIONAL AIRPORT'S SUPPLIERS

During the year under review, 862 suppliers provided Malta International Airport with a wide range of products and services. The top groups of services and products included

- › Construction and planning
- › Security services and equipment
- › Energy and water consumption
- › Maintenance and repairs
- › IT
- › Contracted services, including PRM services and cleaning

Below is a break-down of the airport's suppliers per location and the airport's total spend on these suppliers. When procuring products or services, the company's first preference is always the local market. However, at times, sourcing is not carried out on a domestic level either because a product or service would not be of the desired quality, or due to a gap in the local market.

REGION	2016	SHARE in 2016	2017	SHARE in 2017
NON-EU	€1,190,920	3%	€1,388,385	3%
EU	€4,320,627	12%	€6,167,962	14%
LOCAL *	€31,085,140	85%	€36,761,254	83%
TOTAL	€36,597,687	100%	€44,317,601	100%

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

EMPLOYEES AND OTHER WORKERS

A number of workers, working on site or on behalf of the organisation, are not recognised as Malta International Airport employees under the national law or practice. Moreover,

during its peak months, namely between May and September, the company employs part-time or casual workers to be able to handle the increase in passenger numbers efficiently.

Special Projects with Micro Businesses and Artists

The company also worked with individuals and local micro businesses on several 'special projects' throughout the year under review, helping them showcase their work and their wares. The next page provides a snapshot of these projects and collaborations.





A Musical Collaboration

A firm believer in local talent, in 2017 Malta International Airport appointed Maltese singer and songwriter Joe Roscoe as its brand ambassador for the next five years. During this time, the company will be backing the emerging artist on his journey as he tries to make it big on an international level and grow his already promising fan base. Besides financial support, the company is also striving to give the young singer as much exposure as possible by identifying and creating opportunities that enable him to showcase his talent.

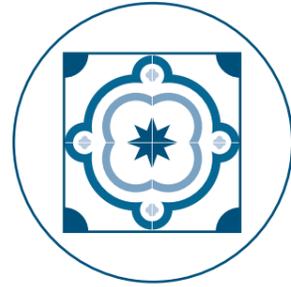


Buzzing with Activity

In 2017, Malta International Airport announced its collaboration with a local beekeeper, whereby the company would provide the beekeeper with the necessary space, which is becoming increasingly hard to find, where to install an apiary.

First and foremost, this collaboration contributes to the safeguarding of the bee population, which is experiencing a decline in numbers. Whilst this decimation has given rise to much worry worldwide, our most immediate concern lies with the endemic, Maltese honeybee, *Apis mellifera ruttneri*, which is facing a serious threat of extinction posed by a number of factors, including shrinking habitats. Being native to the Maltese islands, this bee sub-species has adapted brilliantly to both the climatic conditions of the islands and the environment, becoming a hardy and important contributor to the balance of local ecosystem. Moreover, bees in general are excellent pollinators, and a good part of the human diet is at the mercy of their pollination activity.

Secondly, the honey produced on the airport campus as part of this collaboration is being tested, with the results being compared to tests carried out on honey produced in more rural areas, as this is the best indicator of the levels of pollution around the airport.



The Hoarding Art Project

As one might suspect, the company's Terminal Reconfiguration Project necessitated the setting up of hoarding to screen off construction works from sight in all corners of the terminal. This hoarding was used to temporarily showcase 20 pieces of works of art and literature made by artists based in Malta. These works ranged from graphic design and photography to paintings and poetry, all of which celebrate the Maltese islands and sights that characterise them, providing tourists who would have just arrived in Malta with a sense of place.



Injecting the Airport Experience with a Wow Factor

Malta International Airport places a lot of importance upon the customer experience, seeking to go a step further to exceed passengers' and visitors' expectations. In 2017, the airport roped in a team of greeters, who were present at the terminal on the busiest summer days to distribute free local snacks to travellers. A custom-made 'uniform' for these greeters was designed by a Maltese up-and-coming fashion designer, Marco Parascandalo

Another summer initiative involved the distribution of free ice cream to passengers and visitors at the airport's newly unveiled Observation Deck. Here, Malta International Airport worked with a local ice-cream maker. The collaboration was a success, so much so that the company collaborated with the small business owner once again during the Christmas holidays. This time the treats distributed to passengers were Christmas specialties with a local flavour!

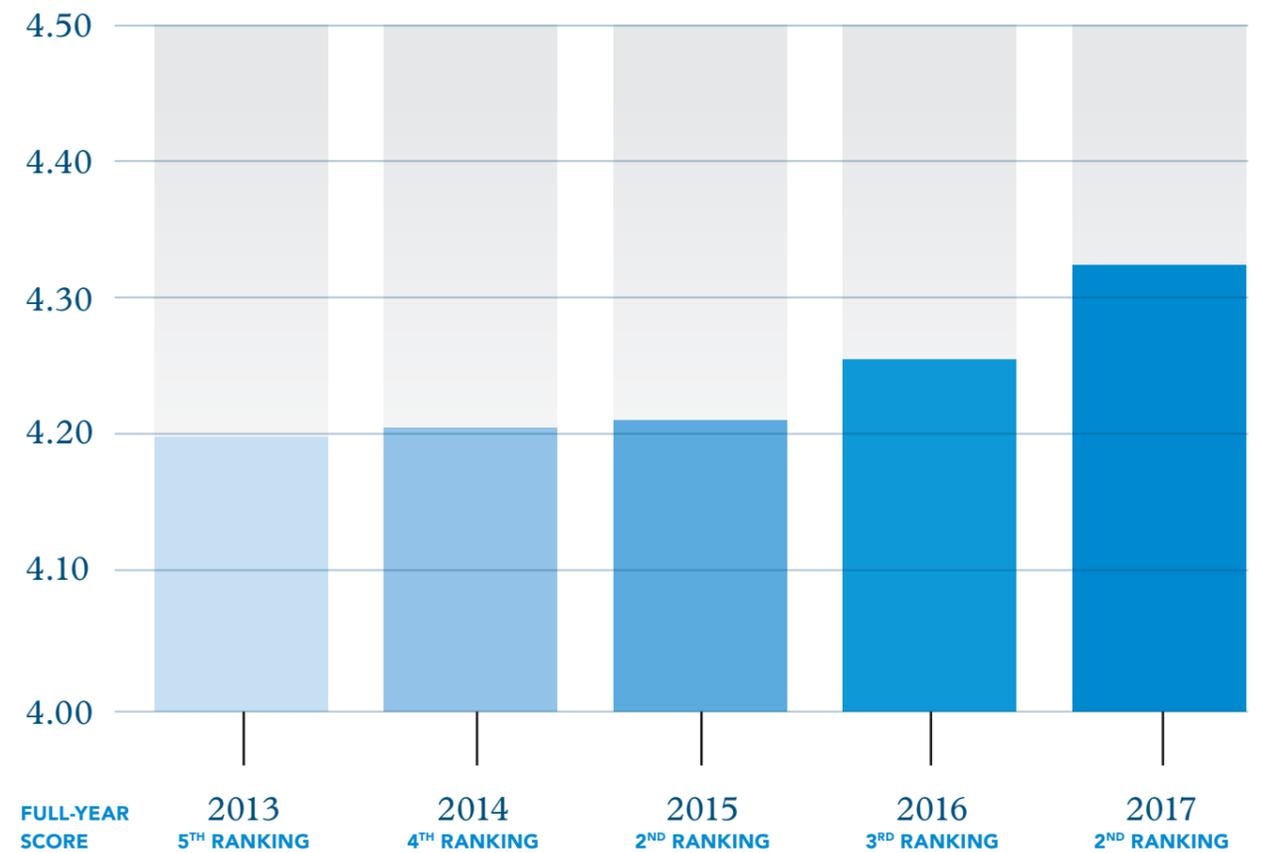
Votes of Confidence from Passengers and Locals

Malta International Airport seeks to gather an understanding of how satisfied both passengers and visitors are with the airport experience, and the services provided by the company in general, through three main exercises. This section presents some highlights for each one of these exercises for the year under review.

THE AIRPORT SERVICE QUALITY SURVEY ⁵

In the Airport Service Quality Survey conducted by Airports Council International, departing passengers are asked to rate an airport's performance across 34 indicators. In 2017, Malta International Airport received top points for the courtesy and helpfulness of its staff, terminal ambiance, and cleanliness, and went on to score an impressive 4.32 in overall passenger satisfaction. This score, which was the airport's highest to date, landed Malta International Airport in a prestigious second place from among 85 European airports hosting more than two million passengers annually.

Our guests' overall satisfaction in the past five years



⁵ Having exceeded the five million mark in passenger numbers in 2016, in 2017 Malta International Airport entered a new ASQ category, encompassing European airports welcoming between five and 10 million passengers annually.



THE BRAND PERCEPTION SURVEY

The company's Brand Perception Survey is carried out among locals on a biannual basis by an independent market research consultancy firm. Through this particular survey, the company aims at gauging locals' perception of Malta International Airport, as well as its key sub-brands, namely SkyParks Business Centre and La Valette Club. The feedback gathered through this survey enables the company to better shape the ongoing effort put into making Malta International Airport one of the best European airports, as well as an airport the local population can be proud of.

Whilst positive results were registered on all questions, some of the indicators scoring the highest percentages included Malta International Airport being 'an important contributor to the Maltese economy' (94%) and a 'reliable infrastructural company' (91%). Moreover, a very reassuring 98% of respondents expressed their satisfaction with Malta International Airport, indicating that the company's endeavours to improve the islands' connectivity and deliver an excellent service to both passengers and visitors, are not going by unnoticed.

INFORMATION DESK MYSTERY SHOPPING EXERCISES

Malta International Airport entrusts the quarterly mystery shopping exercises to a local market research consultancy firm. The information desk mystery shopping exercises assess the services being provided at the Information Desks found within the Check-in Hall and at Departures, based on criteria such as the appearance of staff members at these two points and their courtesy in dealing with customers. Below are results for some of the indicators, including the overall impression, assessed during the year under review.

QUARTER	Q1 2017	Q2 2017	Q3 2017	Q4 2017
INDICATOR				
STAFF APPEARANCE	92%	95%	87%	92%
INITIAL CONTACT WITH CUSTOMER	78%	80%	66%	74%
HELPFULNESS & FRIENDLINESS OF STAFF	70%	77%	84%	84%
OVERALL IMPRESSION	90%	89%	95%	84%

Responsible Production and Consumption and CLIMATE ACTION



The Company's Bit for the Environment

WATER, ELECTRICITY AND FUEL CONSUMPTION

Throughout 2017, the company continued to focus on the reduction of its water consumption and CO₂ emissions resulting from electricity and fuel consumption.

WATER CONSUMPTION

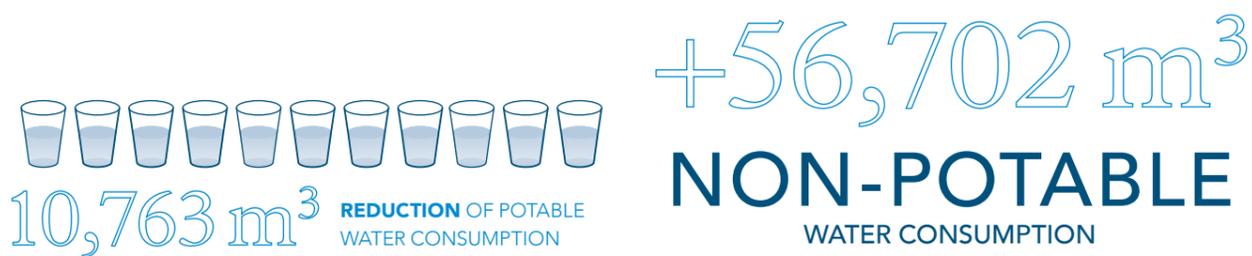
One of the environmental sustainability goals the company sets year in year out, is the reduction of water consumption. This is especially important given that Malta's climate and dense population make it a very water-stressed country that is highly dependent on external water sources.

The company's three main water sources are the Water Services Corporation (WSC), groundwater supplied by another water provider, and rainfall. The company reduced the volume of potable water sourced from the Water Services Corporation by 10,763 m³ when compared to 2016. This significant drop stemmed from the fact that, in 2016, a supply of poor quality non-potable water necessitated the purchase of a substantial volume of water from the WSC.

 A reduction of 10,763 m³ is roughly equivalent to the average daily water consumption of around 56,000 people ⁶

On the other hand, an increase of 56,702 m³ was reported in the amount of non-potable water consumed, mainly resulting from an increase in passengers using the terminal facilities in the year under review and an attempt at maintaining better hygiene levels in the washrooms by installing automatic flushing systems.

A total of 112,898 m³ of groundwater was used in the year under review, which represents less than 0.5% of the total groundwater volume in Malta that can be sustainably extracted (in the region of 25,000,000 m³, as per FAO report 2006). This is well below 5% of the groundwater source, which means that the airport's water consumption is not considered to be significant. In 2017, a total of 14,359,581 m³ of groundwater were extracted in Malta. ⁷



⁶ National Statistics Office & Water Services Corporation, Public Water Production, Leakage, and Consumption, 2017

⁷ National Statistics Office

ELECTRICITY CONSUMPTION

The company purchases electricity from Enemalta p.l.c., and produces additional electricity through its photovoltaic system. During the year under review, a nominal increase of 2.1% in the consumption of electrical energy was registered.

The increase in electrical energy consumed is considered to be negligible when taking into account the fact that passenger traffic through Malta International Airport grew by 18.3% ⁸ and that the company's Terminal Reconfiguration Project was in full swing leading to an increase in electrical loads.

This increase was, in fact, absorbed by several energy-saving measures taken recently, including:

- › The replacement of existent lighting units with LED units
- › The replacement of air conditioning units and lifts with more efficient ones
- › An investment in PV panels; a 300 kVp system was commissioned in November 2016, with its full benefits being experienced in 2017

Malta International Airport's PV system includes 1,500 PV panels, which produced 630,026 kWh of energy in 2017. This is roughly equivalent to the average annual electricity consumption of 379 people in Malta. ⁹

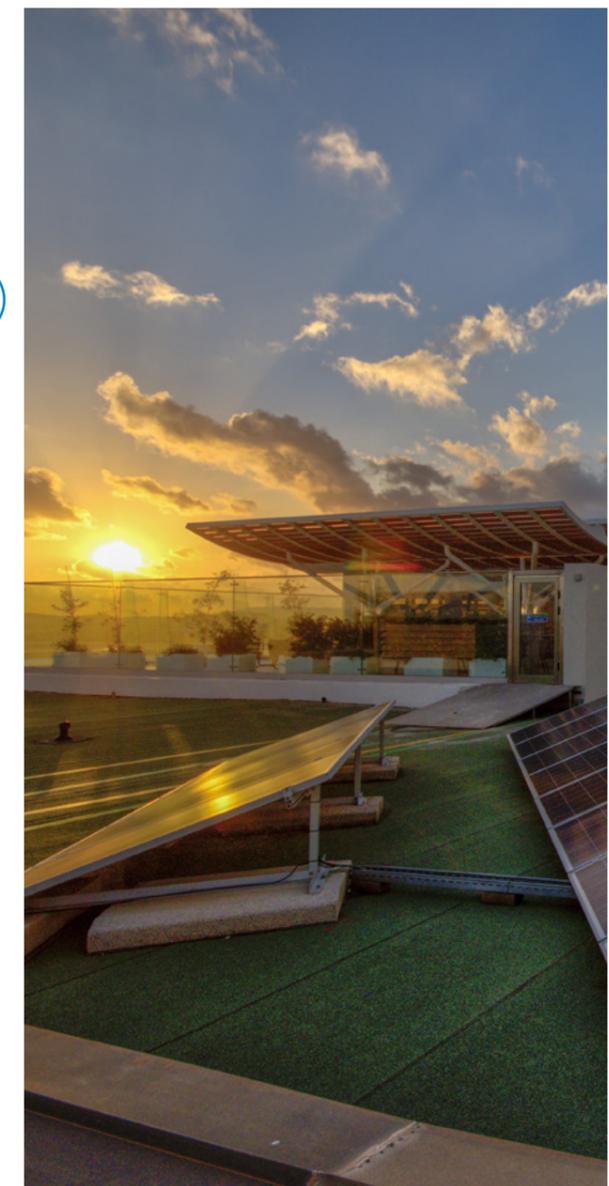
Moreover, CO₂ emissions resulting from electrical consumption experienced a nominal drop of 63 tonnes, whilst energy intensity, which indicates the net electrical consumption per passenger in kWh decreased by 13.92%.

⁸ This percentage increase was used for the purposes of sustainability calculations for 2017. This increase was calculated on the basis of schedule and charter passengers only, rather than schedule, charter and transit passengers, since transit passengers do not contribute significantly to emissions.

⁹ Based on electricity consumption data for 2016 provided by the National Statistics Office

FUEL CONSUMPTION

The company uses diesel and petrol to power its generators and run its vehicle fleet. Diesel consumption, which accounts for the larger part of total fuel consumed by MIA, increased by 5.1% over 2016. This increase mainly stemmed from a more frequent use of operational cars to cater for the demands generated by significantly increased numbers of passengers passing through the airport in the year under review. On the other hand, petrol consumption, which accounts for 3.3% of Malta International Airport's total fuel consumption registered a drop of 32.36% as a result of the company's ongoing programme aimed at replacing vehicles used by the management team by more efficient ones, and the introduction of electric and hybrid vehicles.



GREENHOUSE GAS (GHG) EMISSIONS INTENSITY PER PASSENGER

Despite a phenomenal increase of 17.5% in passenger traffic, the company successfully lowered its Greenhouse Gas (GHG) emissions intensity per passenger. Whilst the target for 2017 was 1.11 kg of CO₂/passenger, the actual emissions intensity at the end of the year stood at 1.02 kg ✓ of CO₂/passenger, translating into a drop of 16.2% ✓ over 2016. The company is aiming to lower its Greenhouse Gas emissions intensity per passenger even further in 2018, and has set 0.96 kg of CO₂/passenger as its target.

Source of Emissions	2016	2017
Scope 1 Emissions (tonnes)	164	170 ✓
Scope 2 Emissions (tonnes)	6,042	5,978 ✓
Passenger Movements (number of passengers)	5,080,071	6,007,636 *
CO ₂ Emissions Intensity (Kg CO ₂ /pax.)	1.22	1.02

* Note: The emissions intensity was calculated on the basis of schedule and charter passengers only, rather than schedule, charter and transit passengers, since the latter do not contribute significantly to emissions.

The original targeted emissions intensity factor for the year under review of 1.79 kg of CO₂/passenger was revised downwards in line with the official emissions factor for 2016 published by the main electricity provider for the Maltese islands. This was substantially lower than initially calculated mainly due to access to electricity generated in Sicily through an interconnector inaugurated in 2015 and an increase in the number of domestic and commercial PV panels, with more energy being 'sold' to the electricity provider.

CLIMATE CHANGE AND RISKS AND OPPORTUNITIES FOR THE BUSINESS

Climate change is one of the biggest challenges that is faced by countries, communities, and businesses nowadays, especially since a number of factors that impact day-to-day life and business operations are affected by this phenomenon. With this in mind, the company takes a number of measures and initiatives aimed at ensuring that climate change and its effects do not develop into a threat to Malta International Airport's operation and the wellbeing of its employees, customers and passengers in the long run.

Moreover, the airport's success is dependent on the islands' tourism offering which includes clean air, clean seas, and good weather, with weather being the second most cited reason for visiting the islands by foreign departing passengers.¹⁰ The future threat of climate change can thus very tangibly

affect operations and traffic flow, especially when considering that findings from a recent study¹¹ put Valletta among the top 10 cities that will be hit the worst by drought and heatwaves.

So as to address these risks and ensure its long-term survival, 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.

¹⁰ MISCO Passenger Profile Report January – December 2017

¹¹ Future heat-waves, drought and floods in 571 European cities'. Selma Guerreiro, Richard Dawson, Chris Kilsby, Elizabeth Lewis and Alistair Ford. Environmental Research Letters. Jan 2018

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.

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 2016. 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 to measure and audit its practices in a transparent and accountable manner.

It is also worth noting that the company received the first results from tests conducted on honey produced at an apiary installed on airport grounds in the year under review. These first cycle tests compare well with results from tests conducted on honey produced at reference sites in more rural areas, shedding light on the levels of pollution around the airport campus. However, the results of a full testing cycle are needed so as to be able to draw more solid conclusions with regard to pollution.

ENCOURAGING SUSTAINABLE BEHAVIOURS

Based on that premise that everyone's actions combined together can contribute to making a change in the wider picture, the company dedicated a week in 2017 to encourage employees to be 'Sustainability Superheroes' by adopting an eco-friendlier way of life. Throughout the week, employees were reminded not to print if it was not absolutely necessary, to switch off the lights before leaving the office and to save water.

Moreover, as part of this environmental sustainability drive, an internal carpooling platform was launched with the aim of making it easier for employees to find fellow colleagues to share a ride to and from work with. Following this launch, the company then extended this initiative to also encourage employees to travel to work using alternative means of transport to their cars. The aim of this campaign was to reduce cars on the roads, which are becoming increasingly congested, consequently contributing to a decrease in CO₂ and noise emissions resulting from transportation.



I truly enjoy travelling by bike for various reasons. Firstly, this enables me to do something for my own benefit and health. Secondly, I feel that this mode of transport helps me contribute to our shared environment and to cleaner air. In addition to this, the company rewards me and all my colleagues who travel to work using an eco-friendlier transport option!

KRISTINA DEMOVICOVA
Senior Clerk, Airport Operations



Sustainability Week was brought to a close with a tree-planting ceremony, whereby all employees were given the opportunity to plant their own tree on the airport campus.

A total of 198 Cupressus trees were planted as part of this activity.



WASTE DISPOSAL

The table below shows the types of waste generated by the company, the quantity for each type, and the method of disposal. The company started reporting on the disposal of hazardous waste this year for the year under review, in accordance with the requirements introduced by the new Global Reporting Initiative standards.

	Type of Waste		Unit	Method of Disposal	Quantity 2016	Quantity 2017	Change 2016/2017
	Cardboard		Kg	Recycling	58,459	68,865 ✓	10,406 ✓
	Plastic		Kg	Recycling	6,110	8,150 ✓	2,040 ✓
	Glass		Kg	Recycling	12,800	18,380 ✓	5,580 ✓
	Waste Oils		lt	Recycling	0	0	0
	General Waste		Kg	Landfill	459,960	513,630 ✓	53,670 ✓
	Mixed Industrial Waste (includes construction material & sand)		Kg	Landfill	227,117	264,371 ✓	37,254 ✓
	Paper		Kg	Recycling	1,200	1,400 ✓	200 ✓
	Tyres		Kg	Recycling	620	9,920 ✓	9,300 ✓
	Number of open skips emptied		No.	Landfill	325	390 ✓	65 ✓
	Hazardous Waste	IT/ Electronic Equipment	Kg	-	NA	1,460 ✓	1,460 ✓
		Oil	m ³	-	NA	3 ✓	3 ✓



MORE ABOUT HAZARDOUS WASTE

In addition to the hazardous waste above, the company disposes of batteries, which are also considered to be hazardous waste, in two ways. Small batteries are disposed of at civil amenity sites on a regular basis, however no records are available. Action is being taken to record the quantities that are disposed of.

Large batteries are stored on site and periodically collected and disposed of by an approved contractor. However, no large battery collection/disposal was carried out during 2017. Moreover, the company is working on the separation at source of other hazardous waste, such as light bulbs, and on recording the quantities of this waste.



SPILLS

A number of minor fuel spills and a couple of relatively major spills were reported during the year under review. Action was taken to clear these spills so as to prevent contamination and any damage.

For more detail on environmental disclosures, refer to Appendix 3 on pages 50 and 51 of this report.

Appendices



APPENDIX 1:

Criteria for reporting on select sustainable information – 31st December 2017

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

Category	Aspect	Indicator	Description of Indicator	Specific	Basis of Measurement	Page in Report
Economic	Market Presence	GRI 202-1	Ratio of standard entry level wage by gender compared to local minimum wage	1. 2017 entry level salaries 2. 2017 actual lowest salary paid	Information extracted from the most recent Collective Agreement (2013) Information extracted from the company's payroll records	49
	Procurement practices	GRI 204-1	Proportion of spending on local suppliers at significant locations of operations	17% of total suppliers are being outsourced to EU and non-EU suppliers.	Information was extracted from the Group's purchase ledger, adjusted to include accruals, and is inclusive of VAT	26
Environment	Energy	GRI 302-1	Energy consumptions within the organisation	1. Indirect energy consumption in kWh (electricity) 2. Direct energy consumption in litres (Fuel: Diesel & Petrol)	1. Electricity consumption was based on MIA meter readings and supplier invoices (net of metered energy consumption by tenants/airport partners) 2. Consumption of fuel purchased was based on supplier invoices	50
	Water	GRI 303-1	Water withdrawal by source	Water sourced from: 1. Water Services Corporation 2. Groundwater 3. Rainwater collection	1. Water consumption was based on MIA meter readings and supplier invoices 2. Information for groundwater extraction was based on third party invoices and meter readings 3. Estimates based on catchment areas and MET office rainfall readings	50
		GRI 303-3	Percentage and total volume of water recycled and reused	Rainwater collected/stored for reuse as a percentage of total water withdrawn	Information as per GRI 303-1	51

Category	Aspect	Indicator	Description of Indicator	Specific	Basis of Measurement	Page in Report
Environment (Contd.)	Emissions	GRI 305-1	Direct greenhouse gas (GHG) emissions (Scope 1)	GRI 302-1 scope 1 measurements converted to GHG emissions using standard emission factors for fuels.	Reference Document: Airport Carbon Accreditation Document; Issue 5: September 2012 published by Airports Council International.	51
		GRI 305-2	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	GRI 302-1 scope 2 measurements converted to GHG emissions for emission factors provided by the National Utility Provider (Enemalta plc.)	Emission factors provided by Enemalta plc for 2016 have been used.	51
Social	Employment	GRI 401-1	Total number of new employees hired and employee turnover by age, group, gender and region		Information was extracted from the company's payroll records	52
	Occupational health & safety	GRI 403-2	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 Occupational Health & Safety Report 2. Information was extracted from MIA's payroll system 3. Information was extracted from MIA's payroll system	54
	Training & education	GRI 404-1	Average hours of training per year per employee by gender, and employee category		Information was based on records kept by the company	54
		GRI 404-3	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category		Information was based on records kept by the company	54
	Diversity & equal opportunities	GRI 405-1	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	55 - 56
	Equal remuneration for men & women	GRI 405-2	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	57

APPENDIX 2:

Independent Assurance Report on the Malta International Airport p.l.c. sustainability report for the year ended 31 December 2017

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 ✓ in the Malta International Airport plc ('MIA') sustainability report for the year ended 31 December 2017 ('Sustainability Report 2017') ('Identified Sustainability Information').

IDENTIFIED SUSTAINABILITY INFORMATION

The Identified Sustainability Information for the year ended 31 December 2017 is summarised below:

- Ratio of standard entry level wage by gender compared to the local minimum wage, as identified within GRI 202-1;
- Proportion of spending on local suppliers, as identified within GRI 204-1.
- Energy consumption, as identified within GRI 302-1;
- Water consumption, as identified within GRI 303-1 and GRI 303-3;
- Greenhouse gas emissions (Scope 1 and 2) ('GHG'), as identified within GRI 305-1 and GRI 305-2;
- Waste disposal, as identified within GRI 306-2;
- Certain social indicators, related primarily to employee related information, as identified within GRI 401-1, GRI 403-2, GRI 404-1, GRI 404-3, GRI 405-1 and GRI 405-2.

Our assurance was with respect to the year ended 31 December 2017 information only and we have not performed any procedures with respect to any other unidentified elements included in the Sustainability Report 2017, and, therefore, do not express any conclusion thereon.

CRITERIA

The criteria used by MIA to prepare the Identified Sustainability Information is set out in Appendix I 'Criteria for reporting on select Sustainable Information – 31 December 2017' on pages 39 and 40 of the Sustainability Report 2017 (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 and the GRI Sustainability Reporting Standards (the 'GRI Standards'). This responsibility includes:

- › Designing, implementing and maintaining internal controls 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 principles to ensure compliance with GRI Standards at the Core level;
- › Responsibility for the content of the Sustainability Report 2017, including responsibility for determining the Material Aspects (as defined in GRI Standards), Indicators (as so defined) and other content of the Sustainability Report 2017; and
- › Retention of sufficient and 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 the 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, observation of processes performed, inspection of documents, analytical procedures, 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 disclosures included in the Sustainability Report 2017, 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 31 December 2017 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 2017, 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 2017. 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
3 July 2018

APPENDIX 3:

General Disclosures

This appendix includes additional detail on certain general, economic, environmental and social disclosures.

GRI 102-8 INFORMATION ON EMPLOYEES AND OTHER WORKERS

Number of Employees	311		
	Full-Time	Part-Time	Total
Indefinite Contract	206	2	208
Definite Contract	70	33	103
	Female	Male	Total
Indefinite Contract			
Full-time	60	146	206
Part-time	2	0	2
	Female	Male	Total
Definite Contract			
Full-time	28	42	70
Part-time	19	14	33
All	Female	Male	Total
Full-time	88	188	276
Part-time	21	12	33
Apprentices	0	2	2
CONTRACTED			
Cleaning (Servizi Malta)		52	
Security (G4S)		229	
SITA			
Management		5	
Applications		2	
IT		8	
Networks		3	
Electronics		6	

GRI 102-11 DESCRIBE HOW AND WHY THE PRECAUTIONARY APPROACH OR PRINCIPLE IS ADDRESSED IN 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.

GRI 102-12 A LIST OF EXTERNALLY-DEVELOPED ECONOMIC, ENVIRONMENTAL AND SOCIAL CHARTERS, PRINCIPLES, OR OTHER INITIATIVES TO WHICH THE ORGANISATION SUBSCRIBES, OR WHICH IT ENDORSES, AND GRI 102-13 A LIST OF THE MAIN MEMBERSHIPS OF INDUSTRY AND OTHER ASSOCIATIONS, AND NATIONAL OR INTERNATIONAL ADVOCACY ORGANISATIONS

- › Incentive Programme for Airlines including schemes such as free landing in winter, reductions on parking and marketing support (established in 2007, revised in 2012)
- › The Malta Airport Foundation; an independent non-profit organisation that invests in Maltese heritage and the environment (established in 2015)
- › Participant in Airport Council International's Airport Carbon Accreditation Programme at the Mapping Level (joined in 2016)
- › Participant in Airport Council International's Airport Service Quality Survey (joined in 2006)
- › Donations to several charities

GRI 102-40 LIST OF STAKEHOLDER GROUPS / 102-42 IDENTIFYING AND SELECTING STAKEHOLDERS

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	

GRI 102-43: 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.

GRI 102-44: 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		
	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			

GRI 103-2 NUMBER OF GRIEVANCES ABOUT IMPACTS ON SOCIETY FILED, ADDRESSED, AND RESOLVED THROUGH FORMAL GRIEVANCE MECHANISM

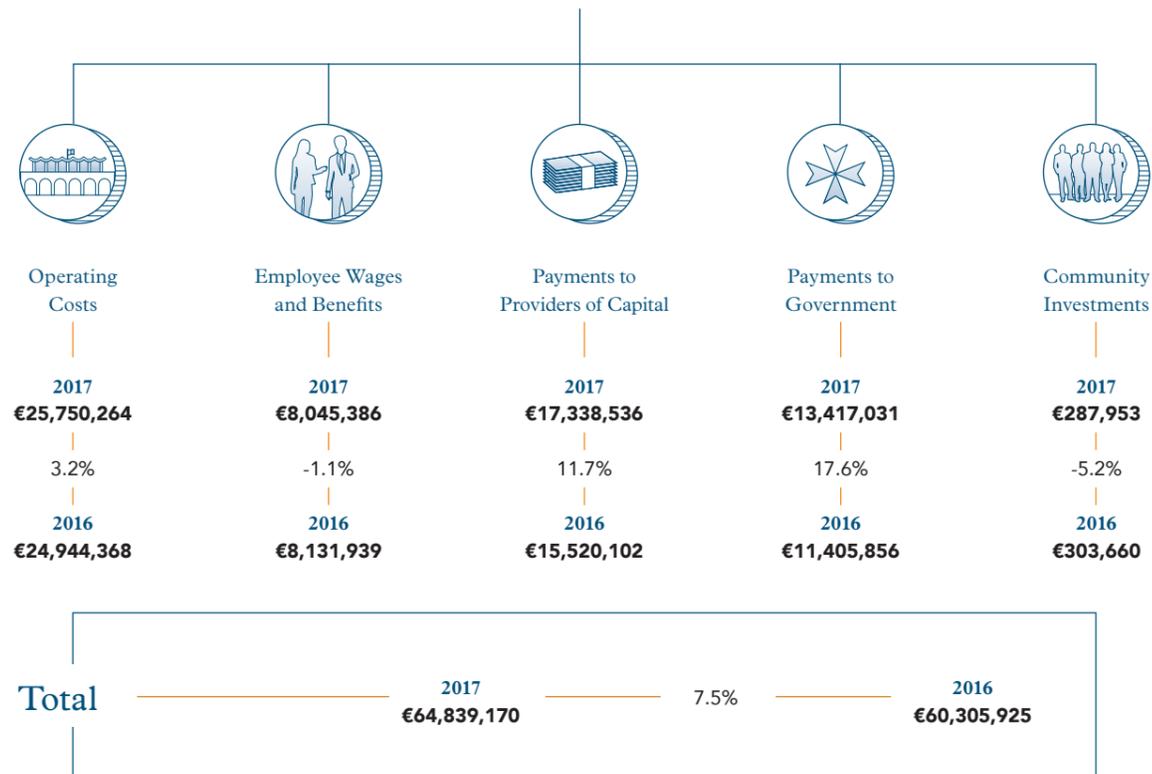
As per the company's Collective Agreement, employees can report grievances through Clause 39. Grievances Procedure. No such grievances were reported during the year under review.

Economic

GRI 201-1 DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED

Direct Economic Value Generated		2017		2016
Revenues	i	€82,369,154	12.7%	€73,064,828
Sale of Assets	ii	€208,765	0.0%	€208,765
Financial Investments	iii	€4,406	-99.6%	€1,023,081
		€82,582,325	11.2%	€74,296,674

Economic Value Distributed



Economic Value Distributed		2017		2016
EVG-EVD		€17,743,155	26.8%	€13,990,749
		€17,743,115	26.8%	€13,990,749

Note: For an explanation of these figures, refer to the Directors' Report in the company's Annual Report 2017, which is available for download on www.maltairport.com.

GRI 202-1 RATIO OF STANDARD ENTRY WAGE LEVEL BY GENDER COMPARED TO THE LOCAL MINIMUM WAGE

Malta International Airport is bound by a Collective Agreement with two workers' unions. This represents employees at an entry level wage that is, at least, 49% higher than the minimum wage. However, as tabulated below, average actual entry level wages exceed the wages stipulated in the Collective Agreement. To calculate the wages tabulated below a payroll report covering up until the 31st December 2017 was extracted. Following this, employees were split into the three categories indicated below and employees who terminated their employment with the company during the year under review were removed. The pro-rata basic and gross salary was calculated for employees working reduced hours and employees working on a part-time basis.

	Entry Level Wage 2017 (as per Collective Agreement)	Ratio to Minimum Wage	Actual Entry Level Wage 2017 Males	Ratio to Minimum Wage	Actual Entry Level Wage 2017 Females	Ratio to Minimum Wage	Minimum Wage Full-time 18years+ 2017
Administration	€13,131.08 ✓	149% ✓	€14,107.08 ✓	160% ✓	€15,043.08 ✓	170% ✓	€8,827.56
Operational	€14,784.08 ✓	167% ✓	€14,784.08 ✓	167% ✓	€15,426.08 ✓	175% ✓	€8,827.56
Technical	€14,019.08 ✓	159% ✓	€16,862.08 ✓	191% ✓	€21,733.08 ✓	246% ✓	€8,827.56

GRI 203-2 SIGNIFICANT INDIRECT IMPACTS

	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 € billion	GDP € billion	% of National GDP
DIRECT		3,800	0.12	0.21	2.9%
DIRECT, INDIRECT & 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%

Source: The Economic Impact of European Airports (2015)

GRI 201-4 FINANCIAL ASSISTANCE RECEIVED FROM GOVERNMENT

Malta International Airport did not receive any financial assistance, including grants and subsidies, from government in any form whatsoever. 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.

Environmental

GRI 302-1 ENERGY CONSUMPTION WITHIN THE ORGANISATION

ELECTRICAL ENERGY

Description	2016 (kWh)	2017 (kWh)
Electrical energy brought for Enemalta for Airfield & Terminal Operations	12,699,947	12,502,852 ✓
Electrical energy produced by the Malta Airport PV system	202,073	630,026 ✓
Electricity consumption of SkyParks Business Centre	677,562	734,364 ✓
Total net electrical energy consumed by the organisation	13,579,582	13,867,242 ✓

FUEL

Description	Fuel type	2016 (litres)	2017 (litres)
Fuel used by terminal generators	Diesel	630	1,540
Fuel used by airfield generators		4,420	3,625
Fuel used by Skyparks generators		421	208
Fuel used by vehicles		53,158	56,268
Total volume of diesel used by the organisation		58,629	61,642
Fuel used by vehicles	Petrol	3,072	2,078
Total volume of petrol used by the organisation		3,072	2,078

GRI 302-3 ENERGY INTENSITY

Description	2016	2017	Change 2016/2017
Passenger Movements	5,080,087	6,007,636	18.26%
Energy Intensity – (Net electrical consumption per passenger in kWh/passenger)	2.67	2.31	13.65%

GRI 303-1 WATER WITHDRAWAL BY SOURCE

Source	Volume 2016 m ³	Volume 2017 m ³	Change 2016/17 m ³
Water Services Corporation	35,150	29,316 ✓	5,834
Groundwater from other supplier (non-potable/ borehole)	82,364*	122,898* ✓	40,534
Rainwater Collected (calculated)	27,026	43,193 ✓	16,167
Total consumption	144,540	195,407 ✓	50,867

* Figures include groundwater extracted from the airfield (Fire Section and Cargo Village)

GRI 303-3 WATER RECYCLED AND USED

Total water withdrawal 2016	144,540 m ³
Rainwater collected / stored for re-use 2016	27,026 m ³
% of recycled water used, 2016	19%
Total water withdrawal 2017	195,407 m ³ ✓
Rainwater collected / stored for re-use 2017	43,193 m ³ ✓
% of recycled water used, 2017	22% ✓

GRI 305-1 DIRECT (SCOPE 1) GHG EMISSIONS

Source of Emission	2016 (litres)	2017 (litres)	Emission Factor kg CO ₂ /litre	2016 CO ₂ (Tonnes)	2017 CO ₂ (Tonnes)
Fuel used by generators – Diesel	5,471	5,373	2.675	14.6	14.4
Fuel used by vehicles – Petrol	3,072	2,078	2.272	7.0	4.72
Fuel used by vehicles - Diesel	53,158	56,268	2.675	142.2	150.5
Total for the organisation				164	170 ✓

GRI 305-2 ENERGY INDIRECT (SCOPE 2) GHG EMISSIONS

	2016	2017
Electricity bought from Enemalta (kWh)	13,377,509	13,237,216
Emission factor kg CO ₂ /kWh	0.4516*	0.4516*
CO ₂ emissions (kg)	6,041,506	5,978,148
CO₂ emissions (Tonnes)	6,042	5,978 ✓

*The emission factor used here was revised downwards from 0.79270 kg CO₂/passenger following the publication of the official emission factor by the main electricity provider for the Maltese islands for 2016. The revised emission factor is substantially lower as it takes into consideration electricity generated by domestic and commercial PV panels, whose number is on the increase, and electricity generated in Sicily and accessed through an interconnector. The figures reported for 2016 were converted using the revised emission factor so as to be able to draw fairer comparisons with the year under review.

GRI 307-1 NON-COMPLIANCE WITH ENVIRONMENTAL RULES AND REGULATIONS

No fines or non-monetary sanctions for non-compliance with environmental laws and regulations were imposed on Malta International Airport, and no complaints regarding environmental issues were reported to Malta International Airport for the year under review. Data regarding regulatory visits and subsequent correspondence has yet to be compiled.

Social

GRI 205-1 OPERATIONS ASSESSED FOR RISKS OF CORRUPTION

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 Malta International Airport officials in the award and administration of supplier Purchase Order to contracts.

GRI 205-3 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.

GRI 206-1 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.

GRI 401-1 NEW EMPLOYEE HIRES AND EMPLOYEE TURNOVER, BY AGE GROUP AND GENDER

AGE GROUPS	MALE				FEMALE			
	Hired	%	Left	%	Hired	%	Left	%
Under 30 years	21 ✓	6.75% ✓	4 ✓	1.29% ✓	23 ✓	7.40% ✓	15 ✓	4.82% ✓
30 - 50 years	11 ✓	3.54% ✓	15 ✓	4.82% ✓	10 ✓	3.22% ✓	12 ✓	3.86% ✓
Over 50 years	1 ✓	0.32% ✓	9 ✓	2.89% ✓	0 ✓	0% ✓	0 ✓	0% ✓

GRI 401-2 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 are covered by the Collective Agreement. The Collective Agreement splits employees into three categories: Administration, Technical and Operations. All employees in the three categories benefit from the below list under 'Collective Agreement Employees'. Part-time employees are also eligible for the benefits listed below.

LIST OF BENEFITS	MANAGEMENT	PROFESSIONALS	COLLECTIVE AGREEMENT EMPLOYEES
Health Insurance	x	x	x
Group Life Insurance	x	x	x
Redundancy Payments	x	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	x
Company Bonus			x
Disability & Retirement Benefit	x	x	x
Injury Benefit	x	x	x
Bereavement Leave	x	x	x
Marriage Leave	x	x	x
Study Leave	x	x	x
Birth of Child Leave	x	x	x
Reward & Recognition Scheme	x	x	x
Company Doctor	x	x	x
Monetary Discounts - at MIA outlets	x	x	x
Discretionary Performance Bonus	x	x	
Communication Allowance	x	x	
Mobile Allowance	x		
Airport VIP Lounge membership	x		
Gym membership	x	x	x
Unpaid Special Leave	x	x	x

GRI 401-3 PARENTAL LEAVE

During the reporting period no one applied for parental leave. This is not a popular type of leave amongst MIA employees as the company provides employees with up to one (1) year unpaid special leave which is taken after maternity leave, subject to approval by the company.

GRI 403-2 TYPES OF INJURY AND RATES OF INJURY, OCCUPATIONAL DISEASES, LOST DAYS, AND ABSENTEEISM, AND NUMBER OF WORK-RELATED FATALITIES FOR ALL EMPLOYEES

		MALE EMPLOYEES	FEMALE EMPLOYEES
INJURY RATE	Number of injuries	2 ✓	4 ✓
LOST DAY RATE	Number of days lost due to injury	12.19 ✓	46.00 ✓
	Actual hours worked	313,561 ✓	158,680 ✓
	Hours lost due to sickness	14,672	5,718
	Total hours scheduled to be worked	328,233 ✓	164,398 ✓
ABSENTEE RATE	(Hours lost due to sickness / Hours scheduled to be worked)*100%	4.47% ✓	3.48% ✓

Note: During the year 2017, a total of 26 work-related injury occurrences were officially reported, of which 14 involved passengers or visitors, six involved MIA Employees and another six involved employees working for tenants. No work-related fatalities were reported among Malta International Airport employees and by third parties working on airport grounds.

GRI 404-1 AVERAGE HOURS OF TRAINING PER YEAR, BY GENDER AND BY EMPLOYEE CATEGORY

	MALE	FEMALE	MANAGEMENT	ADMINISTRATION	OPERATIONS	TECHNICAL	TOTAL
Total Number of hours	3388	2704	403	745	4089	856	6093 ✓
	202	109	30	58	165	58	311 ✓
Average Number of hours	16.77	24.81	13.42	12.85	24.78	14.75	19.59 ✓

GRI 404-3 PERCENTAGE OF EMPLOYEES RECEIVING REGULAR PERFORMANCE AND CAREER REVIEWS BY GENDER AND BY EMPLOYEE CATEGORY.

	MANAGEMENT	PROFESSIONALS	TOTAL NUMBER OF EMPLOYEES WITHIN THE ORGANISATION	%
FEMALE	9	8	109	15.6 ✓
MALE	21	6	202	13.7 ✓
TOTAL	30	14	311	14.1 ✓

Note: Only members of the management team and professional employees receive regular performance reviews.

DISCLOSURE 102-18 GOVERNANCE STRUCTURE / GRI 405-1 DIVERSITY OF GOVERNANCE BODIES AND EMPLOYEES

The company has 11 different committees and executive bodies in place 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 shares their skills, expertise, and concerns.

COMMITTEE	FEMALES	MALES	TOTAL	UNDER 30	30 TO 50	OVER 50	TOTAL
Board of Directors	1 ✓	7 ✓	8	0 ✓	6 ✓	2 ✓	8
Executive Committee	2 ✓	10 ✓	12	0 ✓	10 ✓	2 ✓	12
Welfare Fund Committee	2 ✓	2 ✓	4	0 ✓	2 ✓	2 ✓	4
Sports & Social Committee	9 ✓	2 ✓	11	3 ✓	8 ✓	0 ✓	11
Occupational Health & Safety Committee	3 ✓	4 ✓	7	1 ✓	5 ✓	1 ✓	7
Terminal Emergency Planning Committee	4 ✓	5 ✓	9	2 ✓	5 ✓	2 ✓	9
Audit Committee	1 ✓	3 ✓	4	0 ✓	4 ✓	0 ✓	4
Corporate Responsibility Committee	4 ✓	5 ✓	9	1 ✓	7 ✓	1 ✓	9
Customer Value Proposition Committee	4 ✓	5 ✓	9	0 ✓	9 ✓	0 ✓	9
Finance Committee	1 ✓	6 ✓	7	1 ✓	4 ✓	2 ✓	7
Risk Management Committee	3 ✓	3 ✓	6	1 ✓	5 ✓	0 ✓	6



GRI 405-1 BREAKDOWN OF EMPLOYEES PER EMPLOYEE CATEGORY ACCORDING TO GENDER, AGE GROUP AND MINORITY GROUP MEMBERSHIP, AND OTHER INDICATORS OF DIVERSITY

COMMITTEE	UNDER 30 YEARS	30-50 YEARS	OVER 50 YEARS	TOTAL
ADMINISTRATION	19 ✓	33 ✓	6 ✓	58 ✓
Females	15 ✓	22 ✓	3 ✓	40 ✓
Males	4 ✓	11 ✓	3 ✓	18 ✓
MANAGEMENT	2 ✓	21 ✓	7 ✓	30 ✓
Females	0 ✓	9 ✓	0 ✓	9 ✓
Males	2 ✓	12 ✓	7 ✓	21 ✓
OPERATIONS	45 ✓	77 ✓	43 ✓	165 ✓
Females	28 ✓	26 ✓	4 ✓	58 ✓
Males	17 ✓	51 ✓	39 ✓	107 ✓
TECHNICAL	11 ✓	33 ✓	14 ✓	58 ✓
Females	1 ✓	1 ✓	0 ✓	2 ✓
Males	10 ✓	32 ✓	14 ✓	56 ✓
TOTAL	77 ✓	166 ✓	70 ✓	311 ✓



GRI 405-2 RATIO OF BASIC SALARY AND REMUNERATION OF MEN TO WOMEN, BY EMPLOYEE CATEGORY AND SIGNIFICANT LOCATIONS OF OPERATION

	MALE EMPLOYEES	FEMALE EMPLOYEES
Management	21 ✓	9 ✓
Ratio – Average Basic Salary	1.0 ✓	0.5 ✓
Ratio - Average Remuneration	1.0 ✓	0.5 ✓
Administration	18 ✓	40 ✓
Ratio – Average Basic Salary	1.0 ✓	1.0 ✓
Ratio - Average Remuneration	1.0 ✓	1.0 ✓
Operations	107 ✓	58 ✓
Ratio – Average Basic Salary	1.0 ✓	1.0 ✓
Ratio - Average Remuneration	1.0 ✓	0.9 ✓
Technical	56 ✓	2 ✓
Ratio – Average Basic Salary	1.0 ✓	1.2 ✓
Ratio – Average Remuneration	1.0 ✓	1.0 ✓

GRI 410-1 SECURITY PERSONNEL TRAINED IN HUMAN RIGHTS POLICIES AND PROCEDURES

In 2017, the company did not organise any training programmes on human rights policies and procedures concerning aspects of human rights that are relevant to operations.

GRI 412-2 EMPLOYEE TRAINING ON HUMAN RIGHTS POLICIES AND PROCEDURES

In 2017, the company did not organise any training programmes on human rights policies and procedures.

GRI 414-1 PERCENTAGE OF NEW SUPPLIERS THAT WERE SCREENED USING CRITERIA FOR IMPACTS ON SOCIETY

The company does not screen new suppliers with regard to their products' impact on society.

GRI 414-2 SIGNIFICANT AND ACTUAL AND POTENTIAL NEGATIVE IMPACTS ON SOCIETY IN THE SUPPLY CHAIN, AND ACTIONS TAKEN.

There were no significant, actual or potential negative impacts on society in the supply chain.

GRI 415-1 POLITICAL CONTRIBUTIONS

As stipulated in the company's Business Conduct & Ethics Policy, this is not acceptable and it is specified in Point 3.1.3 of the 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)."

GRI 416-1 PERCENTAGE OF SIGNIFICANT PRODUCT AND SERVICE CATEGORIES FOR WHICH HEALTH AND SAFETY IMPACTS ARE ASSESSED FOR IMPROVEMENT

The company does not carry out such assessments of its product and service categories.

GRI 416-2 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

There were no incidents of non-compliance with regulation and voluntary codes concerning the health and safety impacts of products and services.

GRI 417-3 INCIDENTS OF NON-COMPLIANCE REGARDING MARKETING COMMUNICATIONS

The Marketing & Communications Department confirmed that there is nothing to report on this point.

GRI 418-1 SUBSTANTIATED COMPLAINTS CONCERNING 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.

APPENDIX 4:

GRI Content Index

	GRI DISCLOSURE NUMBER	GRI DISCLOSURE DESCRIPTION	REPORTED ON PAGE/S
GRI 102: General Disclosures 2016			
Organisational Profile	102-1	Name of organisation	6
	102-3	Location of headquarters	Back Cover
	102-4	Location of operations	9
	102-5	Ownership and legal form	10
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