Consolidated Non-Financial Information Statement and Sustainability Information

the year ended 31 December 2024




International Consolidated Airlines Group, S.A. and subsidiaries

Limited Assurance Report issued by an assurance provider on the Consolidated Non-Financial Information Statement (NFIS) and Sustainability Information

31 December 2024

(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

KPMG Auditores, S.L.
Paseo de la Castellana, 259C
28046 Madrid

Limited Assurance Report issued by an assurance provider on the Consolidated Non-Financial Information Statement and Sustainability Information of International Consolidated Airlines Group, S.A. and subsidiaries for 2024

(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

To the Shareholders of International Consolidated Airlines Group, S.A.:

Limited Assurance Conclusion

Pursuant to article 49 of the Spanish Code of Commerce, we have performed a limited assurance review of the accompanying Consolidated Non-Financial Information Statement (hereinafter, NFIS) of International Consolidated Airlines Group, S.A. (hereinafter, the Entity) and its subsidiaries (hereinafter, the Group) for the year ended 31 December 2024, which forms part of the consolidated directors' report of the Group.

The NFIS includes additional information to that required by prevailing mercantile legislation concerning non-financial information, namely the sustainability information prepared by the Group for the year ended 31 December 2024 (hereinafter, the Sustainability Information) in accordance with the provisions of Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 on Corporate Sustainability Reporting Directive (CSRD). This Sustainability Information has also been subject to a limited assurance review.

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that:

a) the Group's Non-Financial Information Statement for the year ended 31 December 2024 has not been prepared, in all material respects, in accordance with prevailing mercantile legislation and selected criteria of the European Sustainability Reporting Standards (ESRS), as well as the other criteria described based on each subject area in section "Table of contents required by Spanish Law 11/2018" of the aforementioned Statement;

b) the Sustainability Information as a whole has not been prepared, in all material respects, in accordance with the sustainability reporting framework applied by the Group and identified in the accompanying note "BP-1 General basis for preparation", including:

- That the description of the process for identifying the sustainability reporting information included in note "IRO-1 Description of the process to identify and assess material impacts, risks and opportunities and to assess which ones are material; IRO-2 Disclosure Requirements in ESRS covered by the undertaking's sustainability statement" is consistent with the process carried out and that it identifies the material information to be disclosed in accordance with the requirements of the ESRS.

- Compliance with ESRS.

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- Compliance of the disclosure requirements, included in subsection "EU Taxonomy Regulation" of the environment section of the Sustainability Information, with Article 8 of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment.

Basis for Conclusion

We have performed our limited assurance engagement in accordance with generally accepted professional standards applicable in Spain and specifically with the guidelines contained in the Revised Guidelines 47 and 56 for assurance engagements on non-financial information issued by the Spanish Institute of Registered Auditors (ICJCE) and considering the contents of the note published by the Spanish Accounting and Audit Institute (ICAC) on 18 December 2024 (hereinafter, Generally Accepted Professional Standards).

The scope of the procedures applied in a limited assurance engagement is less than those required in a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is lower than the level of assurance that would have been obtained had a reasonable assurance engagement been performed.

Our responsibilities under this standard are further described in the Assurance Provider Responsibilities section of our report.

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

Our firm applies the International Standard on Quality Management (ISQM) 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Directors' Responsibility

The preparation of the NFIS included in the consolidated directors' report of the Group, and the content thereof, is the responsibility of the Directors of International Consolidated Airlines Group, S.A. The NFIS has been prepared in accordance with prevailing mercantile legislation and selected criteria of the ESRS, as well as the other criteria described based on each subject area in section "Table of contents required by Spanish Law 11/2018" of the aforementioned Statement.

This responsibility also encompasses the design, implementation and maintenance of internal control deemed necessary to ensure that the NFIS is free from material misstatement, whether due to fraud or error.

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The Directors of International Consolidated Airlines Group, S.A. are also responsible for defining, implementing, adapting and maintaining the management systems from which the information required to prepare the NFIS was obtained.

In relation to the Sustainability Information, the entity's Directors are responsible for developing and implementing a process for identifying the information to be included in the Sustainability Information in accordance with the contents of the CSRD, the ESRS and Article 8 of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 and for disclosing information about this process in the Sustainability Information in note "IRO-1 Description of the process to identify and assess material impacts, risks and opportunities and to assess which ones are material; IRO-2 Disclosure Requirements in ESRS covered by the undertaking's sustainability statement". This responsibility includes:

- understanding the context in which the Group's business activities and relationships are conducted, and its stakeholders, in relation to the Group's impact on people and the environment;
- identifying actual and potential impacts (both negative and positive), and any risks and opportunities that might affect, or could reasonably be expected to affect, the Group's financial position, financial performance, cash flows, access to financing and the cost of capital in the short, medium or long term;
- evaluating the materiality of the impacts, risks and opportunities identified; and
- making assumptions and estimates that are reasonable in the circumstances.

The Directors are also responsible for the preparation of the Sustainability Information, including the information identified by the process, in accordance with the sustainability reporting framework applied, including compliance of the CSRD, the ESRS and the disclosure requirements included in subsection "EU Taxonomy Regulation" of the environmental section of the Sustainability Information with Article 8 of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment.

This responsibility includes:

- Designing, implementing and maintaining such internal control as the Directors consider necessary to enable the preparation of sustainability information that is free from material misstatement, whether due to fraud or error.
- Selecting and applying appropriate methods for sustainability information and making assumptions and estimates that are reasonable in the circumstances for specific disclosures.

Inherent Limitations in preparing the information

In accordance with the ESRS, the Entity's Directors are required to prepare prospective information based on assumptions and hypotheses, which are to be included in the Sustainability Information, regarding events that may occur in the future, as well as any possible future actions that the Group may take. The actual outcome may differ significantly from the estimates, as future events often do not occur as expected.

In determining sustainability disclosures, the Entity's Directors interpret legal and other terms that are not clearly defined and may be interpreted differently by others, including the legal conformity of such interpretations, and are therefore subject to uncertainty.

Responsibility of the Assurance Provider

Our objectives are to plan and perform the assurance engagement in order to obtain limited assurance about whether the NFIS and Sustainability Information are free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusions thereon. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of this information.

As part of a limited assurance engagement, we exercise professional judgement and maintain professional scepticism throughout the engagement. We also:

- Design and implement procedures to assess whether the process for identifying the information to be included in both the NFIS and Sustainability Information is consistent with the description of the process followed by the Group and allows, where appropriate, for the identification of material information to be disclosed in accordance with the requirements of the ESRS.
- Apply risk-based procedures, including obtaining an understanding of internal controls relevant to the engagement in order to identify the disclosures where material misstatements are more likely to arise, whether due to fraud or error, but not for the purpose of providing a conclusion about the effectiveness of the Group's internal control.
- Design and implement procedures that respond to disclosures in both the NFIS and the Sustainability Information that are likely to contain material misstatements. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Summary of Work Performed

A limited assurance engagement includes performing procedures to obtain evidence to support our conclusions. The nature, timing and scope of the procedures selected depend on professional judgement, including the identification of the disclosures in which material misstatements, whether due to fraud or error, are likely to arise in the NFIS and the Sustainability Information.

Our work consisted of making inquiries of management, as well as of the different units and components of the Group that participated in the preparation of the NFIS and the Sustainability Information, reviewing the processes for compiling and validating the information presented in the NFIS and the Sustainability Information and applying certain analytical procedures and sample review tests, which are described below:

In relation to the NFIS assurance process:

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- Meetings with the Group's personnel to gain an understanding of the business model, policies and management approaches applied, the principal risks related to these matters and to obtain the information necessary for the external review.
- Analysis of the scope, relevance and completeness of the content of the NFIS for 2024 based on the materiality analysis performed by the Group and described in the note "IRO-1 Description of the process to identify and assess material impacts, risks and opportunities and to assess which ones are material; IRO-2 Disclosure Requirements in ESRS covered by the undertaking's sustainability statement", considering the content required by prevailing mercantile legislation.
- Analysis of the processes for compiling and validating the data presented in the NFIS for 2024.
- Review of the information relative to the risks, policies and management approaches applied in relation to the material aspects presented in the NFIS for 2024.
- Corroboration, through sample testing, of the information relative to the content of the NFIS for 2024 and whether it has been adequately compiled based on data provided by the information sources.

In relation to the assurance work on the Sustainability Information:

- Making inquiries of Group personnel:
  - to gain an understanding of the business model, policies and management approaches applied, the principal risks related to these matters and to obtain information necessary for the external review.
  - to understand the source of information used by management (e.g. stakeholder interaction, business plans and strategy documents) and review the Group's internal documentation on its process.
- Through inquiries of Group personnel, gaining an understanding of the Group's processes for collecting, validating and reporting information relevant to the preparation of its sustainability information.
- Assessment of how consistent the evidence obtained from our procedures on the Group's process for determining the information to be included in the Sustainability Information is with the description of the process included in the Sustainability Information, and assessment of whether the Group's process duly identifies the material information to be disclosed in accordance with the requirements of the ESRS.
- Assessment of whether all the information identified in the Group's process for determining the information to be included in the Sustainability Information is effectively included.
- Assessment of how consistent the structure and presentation of the Sustainability Information is with the provisions of the ESRS and the rest of the sustainability reporting framework applied by the Group.
- Inquiries of relevant personnel and performance of analytical procedures on the information disclosed in the Sustainability Information considering where material misstatements are likely to arise, whether due to fraud or error.
- Performance, if applicable, of sample substantive procedures on information disclosed in the Sustainability Information considering where material misstatements are likely to arise, whether due to fraud or error.

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- Procurement, if applicable, of any reports issued by accredited independent third parties included as an appendix to the consolidated directors' report in response to the requirements of European regulations and, in relation to the information to which they refer and in accordance with Generally Accepted Professional Standards, confirmation solely that the accreditation of the assurance provider and the scope of the report issued is in line with European regulations.
- Procurement, if applicable, of any documents containing the information included by reference, the reports issued by auditors or assurance providers on those documents and, in accordance with Generally Accepted Professional Standards, confirmation solely that the document referred to by such information included by reference meets the conditions described in the ESRS for incorporating information by reference in the Sustainability Information.
- Procurement of a representation letter from the Directors and management regarding the NFIS and the Sustainability Information.

Other Information

Management of the entity is responsible for other information. Other information comprises the consolidated annual accounts and other information included in the consolidated directors' report, but does not include either the auditor's report on the consolidated annual accounts or assurance reports issued by accredited independent third parties required by European Union law on specific disclosures contained in the Sustainability Information included as an appendix to the consolidated directors' report.

Our assurance report does not cover other information and we do not express any assurance conclusions on said information.

In connection with our engagement to provide assurance on the Sustainability Information, our responsibility is to read the other information identified above and, in so doing, consider whether the other information is materially inconsistent with the Sustainability Information or with the knowledge we have acquired during the assurance engagement that could be indicative of material misstatements in the Sustainability Information.

KPMG Auditores, S.L.

Marta Contreras Hernández

4 March 2025

Consolidated Non-Financial Information Statement and Sustainability Information

General requirements

ESRS 2 General disclosures

BP-1 General basis for preparation

International Consolidated Airlines Group (IAG) Consolidated Non-Financial Information Statement and Sustainability Information (together referred to as the 'Sustainability statement' thereafter) complies with Spanish Law 11/2018, of December 28, amending the Commercial Code, the consolidated text of the Companies Law approved by Royal Legislative Decree 1/2010, of July 2, Law 22/2015, of July 20, on Auditing, in matters of non-financial and diversity information, and Law 5/2021, of April 12, amending Article 49.6.II, fourth paragraph, of the Commercial Code. This statement is prepared in accordance with the EU Corporate Sustainability Reporting Directive (CSRD) on a voluntary basis.

For the disclosure of transitional requirements outlined by the joint communication by the CNMV and ICAC released on 27 November 2024, the Global Reporting Initiative (GRI Standards), an international initiative for sustainability reporting, has been applied.

IAG also complies with the 2018 UK Streamlined Energy and Carbon Reporting regulation, the Task Force on Climate-related Financial Disclosures (TCFD) recommendations, and the EU Taxonomy Regulation (2020/852).

Chapters in IAG's Annual Report that are not included within the scope of this statement, but are relevant to addressing the requirements of the CSRD include Business model, Corporate governance, Stakeholder Engagement and Risk management and principal risk factors.

References are provided in the appendix to this statement.

External review

The full contents of this Sustainability statement are independently verified by a third party to limited assurance standards in line with ISAE3000 (Revised) standards. IAG is working towards reasonable assurance in the medium term and is implementing internal controls accordingly.

Emissions data from intra-European flights is also independently verified to reasonable assurance standards within six months of the year end for compliance with the UK and EU ETS, and for all flights for the UN CORSIA scheme.

Scope of this statement

IAG provides information about key environmental, social, employee-related and human-rights-related issues, where this is relevant to the Group and its activities. The scope of this statement has been determined via a double materiality assessment completed in 2024, details of which follow in this statement.

The scope of environmental performance data and targets relates to all IAG airlines, subsidiaries and cargo operations. The scope of workforce and ethics and integrity data includes all IAG operating companies. In both cases a number of exceptions and assumptions have been applied and these are clearly stated with rationale provided.

The scope of human rights and modern slavery reporting relates to data from our operators and key aspects of the IAG supply chain.

Group revenue is used to calculate revenue intensity data points as required under section 'E1 Climate Change'.

Scope of the value chain

This report covers sustainability impacts resulting from direct, upstream and downstream operations of IAG and its operating companies. Examples of these operations include, but are not limited to:

Upstream	IAG	Downstream
Fuel production	Operation of own aircraft	Provision of travel and tourism services, including hotels and car hire
Aircraft manufacturing, including airframes, engines and components	Operation of leased aircraft	Aircraft leasing to other airlines
Leasing firms and other sources of capital	Own maintenance, repair and overhaul (MRO)	Loyalty rewards programme and associated benefits
Airports, air navigation service providers (ANSP) and communications	Cargo operations	Freight forwarders
Ground services, including aircraft handling and catering	Office operations	Other supply chain services

BP-2 Disclosures in relation to specific circumstances

Time horizon

Under the enterprise risk management (ERM), IAG assesses the potential impact of principal risks over the next three years against the strategic business plan ('the plan'). IAG considers risks to the plan over the short term (up to three years), medium term (from three to five years) and in the longer term (beyond five years).

This Sustainability statement is aligned to this risk assessment, where short term (S) is defined as one to three years, medium term (M) is up to five years and long term (L) is more than five years.

To assess climate-change-related risks, IAG looks at a range of timescales including up to 2030 and 2050. Group-wide emerging risks are considered as they are identified, in addition to key threats and trends faced by the industry over a timeframe beyond the plan period. Longer term considerations are assessed in parallel with the near-term priorities and adaptations required by the Group.

Please refer to the Principal Risk and Uncertainties section of this Annual Report for more information.

Value chain estimation

IAG has assessed all 15 categories of Scope 3 emissions as defined by the global GHG Protocol. Please refer to section E1 - Climate Change and the appendix of this statement for more information.

Standardised conversion factors are used where data from suppliers is not available, which means that as more data from suppliers becomes available some values may be restated. Any significant restatements will be provided in future reports with explanations provided.

Sources of estimation and outcome uncertainty

For any specific cases where full-year data was not available for selected metrics, estimates have been applied based on business forecasts and data from prior months. Internal governance is in place to ensure that any estimations made are robust. Any prior-year restatements are indicated next to relevant metrics with reasons provided. We have deemed the following metrics in the table below to have a high outcome of uncertainty based on known omissions in the dataset.

Metrics in this report that carry a high level of uncertainty (as per the definition above) include the following:

Metric	Key assumptions or omissions	Source of measurement uncertainty
Scope 3, Category 11	Activity relates to IAG loyalty programme members redeeming Avios via IAG loyalty programmes only and excludes transfers of Avios outside of IAG loyalty programmes	Methodology is under development to assess ability to broaden reporting scope

Changes in preparation or presentation of sustainability information

IAG's 2023 Sustainability report formed part of the Group's Management Report. IAG also prepared a Consolidated Statement of Non-Financial Information (NFIS) in 2023, required under Spanish Law 11/2018, of 28 December 2018, on non-financial information and diversity (amending the Commercial Code, the revised Capital Companies Law approved by Legislative Royal Decree 1/2010, of 2 July 2010 and Audit Law 22/2015, of 20 July 2015). The NFIS contained additional environmental, social, employee-related and human rights-related information to the Group's Management Report, required as 'Additional Disclosures' under Spanish Law and IAG's EU Taxonomy disclosure.

For 2024, information previously disclosed within IAG's NFIS is prepared within this Sustainability statement. This statement is prepared within IAG's management report in accordance with the CSRD Directive on a voluntary basis. It adheres to the European Sustainability Reporting Standards (ESRS) and aligns to the example of the structure of the Sustainability statement presented by EFRAG. Transitional provisions required by the communication issued by the CNMV and ICAC on 27 November 2024, under Spanish Law 11/2018, are also included in this statement.

Reporting errors in prior periods

IAG reviews all data including from prior periods and has made the following correction to its sustainability metrics:

Metric	Change from prior measurement	Comments	Difference to previously calculated figure
Net Scope 1 GHG Emission Reductions; ETS	Correction	The IAG aggregated value for 2023 has been corrected following the inclusion of net emission reductions achieved in 2023 by Iberia, Iberia Express and LEVEL under their participation in the EU ETS. This information was not available at the time of 2023 reporting	IAG's annual net emission reductions from participation in ETS schemes has increased from 2.60 million tCO_2e, to 2.95 million tCO_2e in 2023. IAG's 2023 total Scope 1 net emissions is corrected to 22.67 million tCO_2e, from 22.82 million tCO_2e. This change also reflects a <1% change in IAG's 2023 total Scope 1 gross CO_2 emissions accounting for the relevant fuel captured under the EU ETS and SAF use

Disclosures stemming from other legislation or generally accepted sustainability reporting pronouncements

Please refer to BP-1 General basis for more information regarding the preparation of this Sustainability statement.

IAG's most material environmental metric – Scope 1 emissions – receives additional independent reasonable assurance verification each year as part of the legal requirements of EU, Swiss and UK ETS and the international Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA), within six months of the issuance of this report. Any material changes are restated in future reports. Please find more information in the appendix to this Sustainability statement.

Phase-in provisions

Please refer to the appendix to this statement.

Governance

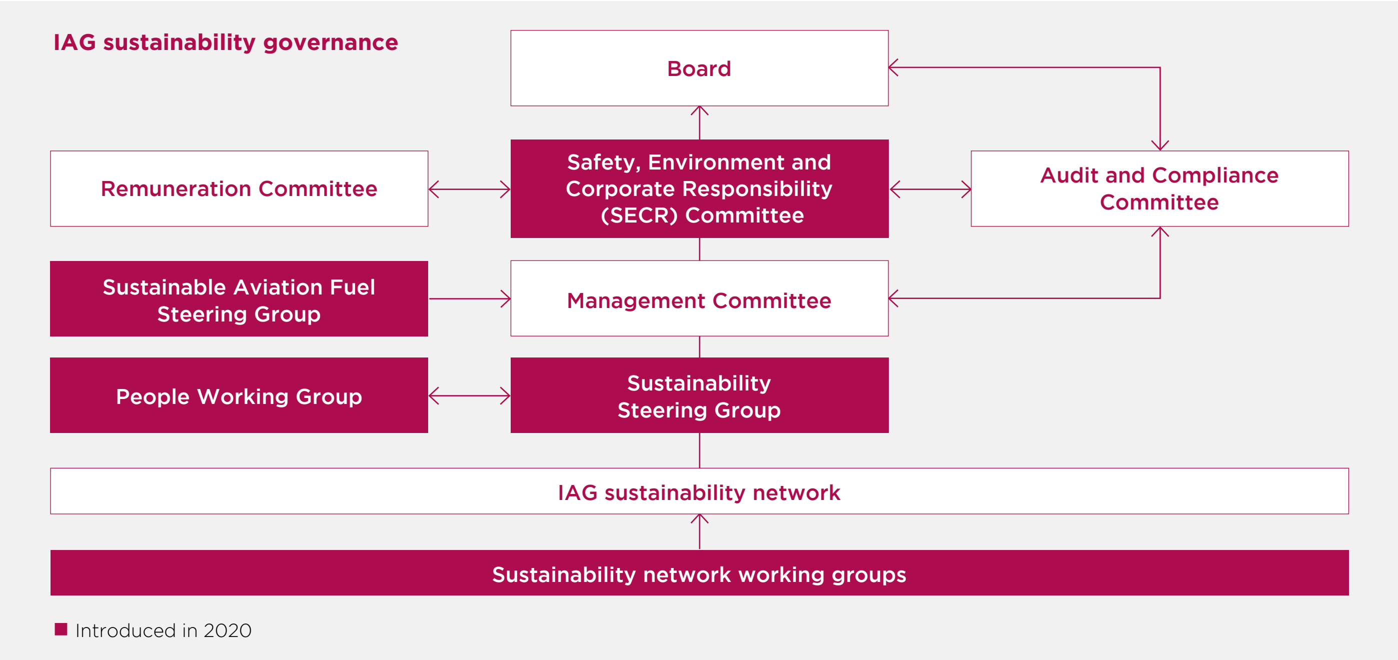
GOV-1 Role of administrative, management and supervisory bodies; GOV-2 Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies

IAG has robust governance in place to ensure joined-up and progressive decisions on sustainability.

This ensures that wider stakeholder engagement is consistent with addressing IAG's material issues, environmental priorities and sustainability goals. An annual meeting planner for the Board ensures sustainability governance processes fit within the reporting and disclosure framework of the Group.

The Group's unique structure means that each individual operating company has a distinct sustainability programme. These are regularly reviewed to ensure alignment with the Group's sustainability strategy and principles, which covers material issues, KPIs and engagement plans.

Please refer to the Corporate Governance section of this Annual Report for more information on IAG's administrative, management and supervisory bodies. Relevant forums and levels of responsibility for sustainability matters are indicated below.



Board/management committee	Frequency of meetings	Responsibility in relation to sustainability
Board	At least quarterly	Approval of strategy, major investments, risk management and controls and review of progress against environment and people plans including climate-related goals and targets
Safety, Environment and Corporate Responsibility (SECR) Committee	At least quarterly	Dedicated oversight of the Group's sustainability programme and alignment with strategic priorities, environmental sustainability approval, and review of progress against environment and people plans. Receives an update on material sustainability issues including environmental KPIs on a quarterly basis. Provides a link between operating company management committees and the IAG Board. Receives training as required on sustainability topics. In 2024, SECR Committee members (alongside the IAG Audit and Compliance Committee) received training on the CSRD prior to approving the material topics as determined by the IAG double materiality assessment
IAG Audit and Compliance Committee	At least quarterly	Ensures appropriate processes and controls are in place to allow compliance with relevant regulation and reporting requirements and reviews the Annual Report and Accounts. In 2024, committee members (alongside the IAG SECR) received training on the CSRD prior to approving the material topics as determined by the IAG double materiality assessment
IAG Management Committee	At least quarterly	Reviews and challenges Group programmes, the alignment of operating-company-specific programmes with Group priorities and strategy, and progress against plans
Operating companies' management committees	At least quarterly	Reviews and challenges operating-company-specific environment and people programmes

Sustainability governance

Forum	Frequency of meetings	Responsibility in relation to sustainability
IAG Sustainability Steering Group (SSG)	At least quarterly	Comprises senior representatives from across the Group who provide oversight of environmental and social initiatives and reporting
IAG Sustainability Network (ISN)	Monthly calls and three in-person workshops	The ISN comprises more than 60 sustainability representatives across the Group. This group supported the Group's double materiality assessment in 2024 by providing views on the impact materiality of IROs identified, and meets monthly to provide updates on the work to address material impacts, risks and opportunities (IROs). This forum reports into the IAG Sustainability Steering Group (SSG). The IAG Sustainability team also administers regular training to its operating companies to support development of expertise across the Group on key issues
Hangar 51 Governance Committee	At least biannually	Reviews potential investments to consider emerging climate technologies and partnerships with sustainability start-ups. Members include the Chief Commercial Strategy Officer, Chief Financial and Sustainability Officer and Chief Information, Procurement, Services and Innovation Officer

Sustainability network working groups (cross-Group)

Forum	Frequency of meetings	Responsibility in relation to sustainability
Reporting and Disclosures Working Group	Monthly	Designed to monitor IAG sustainability disclosures against our regulatory requirements. Includes a subgroup focused on biodiversity issues
Waste Working Group	Monthly	This working group is focused on improving waste monitoring processes from our operations and implementing waste reduction and recycling projects to meet IAG's 2025 targets
Sustainability KPI Working Group	Monthly	Forum for sharing best practice and implementing internal audit requirements for the accurate reporting of environmental metrics. Alignment of reporting with developing standards is ensured. Tracks key metrics towards IAG's Flightpath net zero strategy - for presentation to the ISN, SSG and SECR
Carbon Efficiency Working Group	Monthly	Forum comprises sustainability and fuel management teams who share best practice on fuel efficiency initiatives to accelerate carbon reductions in line with IAG Flightpath net zero strategy
Social Impact Working Group	Ad hoc	Forum to develop initiatives and track the value of IAG for societies.
Climate Strategy Working Group	At least quarterly	Forum for sustainability colleagues to develop the IAG Flightpath net zero strategy and sustainability initiatives
Non-CO_2 Working Group	Monthly	Prepares Group airlines for reporting requirements related to non-CO_2 emissions in the EU and shares best practices to better understand its environmental impact and possible mitigation initiatives

Sustainable Aviation Fuel (SAF) Governance

Forum	Frequency of meetings	Responsibility in relation to sustainability
IAG SAF Steering Group	At least quarterly	Comprises senior representatives from across the Group who provide oversight of SAF strategic direction and approval for new purchases and investments
IAG SAF Management Group	Monthly	A cross-Group meeting focusing on SAF strategy, projects and progress. Reports into the IAG SAF Steering Group

Governance responsibilities

Individual	Frequency of reporting	Responsibility in relation to sustainability
IAG CEO	At least quarterly	Chairs the IAG Management Committee, updates the Board and ensures Board-level decisions are directed into action across the Group
IAG Chief Financial and Sustainability Officer	At least quarterly	Reports to the IAG CEO. A member of the IAG Management Committee. Chairs the SSG and provides approval and direction of Group programmes
IAG Group Sustainability Officer	Regularly as relevant	Reports to the IAG Chief Financial and Sustainability Officer. Chairs the IAG Sustainability Network and is responsible for delivering IAG's Flightpath net zero strategy
IAG Group Head of People	Regularly as relevant	Reports to the IAG CEO. Responsible for delivering initiatives that address material social issues in the Group

Wider governance

Wider governance processes integrate sustainability aspects. As part of the Group-wide ERM process, sustainable aviation and people, culture and employee relations risks are presented biannually to the Audit and Compliance Committee and annually to the Board. One-year financial plans and three-year business plans are coordinated by Group Finance and include sustainability aspects.

For more information, please refer to the Corporate Governance section of this Annual Report.

GOV-3 Integration of sustainability-related performance in incentive schemes

IAG has a number of sustainability-linked annual incentives for over 7,500 senior executives and managers across the Group. These incentives are designed to support IAG's ambition to reduce the carbon intensity of its operations.

The incentives are reviewed and developed annually by the IAG Sustainability team, before being submitted as part of the IAG financial incentives which are approved by the Board of Directors.

IAG-specific carbon efficiency measure	Group grammes of CO_2 per passenger kilometre (gCO_2/pkm)	Covers up to 10% of the annual bonus for senior executives	This measure reflects our progress towards our sustainability target. It measures the fuel efficiency of our flight operations, taking account of our network, aircraft mix and passenger and cargo load factors. This KPI is selected as it drives fuel efficiency related to IAG's most material source of emissions (Scope 1 emissions from jet fuel use). In selected operating companies, the carbon efficiency measure is combined with other KPIs relevant to operations (e.g. waste reduction initiatives in IAG Cargo)

Please refer to the Remuneration Committee Report for more information.

GOV-4 Statement on due diligence

Please refer to the appendix to the Sustainability statement.

GOV-5 Risk management and internal controls over sustainability reporting

Sustainable aviation risks and people, culture and employee relations risks are reported as principal risks to IAG.

These risks are reviewed under the Group ERM risk assessment process, which is presented biannually to the Audit and Compliance Committee and annually to the SECR Committee and Board. More details on risk identification and assessment, and risk management can be found in the Risk management and principal risk factors section of this Annual Report.

All principal risks are linked to the Group strategic priorities.

Sustainability risks and opportunities, including climate-related risks and opportunities, are also identified and assessed by the Group Sustainability team, in conjunction with the Group ERM team, and presented to the IAG Chief Financial and Sustainability Officer, IAG Management Committee and SECR Committee. Plans to mitigate risks are developed by relevant risk owners in specific areas of the business, with agreed initiatives included in relevant operating company business plans. Where risk treatments require time to implement, short-term mitigations are assessed and the timeline to risk mitigation and consequent risk acceptance is discussed and agreed by stakeholders.

People, culture and employee relations risks are managed by the Group's operating companies and supervised by IAG's Nominations Committee, Remuneration Committee and Board through periodic reports.

Impact on operations and strategy

Sustainability risk assessments have informed specific decisions related to business operations and strategy, and IAG allocates significant resources to environmental risk management.

Examples include:

- Since 2019, the Group has maintained its commitment to net zero emissions by 2050, which continues to be delivered under its Flightpath net zero strategy; and since 2021, IAG has been working with suppliers to explore ways to reduce their emissions, as part of delivering IAG's commitment to achieve net zero Scope 3 emissions by 2050.
- As of 31 December 2024, IAG's total expenditure, including future commitments for SAF offtake exceeded $3.5 billion, as we continue to scale up the use of SAF in our operations. This is based on an assumed jet fuel price of $800 per metric tonne and contracted margins for SAF production.

IAG is committed to mitigating the impacts of hazards that could potentially have uncertain but potentially negative outcomes on the environment or people.

IAG adopts precautionary measures to mitigate these hazards, an approach known as the precautionary principle. For example, the precautionary principle is applied to the planning of operations and the development and launch of new services. IAG integrates and aligns climate considerations into three-year business plans and one-year financial forecasts.

IAG also manages risks via the use of ISO-14001-aligned environmental management systems. IEnvA (IATA's Environmental Assessment) is the airline industry version of ISO 14001, the international standard for environmental management systems. IEnvA is tailored specifically for airlines and is fully compatible with the requirements of the International Organization for Standardization (ISO).

All Group airlines are certified under the IEnvA standard in 2024. Vueling renewed its certification in 2024 incorporating the Illegal Wildlife Trafficking (IWT) certification module, which has been developed in line with the 11 commitments of the Buckingham Palace Declaration and the 72nd IATA AGM Resolution to prevent the transportation of illegal wildlife products.

IAG and its operating companies do not currently take out any specific insurance to cover environmental risks.

Strategy

SBM-1 Strategy, business model and value chain

IAG focuses its sustainability strategy on addressing material issues: those that are most important to key stakeholders and that have the biggest external impacts.
Please refer to the strategic review section of this Annual Report for more information on IAG's strategy, business model and value chain.

SBM-2 Interests and the views of stakeholders

IAG regularly engages its stakeholders on sustainability issues. External stakeholders include investors, customers (including corporate customers), policymakers, trade associations, fuel suppliers, airports and NGOs. Internal stakeholders include IAG Board members, all IAG Management Committee members, and employees (including operating company sustainability representatives). The results inform ongoing disclosures and strategy.

IAG considered the interests and views of stakeholders in its 2024 double materiality assessment, as follows:

Customers
Affected stakeholders

Why they are important

- We aim to provide unrivalled customer propositions and a portfolio of world-class brands targeting specific demand spaces and travel occasions.
- Passenger revenues, including fares and ancillaries, are the most important source of revenue for IAG.
- Recognising loyal customers through loyalty programmes by earning rewards on a range of items when flying with our airlines and partners creates value for both IAG and our customers and builds the relationship.

How we engage with this stakeholder group

- A daily 'Customer Voice' survey is sent to customers who have recently flown with us, collecting feedback on their experience.
- Customer feedback through a variety of channels (contact centres, social media, feedback from customer-facing employees and partners, crews, lounge colleagues and ground handling agents) help us understand key pain points throughout our customers' journeys.
- Brand surveys are undertaken to understand and meet the needs and expectations of our customers.
- Claims and complaints can be raised through different channels and are monitored to accommodate our customers and enable action where necessary, and contact centre services and other digital channels (for example, chatbots on our websites or WhatsApp 24/7), are used so that customers can reach out when needed.
- We communicate information including the latest changes in our services or product enhancements through various channels, including websites, emails and social media accounts.
- We offer guidance and a high standard of customer care throughout the customer journey from both airport and on-board colleagues.

Approach of the double materiality assessment to this group

The safety, satisfaction and overall experience of IAG customers are directly influenced by the Group's operations. Aviation security is crucial for protecting passengers and ensuring their trust in our airlines. Customer experience, encompassing service quality and comfort, shapes their perception and loyalty. Additionally, maintaining high standards of customer health and safety, particularly in preventing illness and ensuring a secure travel environment, is essential for their wellbeing and confidence in choosing IAG for their travel needs.

In order to understand how customers may be impacted by IAG's operations, we consulted commercial experts from across our operating companies and incorporated the insights from customer satisfaction reviews.

Society
Affected stakeholders

Why they are important

- Society influences and is affected by IAG airlines' practices. Public concerns about environmental impact, such as air and noise pollution, push airlines to adopt sustainable operations, while societal values around ethical behaviour shape regulatory landscapes and consumer preferences. The public's perception and acceptance, often referred to as the social licence to operate, are crucial for IAG's reputation and long-term viability. Additionally, societal pressure can lead to stricter regulations and standards, impacting IAG's operational and financial performance. Engaging with societal concerns helps IAG anticipate and adapt to evolving expectations, ensuring sustainable and responsible business practices.

How we engage with this stakeholder group

- IAG engages with society by actively seeking public input through consultations to understand societal concerns. We enhance transparency by publishing sustainability reports and updates on our environmental and social performance. Moreover, IAG participates in community initiatives and partnerships to address local needs and supports ethical business practices to align with societal values. We use feedback mechanisms to respond to public concerns and adapt our practices accordingly, ensuring they meet societal expectations and contribute positively to the community.

Approach of the double materiality assessment to this group

Insights from internal documentation such as OHI surveys for employees, and customer satisfaction surveys, helped inform key societal issues for IAG's double materiality assessment. The IAG Sustainability team also reviewed the work IAG and its operating companies support through corporate community contributions and its partnerships with charitable organisations.

Employees
Affected stakeholders

Why they are important

- Our colleagues are integral to the delivery of our service, business transformation and strategic priorities.
- The Group's key values enable us to fulfil our purpose. In addition to this, each operating company and platform business has its own corporate culture and values that support its unique brand, business, customer and employee propositions. The focus is on building and embedding the culture needed to be competitive, achieve our transformation agenda and provide a work environment in which colleagues can thrive.
- We continue to advance our work to address inequality of opportunity and under-represented to create a diverse and inclusive culture representative of the communities we live and work in and the customers we serve. We remain committed to our Group-wide ambition of 40% of senior leadership roles held by women by 2025 and introduced an ambition that by 2027 10% of our UK senior leaders will be ethnically diverse.

How we engage with this stakeholder group

- Our operating companies and platform businesses use a variety of formal and informal channels for two-way communication, adapted to their company culture and employees' work environment. These channels include online employee forums, internal social networks, local cascade meetings, newsletters, workshops, engagement surveys and social media.
- A Group-wide OHI survey is conducted in each of the operating companies and platform businesses every six months, in addition to company-specific engagement surveys.
- Employee-led network groups and communities provide valuable channels for colleagues' concerns and for collecting feedback on plans and initiatives. Local employee representatives and unions also provide formal channels for collective agreements as well as informal channels for raising issues and concerns.
- IAG's European Works Council (EWC) facilitates communication between employees and management on transnational European matters. It includes representatives from the different European Economic Area (EEA) countries, meeting regularly throughout the year.
- Designated IAG Board members conduct workforce engagement visits with colleagues across our operating companies, meeting a variety of employees and leaders in their work context to understand first-hand the challenges and opportunities of the different businesses, employee issues and levels of engagement.
- Ongoing engagement with union groups in CBA negotiations.

Approach of the double materiality assessment to this group

Employee attraction, retention and engagement is important for IAG to ensure a motivated and stable workforce, critical for operational efficiency. Remuneration and working conditions are assessed to maintain fair compensation and a safe working environment, influencing both employee satisfaction and regulatory compliance. Equity, Diversity and Inclusion (EDI) is reviewed to foster a diverse workplace, enhancing innovation and reflecting societal values. Employees are provided with various formal and informal methods to express their views, ideas and concerns with management. Finally, corporate governance is analysed to ensure transparent and accountable decision-making, which is crucial for trust and sustainability in the long term. In order to understand how employees may be impacted by IAG's operations, we consulted experts in the matter from the different operating companies and incorporated insights from OHI.

Suppliers
Affected stakeholders and report users

Why they are important

- Suppliers are fundamental to ensuring we meet the high standards expected by customers and other key stakeholders to avoid potential impacts on operational and financial performance, customer disruption and reputational damage.
- A reliable supply chain supports the delivery of our services to customers and IAG's sustainability agenda.
- Suppliers are required to adhere to the IAG Third Party Code of Conduct, which links to our commitment to sustainable growth.
- Collaboration brings strong reciprocal benefits, supporting long-term working relationships, based on clear and proactive contract management, shared goals and mutual brand association.

How we engage with this stakeholder group

- IAG engages with its suppliers to build relationships as well as monitor and manage supplier and contract performance.
- Through the Hangar 51 accelerator programme we have identified start-up suppliers aligned to our sustainability strategy and our desire to lead in innovation.
- IAG has assessed the sustainability performance of suppliers through our EcoVadis partnership. The results are helping drive change in the supply chain, with targeted remedial plans for identified areas of improvement.
- IAG's work with Watershed enables closer engagement with our suppliers through our Scope 3 carbon accounting programme.
- IAG GBS became members of SEDEX to support our assessment of labour, health and safety, business ethics and environment risks across our supply chain. Its methodology complies with EU legislation and supports UK Modern Slavery Act compliance. This enables IAG to increase the number of audits carried out annually to identify and address issues in our supply chain.
- IAG attends a range of industry conferences across all supply categories to collaborate with suppliers.
- IAG engages with aircraft and engine manufacturers to manage technical and operational issues through regular contact and scheduled meetings.
- Engagement on lease renewals, returns and the in-service fleet are largely managed by the Fleet teams in the operating airlines.
- IAG's Fleet and Sustainability teams communicate with major manufacturers to understand and influence activities to support delivery of our environmental targets.

Approach of the double materiality assessment to this group

In order to understand how suppliers may be impacted by IAG's operations, we consulted with procurement experts from our operating companies and incorporated insights from EcoVadis scorecards.

Shareholders, lenders and other financial stakeholders

Report users

Why they are important

- As the main providers of capital, this stakeholder group enables IAG to invest in and grow the Group's businesses. Investors, particularly long-term shareholders, share the risk of the business.
- Strategy and business plan delivery requires:
  - external funding for the substantial amount of capital expenditure required to replace or grow our fleet; and
  - efficient external capital to fund our operations and invest in our asset base in a cost-effective manner.
- Shareholder views are critical in supporting strategy formulation, which drives operational and financial performance to generate and optimise sustainable returns.
- Availability and access to external capital on competitive terms influences the financial strength and positioning of the Group and its operating companies.

How we engage with this stakeholder group

- The Investor Relations (IR) team maintains ongoing dialogue with equity, credit and ESG research analysts to understand investors' views of the Group.
- IAG holds an Annual General Meeting and four quarterly results briefings where shareholders, investors and equity and credit analysts interact with the Board and senior management.
- IAG and Group airlines deliver Capital Markets Day (CMD) where Board members, the Management Committee and other senior management from across the Group engage with investors and analysts. British Airways held a CMD in 2024.
- A mailbox is provided for institutional and individual shareholders to put questions to IAG on its strategy and progress.
- IAG management attend investor conferences hosted by major financial institutions and the IR team organises and attends roadshows globally.
- Group Treasury engages with credit analysts, global banks, debt investors and credit rating agencies.
- The Chairman and Remuneration Committee Chair meet investors in one-to-one meetings.

Approach of the double materiality assessment to this group

ESG ratings and feedback received from this stakeholder group at investor conference events and through our mailbox have been used to identify impacts, risks, and opportunities (IROs) in our double materiality assessment. Shareholders, leaders and other financial stakeholder, are classified as report users in the double materiality assessment, by incorporating IROs that keep them updated and informed.

Environment

Affected stakeholders (silent stakeholder)

Why they are important

- IAG's direct operations contribute to air pollution and carbon emissions. Addressing these impacts is vital for our compliance with regulations, reducing our carbon footprint and mitigating climate change effects.
- Environmental sustainability is also increasingly important to our consumers and investors, influencing IAG's market position and financial performance. By prioritising environmental considerations, IAG can not only reduce ecological harm but also enhance its reputation, align with global sustainability goals and ensure long-term operational viability.

How we engage with this stakeholder group

- According to the CSRD, the environment is considered a silent stakeholder. IAG draws on data from scientific sources to better understand the impacts; we also consult with specialists at each of our operating companies to appropriately assess all impacts, risks and opportunities.
- In climate change and emissions management, IAG's focus is to:
  - Maximise fuel efficiency and the use of renewable energy sources to reduce our dependency on fossil fuels and lower operating costs;
  - Minimise greenhouse gas emissions and meet regulatory standards, crucial for mitigating climate impact;
  - Deliver waste management and circular economy approaches to reduce waste, increase recycling, and incorporate circular economy principles, thereby decreasing environmental impact and operational costs; and
  - Consider biodiversity and ecosystems considerations including the impact on wildlife and natural habitats and implement initiatives to preserve biodiversity and maintain a positive environmental reputation.

Approach of the double materiality assessment to this group

In order to understand how the environment may be impacted by IAG's operations, the IAG Sustainability team consulted with sustainability experts across the Group's operating companies. The team also incorporated insights from the TCFD assessment, ERM risk assessment, IAG Climate Disclosure Project submission, 2023 Annual Report and Accounts, IATA IEnvA submissions, and operating company sustainability reports (where applicable). Working with Transcendent, our identification of environmental impacts followed a review of external academic literature (which investigated the impacts of aviation operators on the environment) and a peer review of other aviation company sustainability reports.

Public administration (government and regulators)

Affected stakeholders and report users

Why they are important

- Government policies and decisions impact many aspects of IAG's business across a wide range of areas including transport, consumer rights, practical operational issues, commercial practices and the environment. We must comply with relevant regulations, but seek to engage responsibly to influence policy developments to benefit our customers and achieve our business goals.
- Engagement with policymakers is essential to understand their plans and encourage proportionate outcomes to achieve our vision to be a world-leading airline group on sustainability and ensure we collectively meet our global climate goals.
- Our airlines are subject to regulation by civil aviation regulators in the countries of registration and those of destinations we operate to, requiring frequent engagement on safety, security, consumer rights and a variety of other policy and administrative issues.
- Regular engagement around the world is needed to manage market access issues under international air services agreements and secure the necessary operating permits.

How we engage with this stakeholder group

- The IAG Government Affairs team undertakes direct engagement with stakeholders in all the countries in which our airlines are based as well as with EU institutions in Brussels. It coordinates the efforts of the Government Affairs teams of individual operating companies to ensure consistent and coordinated approaches.
- We engage directly with policy, market and regulatory stakeholders on questions of interest to convey IAG positions and contribute technical expertise to discussions. This has included arranging visits to our airlines' bases to enhance understanding of operations and the impacts of policy proposals.
- We also engage through various international, regional and local trade associations and general business organisations.
- This engagement involves senior executives including the Group Chief Executive, Management Committee members and senior executives from airline operating companies where appropriate, mainly in the EU, the UK, Spain and Ireland.
- IAG aims to provide a factual basis in support of its policy positions and in 2023 commissioned an extensive study on the Group's economic impacts from PwC and additional research on the benefits of SAF.
- In the field of international air services, IAG representatives join diplomatic talks wherever possible, including those of the EU-US Joint Committee on aviation and ICAO's Air Services Negotiation Event (ICAN) in Saudi Arabia in December, to support operating companies' access to market.

Approach of the double materiality assessment to this group

The IAG Legal and Compliance team oversees the policies and the IAG code of conduct to ensure colleagues adhere to laws and ethical standards, which is crucial for maintaining industry integrity and protecting consumers. Modern slavery and human trafficking is a significant concern, as regulators enforce strict measures to ensure that airlines' operations and supply chains are free from such abuses, protecting human rights and upholding legal obligations. Finally, political engagement is evaluated to ensure transparency and accountability in each airline's interactions with government bodies, preventing undue influence and promoting fair policymaking.

In order to understand how public administration may be impacted by Group's operations, the IAG Sustainability team incorporated insights from IAG's 2023 Non-Financial Information Statement, in consultation with legal experts in IAG.

SBM-3 Material impacts, risks and opportunities and interaction with strategy and business model

IRO-1 Description of the process to identify and assess material impacts, risks and opportunities and to assess which ones are material; IRO-2 – Disclosure Requirements in ESRS covered by the undertaking's sustainability statement

IAG performed a double materiality assessment in 2024, working with sustainability expert firm Transcendent, to determine the most prioritised topics for the Group from an impact and financial perspective, as required by the CSRD. The double materiality assessment was conducted with reference to European Sustainability Reporting Standard (ESRS) requirements and builds on the previous materiality assessment conducted by IAG in 2021.

Under the ESRS, materiality is determined through the identification and assessment of impacts, risks and opportunities (IROs), grouped at 'topic' level. The results from this exercise frame the reporting obligations within each of the ESRS chapters in this Sustainability statement.

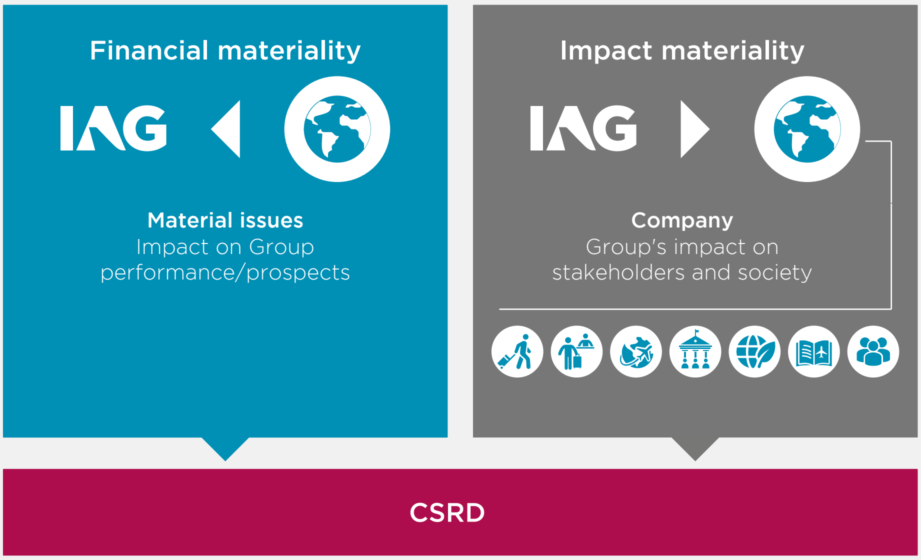
What is a double materiality assessment?

CSRD uses the concept of double materiality:

Financial materiality
How sustainability matters affect company performance and prospects.

Impact materiality
The impacts of the activities of the undertaking on people and the environment.

- Customers
- Employees
- Suppliers
- Shareholders, lenders and other financial stakeholders
- Environment
- Public administration (Governments and regulators)
- Society



Financial materiality
Identification and assessment of **risks and opportunities** that may cause **significant financial impacts on the company** and its operations, such as cash flows, access to financing, or cost of capital in the short, medium or long term.

Impact materiality
Identification of **impacts of the business on people or the environment**.

This includes impacts related to the **Group's own processes**, those of its **value chain** (upstream and downstream), its **products and services** and its **commercial relations.**

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Methodologies and assumptions

Scope and consolidation

The double materiality assessment considered the vision of all IAG's operating companies. It identified IROs relevant to specific business activities at its hub locations and in its operations around the world. It also considered the goods and services provided by IAG's value chain.

IAG considers risks to the strategic business plan over the short term (up to three years), medium term (from three to five years) and in the longer term (beyond five years). Timescales considered by this assessment are consistent with those used under the ERM risk assessment, assessing the potential impact of principal risks over the next three years against our business plan.

The IAG Sustainability team appointed a third party sustainability consultant (Transcendent) to support the identification, categorisation and consultation processes involved in the double materiality assessment. Transcendent provided an independent review of the Group's sustainability reports and led a targeted consultation exercise with relevant expert stakeholders across IAG and its operating companies to assess the materiality of each IRO.

To consolidate the findings of the double materiality assessment at Group level, the IAG Sustainability team designed and adopted a weighted scoring system, related to the share of the Group's revenue by business line, to represent the influence of its airlines and non-airline businesses in its analysis.

Representatives from all operating companies participated in this assessment, including colleagues from Sustainability, People, Government Affairs, Finance, ERM, Customer and Legal.

Details of how IAG has engaged stakeholders such as customers and employees in the completion of its double materiality assessment are provided in the process description below and the Strategy section of this Sustainability statement.

Process

IAG's double materiality assessment followed a four-stage process:

1

Identification of sustainability topics

IAG commissioned Transcendent to review the Group's sustainability information and information disclosed by other aviation stakeholders to identify relevant sustainability topics for the business. Information sources included IAG's 2023 NFIS, operating company sustainability reports, third-party ESG rating information and OHI and employee engagement survey results. Transcendent prepared a comparative analysis of material topics reported by IAG and 21 competitors to validate the topics identified. Transcendent also considered third-party standards with which IAG and its operating companies comply (e.g. IATA's Environmental Assessment (IEnvA)).

The IAG Sustainability team reviewed the findings and 23 sustainability topics were defined and aligned with the CSRD topics. This list was presented to the Safety, Environment and Corporate Responsibility Board committee.

2

Identification of impacts, risks and opportunities (IROs)

Specific IROs were identified using a bottom-up approach, drawing on input from workshops held with subject matter experts within IAG and its operating companies.

A comprehensive review identified 164 preliminary IROs, comprising 82 impacts, 58 risks and 24 opportunities. These were grouped into 21 different sustainability topics across the ten topical ESG standards as defined by the ESRS.

3

Assessment of IROs

Impact materiality

Transcendent led a consultation exercise by issuing a questionnaire to more than 60 subject matter experts across IAG and its operating companies, including representatives from the Sustainability, People, Government Affairs, Finance, ERM, Customer and Legal teams.

IAG utilised a points-based scoring system that aligned to its ERM risk assessment. Each impact was given specific criteria to inform the severity analysis, and the probability of occurrence was scored as a percentage likelihood. Impacts scored against CSRD evaluation criteria, based on the assessment of the scale (the severity of the current or future impact), scope (number of individuals or perimeter affected), irremediability (limit in the capacity to restore the affected situation), and probability of occurrence of each impact. The impact materiality scores were calculated as an average, with topics being represented by their highest impact score.

Financial materiality

This assessment was performed top-down by the IAG Finance, ERM and Sustainability teams.

Risks and opportunities were scored according to the CSRD evaluation criteria for financial materiality. The financial materiality score comprised the magnitude of financial impact (through changes to revenue, capital expenditure or operating expenditure) and the probability of occurrence, using the scoring system provided for the impact materiality assessment, which aligned to IAG's ERM risk assessment.

The risk and opportunity materiality scores were calculated as an average, with topics being represented by their highest impact score.

For IROs not currently covered by IAG's ERM risk assessment, and opportunities (which require a quantification of the benefit of action), a subjective assessment was made using available financial information.

4

Determination and communication of material topics

A central group of IAG experts representing the IAG Finance, Risk and Sustainability teams, including the Chief Financial and Sustainability Officer, evaluated the results of the double materiality assessment. This group selected 'critical' as the applicable threshold for material issues under this assessment as it aligns to IAG's classification of 'critical' in IAG's ERM risk assessment definitions. This meant any IROs, and their relevant CSRD topic which scored as 'critical' based on impact materiality, financial materiality or both, would be reported in this statement. The final results of the double materiality assessment, including the threshold set, was approved by the IAG Sustainability, Environment and Corporate Responsibility Committee and Audit and Compliance Committee in November 2024. IAG met with its European Works Council on 27 November 2024 to present how this double materiality assessment was conducted and the material topics identified.

Results of the double materiality assessment

Five of the ten topical ESG standards as defined by the ESRS have been identified as material by IAG. These topical standards form the basis for the disclosure requirements provided in this Sustainability statement.

E1. Environment	S1. Own workforce	S2. Workers in the value chain	S4. Consumers and end users	G1. Business conduct
• Climate change and emissions management	• Equity, diversity and inclusion • Remuneration and working conditions • Employee attraction, retention and engagement • Employee health and safety	• Responsible supply chain	• Customer experience	• Corporate governance • Ethical business and regulatory compliance • Modern slavery and human trafficking

Material sustainability-related impacts, risks and opportunities

The material sustainability-related impacts, risks and opportunities identified by IAG include:

Topic	Name	Impact, risk or opportunity	Location in the value chain
Ⓔ Environmental			
Climate change and emissions management	Emissions of CO_2 (Scope 1 and 2) from air operations	Negative impact	Own operations
	Emissions reduction through the use of SAF	Positive impact	Own operations and upstream
	Emissions reduction through fleet renewal	Positive impact	Own operations
	Emissions offset through participation in market-based measures	Positive impact	Own operations and upstream
Ⓢ Social internal			
Employee attraction, retention and engagement	Employee engagement and advocacy	Positive impact	Own operations
	Organisational culture and sense of belonging	Positive impact	Own operations
Equity, diversity and inclusion (EDI)	Inclusive culture	Positive impact	Own operations
	Diverse workforce	Positive impact	Own operations
	Equal opportunities and equity for all	Positive impact	Own operations
Employee health and safety	Employee health and safety	Positive impact	Own operations
Remuneration and working conditions	Social dialogue and collective bargaining	Positive impact	Own operations
	Fair, sustainable and competitive terms and conditions	Positive impact	Own operations
Ⓢ Social external			
Customer experience	Connecting people, businesses and countries	Positive impact	Downstream
	Enhanced customer experience through investment in new products	Positive impact	Downstream
	Enhanced customer experience through loyalty programmes	Positive impact	Downstream
	Informed customer decisions	Positive impact	Downstream
Ⓖ Business conduct			
Ethical business and regulatory compliance	Protection of whistleblowers	Positive impact	Own operations and upstream
Modern slavery and human trafficking	Modern slavery and human trafficking	Negative impact	Own operations and upstream
Responsible supply chain	Assurance of ethical practices of suppliers	Positive impact	Upstream
	Unfavourable working conditions in the supply chain	Negative impact	Upstream
	Disparities in treatment and opportunities among supplier workers	Negative impact	Upstream
	Violation of human rights standards within supply chains	Negative impact	Upstream
Corporate governance	Sustainability embedded into overall business strategy	Positive impact	Own operations
	Provision of internal sustainability governance bodies	Positive impact	Own operations
	Financial management incentives linked to carbon efficiency	Positive impact	Own operations

Positive impact   Negative impact   Opportunity   ! Risk

Using this double materiality assessment and future review

IAG intends to review the findings of this double materiality assessment annually in line with CSRD reporting requirements.

Ⓔ Environment (Planet)

EU Taxonomy Regulation

Please refer to the appendix to this Sustainability statement for disclosures under Regulation EU 2020/852 (the 'EU Taxonomy Regulation').

ESRS E1 Climate change

SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

Topic	Name	Impact, risk or opportunity	Description	Location
Ⓔ Environmental				
Climate change and emissions management	Emissions of CO_2 (Scope 1 and 2) from air operations	Negative impact	The release of CO_2 from combustion of fossil fuels and SAF from normal operation of aircraft engines generated during taxi, take-off, cruise and landing as well as operation of the auxiliary power unit (APU) in-flight contributes to the increase of greenhouse emissions globally, which contribute to global warming and represents a negative impact on the environment.	Own operations
	Emissions reduction through the use of SAF	Positive impact	SAF, derived from renewable sources such as biomass, waste oils or synthetic processes, offers a more sustainable alternative to conventional fossil-based jet fuels. By integrating SAF into its fuel supply chain, IAG has an opportunity to reduce its reliance on fossil fuels and lower its carbon footprint.	Own operations and upstream
	Emissions reduction through fleet renewal	Positive impact	By replacing older, less fuel-efficient aircraft with newer models, IAG has the opportunity to reduce its carbon emissions as these newer aircraft typically feature advanced technologies and aerodynamic designs that result in improved fuel efficiency.	Own operations
	Emissions offset through the participation in market-based measures	Positive impact	Participation of group airlines in market-based measures such as the EU Emissions Trading System, UK Emissions Trading Scheme (ETS) and the CORSIA has resulted in a contribution of financial funds to support carbon reduction measures. Carbon market compliance obligations apply to upstream fuel production as well as Group airlines.	Own operations and upstream

Positive impact   Negative impact

Strategy

E1-1 – Transition plan for climate change mitigation

IAG is targeting net zero emissions by 2050 across its Scope 1, 2 and 3 emissions. 'Net zero' means any residual emissions from IAG operations in 2050, or by the manufacture and transport of goods supplied to the Group, will be mitigated by an equivalent amount of CO_2 removed from the atmosphere via carbon removals.

IAG's net zero by 2050 target has been independently assessed by the Transition Pathway Initiative (TPI) as 1.5°C-aligned, and our medium-term target (to achieve a 20% reduction in Scope 1 emissions) has been assessed as well-below-2°C-aligned. The TPI assessment compared the milestones in the 2021 IAG roadmap with an industry-wide pathway modelled by the International Energy Agency (IEA), taking removals commitments into account.

IAG is working to deliver its annual 2025, 2030 and 2050 climate targets by carrying out emission-reduction initiatives, working in collaboration with key stakeholders and proactively requiring supportive government policy and technology development.

Key measures and assumptions modelled to reduce emissions include fleet modernisation, the use of SAF, market-based measures including the UK and EU ETS and CORSIA, and carbon removals.

Roadmap to net zero

IAG has published updates to its roadmap to achieve its goal of net zero emissions by 2050 every year since 2019. IAG's 2019 baseline represents the year of 'peak' emissions by the Group and before activity levels were impacted by the COVID-19 pandemic.

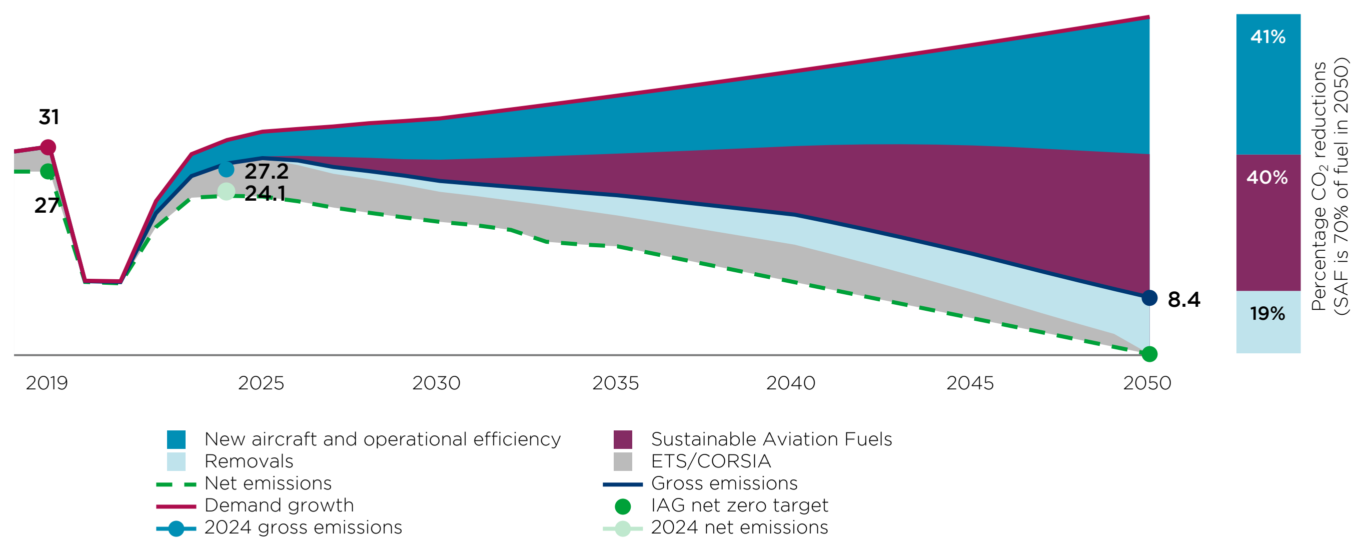
Under IAG's sustainability leadership KPIs, IAG's roadmap to net zero and its associated costs are included in one-year and three-year business planning for all operating companies and to 2030 within updates to sustainability risks as reviewed under the Group-wide ERM process. The roadmap also forms a key part of IAG's environmental sustainability commitments, as detailed in the environmental sustainability policy which was approved by the IAG Board of Directors in 2022. Progress towards delivering emission reductions in this roadmap are monitored through IAG's Sustainability Network (ISN) governance. Quarterly KPIs on our carbon reduction progress are shared with the SECR Committee. The Group Environmental Sustainability Policy and Flightpath net zero strategy are available on the IAG website.

Scope 1 emissions carbon reduction roadmap

The Scope 1 emissions roadmap below is the latest core Group scenario which assumes continued policy support for carbon reductions, an overall recovery to 2019 levels of passenger demand by 2024, and annual demand growth aligned with the long-term growth forecasts disclosed in notes 4 and 17 to the financial statements. Updates to our roadmap in 2024 focus on increasing the use of SAF in our operations in the short term and reflecting our investment in carbon removals before 2030. Beyond 2030, the roadmap maintains an assumption that a 5% emissions saving from airspace modernisation will be achieved by 2050. The emissions modelled under our demand growth scenario reflect the typical timescales for the operation of aircraft and the associated 'locked-in' emissions attributed to flying activity with these assets (which are approximately 20+ years). This is connected to our assumptions on fleet renewal, and the introduction of zero-emission aircraft which we expect will enter the fleet from 2040, based on current assumptions made by aircraft manufacturers.

IAG Scope 1 emissions roadmap to net zero

million tonnes CO_2 (MT)



Carbon reduction levers in IAG's transition plan include:

E1-3 Targets related to climate change mitigation and adaptation

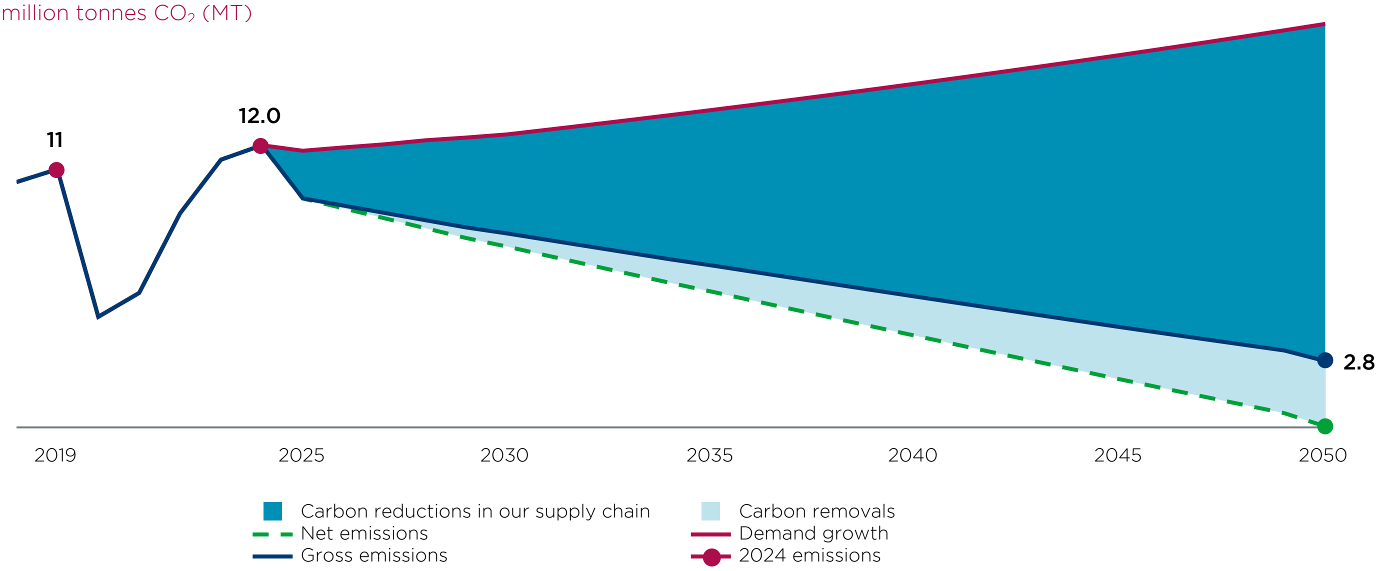
Carbon reduction lever in transition plan	Significant operational expenditures or capital expenditures required for implementation of plan	Venture investments/key innovation partners	Expected contribution to Scope 1 Gross emissions reductions in 2030	Expected contribution to Scope 1 Gross emissions reductions in 2050
New aircraft and own operations	IAG is investing around €12.6 billion between 2025 and 2029 for 171 new efficient aircraft. Please refer to note 15 to the financial statement for more information	ZeroAvia (hydrogen aircraft manufacturer) I6 (fuel management software) NAVflight services (flight planning services)	17 %	41 %
SAF	As of 31 December 2024, our total purchase for SAF offtake agreements is more than $3.5 billion, based on assumed energy prices and contracted margins for SAF production	SAF producers including: LanzaJet Twelve Infinium	9 %	40 %
Carbon removals	In 2024, British Airways signed a deal to purchase 33,000 carbon removal credits under a partnership with CUR8, Standard Chartered and UNDO, as part of a broader £9 million purchase of carbon removals credits in the UK and overseas	Heirloom (carbon capture start-up) CUR8 (carbon removal platform)	5 %	19 %
Market-based measures and carbon offsetting	Continued advocacy to strengthen CORSIA to limit net emissions from aviation and purchase of carbon allowances and offset credits to meet our obligations	CHOOOSE (customer offsetting platform)	13 %	– %

Scope 3 emissions carbon reduction roadmap

IAG expanded its commitment to deliver net zero emissions by 2050 to include Scope 3 emissions from its supply chain in 2021, which represent approximately 30% of IAG's total emissions footprint. IAG recognises that the majority of these emissions are attributed to upstream fuel production (Scope 3.3) and purchased goods and services (Scope 3.1) associated with aircraft maintenance and servicing.

IAG's Scope 3 roadmap below is created using demand growth assumptions aligned to IAG's scope 1 emissions. Our view of carbon reductions in our supply chain is formed from a literary review of the decarbonisation plans of suppliers, focusing on the emission categories that represent the majority of Scope 3 emissions (listed above). Reductions in Scope 3.3 emissions are aligned to IAG's SAF expectations, and correspond to a decreasing volume of emissions associated with the production of fossil fuel jet kerosene. We expect to use carbon removals towards mitigating the residual emissions from these operations, in line with the volumes IAG expects to use towards mitigating residual emissions from direct operations (Scope 1).

IAG Scope 3 emissions roadmap to net zero
million tonnes CO_2 (MT)



Carbon reduction levers in IAG's transition plan include:

E1-3 Targets related to climate change mitigation and adaptation

Carbon reduction lever in transition plan	Significant operational expenditures or capital expenditures required for implementation of plan	Venture investments/key innovation partners	Expected contribution to Scope 3 Gross emissions reductions in 2030	Expected contribution to Scope 3 Gross emissions reductions in 2050
Carbon reductions in our supply chain	• 79% of suppliers by spend have submitted scorecards on ESG performance • Supplier contract clause on sustainability • Developing a comprehensive Scope 3 emissions measurement tool in partnership with Watershed, to prioritise carbon reduction efforts across the value chain • Purchase agreements for the use of SAF (please refer to the Scope 1 emissions roadmap) will reduce LCA emissions associated with fuel production (as it leads to a corresponding reduction of production of fossil fuel jet kerosene)	EcoVadis (business sustainability ratings) Watershed (emissions reporting platform)	34 %	84 %
Carbon removals	Please refer to the Scope 1 emissions roadmap	Heirloom (carbon capture start-up) CUR8 (carbon removal platform)	5 %	16 %

Task Force on Climate-related Financial Disclosures (TCFD)

TCFD summary

IAG was an early adopter of the Task Force on Climate-related Financial Disclosures (TCFD) guidance and first carried out TCFD-aligned scenario analysis in 2018, ahead of the UK requirement – Listing Rule 9.8 – which defines the information to be included in a company's annual report and accounts.

Descriptions of TCFD recommendations are on the TCFD website. IAG has applied the TCFD 'Guidance for All Sectors' to the disclosures in this report. An internal review of compliance with the 11 core TCFD recommendations identified no material gaps or changes from last year.

Governance	Strategy	Risk management	Metrics and targets
Disclose the organisation's governance around climate-related risks and opportunities	Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning where such information is material	Disclose how the organisation identifies, assesses and manages climate-related risks	Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material
Current activities			
Board oversight via SECR Committee and Audit and Compliance Committee; robust governance; double materiality assessment completed in 2024	Delivering the Flightpath net zero strategy and nine leadership KPIs; sustainability-linked loans for British Airways and Iberia; TCFD-aligned scenario analysis; one- and three-year financial and business plans that integrate sustainability aspects; new sustainability contract clause for suppliers	Sustainable aviation risks are treated as a principal risk and regularly reviewed within enterprise risk management (ERM) processes. IAG uses quantitative modelling to support its assessments	Clear metrics and targets for 2025, 2030 and 2050; climate-related remuneration for senior executives and managers
Planned future activities			
Process and control changes to achieve reasonable assurance	Increasing SAF procurement; ongoing scenario analysis; reviewing guidance and evidence on pathways to support 1.5°C transition	More detailed work on risk impacts to 2030 and 2040; actions to maximise climate resilience; risk mitigation KPIs	Deliver against existing targets; review 2030 targets in line with latest evidence on 1.5°C-aligned transition

2024 TCFD-aligned scenario analysis

In 2024, IAG repeated a TCFD-aligned scenario analysis exercise, building on previous years' exercises. Key steps taken in this assessment include:

- the IAG Sustainability team and the ERM team reviewed all climate-related risks and opportunities and potential impacts to 2027 and 2030. The impacts of principal and other key risks are quantified as part of the Company-wide ERM process that receives Board oversight;
- operating airlines modelled compliance-related costs, including from the UK and EU ETS and CORSIA, to 2050;
- TCFD-aligned scenario analysis was repeated using a dual timeframe of 2030 and 2050;
- ongoing analysis was carried out on the Flightpath net zero strategy to 2050;
- in 2024 IAG included a 5°C temperature warming Representative Concentration Pathway (RCP) scenario, to understand the potential range of outcomes of future weather events; and
- alignment between the double materiality assessment and TCFD review findings.

This scenario work informs strategy, planning, risk management and financial management.

IAG takes a proactive approach to managing environment-related risks and opportunities and is committed to managing their regulatory, reputational, financial, market and technology aspects.

Our TCFD assessment in 2024 was a structured, qualitative discussion of potential climate-related impacts and business responses, using the latest evidence and analysis from reputable sources like the UN, EUROCONTROL and Climate Action Tracker (CAT). The 2024 analysis was conducted in line with the latest TCFD guidance update published in 2021. We aligned this TCFD assessment with findings from the double materiality assessment used to determine the scope of this Sustainability statement.

Temperature scenarios of 1.5°C[1] were chosen for transitional risks, in recognition of IAG and global targets. The 2°C and 3°C warming scenarios were chosen for physical risks, based on the latest UN projections. A new 5°C extreme warming scenario has been included in this year's assessment to help us understand our capability to adapt to a world where our operations would change significantly due to very high temperatures.

The year 2030 was chosen as the key timeframe, based on IAG targets and key policy timelines such as SAF mandates. This also aligns to IAG's ERM 2030 sustainability risk assessment. The year 2040 was also considered due to the possibility of the world overshooting 1.5°C in the 2030s leading to faster societal changes.

The TCFD exercise involved representatives from IAG's Sustainability Network (ISN) which includes colleagues from Strategy, Treasury, Flight Operations, Finance, Government Affairs, Commercial Planning, Investor Relations, People, Enterprise Risk Management, IAG GBS and IAG Loyalty, as well as sustainability representatives from all operating airlines.

1 'Orderly' and 'disorderly' scenarios were chosen as per TCFD definitions. These scenarios compare smooth, predictable and idealised climate-related changes with abrupt, variable and disjointed changes across regions.

The Group Sustainability team collated inputs, which were reviewed by the IAG Sustainability Steering Group and the Safety, Environment and Corporate Responsibility (SECR) Committee.

The Group remains resilient to the most material climate-related impacts – industry-wide policy shifts – and these have been quantified and mitigation plans embedded into financial and strategic planning. Industry-wide changes also create opportunities for the Group to become more resilient than its competitors. To address significant uncertainty around future policy, technology and market trends, IAG is repeating this scenario analysis annually. We will keep implementing action plans in coming years to further improve resilience to wider changes.

Risks and opportunities

Climate-related risks are assessed and managed within the ERM framework as described in the Risk management and principal risk factors section of this Annual Report, under the principal risk 'sustainable aviation'. In addition to this, IROs identified under the double materiality assessment carried out by IAG in 2024 considered the risks previously assessed under the TCFD, which continues to analyse the broad range of potential climate-related physical, market, policy and technological risks that could impact our operations. No risks were identified as financially material for IAG under IAG's double materiality.

Transitional risks primarily affect airline activity between European destinations, which calculated based on flights covered by the EU ETS, UK ETS and Swiss ETS, represented around 26% of IAG's Scope 1 emissions in 2024. Physical risks could affect IAG operations across its global network, reflecting the global nature of climate change.

IAG considers the relevant risk factors that could impact each risk by region and timescale. Such variability may arise from fragmented policy definition, scope and implementation, changeable market perceptions, or unpredictable delivery of new technology (among other causes). IAG considers its mitigation strategy for each risk accordingly. Please refer to the 'TCFD risk impacts and mitigation opportunities' table for more information.

The carbon-reduction targets in the Flightpath net zero strategy are the key measures for assessing the mitigation of or resilience to these risks, along with consideration of these risks in relevant governance processes. The external risk environment, materiality of risks, mitigation actions and KPIs for these mitigating actions are reviewed regularly.

The table below lists risks assessed through the ERM and the double materiality assessment. The most material risks are policy risks. Risk timeframes align with corporate planning timelines.

Climate-related opportunities refer to the potential positive effects derived from the deployment of efforts to mitigate and adapt to the effects of climate change, such as through resource and cost efficiency, the adoption and utilisation of low-emission technologies, the development of new products and services, and reinforcing resilience along the supply chain. Opportunities are identified as potential actions to be taken at Group level to reduce our exposure to climate-related risks. The opportunities presented below align to those identified in IAG's double materiality assessment, being managed within the operating companies per an ERM framework point of view.

TCFD risk assessment

TCFD risk type	Risk description	Timeframe	Trend[1]	Scenario dependency[2]
Physical	Resilience to acute weather events	M	Up	Temperature
	Resilience of routes and assets to chronic climate changes	L	Stable	Temperature
Market	Customer spend due to perceptions of ESG progress in IAG or the aviation sector	S	Down	Transition
	Perceived quality of offset and removal projects	M	Up	Transition
	Activism and direct action protests for climate inaction	S	Stable	Transition
	Supply chain readiness	L	Stable	Transition
	SAF delivery against committed offtake agreement volumes	M	Up	Transition
Policy	Litigation against claimed carbon reductions from offsetting	S	Up	Transition
	Demand impact of EU and UK climate policy	L	Stable	Transition
	Resilience to changes in ETS/CORSIA pricing	M	Up	Transition
	Policy asymmetry across regions	M	Up	Transition
	Extra regulation on activity rather than emissions	L	Stable	Transition
	Lack of supporting SAF infrastructure or policy	M	Down	Transition
	Regulation on non-CO_2 effects	M	Up	Transition
Technology	Access to and readiness for lower-emission technologies	L	Stable	Transition
	Access to SAF supply	M	Down	Transition

TCFD opportunity assessment

The opportunities listed below are derived from IAG's double materiality assessment.

TCFD opportunity type	Opportunity description	Timeframe	Trend[1]	Scenario dependency[2]
Market	Strategic investment in SAF	S	Stable	Transition
	Incorporation of new and more efficient fleet	S	Stable	Transition
Technology	Investment in lower-emission technologies	S	Up	Transition
	Strategic venture capital investment and start-up engagement programmes	M	Stable	Transition
	Investing in product innovation and sustainable material transition	M	Stable	Transition

Key: short term (S) is 1-3 years, medium term (M) is up to 5 years, long term (L) is more than 5 years.

TCFD scenario analysis

IAG continues to analyse risk and transition scenarios to inform mitigation plans to 2030. Key parameters for defining scenarios are below, based on UN, Climate Action Tracker (CAT), the UK Climate Change Committee and internal analysis. These are kept under review.

Physical risk parameters	Current projection	2°C scenario	3°C scenario	5°C scenario
Global scenario to 2100	2.4°C	RCP[3] 2.6	RCP 4.5	RCP 8.5

Administering authority	Transition risk parameters – 2030	Current policies/projections	Current targets	1.5°C-aligned scenario
UN Intergovernmental Panel on Climate Change (IPCC)[4]	Global emissions vs 2019	0%	(7)%	(41)%
UK Government	UK emissions vs 2019	(28)%	(42)%	(42)%
EU Commission	EU emissions vs 1990	(55)% (via Fit for 55)	(55)%	(62)%
US Government	US emissions vs 2005	(37)%	(50)%	(58)%
ICAO	Aviation (net) emissions vs 2019	(15)% (via CORSIA)	(15)%	(15)%

1 Risks or opportunities might be increasing (up), decreasing (down) or stable from a business perspective. IAG calculates this based on central strategy modelling and economic forecasting, and the trend shown is based on an end-of-year assessment, relative to in-year review.

2 Whether the cost impacts depend more on the temperature scenario, or type of transition (orderly or disorderly).

3 Representative Concentration Pathway (RCP), a globally recognised scenario for physical changes under different temperature ranges.

4 A 41% drop by 2030 represents an orderly transition. The IPCC also represents a disorderly transition ((27)%) because smaller global emissions reductions to 2030 require rapid carbon reductions after 2030 to return to 1.5°C by 2100.

TCFD risk impacts and mitigation opportunities

Below we have detailed risks identified from the Group's TCFD assessment and their relationship to IROs identified through IAG's double materiality assessment.

Risk description	Potential unmitigated financial impacts	How IAG is mitigating	Related double materiality assessment topic	TCFD assessment summary	Primary Group operating company activity exposed
Physical					
Resilience to acute weather events	Days of lost revenue due to additional flight disruption and associated mitigation and passenger compensation costs	Existing operational resilience processes can minimise extra disruption (for example, disruption caused by turbulence during US-UK flights)	Climate change and emissions management	Review of the exposure of Group activities to temporary climatic impacts that may affect our ability to operate. Examples include severe weather events (turbulence, depressions, high precipitation) that alter flight schedules and lead to cancellations and diversions of flights	Airlines
Resilience of routes and assets to chronic climate changes	Changed revenue from a different route network or a different frequency of flights to climate-affected destinations; changes in operational maintenance costs	Scale of route network means impacts above plan are not material so no immediate action needed. Aircraft are mobile assets that can be moved to different locations to take into account, for example, a higher incidence of hurricanes in the Caribbean	Climate change and emissions management	Location-based assessment of high-risk destinations susceptible to the impacts of chronic climate and atmospheric changes. Assessment of airports with greater exposure to rising sea levels that may affect our ability to operate there, or sell holidays to related destinations. Measured as both a revenue loss and an increased operating cost to the business	Airlines

Risk description	Potential unmitigated financial impacts	How IAG is mitigating	Related double materiality assessment topic	TCFD assessment summary	Primary Group operating company activity exposed
Market					
Customer spend due to perceptions of ESG progress in IAG or the aviation sector	Customers change frequency of flying, duration of trips or spend less relative to other carriers or other travel modes	Delivering emissions reductions, developing emissions dashboards for customers, expanding customer communications, support for global instruments like CORSIA, working via trade associations to advance solutions	Climate change and emissions management	Assessed the impact of potential cost increases of sustainable services for customers and loyalty ratios due to the connection with the brand through shared values	Airline and loyalty businesses
Perceived quality of offset and removal projects	Exposure to sudden variability in prices, cost of CORSIA credits, scale of growth in costs by 2050 due to available volume of removals to deliver net zero	Financial planning to manage price volatility, governance to ensure offset quality, a removals roadmap based on external evidence, advocacy for policy support and monitoring regimes	Climate change and emissions management	Measured as an increased operating cost based on forecast assessment of CORSIA market prices and IAG CORSIA obligations	Airlines
Activism and direct action protests for climate inaction	Risk of shareholder activism, where NGOs or activists may legally challenge the Company for perceived climate inaction, potentially resulting in costly legal battles and reputational damage	Implementation of industry best practices and regulatory requirements of the countries in which we operate. Increasing transparency of information to our clients and stakeholders and maintaining active communication with them	Climate change and emissions management	Assessed the likelihood of action against the aviation sector. IAG has been a key player in influencing the adoption of ambitious goals within the sector and maintains a very active relationship with its key stakeholders	Airlines
Supply chain readiness	Sustainability compliance or technology change causes an unplanned change in the cost of goods and services provided to IAG	Supply Chain Sustainability Programme which includes ESG scorecards and supplier risk screening	Responsible supply chain	Measured as an increased cost of goods and services purchased by IAG from its suppliers	All operating companies
SAF delivery against committed offtake agreements	SAF deliveries from agreed commitments fail to materialise due to weak market supply or failed project development, exposing IAG to market-priced SAF, buyout penalties or carbon costs	Securing SAF deals and taking equity in early-stage projects where relevant. Monitoring SAF project development and seeking volume above target levels	Climate change and emissions management	Measured the cost of SAF using market prices to achieve IAG's 2030 SAF target	Airlines
Policy					
Litigation against claimed carbon reductions from offsetting	Litigation for the use of credits towards voluntary or compliance offsetting that do not deliver claimed emission reductions and lead to legal cost	Due diligence conducted on carbon offsetting projects and internal guidance prepared for external communications	Climate change and emissions management	Assessed using analysis of the most recent litigation affecting the aviation sector and a view of risk to IAG	Airlines

Risk description	Potential unmitigated financial impacts	How IAG is mitigating	Related double materiality assessment topic	TCFD assessment summary	Primary Group operating company activity exposed
Demand impact of EU and UK climate policy	Pass-through of industry-wide costs affects ticket prices and, therefore, demand	Impacts of emerging policy assessed as part of longer-term financial planning and strategy	Climate change and emissions management	Measured carbon market and fuel costs as a percentage of IAG total ESG costs in 2030	Airlines
Resilience to changes in CORSIA/ETS pricing	Exposure to long-term price increases affects compliance costs	Hedging strategy to reduce the impact of price volatility; using carbon prices in fleet and financial planning	Climate change and emissions management	Compared carbon market price forecasts on the Group's route network	Airlines
Policy asymmetry across regions	Changing numbers of customers relative to other carriers who are under more favourable or more restrictive policy regimes	Advocacy for global solutions such as the ICAO Long-Term Aspirational Goal agreed in 2022	Ethical business and regulatory compliance	Assessed by reviewing different regulatory obligations by country and determining their implications for IAG	Airlines
Extra regulation on activity rather than emissions	Industry-wide taxes or levies increase operating costs and have potential demand impacts; demand management measures equate to lost revenue. Noise restrictions are not included in this risk but are reviewed as a separate risk through the ERM framework	Advocacy in support of emissions-reducing measures like SAF and against economically inefficient measures like taxes	Ethical business and regulatory compliance	Assessed the potential impact of regulatory requirements by policy and jurisdiction	Airlines and loyalty business
Changes in SAF policy	Higher prices of SAF in core markets due to lack of investment in SAF production or cost of inputs	Advocacy for SAF policy, e.g. via UK Jet Zero Council, and a strategy to procure SAF in regions where supportive policy exists	Climate change and emissions management	Assessed our exposure to market-priced SAF, relative to our ability to contribute to the development of appropriate SAF policy and the design of effective SAF incentive schemes	Airlines
Regulation on non-CO_2 effects	Potential multiplier on ETS costs; lost revenue due to route restrictions, or operational costs due to non-CO_2 management	External research suggests just 10% of flights could account for 80% of impacts. Advocacy via trade associations to support monitoring and targeted solutions such as route optimisation and SAF uptake	Climate change and emissions management	Assessed the potential cost implications of non-CO_2 regulations on Group operations. We continue to support research initiatives that help improve the understanding of non-CO_2 impacts on the climate	Airlines
Technology					
Access to and readiness for lower-emission technologies	Higher ETS costs if technology access is restricted or technology development is slow	Hangar 51 Ventures team aligns research and work with the Flightpath net zero strategy	Climate change and emissions management	Assessed the marginal cost of different carbon removal technologies and the role they may play in IAG's climate transition plan	Airlines and IAG Cargo
Access to SAF	Changing unit prices of SAF in core markets	Securing SAF deals and taking equity in early-stage projects where relevant	Climate change and emissions management	Assessed global SAF supply, SAF mandates and SAF volume needed to deliver IAG's 2030 SAF target	Airlines

TCFD opportunities and financial impacts

Below we have detailed opportunities identified from the Group's TCFD assessment and their relationship to IROs identified through IAG's double materiality assessment.

Opportunity description as per previous page	Potential financial impacts	Related double materiality assessment topic	TCFD assessment summary	Primary Group operating company activity exposed
Market				
Strategic investment in SAF	Securing quantities of SAF to meet internal and regulatory targets not only reduces IAG's climate impact, but also offers a significant potential operating cost reduction per year against the Group's carbon market obligations	Climate change and emissions management	Screened the market to identify supportive policy incentives to enable a green transition, which will help IAG secure early supply and avoid market price exposure	Airlines
Incorporation of new and more efficient fleet	By introducing new, more fuel-efficient aircraft to the fleet, Group airlines are able to mitigate compliance costs incurred under carbon markets, which regulate carbon emissions on the routes they operates	Climate change and emissions management	Updated internal carbon pricing modelling to assess the contribution of new, more fuel-efficient aircraft towards delivering IAG's climate objectives, and the reduction in associated operational costs	Airlines
Technology				
Investment in lower emissions technologies	Implementing new technologies such as lighter on-board equipment or software to enable better matching of fuel volumes to in-flight needs presents an opportunity for higher fuel efficiency, which can help reduced operating costs	Climate change and emissions management	Analysed the positive contribution new technology brings to direct operations, reducing fuel consumption and waste generation, for example on cargo storage solutions such as straps and pallet design. Assessed the impact of investment in carbon removals for developing the market signal needed to scale-up future supply	Airlines and loyalty business
Strategic venture capital investment and start-up engagement programmes	In its pursuit of net zero carbon emissions by 2050, IAG has a significant financial opportunity in investing in innovative solutions to address its emissions. This involves exploring partnerships and cutting-edge technologies to accelerate progress towards this goal	Climate change and emissions management	Assessed the contribution of different technologies in our operations towards achieving our climate objectives. IAG's collaboration with ZeroAvia to explore hydrogen-powered aircraft technology exemplifies this approach	Airlines
Investing in product innovation and sustainable materials transition	By developing new products, such as those focused on onboard waste reduction, IAG can capitalise on growing consumer demand for sustainable alternatives and reduce operational costs in the long run	Waste management and circular economy	Assessed the impact of supporting product research and development for the transition towards more sustainable supply chains	All operating companies

E1-2 – Policies related to climate change mitigation and adaptation

The environmental sustainability policy sets out IAG's commitment to recognise, manage and reduce our impact on the planet. This includes conducting our business in an environmentally responsible manner and complying with relevant environmental legal requirements and other obligations. We also embed sustainability into our business strategy and decisions and are committed to:

- Using SAF and offset programmes
- Regularly engaging with key stakeholders to assess our most material issues
- Minimising negative environmental impacts via the efficient use of resources and energy, and reducing emissions, noise and waste where possible
- Implementing environmental management systems aligned to ISO 14001 and robust environmental governance processes
- Monitoring, reporting and receiving external verification of our material environmental impacts
- Ensuring robustness and transparency in our non-financial disclosures
- Ensuring our external positions reflect our material issues and goals
- Working to ensure that our environmental strategy and targets are aligned with the latest scientific understanding of impacts
- Creating awareness of our environmental actions with our key stakeholders
- Taking action to drive change and create a more sustainable airline industry

Proposed timescales for the delivery of the Group's climate ambitions are set out in the environmental sustainability policy and align to the transition plan detailed in this Sustainability statement. The environmental sustainability policy also details timescales for action to address the impacts of waste and noise from our operations.

IAG issues Group instructions to its operating companies to align actions towards delivering our climate change mitigation and adaptation strategy. The Group Sustainability Officer is responsible for setting this strategy, with the approval of the Chief Financial and Sustainability Officer and the CEO and oversight by the Safety, Environment and Corporate Responsibility (SECR) Committee. The heads of sustainability for each operating company report to IAG quarterly on material KPIs used to measure IAG's progress. The Group instructions include guidance for the cost accounting of sustainability measures and impacts in the completion of business planning, and how to engage with suppliers on sustainability issues (detailed under the Third Party Code of Conduct since December 2024, and its predecessor Supplier Code of Conduct).

Under the IAG Code of Conduct, IAG and its operating companies are committed to immediately reporting any situation that could pose a risk to the environment. This underlines our commitment to ensuring the health, safety and security of our workforce and to comply with applicable environmental laws and regulations everywhere we operate to minimise our environmental impact.

E1-3 – Actions and resources in relation to climate change policies

IAG's environmental sustainability policy sets out our approach to monitoring compliance with environmental policies and how we approach associated risks and their management across Group businesses. Actions taken under this policy to address the impacts of climate change include:

- Our Audit and Compliance Committee oversees IAG non-financial disclosures.
- Sustainable aviation risks have been identified as a principal risk and are reviewed and assessed as part of our Group-wide enterprise risk management processes.
- The IAG Code of Conduct and Third Party Code of Conduct set out our commitment to doing business ethically, transparently and with integrity and to maintaining standards of sustainability. We want to work with suppliers who share our values and ways of working. Mandatory training informs our colleagues. IAG has embedded sustainability-specific governance into the Group.
    - Our Board of Directors provides oversight and direction for environmental programmes through the SECR Committee.
    - The IAG Management Committee provides the key forum for reviewing and challenging these programmes and setting strategy.
    - The IAG Sustainability Steering Group of senior representatives from across the business provides oversight of sustainability strategy, targets, initiatives and programmes.
- The IAG Group sustainability strategy sets out policies and objectives, strategy, targets, performance metrics and our approach to risk management, compliance and stakeholder engagement.

As categorised under our transition plan, and detailed in our Flightpath net zero strategy, the actions taken to address the impacts of climate change are focused on the following areas:

New aircraft and operational efficiency

New aircraft

IAG is investing around €12.6 billion between 2025 and 2029 for 171 new efficient aircraft. These aircraft will increase the fuel efficiency of IAG's operations compared to the aircraft they replace. IAG is also supporting the development of new aviation technologies, which includes investment in ZeroAvia since 2020, a leading developer of hydrogen-electric aircraft.

2024 examples of emission reductions achieved from new aircraft include:

- Aer Lingus welcomed two new Airbus A320neo aircraft to the fleet in June to operate on short-haul routes. These aircraft are up to 20% more fuel efficient than the Airbus A320ceo aircraft they replace.
- British Airways welcomed six Airbus A320neo, two A321neo aircraft and one A350-1000 aircraft. The A350-1000 aircraft use up to 35% less fuel than the aircraft it replaces as per the aircraft manufacturer's claims.
- In November, Iberia became the first airline to commercially operate the new Airbus aircraft A321XLR, a single-aisle aircraft that can operate on long-haul routes. As per the aircraft manufacturer's claims, this will help improve Iberia's carbon intensity by achieving up to a 30% lower fuel consumption per ASK flown, compared with current wide-body models.

Ground-based operational efficiencies are also being delivered through equipment upgrades to ground vehicles.

- In 2024, British Airways overhauled its airport equipment at Heathrow so that more than 90% of its vehicles and ground equipment are low emissions, by using either hybrid engines or operating on hydrotreated vegetable oil (HVO) fuel.

Fuel efficiency programme

Each airline has a fuel efficiency programme which supports flight planning and enables pilots to increase fuel efficiency. Measures to improve operational efficiency employed by our airlines include the use of single-engine taxiing and delaying engine start-up to save carbon emissions prior to take-off. IAG brings together sustainability colleagues, fuel management experts and pilots in the Carbon Efficiency Working Group to leverage this expertise and share best practice to develop fuel efficiency initiatives towards our carbon reduction objectives.

In 2024, Aer Lingus ran a fuel efficiency internal communications campaign to encourage the use of more efficient operational and flying procedures to reduce fuel burn (e.g. pilots using single-engine taxiing and more efficient flight plans). Aer Lingus also participated in the International Day of Clean Air for Blue Skies on 6 September, operating a series of flights on an A320neo applying some key fuel-saving initiatives to showcase their potential when applied collectively.

Sustainable Aviation Fuels (SAF)

SAF is the main term used by the aviation industry to describe a non-conventional (fossil derived) aviation fuel. SAF is the preferred IATA term for this type of fuel although when other terms such as sustainable alternative fuel, sustainable alternative jet fuel, renewable jet fuel or biojet fuel are used, in general, the same intent is meant.

'Biofuels' typically refers to fuels produced from biological resources (plant or animal material). However, current technology allows fuel to be produced from other alternative sources, including non-biological resources; thus, the generic description of SAF is used.

The chemical and physical characteristics of SAF are almost identical to those of conventional jet fuel and they can be safely mixed with the latter to varying degrees, use the same supply infrastructure and do not require the adaptation of aircraft or engines. Fuels with these properties are called 'drop-in fuels' (i.e. fuels that can be automatically incorporated into existing airport fuelling systems). This definition is available on the IATA website.

The feedstocks for these fuels, currently waste materials such as used cooking oil, absorb CO_2 in their growth cycle before this carbon is recycled into fuel and then emitted during the flight. SAF produces similar levels of carbon dioxide to conventional aviation fuels when burned, but the carbon dioxide generated is already part of the carbon cycle and is not extracted from the ground specifically for creating aviation fuel. This means that using SAF results in a reduction in carbon emissions compared to the traditional jet fuel it replaces over the lifecycle of the fuel.

There are currently eight certified pathways to making SAF based on use of specific technologies and feedstocks. These processes are certified to international standards to ensure the fuels are safe to use. IAG requires its SAF to comply with strict sustainability certification schemes.

Emission reductions from the use of SAF are measured as the reduction of carbon emissions on a greenhouse gas lifecycle basis, typically by 80% or more compared with the fossil jet fuels it replaces. SAF also contains fewer impurities (such as sulphur), which enables an even greater reduction in sulphur dioxide and particulate matter emissions than fossil-based fuels.

Supporting advanced SAF pathways
IAG continues to make direct investments in new and innovative SAF production capacity, catalysing the wider development of the SAF market. These investments are typically coupled with SAF purchase agreements, which are critical to the financial viability of the new SAF production capacity. As of 31 December 2024, IAG's total expenditure (including future commitments) for SAF offtake exceeded $3.5 billion.

IAG is working with technology developers to establish a range of SAF supply options, including the projects listed in this section. We aim to be a leader in supporting developed SAF production pathways that achieve the greatest lifecycle emission reductions and can accelerate our efforts to reduce carbon emissions.

In February 2024, IAG signed its largest SAF purchase agreement with Twelve, a SAF project based in Washington, which produces e-SAF made from CO_2, water and renewable energy. Under the terms of the 14-year contract, Twelve will supply IAG with 260 million gallons (785,000 tonnes) of e-SAF, with first deliveries expected from 2025. In November, IAG announced a purchase agreement with Infinium, which will also supply e-SAF from 2026, under a ten-year agreement.

These purchase agreements increased IAG's total volume of SAF secured to more than one-third of the volume required to meet our 10% SAF by 2030 target. For SAF produced from other pathways, the Group is also working to support projects which either remove carbon or capture and store it.

Key SAF partnerships

Producer	Production location	Anticipated supply start	Technology pathway
BP	Europe; China	Since 2021	Hydrotreated esters and fatty acids (HEFA)
Neste	Finland; Singapore	Since 2021	HEFA
Phillips 66	Humber, UK	Since 2022	HEFA
Repsol	Cartagena, Spain	Since 2022	HEFA
Moeve (formerly Cepsa)	Huelva, Spain	Since 2023	HEFA
EcoCeres	Shanghai, China	Since 2024	HEFA
ST1	Gothenburg, Sweden	Since 2024	HEFA
LanzaJet	Georgia, USA	2025	Alcohol-to-jet
Twelve	Washington, USA	2025	Power-to-liquid
Aemetis	California, USA	2026	HEFA
Infinium	Texas, USA	2026	Power-to-liquid
Wastefront	Sunderland, UK	2027	Tyre pyrolysis oil
Gevo	South Dakota, USA	2028	Alcohol-to-jet
LanzaJet	Teeside, UK	2028	Alcohol-to-jet
Nova Pangaea	Teeside, UK	2028	Advanced bioethanol
Velocys	Immingham, UK; Mississippi, USA	2029	Fischer-Tropsch

Role of SAF in the IAG transition plan
SAF is an important part of IAG's work towards our goal to achieve net zero emissions by 2050. In 2021, the Group set a target of using 10% SAF a year by 2030, dependent on appropriate government policy support. IAG expects to use SAF for 70% of its total fuel in 2050, which will contribute to a 40% reduction in lifecycle CO_2 emissions in the same year.

Delivering on our commitment
In 2024, Group airlines used more than 162,000 tonnes of SAF, an increase of 203% versus 2023, and one of the highest volumes globally. This saved more than 469,000tCO_2 on a lifecycle basis, accounting for 1.9% of IAG's total fuel.

SAF governance in IAG
IAG launched a SAF Management Group in 2023 comprised of colleagues from IAG sustainability, Group Finance and each operating company. The SAF Management Group meets monthly and reports to the SAF Steering Group. Please refer to section 'ESRS 2 General Disclosures' of this Sustainability statement for more details.

Supporting emissions reductions for our customers
To support the scale-up of SAF production globally, IAG offers corporate customers the opportunity to contribute towards SAF costs to support their own Scope 3 emission reductions. Thanks to customer contributions, in 2024 IAG announced the largest (47,700 tonnes of SAF with DHL) airline Scope 3 agreement to date, which will help us continue to scale our SAF use.

Carbon removals

IAG supports the inclusion of carbon removals in industry decarbonisation pathways, and in external assessments of support for the 1.5°C global ambition.

Group airlines offer customers the opportunity to make a financial contribution to support carbon removal projects, which IAG supports. To date, British Airways customers have supported removals projects including mangrove restoration in Pakistan and a biochar project in Oregon, USA.

By 2050, IAG will only use carbon removals to mitigate any residual emissions from its operations and supply chain. IAG continues to encourage suppliers to reduce emissions and transition from offsets to removals by including its sustainability clause to all contracts with suppliers, including renewed or amended contracts across the Group.

Based on the latest roadmap, the Group expects to use approximately 100MT of carbon removals between 2022 and 2050 to mitigate its Scope 1 emissions and could potentially be removing 2MT annually in 2030, conditional on clear, globally agreed verification and quality standards for removals and appropriate policy support such as inclusion in ETS schemes.

Carbon reductions in our supply chain

IAG is delivering a programme of work designed to support carbon reductions by its suppliers and value chain. This involves improving the quality of emission reporting and working collaboratively to deliver emission reductions with suppliers.

IAG GBS leads our engagement with our supply chain and is embedding sustainability aspects into the day-to-day operation of the organisation, such as sustainability targets in the performance objectives of all IAG GBS employees. Through its 'Lunch and Learn' programme, sustainability colleagues have also delivered four information sessions during 2024, covering supply chain management, the circular economy, SAF and working towards a net zero supply chain.

To improve the quality of emissions reporting in our value chain, the Group has developed a comprehensive Scope 3 measurement in partnership with Watershed across all applicable Scope 3 emission categories. More information is available in section 'E6 - Gross Scope 1, 2, 3 and Total GHG emissions' of this Sustainability statement.

IAG GBS also kicked-off its Supplier Engagement Programme in 2024, which encourages suppliers to share their sustainability commitments and carbon reduction efforts to identify best in class practices and potential collaborations to achieve common goals. As part of the programme, IAG GBS engaged with suppliers across the following procurement categories: aircraft seats, engines and catering.

IAG continues to work with EcoVadis to focus on driving Group suppliers to improve their sustainability performance to reduce emissions for all goods and services provided to IAG.

Case study: Recaro

IAG GBS team members from the Sustainability and Procurement functions, joined by British Airways, kicked off IAG's 2024 Supplier Engagement Programme with Recaro. As part of IAG's Supply Chain Sustainability Programme, IAG GBS works to strengthen the relationship with our suppliers by sharing climate commitments and best practices. During a workshop, members of Recaro showcased their new 'R Sphere' economy class concept seats and other circular economy initiatives.

This engagement provides IAG with the opportunity to explore carbon reductions across its aircraft operations through weight reduction in each aircraft seat. It also supports the Group's circular economy initiatives, by using recyclable material solutions across the seats' lifecycle from its production to its end-of-life.

Metrics and targets

E1-4 – Targets related to climate change mitigation and adaptation

IAG's transition plan focuses on reducing lifecycle CO_2 from jet fuel use, as this represents over 99% of Scope 1 emissions. The Group measures its full carbon footprint and tracks multiple metrics each quarter to ensure progress on reducing emissions. The following targets are set to mitigate IAG's material impacts as identified by the 2024 double materiality assessment.

Absolute emission reduction targets

IAG has a 20% reduction target for its net Scope 1 emissions by 2030 compared to 2019 levels and is working towards to net zero emissions by 2050. Direct emissions associated with IAG's direct operations include emissions from jet fuel, diesel, petrol, natural gas and halons. Sources of these emissions include aircraft engines, boilers, auxiliary power units (APUs) and ground vehicle engines. IAG's target to reduce Scope 1 emissions includes reductions from the use of SAF in its gross emissions calculation. The IAG Scope 1 net emission reduction target equates to 21.6 million tCO_2e by 2030, or 24.8 million tCO_2e in equivalent Scope 1 gross emissions.

Indirect emissions associated with electricity use in ground facilities like offices, lounges, data centres and hangars represent less than 1% of total IAG emissions, and, therefore, IAG does not set a near-term target for the reduction of these emissions. IAG monitors the use of renewable electricity across its operations, and we are committed to net zero Scope 2 emissions by 2050.

In 2021 IAG was the first airline group worldwide to set a target of net zero Scope 3 emissions by 2050. This was complemented by a target of a 20% reduction in net Scope 3 emissions by 2030, compared to a 2019 baseline. These targets will be delivered in collaboration with suppliers and other stakeholders, by monitoring supplier sustainability performance, engaging with suppliers on their sustainability plans, embedding climate requirements into supplier contract clauses and product specifications, and accounting for delivery of existing supplier targets.

Carbon intensity reduction targets

IAG has a target to reduce the carbon intensity of its operations by 12% from its 2019 baseline, to $80.0gCO_2/pkm$ by 2025. This target was achieved in 2024 (see section E1-6 for more information). By 2030, it aims to achieve a 27% reduction in gross carbon intensity, increasing to 39% by 2035 and 83% by 2050.

Grammes of CO_2 per passenger kilometre (gCO_2/pkm) is a standard industry measure of flight fuel efficiency. It is calculated by dividing total jet fuel use by total passenger-km, assuming one cargo-tonne-km is equivalent to 10 passenger-km, then multiplying this value by a conversion factor of 3.15. This calculation excludes the jet fuel used by franchisees, cargo carried on other airlines, and engine testing. It excludes no-show passengers, in line with industry guidance.

Other targets related to climate change mitigation and adaptation

SAF is part of IAG's transition plan to reduce emissions on a greenhouse gas lifecycle basis, typically by 80% or more compared with the fossil jet fuels it replaces.

In 2021, IAG committed to 10% SAF usage on average across its fleet by 2030, dependent on appropriate government policy support and market supply. By 2050, it expects to use SAF for 70% of total fuel.

IAG is also committed to supporting a variety of innovative carbon removal solutions and is considering projects that are immediately available and independently verified today, as well as more innovative technology solutions. By 2050, IAG will only use carbon removals to mitigate any residual emissions from its operations.

E1-3 - Targets related to climate change mitigation and adaptation

Base year (2019)	2025 target	2030 target	2050 target
Gross Scope 1 GHG emissions (tCO_2e)	N/A	20% reduction in net Scope 1 emissions, to 21.6 million tonnes. This equates to a reduction of gross emissions to 24.8 million tonnes	Net zero Scope 1, 2 and 3 emissions across our full operations and supply chain Carbon removals for any residual emissions. This equates to a reduction of gross emissions to 8.4 million tonnes.
Gross Scope 3 GHG emissions (tCO_2e)	N/A	20% reduction in net Scope 3 emissions, to 8.7 million tonnes	
Energy efficiency and consumption reduction (Flight-only carbon intensity (inclusive of SAF CO_2 reductions))	12% reduction in carbon intensity, to 80gCO_2/pkm	27% reduction in carbon intensity, to 70gCO_2/pkm	83% reduction in carbon intensity
Fuel switching (SAF fuel consumed)	N/A	10% SAF use by 2030	N/A
Electrification	Not material	Not material	Not material
Use of renewable energy	Not material	Not material	Not material
Phase out, substitution or modification of product	Not material	Not material	Not material
Phase out, substitution or modification of process	Not material	Not material	Not material
Other	'5 by 2025' waste reduction and recycling targets	N/A	N/A

E1-5 – Energy consumption and mix

IAG's material energy consumption is from the use of jet fuel, which accounts for more than 99% of Scope 1 emissions. Please refer to E1-6 – Gross Scope 1, 2, 3 and total GHG emissions regarding the emissions intensity per net revenue.

Energy consumption and mix	Unit	% change vly	**2024**
Energy consumption from non-renewable sources			
(1) Fuel consumption from coal and coal products	MWh	– %	**–**
(2) Fuel consumption from crude oil and petroleum products	MWh	11 %	**109.91**
of which is from jet fuel	MWh	11 %	**109.72**
of which is from gas oil for generators	MWh	7 %	**–**
of which is from gas oil for airport vehicles (Gasoleo B)	MWh	(16)%	**0.04**
of which is from diesel for generators	MWh	(78)%	**–**
of which is from diesel for vehicles (Gasoleo A)	MWh	(42)%	**0.14**
of which is from petrol	MWh	84 %	**0.01**
(3) Fuel consumption from natural gas	MWh	7 %	**0.12**
(4) Fuel consumption from other fossil sources	MWh	– %	**–**
(5) Consumption of purchased or acquired electricity, heat, steam and cooling from fossil sources	MWh	39 %	**0.05**
(6) Total fossil energy consumption (calculated as the sum of lines 1 to 5)	MWh	11 %	**110.08**
Share of fossil sources in total energy consumption	%	11 %	**97.95 %**
(7) Consumption from nuclear sources	MWh	– %	**–**
Share of consumption from nuclear sources in total energy consumption	%	– %	**– %**
Energy consumption from renewable sources			
(8) Fuel consumption from renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.)	MWh	205 %	**2.13**
of which is from SAF	MWh	200 %	**2.08**
(9) Consumption of purchased or acquired electricity, heat, steam and cooling from renewable sources	MWh	(6)%	**0.17**
(10) The consumption of self-generated non-fuel renewable energy	MWh	– %	**– %**
(11) Total renewable energy consumption (calculated as the sum of lines 8 to 10)	MWh	161 %	**2.30**
Share of renewable sources in total energy (Scope 1 and 2) consumption	%	1 %	**2.05 %**
Share of renewable sources in total electricity (Scope 2) consumption	%	(6)%	**75 %**
Total energy consumption (calculated as the sum of lines 6, 7 and 11)	MWh	12 %	**112.38**

Energy intensity per net revenue	Unit	% change vly	**2024**	2023
Total energy consumption from activities in high climate impact sectors per net revenue from activities in high climate impact sectors (MWh//€)	MWh/€	3 %	**0.0035**	0.0034

E1-6 – Gross Scope 1, 2, 3 and total GHG emissions

The scope of activities and emissions reported is consistent with previous years. IAG's emissions are calculated by multiplying fuel and energy use by appropriate conversion factors that are aligned with the Intergovernmental Panel on Climate Change (IPCC) Fourth Assessment Report. 2024 UK Government conversion factors are applied across the Group as these are deemed to be the most robust available and are suitable for international organisations reporting on UK operations, as per the DEFRA factors definition. For Scope 2 emissions only a market-based factor has been used for Spanish locations due to the availability of reliable data, and other factors such as International Energy Agency emissions factors are used in specific cases.

	Unit	2024	2023	2019	% change vly	% change versus 2019
Scope 1 GHG emissions						
Jet fuel consumed	MT fuel	**8.5**	8.1	9.7	5 %	(11)%
*SAF fuel consumed	KT fuel	**162.2**	53.6	–	203 %	– %
*Gross Scope 1 GHG emissions	million tCO_2e	**27.2**	25.9	30.5	5 %	(11)%
Emission reductions from the use of SAF	kt CO_2	**469.3**	158.1	–	197 %	– %
Flight-only carbon intensity (exclusive of SAF CO_2 reductions)[1]	gCO_2/pkm	**79.4**	81.0	89.8	(2)%	(12)%
*Flight-only carbon intensity (inclusive of SAF CO_2 reductions)[2]	gCO_2/pkm	**78.1**	80.5	89.8	(3)%	(13)%
Emission reduction initiatives (volume of emissions reduced)	ktCO_2	**114.2**	86.8	77.4	32 %	48 %
CO_2 per revenue tonne kilometre	gCO_2e/RTK	**781**	805	898	(3)%	(13)%
Scope 1 net emission reductions						
Percentage of Scope 1 GHG emissions from regulated emission trading schemes	%	**81 %**	86 %	77 %	(6)%	5 %
ETS (including restated 2023 data)	million tCO_2e	**3.2**	3.0	3.2	7 %	– %
CORSIA (2024 data expected by October 2025)[3]	tCO_2e	**–**	–	n/a	– %	n/a
Voluntary offsets (excluding customer contributions)	kt CO_2e	**21.5**	246.0	n/a	(91)%	n/a
Net Scope 1 GHG emissions (including restated 2023 data)	million tCO_2e	**24.1**	22.7	26.9	6 %	(11)%
Other emissions from scope 1 operations						
Methane (CH_4)	kt CH_4	**19.2**	18.0	18.5	7 %	3 %
Nitrous oxides	kt NO_2	**230.9**	216.5	288.1	7 %	(20)%
Scope 2 GHG emissions						
Gross location-based Scope 2 GHG emissions	kt CO_2e	**53.4**	54.7	74.5	(2)%	(28)%
Gross market-based Scope 2 GHG emissions	kt CO_2e	**12.7**	12.3	21.3	3 %	(40)%
Scope 2 carbon intensity	gCO_2/MwH	**0.2**	0.2	0.2	(10)%	(30)%
Scope 3 GHG emissions (emissions data from previous years below is restated in line with updated methodologies - see further details in this section)						
*Total gross indirect (Scope 3) GHG emissions	million tCO_2e	**12.0**	11.2	10.9	7 %	10 %
(of which is market-based biogenic CO_2e)	tCO_2e	**3,466**	317	462	n/a	n/a
Category 1: Purchased goods and services	million tCO_2e	**3.1**	3.0	2.7	3 %	16 %
Category 2: Capital goods	tCO_2e	**151,506**	278,945	359,204	(46)%	(58)%
Category 3: Fuel and energy-related production	million tCO_2e	**5.8**	5.4	6.3	7 %	(7)%
Category 4: Upstream transportation and distribution	tCO_2e	**343,377**	315,041	325,867	9 %	5 %
Category 5: Waste generated in operations	tCO_2e	**17,716**	14,941	16,466	19 %	8 %
Category 6: Business travel	tCO_2e	**10,490**	9,016	25,052	16 %	(58)%
Category 7: Employee commuting	tCO_2e	**90,374**	52,970	50,631	71 %	78 %
Category 8: Upstream leased assets	tCO_2e	**–**	–	–	– %	– %
Category 9: Downstream transportation and distribution	tCO_2e	**150**	124	–	21 %	– %
Category 10: Processing of sold products	tCO_2e	**–**	–	–	– %	– %
Category 11: Use of sold products	million tCO_2e	**1.2**	1.0	0.3	30 %	313 %
Category 12: End-of-life treatment of sold products	tCO_2e	**6**	15	–	(59)%	– %
Category 13: Downstream leased assets	tCO_2e	**8,845**	10,577	–	(16)%	– %
Category 14: Franchises	tCO_2e	**613,482**	548,562	839,512	12 %	(27)%
Category 15: Investments	tCO_2e	**587,581**	583,016	16,704	1 %	3418 %
***TOTAL emissions (Scope 1, Scope 2 location-based, Scope 3)**	million tCO_2e	**39.3**	37.1	41.4	6 %	(5)%
TOTAL emissions (Scope 1, Scope 2 market-based, Scope 3)	million tCO_2e	**39.2**	37.1	41.4	6 %	(5)%

*Metrics with an associated target - please refer to 'E1-4 Targets related to climate change mitigation and adaptation' for details

1 Disclosed for the purpose of third-party corporate reporting. This carbon intensity figure is calculated without emission reductions from the use of SAF.

2 The carbon intensity calculation used for calculation of IAG's management incentive includes CO_2 emission reductions achieved from SAF. SAF reductions are calculated using actual lifecycle analysis (LCA) carbon intensity values for SAF fuel uplifted by airlines in the Group and subtracting the achieved emission reductions from our total Scope 1 CO_2 footprint.

3 Emissions covered under the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA) is included in our net emission reduction metrics, reflecting expected obligations above the CORSIA baseline arising during the first phase (covering 2024-2026 emissions) of the scheme. Details of our net emissions under the scope of CORSIA for 2024 will be confirmed in 2025, following calculation of the CORSIA 'Sectoral Growth Factor' by ICAO.

Gross emissions by country of activity

The table below shows 2024 GHG emissions aggregated by main country of our operations. Group airlines are assigned to the country of hub operations.

Location	Unit	Scope 1	Scope 2, location-based
Ireland	thousand tCO_2e	2,342	2.6
Spain	thousand tCO_2e	9,407	16.8
United Kingdom	thousand tCO_2e	15,500	25.9
Other	thousand tCO_2e	n/a	9.1

Scope 3 emissions

In 2024 IAG has assessed all 15 categories of Scope 3 emissions, as defined by the global GHG Protocol.

The Group has 17,500 suppliers and the scope of emissions calculations within these categories is based on material categories of spend – the two most material categories being jet fuel and purchased goods and services, reported under Category 3 and 1 respectively.

IAG continues to refine Scope 3 calculations based on the latest data and assumptions. IAG GBS first partnered with Watershed, a sustainability platform, in 2023 to improve reporting of IAG's Scope 3 Category 1 (Purchased goods and services) emissions. Under Scope 3.1, emissions were previously determined based on water usage only. This was replaced by a spend-based approach and detailed analysis of emissions from IAG's supply chain, leveraging data from sustainability disclosures made by suppliers and benchmark data for specific sectors where supplier' specific data was not available.

IAG has previously reported on 12 of the 15 relevant Scope 3 emission categories, applying standardised conversion factors for instances where data from suppliers is not available. Following further work with Watershed in 2024, all 15 applicable Scope 3 emissions categories are now reflected in the Scope 3 measurement.

Improvements have been made to the emissions reporting methodology for the following categories in 2024:

- Scope 3.2 (Capital goods) emissions previously included aircraft manufacture and disposal, but aircraft disposal now has been reclassified under Scope 3.5 (Waste generated in operations), taking into account the aircraft weight, material and disposal method.
- Scope 3.4 (Upstream transportation and distribution) emissions previously reported under Scope 3.9 (Downstream transportation and distribution) have been reclassified to Scope 3.4, since these services are contracted out by the Group. Additionally, IAG Cargo's emissions from non-IAG carriers are now included in this category.
- The methodology for determining emissions associated with the use of sold aircraft under Scope 3.11 (Use of sold products) is aligned with the GHG Protocol for those aircraft sold to another airline or freighter during the calendar year. This will include the future emissions of the aircraft, based on its average expected life. Additionally, the end-of-life treatment of those sold aircraft is now considered under Scope 3.12 (End-of-life treatment of sold products).
- Scope 3.15 (Investments) became a relevant Scope 3 category for the Group, together with IAG's associated, joint ventures and other equity investments are reflected.

Work continues to improve the quality of Scope 3 emission calculations from IAG's supply chain, accounting as well for the different reporting cycle that our suppliers and the companies we invest in might have. Under the Third Party Code of Conduct suppliers are encouraged to provide IAG with specific emission information.

Standardised conversion factors are used where data from suppliers is not available, and as more data from suppliers becomes available some values may be restated. Any significant restatements will be made in future reports with explanations provided.

Emissions intensity per net revenue

Energy intensity is calculated by dividing total Group revenue by the sum of Scope 1 emissions and Scope 2 location-based emissions.

GHG per net revenue	**2024**	2023	% change vly
Total revenue (as per the financial statements)	**€32,100 million**	€29,453 million	9 %
Total GHG emissions (location-based) per net revenue (tCO_2e/€)	**0.00084**	0.00087	(4)%
Total GHG emissions (market-based) per net revenue (tCO_2e/€)	**0.00084**	0.00087	(4)%

E1-7 – GHG removals and GHG mitigation projects financed through carbon credits

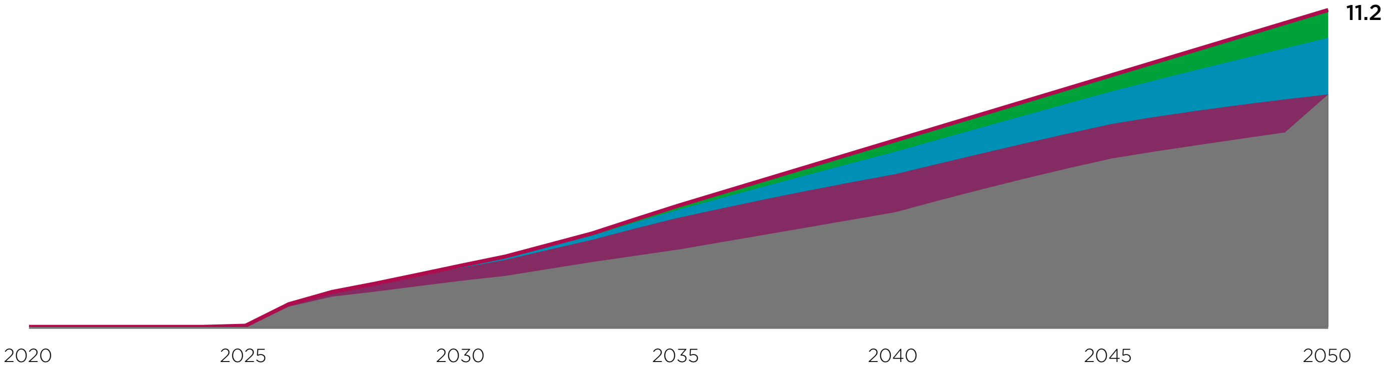
Carbon removal solutions extract CO_2 already in the atmosphere and store it in biological or geological ways. Examples of carbon removal include:

- Nature-based solutions (NBS) – include creating new forests and peatland;
- Bioenergy carbon capture and storage (BECCS) – capturing biogenic carbon from industrial facilities and storing it in e.g. underground aquifers;
- Carbon capture and storage (CCS) with SAF production – as above and including the use of by-products that can absorb CO_2; and;
- Direct air capture (DAC) – absorbing CO_2 directly from the air using a catalyst.

IAG sees carbon avoidance projects as a key transitional solution en route to full use of carbon removals.

Carbon removals within our 2050 roadmap

IAG carbon removals roadmap
million tonnes CO_2 (MT)



IAG expects to use carbon removals to meet an increasing share of its CORSIA obligations between 2024 and 2035, conditional on appropriate policy, and supports wider guidance on how to transition to removals such as that provided by the science-based Oxford Offsetting Principles.

Disclosure of the use of quality criteria for carbon credits

Carbon credits cancelled in the reporting year	2024	% change vly
Total (tCO_2e)	**120,000**	(44)%
Share from removal projects (%)	**42 %**	64 %
Share from reduction projects (%)	**58 %**	(22)%
Verified Carbon Standard (VCS) (%)	**100 %**	– %
Share from projects within the EU (%)	**– %**	– %
Share of carbon credits that qualify as corresponding adjustments (%)	**58 %**	– %
Carbon credits planned to be cancelled in the future		**71,552 by 2123**
Total (tCO_2e) (sum of total carbon credits cancelled in the reporting year and carbon credits planned to be cancelled in the future)		**191,522**

Carbon credit project financing

IAG is committed to supporting a variety of innovative carbon removal solutions and is considering projects that are immediately available and independently verified today, as well as more innovative technology solutions.

Our investment in greenhouse gas removal (GGR) technologies involves a combination of forward delivery procurement and project financial support, facilitating the scale-up of GGR technologies alongside relevant government support.

When IAG or its operating companies choose to voluntarily invest in carbon avoidance and removal projects, they work in collaboration with key partners, carry out due diligence to select reputable providers, and select projects carefully to meet and align with verified quality standards, such as Gold Standard, Puro Standard and Verified Carbon Standard (VCS).

For example, British Airways worked in partnership with CUR8 (a UK-based company dedicated to building the global market for carbon removals), UNDO (a carbon dioxide removal project developer specialising in enhanced rock weathering), and Standard Chartered (representing financial institutions), to launch a first-of-a-kind financing pilot in 2023, designed to help scale up the carbon removals market. In 2024, British Airways committed to purchase more than 33,000 tonnes of carbon removal credits under this financing structure, delivered by UNDO (through enhanced rock weathering), and by Standard Chartered acting as the banking partner. This agreement helps create a blueprint for carbon removal purchases, by enabling carbon removal suppliers to access capital in the form of debt financing via advanced purchase agreements.

The Group continues to advocate policies that will accelerate global uptake of carbon removals, via the Coalition for Negative Emissions and other trade associations, and supports the inclusion of removals in the EU ETS and the UK ETS.

E1-8 – Internal carbon pricing

IAG applies carbon prices to financial planning and future scenario analysis. The Group's emissions from aviation activities, which represents 99% of our Scope 1 emissions, are largely regulated by explicit carbon prices under participation in carbon markets including the EU ETS, UK ETS, and CORSIA. Such regulations do not apply for activities included in our Scope 3 emissions.

The IAG Fleet team uses updated internal carbon price forecasts for short-haul and long-haul fleet purchasing decisions, based on market values and reputable external sources. The Group airlines use carbon prices in financial planning, and Flight Operations teams and pilots use carbon prices in operational decisions about fuel uptake. Potential acquisitions also include an assessment of exposure to climate-related issues and policy.

Internal carbon price forecasts are prepared based on calculated prices derived from the Group's exposure to external carbon prices. For the period 2025 to 2027, UK ETS prices of £50 – £55/tCO_2e, EU ETS prices of €80 – €101/tCO_2e and CORSIA prices of €16 – €66/tCO_2e were used for modelling compliance costs and to inform internal carbon prices used for impairment modelling. EU and UK ETS prices are based on market prices and the UK Department for Transport (DfT) Aviation Forecast, and CORSIA prices are based on internal analysis and ICAO industry price forecasts.

Additional environmental disclosures required under Spanish Law 11/2018:

Noise

GRI 305-7

IAG is reporting the following metrics under the transitional requirements of Spanish Law 11/2018. IAG is reporting this metric to show progress towards our target to achieve 10% reduction in noise levels compared to 2019 by 2025. These metrics are reported in accordance with GRI standards.

IAG only reports on the most stringent ICAO and ICAO Committee on Aviation Environmental Protection (CAEP) standards for aircraft. The Group is over 99% compliant with ICAO Chapter 4 and CAEP Chapter 4 standards.

Metric	Unit	2024	2023	% change versus 2019	Commentary
Noise per LTO	QC/LTO	**0.86**	0.86	(15)%	The improvement since 2019 is due to the use of newer quieter aircraft. Values can fluctuate year on year due to factors such as the mix of short-haul and long-haul flying.
NOx per LTO	kg/LTO	**9.08**	8.89	(13)%	Changes in flight operations, such as stage length, account for slight year-on-year increase, but NOx reductions since 2019 are attributable to the introduction of newer aircraft.
ICAO Chapter 14	% of fleet at standard	**64 %**	62 %	10 %	Compliance will continue to improve as newer aircraft are introduced to the fleet and following retirement of older aircraft.
CAEP Chapter 6	% of fleet at standard	**82 %**	81 %	4 %	The improvement is driven by fleet modernisation.
CAEP Chapter 8	% of fleet at standard	**49 %**	47 %	14 %	The improvement is driven by fleet modernisation.

Waste management

GRI 306-1/-2/-3 (2020)

IAG is reporting the following metrics under the transitional requirements of Spanish Law 11/2018. These metrics show progress towards IAG's waste reduction targets by 2025, compared to a 2019 baseline and are reported in accordance with GRI standards. Waste type descriptors and waste disposal descriptors are provided in the appendix to this statement.

In 2024, IAG operations generated 52,834 tonnes of waste. This comprised of 51,806 tonnes of non-hazardous waste (98%), and 1,028 tonnes of hazardous waste (2%). Waste recovered or recycled was 6,767 tonnes (13%). On-board catering waste remains our top waste producer activity, while the increase in annual office waste per full-time employee corresponds to increasing office use and recruitment into corporate functions. Recycling in our offices has increased owing to the implementation of waste segregation bins across a number of sites. The reduction in the maintenance and cargo recycling ratio is due to an improvement in Iberia's methodology that more accurately reflects the final destination of the waste generated.

Metric	Unit	2019 base	2025 target	2024	2023	vly
On-board waste per passenger	Kg/pax	0.33	0.26 (-20%)	**0.31**	0.32	(3) %
Office waste per full-time employee	Kg/FTE	95.7	47.8 (-50%)	**70.9**	81.8	(13) %
Maintenance waste per unit of activity	Kg/person-hr	0.63	0.47 (-25%)	**0.11**	0.11	– %
Cargo waste per unit of cargo carried	Kg/tonne cargo	1.55	1.16 (-25%)	**1.40**	1.54	(9) %
On-board waste at hubs recycled/ recovered	%	24%	40%	**18 %**	20 %	(10) %
Office waste recycled/recovered	%	35%	60%	**51 %**	26 %	96 %
Maintenance waste recycled/ recovered	%	50%	70%	**46 %**	72 %	(36) %
Cargo waste recycled/recovered	%	63%	80%	**57 %**	77 %	(26) %

Other environmental metrics

IAG is reporting the following metrics under the transitional requirements of Spanish Law 11/2018, independent of IAG's double materiality assessment findings.

Metric	GRI standard	Unit	2024	2023	vly
Average fleet age	n/a	years	**12.4**	12.0	3 %

S Social (People and Prosperity)

ESRS S1 Own workforce

SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

IAG's own workforce covers 74,378 directly employed colleagues across our operating companies in a range of roles including 'in the air' (pilots and cabin crew) and 'on the ground' (airport operations, corporate functions, and maintenance). The identified material impacts, risks and opportunities affecting our workforce are set out below.

Topic	Name	Impact, risk or opportunity	Description	Location
Social internal				
Employee attraction, retention and engagement	Employee engagement and advocacy	i	Employee satisfaction and engagement is central to the Group's strategy. When employees are satisfied with their roles and experiences within the organisation, they are more likely to feel engaged, motivated and fulfilled in their work. Each operating company provides a compelling people proposition to ensure they are able to attract, develop, retain and engage employees.	Own operations
	Organisational culture and sense of belonging	i	A strong organisational culture increases employees' sense of belonging, contributing to a positive workplace environment, which can translate into higher employee retention and productivity.	Own operations
Equity, Diversity and Inclusion	Inclusive culture	i	Fostering an inclusive and diverse working environment promotes creativity, collaboration and employee loyalty, driving organisational success and fostering a positive workplace culture.	Own operations
	Diverse workforce	i	Fostering diversity enriches a company's workforce and enhances organisational performance.	Own operations
	Equal opportunities and equity for all	i	Providing equal opportunities and treating people fairly is critical to tackle discrimination and create a diverse business.	Own operations
Employee health and safety	Employee health and safety	i	Prioritising employee health and safety enhances job satisfaction, loyalty and overall performance, driving organisational success and fostering a supportive workplace environment. Taking care of employees' health prevents and mitigates the risk of injury to health, ensures a safe working environment, and leads to higher levels of energy, motivation and resilience. This enables employees to perform their duties more effectively and efficiently.	Own operations
Remuneration and working conditions	Social dialogue and collective bargaining	i	Fostering constructive social dialogue with employee representatives is critical to a harmonious workplace and long-term organisational success.	Own operations
	Fair, sustainable and competitive terms and conditions	i	Providing sustainable and competitive remuneration ensures talent retention, boosts job satisfaction and maintains high levels of employee engagement and performance.	Own operations

i Positive impact

S1-1 – Policies related to own workforce Equity, Diversity and Inclusion

Relevant standards: GRI 405-1

Our approach and policies

At IAG we are proud of the diversity of the workforce across our Group companies and the richness of backgrounds, experiences, cultures and ideas that makes our businesses thrive. Our aim is that all colleagues feel their unique difference is recognised and valued and that they are treated fairly and equitably. IAG continues to bring positive change and remain committed to our equity, diversity and inclusion (EDI) ambition to create a diverse and inclusive culture representative of the communities we live and work in and the customers we serve. We also believe that a diverse workforce performs better and is more resilient, innovative and productive.

Across the Group we are committed to:

- Championing inclusivity: Promoting a culture of inclusion where everyone's unique difference is recognised and valued
- Respect: Promoting discrimination-free work environments – treating all individuals with dignity and respect, regardless of age, sex, disability, race, religion/belief, marital/civil partnership status, pregnancy and maternity, sexual orientation, gender or any other protected characteristic
- Equal opportunities: Monitoring the composition and representation within our workforce, and ensuring the principles of IAG's equity, diversity and inclusion policy are reflected in the practices of our Group and the terms and conditions of employment for colleagues around the Group
- Role modelling: Promoting values and expected behaviours across the Group, with a particular focus on role modelling
- A respectful workplace: Every individual should be treated with dignity, and we are committed to a positive, productive workplace. We support each other and work to ensure and sustain a working environment where the risk of unlawful discrimination, harassment and any other inappropriate behaviour is properly tackled and addressed.

We have Group-wide policies designed to tackle discrimination and to focus on open and transparent people processes, targeted choice of search partners, diverse recruitment shortlists and more rigorous definitions of critical role requirements, which focus on capabilities rather than experience. Further, each operating company has its own EDI policy and/or an equality plan - which takes into account the company's legal and cultural contexts, and regulatory requirements of its countries of operation - and takes steps to bring these policies to life.

Actions, metrics and targets

Progress on gender diversity

At a Group level we have placed a specific focus on diversity of senior leadership, specifically:

- Gender: In 2022, we set a Group-wide ambition for 40% of our senior leadership roles to be held by women by 2025. The gender diversity of our senior leadership is at 36%, reflecting a 6 percentage points increase since 2020. We remain committed to achieving our 40% ambition. Our Board has a representation of 45% women, the IAG's Management Committee[1] has 30% women, and 27% of our IAG's Management Committee and direct reports[1] are women. Overall 44% of our workforce across the Group are women.
- Race and ethnicity: In 2023, we set a Group-wide ambition for 10% of the Group's UK senior leadership to be minority ethnic[2] by end 2027, which we shared as part of our response to the UK Parker Review. In 2024, 11% of our UK senior leaders group self-disclosed as ethnically diverse[2] (compared to 6% in 2023). In 2024, 13% of our UK-based IAG Management Committee and direct reports[1] identified as ethnically diverse.

1 The IAG CEO is included in the Board reporting. The IAG Management Committee and direct reports segmentation was first introduced in 2024.

2 Minority ethnic as defined by UK Parker Review – Asian, Black, Mixed/Multiple, Other.

As an international business it is important to have colleagues from diverse backgrounds, nationalities and identities represented across the workforces of our operating companies.

UK ethnicity
Our data relies on senior leaders self-disclosing their diversity status. Individuals who have chosen not to report their ethnicity are not included in the calculation as minority ethnic leaders.

Collaborating on equity, diversity and inclusion across the Group and supporting progress across our industry

IAG's Diversity Panel has representatives from across all operating companies sharing best practices and leading on the co-design and implementation of new EDI initiatives.

We continue to partner with Women in Hospitality, Travel and Leisure (WiHTL), actively partner with International Transport Association (IATA) and are committed to advancing gender diversity as part of IATA's '25 by 2025' strategy (a global initiative to enhance EDI and gender balance in the aviation sector).

Co-parenting responsibilities

Relevant standards: GRI 401-3

Our approach and policies
The Group's operating companies support a healthy work–life balance, especially in the context of co-parenting responsibilities. They have a range of policies covering job-sharing, maternity, adoption, paternity and shared parental leave to support employees managing co-parenting commitments. Online platforms facilitate a collaborative community for working parents and carers, enabling the exchange of ideas and mutual support, while also providing access to digital resources offering valuable information for maintaining a healthy work-life balance.

Universal accessibility for people with disabilities

Relevant standards: GRI 405-1

Our approach and policies
The Group adheres to all pertinent legislation, guaranteeing universal access for both employees and customers with disabilities. Accessibility laws are followed across our facilities and operations.

Our operating companies and businesses are committed to supporting individuals with accessibility needs and disabilities throughout the entire employment lifecycle, from inclusive recruitment practices and making reasonable adjustments during the hiring process, to fostering an accessible work environment. A wide range of support is offered, including assistive technologies, flexible work arrangements and ongoing support to create an inclusive and equitable workplace for all.

Each of our operating airlines is committed to providing a positive customer experience, including support for those with disabilities.

Health, safety and wellbeing

Relevant standards: GRI 403-4, 403-6

Our approach and policies
The health, safety, security and wellbeing of our workforce, our customers and suppliers is our top priority.

We adhere to all applicable safety and security laws, regulations and procedures and continue to focus on and invest in the area of health and wellbeing.

Each operating company maintains health and safety management systems underpinned by policies and effective governance processes.

Actions, metrics and targets
Workplace accidents increased in 2024, coinciding with a rise in overall headcount. The lost-time injury (LTI) frequency rate increased from 3.7 in 2023 to 4.0 in 2024, including a 17% increase amongst cabin crew. While the LTI frequency has increased, LTI severity has decreased. This means that although there were more incidents, their impact in terms of time off work was less severe.

Senior-level committees within each operating company ensure that the risks are managed and controls are in operation, including risk assessments, workforce and employee representative engagement, communication and mandatory training.

Where health and safety issues do arise, each operating company has detailed processes for reporting, investigating matters, trend analysis and remediation.

Human rights and modern slavery

Our approach and policies
The principles of fair and equal treatment, non-discrimination, compliance with the law and respect for human rights sit at the centre of our Code of Conduct, IAG's ethics and compliance framework and Third Party Code of Conduct. The IAG Code of Conduct applies to all employees and directors across the Group and is communicated and shared widely. Employees are equipped with comprehensive training and development opportunities, ensuring they are well versed in the areas covered by our Code of Conduct.

In 2024 IAG also implemented a human rights policy that reinforces our commitment to upholding human rights and conducting business in a manner that respects the rights and dignity of all people. It confirms the Group's commitment to adhere to the Guiding Principles on Business and Human Rights published by the United Nations. The Human Rights Policy covers key principles such as diversity, equal opportunities, labour standards, freedom of association, forced and child labour, modern slavery and human trafficking.

The Human Rights Policy supports IAG's wider compliance framework and is fully aligned with the 'Speak Up' programme. IAG had no known cases of human rights violations across the Group during 2024, the same as in 2023.

IAG is taking steps to prevent incidents of modern slavery within the Group and across its supply chains. The IAG Group Slavery and Human Trafficking Statement outlines specific risks and actions in relation to this area and is available on the IAG website. This statement is made under section 54, part 5 of the 2015 UK Modern Slavery Act (MSA) and section 11(4)(b)(ii) of the Fighting Against Forced Labour and Child Labour in Supply Chain Act 2023 (Canada).

IAG remains committed to taking swift and robust action if any evidence relating to slavery, human trafficking or labour abuse in our business or supply chain is identified.

Actions, metrics and targets
IAG and the frontline employees in our operating companies and supply chain are taking practical steps to prevent human trafficking. Our operating airlines work closely with governments and the airports in which they operate to ensure that any suspected trafficking on our flights is identified, reported and dealt with appropriately. IAG also supports the 2018 IATA resolution denouncing human trafficking and the ICAO Guidelines for Reporting Trafficking in Persons by Flight and Cabin Crew. IAG is one of the founding participants of the ICAO Ad Hoc Working Group on Combatting Trafficking in the Supply Chain (AHWG-TSP), an international, joint industry-regulatory group providing advice to ICAO and assisting in the development of guidance material on combating trafficking in persons in an air operator's supply chain.

Operating airlines also run awareness training and provide practical guidance for staff to recognise and respond to potential human trafficking situations and provide procedures for reporting where any cases are suspected. This training material is openly shared with key ground handling suppliers across our network. IAG also works closely with the charitable sector in this area to raise awareness amongst colleagues and support organisations that share our mission to stamp out human trafficking.

Ethics and compliance

Our approach and policies

IAG is committed to conducting its business ethically, responsibly and in full compliance with all applicable laws and regulations. Guided by these principles, the Group strives to foster a culture of accountability at every level of the organisation. All directors and employees are expected to act with integrity and in accordance with the laws of the countries in which they operate.

As IAG continues to enhance its ethics and compliance programme, it works to maintain the highest levels of trust among all stakeholders, including employees, customers, business partners and communities. During 2024, IAG developed and rolled out a new Ethics and Compliance Charter, with the purpose of setting out the framework for managing ethics and compliance risks at Group level and within each operating company, with clear roles and responsibilities to effectively manage these risks.

In August, the Board of Directors approved a revised version of the IAG Code of Conduct. This document defines the general expectations for ethical conduct across the organisation and sets out the principles that govern the conduct of all directors and employees when performing their duties. This document is available on the IAG website.

Recognising the importance of shared values throughout the IAG value chain, the Group also published a new Third Party Code of Conduct in 2024, establishing the behaviours expected from business partners and addressing areas such as anti-bribery, environmental responsibility and modern slavery. The Third Party Code of Conduct is designed to help our business partners align with our values and continue to promote ethical standards within the industry.

In response to the evolving regulatory landscape and emerging risks, the Audit and Compliance Committee approved a revised three-year ethics and compliance plan, to ensure IAG will continue to promote a risk-based approach for the implementation of procedures, controls and processes. The Board of Directors has full visibility of the plan and is committed to promoting a culture of integrity and ethical decision-making, in line with IAG's Code of Conduct.

As part of the plan, the Group Head of Ethics and Compliance revised the Group-wide whistleblowing policy and rolled out a new whistleblowing procedure, standardising the processes that are expected to be followed across the Group. The IAG 'Speak Up' policy and the procedure that regulates how to handle whistleblowing investigations provide details on how to report concerns and establish the framework to ensure a robust and consistent approach to address issues and take remedial action whenever necessary. The Audit and Compliance Committee and subsequently the Board approved the revised IAG 'Speak Up' policy during 2024.
More details on this are available in section 'G1 - Business Conduct' of this Sustainability statement.

Actions, metrics and targets

IAG encourages employees to raise concerns about unethical behaviour or organisational integrity. If employees have questions about the right thing to do, or if they see or suspect unethical or illegal conduct, they can also discuss the situation with their line manager or contact a member of the Legal, Compliance or Human Resource teams, or they can report their concerns using the IAG's 'Speak Up' hotline. Similarly, suppliers are encouraged to contact their primary contact within the business. Regardless, the whistleblowing channel is available for everyone who wishes to report a concern.

Mandatory Code of Conduct training and communications activities are carried out with directors, employees and third parties on a regular basis to maintain awareness and understanding of the principles that govern the conduct of the Group. A new Code of Conduct training module was introduced during 2024 to ensure that employees from different parts of the business will be always prepared to make informed business decisions.

Metric	Unit	2024
Number of employees who completed annual Code of Conduct training	#	**56,495**
Number of employees who completed the annual anti-bribery training*	#	**12,088**

*denotes total training completed over a period of 3 years

Anti-bribery and anti-money laundering

Refer to 'G1-3 – Prevention and detection of corruption and bribery' for information on anti-bribery and anti-money laundering.

S1-2 – Processes for engaging with own workforce and workers' representatives about impacts

Relevant standards: GRI 2-30, 404-1, 404-2.

Our operating companies actively engage with trade unions to secure balanced agreements that ensure fair, competitive and sustainable remuneration. Local employee representatives and unions provide both formal channels for collective agreements and informal avenues for raising issues and concerns.

85% of the workforce across the Group is covered by collective bargaining agreements.

IAG complies with International Labour Organization (ILO) conventions. These conventions cover fundamental principles and rights at work: freedom of association, the effective recognition of the right to collective bargaining, the elimination of all forms of forced or compulsory labour, and the elimination of discrimination in respect of employment and occupation.

Additionally, the IAG European Works Council (EWC) facilitates communication between employees and management on transnational European matters. It includes representatives from the different European Economic Area (EEA) countries, meeting regularly throughout the year to be informed and, where appropriate, consulted on transnational matters. (see subheading 'Employee's within the Stakeholder Engagement section of the Annual Report).

Training and development

We continue to invest in the skills of our workforce and remain committed to professional development and careers, supporting colleagues in carrying out their daily work and on topics such as: work and fleet modernisation, digitalisation, AI, and customer and product investments.

IAG is committed to supporting the development of the regions in which we operate by creating jobs, investing in infrastructure and contributing to social and environmental causes. Our operating companies engage young people in employment, build their skills, prepare them for potential careers and attract talent into the aviation sector – through work experience placements, internships, apprenticeships and graduate programmes. In many cases, these also open up different entry routes for diverse talent.

All Group companies are required to run mandatory corporate training courses on topics such as the Code of Conduct, compliance with competition laws, anti-bribery and corruption compliance, and data privacy, security and protection.

S1-3 – Processes to remediate negative impacts and channels for own workforce to raise concerns

All operating companies have both informal and formal channels for their own workers and workers' representatives to raise their concerns or needs directly with their employer whether through internal grievance processes or through collective complaints pursued by representatives via established industrial processes, internal surveys or via our whistleblowing channels. All of these facilitate complaints being made on a confidential or open basis.

IAG has very clear policies that encourage employees to raise concerns in an open and confidential manner and prohibit any form of retaliation for doing so. The channels available to employees and their representatives are clear and well publicised, and in some cases agreed with trade unions or employee representatives.

IAG, working in close collaboration with the HR and Compliance teams of its operating companies, monitors the nature, type and frequency of concerns raised so that it can take any remedial action that is required.

S1-4 – Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions; S1-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

Relevant standards: GRI 205-1/-2/-3

For detail of actions, metrics and targets towards addressing material risks identified in this topic, see the sections on equity, diversity and inclusion, ethics and compliance, health safety and wellbeing, and human rights and modern slavery under 'S1-1 – Policies related to own workforce'.

S1-6 – Characteristics of the undertaking's employees

Average headcount by gender

	Permanent contracts			Temporary contracts		
Metric	vly	2024	2023	vly	2024	2023
Men	5 %	**39,368**	37,337	1 %	**1,538**	1,530
Women	5 %	**30,861**	29,320	10 %	**1,731**	1,575
Total	5 %	**70,229**	66,657	5 %	**3,269**	3,105

	Full-time contracts			Part-time contracts		
Metric	vly	2024	2023	vly	2024	2023
Men	1 %	**32,189**	31,952	26 %	**8,717**	6,914
Women	(1)%	**20,666**	20,796	18 %	**11,926**	10,099
Total	– %	**52,855**	52,748	21 %	**20,643**	17,013

Average headcount by age

	Permanent contracts			Temporary contracts		
Metric	vly	2024	2023	vly	2024	2023
Under 30	9 %	**12,004**	10,969	13 %	**2,211**	1,957
30–50	3 %	**34,204**	33,076	(10)%	**947**	1,052
Over 50	6 %	**24,021**	22,608	16 %	**111**	96
Total	5 %	**70,229**	66,657 [1]	5 %	**3,269**	3,105

	Full-time contracts			Part-time contracts		
Metric	vly	2024	2023	vly	2024	2023
Under 30	8 %	**11,690**	10,822	20 %	**2,525**	2,104
30–50	– %	**25,717**	25,737	12 %	**9,434**	8,391
Over 50	(5)%	**15,448**	16,187	33 %	**8,684**	6,516
Total	– %	**52,855**	52,748 [2]	21 %	**20,643**	17,013

[1] Six employees are omitted due to missing date-of-birth information.
[2] As above.

Average headcount by employee classification

	Permanent contracts			Temporary contracts		
Metric	vly	**2024**	2023	vly	**2024**	2023
Airport operations	2 %	**15,796**	15,531	8 %	**929**	864
Cabin crew	4 %	**22,958**	22,177	13 %	**1,463**	1,296
Corporate functions	11 %	**15,832**	14,215	(8)%	**716**	780
Maintenance	7 %	**7,127**	6,649	(2)%	**161**	165
Pilots	5 %	**8,516**	8,085	– %	**–**	–
Total	5 %	**70,229**	66,657	5 %	**3,269**	3,105

	Full-time contracts			Part-time contracts		
Metric	vly	**2024**	2023	vly	**2024**	2023
Airport operations	(15)%	**8,966**	10,565	33 %	**7,759**	5,830
Cabin crew	(2)%	**15,329**	15,564	15 %	**9,092**	7,909
Corporate functions	10 %	**15,047**	13,713	17 %	**1,501**	1,282
Maintenance	6 %	**6,943**	6,543	27 %	**345**	271
Pilot	3 %	**6,570**	6,363	13 %	**1,946**	1,721
Total	– %	**52,855**	52,748	21 %	**20,643**	17,013

Description
Average headcount numbers for each employment contract, in which the employee's role was active during the reporting period (pro-rated for period employed, with maximum value of one).

Commentary
Average headcount increased by 5% in 2024 to 73,498, reflecting our ongoing commitment to expanding capacity, enhancing service and building resilience. The increase in part-time contracts reflects a change in SOUTH, with the majority of discontinuous contracts being converted to permanent part-time roles. The increase in corporate roles is primarily driven by continued growth of our global customer contact centres, the addition of management roles at Heathrow to build operational resilience and some growth of head office corporate functions.

Total number and distribution of employees by gender

	Headcount			Headcount (%)		
Metric	vly	**2024**	2023	vly	**2024**	2023
Men	4 %	**41,414**	39,987	– pts	**56 %**	56 %
Women	4 %	**32,964**	31,807	– pts	**44 %**	44 %
Total	4 %	**74,378**	71,794	– pts	**100 %**	100 %

Total number and distribution of employees by region/country

	Headcount			Headcount (%)		
Metric	vly	**2024**	2023	vly	**2024**	2023
Europe	3 %	**70,031**	67,748	– pts	**94 %**	94 %
United Kingdom	5 %	**39,318**	37,500	1 pt	**53 %**	52 %
Spain	1 %	**24,030**	23,743	(1pt)	**32 %**	33 %
Ireland	3 %	**5,323**	5,159	– pts	**7 %**	7 %
Rest of Europe	1 %	**1,360**	1,346	– pts	**2 %**	2 %
Africa, Middle East and South Asia	12 %	**2,831**	2,527	– pts	**4 %**	4 %
North America	(1)%	**945**	950	– pts	**1 %**	1 %
Latin America and Caribbean	1 %	**328**	324	(1 pt)	**– %**	1 %
Asia Pacific	(1)%	**243**	245	– pts	**– %**	– %
Total	4 %	**74,378**	71,794	– pts	**100 %**	100 %

Description
The share of headcount across the Group by gender and by region/country on 31 December 2024. Due to legal constraints in some of the countries where we operate, we are unable to collect and report data on other gender identities. We remain committed to inclusivity and will update our practices as laws evolve.

Commentary
The gender distribution across the Group remained stable in 2024, with balanced growth rates for both men and women, accounting for attrition and new hires.

Total headcount increased by 4% to 74,378, with growth across our key markets in the UK, Spain, and Ireland. The 12% increase in Africa, Middle East and South Asia is largely attributed to continued expansion of customer contact centres in India.

Total number of employees by contract type (permanent/temporary) and by gender

	Permanent contracts			Temporary contracts		
Metric	vly	2024	2023	vly	2024	2023
Men	4 %	**39,950**	38,410	(7)%	**1,464**	1,577
Women	3 %	**31,193**	30,198	10 %	**1,771**	1,609
Total	4 %	**71,143**	68,608	2 %	**3,235**	3,186

Description

Composition is a breakdown of headcount as at 31 December 2024. A temporary employment contract has a defined end date. IAG does not currently employ any workers on non-guaranteed-hours contracts.

Commentary

There has been an increase in both permanent and temporary contracts. Permanent roles include employees on fixed-discontinuous terms, a specific Spanish contractual arrangement for seasonal work in Spain. Gender differences reflects changes in workforce composition by role.

Total number and distribution of employees by professional classification

	Headcount			Headcount (%)		
Metric	vly	2024	2023	vly	2024	2023
Airport operations	(2)%	**16,396**	16,784	(1)pt	**22 %**	23 %
Cabin crew	3 %	**24,615**	24,004	– pts	**33 %**	33 %
Corporate functions	9 %	**17,171**	15,811	1 pt	**23 %**	22 %
Maintenance	7 %	**7,454**	6,972	– pts	**10 %**	10 %
Pilots	6 %	**8,742**	8,223	1 pt	**12 %**	11 %
Total	4 %	**74,378**	71,794	– pts	**100 %**	100 %

Description

The employee category breakdown shows the distribution of the major groups within IAG's workforce 'in the air' (pilots and cabin crew) and 'on the ground' (airport, corporate and maintenance).

Commentary

In 2024, the headcount distribution by professional classification remained relatively stable. The 9% year-on-year increase in corporate roles was driven primarily by the expansion of our global customer contact centres and the addition of management roles at Heathrow to build operational resilience. The 2% year-on-year decrease in airport operations roles resulted from TUPE transfers of employees to and from other operators following the outcome of AENA licence tenders to provide handling services at Spanish airports.

Total number of leavers and turnover rate by gender

	Voluntary leavers			Voluntary attrition rate			Non-voluntary leavers			Non-voluntary attrition rate		
Metric	vly	2024	2023	vly	2024	2023	vly	2024	2023	vly	2024	2023
Men	7 %	**2,885**	2,694	0.2 pts	**7.1 %**	6.9 %	73 %	**1,387**	804	1.3 pts	**3.4 %**	2.1 %
Women	(1)%	**2,417**	2,450	(0.5)pts	**7.4 %**	7.9 %	9 %	**727**	664	– pts	**2.2 %**	2.2 %
Total	3 %	**5,302**	5,144	(0.2)pts	**7.2 %**	7.4 %	44 %	**2,114**	1,468	0.8 pts	**2.9 %**	2.1 %

Total number of leavers and turnover rate by age

	Voluntary leavers			Voluntary attrition rate			Non-voluntary leavers			Non-voluntary attrition rate		
Metric	vly	2024	2023	vly	2024	2023	vly	2024	2023	vly	2024	2023
Under 30	4 %	**2,332**	2,246	(1)pt	**16.4 %**	17.4 %	24 %	**491**	395	0.4 pts	**3.5 %**	3.1 %
30-50	2 %	**2,056**	2,014	(0.1)pts	**5.8 %**	5.9 %	64 %	**1,016**	618	1.1 pts	**2.9 %**	1.8 %
Over 50	3 %	**914**	884	(0.1)pts	**3.8 %**	3.9 %	33 %	**607**	455	0.5 pts	**2.5 %**	2.0 %
Total	3 %	**5,302**	5,144	(0.2)pts	**7.2 %**	7.4 %	44 %	**2,114**	1,468	0.8 pts	**2.9 %**	2.1 %

Total number of leavers and turnover rate by employee category

	Voluntary leavers			Voluntary attrition rate			Non-voluntary leavers			Non-voluntary attrition rate		
Metric	vly	2024	2023	vly	2024	2023	vly	2024	2023	vly	2024	2023
Airport operations	16 %	**1,358**	1,168	1 pt	**8.1 %**	7.1 %	190 %	**1,442**	498	5.6 pts	**8.6 %**	3.0 %
Cabin crew	(20)%	**1,218**	1,523	(1.5)pts	**5.0 %**	6.5 %	(4)%	**294**	306	(0.1)pts	**1.2 %**	1.3 %
Corporate functions	24 %	**2,229**	1,803	1.5 pts	**13.5 %**	12.0 %	(54)%	**248**	534	(2.1)pts	**1.5 %**	3.6 %
Maintenance	(37)%	**287**	452	(2.7)pts	**3.9 %**	6.6 %	7 %	**47**	44	(0.1)pts	**0.6 %**	0.7 %
Pilots	6 %	**210**	198	0.0 pts	**2.5 %**	2.5 %	(3)%	**83**	86	(0.1)pts	**1.0 %**	1.1 %
Total	3 %	**5,302**	5,144	(0.2)pts	**7.2 %**	7.4 %	44 %	**2,114**	1,468	0.8 pts	**2.9 %**	2.1 %

Description
The number of leavers includes employees who leave voluntarily or due to dismissal, retirement or death in service. Voluntary attrition occurs when employees choose to leave (e.g. resignation, retirement, voluntary redundancy) and non-voluntary attrition occurs when employees leave for reasons other than a personal decision (e.g. compulsory redundancy, dismissal), excluding employees on temporary contracts. The attrition rate is based on the number of leavers as a percentage of the average number of Group employees in the year.

Commentary
There were 7,416 leavers and an overall attrition rate of 10.1% in 2024, of which 5,302 (7.2%) were voluntary leavers and 2,114 (2.9%) were non-voluntary leavers.

The 0.8% increase in non-voluntary leavers is driven by a 5.6% rise in airport operations. This is due to TUPE transfers of employees to other operators following the outcome of AENA licence tenders to provide handling services to third parties at Spanish airports.

The increase in non-voluntary leavers was higher for men compared to women, largely due to the workforce distribution in ground handling roles.

Total number of employees by contract type (full-time/part-time) and by gender

	Full-time contracts			Part-time contracts		
Metric	vly	**2024**	2023	vly	**2024**	2023
Men	(2)%	**32,193**	32,936	31 %	**9,221**	7,051
Women	(5)%	**20,569**	21,733	23 %	**12,395**	10,074
Total	(3)%	**52,762**	54,669	26 %	**21,616**	17,125

Total number of employees by contract type (full-time/part-time) and by region/country

	Full-time contracts			Part-time contracts		
Metric	vly	**2024**	2023	vly	**2024**	2023
Europe	(4)%	**49,018**	51,306	28 %	**21,013**	16,442
United Kingdom	– %	**26,874**	26,899	17 %	**12,444**	10,601
Spain	(13)%	**16,520**	18,987	58 %	**7,510**	4,756
Ireland	5 %	**4,400**	4,202	(4)%	**923**	957
Rest of Europe	– %	**1,224**	1,218	6 %	**136**	128
Africa, Middle East and South Asia	13 %	**2,708**	2,402	(2)%	**123**	125
North America	11 %	**602**	540	(16)%	**343**	410
Latin America and Caribbean	5 %	**244**	232	(9)%	**84**	92
Asia Pacific	1 %	**190**	189	(5)%	**53**	56
Total	(3)%	**52,762**	54,669	26 %	**21,616**	17,125

Description
Composition is a breakdown of headcount as at 31 December 2024. Full-time employees are defined as those working full contractual hours as at 31 December 2024.

Commentary
In 2024, there was a 26% increase in part-time contracts, particularly in Spain. This reflects a change in SOUTH, with the majority of discontinuous contracts being converted to permanent part-time roles. The growth of full-time contracts in Africa, Middle East and South Asia is largely driven by the expansion of our global customer contact centres in India.

Working hours
Time worked and holidays are different in each operating company as per the respective collective bargaining agreements and local working-time directives.

S1-8 – Collective bargaining coverage and social dialogue

Distribution of employees covered by collective bargaining agreements and social dialogue

	Collective bargaining coverage		Social dialogue
Coverage rate	Employees – EEA (for countries with >50 employees representing >10% total employees)	Employees – Non-EEA (estimate for regions with >50 employees representing >10% total employees)	Workplace representation (EEA only) (for countries with >50 employees representing >10% total employees)
0-19%	–	–	–
20-39%	–	–	–
40-59%	–	–	–
60-79%	–	–	–
80-100%	Spain	United Kingdom	Spain

Description
Collective bargaining can cover a wide array of issues pertaining to working conditions, including remuneration, working time, benefits and occupational safety and health. The coverage rate shown here refers to the proportion of employees who are covered by one or more collective agreements. It is calculated using headcount at the end of the reporting period.

Commentary
85% of our employees are covered by collective bargaining agreements, including 88% of employees in the UK, 95% of employees in Spain and 81% of employees in Ireland. Collective bargaining coverage rates have remained relatively stable in these core markets.

In 2017, IAG and employee representatives signed an EWC agreement, governed by Spanish law. The purpose of the EWC is to facilitate dialogue between employees and management on transnational European matters.

S1-9 – Diversity metrics
Total number and distribution of senior leaders by gender

	Headcount			Headcount (%)		
Metric	vly	**2024**	2023	vly	**2024**	2023
Men	5 %	**150**	143	– pts	**64 %**	64 %
Women	4 %	**85**	82	– pts	**36 %**	36 %
Total	4 %	**235**	225	– pts	**100 %**	100 %

Total number and distribution of IAG Management Committee and direct reports by gender

	Headcount			Headcount (%)		
Metric	vly	**2024**	2023	vly	**2024**	2023
Men	19 %	**63**	53	3 pts	**73 %**	70 %
Women	– %	**23**	23	(3)pts	**27 %**	30 %
Total	13 %	**86**	76	– pts	**100 %**	100 %

Description
We define senior leaders as IAG grades 0, 1 and 2 or equivalent across the Group, including senior executives (direct reports to IAG's CEO). We also track the total number and distribution by gender for our IAG Management Committee members and their direct reports. All numbers are as at 31 December 2024.

Commentary
Senior leader numbers at IAG grades 0-2 have remained stable in 2024, with balanced growth rates for both men and women, accounting for attrition and new hires. IAG remains committed to our gender diversity ambition of 40% women in senior roles by 2025, having seen an increase of 6% since 2020. We continue to take an open approach to vacancies, enabling applications from across IAG and externally, and using each opportunity to attract diverse talent.

In 2024, there was a slight reduction in representation of women in the IAG Management Committee and their direct reports. The numbers reflect diversity at a specific point in time, and each year we experience approximately 20% change in the composition of our senior leadership roles through promotions, role changes and new hires.

Total number and distribution of employees by age

	Headcount			Headcount (%)		
Metric	vly	**2024**	2023	vly	**2024**	2023
Under 30	5 %	**15,310**	14,560	1 pt	**21 %**	20 %
30-50	2 %	**35,375**	34,735	– pt	**48 %**	48 %
Over 50	5 %	**23,693**	22,493	1 pt	**32 %**	31 %
Total	4 %	**74,378**	71,794[1]	– pts	**100 %**	100 %

Description
The share of headcount across the Group by age (under 30, 30-50 and over 50) on 31 December 2024.

Commentary
The workforce distribution by age group remained broadly consistent in 2024. There was a small increase in under 30 and over 50 populations, largely driven by the restructuring of ground handling in Spain.

S1-10 – Adequate wages
At IAG, we are committed to ensuring that all our employees receive an adequate wage in line with applicable regulations, with over 85% of colleagues covered by collective agreements that ensure pay rates are competitive and sustainable. Remuneration includes both fixed and variable elements, as is common in our sector, and reflects the dynamic and varied working patterns on the ground and in the air. Colleagues are also eligible for a range of attractive benefits making calculations of remuneration understandably complex. Operating companies have controls in place to consolidate and review all elements of remuneration in the context of the Minimum Wage legislation and take appropriate action as necessary.

[1] Six employees are omitted due to missing date-of-birth information

S1-12 – Persons with disabilities

Total number and distribution of employees with a disability, by gender

	Headcount			Headcount (%)		
Metric	vly	**2024**	2023	vly	**2024**	2023
Men	1 %	**522**	518	(0.04)pts	**1.26 %**	1.30 %
Women	1 %	**398**	396	(0.04)pts	**1.21 %**	1.25 %
Total	1 %	**920**	914	(0.03)pts	**1.24 %**	1.27 %

Description

Employees with disabilities as a percentage of headcount at the end of the year. Collecting disability information on employees is not a legal requirement in the UK or Ireland, unlike in Spain. Disabilities within scope are those which are medically certified in Spain but self-declared in all other jurisdictions.

Commentary

The percentage of employees with a disability remained relatively consistent in 2024. The majority are either based in the UK or have a declared medically diagnosed disability in Spain.

S1-14 – Health and safety metrics

All employees across IAG are covered by comprehensive health and safety management systems, ensuring their wellbeing and compliance with legal requirements and recognised standards.

Workplace fatalities

	Number of instances	
Metric	**2024**	2023
Cabin crew	**–**	–
Pilots	**–**	–
Airport operations	**–**	–
Corporate functions	**1**	–
Maintenance	**–**	–
Total	**1**	–

Lost time injuries (LTI)

	Workplace accidents			LTI severity rate			LTI frequency rate		
Metric	vly	**2024**	2023	vly	**2024**	2023	vly	**2024**	2023
Airport operations	12 %	**902**	805	8 %	**31.2**	28.9	5 %	**7.0**	6.7
Cabin crew	17 %	**894**	763	(9)%	**10.9**	12.0	17 %	**6.1**	5.3
Corporate functions	60 %	**141**	88	9 %	**14.7**	13.5	44 %	**1.0**	0.7
Maintenance	(20)%	**100**	125	(17)%	**19.5**	23.6	(26)%	**1.7**	2.3
Pilots	4 %	**76**	73	(51)%	**8.2**	16.6	2 %	**1.3**	1.3
Total	14 %	**2,113**	1,854	(1)%	**20.1**	20.4	8 %	**4.0**	3.7

	Workplace accidents			LTI severity rate			LTI frequency rate		
Metric	vly	**2024**	2023	vly	**2024**	2023	vly	**2024**	2023
Men	7 %	**1,108**	1,035	– %	**23.1**	23.1	1 %	**3.5**	3.5
Women	23 %	**1,005**	819	(1)%	**16.8**	17.0	16 %	**4.6**	4.0
Total	14 %	**2,113**	1,854	(1)%	**20.1**	20.4	8 %	**4.0**	3.7

Occupational illness

	Number of instances		
Metric	vly	**2024**	2023
Men	375 %	**19**	4
Women	(29)%	**5**	7
Total	118 %	**24**	11

Absenteeism

	Hours absent			Absenteeism rate		
Metric	vly	**2024**	2023	vly	**2024**	2023
Airport operations	17 %	**2,466,647**	2,110,641	1.5 pts	**9.7 %**	8.2 %
Cabin crew	2 %	**2,084,521**	2,044,707	(0.2)pts	**6.5 %**	6.7 %
Corporate functions	18 %	**820,652**	696,983	0.2 pts	**2.9 %**	2.7 %
Maintenance	6 %	**558,418**	528,581	(0.1)pts	**4.4 %**	4.5 %
Pilots	– %	**617,843**	618,387	(0.2)pts	**5.0 %**	5.2 %
Total	9 %	**6,548,081**	5,999,299	0.2 pts	**5.9 %**	5.7 %

There was one recorded fatality in 2024, related to a road traffic incident in Spain during a commute to work. Under Spanish law, accidents that occur while travelling to or from the workplace are considered workplace accidents.

In 2024, there were 8,196 workplace accidents (a rate of 77 workplace accidents per one million hours worked). This includes 2,113 workplace accidents that resulted in lost working time.

The lost-time injury (LTI) frequency rate increased from 3.7 in 2023 to 4.0 in 2024, including a 17% increase amongst cabin crew. This increase is due to a stronger focus on reporting culture and greater use of health and safety management systems, especially for 'in the air' incidents. While the LTI frequency has increased, LTI severity has decreased. This means that although there were more incidents, their impact in terms of time off work was less severe. The increase in LTI frequency is higher amongst women, reflecting the workforce distribution of cabin crew. The 44% increase in the LTI frequency rate amongst corporate employees is skewed by low numbers and remains the lowest area for LTIs, with a frequency rate of just 1.0.

Occupational illnesses increased in 2024. However, the majority of these cases involved injuries or diseases that did not result in disabling effects for the individuals affected. The overall numbers remain below historic norms.

Absenteeism increased slightly in 2024 compared to 2023, driven mostly by airport operations. Our focus remains on creating a supportive work environment that promotes attendance and productivity while ensuring the health and safety of all employees. Cabin crew may have higher absence reporting rates due to the requirements of their role regarding fitness to operate.

Description and methodology

Metric	Description	Formula for calculation
LTI severity rate	This measures the impact of occupational accidents as reflected in time off work by the affected workers.	(Working days lost)/(Number of LTIs)
LTI frequency rate	An LTI is a non-fatal injury arising out of, or during work, which leads to a loss of productive work time. The unit of measurement is LTI's per 200,000 hours worked, using actual hours worked.	((Number of LTIs)/(Hours worked)) x 200,000
Hours absent	For the purpose of this metric, only unplanned or unauthorised absences – which means employees missing partial or whole days of work – are included. Examples in scope are short-term and long-term sickness, time off due to injuries, and no-shows, absences without leave or permission.	Sum (hours absent)
Absenteeism rate	The absenteeism rate is calculated as total employee absences divided by total scheduled hours in the reporting period, expressed as a percentage. In general, most Group companies record absence in hours. Where days are recorded (mostly in Pilots and Cabin Crew category), days are converted to hours at a rate of 7.5 hours per day (Group average full day).	(Number of hours absent)/ (Number of hours scheduled)
Occupational illness	An occupational illness is a medical condition or disease that develops gradually over time as a result of work performed and/or exposure to risk factors in the workplace. The illness must be confirmed by a medical diagnosis. Occupational illnesses in scope for the UK follow Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDOR) standards and can be found on the Health and Safety Executive's (HSE) website. Occupational illnesses in scope for Spain are published in Royal Decree 1299/2006.	Number of occupational illnesses medically diagnosed
Fatalities	Work-related fatalities linked to an occupational illness or disease. To align with GRI guidance, fatalities as a result of commuting accidents are only included in cases where the transport has been organised by the business, such as via a company or contracted bus or vehicle. The exception is employees in Spain, where inclusion of these types of fatalities is a legal requirement.	Number of work-related fatalities

S1-16 – Remuneration metrics (pay gap and total remuneration)

Average remuneration by gender, age and job category – salary gap

		Overall				Men				Women				Salary gap			
	Category	vly	**2024**	2023	2022	vly	**2024**	2023	2022	vly	**2024**	2023	2022	vly	**2024**	2023	2022
	Senior executives	5 %	**336,912**	320,673	302,680	2 %	**360,892**	355,000	312,718	2 %	**306,466**	300,428	287,080	(0.3)pts	**15.1 %**	15.4 %	8.2 %
	Other management	1 %	**236,986**	235,208	230,720	6 %	**268,092**	252,103	252,394	(2)%	**121,365**	123,466	124,979	3.7 pts	**54.7 %**	51.0 %	50.5 %
	All other employees	6 %	**56,639**	53,310	51,944	6 %	**56,512**	53,344	53,465	7 %	**56,813**	53,269	50,327	(0.7)pts	**(0.5)%**	0.1 %	5.9 %
Seniority	Total workforce	6 %	**59,863**	56,703	55,701	3 %	**61,394**	59,419	59,344	7 %	**58,242**	54,428	51,600	(3.3)pts	**5.1 %**	8.4 %	13.0 %
	<30	9 %	**42,985**	39,547	41,485	10 %	**41,790**	37,911	41,530	8 %	**44,119**	40,945	41,465	2.4 pts	**(5.6)%**	(8.0)%	0.2 %
	30-50	4 %	**59,593**	57,495	56,688	2 %	**61,756**	60,571	60,248	6 %	**57,508**	54,481	53,345	(3.2)pts	**6.9 %**	10.1 %	11.5 %
	>50	1 %	**69,777**	68,770	67,447	– %	**72,015**	71,675	72,584	2 %	**67,840**	66,271	62,636	(1.7)pts	**5.8 %**	7.5 %	13.7 %
Age group	Total workforce	6 %	**59,863**	56,703	55,701	3 %	**61,394**	59,419	59,344	7 %	**58,242**	54,428	51,600	(3.3)pts	**5.1 %**	8.4 %	13.0 %

The difference between the gender pay gap and pay equity

The gender pay gap is a measure based on average pay across an organisation. It does not account for the different roles that people occupy.

Pay equity is the principle that people doing the same work should receive the same pay, allowing for legitimate differences such as tenure, performance and experience.

It is possible for an organisation that pays its employees fairly and equitably in different roles to still have a gender pay gap. The existence of a gender pay gap does not necessarily indicate a problem with pay equity.

IAG has strong pay equity principles in place, ensuring that our male and female employees are paid equitably for the work they do, based on experience, performance, and other relevant factors.

Description

Remuneration data is presented at the median for gender, age and seniority population groupings. The reported components of remuneration continue to include basic salary, shift pay, allowances, employer pension contributions, taxable benefits and annual incentives, providing a clear view of overall total remuneration.

During 2024, the presentation of remuneration values and the population included continued unchanged, as follows:

- All values are calculated on an hourly rate and shown on an annualised basis;
- All values are shown on a full-time-equivalent basis;
- Values are only reported for time worked. Remuneration received for not working is excluded from reported values;
- To ensure consistency, 2022 and 2023 non-euro remuneration has been restated using 2024 exchange rates;
- The reported salary gap for each population continues to represent the difference between men's and women's median remuneration, expressed as a percentage of men's remuneration; and
- Regarding seniority population groupings, 'Senior executives' includes Group Management Committee members, operating company management committee members, directors and other senior/executive positions. 'Other management' includes all other management roles, including pilots at the captain seniority level. The 'All other employees' grouping includes all other roles across the group, including the majority of pilots and cabin crew.

Commentary

Within IAG's operating model, operating companies are responsible for reward frameworks and terms and conditions, aligned to local markets and roles to ensure they remain sustainable and competitive in attracting the best talent. The majority (85%) of employees are covered by collective bargaining agreements. Senior leader remuneration balances fixed pay with variable pay and long-term incentives to align leadership compensation with performance and achievement of long-term strategic goals. Senior leader remuneration decisions take into account performance, market competitiveness and broader workforce experience.

Salary gap analysis

In 2024, as the Group continued to expand its workforce, particularly in customer service, airport supervisory and other corporate roles, the composition of the workforce evolved, resulting in changes to the median pay point for both men and women compared to 2023.

The result is that at Group level, there has been a year-on-year reduction in the median salary gap from 8.4% in 2023 to 5.1% in 2024, and from 32.6% to 26.6% for the mean salary gap.

Pilot pay remains the most significant driver of the gender pay gap, reflecting both the lower numbers of female pilots and the impact of seniority. The gender pay gap in the 'other management' category is driven by the inclusion of pilots at the captain seniority level within that group. Each airline is working to increase the diversity of its pilot populations through talent attraction and recruitment practices, as well as school engagement and outreach programmes. In 2024, over 230 cadet pilot training positions were opened across Aer Lingus, British Airways and Iberia. All provide financial support, removing barriers to entry and making the opportunity to become a pilot more accessible.

In 2022, we set a Group-wide ambition for 40% of our senior leadership roles to be held by women by 2025. The gender diversity of our senior leadership is at 36%, a 6% increase since 2020. We remain committed to achieving our 40% ambition.

Operating companies and businesses review people processes to ensure they are inclusive and free from bias. Recruitment and selection decisions are open, transparent and fair, seeking applications from underrepresented groups.

Further details on the steps that IAG is taking to promote diversity and inclusion across the Group are set out in the Equity, Diversity and Inclusion section of this Sustainability statement.

Board and Management Committee remuneration

Description:

Average remuneration of Board members and Management Committee, including variable remuneration, allowances, professional indemnity, contributions to pension and welfare systems and any other aspects of the remuneration, broken down by gender.

	vly	**2024**	2023	2022	2021	2020	2019
Board							
Men	12 %	**745,467**	668,333	836,667	510,167	407,326	638,010
Women	7 %	**151,000**	141,400	138,000	114,600	109,798	133,799
Management Committee							
Overall	16 %	**1,677,819**	1,451,375	1,523,328	1,287,780	653,403	1,012,671

Description

- The components of remuneration include:
  - Executive directors: Basic salary, taxable benefits (company car and private health insurance), employer pension contributions, annual incentives paid in the reporting period and long-term incentives vesting in the reporting period, and personal accident and life insurance.
  - Non-executive directors: All fees (Board, Chair, committee membership, etc) and (taxable) personal travel benefits.
- Using the methodology established in 2020, only directors or Management Committee members who were in service for the full year reporting period are included in the year-on-year comparison.
- As per previous years, the remuneration of the IAG CEO is omitted from Management Committee remuneration reporting on the basis it is already reported as part of Board director remuneration.
- These figures are derived from the methodology used in the Remuneration Report filed with the Spanish National Securities Market Commission (CNMV).

Explanation for Board remuneration

The higher level of average remuneration paid to male directors compared to female directors is a direct consequence of male incumbents holding the higher remunerated CEO and Chairman roles. Where male and female non-executive directors perform the same responsibilities, the level of remuneration paid is equivalent in line with the Group's standardised non-executive director fee framework.

In 2024 and 2023 the remuneration of 10 non-executive directors and the IAG CEO is included, with the same split of six male and five female.

The key factors influencing the increased remuneration for directors, are:

- The increase in IAG CEO remuneration from 2023 to 2024, driven by following factors:
  - The exercise of nil-cost options from historical 2015, 2016 and 2017 Performance Share Plan awards; and
  - Payment of approved 2024 annual incentive award.
- Non-executive directors fees remained unchanged in 2024. However, the additional fee for chairing a Board Committee increased from 1 January 2024 for the Chairs of the Audit and Compliance Committee and the Remuneration Committee.
- There was an increase in the take-up of personal flight benefits.
- More generally, female director remuneration is less volatile as there are no female executive directors.

Further detail of Board remuneration is set out in the 'Director's Remuneration report' within this Annual Report.

Explanation for Management Committee remuneration

Both the components of remuneration and the opportunity associated with those components for Management Committee members remained unchanged from 2023 to 2024. The increase in average Management Committee member remuneration in 2024 was driven by factors such as:

- Changes in Management Committee membership between 2023 and 2024: In 2024, there were 10 Management Committee members, seven male and three female. For comparison, last year's data set comprised nine Management Committee members, six male and three female. No gender breakout is shown for confidentiality reasons, given the female data set relates to only three employees.
- The release from the holding period of historical 2019 share awards;
- Payment of the approved 2024 Annual Incentive Award; and
- The vesting in 2024 of the first award resulting from the change in long-term incentive approach to a Restricted Share Plan (RSP).

The IAG Remuneration Committee's terms of reference state that the Committee oversees the general application of the Remuneration Policy for the Management Committee.

Annual total remuneration ratio

The annual total remuneration ratio compares the highest-paid individual's total annual remuneration to the median total annual remuneration for all employees (excluding the highest-paid individual). The following table sets out IAG's CEO pay ratio figures for 2024:

Year	CEO single figure (€'000)	Median pay ratio
2024	5,512	92:1

The information in this table follows the Corporate Sustainability Reporting Directive (CSRD) methodology. The CEO pay ratio shown in the Remuneration Report within the Corporate Governance section reflects the UK methodology.

S1-17 – Incidents, complaints and severe human rights impacts

Discrimination and human rights

At IAG, we are committed to promoting a discrimination-free work environment where all individuals are treated with dignity and respect, regardless of age, sex, disability, race, religion/belief, marital/civil partnership status, pregnancy and maternity, sexual orientation, gender or any other protected characteristics. Our core principles of fair and equal treatment, non-discrimination and respect for human rights are central to the IAG Code of Conduct, which applies to all employees and directors across the Group.

We closely monitor incidents and take appropriate action. In 2024, there were 97 complaints of discrimination filed through formal channels for people employed across the Group, that are either under investigation or found to be unsubstantiated. Additionally, there were 23 incidents of discrimination that were found to be substantiated. Where applicable, we take appropriate action to address issues identified, which may include disciplinary action.

In 2024, we paid a total of £45,000 in fines, penalties, and/or compensation related to incidents of discrimination. This amount pertains to a settlement for an incident that occurred in a previous reporting year. This year, we incurred no fines, penalties, or compensation costs for incidents that took place in 2024.

There were no reported incidents of severe human rights breaches connected with IAG's own workforce, nor any associated fines, penalties or compensation in 2024.

Additional social disclosures required by Spanish Law 11/2018

Relevant standards: GRI-404-1

S1-13 – Training and skills development metrics

Training by gender

	Training hours completed			% of employees trained			Average training hours		
Metric	vly	**2024**	2023	vly	**2024**	2023	vly	**2024**	2023
Men	22 %	**1,968,547**	1,616,617	(4)pts	**90 %**	94 %	37 %	**53.8**	39.3
Women	5 %	**1,677,638**	1,602,474	(1)pt	**90 %**	92 %	13 %	**62.6**	55.2
Total	13 %	**3,646,185**	3,219,091	(3)pts	**90 %**	93 %	26 %	**57.5**	45.8

Training by employee category

	Training hours completed			% of employees trained			Average training hours		
Metric	vly	**2024**	2023	vly	**2024**	2023	vly	**2024**	2023
Airport operations	(10)%	**568,156**	633,796	(13)pts	**81 %**	94 %	16 %	**46.4**	39.9
Cabin crew	– %	**1,579,609**	1,574,677	1 pt	**94 %**	93 %	4 %	**76.4**	73.2
Corporate functions	77 %	**757,217**	427,455	3 pts	**94 %**	90 %	93 %	**48.7**	25.2
Maintenance	31 %	**371,101**	284,176	2 pts	**98 %**	96 %	31 %	**52.5**	40.2
Pilots	24 %	**370,102**	298,987	– pts	**97 %**	98 %	38 %	**46.9**	33.9
Total	13 %	**3,646,185**	3,219,091	(3)pts	**90 %**	93 %	26 %	**57.5**	45.8

Description

All mandatory and non-mandatory training is in scope and covers an array of topics, such as human rights, anti-corruption, flight simulators, and e-learning courses. The percentage of employees trained refers to the proportion of employees who completed training within the reporting period. Average training hours are calculated based on the total training hours completed per average headcount, pro-rated to full-time equivalent (FTE).

Commentary

In 2024, we saw a 13% overall increase in training hours completed, outpacing our overall headcount growth. The 3% reduction in the percentage of employees trained is primarily due to high turnover and new joiners in airport operations. However, average training hours have increased by 26%, particularly in corporate functions, including leadership development programmes.

ESRS S2 Workers in the value chain

SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

Topic	Name	Impact, risk or opportunity	Description	Location
Ⓢ **Business conduct**				
Ethical business and regulatory compliance	Protection of whistleblowers	Negative impact	Without protection for whistleblowers, the likelihood that employees come forward with reports of unethical or illegal behaviour is severely decreased. This could lead to poorer detection of and reduced prevention of corporate misconduct. This could lead to legal and reputational consequences for suppliers and IAG.	Upstream and own operations
Modern slavery and human trafficking	Modern slavery and human trafficking	Negative impact	Violating human rights, particularly through cases of human trafficking and modern slavery, has profound and far-reaching effects on the individuals, communities and society.	Upstream and own operations
Responsible supply chain	Assurance of ethical practices of suppliers	Negative impact	External audits entail reviewing labour conditions and environmental practices, among other things, which ensures that suppliers operate ethically and responsibly. Failure to do so carries reputational risks to IAG.	Upstream
	Unfavourable working conditions in the supply chain	Negative impact	The violation of the Third Party Code of Conduct regarding people and workplace standards results in significant negative impacts. This includes breaches in areas such as health, safety and security protocols and employment practices. Unfavourable working conditions can reduce productivity and negatively impact IAG's goods and services. It also presents a reputational risk to the Group.	Upstream
	Disparities in treatment and opportunities among supplier workers	Negative impact	Disparities in treatment and opportunities among suppliers extend to various dimensions, including gender, training and development, diversity, and inclusion of persons with disabilities. This could negatively impact the goods and services received by IAG.	Upstream
	Violation of human rights standards within supply chains	Negative impact	The violation of human rights standards within supply chains refers to instances where suppliers fail to uphold fundamental human rights principles such as child or forced labour. This presents a reputational and legal risk to IAG.	Upstream

Negative impact

Overview

The Stakeholder Engagement section of this Annual Report and 'SBM-2 Interests and the views of stakeholders' section of this Sustainability statement describe the steps IAG takes to identify and manage material impacts relating to workers in the value chain as presented in our double materiality assessment. The majority of these impacts exist upstream of IAG operations, in sectors as listed per the scope of our value chain in section 'BP-1 General basis for preparation of this Sustainability statement'.

To address material issues in its supply chain, IAG implements a proactive risk management approach, identifying high-risk regions and industries where such impacts are more likely to occur. From work completed by the IAG GBS Supply Chain Sustainability Programme, more prevalent negative risks have been identified in areas such as uniforms, catering, hotels and onboard products. This information has guided IAG's engagement with these supplier categories to better understand their labour and that of their supply chains. The programme aims to deliver closer cooperation with these key stakeholders to mitigate the material impacts identified, and aims to identify opportunities which could deliver reciprocal benefits for IAG, including long-term working relationships, centred on clear and proactive contract management, shared goals and mutual brand association.

IAG is also conducting a third-party review to improve our analysis and assessment of supply chain labour standards. Under the terms of reference for this review, we will aim to deliver an overview of the sustainability risk domain and activities regarding prospective suppliers, suitable means of engaging suppliers such as questionnaire approaches, red-lines and mitigation measures to ensure that IAG's sustainability commitments are not compromised, and identifying policies, procedures and other methods for the operationalisation of sustainability measures for current third parties. IAG is also developing remediation guidelines for approval by the SECR Committee in 2025 that capture current practices of IAG's procurement team if concerns are raised.

Unfavourable working conditions in the value chain

Our approach and policies

IAG places a strong emphasis on its position and responsibilities to workers in the value and supply chain.

The IAG Third Party Code of Conduct requires suppliers to apply ethical and legal standards to their employees and subcontractors. IAG also requires a 'sustainability clause' in its contracts with suppliers to ensure that the principles of the Third Party Code of Conduct are adhered to by the supplier.

Actions, metrics and targets

IAG's actions towards mitigating negative impacts of unfavourable working conditions in the value chain include:

- IAG conducts supplier assessments, surveys and audits (e.g. through working with SEDEX) focusing on worker conditions, compliance with labour laws and human rights practices. In 2024, IAG GBS obtained and analysed 109 ESG audits, up from 38 audits obtained in 2023.
- IAG collaborates with third-party organisations specialising in worker engagement and human rights including regulatory authorities and charities.
- IAG is committed to providing accessible channels for concerns to be raised and to ensuring remediation of any negative impacts identified. The Group maintains a whistleblowing mechanism.
- In 2024, IAG continues to strengthen its due diligence practices, developing a targeted approach for suppliers operating in high-risk areas/industries.

EcoVadis

IAG monitors and evaluates outcomes through KPIs, such as the number of suppliers audited and number of EcoVadis scorecards completed. Results are reviewed annually to refine the Group's strategy and ensure continuous improvement.

In 2024, IAG GBS's focus was the quality of engagement with key suppliers through obtaining EcoVadis scorecards covering 79% of IAG's total spend. In 2025, IAG GBS will continue engaging with suppliers based on their EcoVadis scores to improve their sustainability performance.

Through the EcoVadis platform, IAG works with suppliers to investigate any reported issues and implement Corrective Action Plans when necessary. In cases where violations of human rights, such as forced labour or unsafe working conditions, are identified, IAG collaborates with suppliers to ensure these issues are resolved or, if necessary, terminates the relationship with non-compliant parties.

Violation of human rights standards within supply chains

Our approach and policies

IAG recognises that failure to address human rights violations, including modern slavery and human trafficking within its supply chains, could lead to significant legal, social and reputational consequences. Such violations directly impact the victim and their families and could also result in financial penalties, compliance challenges, social harm, business interruptions and damage to IAG's reputation.

The IAG Third Party Code of Conduct expressly prohibits the use of child labour and any form of slave, bonded, forced or involuntary prison labour, and human trafficking or exploitation. IAG also implemented a stand-alone human rights policy in 2024, alongside the existing Code of Conduct and Third Party Code of Conduct.

Modern slavery and human trafficking

Human trafficking is a particular risk in the aviation industry and its value chains. We transport millions of passengers every year and work closely with the authorities where any trafficking on our flights is suspected.

IAG supports the 2018 IATA resolution denouncing human trafficking and the ICAO Guidelines for Reporting Trafficking in Persons by Flight and Cabin Crew, and has actively contributed to the ICAO Ad Hoc Working Group on Combatting Trafficking in Supply Chain (AHWG-TSP), an international, joint industry-regulatory group providing advice to ICAO assisting in the development of guidance material on combating trafficking in persons in an air operator's supply chain.

IAG will take swift and robust action if any evidence relating to slavery or human trafficking in our business supply chain is identified. Operating airlines train staff to recognise and respond to the signs of potential human trafficking situations and provide procedures for reporting where any cases are suspected.

In 2024, 26 suspected incidents of trafficking were reported by our employees. All suspected incidents were reported to the relevant authorities.

Actions, metrics and targets

IAG has developed several workstreams to improve the Group's understanding and identification of potential human rights violations in the value chain, including actions to address the potential impacts of modern slavery and human trafficking as described above.

IAG updated its Modern Slavery and Human Trafficking Statement and the Modern Slavery Registry in 2024. The IAG Group Slavery and Human Trafficking Statement is available on the IAG website and complies with section 54, part 5 of the UK Modern Slavery Act 2015 and Section 11(4)(b)(ii) of the Fighting Against Forced Labour and Child Labour in Supply Chains Act 2023.

IAG also provides training to its employees and high-risk suppliers to help them recognise signs of human trafficking and other human rights violations. The training includes guidelines and reporting processes.

IAG will be issuing more corrective action plans for the 109 audit reports it has received in 2024 as necessary. IAG reviews the methodology for obtaining and scheduling ESG audits of its suppliers using country and category risks to improve mapping of potentially high-risk suppliers in the value chain.

Disparities in the treatment of and opportunities for value chain workers

Our approach and policies

IAG is committed to promoting fair treatment for all workers in its supply chain. The Third Party Code of Conduct requires suppliers to ensure non-discrimination, equal opportunities and respect for diversity in their employment practices.

Suppliers must comply with all applicable labour laws and regulations, including those related to wages, working hours and fair treatment.

Actions, metrics and targets

For more information regarding our engagement with supply chain stakeholders on the material impacts identified by IAG's double materiality assessment, please refer to the Stakeholder engagement section of this Annual Report.

Metric	vly	2024	2023
Total number of suppliers	9 %	**17,500**	15,998
Supplier screened for sanctions and financial risks	9 %	**17,500**	15,998
Suppliers with additional compliance assessments	(42)%	**232**	400
Critical suppliers under regular financial risk monitoring	(37)%	**12**	19
Independent ESG audits received*	187 %	**109**	38
Total number of EcoVadis scorecards	5 %	**597**	568

*Independent ESG audits received in 2024 comprise of 56 audits received in 2024, 52 valid audits received from 2023, and 1 audit from 2022.

ESRS S4 Consumers and end-users

SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

Topic	Name	Impact, risk or opportunity	Description	Location
Ⓢ **Social external**				
Customer experience	Connecting people, businesses and countries	i	Fostering global interactions between people, businesses and countries worldwide. By connecting diverse destinations across numerous countries, passenger and cargo airlines contribute to economic growth, cultural exchange and international cooperation.	Downstream
	Enhanced customer experience through new products and investments	i	New products and services developments generate a positive impact on customer experience leading to greater customer attraction and satisfaction.	Downstream
	Enhanced customer experience through loyalty programmes	i	Loyalty programmes enhance customer satisfaction by offering personalised rewards and unique experiences, which in turn strengthens their loyalty to the brand and fosters a more solid and enduring relationship.	Downstream
	Informed customer decisions	i	Giving customers access to more information in a clearer way allows them to make more confident decisions.	Downstream

i Positive impact

Overview

IAG's double materiality assessment focused on our customers, including recreational and business passengers, corporate customers, freight customers and customers who engage with Group airlines through their loyalty programmes. All customers who engage with IAG's products and services are covered by the positive impact materiality topics identified (outlined under SBM-3 above). Refer to the Stakeholder Engagement and Strategic section of this Annual Report for more details regarding the engagement and initiatives employed to address the material impacts identified relating to our customers.

Across the Group, initiatives to manage the material impacts identified above are implemented and managed by the Group's operating companies for the benefit of their customers.

Initiatives which concern customer engagement on environmental issues, including emission reductions, are reported into the ISN, SSG and the SECR Committee as required. The IAG CEO holds ultimate accountability for the day-to-day operations of the Group, including our transformation plan to deliver better customer experiences. This includes a customer satisfaction-related management incentive as set by the Board at the beginning of the year, following a recommendation by the Remuneration Committee. The KPI for this incentive is measured using the IAG NPS to gauge the loyalty and experience of the Group's customer relationships. It is calculated based on survey responses to the likelihood to recommend, by subtracting the percentage of customers who are 'Detractors' from the percentage of customers who are 'Promoters'. The weighting of each airline in the overall NPS score reflects the Group's areas of focus for 2024. Please refer to the report of the Remuneration Committee for more information.

Approach and policies

Our customers are central to the success of IAG. Customers choose us primarily for our extensive network and schedule and because they trust our brands. We fly from Europe to five continents. Through our wide range of partnerships, our customers benefit from an even larger global network covering most countries in the world.

Connecting people, businesses and countries

Reactivating our network has meant more opportunities for people and businesses to connect. This is important for IAG's performance but also has a positive impact on the economies in which we operate. Aviation boosts economies, supports jobs and develops supply chains globally.

Informing customer decisions

We aim to provide unrivalled customer propositions and a portfolio of world-class brands targeting specific demand spaces and travel occasions. Delivering outstanding customer experience at all levels of the business and all brands will give us a leading market position.

To do this, giving customers access to more information in a clearer way allows them to make more confident decisions. Examples of this include providing customers with information on our sustainability programme, and how Group airlines can support customers on their journey.

By effectively communicating its efforts to reduce emissions, IAG demonstrates its commitment to sustainability and environmental responsibility to customers, which can help build confidence among this stakeholder group to make more informed and confident decisions.

Enhanced customer experience through new products and investments

Investing in product enhancements to enrich the customer experience aligns with the brand propositions of IAG airlines, fostering greater customer attraction, satisfaction and loyalty among passengers.

Group airlines tailor these enhancements to meet specific customer needs. For example, Group airlines have catered to specific dietary preferences such as vegan menus, demonstrating our commitment to accommodating our customer needs and preferences.

Enhanced customer experience through loyalty programmes

The Group's airlines recognise our most loyal customers and offer loyalty programmes to enable customers to earn rewards on a broad range of items, when flying with our airlines and partners. Doing so creates value for both IAG and our customers and builds this relationship.

IAG Loyalty allows members of Avios-based loyalty programmes to collect and redeem Avios. Members can unlock rewards by redeeming Avios for flights, hotels, and additional products.

Actions, metrics and targets

Actions taken (in addition to those provided in the Strategic section of the Annual Report) include:

Connecting people, businesses and countries

In 2023 we commissioned a study with consultants PwC which analysed IAG's economic impact across the EU and UK for the first time. It took 2019 as the reference period (the last full year of flying before the pandemic). PwC found that IAG supports more than 600,000 jobs in the region directly and indirectly, contributing nearly €70 billion to the GDP of the EU and UK.

IAG also views work experience as a valuable way of supporting local employment, by engaging young people with IAG's operating companies and platform businesses, building their skills and preparing them for potential careers. Many of our operating companies offer programmes and initiatives which support this aim.

Informing customer decisions

IAG aims to provide clear communication on key sustainability issues such as emissions reductions through the development of emissions dashboards and the expansion of communication channels. This includes publication of sustainability reports at Group level and by some of our airlines. Group airlines also provide customers with information on their websites to support them during their journey, through services such as British Airways' 'Customer Commitment', Iberia's service commitment, Aer Lingus' experience and support webpages, Vueling's 'Helpful info' and Level's help centre webpage.

Through these channels, along with on-board magazines and airport lounge information desks, Group airlines offer customers the opportunity to learn more about our business and sustainability programme. Group airlines also offer customers to help make a difference by contributing towards climate projects including carbon removals and SAF, and community projects.

IAG operating companies, such as British Airways Holidays, are also setting targets to engage with their customers on sustainability initiatives - including one million customers on nature positive action by 2030, and providing guidance and recommendations on how to travel and take a holiday with lower negative impacts and higher positive impacts by 2025.

Using customer feedback

IAG airline customers are able to provide feedback and details of complaints in multiple ways, including via IAG airlines' websites, by mail, or by phoning customer contact centres. The types of customer complaints received vary significantly, but typically relate to delays and cancellations, baggage, journey experience, bookings and reservations.

To handle customer complaints, IAG airlines have dedicated customer relations teams who are specially trained to deliver excellent customer service and resolve issues quickly and in a satisfactory manner. Through their complaint systems, IAG airlines actively track and monitor resolution of customer complaints using metrics which include the time between a complaint being received and the first communication provided back to the customer, or the number of cases raised that have been successfully closed.

All IAG airlines also provide facilities for customers to exercise their rights to claim compensation under Regulation (EC) No. 261/2004 of the European Parliament and of the Council of 11 February 2004 establishing common rules on compensation and assistance to passengers in the event of denied boarding and of cancellation or long delay of flights. Customers are additionally able to use the IAG airlines' contact channels to submit claims for financial compensation relating to baggage incidents and other out–of–pocket expenses, which are assessed and resolved by IAG's customer relations teams.

Group airlines measure customer feedback using NPS and CSAT scores to inform business priorities during the business-planning stage and prioritise internal initiatives to drive customer satisfaction improvements. The Net Promoter Score (NPS) feedback helps guide business priorities during the business planning stage; contact centre KPIs assess our efficiency, effectiveness and quality of our customer interactions. Customer Satisfaction (CSAT) engagement rates a customers' experience on key touchpoints in their customer journey.

Metric	2024 target	**2024**
IAG NPS	28.6	**22.6**

Enhanced customer experience through new products and investments

The Group's operating companies continue to add new products to enhance our customer experience. For example, in 2024 British Airways Holidays engaged the group's car rental partner to progress transparent consumer communications on electric vehicle and hybrid car rental product labels, and separately introduced a new hotel search filter to enable customers to find properties that are actively progressing sustainability via industry recognised standards

Enhanced customer experience through loyalty programmes

In 2024, IAG Loyalty saw significant growth in customer engagement with our programmes. Customers earned 24% more Avios and redeemed 20% more than in 2023. We introduced new collection partners, making it easier for our members to earn Avios through everyday spending.

Customers can now spend their Avios to pay nearly 100% of the value of British Airways flights, and can link their Iberia Plus and Vueling Club accounts in a new digital wallet. IAG Loyalty also launched our first British Airways long-haul Avios-Only Flight and extended Avios-Only Flights to Iberia Plus and AerClub members.

IAG Loyalty, in partnership with British Airways, is also engaging customers on other material impacts relating to sustainability, announcing on 30 December that as of April 2025, British Airways Executive Club members will be able to earn up to 1,000 Tier Points per year when they contribute to SAF.

Governance

ESRS G1 Business conduct

SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

Topic	Name	Impact, risk or opportunity	Description	Location
Business conduct				
Ethical business and regulatory compliance	Protection of whistleblowers	Positive impact	If whistleblowers are safeguarded from retaliation, employees are more likely to come forward with reports of unethical or illegal behaviour, leading to the early detection and prevention of corporate misconduct.	Upstream and own operations
Responsible supply chain	Assurance of ethical practices of suppliers	Positive impact	External audits entail reviewing labour conditions and environmental practices, which ensures that suppliers operate ethically and responsibly.	Upstream
Corporate governance	Sustainability embedded into overall business strategy	Positive impact	The integration of sustainability practices, targets and goals into the company's overall business framework signals a commitment to long-term value creation and responsible business practices, aligning governance structures with sustainability goals.	Own operations
	Provision of internal sustainability governance bodies	Positive impact	The establishment of internal governance bodies within the company to oversee and ensure compliance with regulatory requirements, positively impacts a company by enhancing oversight, accountability and risk management related to sustainability issues.	Own operations
	Financial management incentives linked to carbon efficiency	Positive impact	IAG aligns sustainability goals with financial management incentives, encouraging innovation and investment in environmentally friendly practices.	Own operations

Positive impact   Negative impact

G1-1– Business conduct policies and corporate culture

At IAG our core principles include fair and equal treatment, non-discrimination, fairness and respect for human rights. These are central to our IAG Code of Conduct which applies to all employees and directors across the Group. Employees have access to comprehensive training and development opportunities, ensuring they are well versed in essential topics such as the Code of Conduct and compliance with competition laws.

Operating companies are responsible for their own supplementary employee policies and procedures, including appropriate reward frameworks aligned to local markets and roles, so they remain competitive in attracting the best talent. We have seen a wide selection of employee benefits and recognition schemes introduced in the operating companies.

For senior leader remuneration across our operating companies, we have deliberately focused on variable pay and long-term incentives, aligning leadership compensation with performance and long-term strategic goals to drive performance. We have taken a restrained approach to executive pay, remaining committed to fairness and competitiveness.

Our operating companies have focused on securing collective bargaining agreements with unions to ensure fair, competitive and sustainable pay – providing stability for our business and colleagues in challenging times. These arrangements are in place for 85% of the workforce.

IAG complies with International Labour Organization (ILO) conventions. These conventions cover fundamental principles and rights at work: freedom of association, the effective recognition of the right to collective bargaining, the elimination of all forms of forced or compulsory labour and the elimination of discrimination in respect of employment and occupation.

IAG operating companies have effective dialogue through employee forums and through trade unions where they are recognised. In addition, the IAG European Works Council (EWC) facilitates communication and consultation between employees and management on transnational European matters. The EWC includes representatives from the different EEA countries. It meets regularly throughout the year.

Each operating company continues to focus on engagement, listening to and acting on colleague feedback. In addition to specific initiatives to measure employee satisfaction, IAG runs a twice-yearly OHI survey to track our transformation and culture development, and to benchmark management practices and leaders against a global external framework. Alongside leadership support, each operating company has established teams to identify themes and incorporate these into broader people plans.

Finally, Board members carry out workforce engagement visits with colleagues across our operating companies – meeting a variety of employees and leaders in their work context to better understand the challenges and opportunities of the different businesses, employee issues and levels of engagement. This provides the Board with a balanced perspective of stakeholder views and supports broader decision-making.

Training and development

Each operating company is responsible for learning, development and talent management within its business and for ensuring its workforce has the necessary skills to support its strategy.

While training policies and programmes are implemented at the operating company and functional levels, all our businesses are required to run mandatory corporate training courses on topics such as the Code of Conduct, compliance with competition laws, anti-bribery and corruption compliance, and data privacy, security and protection.

Whistleblowing policy
IAG has in place a Group-wide whistleblowing policy and a consolidated whistleblowing channel provided by an independent third-party provider, where concerns can be raised on an anonymous and confidential basis. This channel is available to members of staff as well as suppliers, with information on how to access it published in IAG's Code of Conduct and Third Party Code of Conduct. If any employee has a concern about unethical behaviour or organisational integrity, they are encouraged to first speak with their manager or a member of the Legal, Compliance or Human Resource teams. Similarly, suppliers are encouraged to contact their primary contact within the business. Regardless, the whistleblowing channel is available for anyone who wishes to report a concern.

IAG does not tolerate any retaliation against individuals using the whistleblowing channel or contributing to investigations arising from reports to the whistleblowing channel or any other official complaint. Whistleblowing reports received for each operating company are triaged by the Compliance teams to direct them to the most appropriate area for investigation, maintaining independence in this investigation process.

The Code of Conduct and 'Speak Up' policy explicitly outline protections for whistleblowers, to ensure that individuals who report concerns in good faith are protected from retaliation.

The IAG Audit and Compliance Committee reviews the effectiveness of the external whistleblowing channel and internal relevant reporting channels on an annual basis. This annual review considers: the volume of reports by category; timeliness of follow-up; process and responsibility for follow-up; emerging themes and lessons; and any issues raised of significance to the financial statements or reputation of the Group or other areas of compliance.

During 2024, IAG received 399 reports through its 'Speak Up' platform. Each report was carefully assessed, and all relevant cases were investigated independently under the supervision of the Compliance Officers of each operating company, in line with IAG 'Speak Up' procedures.

	vly	**2024**	2023	2022	2021	2020
'Speak up' (whistleblower) reports	23 %	399	324	252	164	193

Refer to sections 'ESRS S1 - Own Workforce' and 'ESRS S2 - Workers in the Value Chain' of this Sustainability statement for more information regarding the IAG Code of Conduct and 'Speak Up' policies.

G1-2 – Management of relationships with suppliers
Relevant standards: GRI 308-2, GRI 414-2.

Approach and policies .
The IAG GBS Group Procurement team leads IAG's Supply Chain Sustainability Programme by delivering in four key areas:

- Sharing the Third Party Code of Conduct (TPCoC) with suppliers;
- Facilitating independent risk screening and sustainability assessments;
- Coordinating corporate social responsibility audits; and
- Embedding sustainability as standard in the procurement process.

IAG GBS implemented a Sustainability committee in 2024 with representation by IAG GBS Sustainability, IAG GBS Procurement, IAG Sustainability and IAG Legal. The committee develops the objectives related to the key areas above and monitors progress through reporting on relevant KPIs as listed in section ESRS S2 - Workers in the Value Chain of this Sustainability statement.

Updates on the programme are fed into the IAG Sustainability Network (ISN), Sustainability Steering Group (SSG) and Safety, Environmental and Corporate Responsibility (SECR) Committee as required.

All suppliers also undergo annual compliance screening for any legal and financial risks. The Group Procurement and Compliance teams assess any suppliers identified as having potentially higher levels of risk and implement mitigation plans where necessary. Any issues are flagged to the risk owners within the Group to jointly take appropriate action.

IAG GBS has verified the existing, active supplier base and IAG's airlines' interline relationships in Russia and Belarus in order to determine the potential implications of, and actions to be taken, due to the trade sanctions issued as a response to the war in Ukraine. IAG has provided operating companies with support on mitigation actions to be taken (e.g. payment stop/ blockage). This has been performed in coordination with the Compliance teams.

Actions, metrics and targets
The Third Party Code of Conduct continues to be shared with new suppliers as part of the on-boarding process. New suppliers are requested to acknowledge their commitment to achieving net zero emissions by 2050, and the need for a roadmap, supported by deliverable plans, to achieve this target.

IAG GBS is also partnering with EcoVadis, a provider of business sustainability ratings, to assess supplier scorecards with a methodology that covers environment, labour and human rights, ethics and sustainable procurement. This gives IAG and its suppliers a baseline for improvements, and suppliers can share their scorecards with customers and other stakeholders, which benefits wider industry sustainability.

Once a scorecard is shared with IAG GBS, results are reviewed to ensure the supplier's sustainability performance is aligned with IAG's vision and strategy. If a supplier's performance score is assessed as less than 45 (out of 100), a corrective action plan (CAP) is requested for improvement.

In 2024, IAG GBS has continued to work to have supplier EcoVadis scorecards in place covering 79% of IAG's total spend.

IAG became a SEDEX member in 2023. SEDEX provides data insights to help companies improve ESG performance. As part of the TPCoC adherence, suppliers are subject to analysis under a labour and human rights protocol such as the SEDEX Members Ethical Trade Audit (SMETA) methodology. IAG aims to understand information about the ethical practices of its suppliers, including audits.

IAG GBS has embedded sustainability aspects into the day-to-day operation of the organisation and includes sustainability targets in the performance objectives of all IAG GBS employees.

G1-3 – Prevention and detection of corruption and bribery

Our approach and policies

IAG and its operating companies do not tolerate any form of bribery or corruption. This is made clear in the Group Code of Conduct and supporting policies which are available to all employees and directors. An anti-bribery policy statement is also set out in the Third Party Code of Conduct.

IAG has in place a Group-wide anti-bribery and corruption policy. This document sets out the minimum standards that are expected by the Group, its directors and employees, including definitions and guidance for bribery, gifts and hospitality guidance, political and charitable donations, public officials, facilitation payments among other things.

Each Group operating company has a compliance officer, responsible for managing the anti-bribery programme in its business. The compliance teams from across the Group meet regularly through working groups and steering groups, under the coordination of IAG's Group Head of Ethics and Compliance. They conduct an annual review of bribery risks at operating company and Group level.

Actions, metrics and targets

The main compliance risks identified for 2024 were unchanged from the previous year and relate to the use of third parties, operational and commercial decisions involving government agencies and the inappropriate use of gifts and hospitality. No material compliance breaches were identified in 2024, as in 2023. Anti-bribery and corruption training is mandatory for all relevant personnel in IAG operating companies and Group functions. Individual training requirements are set by each operating company and function and are determined by factors such as the level and responsibilities of an employee. A Group-wide anti-bribery e-learning module was rolled out in 2019 and is required to be completed every three years.

To identify, manage and mitigate potential bribery and corruption risks, IAG uses risk-based third-party due diligence which includes screenings, external reports, interviews and site visits depending on the level of risk that a third party presents. Any risks identified during the due diligence process are analysed and a mitigation plan is put in place as necessary. Certain risks could result in termination of the proposed or existing relationship with the counterparty. The IAG Audit and Compliance Committee receives an annual update on the anti-bribery compliance programme.

IAG has processes and procedures in place across the Group, such as supplier vetting and management, Know Your Counterparty procedures and financial policies and controls, which help to combat money laundering and other compliance risks across the business.

Metric	Unit	2024
Number of employees who completed the annual Code of Conduct training	#	**56,495**
Number of employees who completed the annual anti-bribery training*	#	**12,088**

*denotes total training completed over a period of 3 years

G1-4 – Incidents of corruption or bribery

There were no legal cases regarding corruption brought against the Group and its operating companies in 2024, as in 2023, and management is not aware of any impending cases or underlying issues.

G1-5 – Political influence and lobbying activities

The aviation industry will reduce its lifecycle carbon emissions faster with stakeholder and policy support. The Group and its operating airlines regularly engage with key stakeholders, including governments and regulators, shareholders, lenders and other financial stakeholders, trade associations, customers, suppliers, employees, communities, NGOs and academic institutions. We advocate for support for emissions reductions and to share progress on our Flightpath net zero strategy. Internal governance ensures that wider stakeholder engagement on climate change is consistent with addressing our material issues and environmental goals.

Key stances on climate change

IAG supports cost-effective approaches to deliver net zero emissions by 2050, advance low-carbon solutions, and support global efforts to align with the 1.5°C ambition.

Actions taken by IAG within associations focused on UK aviation, Spanish aviation and global aviation policy are listed in the table below. If the climate-related positions of trade associations are deemed to be substantially weaker than or inconsistent with IAG's internal stances, IAG representatives take roles on task forces and working groups and respond to consultations to communicate our position and constructively move to alignment.

IAG is proud to have views on climate change that are consistent with all the organisations of which it is a member (see below). IAG has positively influenced this outcome by contributing expertise and time to drive net zero commitments, and create and support roadmaps to net zero emissions across organisations such as SA, A4E, **one**world, and ATAG. IAG has also driven and encouraged higher SAF ambitions across JZT, **one**world and WEF. IAG and key trade associations are listed on the EU Transparency Register.

Key principles of climate-related engagement

Aviation is a global industry and IAG remains committed to global policy approaches. IAG supports carbon pricing as a key instrument to determine both the pace of emissions reductions for the aviation industry and the balance of in-sector and out-of-sector reductions. We advocate for the use of greenhouse gas emission removal technologies in carbon markets, by both natural and engineered means. By 2050 we are committed to using only greenhouse gas removals to cover our carbon emissions.

IAG also prioritises policy advocacy on SAF, as this will be a key lifecycle emissions reduction driver in the next decade, and supports policies on operational efficiency, carbon offsets and removals.

The Group seeks to ensure that policies delivered are effective and fair across multiple airlines.

Member of organisation	IAG involvement in organisation and actions to ensure, or move to, consistent stances
Global focus	
Coalition for Negative Emissions	Founding member in 2020. Steering Group member and active contributor to consultation responses to UK Government on how to scale up carbon removals
oneworld (represents 15 airlines)	Chaired the Environment Strategy Board (ESB), coordinated net zero roadmap and 10% SAF ambition across 2020-2021, hosted two ESB meetings in London in 2023, and continues to provide support for advancing low carbon solutions
Air Transport Action Group (ATAG)	Significant airline contributor to global aviation roadmap to net zero in 2020-2021, which helped to inform industry priorities for continual advancement of low carbon solutions
World Economic Forum (WEF) – Clean Skies for Tomorrow Coalition	Regular contributor to reports on how to scale up SAF as a low-carbon solution; advocated for 10% SAF ambition by 2030
IATA (represents 300 airlines worldwide)	Chaired the IATA Sustainability and Environment Advisory Council (SEAC). The IAG Head of Sustainability represents IAG at the IATA working groups to advance policies for low-carbon solutions. Supported advocacy for net zero commitment at ICAO and strengthening of CORSIA baseline in 2021. Moderated a panel at the inaugural IATA World Sustainability Symposium in Madrid in October 2023
Sustainable Markets Initiative (SMI)	In February 2024 IAG CEO Luis Gallego was appointed the chair of the Sustainable Markets Initiative's (SMI) Aviation Industry Task Force. The SMI Aviation Task Force is delivering work to accelerate the use of SAF by 2030, alongside supporting workstreams that will develop the use of transformative technology and fuels and improve contrail management

Member of organisation	IAG involvement in organisation and actions to ensure, or move to, consistent stances
Spain/Europe focus	
Grupo Español para el Crecimiento Verde (Spanish Group for Green Growth)	Formed in 2023. Iberia is one of over 50 corporate members supporting green growth
Alianza para la Sostenibilidad del Transporte Aéreo en España (AST) (Spanish Alliance for Sustainable Air Transport)	This group brings together the main stakeholders of the Spanish air transport sector with the objective of promoting the development of sustainable aviation. Three working groups have been established to respond to the main challenges that the sector now faces: operational efficiency, SAF and policy
Airlines 4 Europe (A4E)	Founding member. Drove development of net zero roadmap in 2021 and supported ReFuelEU consultation responses and other work to advance low-carbon solutions In 2023, IAG has supported the update of the A4E decarbonisation roadmap and participated in working groups looking to develop solutions for non-CO_2 emissions
UK focus	
Sustainable Aviation (SA)	One of 13 members of SA Council, which governs activities for 44 members Drove development of SA's net zero roadmap in 2023, which for the first time included the demand impact of a net zero transition. IAG was also an active participant in workstreams to advance low-carbon solutions
Jet Zero Taskforce (JZT)	Chairs SAF Delivery Group and supported creation of UK Jet Zero Strategy in 2022 to deliver net zero UK aviation by 2050. British Airways CEO is a member
Royal Aeronautical Society (RAeS) – Greener by Design group (GbD)	Member of the Executive Committee of GbD, attended non-CO_2 conferences in 2022 and 2023 to understand how best to mitigate these effects

G1-6 - Payment practices

IAG's standard payment terms with suppliers are payment within net 30 days of receipt of the invoice meeting the requirements of applicable legislation. In 2024, the average time to pay invoices from the date of the invoice was 27 days. The percentage of payments aligned with standard payment terms was 89%. There are no legal proceedings concerning late payments due to suppliers. In addition, a number of the operating companies have additional statutory and voluntary reporting obligations that they comply with. Payments to suppliers are actively monitored with a focus on ensuring payment terms are complied with suppliers who are small and medium businesses.

Additional governance disclosures required under Spanish Law 11/2018

Public subsidies received

Relevant standards: GRI 201-4

	Unit	vly	**2024**	2023	2022	2021	2020
Total public subsidies	€ million	(34)%	**157**	238	293	707	474
UK and EU ETS allowances at zero cost	€ million	(35)%	**153**	235	273	277	122

Description

Public subsidies are defined as EU, Swiss and UK Emissions Trading Schemes/Systems (ETS) allowances granted at zero cost, and personnel training grants, fuel grants and route support grants in Iberia and British Airways respectively. ETS allowances are held at prices paid for such allowances during the reporting year.

Commentary

Operating companies in the Group receive some EU and UK ETS emission allowances at zero cost and purchase the remaining allowances required for fulfilling annual compliance obligations in the EU and UK ETS markets.

Accounting profit/(loss) before tax

Relevant standards: GRI 207-4

	Unit	vly	**2024**	2023	2022	2021	2020
UK	€ million	21 %	**1,946**	1,610	46	(2,417)	(4,512)
Spain	€ million	16 %	**1,460**	1,254	408	(705)	(2,538)
Republic of Ireland	€ million	(17)%	**141**	170	(41)	(368)	(556)
Other countries	€ million	(27)%	**16**	22	2	(16)	(204)

Description

Profits by country – the Group's consolidated accounting profit or loss for the year broken down by the country in which it is taxable.

Commentary

The return to profitability in most of IAG's main countries of operation reflects the recovery of the Group's businesses from the global outbreak of COVID-19.

Income tax paid

Relevant standards: GRI 207-4

	Unit	vly	**2024**	2023	2022	2021	2020
UK	€ million	145 %	**164**	67	3	31	77
Spain	€ million	(65)%	**75**	216	126	(93)	(95)
Republic of Ireland	€ million	– %	**–**	–	–	(2)	(28)
Other countries	€ million	(25)%	**6**	8	5	1	1

Description

Taxes paid by country – the Group's consolidated cash tax payments for the year broken down by the country in which they were made. The numbers in brackets above represent refunds.

Commentary

The total net payment of €245 million is less than the tax charge for the Group of €831 million. The difference arises primarily due to the variance between when losses and depreciation are included in the accounting result and the period when these amounts are taken into account in calculating tax payments, and the timing of receipt of tax refunds.

'Other countries' comprises Belgium, Dominican Republic, France, Germany, Guatemala, Honduras, Hong Kong, India, Italy, Japan, Poland, Singapore, Sweden, and Switzerland.

Appendix

1. Sustainability due diligence

Core elements of due diligence	Section	Incorporation by reference in the Annual Report	Page number
a) Embedding due diligence in governance, strategy and business model	ESRS 2 General disclosures	Business model, Corporate governance	14-16, 91-152, 263-274
b) Engaging with affected stakeholders in all key steps of the due diligence	ESRS 2 General disclosures	Stakeholder engagement	21-31, 263-274
c) Identifying and assessing adverse impacts	ESRS 2 General disclosures, E1 Climate change	Risk management and principal risk factors	72-90, 263-274, 275-291
d) Taking actions to address those adverse impacts	E1 Climate change, S1 Own workforce, S2 Workers in the value chain, S4 Consumers and end-users, G1 Business conduct, EU Taxonomy	Stakeholder engagement	21-31, 275-332
e) Tracking the effectiveness of these efforts and communicating	E1 Climate change, S1 Own workforce, S2 Workers in the value chain, S4 Consumers and end-users, G1 Business conduct, EU Taxonomy	Stakeholder engagement	21-31, 275-332

2. Phase in reliefs taken

Disclosure requirement name	Paragraph and related application requirement	Relief taken	Page number (If applicable)
Breakdown of total revenue by material ESRS sectors	SBM-1, 40b	Not applicable until delegated act of corresponding sector is published	–
List of additional relevant ESRS sectors	SBM-1, 40c	Not applicable until delegated act of corresponding sector is published	–
Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	E1-9, 61-70	Qualitative data applicable from the 2025 financial year	–
Characteristics of the company's external workforce	S1-7	Applicable from the 2025 financial year	–
Social protection	S1-11	Applicable from the 2025 financial year	–
Number of days lost to work-related injuries and fatalities from work-related accidents, work-related ill health and fatalities from ill health	S1-14, 88e	Applicable from the 2025 financial year	–
Work-life balance metrics	S1-15	Applicable from the 2025 financial year	–

Page numbers refer to the Annual Report and Accounts 2024 which can be found in the Financial Reporting section of our website.

3. Calculation methodology and factors

Footprint metric	Unit	Description
Carbon emissions and energy consumption		
Scope 1 emissions (gross)	tCO_2e	Direct emissions associated with IAG's operations including use of jet fuel, diesel, petrol, natural gas and halon. Sources of emissions include aircraft engines, boilers, auxiliary power units and ground vehicle engines. Gross emissions include reductions from Sustainable Aviation Fuel (SAF), in line with globally recognised accounting standards. SAF emission reductions are calculated using the volume of SAF uplifted, multiplied by the lifecycle assessment (LCA) carbon saving of the fuel, relative to conventional jet kerosene, and subtracted from our jet fuel emissions.
Scope 2 emissions	tCO_2e	Indirect emissions associated with electricity use in ground facilities like offices, lounges, data centres and hangars. Market-based emissions are based on the carbon intensity of electricity purchased from suppliers. Location-based emissions are based on the carbon intensity of national electricity grids. CO_2e is calculated using gCO_2e/kWh factors from national agencies in Ireland, Spain and the UK and IEA national electricity emissions factors.
Scope 3 emissions	tCO_2e	Indirect emissions associated with Group activities across its value chain. Please refer to the description of Scope 3 emission metrics later in this section for more details.
Flight-only carbon intensity	gCO_2/pkm	Grammes of CO_2 per passenger kilometre (gCO_2/pkm) is a standard industry measure of flight fuel efficiency. It is calculated by dividing total jet fuel use by total passenger-km, assuming one cargo-tonne-km is equivalent to 10 passenger-km – then multiplying this value by a conversion factor of 3.15. IAG discloses this figure without emission reductions from the use of SAF for the purpose of third-party corporate reporting. This calculation excludes the jet fuel used by franchises, cargo carried on other airlines. It excludes no-show passengers, in line with industry guidance.
Flight-only carbon intensity (inclusive of emission reductions from use of SAF)	gCO_2/pkm	As per 'Flight-only carbon intensity' but with emission reductions from the use of SAF included. This metric is used for the calculation of the IAG-specific carbon efficiency management incentive.
Scope 1 emissions (net)	tCO_2e	Net emissions are calculated based on gross emissions less any carbon savings from EU, Swiss and UK Emissions Trading Schemes (ETS) compliance obligations, volumes of offsets purchased to meet Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA) compliance obligations, and volumes of offsets voluntarily purchased by IAG. EU ETS allowances purchased from other sectors equate to a net reduction, aligned to European Commission guidance. IAG has been disclosing net emissions since 2017 using this methodology.
Renewable electricity	kWh	The share of electricity generated by renewable sources such as solar power and wind, based on volumes procured from renewable electricity suppliers. In overseas offices where data on electricity sources was unavailable, the source of electricity is assumed to be the national grid.
Carbon intensity (Scope 2)	gCO_2/pkm	Based on Scope 2 location-based emissions divided by business activity, as measured in revenue passenger-km, including cargo. Complements the flight-only emissions intensity metric.
GHG reduction initiatives	tonnes CO_2e	Reductions in CO_2e as a result of specific efficiency initiatives which started in the reporting year. This excludes reductions from externally driven changes applicable to all airlines, such as airspace changes.
Electricity	kWh	Consumption of electricity across IAG ground facilities, in millions of kWh. This includes usage in main offices, overseas offices, hub airports and maintenance facilities.
Energy	kWh	The sum of the electricity across IAG ground facilities and energy use from fuel. Fuel energy use is based on volumes of jet fuel, diesel, petrol, natural gas and gas oil, multiplied by the latest available UK Government conversion factors. UK factors are used across the Group as these are considered the most robust available.
Energy intensity per net revenue (otherwise known as revenue per tonne CO_2e)	$tCO_2e/€$	Calculated by dividing total Group revenue by the sum of Scope 1 emissions and Scope 2 location-based emissions.
CO_2 per revenue tonne kilometre	gCO_2e/RTK	The total number of revenue-generating tonnes of both passengers and freight, multiplied by the distance flown. Grammes of CO_2 per revenue tonne kilometre (gCO_2e/RTK) is an activity statistics indicator commonly used by the aviation industry and third parties including the EU Commission and Transition Pathway Initiative (TPI). This metric represents the distance flown and weight transported associated with the revenue passengers of a flight. The great circle distance is used for the distance flown and the mass and balance documentation of the flight for the weight which, according to the policy of each airline, a default value of 100kg can be used (or a different value approved by the competent authorities, representing the weight of the passenger plus the hand luggage),

Footprint metric	Unit	Description
Jet fuel consumed	tonnes	Jet fuel used within the aircraft fleet and for engine testing during the reporting year.
SAF fuel consumed	tonnes	SAF used within the aircraft fleet and for engine testing during the reporting year. SAF is the main term used by the aviation industry to describe a non-conventional (fossil derived) aviation fuel. SAF is the preferred IATA term for this type of fuel although when other terms such as sustainable alternative fuel, sustainable alternative jet fuel, renewable jet fuel or biojet fuel are used, in general, the same intent is meant. Please refer to section 'E1-3 – Actions and resources in relation to climate change policies' of this statement for more information.
Fleet age	years	The average age of aircraft in the IAG fleet as of 31 December in a given year. The average age of operational aircraft increases each year. This is offset by the impact of new deliveries and retirements.
Scope 3 emission categories		
Category 1: Purchased goods and services	million tCO_2e	Emissions from all purchased goods and services not captured in other upstream Scope 3 categories. Calculated using a spend based methodology and Watershed's Comprehensive Environmental Data Archive (CEDA) or supplier specific emission factors, for those with CDP disclosures.
Category 2: Capital goods	tCO_2e	Emissions associated with aircraft manufacture. Calculated by multiplying the number of aircraft delivered within the reporting year by an effective tCO_2e per plane, based on disclosed operational emissions from aircraft and engine manufacturers.
Category 3: Fuel and energy-related production	million tCO_2e	The well-to-tank emissions from jet fuel use, Scope 1 fuel use and Scope 2 electricity kWh. CO_2e values are calculated by multiplying the weight or energy content of various fuels by the latest standardised UK Government GHG conversion factors.
Category 4: Upstream transportation and distribution	tCO_2e	Emissions from subcontracted vehicles used in hub operations or cargo operations. The emissions generated through the transportation and distribution product that IAG's operating companies purchase from outside of the Group. This methodology uses both spend and activity based approach, depending on the availability of data.
Category 5: Waste generated in operations	tCO_2e	Emissions associated with processing waste via recycling, recovery, incineration or landfill, including disposed aircraft. These are calculated by multiplying total extrapolated global waste volumes by appropriate CO_2e/tonne conversion factors from international recognised sources (including the UK Government and the US Environmental Protection Agency).
Category 6: Business travel	tCO_2e	Emissions from fuel related to IAG staff travel on rail and other airline carriers. Staff travel on IAG aircraft is captured in Scope 1 emissions. Emissions from crew hotels were included in 2024, where such data was available.
Category 7: Employee commuting	tCO_2e	Emissions from staff travelling to and from workplaces and the emissions from the energy used when employees work from home. In the absence of detailed staff travel data, emissions were estimated using employee numbers, locations and work patterns.
Category 8: Upstream leased assets	tCO_2e	This category is not applicable to IAG.
Category 9: Downstream transportation and distribution	tCO_2e	The emissions previously reported under this category is recategorised into Scope 3 Category 4, since the activities are being paid by IAG. This category covers emissions associated with IAG Loyalty Retail, trading as the Wine Flyer, a subsidiary of IAG Loyalty, and specifically covering the activity of delivering products to end consumers.
Category 10: Processing of sold products	tCO_2e	This is not a material source of emissions for IAG.
Category 11: Use of sold products	million tCO_2e	Emissions related to products purchased by IAG loyalty programme members using Avios points and use of sold aircraft. Purchases of IAG flights are reported under Scope 1 emissions. Product categories reported here are flights on non-IAG carriers, hotel stays and car hire, as these are the most material categories. The use of sold aircraft, previously owned by the Group, are included. The average expected life of an aircraft for passenger or freight use is considered for the calculations.
Category 12: End-of-life treatment of sold products	tCO_2e	Total expected end-of-life emissions from all products sold in the reporting year. The methodology is consistent with disposed aircraft in Category 5.
Category 13: Downstream leased assets	tCO_2e	Jet fuel emissions from any aircraft leased to other carriers on a seasonal basis.
Category 14: Franchises	tCO_2e	Emissions from the jet fuel burn of aircraft franchises.
Category 15: Investments	tCO_2e	Emissions associated with Group investments in the reporting year that are not already included in our Scope 1 or Scope 2 footprint.

Waste metric		(as per GRI 306 standards)
Single-use plastic (SUP)	Volume	Items made wholly or partly of plastic which are typically intended to be used just once or for a short period of time before they are thrown away. This aligns to the EU definition.
On-board	kg/ passenger	Numerator: On-board waste is both cabin and catering waste. Cabin waste is defined as items collected from the cabin following flights, including newspapers, blanket and headphone wrapping, and packaging that passengers have brought onto the aircraft. Includes rubbish bins from toilets and excludes lost luggage. Catering waste is defined as food and packaging left over from on-board catering, including drinks cans and IAG-owned waste from food preparation at catering facilities. Includes all categories of catering waste covering international and domestic flights.
		Denominator: The number of inbound passengers at hub airports, plus outbound passengers on short-haul flights whose waste was kept on-board the aircraft and offloaded at the hub when the plane returned.
Cargo	kg/tonne of cargo handled	Numerator: Total waste from handling and packaging cargo. This consists largely of recyclable materials such as plastic, wood and cardboard but is impacted heavily by ad hoc disposal of perishable or hazardous cargo.
		Denominator: Tonnes of cargo and mail handled in three main hubs: Dublin, Madrid and London Heathrow.
Maintenance	kg/person-hour	Numerator: Materials from specific maintenance/engineering facilities including paper, metal and hazardous waste. Excludes airport waste, aircraft disposal, construction waste and effluent.
		Denominator: Number of available person-hours at maintenance facilities, as compiled by Maintenance teams.
Office	kg/ employee	Numerator: Materials from printing, office stationery and on-site catering. Includes offices, training facilities, and Irish, Spanish and UK call centres. Includes technology waste, defined as primarily data centre equipment and IAG-owned IT equipment.
		Denominator: Total FTE employees at the end of the reporting period.
Waste disposal method		(as per GRI 306 standards)
Landfilled		Defined as 'final depositing of solid waste at, below, or above ground level at engineered disposal sites'. Includes: waste sent directly to disposal. Excludes: waste sent to third parties.
Incinerated	These categories and their definitions are used within the calculation of IAG's waste metrics.	Defined as 'controlled burning of waste at high temperatures'. Includes: incineration with energy recovery.
Recovered		Defined as 'any operation wherein products, components of products, or materials that have become waste are used or prepared to be used to fulfil a purpose in place of new products, components, or materials that would otherwise have been used for that purpose.' Includes: incineration including energy from waste if the incinerator meets set standards. Excludes: reprocessing into materials that are to be used as fuels.
Recycled		Defined as 'reprocessing of products or components of products that have become waste, to make new materials'. Includes: downcycling, upcycling, composting and anaerobic digestion, uniforms reused and plastics turned into new plastic products. Excludes: reprocessing into materials that are to be used as fuels.
Noise metric		
Noise per LTO	QC/LTO	Average noise per flight considering arrival and departure noise for each aircraft type. Based on the number of flights of all aircraft which operated during the year, including leased aircraft. Quota Count (QC) values from the UK Government are used to create a relative categorisation based on certified noise levels. For example, for a single flight, a Boeing 747 would have had a score of 6.0, while an Airbus A320neo would have a score of 0.5 or lower.
NOx per LTO	kg/LTO	Average emissions of the air pollutants nitrogen oxides (NOx) as aircraft take off and land. This calculation considers the engine certifications and aircraft types of all aircraft that operated during the year, including leased aircraft, referencing information from the ICAO emissions database.
ICAO Chapter 14	% of fleet at standard	ICAO Chapter standards compare aircraft noise against standardised limits that are a combination of lateral, approach and flyover noise levels. Higher standards are more stringent. Chapter 14 applies to new aircraft certified from 1 January 2017.
CAEP Chapter 6	% of fleet at standard	ICAO CAEP standards are for NOx emissions from aircraft engines. Higher standards are more stringent. The CAEP 6 NOx standard applies to engines manufactured from 1 January 2008.
CAEP Chapter 8	% of fleet at standard	The CAEP 8 standard applies to engines manufactured from 1 January 2014.

4. Datapoints from other legislation

Disclosure points reported with alignment to ESRS

Disclosure requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU Climate Law reference	Page number
ESRS 2 GOV-1 Board's gender diversity paragraph 21 (d)	X		X		265-266
ESRS 2 GOV-1 Percentage of Board members who are independent paragraph 21 (e)			X		265-266
ESRS 2 GOV-4 Statement on due diligence paragraph 30	X				314
ESRS 2 SBM-1 Involvement in activities related to fossil-fuel-related activities paragraph 40 (d) i	X	X	X		14-16, 268
ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii	X		X		not material
ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii	X		X		not material
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv			X		not material
ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14				X	275-283
ESRS E1-1 Undertakings excluded from Paris-aligned benchmarks paragraph 16 (g)		X	X		275-283
ESRS E1-4 GHG emission reduction targets paragraph 34	X	X	X		286-287
ESRS E1-5 Energy consumption from fossil source disaggregated by sources (only 'high-climate-impact' sectors) paragraph 38	X				287
ESRS E1-5 Energy consumption and mix paragraph 37	X				287
ESRS E1-5 Energy intensity associated with activities in 'high-climate-impact' sectors paragraphs 40 to 43	X				287
ESRS E1-6 Gross Scope 1, 2, 3 and total GHG emissions paragraph 44	X	X	X		288-289
ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55	X	X	X		288-289
ESRS E1-7 GHG removals and carbon credits paragraph 56				X	289-290
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66			X		not disclosed, subject to phase in
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a); ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c).		X			not disclosed, subject to phase in
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c).		X			not disclosed, subject to phase in
ESRS E1-9 Exposure of the portfolio to climate-related opportunities paragraph 69	X		X		not disclosed, subject to phase in
ESRS E1-9 Breakdown of the carrying value of real estate assets by energy-efficiency classes paragraph 67 (c).	X				not disclosed, subject to phase in
ESRS E1-9 Degree of exposure of the portfolio to climate-related opportunities paragraph 69	X				not disclosed, subject to phase in
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil paragraph 28	X				not material
ESRS E3-1 Water and marine resources paragraph	X				not material
ESRS E3-1 Dedicated policy paragraph 13	X				not material
ESRS E3-1 Sustainable oceans and seas paragraph 14	X				not material
ESRS E3-4 Total water recycled and reused paragraph 28 (c)	X				not material
ESRS E3-4 Total water consumption in m^3 per net revenue from own operations paragraph 29	X				not material
ESRS 2- IRO 1 - E4 paragraph 16 (a) i	X				not material
ESRS 2- IRO 1 - E4 paragraph 16 (b)	X				not material
ESRS 2- IRO 1 - E4 paragraph 16 (c)	X				not material
ESRS E4-2 Sustainable land/agriculture practices or policies paragraph 24 (b)	X				not material
ESRS E4-2 Sustainable oceans/seas practices or policies paragraph 24 (c)	X				not material
ESRS E4-2 Policies to address deforestation paragraph 24 (d)	X				not material
ESRS E5-5 Non-recycled waste paragraph 37 (d)	X				not material
ESRS E5-5 Hazardous waste and radioactive waste paragraph 39	X				not material

Page numbers refer to the Annual Report and Accounts 2024 which can be found in the Financial Reporting section of our website.

Disclosure requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU Climate Law reference	Page number
ESRS 2 - SBM3 - S1 Risk of incidents of forced labour paragraph 14 (f)	X				292
ESRS 2 - SBM3 - S1 Risk of incidents of child labour paragraph 14 (g)	X				292
ESRS S1-1 Human rights policy commitments paragraph 20	X				292-294
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labour Organization (ILO) Conventions 1 to 8, paragraph 21			X		292-294
ESRS S1-1 Processes and measures for preventing trafficking in human beings paragraph 22	X				292-294
ESRS S1-1 Workplace accident prevention policy or management system paragraph 23	X				292-294
ESRS S1-3 Grievance/complaints handling mechanisms paragraph 32 (c)	X				295
ESRS S1-14 Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c)	X		X		300-301
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	X				300-301
ESRS S1-16 Unadjusted gender pay gap paragraph 97 (a)	X		X		301-303
ESRS S1-16 CEO pay ratio paragraph 97 (b)	X				301-303
ESRS S1-17 Incidents of discrimination paragraph 103 (a)	X				303
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 104 (a)	X				303
ESRS 2- SBM3 – S2 Significant risk of child labour or forced labour in the value chain paragraph 11 (b)	X				305
ESRS S2-1 Human rights policy commitments paragraph 17	X				305-306
ESRS S2-1 Policies related to value chain workers paragraph 18	X				305-306
ESRS S2-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 19	X		X		305-306
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labour Organization Conventions 1 to 8, paragraph 19			X		305-306
ESRS S2-4 Human rights issues and incidents connected to upstream and downstream value chain paragraph 36	X				305-306
ESRS S3-1 Human rights policy commitments paragraph 16	X				not material
ESRS S3-1 Non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines paragraph 17	X		X		not material
ESRS S3-4 Human rights issues and incidents paragraph 36	X				not material
ESRS S4-1 Policies related to consumers and end-users paragraph 16	X		X		307-308
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17	X				307-308
ESRS S4-4 Human rights issues and incidents paragraph 35	X				307-308
ESRS G1-1 United Nations Convention against Corruption paragraph 10 (b)	X				309-310
ESRS G1-1 Protection of whistleblowers paragraph 10 (d)	X				309-310
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a)	X		X		311
ESRS G1-4 Standards of anti-corruption and anti-bribery paragraph 24 (b)	X				311

Page numbers refer to the Annual Report and Accounts 2024 which can be found in the Financial Reporting section of our website.

Table of contents required by Spanish Law 11/2018

Area	European Sustainability Reporting Standard (ESRS) or Global Reporting Initiative (GRI) reference	Page number
General Information		
Business model description Organisation and structure Market presence Objectives and strategies Main factors and trends that may affect future performance	ESRS 2 GOV-1 , ESRS 2 GOV-2, ESRS 2 SBM-1, ESRS 2 SBM-2, ESRS 2 SBM-3, G1-1	14-16, 21-31 91-152, 265-267, 268-274, 275, 292, 305,307, 309-310.
Reporting framework used	ESRS 2 BP-1	263-264
Materiality assessment	ESRS 2 IRO-1, ESRS 2 IRO-2, ESRS 2 SBM-3	272-274, 275, 292, 305, 307,309
Social and employee related matters		
Management approach		
Description of the applicable policies and the result of these policies	ESRS 2 IRO-1, ESRS 2 IRO-2, ESRS 2 SBM-3, S1-1 S1-3	272-274, 292-294, 295
Main risks related to these issues	ESRS 2 IRO-1, ESRS 2 IRO-2, ESRS 2 SBM-3, ESRS 2 GOV-5	72-90, 267, 272-274, 305, 307
Employment		
Total number and distribution of employees by sex, age, contract type, full-time/part-time, professional category	S1-6, S1-9, GRI 405-1, GRI 2-7	295-298, 299
Total number of employees and distribution by country/region and collective bargaining agreement	S1-6, GRI 2-7	295-296
Total number of employment contracts distribution and annual average distributed by gender, age and job category	S1-6, GRI 405-1, GRI 2-7	295-296
Total number and attrition ratio of dismissals and voluntary leavers by gender, age and job category	S1-6, GRI 401-1	295-296
Average remuneration broken down by gender, age and job category	S1-16, GRI 405-2	301-303
Salary gap	S1-16, GRI 405-2	301-303
Average remuneration of Board members and directors	GRI 2-19, GRI 2-20, GRI 2-21, S1-16	301-303
Policies to allow employees to disconnect from work	S1-1	292-294
Number of employees with disabilities	S1-12	300
Working organisation		
Working hours organisation	S1-1	292-294
Absenteeism rates	S1-14, GRI 403-9	300-301
Measures to promote work-life balance	S1-4, S1-5	295-298
Health and safety		
Occupational health and safety conditions	S1-14	300-301
Number of workplace accidents and accident rates broken down by gender	S1-14	300-301
Occupational illness cases broken down by gender	S1-14	300-301
Labour relations		
Social dialogue organisation	S1-2	294-295
Percentage of employees covered by collective agreements broken down by country	S1-3, S1-8	295, 298-299
Results of collective agreements, especially in the field of health and safety	S1-8	298-299
Description of the mechanisms and procedures the company has in place to promote the involvement of workers in the management of the company, in terms of information, consultation and participation	S1-8	298-299
Training		
Policies implemented	S1-1	292-294
Total number of training hours broken down by employee category	S1-13	304
Universal accessibility of people with disabilities		
Universal accessibility of people with disabilities	S1-1, S1-12	292-294, 300

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Area	European Sustainability Reporting Standard (ESRS) or Global Reporting Initiative (GRI) reference	Page number
Equality		
Measures taken to promote equal treatment and opportunities between women and men	S1-4, S1-5	292-294, 295
Equality plans	S1-1, S1-4	292-294, 295
Measures taken to promote employment	S1-1, S1-4	292-294, 295
Protocols against sexual harassment and on the basis of gender	S1-1, S1-4	292-294, 295
Integration and universal accessibility for persons with disabilities	S1-1, S1-4	292-294, 295
Policy against all types of discrimination and policy on diversity	S1-1	292-294
Environmental matters		
Management approach		
Description of the applicable policies and the result of these policies	ESRS 2 IRO-1, ESRS 2 IRO-2, ESRS 2 IRO-3, E1-1, E1-2, E1-3	272-286
Main risks related to these issues	ESRS 2 GOV-5, ESRS 2 IRO-1, ESRS 2 IRO-2, ESRS 2 SBM-3, E1-1	72-90, 266, 272-274, 283-285
Environmental management		
Information of the current and foreseeable impact of the Company's activities on the environment	ESRS 2 SBM-3, E1-1	271-273, 274-282
Environmental assessment and certification procedure	ESRS 2 GOV-5	267
Resources devoted to environmental risks prevention	ESRS 2 GOV-5, ESRS 2 IRO-1, ESRS 2 IRO-2, ESRS 2 IRO-3, E1-3	267, 272-274, 283-285
Implementation of the precautionary principle	ESRS 2 GOV-5, ESRS 2 IRO-1, ESRS 2 IRO-2, ESRS 2 IRO-3, E1-3	267, 272-274, 283-285
Amount of provisions and warranties for environmental risks	ESRS 2 GOV-5, E1-1	267, 275-283
Pollution		
Measures to prevent, reduce or repair emissions (including noise and light pollution)	GRI 3-3, GRI 305-7, light pollution not material	291
Circular economy and waste prevention and management		
Measures related to prevention, recycling, reuse and other form of waste recovery and disposal	GRI 306-3	291
Actions to avoid food waste	not material	-
Sustainable use of resources		
Water consumption	not material	-
Raw materials consumption	not material	-
Direct and indirect energy consumption	E1-5	287
Measures to improve energy efficiency	E1-3	284-286
Use of renewable energy	E1-5	287
Climate change		
Relevant aspects regarding greenhouse gas emissions (GHG)	E1-5, E1-6	287, 288-289
Measures to adapt to climate change	E1-1	275-283
Objective related to GHG reduction	E1-1, E1-4	275-283, 286-287
Biodiversity		
Measures to preserve or restore biodiversity	not material	-
Impacts caused by activities or operations in protected areas	not material	-
Taxonomy		
EU taxonomy disclosure	Regulation on EU Taxonomy (EU 2020/852)	323-332

Page numbers refer to the Annual Report and Accounts 2024 which can be found in the Financial Reporting section of our website.

Area	European Sustainability Reporting Standard (ESRS) or Global Reporting Initiative (GRI) reference	Page number
Respect for human rights		
Management approach		
Description of the applicable policies and the result of these policies	ESRS 2 SBM-3, S1-1, S2-1, S4-1, G1-1	292-294, 309-310
Main risks related to these issues	ESRS 2 IRO-1, ESRS 2 IRO-2, ESRS 2 SBM-3, ESRS 2 GOV-5	72-90, 267, 272-274
Specific contents		
Implementation of human rights due diligence procedures	S1-1, S2-1, S2-4, S4-4	292-294, 305-306, 307-308
Measures to prevent and manage potential human rights abuses		
Reported cases of human rights violations	S1-17	303
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Anti-corruption and bribery matters		
Management approach		
Description of the applicable policies and the result of these policies	ESRS 2 IRO-1, ESRS 2 IRO-2, ESRS 2 SBM-3, G1-1, G1-3, G1-4	272-274, 309-310, 311
Main risks related to these issues	ESRS 2 IRO-1, ESRS 2 IRO-2, ESRS 2 SBM-3, ESRS 2 GOV-5	72-90, 267, 272-274
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Measures to prevent corruption and bribery	S1-1, G1-1, G1-3, G1-4	292-294, 309-310, 311
Measures to prevent money-laundering	S1-1, G1-1, G1-3, G1-4	292-294, 309-310, 311
Contributions to not-for-profit organisations	not material	-
Other information on the Company		
Management approach		
Description of the applicable policies and the result of these policies	S1-1	292-294
Main risks related to these issues	ESRS 2 IRO-1, ESRS 2 IRO-2, ESRS 2 SBM-3, ESRS 2 GOV-5	72-90, 267, 272-274
Commitment to sustainable development		
Impact of the Company's activities on employment and local development	S1-1, S2-1, G1-1	292-294, 305-306, 309-310
Impact of the Company's activities on local populations and territories	not material	-
Relations with actors in the local communities and forms of engagement with them	not material	-
Partnership or sponsorship actions	not material	-
Sustainable supply chain management		
Inclusion of social, gender equality and environmental issues in the procurement policy	S2	305-306
Consideration of suppliers' and subcontractors' social and environmental responsibility in relations with them	S2-1, G1-2	292-294, 305-306, 309-310
Supervision and audit systems	ESRS 2 GOV-1 , ESRS 2 GOV-2, G1-1	265-266, 309-310
Consumer relationship management		
Measures to protect consumer health and safety	not material	-
Claims systems and complaints	ESRS 2 SBM-3, S4-3	272-274, 307-308
Complaints received and their outcome	S4-4	307-308
Tax information and transparency		
Profits broken down by country	GRI 3-3, 207-4	313
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Public subsidies received	GRI 201-4, Accounting criteria	313

Page numbers refer to the Annual Report and Accounts 2024 which can be found in the Financial Reporting section of our website.

EU Taxonomy

Overview

What is the EU Taxonomy Regulation?

Regulation EU 2020/852 (the 'EU Taxonomy Regulation') is a framework to identify and to facilitate sustainable investment across the EU. This framework operates through a classification system for determining when an economic activity can be considered environmentally sustainable according to EU standards, to promote a transition to a zero-carbon future. The taxonomy regulation aims to guide funding towards solutions that tackle the climate crisis and prevent further environmental degradation. It aims to encourage investment in a low-carbon economy by creating common definitions of sustainability and mandatory disclosures to help investors make informed decisions.

How does it work?

The EU Taxonomy Regulation includes economic activities against which companies can report their business activities. These economic activities are then screened against the technical criteria of each of the environmental objectives and minimum safeguard requirements to arrive at the taxonomy-aligned activities.

Having identified the relevant (eligible) economic activities, the Group calculates and reports the aligned revenue (turnover), capital expenditure (capex) and operating expenditure (opex) for the financial year.

The reporting scope

The EU Taxonomy Regulation's reporting scope covers the Group's business activities, based on the same principles of consolidation as the consolidated financial statements, adjusted for the various narrower scope definitions of the EU Taxonomy Regulation. The period for the EU Taxonomy Regulation is the year to 31 December.

The Group's eligible activities principally relate to the activities of our airline operations and associated maintenance, repair and overhaul (MRO) operations. For 2023 we were not required to report aligned revenues or expenditures for these activities, which became applicable for reporting in 2024.

The reporting basis of the EU Taxonomy Regulation differs from that of our consolidated financial statements, which are prepared in accordance with International Financial Reporting Standards as adopted by the EU (IFRS). Such differences include, but are not limited to, not recognising the investment in or results from equity-accounted investments, as well as a very narrow scope definition for opex. These and other differences result in lower reported eligible turnover, capex and opex under the EU Taxonomy Regulation when compared to other financial and sustainability disclosures.

While the Group is supportive of efforts to enhance and increase the comparability of climate disclosures more broadly, the limited scope of the EU Taxonomy Regulation does not enable the Group to outline all of our investment activity in its Flightpath net zero transition. The limitations of the Regulation in the following areas prevent the Group from fully disclosing our investment in sustainability: (i) any joint ventures to produce SAF or hydrogen-fuelled aircraft do not fall within the scope of our reporting; (ii) our long-term purchase agreements for SAF and other renewable power products, which underpin investment and enable financing of large-scale renewable production, are excluded. The additional reporting restrictions on aviation (where the growth of the entire global aviation fleet is used to discount an individual company's investment in best-in-class aircraft and SAF) also limit the Group's ability to fully express its financial commitment to the transition to a low-carbon environment. This approach, requiring company-specific performance to be adjusted based on global trends, is unique to the aviation sector and we feel dilutes the impact of the Taxonomy in driving more investment at an individual company level.

Changes in EU Taxonomy Regulation in 2024

While there have been no amendments made to the EU Taxonomy Regulation during the course of 2024, the European Commission, on 29 November 2024, published a draft commission notice (the 'Notice') on the interpretation and implementation of certain legal provisions of the EU Taxonomy Environmental Delegated Act, the EU Taxonomy Climate Delegated Act and the EU Taxonomy Disclosures Delegated Act. The notice provides a wide range of responses to frequently asked questions, including, but not limited to, those economic activities pertaining to the aviation industry.

Further details regarding the application of the aviation specific economic activities are given below in the section entitled 'Understanding the aviation economic activities'.

Snapshot of eligible and aligned activities

For the years to 31 December 2024 and 2023, the Group's eligible and aligned KPIs were as follows:

	Eligible		Aligned	
Year to 31 December 2024	Absolute €million	Percentage of denominator	Absolute €million	Percentage of denominator
Turnover	30,487	95%	11,323	35%
Capex	2,779	78%	2,318	65%
Opex	2,673	98%	1,558	57%

	Eligible		Aligned	
Year to 31 December 2023	Absolute €million	Percentage of denominator	Absolute €million	Percentage of denominator
Turnover	27,166	92%	–	– %
Capex	3,543	86%	–	– %
Opex	2,509	99%	–	– %

Understanding the EU Taxonomy Regulation

Basis of preparation

The Group prepares its disclosures in accordance with the Delegated Act EU 2021/2178 (enacted 4 June 2021), the associated Delegated Regulation EU 2021/2139 (enacted 6 July 2021), the amendments to Delegated Regulation EU 2021/2139 (enacted 21 November 2023) (referred to as the Amended Delegated Regulation), several Commission Notices containing answers to frequently asked questions, the annually updated EU Taxonomy User Guide and the EU Taxonomy Compass (a website that offers a range of online tools to enable users to better understand the EU Taxonomy Regulation and the associated reporting obligations).

In accordance with the disclosure requirements of Article 8 of the EU Taxonomy Regulation, the Group confirms that it does not carry out, fund or have exposures to nuclear and fossil gas related activities.

The EU Taxonomy Regulation framework

The EU Taxonomy Regulation establishes 150 predefined and prescriptive economic activities across the following six environmental objectives:

1. Climate change mitigation;
2. Climate change adaptation;
3. Sustainable use and protection of water and marine resources;
4. Transition to a circular economy;
5. Pollution prevention and control; and,
6. Protection and restoration of biodiversity and ecosystems.

The EU Taxonomy Regulation also sets out four overarching conditions that an economic activity must meet in order to qualify as environmentally sustainable and accordingly able to be reported as taxonomy-aligned:

1. Making a substantial contribution to at least one environmental objective;
2. Doing no significant harm to any of the other five environmental objectives;
3. Complying with minimum safeguards; and,
4. Complying with the detailed technical screening criteria set out in the EU Taxonomy Regulation delegated acts.

Taxonomy-eligible

The EU Taxonomy Regulation defines taxonomy-eligible economic activities as those activities of the Group that comply with any of the aforementioned 150 economic activities across nine sectors. Such activities are eligible whether they comply with the technical screening criteria or not.

The most important of those, which relate to the aviation sector, are those activities associated with the (i) **Manufacturing of aircraft**, (ii) **Passenger and freight air transport** and (iii) **Air transport ground handling** which now require alignment reporting for 2024.

If an activity is not included in the EU Taxonomy Regulation, then it is not considered to be eligible. The main categories for eligible spend in 2024 are set out in the table below:

Identified economic activities of the Group

For 2024, the Group has identified a total of 15 economic activities as eligible for reporting as follows:

Aviation
Manufacturing of aircraft (CM)
Passenger and freight air transport (CM)
Air transport ground handling operations (CM)
Construction and real estate activities
Renovation of existing buildings (CM)
Acquisition and ownership of buildings (CM)
Installation, maintenance and repair of energy–efficiency equipment (CM)
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings) (CM)
Installation, maintenance and repair of renewable energy technologies (CM)
Energy
Electricity generation using solar photovoltaic technology (CM)
Information and communication
Data-driven solutions for GHG emissions reductions (CM)
Technical, scientific and professional activities
Research into innovative low-carbon technologies (CM)
Transport
Transport by motorbikes, passenger cars and light commercial vehicles (CM)
Urban and suburban transport, road passenger transport (CM)
Water supply, sewerage, waste management and remediation
Depollution and dismantling of end-of-life products (CE)
Manufacturing
Sale of spare parts (CE)
Preparation for re-use of end-of-life products and product components (CE)

Key: CA – climate adaptation; CM – climate mitigation; CE – circular economy

Note that the categories of eligible activities have been reduced from 2023 following further clarification on the relevance of certain activities to specific taxonomy-eligible assets.

In practical terms, identifying taxonomy-eligible economic activities is the first step towards assessing the alignment of economic activities against the technical screening criteria.

In addition, companies are required to ensure that and explain how taxonomy-eligible turnover, capex or opex are not double counted where the activities of the Group fall under more than one economic activity.

Taxonomy aligned

A taxonomy-aligned activity is one that having identified eligibility, contributes substantially to at least one of the six environmental objectives, does no significant harm to the other environmental objectives and complies with the minimum safeguards. Details on substantial contribution, do no significant harm and minimum safeguards are given below.

Substantial contribution

The EU Taxonomy Regulation provides detailed substantial contribution criteria to ensure that the associated economic activity has either a substantial positive impact on one of the six aforementioned environmental objectives or substantially reduces the negative impact on the environment. The most relevant objective for the Group is Climate Mitigation; however, the categories of Circular Economy, Pollution Prevention and Water also have relevant activities for the Group. These substantial contribution criteria vary by economic activity and each economic activity can apply to more than one environmental objective.

Do no significant harm (DNSH)

Together with the criteria to assess if an activity substantially contributes to at least one of the EU Taxonomy Regulations environmental objectives, the criteria for DNSH specify the minimum requirements that the economic activity should meet to avoid harming any of the other five environmental objectives. The DNSH criteria differ by economic activity and by environmental objective.

Any breach of the DNSH criteria would automatically disqualify an activity from being environmentally sustainable and as such lead to the associated activities not meeting the criteria for alignment.

In addition, there are four generic DNSH criteria that apply to all economic activities, being: (i) climate change adaptation; (ii) water and marine resources; (iii) pollution prevention and control regarding the use and presence of chemicals; and (iv) protection and restoration of biodiversity and ecosystems. These generic criteria apply to several of the Group's identified economic activities.

Minimum safeguards

The EU Taxonomy Regulation defines the minimum safeguards as due diligence and remedy procedures implemented by a company that is carrying out an economic activity in order to ensure alignment with the Organisation for Economic Cooperation and Development Guidelines for Multinational Enterprises (OECD MNEs) and the UN Guiding Principles on Business and Human Rights (UNGP). The latter includes the principles and rights set out in eight of the ten fundamental conventions identified in the International Labour Organization (ILO) Declaration of the Fundamental Principles and Rights at Work and the International Bill of Human Rights.

The Group complies at all times with the requirements of the OECD MNEs. In addition, the Group considers respect and the upholding of human rights as a critical cornerstone of its operations and is embedded within its Code of Conduct. The Group considers that it complies with the UNGP.

Accordingly, the Group considers that all taxonomy-eligible activities are compliant with the minimum safeguard requirements of the EU Taxonomy Regulation.

Technical screening criteria

Each of the detailed technical screening criteria, under each environmental objective, are based on stringent levels of environmental performance as opposed to transitional activities or alternative acceptable approaches. In certain instances such requirements go significantly beyond other existing legislation and what is theoretically technically and operationally possible at the reporting date.

Due to their complexity and reliance on EU standards, the technical screening criteria can be difficult to interpret, especially for activities and key suppliers based outside of the EU.

Capex Plan

The EU Taxonomy Regulation permits capex and opex to be treated as taxonomy-aligned when such expenditure form part of a 'capex plan'. A capex plan is defined as a plan that either aims to expand the Group's taxonomy-aligned economic activities or to upgrade pre-existing taxonomy-eligible economic activities to taxonomy-aligned economic activities within a five-year period. In addition, the relevant plan must be approved by management and detailed at the taxonomy economic activity level.

Given the uncertainty of definitions and lack of guidance pertaining to capex plans within the EU Taxonomy Regulation, the Group has elected not to report any capex or opex as taxonomy-aligned as a result of the capex plan provisions.

Reporting financially aligned activities under the EU Taxonomy Regulation

The EU Taxonomy Regulation requires the reporting of KPIs associated with turnover, capex and opex, both for eligible and aligned activities. These KPIs differ to those determined by the Group in assessing and monitoring the Group's performance and should only be considered with reference to the EU Taxonomy Regulation. Each KPI is calculated as the amount associated with the eligible and aligned economic activities (the numerator) divided by the total (denominator).

The reporting basis of the EU Taxonomy Regulation differs to our consolidated financial statements, which are prepared in accordance with IFRS. Such differences include, but are not limited to, not recognising the investment in or results from equity-accounted investments, as well as a very narrow scope definition of opex. These and other differences result in a lower reported turnover, capex and opex under the EU Taxonomy Regulation when compared to other financial disclosures.

Turnover KPI

The turnover KPI comprises the total revenue line from the Income statement of the consolidated financial statements and is detailed below:

	Year to 31 December	
€ million	**2024**	2023
Passenger revenue	28,274	25,810
Cargo revenue	1,234	1,156
Other revenue	2,592	2,487
Total taxonomy turnover (denominators)	**32,100**	**29,453**

The following table provides a summary of the taxonomy-eligible and taxonomy-aligned revenues by major economic activity, both as absolute figures (being the numerator) and as a percentage of the aforementioned denominator:

	Eligible		Aligned	
Year to 31 December 2024	Absolute €million	Percentage of denominator	Absolute €million	Percentage of denominator
Passenger and freight air transport	29,508	91.9%	11,190	34.9%
Manufacturing of aircraft	820	2.6%	–	0%
Air transport ground operations	159	0.5%	133	0.4%
Total taxonomy eligible and aligned turnover	**30,487**	**95.0%**	**11,323**	**35.3%**

	Eligible		Aligned	
Year to 31 December 2023	Absolute €million	Percentage of denominator	Absolute €million	Percentage of denominator
Passenger and freight air transport	26,288	89.3%	–	–%
Manufacturing of aircraft	683	2.3%	–	–%
Air transport ground operations	195	0.7%	–	–%
Total taxonomy eligible and aligned turnover	**27,166**	**92.3%**	**–**	**–%**

Capex KPI

The capex KPI comprises the Additions to Property, plant and equipment (note 13 of the consolidated financial statements) and Intangible assets (note 17 of the consolidated financial statements). The denominators are detailed as follows:

	Year to 31 December	
€ million	**2024**	2023[1]
Additions to Property, plant and equipment (note 13)	3,086	3,753
Additions to Intangible assets (note 17)[1]	494	366
Total taxonomy capex (denominators)	**3,580**	**4,119**

1 The 2023 capex denominator has been restated to align with the reclassification reported in the consolidated financial statements (notes 2, 17 and 37).

The numerator for aligned capex includes those expenditures included in the denominator that are any of the following: (i) related to taxonomy-aligned economic activities; (ii) part of the capex plan to expand taxonomy-aligned activities or to allow taxonomy-eligible economic activities to become taxonomy-aligned; or (iii) the purchase of output from taxonomy-aligned economic activities. However, given the uncertainty of definitions and lack of guidance pertaining to parts (ii) and (iii), the Group has elected only to report financial data relating to taxonomy-aligned economic activities.

The following table provides a summary of the taxonomy-eligible and taxonomy-aligned capex by major economic activity, both as absolute figures (being the numerator) and as a percentage of the aforementioned denominator:

	Eligible		Aligned	
Year to 31 December 2024	Absolute €million	Percentage of denominator	Absolute €million	Percentage of denominator
Passenger and freight air transport	2,779	77.6%	2,318	64.7%
Total taxonomy eligible and aligned capex	**2,779**	**77.6%**	**2,318**	**64.7%**

	Eligible		Aligned	
Year to 31 December 2023	Absolute €million	Percentage of denominator	Absolute €million	Percentage of denominator
Passenger and freight air transport	3,543	86.0%	–	–%
Total taxonomy eligible and aligned capex	**3,543**	**86.0%**	**–**	**–%**

Opex KPI

The opex KPI is defined as those costs not capitalised that relate to: (i) research and development; (ii) building renovation measures; (iii) short-term leases; (iv) maintenance and repair; and (v) other direct expenditures relating to the day-to-day servicing of assets of property, plant and equipment.

Other direct expenditures relating to day-to-day servicing of assets of property, plant and equipment is further defined as including: (i) maintenance materials; (ii) the employee costs of repairing an asset; and (iii) IT dedicated to sustainability-orientated maintenance, other than that capitalised. For the avoidance of doubt, other direct expenditures exclude the following: (i) overheads; (ii) raw materials; (iii) the employee costs associated with operating the asset; (iv) the cost of managing research and development projects; (v) general IT costs; (vi) general professional service costs; and (vii) electricity, fluids, or reagents needed to operate property, plant and equipment. The opex KPI definition is narrower than the Group's definition of operating expenditure and does not capture all of the expenditure on otherwise eligible activities. The opex KPI is reconciled to total operating expenditure as follows:

€ million	Year to 31 December 2024	2023[1]
Maintenance and repair	2,673	2,509
Expenses relating to short-term leases	56	26
Total taxonomy opex (denominators)	**2,729**	**2,535**
Other operating expenses outside the scope of the EU Taxonomy Regulation	25,088	23,411
Total operating expenditure per Income statement	**27,817**	**25,946**

1 The results for 2023 have been restated to conform with the current basis of assessment of opex to better reflect the eligibility nature of certain economic activities, including IT operating costs and research and development incurred.

2 Referred to as 'Engineering and other aircraft costs' from the Income statement of the consolidated financial statements.

The numerator for aligned opex includes those expenditures included the denominator that is any of the following: (i) related to taxonomy-aligned economic activities; (ii) part of the capex plan to expand taxonomy-aligned activities or to allow taxonomy-eligible economic activities to become taxonomy-aligned; or (iii) the purchase of output from taxonomy-aligned economic activities. However, given the uncertainty of definitions and lack of guidance pertaining to parts (ii) and (iii), the Group has elected only to report against taxonomy-aligned economic activities.

The Group considers that the definitions of the opex KPI, when considering the turnover KPI, do not reflect the economic reality of operating a taxonomy-aligned asset. For instance, all revenue associated with the operation of a taxonomy-aligned aircraft meets the definition of the turnover KPI; however, the costs associated with operating that aircraft are limited to the maintenance of that aircraft and, for example, exclude the expenditure on SAF used in the operation of those aircraft. The following table provides a summary of the taxonomy-eligible and taxonomy-aligned opex by major economic activity, both as absolute figures (being the numerator) and as a percentage of the aforementioned denominator:

	Eligible		Aligned	
Year to 31 December 2024	Absolute €million	Percentage of denominator	Absolute €million	Percentage of denominator
Passenger and freight air transport	2,673	97.9%	1,558	57.1%
Total taxonomy eligible and aligned opex	**2,673**	**97.9%**	**1,558**	**57.1%**

	Eligible		Aligned	
Year to 31 December 2023	Absolute €million	Percentage of denominator	Absolute €million	Percentage of denominator
Passenger and freight air transport	2,509	99.0%	–	–%
Total taxonomy eligible and aligned opex	**2,509**	**99.0%**	**–**	**–%**

Methodology/data collection and validation

The Group has established internal processes for the collection, validation and reporting of taxonomy data through the established governance structure described in the Governance section of this Annual Report. The Group utilises a seven-step process in preparing its taxonomy disclosures:

1. **Identification of applicable economic activities** – IAG Sustainability and IAG Finance undertake the initial scoping as to which economic activities are applicable to the operations of the Group. Representatives from the sustainability and finance functions of each operating company validate the completeness of this identification. In undertaking the scoping of these activities, the Group has identified eligible activities associated only with the climate change mitigation objective;
2. **Determination of assessment factors** – where judgement is required to be applied in the application of the EU Taxonomy Regulation, IAG Sustainability and IAG Finance develop a standardised approach to such application;
3. **Training on existing and new regulation** – annually IAG Sustainability and IAG Finance undertake workshops across the Group to ensure all relevant members of the sustainability and finance communities involved in taxonomy are trained on the existing methodology, changes in regulations and key judgements applied;
4. **Standardised reporting** – IAG Sustainability and IAG Finance have developed standardised reporting templates for the quantification, by economic activity, of taxonomy-eligible activities. As well as the detailed specific technical screening criteria, the DNSH criteria and the minimum safeguards to derive the taxonomy-aligned quantification;
5. **Review and validation** – IAG Sustainability and IAG Finance validate this information across operating companies and consolidate the information;
6. **Quantitative threshold for reporting** – the Group has developed a quantitative threshold of €2 million below which the Group assumes such taxonomy-eligible activities are not taxonomy-aligned. This assessment is performed at an individual economic activity level and by each operating company; and
7. **Reporting** – IAG Sustainability and IAG Finance calculate the associated consolidated KPI metrics for eligibility and alignment.

Understanding the aviation economic activities

The Amended Delegated Regulation, issued in 2023, introduced the economic activities of **Manufacturing of aircraft**, **Passenger and freight air transport** and **Air transport ground handling operations**.

The below information reflects the assessment criteria required in 2024.

Passenger and freight air transport

These economic activities cover all owned and leased aircraft that the Group operates for the transport of passengers and freight.

This section does not attempt to detail all of the technical screening criteria, but the pertinent screening criteria for meeting alignment are:

a. The aircraft has zero direct (tailpipe) CO_2 emissions[1];

b. As at the date of the Amended Delegated Regulation coming into force, those aircraft determined to be 'compliant aircraft'[2];

c. Subsequent to the date of the Amended Delegated Regulation coming into force, those aircraft determined to be 'compliant aircraft'[2]; and with the commitment that a non-compliant aircraft in the fleet is either:

   i. Permanently withdrawn from use within six months of delivery of the compliant aircraft; or

   ii. Permanently withdrawn from the fleet within six months of delivery of the compliant aircraft, in which case the replacement ratio[3] is applied.

d. Or if not determined to be a compliant aircraft, the aircraft can still meet the criteria for eligibility and alignment if it operates with a minimum of 9% SAF in 2024[4], increasing by 2% for each subsequent year.

Further technical screening criteria that comes into force from 1 January 2030, have not been included in the above summary.

For aircraft operation, the DNSH criteria are limited to the aforementioned generic criteria and certain criteria relating to a number of topics, including an assessment of climate adaptation, prevention of waste generation, recycling of such assets, the control of hazardous substances and restrictions on noise pollution. For these criteria, the Group has only considered aircraft compliant if the associated manufacturer has provided confirmation of compliance.

Having identified the compliant aircraft, the Group is required to report the turnover, capex and opex by those individual aircraft[5].

Key judgements the Group considers will be relevant in interpreting and applying the Amended Delegated Regulation

1 Zero direct CO_2 emissions are not defined but is interpreted to be both electric and hydrogen powered aircraft. Both of these technologies are in their infancy and while the Group expects both technologies to become commercially viable in due course, these are not expected before 2035, at the earliest. Accordingly, the Group will be unable to report any aligned spend in the foreseeable future.

2 A compliant aircraft is defined as those meeting the technical screening and DNSH criteria of the economic activity of the manufacturing of aircraft. These criteria include, but are not limited to: (i) a specific ratio of CO_2 emissions as a proportion of their maximum take-off mass; (ii) pollution prevention criteria, such as specific certification regarding noise pollution; and (iii) ensuring specific hazardous materials are not included in the construction of the aircraft, including certain anti-fouling paints which are required by law, for safety reasons, to be included in the aircraft. Each aircraft manufacturer is required to provide a self-declaration as to which of their aircraft meet the criteria for being a compliant aircraft. While certain manufacturers have provided these declarations during 2024, not all manufacturers have and accordingly, the Group expects further developments and self-certification during 2025.

The Group is required under local and international safety standards to have installed certain hazardous materials on its aircraft that are prohibited under the EU Taxonomy Regulation as defined in Appendix C of the DNSH category.

The Group has conducted an analysis of all hazardous materials in its operations, as defined in Appendix C of the DNSH category of the EU Taxonomy Regulation. The Group has identified a limited number of materials that are installed on our aircraft that are required by local and international law, for safety reasons, but are prohibited under the EU Taxonomy Regulation.

Certain of these materials, including anti-fouling paints used in the aircraft, have been clarified in the draft commission notice published by the European Commission on 29 November 2024 as being exempt from the DNSH criteria.

However, the aforementioned draft commission notice does not cover all hazardous materials which are required by safety standards. The only product that the Group has installed in its aircraft not covered by existing exemptions are halons, which are required for fire suppression equipment. The Group has such materials installed as there are no suitable alternative products and such materials are installed and used under strict controlled conditions. In addition, such hazardous materials are only used in emergency scenarios, none of which occurred in 2024.

The Group expects that with technological advancement, suitable alternative products will be identified by aircraft manufacturers and these hazardous materials will be withdrawn.

The Group considers there to be uncertainty in the EU Taxonomy Regulation as to whether it meets the DNSH criteria, given that exemptions are given for some, but not all, safety critical materials. Therefore, the Group has applied judgement in determining whether it meets all of the DNSH criteria and has concluded that it has met the alignment requirements.

Had the Group not reached this conclusion, the Group would have reported no alignment for each of its KPIs in 2024.

3 The replacement ratio is defined as the 10-year average of the total global number of aircraft permanently withdrawn from use divided by the total global number of aircraft delivered. The draft commission notice published by the European Commission on 29 November 2024 confirmed that the replacement ratio to be applied for 2024 was 0.48. In accordance with the Delegated Act 2023/2485, the application of the replacement ratio is limited to the revenues of the Group and does not apply to opex and capex. If the global number of aircraft delivered exceeds the global number of aircraft permanently withdrawn, then the taxonomy-aligned financial revenues of the Group are reduced. As a result, the replacement ratio does not reflect the individual activities of the Group as part of its transition to a low-carbon environment, but instead the entirety of the global aviation sector. Actions that influence such a global measure are outside the control of the Group and do not provide enhanced comparability within the airline sector to investors or users of our taxonomy reporting.

4 As detailed, the EU Taxonomy Regulation permits the allocation of SAF to non-compliant aircraft to make them compliant if a minimum of 9% of the fuel consumption is SAF. The EU Taxonomy Regulation does not provide any guidance as to how to undertake this allocation and accordingly the Group has applied judgement in such allocation. In undertaking this allocation, the Group has allocated SAF on the basis of the total fuel consumed by aircraft family.

5 At of 31 December 2024, the Group operates 601 aircraft within its fleet and does not monitor or report all revenue and expenditure on an individual aircraft basis. Accordingly, the Group has applied judgement in determining the basis on which to allocate revenue and expenditure to the associated assets. The details of which are as follows:

Revenues - The Group is able to monitor revenue denominated metrics by aircraft family (such as across all of the Airbus A320 family) using metrics such as Average Seat Kilometres (ASKs) and Revenue Passenger Kilometres (RPKs), but cannot monitor the level of such activity to an individual aircraft. Accordingly, the Group has allocated revenues to individual assets based on the proportion of ASKs for those compliant aircraft at the operating company level;

Capex - The Group is able to monitor certain capex on an aircraft-by-aircraft basis and, accordingly, has not needed to apply judgement in the allocation of such capex. For other fleet related capex, such as the purchase of rotable spare parts, the Group is unable to assign these to a specific aircraft family. As such, the Group has allocated capex to individual assets based on the proportion of ASKs for each aircraft family at the operating company level; and

Opex - For expenditure related to the maintenance and repair of aircraft, those expenditures that do not form part of capex, the Group is not able to monitor the expenditure on an aircraft-by-aircraft basis. Accordingly, the Group has allocated maintenance and repair expenditure to individual assets based on the proportion of ASKs for those compliant aircraft at the operating company level.

A reconciliation has been made to total turnover, capex and opex to avoid double counting. Further, to avoid double counting, all maintenance expenditure associated with aircraft operations, both capitalised and recorded within operating expenditure, is included in this economic activity and the economic activity of manufacturing of aircraft (see below) will only include the revenues associated with the performance of maintenance activities to parties external to the Group.

Manufacturing of aircraft

The economic activity for manufacturing of aircraft covers a wider range of activities including: (i) manufacture; (ii) repair; (iii) maintenance; (iv) overhaul; (v) retrofitting; and (vi) repurposing and upgrade of aircraft and aircraft parts and equipment. While the Group does not manufacture aircraft, all other aspects of the activities detailed in parts (ii) to (vi) are undertaken by the Group, both internally on operating aircraft and externally to third parties as part of the MRO business operations.

The EU Taxonomy Regulation does not provide definitions as to the nature of these sub-activities and they do not align with the industry terminology. Absent such guidance, the Group has considered that all of the MRO business operations of the Group would fall under this economic activity, including airframes, engines and other components of aircraft.

From a technical screening perspective, points (a) to (c) as described above relating to passenger and freight air transport economic activities also apply. In addition, the DNSH criteria are limited to the aforementioned generic criteria and certain criteria relating to the prevention of waste generation, maximising the reuse and use of secondary materials and restrictions on noise pollution.

Having identified the taxonomy-aligned activities, the Group is required to report the turnover, capex and opex by those individual services provided. The Group's accounting policy for maintenance events differs between those major maintenance events and those that are considered non-major, with further details given below:

- Major maintenance events for owned aircraft are capitalised as incurred and monitored on a project-by-project basis;
- Major maintenance events for leased aircraft are provided for in advance of the event and monitored on a project-by-project basis; and
- Those maintenance events considered to be non-major by nature are expensed as incurred and the associated expenditure is not monitored on a project-by-project basis. Accordingly, for the purpose of reporting taxonomy-aligned expenditure, the total expenditure is allocated based on the total number of maintenance events on compliant aircraft as a proportion of total number of non-major maintenance events.

The provision of MRO services to third parties is monitored on a project-by-project basis. To ensure that maintenance activities on aircraft are not double counted, only revenues arising from transactions with parties external to the Group are included in this economic activity. All capex and opex associated with the MRO business operations are included within the economic activity of passenger and freight air transport. In addition, where one operating company provides MRO services to another operating company, then the intercompany expenditure incurred and the intercompany revenue earned by the provider of the services is eliminated on consolidation.

During the course of 2024, the Group was unable to meet the DNSH criteria for reporting KPI alignment on the provision of MRO services.

Air transport ground handling operations

The economic activity for air transport ground handling operations covers a wider range of activities that occur within the operations of the Group, including, but not limited to: (i) pushback tugs; (ii) equipment for baggage and freight handling; (iii) vehicles for aircraft marshalling; (iv) equipment for passenger boarding; (v) de-icing equipment; and (vi) equipment for catering.

The technical screening criteria are limited to only those vehicles that have zero CO_2 emissions from the tailpipe, with the DNSH criteria limited to the aforementioned generic criteria and certain criteria relating to the prevention of waste generation, recycling of such assets and protection of water resources associated with de-icing activities.

Across the economic activity, the Group has several thousand individual assets for which it is not possible to identify the revenue and expenditure by individual asset. Accordingly, for 2024, the Group has allocated turnover figures based on the proportion of zero emission vehicles compared to the overall ground handling fleet.

KPIs of non-financial undertakings

Proportion of turnover from products or services associated with taxonomy-aligned economic activities – disclosure covering year 2024

Financial year N	Year 2024			Substantial contribution criteria						DNSH criteria ('Do No Significant Harm') (h)										
Economic Activities (1)	Code (2)	Turnover (currency € million) (3)	Proportion of turnover, year 2024 % (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water & Marine Resources (7)	Pollution (8)	Circular economy (9)	Biodiversity & Ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of taxonomy-aligned (A.1) turnover, year 2024 (18)	Proportion of taxonomy-aligned (A.1) turnover, year 2023 (19)	Category enabling activity (20)	Category transitional activity (21)
						Y; N; N/EL							Y/N				%	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1. Environmentally sustainable activities (taxonomy-aligned)																				
Passenger and freight air transport	CCM 6.19	11,190	34.9%	Y						Y	Y	-	Y	Y	-	Y	34.9%	—%		T
Air transport ground handling operations	CCM 6.20	133	0.4%	Y						Y	Y	Y	Y	Y	-	Y	0.4%	—%		T
Turnover of environmentally sustainable activities (taxonomy-aligned) (A.1)		**11,323**	**35.3%**														**35.3%**	**—%**		
of which enabling		–	0%														–%	—%	E	
of which transitional		11,323	100%														100%	—%		T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (g)																				
Manufacturing of aircraft	CCM 3.21	820	2.5%	E	N/EL	N/EL	N/EL	N/EL	N/EL								2.5%	2.3%		T
Passenger and freight air transport	CCM 6.19	18,318	57.1%	E	N/EL	N/EL	N/EL	N/EL	N/EL								57.1%	89.3%		T
Air transport ground handling operations	CCM 6.20	26	0.1%	E	N/EL	N/EL	N/EL	N/EL	N/EL								0.1%	0.7%		T
Turnover of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)		**19,164**	**59.7%**														**59.7%**	**92.3%**		
A. Turnover of taxonomy-eligible activities (A.1+A.2)		**30,487**	**95.0%**														**95.0%**	**92.3%**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
Turnover of taxonomy-non-eligible activities		1,613	5.0%																	
TOTAL		**32,100**	**100%**																	

EL – eligible
N/EL – non-eligible

Proportion of capex from products or services associated with taxonomy-aligned economic activities – disclosure covering year 2024

Financial year N	Year 2024			Substantial contribution criteria						DNSH criteria ('Do No Significantly Harm') (h)										
Economic Activities (1)	Code (2)	Capex (currency € million) (3)	Proportion of capex, year 2024 % (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water & Marine Resources (7)	Pollution (8)	Circular economy (9)	Biodiversity & Ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of Taxonomy-aligned (A.1.) capex, year 2024 (18)	Proportion of Taxonomy-aligned (A.1.) capex, year 2023 (19)	Category enabling activity (20)	Category transitional activity (21)
				Y; N; N/EL						Y/N							%	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1. Environmentally sustainable activities (taxonomy-aligned)																				
Passenger and freight air transport	CCM 6.19	2,318	64.7%	Y						Y	Y	-	Y	Y	-	Y	64.7%	–%		T
Capex of environmentally sustainable activities (taxonomy-aligned) (A.1)		**2,318**	**64.7%**														**64.7%**	–%		T
of which enabling		–	0%														0%	–%	E	
of which transitional		2,318	100%														100%	–%		T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (g)																				
Passenger and freight air transport	CCM 6.19	461	12.9%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								12.9%	86.0%		T
Capex of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)		**461**	**12.9%**														**12.9%**	**86.0%**		
A. Capex of taxonomy eligible activities (A.1+A.2)		**2,779**	**77.6%**														**77.6%**	**86.0%**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
Capex of taxonomy-non-eligible activities		801	22.4%																	
TOTAL		**3,580**	**100%**																	

EL – eligible

N/EL – non-eligible

Proportion of opex from products or services associated with taxonomy-aligned economic activities – disclosure covering year 2024

Financial year N	Year 2024			Substantial contribution criteria						DNSH criteria ('Do No Significantly Harm') (h)										
Economic Activities (1)	Code (2)	Opex (currency € million) (3)	Proportion of opex, year 2024 % (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water & Marine Resources (7)	Pollution (8)	Circular economy (9)	Biodiversity & Ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of taxonomy-aligned (A.1.) opex, year 2024 (18)	Proportion of taxonomy-aligned (A.1.) opex, year 2023 (19)	Category enabling activity (20)	Category transitional activity (21)
				Y; N; N/EL						Y/N							%	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
Opex of environmentally sustainable activities (taxonomy-aligned) (A.1)																				
Passenger and freight air transport	CCM 6.19	1,558	57.1%	Y						Y	Y	-	Y	Y	-	Y	57.1%	–%		T
Opex of environmentally sustainable activities (taxonomy-aligned) (A.1)		**1,558**	**57.1%**														**57.1%**	–%		
of which enabling		–	–%														–%	–%	E	
of which transitional		1,558	100%														100%	–%		T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (g)																				
Passenger and freight air transport	CCM 6.19	1,115	40.9%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								40.9%	99.0%		T
Opex of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)		**1,115**	**40.9%**														**40.9%**	**99.0%**		
A. Opex of taxonomy eligible activities (A.1+A.2)		**2,673**	**98.0%**														**98.0%**	**99.0%**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
Opex of taxonomy-non-eligible activities		56	2.0%																	
TOTAL		**2,729**	**100%**																	

EL – eligible

N/EL – non-eligible