



IAG INTERNATIONAL
AIRLINES
GROUP

Modern Slavery and Human Trafficking Statement 2025

Introduction

In 2025, we operated flights to over 285 destinations across 93 countries in 5 continents, carrying over 122 million passengers and 5,273 million cargo tonne kilometres across the world. To support this global operation, we work with many partners, including airports, governments and over 19,000 suppliers presenting both challenges and opportunities to address human rights issues.

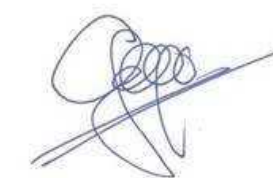
IAG is committed to addressing modern slavery and human trafficking across its operation, network and supply chain. This is underpinned by our internal policy which was updated in 2025 and the Human Rights Policy introduced in 2024, through which we commit to assess and manage risks based on the UN Guiding Principles on Business and Human Rights ('UNPG'). We continue to identify clear actions and accountabilities internally and with our partners to bring these policies to life, with the full commitment of our leadership team and colleagues through the IAG Code of Conduct.

This year we have made notable improvements in our internal processes to prevent, find and address any issues and to track progress, building upon the positive work in the last few years to better understand our supply chain and the key issues. There is still much work to do in this area, and we continue to drive improvement with dedicated resource and focus.

Over the last few years IAG played a key role as part of an international working group led by the International Civil Aviation Organisation (ICAO) to produce updated guidelines for combatting trafficking in the aviation industry. These guidelines were ratified by the General Assembly of ICAO in September 2025 and demonstrate that through collaboration across the travel and tourism industry, government agencies and NGOs we can be more effective at tackling these important issues.

We will continue to share best practice and work with others to enhance this important work. In 2025 IAG actively participated in the IATA Sustainable Procurement Pilot to drive further improvements in the aviation sector, which includes the evaluation of social risk factors such as modern slavery, human trafficking, forced and bonded labour, child slavery, health and safety, and adequate wages in supply chains. We will continue with this collaboration.

This statement sets out a high-level summary of the steps we are taking to proactively assess and mitigate risks associated with modern slavery and human trafficking in our business and supply chain and to monitor and report the progress. Further information and detail of this work can be requested via compliance@iagroup.com



Luis Gallego
CEO

I confirm that the information in the report is true, accurate and complete in all material respects for the purposes of the relevant legislation and that I have the authority to give this commitment for IAG and its entities.

This report was approved by the Board of Directors of IAG, on 7th May 2026 in compliance with section 11(4) (b) (ii) of the Fighting Against Forced Labour and Child Labour in Supply Chains Act 2023 and section 54 of the UK Modern Slavery Act 2015 and Commonwealth Modern Slavery Act 2018.

This statement is made in relation to International Consolidated Airlines Group S.A, including British Airways Plc, Iberia LAE S.A Operadora, LEVEL, Vueling Airlines S.A, Aer Lingus Limited, IAG Cargo, IAG Transform, IAG Loyalty and any subsidiary entities (see Appendix 1).

2025 Highlights



Increase from 5 to 10 key supply chain categories to target.



Ratification of ICAO Circular 362 Guidelines for Combatting Trafficking in Persons in the Air Operator Supply Chain.



A dedicated social reporting team to set, track and deliver on targets.

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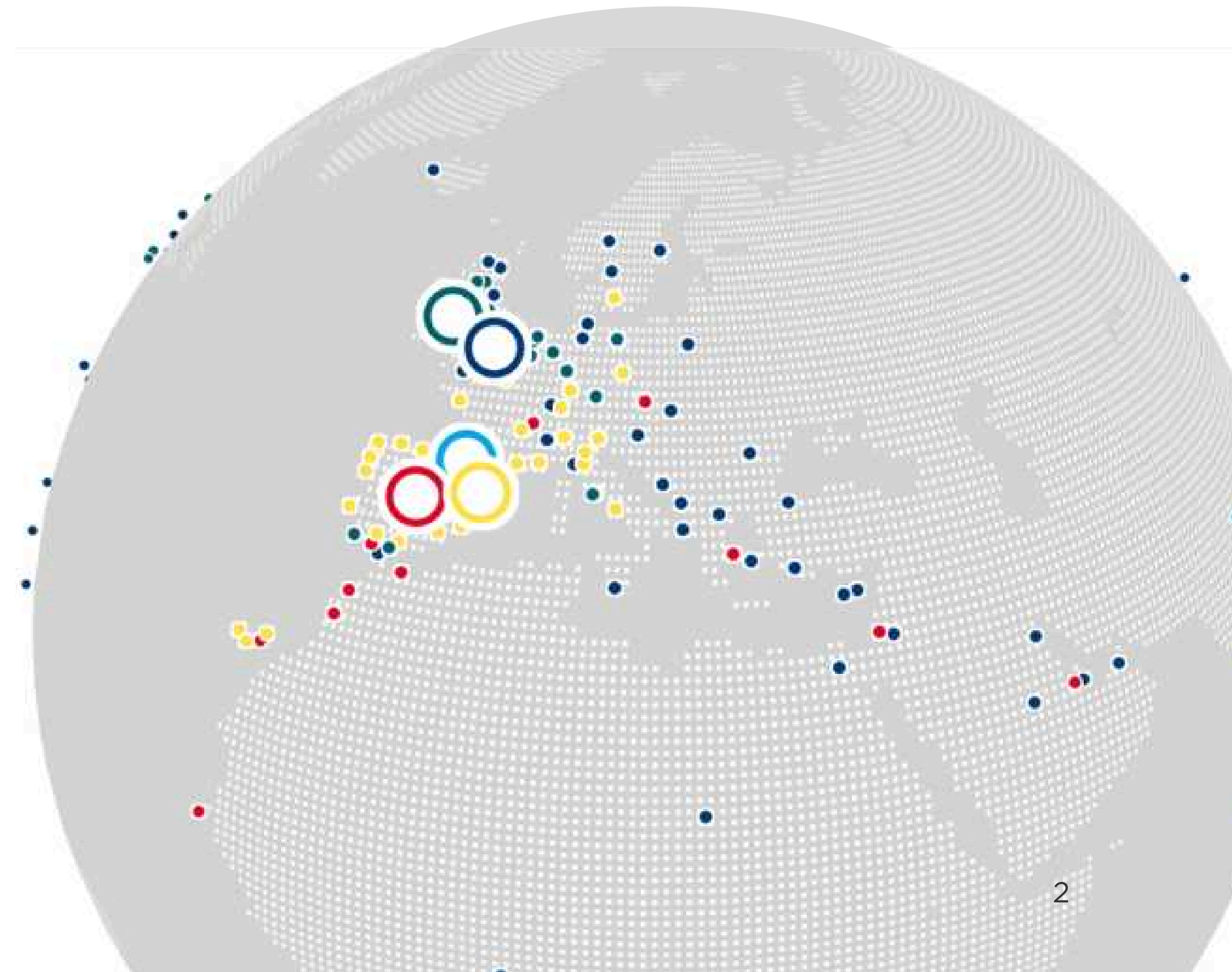
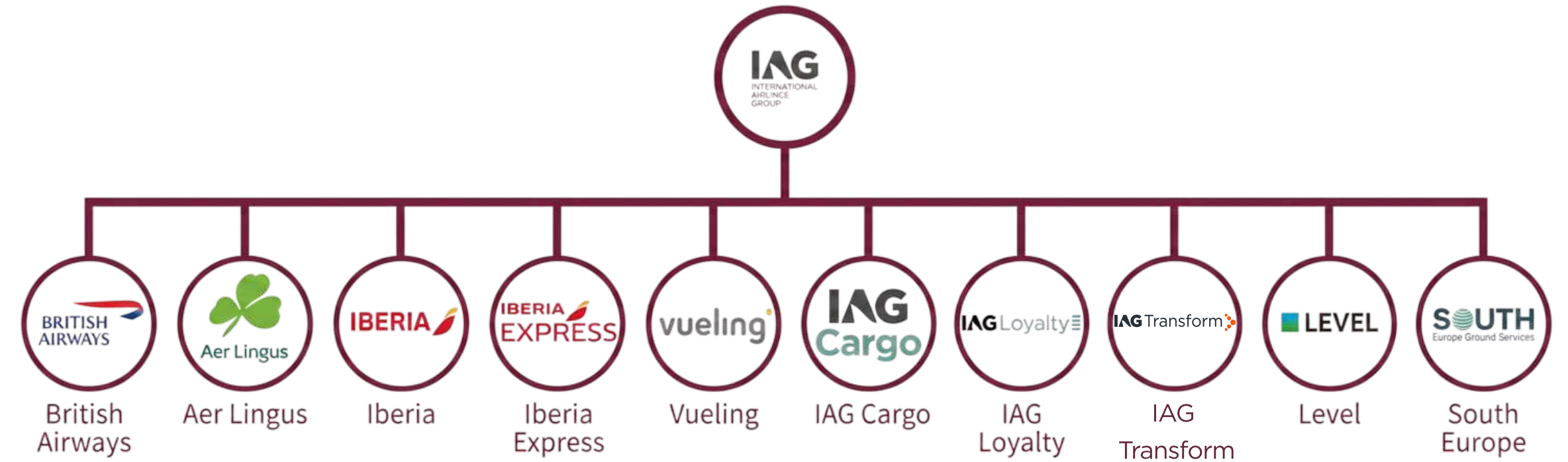
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01. Our business

IAG Group (International Airlines Group) was formed in January 2011, following the merger between British Airways and Iberia. The Group now has 8 airlines operating around the world. IAG headquarters are in London and Madrid, and our airline and Cargo operations operate globally and centre around hubs in London, Dublin, Barcelona and Madrid. Over 93 countries are served by our network with a strong presence in the North and South American and intra-European routes.

Our airline operations are supported by IAG Cargo, IAG Transform and IAG Loyalty, along with our ground handling businesses in Spain (South) and in the UK (Gatwick Ground Services GGS), our IT business in Madrid (Iberia Tech) and our call centre operation in India (Call BA). In addition, BA Holidays and The Wineflyer are important parts of the IAG Loyalty business based in London. Each of our businesses has its own independent management team and governance structure, with central management via the IAG Management Committee and the IAG Board.

In this statement, any reference to 'IAG' or 'the Group' includes the operating companies and their relevant subsidiaries. Further information regarding the Group's structure and operations may be found via this [Link](#).

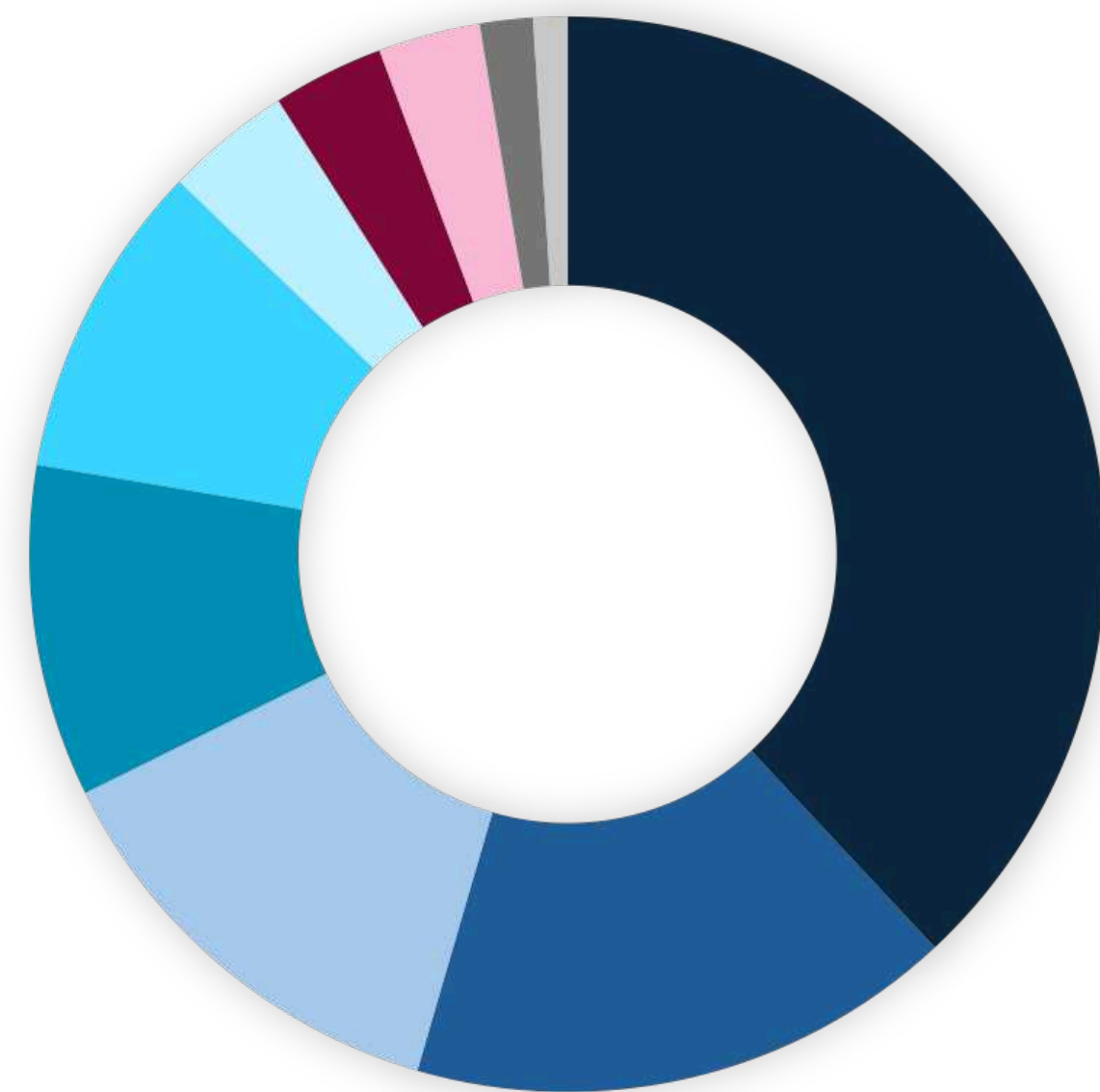


Our Sourcing

IAG has over 19,000 suppliers based around the world. A significant proportion of our spend is in relation to aircraft acquisition and fuel, along with overflight and airport fees. Excluding our aircraft costs (which relate to Tier 1 manufacturers in the USA and Europe) the chart in this page sets out the relative proportions of our key procurement categories (and an explanation of each) across British Airways, Iberia, Aer Lingus and Vueling.

Our supply chain mapping is based around the information we have about our Tier 1 suppliers, many of which are based around our key operational hubs in the UK, Spain and Ireland and the destinations we fly to. Most of these suppliers will have operations or suppliers in other countries, where the risk of modern slavery may be more prevalent. Where this information is available in relation to the supply chain categories we have focused on, it is included in this statement.

In 2026 we continue with our work to map our supply chain and require our key suppliers to do the same.



- Fuel
- Engineering
- Airport Affairs
- Ground Services
- Customer
- Commercial
- IT
- Non-Procurement
- Property
- Corporate

DESCRIPTION OF THE CATEGORY

Fuel Category includes emissions trading, fuel hedging and jet fuel

Engineering Category comprises engine aftermarket and MRO (maintenance, repair, which includes Airframe and Inventory & Components)

Airport Affairs relates to airport user charges. Our airlines spend to use airports and routes.

Ground Operations involves Cargo, Ground Handling and spend in IAG hubs

Customer Category includes In-flight catering, In-flight Products and Services (also known as Onboard Products)

Commercial Category refers to IT commercial services and payment solutions (also known as Global Solutions for our passengers), Sales, Marketing & Brand and Contact Centre

IT Category involves Infrastructure and Software

Non-Procurement Category related to debts payment, compensation costs, commissions

Property Category include building, property and facilities management, rentals across our network and utility bills

Corporate Category includes Business support services

02. Policies & Procedures

Our Policies

POLICY	DESCRIPTION
● IAG Code of Conduct	<p>IAG's Code of Conduct outlines key principles for everyone working within the Group so that they understand the behaviours that are expected of them and how to raise concerns. The importance of the Code and our collective responsibility to act with integrity and uphold its values has been reinforced through a communication campaign from our leadership team.</p> <p>The Code requires that our activities respect the human rights of others including a commitment to tackle any form of forced or involuntary labour, human trafficking and modern slavery anywhere in our business.</p>
● IAG Third Party Code of Conduct	<p>Our Third-Party Code of Conduct expressly deals with the issue of Modern Slavery and sets out our clear expectations for our suppliers and partners.</p> <p>We also require that from the outset suppliers observe ethical hiring practices that include verification of a worker's age, the legal right to work in the appropriate country and all applicable laws and regulations.</p> <p>The Third-Party Code of Conduct requires third party to report any non-compliance to IAG. It also recognises the challenges that many suppliers may face in monitoring their own supply chains and that they may be reluctant to admit that they have any issue. To address this, we encourage a collaborative and transparent approach and specifically ask suppliers to come forward with questions or concerns if they are unsure about the right thing to do. In more serious cases of non-compliance, the Third-Party Code of Conduct provides for engagement with regulators and law enforcement, termination of business relationship and/or litigation.</p>
● IAG Human Rights Policy	<p>IAG introduced a Human Rights Policy and the Ethics and Compliance framework in 2024. These policies are brought to life with a clear framework and process for managing risks at Group level and within each operating company. The framework is underpinned by a three-year plan, to promote and foster an organisational culture of integrity and ethical decision-making and the implementation of procedures, controls and processes based on a risk-based approach, including specific initiatives related to Human Rights, Modern Slavery and Human Trafficking. Our Human Rights Policy confirms our commitment to respect, protect and promote internationally recognised human rights as set out in the UN Guiding Principles on Business and Human Rights.</p>
● Modern Slavery and Human Trafficking Policy (published in November 2025)	<p>In 2025 IAG published a revised and updated Modern Slavery and Human Trafficking Policy, reaffirming the Group's firm commitment to preventing and combatting modern slavery and human trafficking, whether issues arise within our own business or throughout our supply chain. This policy applies to all individuals working for and on behalf of IAG – including employees, temporary workers, secondees, volunteers, interns, agents, contractors, external consultants, third-party representatives and business partners – and sets out IAG's expectations that all business activities are conducted responsibly and ethically, in accordance with our Code of Conduct and all applicable laws and regulations. The policy makes clear that preventing, detecting and reporting modern slavery or human trafficking in any part of our business or supply chain is the responsibility of everyone who works for us or on our behalf, and emphasises that those working in areas of the business where risks are more prevalent must be particularly aware of these risks and how to address them.</p>
● ICAO and IATA Standards	<p>IAG has been a key partner in developing the joint Guidelines for Combatting Trafficking in Persons in the Air Operator Supply Chain ICAO-OHCHR Circular 362 in partnership with other airlines, regulatory bodies, law enforcement agencies, NGOs and national government agencies. These guidelines were ratified in September 2025, and work is underway to ensure that our policies and procedures are aligned with these principles.</p> <p>We also follow the existing ICAO guidance under Circular 357 (Guidelines for Reporting Trafficking in Persons by Flight and Cabin Crew) and Circular 352 (Guidelines on Identifying and Responding to Trafficking in Persons).</p> <p>Our work is also underpinned by the IATA Resolution Condemning Human Trafficking adopted at IATA's 74th Annual General Meeting in Sydney in June 2018. This resolution reaffirms the commitments of airlines to support governments and law enforcement agencies in preventing human trafficking by raising awareness, training staff and reporting suspicious behaviour.</p> <p>IAG has been an active participant in the IATA sustainable procurement certification pilot to better align our methodology to the industry standard. This includes Sustainable Procurement Evaluation Criteria (SPECs), social risk factors – including modern slavery, human trafficking, forced and bonded labour, child slavery, health and safety, and remuneration. As a result, we are implementing a structured set of tools across the procurement lifecycle tailored to different products, services and locations. IAG also actively participates in IATA's ongoing dialogue on the development of the social sustainability standard, contributing our operational perspective to ensure the standard remains relevant and actionable for airlines and their supply chains. Our approach reaffirms our commitment to support governments and law enforcement to prevent human trafficking through raising awareness, staff training and effective reporting methods.</p>
● Contractual Provisions	<p>IAG requires a series of clauses in contracts to ensure commitment from suppliers. These clauses include explicit prohibition of modern slavery and child labour. In addition, contracts include a requirement to meet key labour standards, including child labour, equal opportunities and diversity, freedom of association and collective bargaining, forced labour, wages, benefits and working hours, harassment and dignity at work.</p>

Bringing policies to life



IAG Ethics and Compliance Framework

Fair employment practices

Our Third Parties must provide wages, benefits and overtime pay that comply with all applicable wage and hour laws and regulations. They must also comply with all applicable laws that relate to working hours, rest periods and overtime hours.

Human rights

IAG is committed to working with Third Parties who demonstrate ethical principles in the way they conduct their business. We expect our Third Parties to honour IAG's support of human rights and never engage in, or allow any form of forced or involuntary labour, human trafficking or modern slavery anywhere in their own operations or in the operations of their own third parties. As a Group, we are committed to taking swift action in the event any evidence related to slavery or human trafficking is identified.

Human Rights Policy

Our collective responsibility

Our policies recognise that all our colleagues have a role to play in maintaining an ethical culture and a responsibility to understand and apply the requirements within them. They encourage employees to share their concerns so they can be investigated, to set the tone through their own words and actions and to respond effectively and promptly to any concerns that are raised. Our policies make it very clear that where colleagues are themselves responsible for improper behaviour relating to these standards, this can result in disciplinary action up to and including dismissal.

As a Group we are committed to:

Dignity and respect. We 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. We support the 2018 International Air Transport Association (IATA) resolution denouncing human trafficking and reaffirming our commitment to tackling this issue.

Looking beyond. We communicate our expectations to suppliers and business partners at the outset of our business relationship with them. We are committed to taking swift action in the event any evidence relating to slavery or human trafficking is identified.

Social safeguards. We speak up if we see or suspect any form of human rights abuse.

This is underpinned by a Human Rights Policy introduced in 2024 which specifically address modern slavery and human trafficking, forced or child labour, freedom of association and labour standards more generally. The Policy sets specific standards for suppliers and partners and an expectation that Human Rights will be respected.

During 2025, 66,922 members of our staff have carried out the mandatory training on the [Code of Conduct](#).

Policy oversight

As part of our wider oversight the operating companies and IAG's Management Committee receive updates on compliance issues. IAG's Management Committee has CEO representation from all the operating companies. The Audit and Compliance Committee of the IAG Board are briefed on any significant issues and changes to policies and procedures. There is a dedicated Supplier Social Reporting Working Group which meets weekly to manage and track supply chain assessments and audits. IAG Transform holds a monthly Sustainability Board with stakeholders from the sustainability, legal, procurement and compliance teams for oversight and strategy, and updates are provided to the Group Sustainability Steering Group. This Modern Slavery Statement is reviewed and approved by both the Environment and Corporate Responsibility Committee with final approval at the IAG Board.

IAG recognises that a failure to address human rights violations, including modern slavery and human trafficking within its own business and supply chains, could lead to legal, social and reputational consequences and may have profound and far-reaching effects on individuals, families, communities and society more generally.

Our work in this area captures Modern Slavery and Human Trafficking as a material issue with an "Impact, Risk and Opportunity" analysis for our Sustainability Statement ensuring that the issue has had full priority, scrutiny and analysis in our 2025 internal governance and reporting.

Our governance


 IAG Board

 Environment & Corporate Responsibility Committee & Audit and Compliance Committee

 IAG Management Committee

 Airline Board

 Airline Management Committee

 Safeguarding/Safety Board

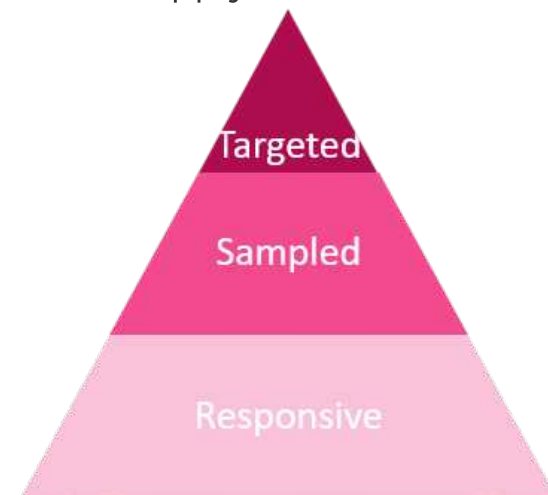
 Ethics & Compliance Committee

03. Mapping risk: Tackling modern slavery

Risk Assessment: Methodology

IAG has a diverse and complex global supply chain. Our operation extends to our key hubs in London, Dublin, Barcelona and Madrid and our worldwide network of destinations. We have 19,000 suppliers who source products from across the world.

In 2025 we extended our risk-based framework to better identify modern slavery risks and human right issues within areas of its supply chain, downstream value chain and direct operations guided throughout by the due diligence process set out in the Guiding Principles on Business and Human Rights and the concept of “Protect, Respect and Remedy. We have used this framework to identify the parts of our supply chain where we should target our engagement and attention.



Targeted suppliers: using risk assessment to identify high-risk suppliers for proactive engagement.

Sampled suppliers: engaging a sample of suppliers outside the high-risk cohort, for additional coverage.

Flagged suppliers: where issues are highlighted through supplier audits or media reports, engaging those suppliers proactively.

Our Targeted Suppliers are identified using a double materiality approach to look at where the risk of modern slavery and human trafficking is more prevalent in our supply chain and where the potential impact or effects on individuals, families, communities and society is likely to be more significant in terms of numbers of people affected and the scale of that impact.

Our risk assessment in 2025 has extended the number of “Targeted” supply chain categories from 5 last year to 10 this year. IAG also included parts of our downstream value chain for further assessment, for instance customer facing service partners (e.g call centre operators) and loyalty programme partners (e.g., IAG Loyalty).

The risk assessments have been carried out internally working closely with representatives from the Legal and Compliance Teams, Sustainability and Procurement teams. It has been informed by business knowledge of the supply chain and our relationship with it and various external sources, including the

- [the ILO/IOE- Combating Forced Labour: A handbook for employers and business,](#)
- [International Labour Organisation \(“ILO”\)](#)
- [International Trade Union Confederation’s \(“ITUC”\) Global Rights Index](#)
- [Global Slavery Index \(Walk Free\)](#)
- [UN Global Estimates of Modern Slavery: Forced Labour and Forced Marriage 2022,](#) and
- [List of Goods Produced by Child Labour or Forced Labour \(US Department of Labour – Bureau of International Labour Affairs\)](#)
- [Information from the Business and Human Rights Resource Centre.](#)

This has been combined with intelligence about supplier/industry risks and reported controversies and issues.

<p>avios IAG Loyalty</p> <p>PRODUCTS/ SERVICES Provision of Avios as a currency for customers to use to book flights, hotels and other travel products.</p> <p>RISK FACTORS</p> <ul style="list-style-type: none"> • Susceptible to fraudulent use to buy flights or hotels to carry out Human Trafficking. 	<p>🛒 Ground Handling</p> <p>PRODUCTS/ SERVICES Passenger check-in, baggage handling, ramp operations, aircraft loading, cleaning, security screening</p> <p>RISK FACTORS</p> <ul style="list-style-type: none"> • Labour-intensive activities use of migrant and agency workers. • Irregular working hours subcontracting and outsourcing. • Exposure to informal labour practices in some locations. • Human Trafficking. 	<p>🍴 Catering</p> <p>PRODUCTS/ SERVICES In-flight meals, lounge catering, food preparation, food sourcing and distribution</p> <p>RISK FACTORS</p> <ul style="list-style-type: none"> • Complex and multi-tier supply chain. • Sourcing of high-risk agricultural products. • Reliance on low-paid and seasonal workers. • Limited visibility beyond first-tier suppliers. 	<p>👕 Uniforms</p> <p>PRODUCTS/ SERVICES Design, manufacturing and supply of uniforms and garments; raw materials such as cotton and textiles</p> <p>RISK FACTORS</p> <ul style="list-style-type: none"> • Manufacturing in high-risk countries. • Outsourced production. • Intensive factory environments • Pressure on cost and lead times. 	<p>✈️ Aircraft manufacturing</p> <p>PRODUCTS/ SERVICES Aircraft, engines, components and specialist parts</p> <p>RISK FACTORS</p> <ul style="list-style-type: none"> • Deep and complex multi-tier supply chains. • Specialists subcontractors limited visibility beyond tier-1 suppliers. • Global sourcing. • Extraction of precious metals
<p>🛢️ Fuel</p> <p>PRODUCTS/ SERVICES Aviation fuel sourcing; refining; transportation and storage</p> <p>RISK FACTORS</p> <ul style="list-style-type: none"> • Highly regulated sector but with risks. • Outsourced logistics and transportation. • Activity in high-risk regions • Use of migrant labour and crude oil extraction 	<p>👷 Agency Workforce</p> <p>PRODUCTS/ SERVICES Temporary labour; recruitment agencies, contractors</p> <p>RISK FACTORS</p> <ul style="list-style-type: none"> • High reliance on third-party recruiters. • Cross-border recruitment. • Fees charged to workers. • Limited grievance worker voice mechanisms. • Indirect and informal employment relationships. 	<p>📞 Call Centres</p> <p>PRODUCTS/ SERVICES Software development, IT support, data services; business process outsourcing, customer helpline.</p> <p>RISK FACTORS</p> <ul style="list-style-type: none"> • Outsourced service provision: less control and visibility. • High staff turnover • Excessive performance targets • Offshoring to lower-cost jurisdictions. 	<p>🖥️ IT Services (BPO)</p> <p>PRODUCTS/ SERVICES Customer service; booking support; complaints handling</p> <p>RISK FACTORS</p> <ul style="list-style-type: none"> • Offshoring to lower cost and less regulated regions. • Remote and temporary workforces. • Limited visibility of labour chains. 	<p>🏨 Hotels</p> <p>PRODUCTS/ SERVICES Crew accommodation, passenger disruption accommodation, leisure and package-holiday hotels</p> <p>RISK FACTORS</p> <ul style="list-style-type: none"> • Labour-intensive operations. • High use of migrant, seasonal and agency workers. • Subcontracted services (laundry, cleaning, security) franchised business models.

Common themes within the targeted supply chain categories include the following, all of which come with increased prevalence and risks of modern slavery:

- Industries that are labour intensive with low margins.
- Industries based in or sourcing from areas of political instability/conflict and environmental disaster or from countries that feature on the Global Slavery Index.
- Industries with complex/lengthy and opaque supply chains.
- Industries that rely on and/or use high levels of migrant, temporary and/or casual labour and where recruitment fees may be prevalent.
- Issues in relation to the rule and enforcement of law (particularly labour law) and low levels of union activity in areas of operation.
- Industries that rely on manual and low skilled labour or who have transient workforces, including agency workers.
- Areas where there is potential for fraud and illegality, and where businesses can be vehicles for modern slavery and human trafficking.
- Industries that are unregulated and are not actively participating in their own due diligence or auditing processes.

We have also considered the relevance and importance of categories of supply chains to our businesses, alongside any legal and reputational issues for IAG and the degree of leverage we have to influence change directly or via our supply chain and from a broader industry perspective. Our analysis has looked to where our activities are likely to create or contribute to specific risks, or whether they are directly linked to such risks.

Ecovadis

Tool

An ESG scoring / supplier sustainability assessment platform used to assess suppliers. The assessment includes labour & human rights, working conditions, ethics, and sustainable procurement.

How it has been used? Conduct

Used for supplier screening; IAG uses EcoVadis outputs to request Corrective Action Plans (CAPs) where performance is below thresholds.

What does it tell us?

Provides scorecards and benchmark scores (including labour & human rights performance) and flags underperformance that triggers CAPs. EcoVadis also provides risk insights and a Modern Slavery dashboard that gives an overview of issues and priorities in particular supplier networks.

IAG updates the overall modern slavery risk assessment of its supply chain annually. It also considers information at the onboarding stage, during annual reviews, after each supplier engagement and whenever new information or risk factors arise (e.g. audit findings, complaints, changes in operations, and information from or about suppliers).

This Modern Slavery Statement looks primarily at our approach to the targeted supply chain, although our due diligence activity also extends to sampled and flagged suppliers.

Targeted Supply Chain

We focussed on key suppliers within the target categories via direct meetings to discuss a structured questionnaire and documents review.

This assessment focussed on issues such as governance, workforce profile, subcontracting arrangements, recruitment practices, grievance mechanisms, controversies and modern slavery controls. The questionnaire was aligned to the "Find it, Fix it, Prevent it" methodology set out in the [CCLA Benchmark](#) and required suppliers to provide evidence to support their approach to dealing with modern slavery.

For each engagement a summary report was produced setting out key risk indicators, strengths and gaps, and next steps. These actions ranged from accepting the existing risk to requesting further information and/or additional evidence; to escalation for further assurance, including follow up meetings and audits. These recommendations were reviewed and agreed by the IAG Social Sustainability Team.

Sedex

A membership-based platform (Supplier Ethical Data Exchange) supporting responsible business practices; SMETA (Sedex Members' Ethical Trade Audit) is an audit methodology assessing sites against local law, the [ETI Base Code](#), with structured outputs including audit reports and corrective action plans.

To source and map audit activity and plan mitigation/remediation actions. IAG also uses Sedex/Radar risk methodology for supplier risk assessment and tracks audits received, issues/non-conformities and follow-up actions.

Provides audit reports including non-compliances. Audits address issues such as unsafe working conditions, excessive working hours, and concerns about adequate wages. Audit findings are used to prioritise with suppliers.

Our focus in these assessments has extended from modern slavery type issues to broader labour rights issues such as working conditions, health and safety, discrimination, wages, benefits and working hours as these issues are prevalent in modern slavery type situations and easier to identify.

Risk Based Framework:

The framework for addressing human rights in the IAG supply chain will take a risk-based approach, as follows:

1. Identify focus areas within supply chain, based on industry and country data and information from subject matter experts and key stakeholders.
2. Map and identify controversies and issues.
3. Prioritise suppliers in each focus area.
4. Reach out directly to selected suppliers for direct engagement on their approach to modern slavery and human trafficking.
5. Build a profile of social sustainability risk for each targeted supplier, including published policies, ESG scorecards and audit reports.
6. Assess supplier profiles to determine any further engagement, such as requests for actions or audit.
7. Respond - If there are any material audit findings or issues.

Several tools are employed to support the risk assessment including the ESG rate scoring platform in ECOVADIS, SEDEX and more recently, Moody's.

These tools provide benchmark scores, audit reports and data in relation to selected suppliers.

Moody's

A business intelligence database used for supplier risk monitoring. A tool to track supply chain issues and a database used to risk assess suppliers at contract stage.

Used to strengthen IAG's Third Party Risk Management and supplier risk monitoring via scorecards, dashboards and alerts.

Provides risk information used for supplier risk assessment and escalation, including dashboard/alerts in [Supply Chain Catalyst \(SCC\)](#). SCC provides risks alerts and company information, including controversies and adverse reports about suppliers.

In 2025, 139 of the suppliers in the Focus Group Categories were matched with 109 ECOVADIS supplier scorecards. This group of suppliers recorded an average Labour and Human Rights score of 62.2 points (per 100) with individual supplier results for labour and human rights compliance ranging from 30 to 86 points. The strongest areas of performance relate to policies and basic procedural controls in relation to matters such as discrimination and harassment, policies on employee health and safety, and actions promoting equal opportunity and fair workplace culture. In contrast, the weakest areas included external social audits, worker voice agreements, and ISO 45001 (Health & Safety Management) or equivalent certification.

As part of our supply chain sustainability programme, suppliers scoring below 45 points (per 100) are requested to complete a Corrective Action Plan ('CAP'). We individually evaluate the scores within each scorecard to assess progress which allows us to identify and direct specific improvements relating to modern slavery or labour type risks. For key suppliers we proactively initiate direct engagement to discuss corrective actions in relation to social criteria and review development plans to encourage continuous improvement and drive positive action through partnership. In 2026 this analysis will be extended to all suppliers in the Focus Group Categories.

In addition, in 2025 IAG obtained and analysed 63 ESG audits directly from suppliers or via SEDEX, from which 396 non-compliances were identified. These have been assessed alongside non-compliances from 2024.

Out of all of the issues identified during audits, there were 186 critical and major non-compliances in 2024 (34 critical and 152 major), and 194 critical and major non-conformities in 2025 (33 critical and 161 major). These include findings in relation to safe working conditions, working hours, responsible recruitment (including the charging of recruitment fees), lack of policies on child labour, adequate wages, inhumane treatment, treatment of subcontractors, discrimination and modern slavery. Issues that are identified via this process come from reviews conducted by third-party auditors and recognised assurance partners who are accredited to recognised standards, such as SMETA or SEDEX type methodologies, and the use of ISO-aligned systems.

Currently 102 critical and major non-compliances remain outstanding and under review. We have also identified six large suppliers from our Focus Categories for onsite audits at various sites to be completed in 2026. Audit prioritisation decisions are reviewed through internal governance processes involving procurement, sustainability and legal stakeholders, ensuring that resources are directed towards suppliers and categories where modern slavery risks are assessed to be highest or where the requirement for oversight is most urgent.

If an issue remains unresolved by a specified deadline, it is escalated to the Social Sustainability team, which meets on a weekly basis so that follow up action can be taken.

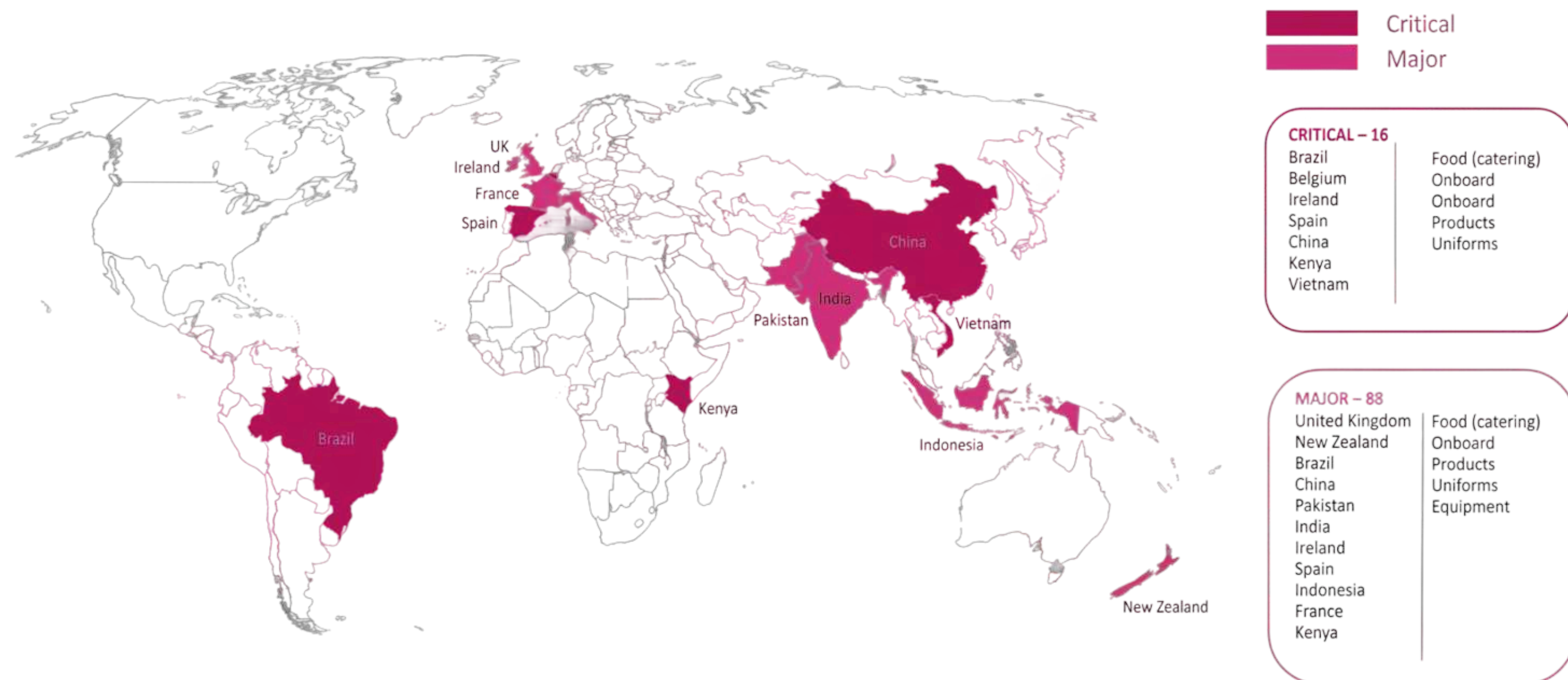
In 2025 IAG conducted an external audit of our onboarding system for new suppliers and based on recommendations from that audit has introduced a new Third Party Risk Management ('TPRM') process using Moody's Supply Chain Catalyst. The TPRM process at IAG is a group wide framework approved by the IAG Management Committee to manage risk arising from third party engagement through their lifecycle.

The implementation of the TPRM process is ongoing and managed by a cross-department working group and a senior level governance group.

The proposal is that where suppliers are identified as high risk, targeted enhanced due diligence is carried out by the relevant department to assess the level of risk and to agree mitigations and, where necessary, to escalate for further analysis. The process will be overseen through group-level governance to ensure consistency, regulatory compliance and effective risk management across IAG's supplier base.

IAG provides access to Ethics Point – an independent whistleblowing channel – through the IAG website, which is publicly accessible to IAG staff, customers or supplier personnel worldwide. This channel can be used to report unethical or illegal behaviour, breaches of the code of conduct, and human rights issues. All issues raised are investigated, treated confidentially and taken seriously. IAG advises suppliers of this facility in its Third-Party Code of Conduct and a link is available via IAG's website. Ethicspoint is available via that link in more than 100 languages. This provides that all employees and contractors of Third Parties who see or suspect a violation of our Code or any applicable law or regulation in connection with the work they do, must speak up. IAG strictly prohibits any type of retaliation against anyone who makes a good-faith report.

In 2025, following a review of the Business and Human Rights website a number of concerns regarding products that could be present in the IAG supply chain were identified, specifically in relation to garments and food products. Based on our supply chain mapping we contacted a number of suppliers to confirm whether they were impacted and to reinforce the importance of these issues to IAG. These suppliers were able to confirm that these specific complaints were unrelated to their supply chain. These type of issues will nevertheless form part of our continuous due diligence in these sectors.

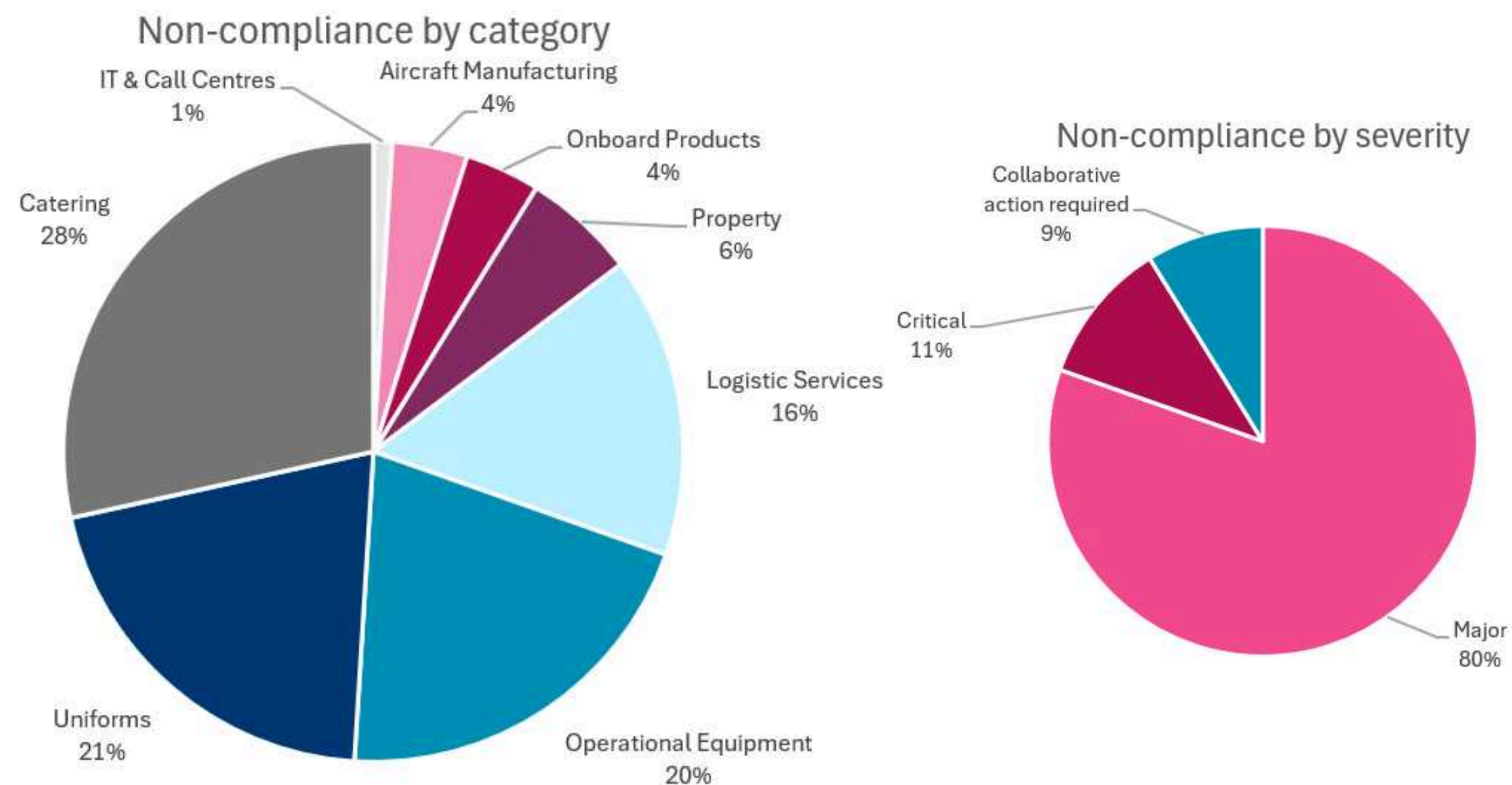


Flagged Suppliers

In 2025, there were 10 cases reported via Ethics Point relating to human rights issues in relation to working conditions, all but one of which relate to employees within the group. There was also an ongoing issue from 2024. This additional complaint related to employment conditions with a supplier of services to group companies in Europe, and alleged that employees were working excessive hours and on occasion without pay. There was a similar complaint in relation to a supplier in India that was raised in 2024 and the investigation was ongoing. There were no findings of modern slavery through the investigation of these reports, but there were examples of exploitative employment practices. Several recommendations were made and further follow up and review will take place.

In relation to one of these issues the business relationship with the supplier has been terminated, and discussions have been held with the new supplier to offer employment to those employees who were affected by the exploitative working practices and to ensure that appropriate safeguards are introduced to avoid the issues reoccurring. In relation to the other matter an interim report has been carried out and a further assessment is scheduled for 2026.

Suppliers were also flagged through our risk assessment analysis (see above).



Headwinds

Whilst the process for the overall oversight of our supply chain has improved, our due diligence has been limited by a number of factors:

- Many of our suppliers have a registered business address in one country but operations elsewhere and have limited visibility over the locations and activity of their own supply chain. This issue is particularly acute in relation to the hotel and fuel sectors. We have worked with suppliers through direct engagement to better understand the geography of their operations, but this work is still evolving and remains a priority going forward.
- A significant proportion of our suppliers have no presence on our online platforms (Ecovadis and Sedex) such that there is limited information available about them, and the information that is available is self-reported. Where information is available via these tools the information is often high level, aggregated and requires further validation.
- Suppliers can be reluctant to share information about non-compliance and controversies, most likely concerned about the reputation issues and impact that this may have on their business relationships. We have worked through direct engagement to build trust with suppliers and to ensure that they understand that our first approach is to resolve issues in a constructive way.
- We continue to seek evidence of proactive action to bring policies to life along and evidence of formal governance structures, oversight and grievance processes from our suppliers.
- Many suppliers require clear expectations and greater capacity to better understand and report on their supply chains, strengthen their due diligence approach and address potential modern slavery risks – actions that we aim to support via our collaboration and engagement.
- For a substantial number of smaller suppliers, we have limited or no data on their operational locations, audit status, or performance in relation to social issues. Our audit coverage remains restricted to a relatively small proportion of the overall supply base.

IAG recognises that the most vulnerable workers are often located beyond Tier-1 suppliers, particularly in labour-intensive and subcontracted supply chains such as the hotel sector, call centres, fuel suppliers, cleaning and facility services and contract labour.

We encourage and assess supplier approaches to Tier-2 and Tier-3 visibility, including the use of supplier-mapping tools, subcontractor oversight and evidence of on-site or operational monitoring beyond direct contractual relationships. The insights from these engagements are used to refine category-level risk profiles and to inform decisions on further engagement and assurance.

As part of the supplier engagement process, IAG is assessing the availability and accessibility of grievance mechanisms and how complaints are managed and escalated. IAG's suppliers are expected to investigate issues, document findings and action corrective plans. Whilst many suppliers across the Focus Group categories have implemented whistleblowing and hotline channels with defined investigation and escalation procedures there is still very little information about complaints received and how they have been addressed.

04. IAG Loyalty

IAG Loyalty drives engagement with customers across the network. Our passengers earn Avios when they fly on any of our airlines, as well as our OneWorld partners. IAG Loyalty has over 70 million enrolled customers and over 200 billion Avios issued in the 2025.

Avios can be redeemed for a range of products, including flights, holidays and other products. The business now incorporates BA Holidays, offering package holidays to its customer base.

As a form of currency, Avios can be the subject of fraud and exploitation to conceal illegal activity, for instance booking flights and hotel rooms for human trafficking. In 2025 IAG Loyalty started a project to align Contact Centre, Customer, Security & Fraud, and Finance team activity to tackle compliance issues, including the risk of Avios being used for illegal activity (including human trafficking). To further consolidate this work, IAG Loyalty is recruiting a new Head of Fraud.

In 2025 IAG Loyalty investigated a case where a customer's Avios had been compromised, and three fraudulent bookings had been made. Further investigation, with the support of the police revealed that the individual responsible was associated with the provision of fraudulent documentation and had links to trafficking activities. The case led to law enforcement action to address the matter.

IAG Loyalty monitors redemption activities for fraud. In 2025, the Accertify tool was implemented, which combines rule-based and behavioural analytics with machine learning models to detect fraud more accurately. On detecting fraud, accounts are proactively locked to prevent further abuse.

When an ancillary fraud case is identified, we liaise with the relevant group entity and/or partner to enable them to review the details and associated customer information. While they do not disclose the outcome of their investigation, this provides assurance that appropriate action is taken if any issues, such as human trafficking arise and that issues are escalated to the relevant authorities.

IAG Loyalty also takes preventive measures to stop fraud before it starts, including working with hotel platforms to assess compliance during onboarding, and requiring new products to be "secure by design" to foil the fraudulent receipt or transfer of Avios. This includes multi-factor authentication introduced in 2025 to secure access customer accounts, and additional ID verification for the transfer of Avios from one account to another.

05. Ground handling

IAG's ground handling services are focussed at its largest hub airports across its global networks.

The aviation industry is one of the primary modes of transportation utilized by traffickers, making it very likely for airline personnel to come face to face with victims or perpetrators. The frontline for this is the airport environment and the check in process, where unique and early opportunities exist to identify and react to human trafficking.

The airlines of IAG cover 285 destinations across 93 countries. In 2025, IAG's airlines carried 122 million passengers. 64% of the passengers were flown to the regions of Europe and North America. Our network extends across South America, the Caribbean, Africa, the Middle East, South Asia, and Asia Pacific. Across IAG our ground handling activities are handled by our own staff within GGS, British Airways, South and Aer Lingus at our key airports in the UK, Spain, India, Ireland, USA, Brazil, Argentina, Bermuda, Mexico and Canada. We have over 50,000 employees dedicated to this activity.

In addition, we work with four key external providers and together this represents 67% of our group handling category by aircraft movements at 92 airports primarily across Europe and North America. We work with more than 160 different ground handling suppliers at airports outside these regions.

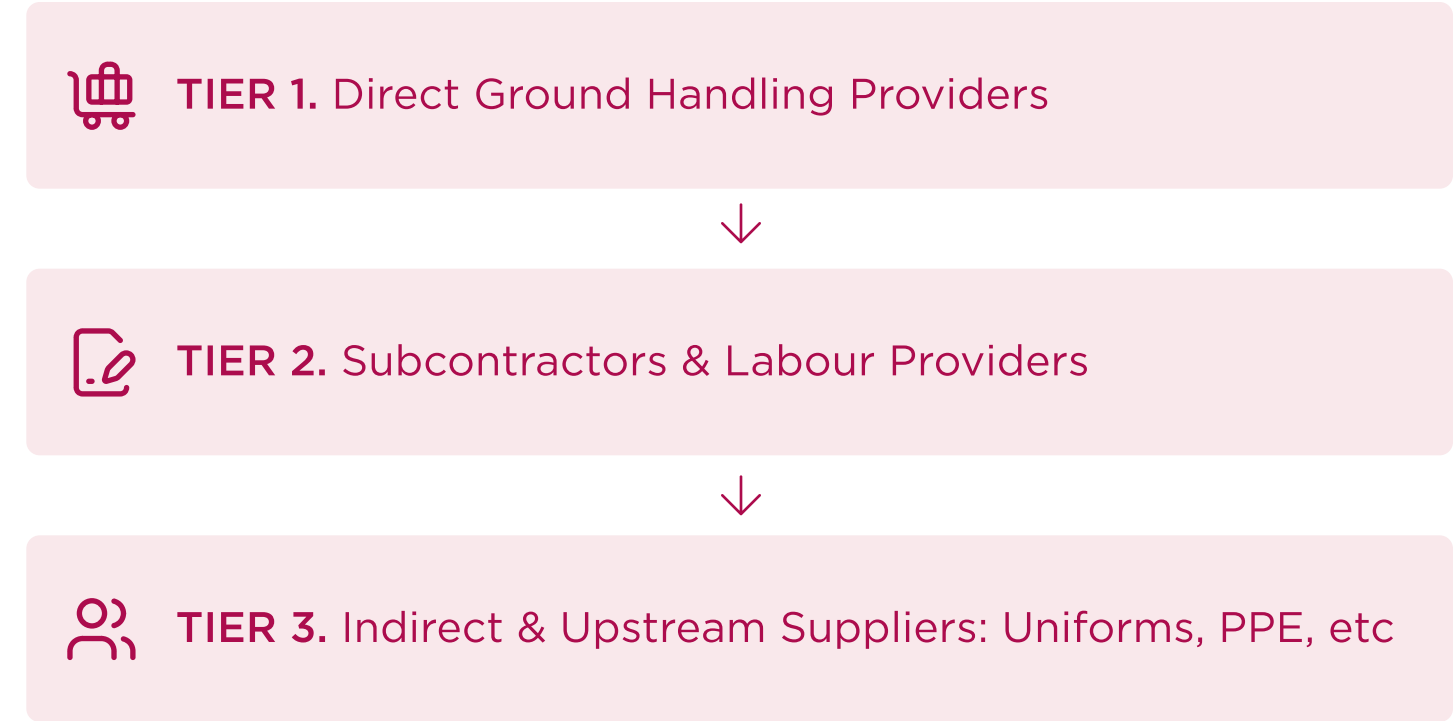
An important part of the role of check-in agent is to check the documentation of passengers presenting an opportunity to identify and challenge cases where human trafficking is suspected but also to track irregularities in travel document compliance. In 2025 we monitored the trend of non-compliances in relation to travel documents across our network for each of our airlines to identify where issues were more prevalent and to share this information with other airlines within the Group. This facilitates a more targeted approach to ensure that our staff at these airports and on flights from these destinations are receiving the relevant information, training and support to spot and report potential human trafficking.

We continue to monitor changes in trends across our network on a quarterly basis to ensure that our approach can adapt to any changes in patterns. IAG has also proposed that this process and methodology is shared with airlines outside of the Group to better facilitate cross industry co-operation.

In 2025 we also engaged our main external suppliers on the specific issue of human trafficking. Through this we sought a better understanding of their own approach to human trafficking, their policies and training of their staff and how they record and report incidents. We shared our own practices with these suppliers and provided access to our online training to support their own work on this issue. This engagement will continue proactively to highlight the importance of this issue to our suppliers.

We have also written to our key suppliers and the suppliers in our high-risk stations to require adherence to ICAO Circular 362 which was ratified in September 2025 and to continue with our joint efforts to tackle human trafficking.

As part of our internal analysis we also explore some of the issues that could affect the level of human trafficking, for instance policies in relation to young people travelling alone, parental and/or guardian consent for children and relevant immigration requirements so that we can reduce the risk of illegal trafficking. Where necessary we liaise with national government and enforcement agencies to raise concerns and suggest improvements to safeguards.



As the check-in process involves manual checks there is the risk of insider activity where a staff member is incentivised or put under pressure to facilitate immigration breaches which could extend to trafficking. Our operating companies and the airport authorities have very clear requirements about the recruitment and vetting of ground handlers to ensure that these staff are trustworthy and are eligible to work.

An important aspect of the work of our inhouse and external ground handling teams is their collaboration with the authorities in airports, including immigration, customs, security and police officers, contractors and cleaning staff and the airport authority itself. In some cases, this also extends to the local authorities and social services situated around the airport where a potential victim of trafficking is identified. We are working to strengthen these networks and collaborate further to ensure that our approach to modern slavery is coordinated.

Aircraft cleaning is a labour-intensive service area within IAG's operational supply chain and similar to ground handling, is delivered largely through third-party providers operating at airport locations across the network. The nature of the work, which can involve time critical turnarounds, subcontracting and the use of migrant or temporary labour in certain markets, means the category is recognised as presenting an increased risk of labour exploitation. IAG aims to prioritize engagement with key aircraft cleaning providers at its main airports and hubs to strengthen oversight through contractual controls and ongoing supplier assessments.

Whilst operational type audits are commonplace given the safety aspects of the sector this was not matched by audits in relation to social issues. We also raised concerns with third parties at the lack of information provided about social issues (including the use of agency workers and complaints received). Many of our suppliers showed awareness of their responsibilities regarding human trafficking, yet information about suspected cases have been not collated and shared.

In 2025 we were notified of 24 reports of suspected human trafficking, all from our own employees with no reports from our third-party ground handlers. We are taking steps to improve the reporting process.

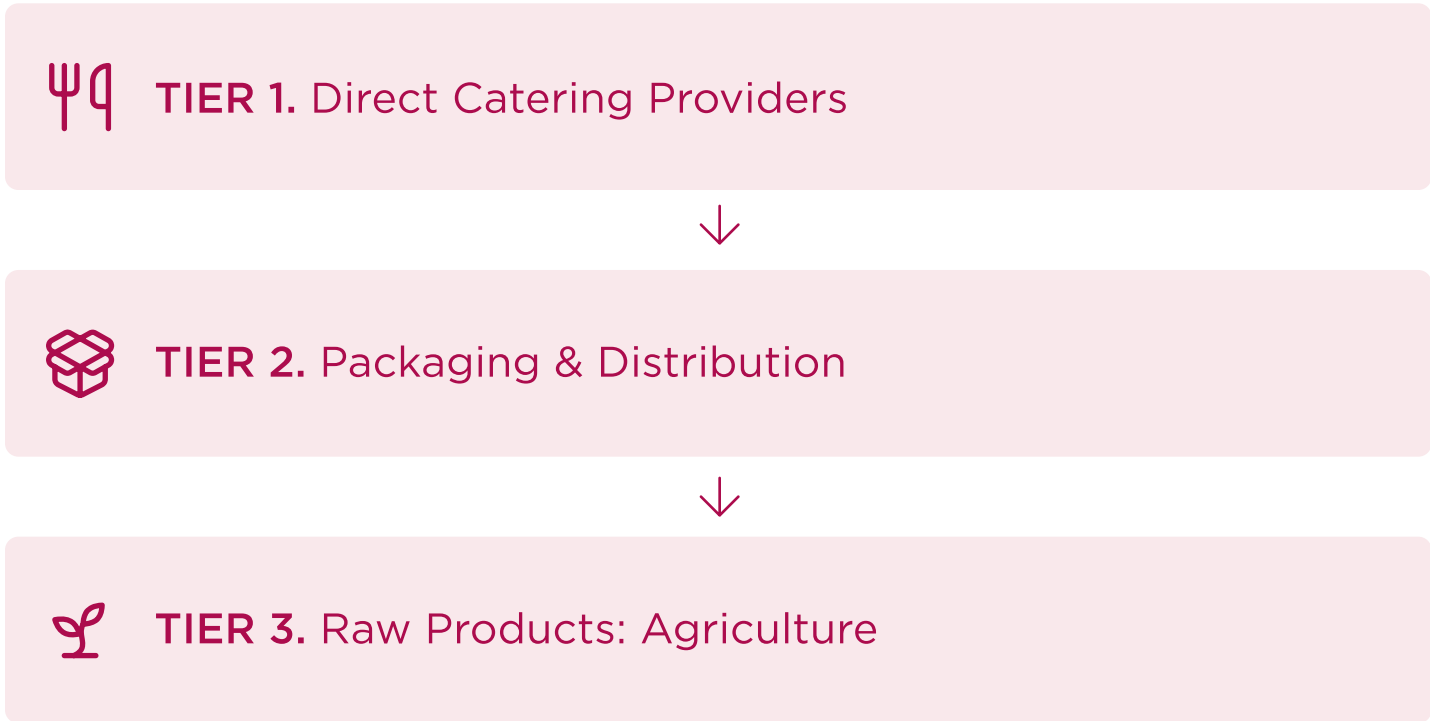


06. Catering

In 2025, IAG worked with 30 catering suppliers across the world. Given our airline network these suppliers are based primarily in Europe, North America, and the Middle East and parts of Asia-Pacific. While four key suppliers account for the majority of Group spend in this category, the full supplier base is more extensive and includes both global catering groups and smaller local providers operating at outstations, with very complex global supply chains.

IAG carried over 122 million customers in 2025 and provided meals in the air and on the ground in lounges. These meals are prepared at our main bases of operation in Barcelona, Dublin, London and Madrid but also at various outstations on our global network.

Given the complexity of the catering supply chain and food sourcing we have identified this as a sector that presents challenges and risks in relation to modern slavery and human trafficking, and which requires scrutiny. Many of the food items required for the catering sector feature high on the list of products potentially affected by the risk of child and modern slavery, such as coffee, soya and chocolate. Many of the working practices associated with these products such as growing, farming, harvesting, processing and transport involve low skilled, casual and low paid workers, along with migrant labour. The risks of modern slavery are prevalent in these situations even within European countries where migrant labour is heavily relied upon.



Most of the catering for our operating companies is carried out by a small number of suppliers, with our top 4 suppliers representing 80% of our group spend in this category.

We are working with our main suppliers to ensure that risks within their own operations and supply chains are mapped and addressed and that those involved in the production and supply of catering products understand and follow our policies and standards. Through this engagement several of our suppliers identified significant challenges in mapping the full extent of their own supply chain given their reliance on distributors of prepared foodstuffs rather than suppliers of the raw food product itself. This was made more complex given the dependence on several suppliers for the same products, that much of their sourcing of foodstuffs was ad hoc and unplanned to address time critical gaps in supply chain and the overall lack of visibility of the supply chain below the distributor of the final product.

We recognise that this is an area where supply chain transparency is particularly difficult given the nature of the raw products that are sourced to create a meal and the locations from which they are sourced, along with the human labour involved in growing, harvesting, processing, packaging, transportation.

To address this, we carried out a trial to research the supply chain of key suppliers and to share this information to better facilitate assessment of supply chains by our own procurement team and our suppliers. We identified that cocoa, coffee, seafood, sugar, palm oil, beef, soy, poultry, dairy, fresh produce, and bakery products carry significant forced labour, child labour, and modern slavery risks. These risks are especially acute in upstream commodity production in West Africa (cocoa, coffee), Southeast Asia and Peru (seafood, palm oil), Brazil, Argentina and Paraguay (sugar, beef, soy), and Southern Europe (fruit and vegetable produce).

Whilst food producers said that membership of trade bodies provides some accountability there is overreliance on these arrangements and evidence of audit weaknesses and lack of effective remediation, particularly in relation to high-risk commodities. Our Tier 1 suppliers rely heavily on agency workers for whom the recruitment arrangements and labour standards require further scrutiny.



Most of the tea in our supply chain is sourced from companies based in Europe that operate in Kenya, Rwanda, and Uganda, regions historically associated with forced labour and child labour risks in this sector. The key supplier's products are Rainforest Alliance and Fairtrade certified, which mitigates modern slavery risks. There is no public evidence of SEDEX/SMETA audit data. Full third-party audit reports were not available representing a transparency gap.

Further assessment of the effectiveness of processes and safeguards applied by our suppliers and these certifying authorities is necessary along with a mapping exercise of our tea supply chain (including picking and processing sites and transportation). This area has been identified as a priority for 2026.

The lack of visibility of supply chain for our key catering providers contributes to the lack of independent sustainability audits on social issues. This is an area where we see the most potential for improvement, with an average improvement of almost 10 points in labour and human rights performance on average for 7 key suppliers in this sector.



07. Uniforms

With almost 56,000 operational colleagues, IAG sources tens of thousands of new and replacement uniform items each year. The garment industry is one of the largest employment sectors worldwide. There are risks of modern slavery at every stage of the supply chain, from the production of raw materials, cotton harvesting transportation and garment manufacturing.


TIER 1. Direct Uniform Providers




TIER 2. Garment Manufacturing




TIER 3. Textile Production




TIER 4. Raw Materials (Cotton Harvest)

The key suppliers in our uniform supply are European based commercial organisations with outsourced arrangements to third parties around the globe with limited visibility and transparency of the full supply chain for the end use customer.

The items and the raw materials to produce goods for our uniform supply chain are sourced from Spain, United Kingdom, Bangladesh, China, India, Morocco, Indonesia, Sri Lanka, Vietnam and Pakistan. The audits in 2025 identified 72 labour issues globally including low social insurance engagement, excessive monthly overtime, informal labour agreements and inadequate personal protective equipment in intensive factory-based operations.

As these are potential indicators of modern slavery we have followed up with further enquiries and escalated these reports to our internal Sustainability Board.

We analysed local social and ethical audits across 16 sites in China, Bangladesh, Pakistan, Vietnam, Sri Lanka and Indonesia, which highlighted recurrent and systemic social risks in relation to working hours, wages and social insurance, health and safety, fire safety, personal protective equipment (PPE), and machinery protection.

Our analysis also revealed several sites that had excessive levels of overtime, failures to provide legally required social insurance contributions, and safety hazards.

Overall, the data we collated highlighted the need for strengthened oversight, more effective follow-up and remediation and an improvement to worker representation and grievance mechanisms so that issues can be raised before they are identified in audit processes.

The uniform supply chain is labour-intensive and characterised by low margins and short lead times, including activities such as garment manufacturing, cutting, sewing, finishing, dyeing, knitting, and warehouse services. It is also mainly located in high-risk geographies such as the regions of the South and Southeast Asia.

- 1. All non-compliances have been shared with the Social Sustainability Board.*
- 2. A follow-up engagement plan involving procurement and Social Sustainability Team has been developed.*
- 3. The uniform supply chain sector has been identified as a priority area for on-site audits on 2026.*
- 4. Corrective action plans will be issued and monitored.*
- 5. Victim impact assessment to be carried out with recommended actions*



08. Aircraft manufacturing

Across IAG we operate a fleet of over 600 aircraft, and this is one of our key procurement areas. To date our focus in this area has been in relation to mapping the supply chain and assessing where to focus our attention. Our risk analysis in this category has been carried out based on five integrated elements.

Methodology

The analysis is based on five integrated elements:

Aircraft Manufacturing model: The aircraft manufacturing supply chain is organised across seven categories (Aircraft OEM, Engines, Structures, Avionics, Landing Gear, Cabin, and Flight Controls & Actuation) and five tiers:

- Aircraft OEMs (Airbus and Boeing) are responsible for final assembly, certification and overall programme management.
- Tier 1 suppliers (≈50) deliver complete systems and manage complex supply chains.
- Tier 2 suppliers (≈700) manufacture certified modules and large sub-assemblies.
- Tier 3 suppliers (≈11,000) provide parts and
- Tier 4 suppliers (≈900 of significant size) produce raw materials.

Value creation model: This model distributes the total manufacturing value across the categories and tiers defined in the Aircraft manufacturing model, reflecting the relative contribution of each category and tier.

Social risk model: To assess inherent social risks consistently across suppliers, tiers and locations, this model integrates three core factors:

- Category risk, reflecting the type of activity / working environment, labour intensity (manpower vs machinery), the level of regulation and the predominant labour profile (skill level).
- Country factor, capturing labour-rights standards and governance conditions in country of operation; and a
- Tier factor, reflecting the degree of visibility and control.

Supplier prioritisation methodology: By combining suppliers' inherent social risk with their manufacturing value contribution to the total aircraft value, this approach directs engagement efforts towards suppliers and areas where the potential impact on people is highest, while maximising the positive impact achievable with the resources available.

Periodic review: This assessment is updated annually, combining the analysis above with insights from previous supplier engagement, including meetings, documentation reviews, analysis of the category questionnaire, information available in the platforms and audits. Each supplier's social risk is reassessed considering, the inherent risk and the level of performance demonstrated

during the engagement. This allows to track each supplier performance evolution and the effectiveness of the actions taken.

Key findings

Social risk is not evenly distributed across the supply chain. The following heat map shows the Social Risk by category and Tier.



By category:

- Aircraft OEMs present a medium-low inherent risk, driven by highly regulated final-assembly and certification activities carried out in controlled environments and concentrated primarily in France and USA.
- Avionics also show a medium-low risk, reflecting lower hazard activities subject to strong regulatory frameworks, with production largely concentrated in France and USA.
- Engines present a medium risk, reflecting heavy industrial manufacturing carried out in highly regulated environments, subject to particularly stringent safety-critical certification and oversight, with a predominantly skilled workforce, but with higher operational complexity, and production concentrated in France, UK and USA.
- Landing Gear, Structures, and Flight Controls & Actuation exhibit a medium-high risk profile, reflecting industrial activities carried out in regulated environments, and with exposure to moderate risk locations (France, UK, USA and Italy).
- Cabin interiors represent the highest risk area within the aviation manufacturing categories, driven by highly labour-intensive, manual production processes. Main suppliers are located in Europe, USA and Japan.

By tier:

Risk increases as visibility decreases, with OEMs and Tier1 operating in highly regulated environments, and progressively higher exposure across Tiers 2, 3 and 4 due to subcontracting and reduced downstream visibility. Tier 4 - Raw Materials constitute the overall highest-risk area, affecting all categories, combining extractive and primary processing activities with hazardous work, limited visibility and exposure to higher-risk geographies).

Engagement Strategy

Engagement with suppliers is tailored according to supplier type.

Strategic Suppliers

IAG's engagement within aircraft manufacturing will focus on strategic suppliers. IAG has selected the six largest aerospace groups globally as its strategic suppliers. These groups concentrate a large share of activity and risk across Tiers 1, 2 and 3, and are also the companies with the strongest leverage over raw-material producers.

IAG will approach these strategic suppliers to:

- improve visibility of social responsibility policies, risks mapped, specific issues identified and corrective actions implemented within the suppliers' operations and its supply chain.
- assess the social risks across their supply chains, including raw material producers.

As the aerospace sector represents only a limited share of total demand for raw materials, IAG will seek to cooperate with the strategic suppliers and other airlines through industry bodies to increase collective influence and promote consistent social responsibility expectations towards raw material producers, which concentrate the biggest social risks in the aircraft manufacturing supply chain.

Wider supplier base

Engagement with the wider supplier base will follow completion of the strategic supplier review, applying the same principles through a phased and risk-based approach.



09. Fuel

IAG group of airlines has a fleet of over 600 aircraft. Fuel represents a considerable share of total suppliers spend and was selected as a category to be part of the Focus Group. This category includes 102 suppliers, of which 79% are also involved in oil extraction, which we have assessed as a high-risk activity from a modern slavery perspective.

Two key suppliers represent over 70% of the annual spend in the category. The supplier base is geographically diverse, with suppliers headquartered across Europe, the Middle East, Asia, the Americas and parts of Africa. A significant proportion of suppliers are vertically integrated oil companies operating across upstream, midstream and downstream activities, often with operations extending well beyond the footprint of IAG's airline network. Their operations in relation to extraction of crude oil; transportation and trading; oil refinery and the production and sales of petrochemicals for industrial use are global and extend well beyond the footprint of our airline operations and their own businesses and groups. Through the supplier engagement programme, it was observed that key suppliers

have strong policies in relation to labour standards and modern slavery and the management of their supply chain given the complexity and risks associated the businesses, the need for quality assurance in relation to their product and the criticality of fuel supply to their customer base.

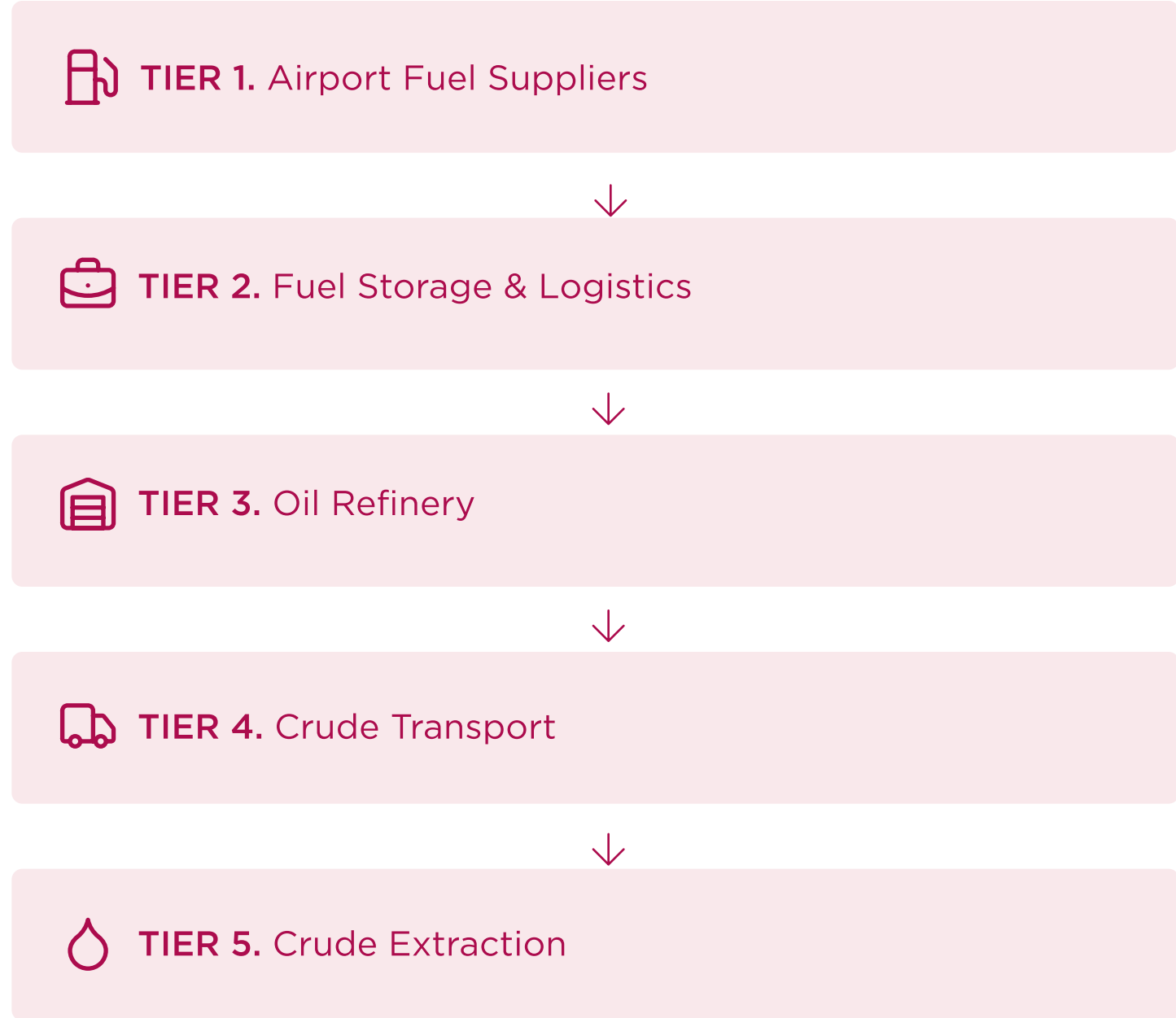
Oil extraction is capital-intensive and labour-intensive at the operational level, relying heavily on contracted and migrant workers, particularly for drilling, construction, maintenance, and logistics roles. Crude oil extraction takes place in a wide range of environments, including offshore platforms, remote onshore fields, deserts, forests, and politically unstable regions.

As part of our Focus Group review IAG engaged with suppliers who were involved in oil extraction in South Asia to discuss their modern slavery compliance to assess the level risk and to consider how they addressed issues. In most cases the suppliers were State-owned enterprises and joint ventures and stated that they complied with national laws applicable to them (including constitutional provisions), reinforced by regulator and government oversight. All suppliers stated their commitment to prevent forced labour, child labour and discrimination, and guarantee fair working conditions, grievance mechanisms and equal pay.

Many suppliers indicated that recruiting and retaining employees with the necessary skills could be challenging given the working conditions such that fair treatment of workers was necessary.

We also established through the Focus Group engagement that many of the suppliers in this sector required numerous quality-based certifications with regular third-party audits, in relation to their own operation but also their Tier 2 and Tier 3 suppliers given the importance of traceability of the raw product. We also found evidence that suppliers required adherence from their suppliers to their Human Rights Policy, with explicit references to the prohibition of child and forced labour, gender equality and non-discrimination and provided accessible grievance mechanisms to employees and contract workers, digital complaints portals and an escalation process for complaints.

Given the demand for skilled employment, we also explored some of the arrangements that suppliers had for recruitment and visa processing to ensure that the cost of this was borne by the employer and that no recruitment fees or bonded labour. One of our Fuel suppliers publicly disclosed that they had identified the presence of bonded labour clauses withing their supply chain. IAG has followed this up with the supplier.



10. Agency workforce

The Agency Workforce category covers the use of third-party labour providers and recruitment agencies to supply temporary, contract or contingent workers across operational and support functions. This labour model is used within IAG and its supply chain to provide flexibility, address short-term demand fluctuations, cover specialist roles, and respond to seasonal or operational peaks. Agency workers may be engaged across multiple geographies, often working under fixed term/project arrangements and outside standard direct employment structures. This type of work inherently presents a higher-risk area for modern slavery.

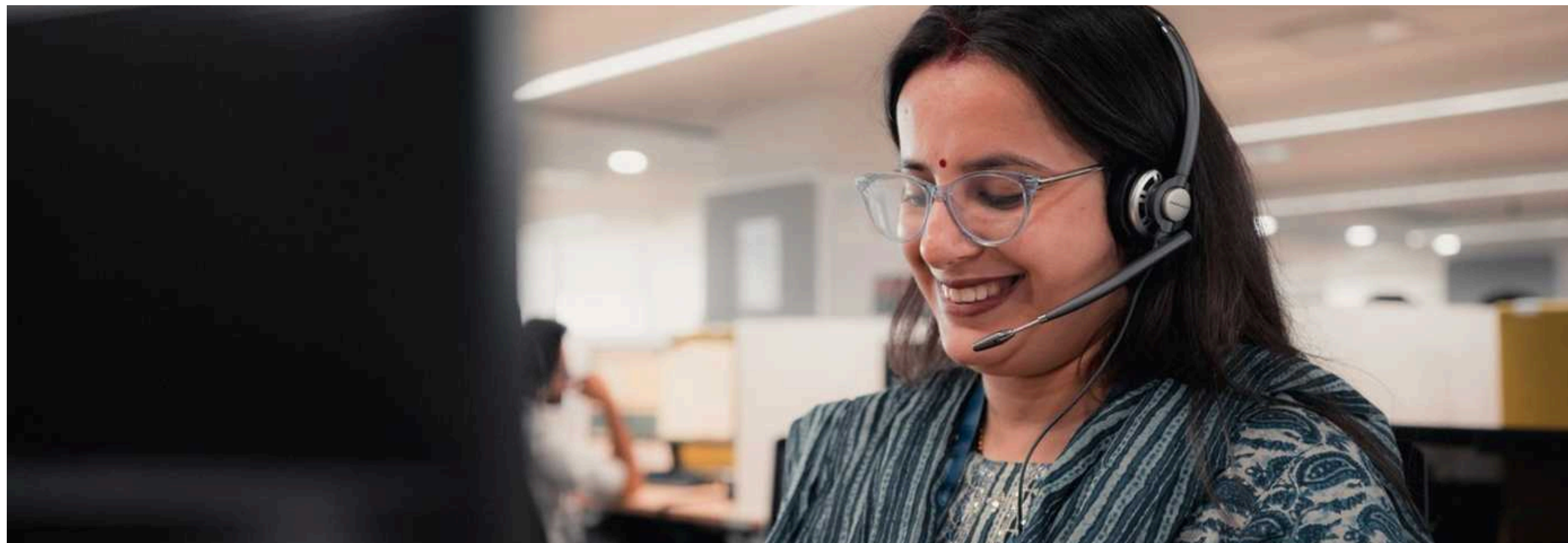
IAG spends over €43 million per year on agency staff including project management and IT Services. As part of our risk assessment, we carried out a targeted in-depth engagement with 4 of the major providers of these services. The engagement assessed governance maturity, recruitment practices, workforce oversight and grievance frameworks. The conclusions are that there was a high level of awareness of the elevated risks associated with agency labour. Many of the suppliers had implemented controls to mitigate these risks, including clear separation between recruitment and compliance functions, formal grievance and whistleblowing mechanisms accessible to agency workers, alignment with the

“Employer Pays Principle” and oversight of subcontracted labour providers via recruitment controls.

Many suppliers take proactive steps to address risks by mapping their Tier-2 and Tier-3 suppliers. Several of the suppliers we engaged with also participate in recognised industry initiatives and external partnerships aimed at strengthening ethical recruitment and labour standards, for instance, [Slave-Free Alliance](#), [Stronger Together](#) and the [Association of Labour Providers \(“ALP”\)](#). One of our key suppliers had also actioned a review of their operations to address their labour standards and shared its programme to implement 38 best practice recommendations that had been identified.

The engagement outcomes informed IAG’s ongoing risk assessment and monitoring approach for this category particularly within areas of its supply chain where agency workers are used. The engagement highlighted the importance of continued scrutiny of recruitment pathways, labour intermediaries and worker voice mechanisms, particularly in the areas that our suppliers identified as high-risk e.g. lower-skilled and agency-supplied worker groups, short time/temporary agency workers and those supplied via intermediaries.

These insights will continue to shape IAG’s prioritisation of further engagement, evidence review and assurance activities within this category.



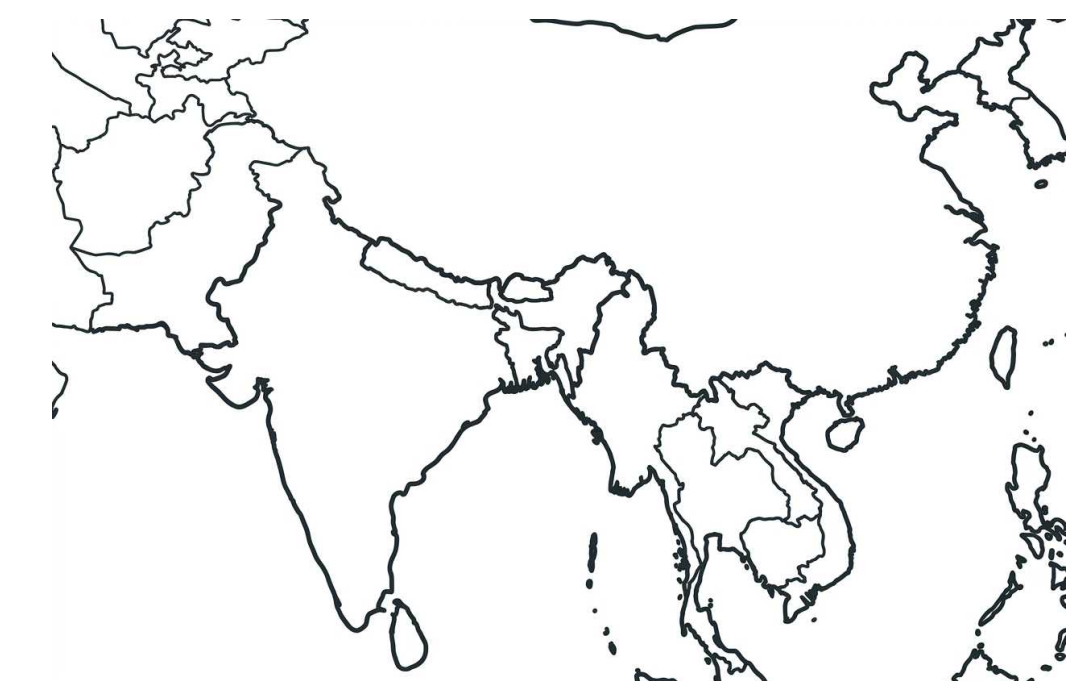
11. Call Centres

Call centres provide customer contact and support services on behalf of IAG operating companies. These services typically include handling customer queries, bookings, complaints handling and support during periods of operational disruption. Call centre operations are labour-intensive and often rely on large workforces operating across multiple shifts and jurisdictions, sometimes involving subcontracting or layered service delivery arrangements. IAG spends over €101 million per year in call centre services across 5 main suppliers.

Of these five main suppliers three of them are outsourced to a third party and two (BA and CalBA) are inhouse. These suppliers are based in the South Asia region. In 2025 we carried out an in-depth engagement with 4 providers of these services who make up over 90% of annual spend in this category and our internal entities. These providers were assessed for their workforce profile, the process and protections around subcontracting, training, and complaint handling. There was evidence of positive practices including requirements that vendors sign up to both a code of conduct and sustainable sourcing charter and provide evidence of supplier mapping.

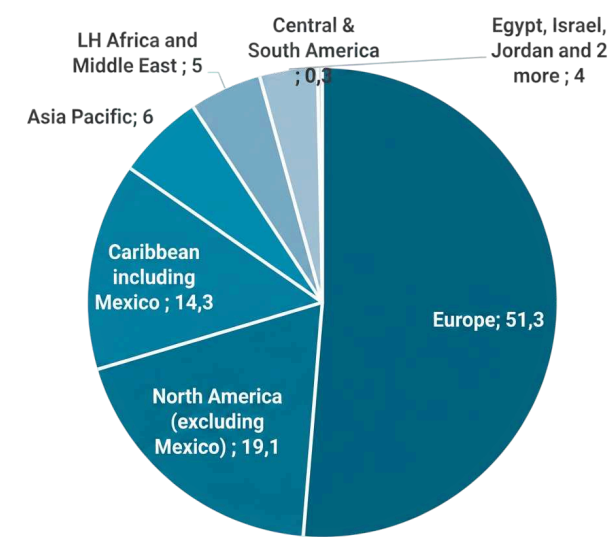
Our key supplier recognised specific risks in relation to certain third-party service providers that were commonplace in this sector, including manpower agencies, facilities management vendors, transport providers, and IT suppliers and have developed a plan to address these in 2026, including:

- A tailored Supplier Code of Conduct and Sustainable Sourcing Charter for the call centres.
- Enhanced due diligence on suppliers prior to onboarding and a review of contractual terms.
- Periodic reviews of vendor practices and compliance standards
- Targeted training and guidance to employees and management on ethical conduct, human rights, and recognising indicators of modern slavery



12. Hotels

IAG relies on a global and extensive hotel and accommodation stock and this sector is assessed as high risk from a modern slavery and human trafficking perspective.



Number of rooms for leisure hotels.

In 2025, the vast majority of IAG’s hotel procurement for crew was for destinations in Europe and North America. Hotels are procured in different ways – via global contracts with international and regional hotel groups, individual hotel arrangements and through wholesale partners to provide additional stock. The different business models are often separate from ownership models which combined with the geographical scale and diversity of this sector can add complexity to managing risk and oversight. The scale and volume of our procurement in this sector presents an opportunity to tackle risks in this sector. Our own assessment identifies specific risk factors relating to labour intensive activities and complex supply chains including food & beverage, laundry and cleaning, maintenance, security, excursions, and transportation. Some of these services rely on low paid and casual labour including temporary, seasonal and migrant workers and agency staff for their workforce and to meet short term spikes in demand. This can involve expedited and less rigorous recruitment processes with associated risks of modern slavery.

In addition, many workers in this sector are in less visible roles and easier to conceal from the public and the authorities. In some regions, the sector will also come with the risk of child labour and across the globe hotels and accommodation are used to facilitate human trafficking including child trafficking and sexual exploitation. All our colleagues have a responsibility to tackle modern slavery and human trafficking within our supply chain and our operational staff who stay at these hotels are encouraged and supported to raise any concerns that they have.

Over a third of BA Holidays’ hotel offering are members of the [Sustainable Hospitality Alliance \(WHSA\)](#), or franchise partners of members, through which members commit to raising awareness of human rights risks, embed human rights

into corporate governance, and address risks arising in the labour supply chain and during construction. We are working closely with our key partners and other industry bodies recognising that further improvements that can be made in relation to management of hotel compliance processes to increase awareness and the number of reports from suppliers on this issue.

During 2025, BA Holidays supported the World Travel & Tourism Council’s hotel sustainability standards level 2 consultation by ensuring modern slavery risks are included.

In 2025, BA Holidays also strengthened its human rights due diligence in line with the UN Guiding Principles, recognising its link to modern slavery risks across partners and suppliers.

Human rights, including modern slavery, forced labour, human trafficking and child labour across the supply chain along with unfair working conditions, including working hours and safety, are all recognised as key salient risks via our sales procurement team.

BA Holidays Human Rights Principles include these key principles:

- All workers in our supply chain must be employed by their own choice, not under any kind of forced or debt bonded labour conditions.
- Workers should never be told to surrender their IDs or be subject to recruitment fees. Any voluntary passport safekeeping practice must be fulfilled under the worker’s control, without the employer or their representative abusing the situation.
- Workers should be provided with adequate resources and methods to know their rights and how to raise them.
- All suppliers must implement effective age-verification processes to ensure that no worker is employed below the legal minimum working age or in violation of applicable child labour laws.

To support this, BA Holidays has an implementation strategy, which includes:

1. swift action to remove an affected individual(s) from the harmful situation and work together to implement a Corrective Action Plan with the main aim to support the victim(s)
2. in the event of forced labour being identified, the supplier is required to implement remediation measures that prioritise the wellbeing and safety of the affected individual.
3. In a proven human trafficking situation, our suppliers must support the victim in a positive way and mitigate any harmful impact.
4. Any instances of underage employment must be promptly addressed through appropriate remediation measures that prioritize the child’s best interests.

BA Holidays integrated sustainability clause into its direct and wholesale hotel contracts, aligned to IAG Group commitments. These clauses set out clear expectations for suppliers, including adherence to human rights and labour standards, a commitment to the prevention of modern slavery, and the establishment of appropriate reporting and continuous improvement measures.

The global commitment to respect human rights as defined by the UN Guiding Principles for Business and Human Rights, never engage in or allow any form of modern slavery including forced and bonded labour, human trafficking, child labour or unfair practices with migrant labour, anywhere in your own operations or in the operations of your third parties.

To strengthen oversight of its supply chain, BA Holidays collaborated with IAG Innovation team to co-create a trial of due diligence platform suited for efficient and risk-based supplier profiling. The platform is scalable and suited also for finding human rights champions among suppliers, which may enable spotlighting these suppliers and their products to our customers. The tool covers automated risk identification and incident monitoring on a hotel property level, with an initial cohort of suppliers already assessed to enhance visibility of potential risks.

The initial cohort assessment covered 48 direct hotel suppliers that BA Holidays identified as being representative of its value chain including those based in high-risk geographies. Through this BA Holidays identified an average of 35 general and/or specific risks per supplier, with 55% of these risks mitigated.

Most human rights risks were assessed as medium or low severity, primarily linked to workplace harassment and mistreatment. However, lower mitigation rates were observed in key labour areas such as living wage, minimum wage, and precarious work.

Unmitigated risks were geographically concentrated, particularly in the Maldives (105 risks), Egypt (95), United Arab Emirates (64), Vietnam (63), and Oman (54), enabling a targeted, risk-based approach to supplier engagement.

These insights will inform our ongoing due diligence and targeted actions to strengthen safeguards against modern slavery across our supply chain.

BA Holidays continues in 2026 to implement the supplier profiling programme beyond the initial trial cohort.

13. Training & Awareness

Information relating to human trafficking and modern slavery are available to employees on our intranet pages.

In 2025 we continued to share information about modern slavery and human trafficking campaign across the business to highlight the relevance of the issue to aviation and to provide practical guidance and support to operational staff. This information was shared on display boards and posters, within employee communications and intranet sites and supported by a roadshow in operational areas.



A particular case where a crew member highlighted trafficking on a flight was showcased on the company intranet and the crew member was recognised at the BA Better World Sustainability Awards for Responsible Business in action award for her work to fight human trafficking through raising awareness amongst cabin crew.

In 2025 British Airways continued its partnership with [Tribe](#), a charity that raises awareness of modern slavery and human trafficking issues with colleagues, whilst involving them in their work to support victims. Through this collaboration British Airways, through its partnership with Tribe Freedom Foundation supported survivor-focused initiatives funded via the BA Better World Community Fund and colleague and customer donations. This included contributing to the opening of five safehouses, a new trauma support centre, and survivor community sessions delivered with partner organisations. British Airways colleagues were directly involved through volunteering activities, including participating in the renovation of a safehouse.

Our staff have been encouraged to support fund raising for the charity, via BA's community channel accessible to staff and passengers. Iberia has partnered with [A21](#) to raise awareness and support its training programme.

British Airways deployed the ["It's a Penalty"](#) 30-second awareness video as an in-flight campaign to raise customer awareness of human trafficking and to support a UEFA campaign in relation to the World Cup 2026. From the post campaign survey 72% respondents said that they had an increased awareness of human trafficking issues and 81% reported that they would know how to report suspected cases.

To support the awareness campaign, a specific e-learning module was created for our cabin crew, pilots and airport colleagues providing examples and guidance on how to identify and report issues in line with the relevant ICAO/ONHCR guidance and linking to IATA's "EyesOpen Against Human Trafficking" campaign. The module was updated in 2025 to include more content following input from a survivors group. To date more than 12,000 colleagues have completed the programme.



The e-learning module is an accessible and efficient alternative to classroom-based training and is accessible from mobile phones and electronic devices. IAG has provided access to this tool to key suppliers in the hotel and ground handling sector and to other airlines so that it could be used more widely.

All training programmes are implemented at operating company level, and each is responsible for determining the specific courses that are mandatory within their organisation, the frequency with which training courses must be completed and the employees required to attend these courses. Through ongoing collaboration between our operating companies, we share best practice and pool resources. Our specific modern slavery training sits alongside a core mandatory training course on the Code of Conduct and more general compliance; security and operational training delivered on recruitment and on a recurrent basis. More specific training is offered regarding supply chain management for our procurement function on how to address modern slavery and human trafficking issues through the selection of suppliers and the management of the ongoing contract.

We have also provided seminars for our procurement team on modern slavery and human rights and how these issues are best addressed in the procurement cycle.



14. Our workforce

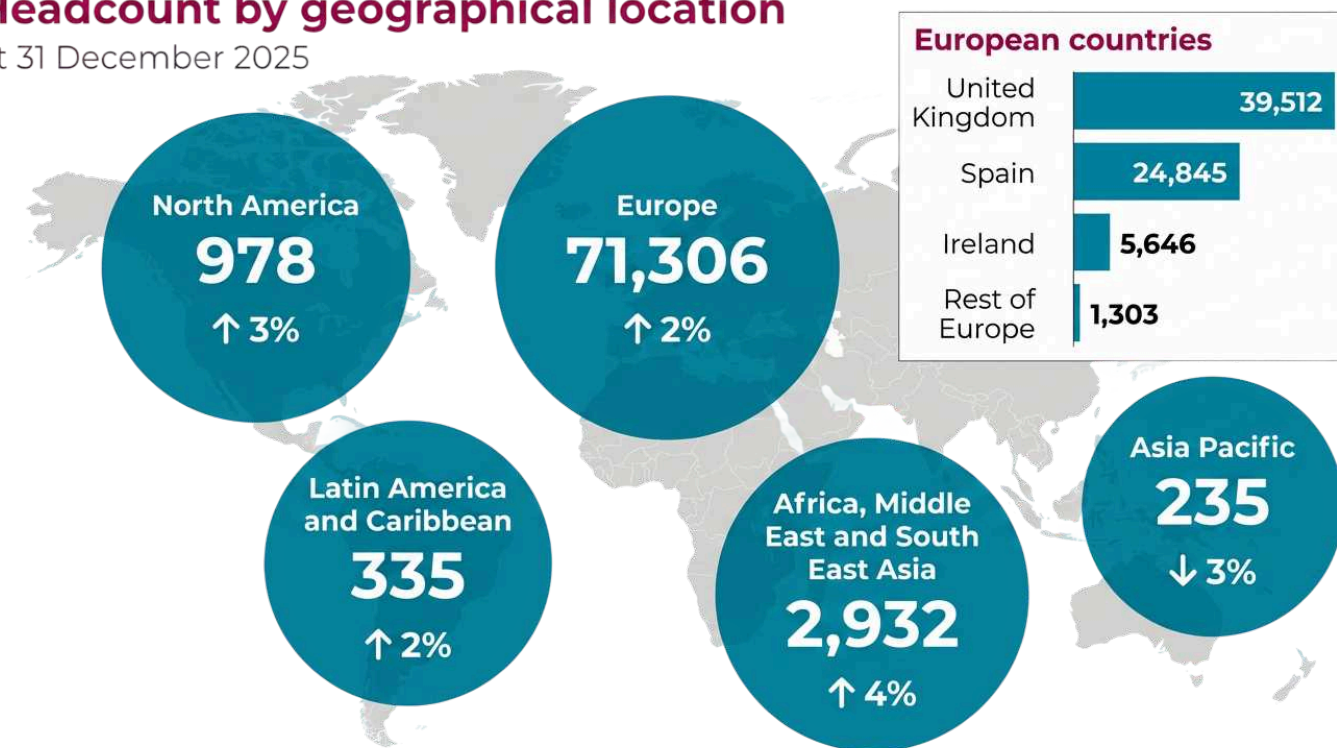
Over 2025, IAG had 75,786 employees in 76 countries across all its operating companies. Most of the workforce is concentrated in Europe and North America, with United Kingdom as the country with the highest number of employees: 39,512, followed by Spain with 24,845. We also have significant groups of employees in the USA, Canada and India.

We are committed to ensuring high labour standards for all the employees within our Group companies and to provide a safe and positive working environment in which all employees can realise their full potential. Most of our staff are recruited through their employment entity. Given our industry the recruitment processes we follow require pre-employment referencing process for all new colleagues, whether they are contractors sourced via an agency or permanent colleagues. Through this process we require details of employment history and right to work checks which mitigates against the risk of modern slavery.

IAG and its operating companies have robust policies that address issues such as the elimination of discrimination, health & safety, working time and reward.

Headcount by geographical location

at 31 December 2025



These policies comply with the conventions of the International Labour Organization (ILO), covering subjects that are considered as fundamental principles and rights at work including the freedom of association and the effective recognition of the right to collective bargaining.

Each operating company has formal and informal channels in place to engage with employees, listen to, and act on employee feedback. These channels are aligned to each operating company's unique culture and work environment and include:

- Roadshows, online employees' forums, town hall meetings, internal social networks, newsletters, workshops, pulse surveys, social media, engagement groups and surveys.
- Employee-led networks and resource groups, which provide valuable channels for feedback on plans and initiatives.
- Local employee representatives and unions, which offer formal and informal channels for raising issues and concerns, including grievances and complaints about working conditions.

In 2025 we have provided specific information on modern slavery and human trafficking, including practical guidance on how to spot issues and report concerns to certain key groups within our workforce. IAG, its operating companies and subsidiaries ensure that our colleagues are aware of and understand our focus and commitment to tackle modern slavery and human trafficking and that they are fully engaged and involved in our collective efforts to do so.

We regularly share information, consult and collectively bargain with trade unions across IAG and employee representatives at a national and local level. We also comply with any sectoral, regional and national collective agreements.

Collective bargaining arrangements are in place for 84% of the workforce across IAG

IAG also has a European Works Council which brings together representatives from the different European Economic Area (EEA) countries in which the Group has operations.

In the [ILO Report for the Technical Meeting on a Green, Sustainable and Inclusive Economic Recovery for the Civil Aviation Sector \(Geneva, 24-28 April 2023\)](#) IAG was recognised for best practice on engagement and collective bargaining. Many of the agreements reached in that period remain in force or have been further updated via collective bargaining. IAG has provided an update and discussion on IAG's approach to modern slavery and human trafficking and sustainability reporting with the European Works Council in 2025 and 2026.

Facilities are available across the Group for employees to report grievances or any alleged or actual wrongdoing. A whistleblowing channel provided by NAVEX is available for concerns to be raised on a confidential basis. This external and independent service is available to all our employees and to others working in our supply chain. We also created a standard process so that labour related complaints (internal and external) can be tracked and addressed more effectively including standard operating procedure on conducting investigations.

The IAG Audit and Compliance Committee receives a report on complaints to our whistleblowing channels on an annual basis.

In 2025, there were 10 cases reported via Ethics Point relating to human rights issues in relation to working conditions, all but one of which relate to employees within the group. None of the complaints relating to employees related to modern slavery or human trafficking.

In addition, designated IAG Board members conduct workforce engagement visits to better understand workplace issues.

15. Looking forward

We continue our focus on these important issues into 2026, aligning with the integration and implementation our Human Rights Policy.

In addition, we are focussing on a number of key opportunities for improvement, including:

- Targeted training on human trafficking for key operational areas and procurement to build capacity and awareness.
- Developing materials to support procurement leads with due diligence at all stages of selection and onboarding of suppliers.
- Providing more frequent updates to key stakeholders on policy implementation, including challenges and opportunities.
- Improve the recording, tracking and reporting of modern slavery and human rights issues across our operation and supply chain.
- Continued collaboration with key suppliers and across the travel and tourism sector, to identify and assess risks and build capacity.
- Update mapping of key high-risk categories and geographies to include Tier 2 and below.
- Review the extent to which certain high risk suppliers have adequate measures for the raising of grievances and complaints from their operations and supply chains.
- Further collaboration with NGOs and charities that are active in raising awareness and supporting victims.
- Introduce the new Third-Party Risk Management Programme
- Review of effectiveness of online tools. e.g. ECOVADIS, SEDEX, Moody's.
- Review and improve the processes for investigation and remediation across the group in line with UNGP principles.



Annex

British Airways

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