

International Consolidated Airlines Group, S.A.

IAG INTERNATIONAL AIRLINES GROUP

Consolidated Non-Financial Information and Sustainability information for the year ended 31 December 2025





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 2025



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 2025

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 2025, which forms part of the Group's consolidated management report.

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 2025 (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 2025 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 IROs 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.
 - 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 Responsibility of the Assurance Provider 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 Group's consolidated management report, 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.

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 IROs 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:

- 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 2025 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 IROs 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 2025.
- Review of the information relative to the risks, policies and management approaches applied in relation to the material aspects presented in the NFIS for 2025.
- Corroboration, through sample testing, of the information relative to the content of the NFIS for 2025 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.
- Procurement, if applicable, of any reports issued by accredited independent third parties included as an appendix to the consolidated management 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

The Directors of International Consolidated Airlines Group, S.A. are responsible for other information. Other information comprises the consolidated annual accounts and other information included in the consolidated management 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 management 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.

A handwritten signature in blue ink, appearing to read 'Marta Contreras Hernández', written over a faint grid background.

Marta Contreras Hernández

3 March 2026

Consolidated Non-Financial Information Statement and Sustainability Information

General requirements

- | | |
|---|--|
| 1 | ESRS 2 General disclosures |
| 1 | BP-1 General basis for preparation |
| 2 | BP-2 Disclosures in relation to specific circumstances |
| 3 | Governance |
| 6 | Strategy |

Environment (Planet)

- | | |
|----|------------------------|
| 11 | ESRS E1 Climate change |
|----|------------------------|

Social (People and prosperity)

- | | |
|----|------------------------------------|
| 29 | ESRS S1 Own workforce |
| 42 | ESRS S2 Workers in the value chain |
| 45 | ESRS S4 Consumers and end-users |

Governance

- | | |
|----|--------------------------|
| 47 | ESRS G1 Business conduct |
|----|--------------------------|

Appendix

- | | |
|----|--------------------------------------|
| 52 | Sustainability due diligence |
| 52 | Phase in reliefs taken |
| 53 | Calculation methodology and factors |
| 57 | Datapoints from other EU legislation |

EU Taxonomy

- | | |
|----|------------------------------------|
| 62 | EU Taxonomy |
| 70 | KPIs of non-financial undertakings |



General requirements

ESRS 2 General disclosures

BP-1 General basis for preparation

International Consolidated Airlines Group (hereinafter referred to as 'International Airlines Group', 'IAG' or 'the Group') Consolidated Non-Financial Information Statement and Sustainability Information (together referred to as the 'Sustainability statement') complies with Spanish Law 11/2018, of 28 December 2018, amending the Commercial Code, the consolidated text of the Companies Law approved by Royal Legislative Decree 1/2010, of 2 July 2010, Law 22/2015, of 20 July 2015, on auditing, in matters of non-financial and diversity information, and Law 5/2021, of 12 April 2021, amending Article 49.6.II, fourth paragraph, of the Commercial Code.

This Sustainability statement is prepared in accordance with the EU CSRD on a voluntary basis and the scope of consolidation matches the consolidated financial statements of IAG.

The disclosure of transitional requirements comply with the joint communications by the CNMV and the ICAC released on 27 November 2024 and subsequent communication released on 19 November 2025. Selected GRI Standard (an international initiative for sustainability reporting) has been applied for these disclosure requirements.

IAG also complies with the 2018 UK Streamlined Energy and Carbon Reporting regulation, the TCFD recommendations and the EU Taxonomy Regulation (2020/852).

Information provided in this Sustainability statement is also relevant for the requirements of Royal Decree 214/2025, of 18 March 2025, in respect of emissions in relation to activities located in Spain. Royal Decree 214/2025 creates the register of carbon footprint, compensation and carbon dioxide absorption projects and establishes the obligation to calculate the carbon footprint and to prepare and publish plans to reduce GHG emissions (for companies affected by article 49.5 of the Commercial Code, and article 262.5 of the consolidated text of the Capital Companies Act).

Scope of the value chain

This report covers sustainability impacts resulting from direct, upstream and downstream operations of IAG. 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
Aircraft financing	Own MRO	Freight forwarders
Airports, ANSPs and communications	Cargo operations	
Ground services, including aircraft handling and catering	Office operations	
External MRO	Loyalty reward programmes and associated benefits	
Other supply chain services		

Sections in IAG's Annual Report that are included within the scope of this Sustainability statement, due to their relevance for addressing the requirements of the CSRD, include Business model, Corporate Governance, Stakeholder engagement and Risk management and principal risk factors.

References to relevant regulations are provided in the appendix to this Sustainability statement.

External assurance

The full contents of this Sustainability statement are independently verified by a third party to limited assurance standards in line with ISAE3000 (Revised) standards.

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 ETS and EU ETS and for all flights on eligible routes for the CORSIA.

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 Sustainability statement is aligned with the consolidated financial statement in this Annual Report. Material topics have been determined via a double materiality assessment initially completed in 2024 and reviewed in 2025, details of which follow in this Sustainability statement.

The scope of environmental performance data and targets relates to all IAG subsidiaries. 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 airlines and key aspects of the IAG supply chain.

Total revenue per the consolidated financial statements is used to calculate revenue intensity data points as required under section E1 Climate change.

BP-2 Disclosures in relation to specific circumstances

Time horizon

Under the ERM framework, 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 (S) short term (up to three years), (M) medium term (from three to five years) and in the (L) 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 2040 and 2050. Emerging risks across our business and regions 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.

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

Value chain emissions estimation

IAG has assessed all 15 categories of Scope 3 emissions as defined by the global GHG Protocol. Refer to section E1 Climate change and the appendix of this Sustainability 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 if they are considered material. Any 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 periods from which information was available. Internal processes, procedures and governance is in place to ensure that any estimations made are robust.

We have deemed the following metrics in the table below to have a high degree of uncertainty based on known omissions in the dataset:

Metric	Key assumptions or omissions	Remedial actions
Scope 3, Category 11: Activity relating to IAG Loyalty programme members redeeming Avios	Includes Avios redeemed through available IAG redemption channels and excludes Avios that are converted into award credits of other non-Group partners	Methodology is under development to assess the ability to broaden reporting scope beyond flight activity on IAG aircraft only

Changes in preparation or presentation of sustainability information

There have been no changes to the preparation of sustainability information in this Sustainability statement compared to 2024. This Sustainability statement is prepared within IAG's Management report in accordance with the CSRD on a voluntary basis. It adheres to the ESRS and aligns to the example structure of the Sustainability statement presented by the European Financial Reporting Advisory Group. Information disclosed in this Sustainability statement complies with the requirements of Spanish Law 11/2018 and 214/2025.

Reporting errors in prior periods

The IAG Sustainability Director reviews all data including from prior periods. No material reporting errors were identified from prior periods in the preparation of this statement.

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 the EU, Swiss and UK ETS and CORSIA, within six months of the issuance of this report. Any material changes are restated in future reports. More information is provided in the appendix to this Sustainability statement.

Phase-in provisions

Please refer to the appendix to this Sustainability statement.

Governance

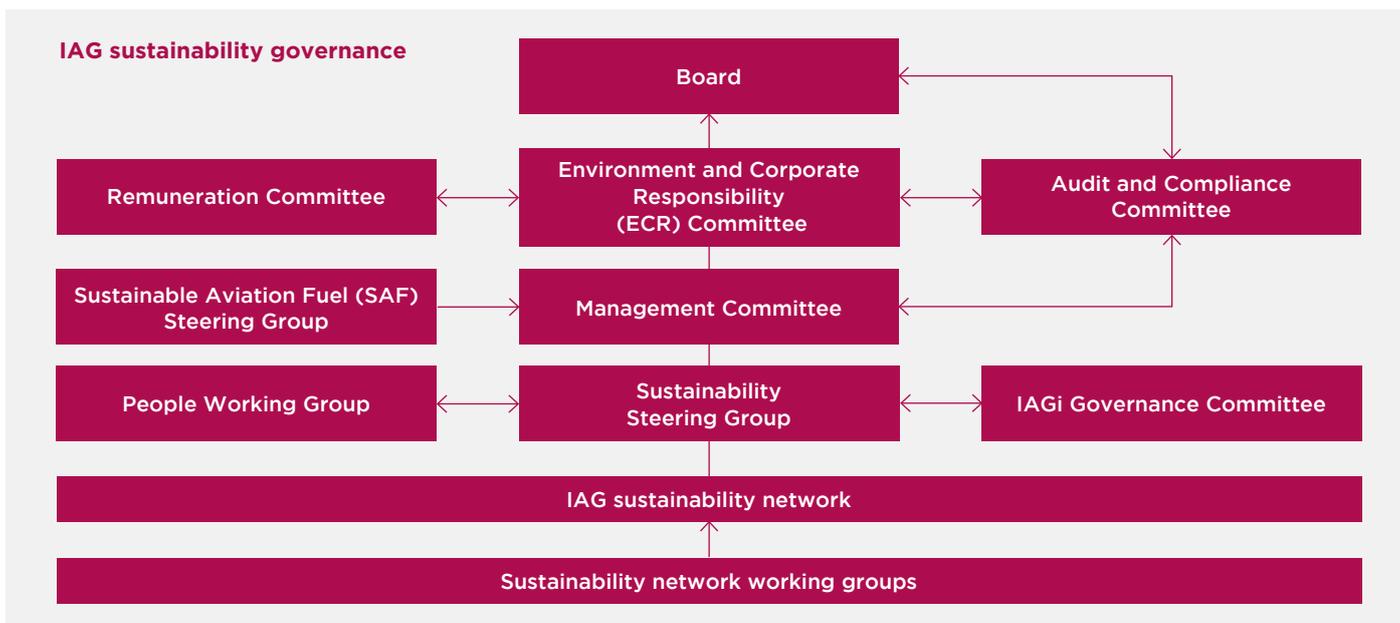
GOV-1 Role of administrative, management and supervisory bodies; GOV-2 Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies

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

This governance 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 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.

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	How often sustainability information is shared	Responsibility in relation to sustainability and corporate responsibility
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.
IAG Environment and Corporate Responsibility Committee	At least three times per year	Dedicated oversight of the Group's sustainability programme and alignment with strategic priorities, environmental sustainability approvals and review of progress against environment and people plans. Reviews and approves the Sustainability statement. Receives an update on material sustainability issues including environmental KPIs on a quarterly basis. Provides a link between operating company management committees and the Board. Receives training as required on sustainability topics. Supervises the implementation of policies concerning sustainability in the value chain.
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. Receives updates on competition law compliance, anti-corruption and anti-bribery policies, and whistleblower protection mechanisms being conducted by the Group. The range of skills, knowledge and experience of the Committee's members enables them to apply the appropriate level of rigour and assessment to compliance decision-making.
IAG Management Committee	At least quarterly	Reviews and challenges business cases put forward to deliver the Group's sustainability programme. Reviews the alignment of operating-company-specific sustainability programmes with Group priorities, including progress against sustainability targets.
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 per annum	Comprises more than 60 sustainability representatives from across the Group. This network supported the Group's double materiality assessment review in 2025 by providing views on the 'impact materiality' of impacts, risks and opportunities (IROs) identified, and meets monthly to provide updates on the work to address material IROs. This forum reports into the IAG SSG. The IAG sustainability team also administers regular training to its operating companies to support development of expertise across the Group on material issues.
IAGi Governance Committee	At least biannually	Reviews potential investments to consider emerging climate technologies and partnerships with sustainability startups. 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	Comprises sustainability colleagues across the Group's operating companies to monitor regulatory requirements on sustainability reporting and disclosures. Forum for sharing best practice and implementing internal audit requirements for the reporting of environmental metrics. Tracks key metrics towards IAG's Flightpath Net Zero strategy - for presentation to the ISN, SSG and ECR. 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 targets. In 2025, this working group prepared updates to IAG's waste-reduction and recycling strategy including proposing new targets to 2030.
Carbon Efficiency Working Group	Monthly	Forum comprises sustainability and fuel management teams who share best practice on fuel-efficiency initiatives to deliver carbon reductions in line with the 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 IAG sustainability and heads of sustainability colleagues from operating companies to review delivery of the IAG Flightpath Net Zero strategy, and discuss sustainability initiatives. Reviews updates proposed to IAG's Scope 1 and Scope 3 emissions roadmap.
Non-CO₂ Working Group	Ad hoc	Prepares and coordinates Group airline activities towards reporting non-CO ₂ emissions under requirements of the EU ETS. Shares best practices to better understand its environmental impact and possible mitigation initiatives, including flight trials.

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 finance and sustainability teams across the Group who provide oversight of SAF strategic direction and recommend new purchases and investments for approval at the IAG Management Committee and the Board.
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 Sustainability Director	Regularly as relevant	Reports to the IAG Chief Financial and Sustainability Officer. Chairs the ISN and is responsible for delivering IAG's Flightpath Net Zero strategy.
IAG People Director	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, 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, including 100% of IAG senior executives. 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.

	Unit	Incentive scope	Explanation
IAG-specific carbon efficiency measure	gCO ₂ /pkm	Covers up to 10% of the annual bonus for senior executives	<p>This measure reflects our progress towards our sustainability target. It measures the fuel efficiency of our flight operations, accounting for 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).</p> <p>In selected operating companies, the carbon efficiency measure is combined with other KPIs relevant to operations (e.g. waste reduction initiatives in IAG Cargo).</p>

Refer to the Remuneration Committee report for more information.

GOV-4 Statement on due diligence

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 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's 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 and IAG Management 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 mitigation requires 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-related risks are managed by the Group's operating companies and supervised by the IAG Nominations Committee, the Remuneration Committee and the Board through periodic reports.

Impact on operations and strategy

Sustainability risk assessments inform specific decisions related to business operations and strategy, and IAG allocates resources to environmental risk management. IAG is committed to mitigating the impacts of hazards that could have negative outcomes on the environment or people.

IAG adopts precautionary measures to mitigate these hazards, taking early, proactive steps to understand and mitigate climate-related risks before all impacts are fully certain, an approach known as the precautionary principle. For example, the precautionary principle is applied to the planning of operations and the 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's 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 ISO.

All Group airlines were certified under the IEnvA standard in 2025. Iberia and British Airways renewed their certification in 2025 and British Airways incorporated the Illegal Wildlife Trafficking 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.

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.

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 views of stakeholders

IAG regularly engages its stakeholders on sustainability issues. External stakeholders include investors, customers (including corporate customers), employee representative groups, policymakers, trade associations, fuel suppliers, airports and NGOs. Internal stakeholders include Board members, all 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 double materiality assessment.

Please refer to the stakeholder section of the Management report for more details.

Stakeholder	Approach of the double materiality assessment to this group
Customers Affected stakeholders	 <p>The safety, satisfaction and overall experience of IAG customers are directly influenced by the Group's operations. Customer experience, encompassing service quality and comfort, shapes their perception and loyalty. Additionally, maintaining high standards of customer health and safety ensures a secure travel environment and builds and maintains confidence in choosing IAG for their travel needs. Customers also continue to show interest in the Group's approach towards reducing carbon emissions, including new opportunities to contribute towards the Group's activities. This is evidenced by customer participation in the IAG Loyalty scheme to earn tier points and Avios from SAF contributions which launched in 2025. In order to understand how customers may be impacted by IAG's operations, we consulted commercial and customer experts from across our operating companies and incorporated the insights from customer satisfaction reviews and airlines NPS scores.</p>
Society Affected stakeholders	 <p>Insights from internal documentation such as Organisation Health Index (OHI) surveys for employees, customer satisfaction surveys, and third party assessments helped inform key societal issues for IAG's double materiality assessment. The IAG Sustainability team also review the work IAG and its operating companies support through corporate community contributions and its partnerships with charitable organisations.</p>
Employees Affected stakeholders	 <p>Employee attraction, retention and engagement is important for IAG to ensure a motivated and engaged 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. Diversity and inclusion is reviewed to foster a diverse workplace, enhancing innovation and reflecting societal values. Employees are provided with regular formal and informal methods to express their views, ideas and concerns with management. Finally, corporate governance ensures transparent and accountable decision-making, which is crucial for trust and credibility in the long term. In order to understand how employees may be impacted by IAG's operations, we consulted experts in the matter from different operating companies and incorporated insights from OHI.</p>
Suppliers Affected stakeholders and report users	 <p>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, a provider of business ESG ratings.</p>
Shareholders, lenders and other financial stakeholders Report users	 <p>ESG ratings and feedback are received from stakeholder groups at investor conference events and through our mailbox. These have been used to identify IROs in our double materiality assessment. Shareholders, lenders and other financial stakeholders are classified as report users in the double materiality assessment, and the Group incorporates material IROs to keep them updated and informed.</p>
Environment Affected stakeholders (silent stakeholder)	 <p>The environment is considered a 'silent' stakeholder. During the double materiality assessment completed in 2024, the IAG sustainability team considered the environment and its influence on the materiality of IROs. To do this, the IAG Sustainability team incorporated insights from the Group's TCFD assessment, ERM risk assessment and IAG Climate Disclosure Project submission. IATA IEnvA submissions and operating company sustainability reports (where applicable) were also used.</p> <p>Working with third-party experts (Transcendent), we identified environmental impacts and aligned these to 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.</p>
Public administration (government and regulators) Affected stakeholders and report users	 <p>The IAG Legal and Compliance team oversees 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.</p>

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 IROs and to assess which ones are material; IRO-2 - Disclosure requirements in ESRS covered by the undertaking's Sustainability statement

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

IAG performed a review of its double materiality assessment in 2025, building on the assessment conducted in 2024. The IAG Sustainability team worked with sustainability expert firm Transcendent to determine the material topics for the Group from an impact and financial perspective, as required by the CSRD. The double materiality assessment was conducted with reference to ESRS requirements outlined below.

What is a double materiality assessment?

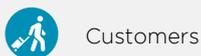
CSRD uses the concept of double materiality as follows:

Financial materiality

How sustainability matters affect Group performance and prospects.

Impact materiality

The impacts of the activities conducted by the Group on people and the environment. The impacts have been assessed under the following stakeholder categories:



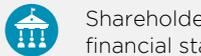
Customers



Employees



Suppliers



Shareholders, lenders and other financial stakeholders



Environment



Public administration (government and regulators)



Society



Financial materiality

Identification and assessment of risks and opportunities that may cause significant financial impacts on the Group 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.

Methodologies and assumptions

Scope and consolidation

The Group's 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 our operations around the world. It also considered the goods and services provided by IAG's value chain.

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 impact 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.

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.

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.

Preparing the double materiality assessment

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

1

Identification of sustainability topics

IAG commissioned Transcendent to assist the Group's review of its sustainability information and information disclosed by other aviation stakeholders to identify relevant sustainability topics for the business. Information sources included OHI and employee-engagement survey results. Transcendent prepared a comparative analysis of material topics reported by IAG and 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 Committee (now the Environment and Corporate Responsibility Committee).

2

Identification of impacts, risks and opportunities

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.

Negative impacts concern any negative compliance, reputational or value chain effects from a company's operations.

Positive impacts refer to the beneficial effects that a company's operations have on society and the environment. Positive impacts can include environmental benefits such as the reduction of carbon emissions, improvement of biodiversity or enhancement of employee wellbeing, while social benefits include the creation of high-quality jobs, support for disadvantaged regions or community engagement initiatives.

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 for 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, ERM 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 that 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 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.

Annual review of the double materiality assessment findings

During 2025, the IAG sustainability team reviewed the findings of the 2024 double materiality assessment with the support of analysis provided by external expertise (Transcendent). The review involved the following three-step process:

1

Assessment of global trends in 2025 affecting the double materiality assessment, including updates to regulation and a peer benchmarking assessment

Our objective was to conduct a review of the 2024 double materiality assessment to validate its continued relevance and identify any new IROs, or IROs that require reassessment.

To do this the assessment comprised of three inputs:

Bottom-up internal workshop with sustainability experts to review IRO definitions: For the collection of insights from the different operating company representatives, Transcendent held a workshop with sustainability experts from operating companies to identify current priority topics and the work completed by sustainability teams across the Group in the past 12 months.

Global trends and updates on regulation: As regulatory, global, and industry trends affect IAG's operations and sustainability efforts, Transcendent identified potential drivers of change that could affect the 2025 double materiality assessment results, combining analysis of public materials with interviews with IAG sustainability colleagues.

Global trends identified were related to geopolitical tensions, economic and financial fragility and technological disruptions.

An analysis of regulations affecting IAG and its operations considered the impacts of the EU Omnibus package, which proposes a two-phase simplification to corporate sustainability reporting requirements. Consideration was also given to the competitiveness of airlines in Europe from climate policy compliance costs, using studies published in 2025.

Peer benchmark on 2024 double materiality: Transcendent presented an analysis of the double materiality results between IAG and its peers to identify reporting differences.

2

Top-down review of findings and proposal development

Sustainability, Finance and ERM teams reviewed the evidence presented by Transcendent and the internal workshop with sustainability colleagues from the Group's operating companies. The results were presented to the IAG Audit and Compliance Committee.

One new impact was identified ('Biodiversity loss from SAF production', a negative environmental impact), along with two new risks ('Changes to SAF mandates', and 'Lack of policy support for carbon removals'), however these were not assessed as material. Refer to section 'E1 - Climate change and emissions management' of this Sustainability statement for more information.

3

Proposal of findings for board approval

The final results of the review proposed no changes to the material IROs identified in IAG's 2024 double materiality assessment. This scope was approved by the IAG Audit and Compliance Committee in November 2025. IAG met with its European Works Council on 19 November 2025 to present the results of the review of the double materiality assessment.

Results of the double materiality assessment

Five of the 10 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
<ul style="list-style-type: none"> Climate change and emissions management 	<ul style="list-style-type: none"> Diversity and inclusion Remuneration and working conditions Employee attraction, retention and engagement Employee health and safety 	<ul style="list-style-type: none"> Responsible supply chain 	<ul style="list-style-type: none"> Customer experience 	<ul style="list-style-type: none"> Corporate governance Ethical business and regulatory compliance Modern slavery and human trafficking

Material sustainability-related IROs

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

 Positive impact  Negative impact  Opportunity  Risk

E Environment (Planet)

EU Taxonomy Regulation

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		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		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 can reduce its reliance on fossil fuels and lower its carbon footprint towards meeting targets set under its Flightpath Net Zero strategy.	Own operations and upstream
	Emissions reduction through fleet renewal		By replacing older, less fuel-efficient aircraft with newer models, IAG intends 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 participation in market-based measures		Participation of group airlines in market-based measures, such as the EU ETS, UK ETS and the CORSIA, has resulted and will continue to result in a contribution of financial funds to support carbon reduction measures. CORSIA offsetting requirements will also enable Group airlines to procure carbon credits from projects with additional social benefits. The Group's hedging strategy enables carbon credits to be purchased for future year's obligations, accelerating emission reductions. Carbon market compliance obligations apply to upstream fuel production as well as Group airlines. Refer to E1-6 for details of support provided to IAG through the EU Fuels Eligible for ETS Support (FEETS) programme.	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's operations in 2050, and IAG's share of emissions from its value chain activities, will be mitigated by an equivalent amount of CO₂ removed from the atmosphere via carbon removals.

IAG's 2050 Scope 1 emissions net zero target was independently assessed by the Transition Pathway Initiative (TPI) in November 2025 as 1.5°C-aligned, and our medium-term target to achieve a 20% reduction in Scope 1 emissions by 2030 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 account¹.

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

Key measures and assumptions modelled to reduce emissions include fleet modernisation and operational efficiency measures which fall within our operational control, the use of SAF, participation in market-based measures, and use of carbon removals which depend on available policy support and market conditions.

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 maintains a 2019 baseline year for its transition plan modelling, as this represents the year of peak emissions by the Group and before activity levels were impacted by the COVID-19 pandemic.

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 the Group's 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.

Progress towards delivering emission reductions in this roadmap are monitored through IAG's sustainability governance. Quarterly KPIs on our carbon reduction progress are shared with the ECR Committee. The Group's environmental sustainability policy and Flightpath Net Zero strategy are available on the IAG website.

¹ TPI's methodology to assess net zero targets for the aviation sector involves converting emissions data into an equivalent emissions intensity metric (grams of CO₂ per revenue tonne kilometre). TPI recalculates targets set by IAG using their methodology, before comparing output against industry-wide pathways modelled by the IEA.

Scope 1 carbon emissions reduction roadmap

The Scope 1 emissions roadmap below is the latest core Group scenario.

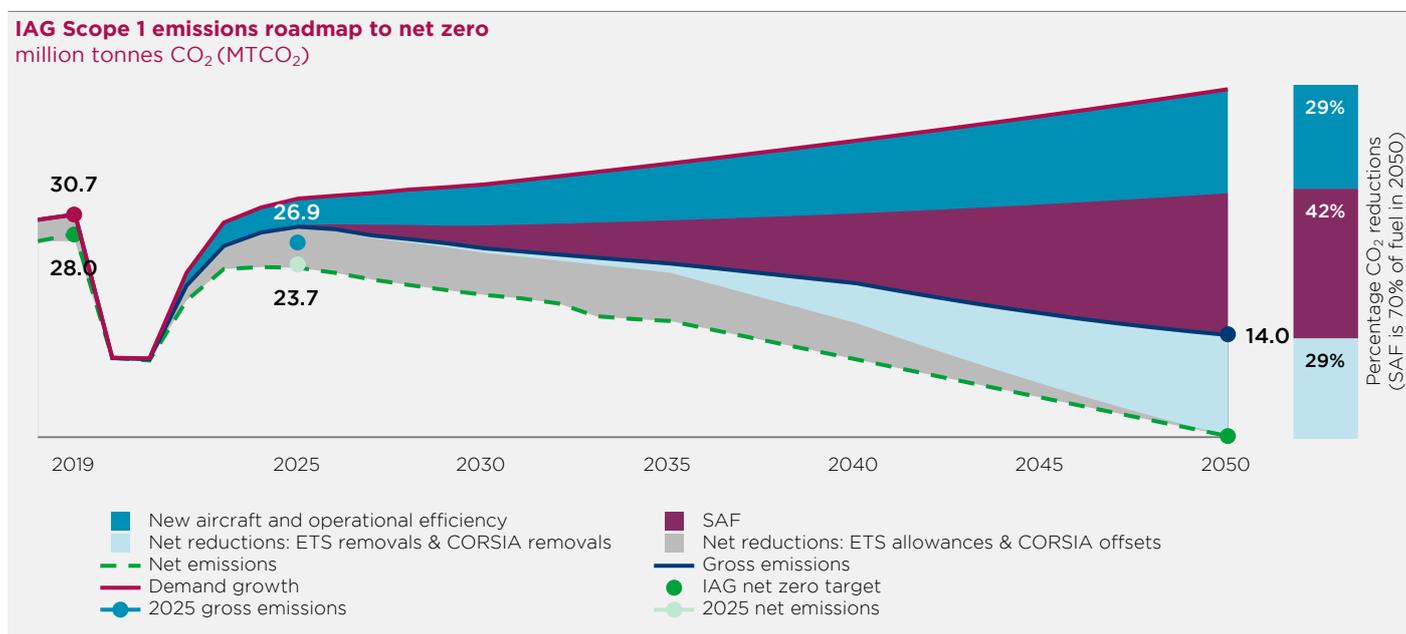
2025 updates and assumptions

During 2025 we have made updates to reflect the recovery of passenger demand to pre-pandemic levels. Annual demand growth is aligned with the long-term growth forecasts disclosed in notes 4 and 17 of the consolidated financial statements. SAF projections include a combination of IAG's share of mandates on fuel suppliers to supply SAF in the EU and the UK, with voluntary use to achieve our 2030 and 2050 goals. The volume of carbon removals used before 2035 is aligned to future expectations under carbon market compliance obligations in the UK ETS, EU ETS and the CORSIA. The role of airspace modernisation and introduction of zero-emission aircraft has been reduced to 2050, to reflect the latest regulatory updates and statements made by aircraft manufacturers.

Key sensitivities

In creating this roadmap, the Group has applied assumptions regarding market conditions and policy support for carbon reductions. These assumptions are outside of control of the Group and may impact the deliverability of emission reduction initiatives presented. The Group therefore re-evaluates its assumptions on an annual basis and updates these where appropriate. IAG advocates that climate regulation must uphold the global competitiveness of all airlines. This includes administering appropriate, fair obligations to reduce carbon emissions, alongside incentives that support the delivery of each emission-reduction initiative.

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 for owned aircraft are approximately 23-25 years). This is connected to our assumptions on fleet renewal where a gradual continued incorporation of more fuel efficient aircraft is included (than the aircraft they replace). These assumptions are guided by the delivery timelines for new aircraft purchased by the Group and statements made by aircraft manufacturers.



Carbon reduction levers in IAG's transition plan include:

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

Carbon reduction lever in transition plan	Significant operational expenditures or capital expenditures required for implementation of plan	Examples of venture investments/ key innovation partners	Expected contribution to Scope 1 emissions reductions in 2030	Expected contribution to Scope 1 emissions reductions in 2050
New aircraft and own operations	IAG is investing around €19.0 billion between 2026 and 2033 for 217 new efficient Airbus and Boeing aircraft. Please refer to note 15 of the consolidated financial statement for more information.	ZeroAvia (hydrogen aircraft manufacturer); OpenAirlines (fuel management software)	37%	29%
SAF	IAG continues to make investments in new SAF production capacity. In September 2025, IAG invested alongside oneworld alliance member airlines in Breakthrough Energy Ventures (BEV) to launch a new investment fund designed to address the limited availability and high cost of today's SAF.	Refer to section E1-3 for details of our SAF partnerships	21%	42%
Carbon removals	In 2025, British Airways worked with members of Sustainable Aviation to develop an advanced market signal purchase for carbon removals to support further development.	CUR8 (carbon removal platform)	4%	29%
Market-based measures and carbon offsetting	This involves the purchase of carbon allowances and offset credits to meet our carbon market obligations and voluntary schemes.	CHOOOSE (customer offsetting platform)	38%	–%

Scope 3 carbon emissions 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. 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.

2025 updates and assumptions

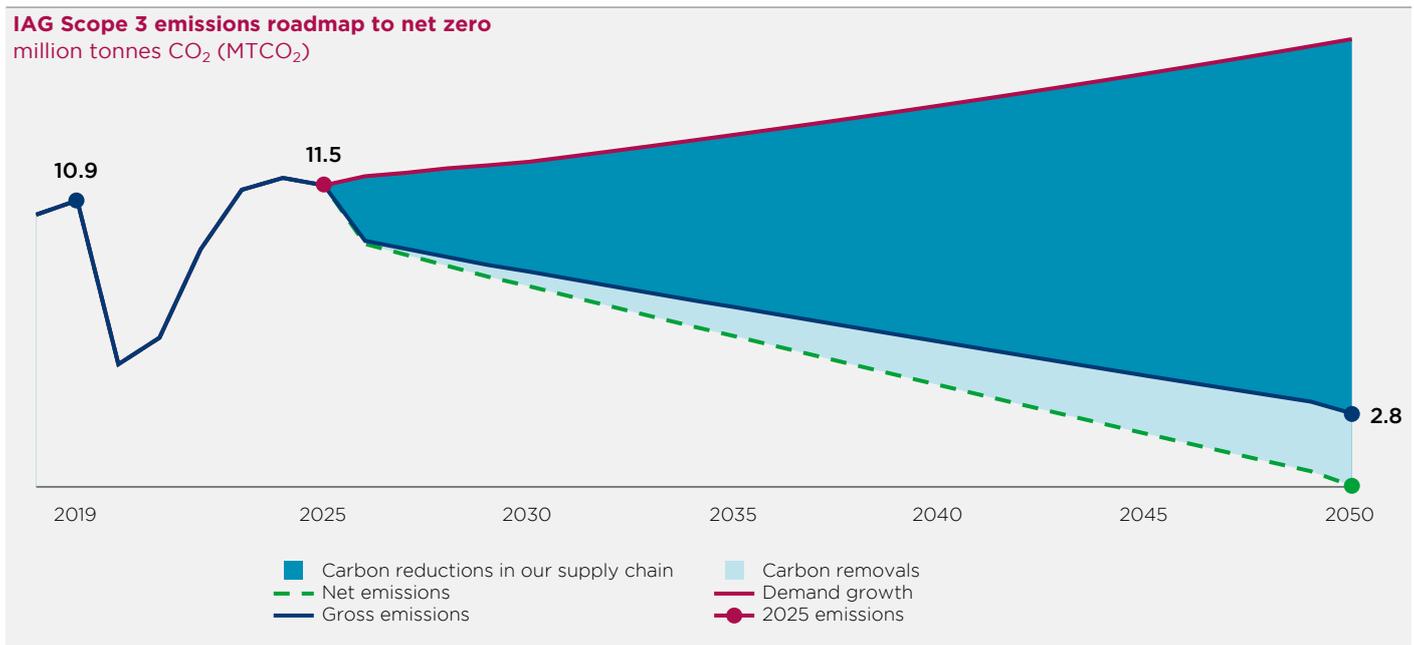
IAG's Scope 3 roadmap below is created using demand growth assumptions aligned to IAG's Scope 1 emissions.

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.

For residual Scope 3 emissions from share of supply chain emissions, we expect to use carbon removals in line with volumes IAG expects to use towards mitigating residual emissions from its direct operations (Scope 1).

Key sensitivities

Our modelling of carbon reductions in our supply chain is aligned to the policy support needed for the transition towards SAF. The use of carbon removals to mitigate residual emissions from our share of supply chain activities also relies on suitable market conditions and appropriate government policy support.



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	Examples of 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	<ul style="list-style-type: none"> 109 key suppliers (those which represent the Group's highest spend and operational criticality), have submitted scorecards on ESG performance Supplier contract clause on sustainability Developing the methodology for Scope 3 carbon emissions measurement in partnership with Watershed to prioritise carbon reduction efforts across the value chain Purchase agreements for the use of SAF (refer to the Scope 1 emissions roadmap) will reduce lifecycle analysis (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	Refer to the Scope 1 emissions roadmap	CUR8 (carbon removal platform)	5%	16%

Impact, Risk and Opportunity Management

Climate-related financial disclosures

Climate-related analysis summary

IAG applies the TCFD guidance in accordance with Listing Rule 9.8, which defines the information to be included in a Group's Annual Report and Accounts. IAG has aligned its climate risk disclosures with the ESRS framework, which is aligned to the latest guidance and standards available under the International Financial Reporting Standards (IFRS) 1 and IFRS 2 sustainability standards (which adopted the TCFD recommendations in July 2023), as well as the UK's Listing Rules.

Governance	Strategy	Risk management	Metrics and targets
Disclose the organisation's governance on 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 Environment and Corporate Responsibility Committee and Audit and Compliance Committee; robust governance; double materiality assessment completed in 2024 and reviewed in 2025	Delivering the Flightpath Net Zero strategy and leadership KPIs; one- and three-year financial and business plans that integrate sustainability aspects; delivery of sustainable procurement programme which includes sustainability contract clause for suppliers	Sustainable aviation risks are treated as a principal risk and regularly reviewed within ERM processes. IAG uses quantitative modelling to support its assessments; Clear metrics and targets for 2025, 2030 and 2050; delivery of climate-related remuneration for senior executives and managers	
Planned future activities			
Process and control changes to improve reporting accuracy and meet compliance obligations	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 2028 and 2040; actions to maximise climate resilience; risk mitigation KPIs	Deliver against existing targets and ensure 2030 targets remain in line with legislative requirements

2025 climate-related scenario analysis

In 2025, IAG repeated a climate-related scenario analysis building from its previous TCFD-aligned scenario exercise.

The analysis comprises all business areas of the Group including its main operational hubs. For the Group's airlines, the operational network and its potential exposure to climate-related risks are also taken into account. Likewise, our value chain is included in order to assess potential climate-related risks.

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 2028 and 2040. 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;
- A climate-related scenario analysis was conducted with 2040 as the main time reference;
- In 2025, we undertook impact analysis at a hub level, specific to each of our operating hubs, in relation to understanding climate-related risks and opportunities;
- Ongoing analysis was carried out on the Flightpath Net Zero strategy to 2050; and
- Ongoing alignment between the double materiality assessment and ERM 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 climate-related assessment in 2025 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, the European Environmental Agency, and Climate Action Tracker (CAT). The 2025 analysis was conducted in line with the ESRS standard (ESRS 2), which is based on the TCFD guidance update published in 2021.

For this analysis, a Representative Concentration Pathway (RCP) temperature scenario was chosen for transitional risks, in recognition of IAG's climate targets and the governments in the countries where the Group operates, which are committed to upholding the aims of the Paris Agreement. Under the RCP 2.6 scenario, equivalent to limiting global warming to 2°C by 2100, a strong global cooperation for the development of mitigation measures is expected, which can lead to a rapid decarbonisation of the economy. An intermediate emissions scenario, RCP 6.0 warming scenario, was chosen for physical risks, based on the latest UN projections. In this scenario, moderate mitigation plans are expected but not strong enough to avoid the major impacts of climate change. Finally, an RCP 8.5 scenario was used to help us understand our capability to adapt to a world where our operations would change significantly due to very high temperatures and extreme volatility in daily weather conditions.

The year 2040 was chosen as the main timeframe in alignment with IAG's ERM sustainability risk assessment.

The climate-related assessment exercise involved representatives from the ISN, which includes colleagues from Strategy, Treasury, Flight Operations, Finance, Government Affairs, Commercial Planning, Investor Relations, People, ERM, IAG Transform and IAG Loyalty, as well as sustainability representatives from all operating airlines.

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

The Group remains resilient to the most material climate-related impacts. These have been quantified and mitigation plans for each impact have been 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 climate-related 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'. Transitional risks primarily affect airline activity between European destinations, which are calculated based on flights covered by the EU ETS, UK ETS and Swiss ETS. This represented around 26% of IAG's Scope 1 emissions in 2025. Physical risks could affect IAG's 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, lack of infrastructure or unpredictable delivery of new technology (among other causes).

IAG considers its mitigation strategy for each risk accordingly. Please refer to the 'Climate-related 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 the 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 are identified as part of the double-materiality assessment conducted in 2024 and reviewed in 2025. These 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 with those identified in IAG's double materiality assessment, and are managed within the operating companies per an ERM framework point of view.

Climate-related risk assessment

Climate risk type	Risk description	Timeframe	Trend ¹	Scenario dependency ²
Physical	Resilience to acute weather events	M	Stable	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	Down	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	Stable	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	Down	Transition
	Extra regulation on activity rather than emissions	L	Stable	Transition
	Lack of SAF infrastructure policy support	M	Up	Transition
	Lack of carbon removal policy support	M	Up	Transition
	Changes to SAF mandates	M	Stable	Transition
	Regulation on non-CO ₂ effects	M	Down	Transition
Technology	Access to and readiness for lower-emission technologies	L	Stable	Transition
	Delivery of contracted SAF supply	S	Down	Transition

Climate-related opportunity assessment

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

Climate-related 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	M	Stable	Transition
Technology	Investment in lower-emission technologies	S	Down	Transition
	Strategic capital investment and startup engagement programmes	M	Stable	Transition
	Investing in product innovation and sustainable material transition	M	Stable	Transition

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

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 The scenario dependency describes whether the cost impact for each risk description relies on the temperature scenario or policy transition

Climate-related scenario analysis

IAG continues to analyse risk and transition scenarios to inform mitigation plans to 2030. Key parameters for defining scenarios are listed 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	Below 2°C scenario	3°C scenario	5°C scenario
Global scenario to 2100	2.4°C	RCP ¹ 2.6	RCP 6.0	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)²	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 Representative Concentration Pathway (RCP), a globally recognised scenario for physical changes under different temperature ranges

2 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

Climate-related risk impacts and mitigation opportunities

Risks identified from the Group’s climate-related assessment are mapped to IROs identified through IAG’s double materiality assessment and risks included in the ERM. No risks were identified as financially material for IAG under IAG’s double materiality.

Related double materiality assessment topic	Primary Group operating company activity exposed
 Climate change and emissions management	 Airlines
 Responsible supply chain	 Loyalty businesses
 Ethical business and regulatory compliance	 IAG Cargo
 Waste management and circular economy	

Physical

Potential unmitigated financial impacts	How IAG is mitigating	TCFD assessment summary	Related double materiality topic	Primary Group operating company exposed
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 flights)	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 or diverted flights		
Resilience of routes and assets to chronic climate changes Revenue changes resulting from a different route network or a different frequency of flights to climate-affected destinations; changes in operational maintenance costs	Scale and flexibility in route network allows for adjustment without material impact to plan. 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	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 revenue loss and increased operating cost to the business		

Market			Related double materiality topic	Primary Group operating company exposed
Potential unmitigated financial impacts	How IAG is mitigating	TCFD assessment summary		
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, expanding customer communications, support for global policies (CORSIA), working via trade associations to advance solutions	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		
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	Measured as an increased operating cost based on forecast assessment of CORSIA market prices and IAG CORSIA obligations		
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	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		
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	Measured as an increased cost of goods and services purchased by IAG from its suppliers		
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	Measured the cost of SAF using market prices to achieve IAG's 2030 SAF target		
Policy			Related double materiality topic	Primary Group operating company exposed
Potential unmitigated financial impacts	How IAG is mitigating	TCFD assessment summary		
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	Assessed using analysis of the most recent litigation affecting the aviation sector and a view of risk to IAG		
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	Measured carbon market and fuel costs as a percentage of IAG total ESG costs in 2030		
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	Compared carbon market price forecasts on the Group's route network		
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 and CORSIA	Assessed by reviewing different regulatory obligations by country and determining their implications for IAG		

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	Assessed the potential impact of regulatory requirements by policy and jurisdiction		 
Lack of supporting SAF infrastructure or 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 Task Force, and a strategy to procure SAF in regions where supportive policy exists	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		
Lack of carbon removal policy support				
Higher costs of compliance under carbon markets such as the UK and EU ETS, due to high credit prices	Advocacy for appropriate carbon removal policy, including incentives for carbon removal technologies and financial contributions from all sectors with a future carbon removal requirement	Assessed the cost of carbon removals as part of IAG's carbon market obligations		
Changes to SAF mandates				
Impact on IAG's strategy to procure SAF in regions where supportive policy exists and increases pressure for alternative emission reduction measures such as demand management	Advocacy for appropriate SAF policy, e.g. via UK Jet Zero Task Force, and a strategy to procure SAF in regions where supportive policy exists	Assessed the financial implications of changes to the UK or EU SAF mandates on IAG's strategy		
Regulation on non-CO₂ effects				
Potential multiplier on EU 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 ¹ . Advocacy via trade associations to support monitoring and targeted solutions such as route optimisation and SAF uptake. Participation in monitoring, reporting and verification requirements under the EU ETS and flight trials	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		
Technology				
Potential unmitigated financial impacts	How IAG is mitigating	TCFD assessment summary	Related double materiality topic	Primary Group operating company exposed
Access to and readiness for lower-emission technologies				
Higher ETS costs if technology access is restricted or technology development is slow	IAGi Ventures team aligns research and work with the Flightpath Net Zero strategy	Assessed the marginal cost of different carbon removal technologies and the role they may play in IAG's climate transition plan		 
Delivery of contracted SAF supply				
Exposure to changing unit prices of SAF in core markets	Securing SAF deals and taking equity in early-stage projects where relevant	Assessed the state of global SAF supply and supply chain logistics, with volumes required to deliver IAG's share of SAF mandates and IAG's 2030 SAF target		

¹ Sourced from: Teoh, R., Engberg, Z., Schumann, U., Voigt, C., Shapiro, M., Rohs, S., and Stettler, M. E. J.: Global aviation contrail climate effects from 2019 to 2021, *Atmos. Chem. Phys.*, 24, 6071-6093, <https://doi.org/10.5194/acp-24-6071-2024>, 2024.

Climate-related opportunities and financial impacts

Below, we have detailed opportunities identified from the Group's climate-related assessment and their relationship to IROs identified through IAG's double materiality assessment

Market	
Potential financial impacts	Climate-related assessment summary
Strategic investment in SAF	
Securing volumes of SAF to meet internal and regulatory targets not only reduces IAG's climate impact, but also offers significant potential operating cost reduction per year against the Group's carbon market obligations or potential SAF mandate penalties (passed through from fuel suppliers regulated under the EU and UK SAF mandates)	Screened the market to identify supportive policy incentives to enable a green transition, which will help IAG secure supply and avoid market price exposure
Incorporation of new and more efficient fleet	
By introducing new, more fuel-efficient aircraft and engines to the fleet, Group airlines are able to mitigate compliance costs incurred under carbon markets, which regulate carbon emissions on the routes they operate	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
Technology	
Potential financial impacts	Climate-related assessment summary
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 reduce operating costs	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
Strategic capital investment and startup 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	Assessed the contribution of different technologies in our operations towards achieving our climate objectives, such as IAG's collaboration with ZeroAvia to explore potential for hydrogen-powered aircraft technology
Investing in product innovation and sustainable materials transition	
By developing new products, such as those focused on on-board waste reduction, IAG can capitalise on consumer demand for sustainable alternatives and reduce operational costs in the long run	Assessed the impact of supporting product research and development for the transition towards more sustainable supply chains

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

Environmental sustainability policy

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. This document is available to view on the IAG website.

We embed sustainability into our business strategy and decisions and are committed to:

- Using SAF and carbon market programmes to support reductions in our carbon emissions
- 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 targets

- 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
- Supporting appropriate research programmes to develop understanding of non-CO₂ climate impacts and potential mitigation options

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 reviews its commitments under this policy against available policy support and market conditions on a regular basis. In 2026 IAG will perform an update of this policy as part of our sustainability governance.

Group instructions

IAG issues Group instructions to its operating companies to align actions towards delivering our climate change mitigation and adaptation strategy. The Group Sustainability Director is responsible for setting this strategy, with the approval of the Chief Financial and Sustainability Officer and

the CEO, with oversight by the Environment and Corporate Responsibility 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 the 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 complying 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 ERM 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 ECR 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 sustainability strategy sets out policies and objectives, strategy, targets, performance metrics and our approach to risk management, compliance and stakeholder engagement; and
- The IAG Sustainability team annually reviews the Group's decarbonisation roadmap and updates the contribution of each decarbonisation lever, reflecting both the actions implemented and the initiatives approved throughout the year.

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 €19.0 billion between 2026 and 2033 for 217 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.

2025 examples of emission reductions achieved from new aircraft include:

- Iberia and Aer Lingus advanced their fleet modernisation programme with the introduction of the Airbus A321XLR, a new-generation long range aircraft that delivers up to 30% higher fuel efficiency and reduced CO₂ emissions compared to previous models, based on the manufacturer's claims;

- British Airways received new aircraft including one 787-10 Dreamliner, which delivers up to 25% improved fuel efficiency than the aircraft it is designed to replace, plus 12 short-haul aircraft (seven A320neo and five A321neo); and
- IAG confirmed the allocation of 50 Boeing 737s to Vueling, which are scheduled to be delivered from late 2026.

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

Fuel efficiency programme

Each airline has a fuel efficiency programme that supports flight planning and execution, which enables pilots to operate more efficient flights with high safety standards. Measures to improve operational efficiency employed by our airlines include the use of single-engine taxiing and delaying engine startup 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 2025, IAG implemented a new fuel management tool (Open Airlines) to support our goal of strengthening the Group-wide fuel efficiency programme. The adoption of this tool is designed to enhance engagement with flight crews by providing detailed operational insights, while delivering fuel monitoring systems that support aligned reporting across operating companies. This enables the Group's airlines to provide necessary fuel data to comply with carbon market requirements (under the UK ETS, EU ETS, CORSIA and ReFuelEU policies). Through this strengthened programme, we calculate that a 25% increase in total fuel saved could be achieved by 2030, compared to savings achieved in 2025.

As part of the efficiency programme, we also seek innovative solutions that help enhance the performance of our operations. In line with this ambition, in 2025 Vueling signed a partnership with MicroTau, a technology manufacturer that aims to deliver up to a 4% reduction in fuel consumption by decreasing aerodynamic drag on aircraft through the installation of a biomimetic film with micro-riblets that mimic shark skin texture.

Sustainable aviation fuels

SAF is the main term used by the aviation industry to describe a non-conventional (non-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. 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 CO₂ 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 GHG 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. In September 2025, IAG participated in the Series B funding round for OXCCU, a UK-based SAF innovator, and invested alongside **one**world alliance member airlines in BEV, to launch a new investment fund designed to address the limited availability and high cost of today's SAF.

IAG is working with technology developers to establish a range of SAF supply options, including the projects listed in this section.

SAF partnerships

Producer	Site location	Anticipated supply start date	SAF production pathway
BP	Europe; China	Since 2021	Hydrotreated esters and fatty acids (HEFA) and co-processed
Neste	Finland; Singapore	Since 2021	HEFA
Phillips 66	Humber, UK	Since 2022	Co-processed
Repsol	Cartagena, Spain	Since 2022	HEFA
Moeve (formerly Cepsa)	Huelva, Spain	Since 2023	Co-processed
EcoCeres	Shanghai, China	Since 2024	HEFA
ST1	Gothenburg, Sweden	Since 2024	HEFA
LanzaJet	Georgia, US	Since 2025	Alcohol-to-jet
Twelve	Washington, US	Since 2025	Power-to-liquid
Valero	Texas, US	Since 2025	HEFA
World Energy	California, US	Since 2025	HEFA
Aemetis	California, US	2027	HEFA
Infinium	Texas, US	2027	Power-to-liquid
Wastefront	Sunderland, UK	2028	Tyre pyrolysis oil
LanzaJet	Teeside, UK	2029	Alcohol-to-jet
Nova Pangaea	Teeside, UK	2029	Advanced bioethanol

Co-processed SAF involves renewable oils (HEFA), which are fed into a traditional petroleum refinery along with crude oil. The refinery uses its existing hydroprocessing units to convert both streams into jet fuel and other products. The result is a small percentage of SAF produced without building a separate biofuel plant, typically making it cheaper and faster to scale

Role of SAF in the IAG transition plan

SAF is an important part of IAG's transition plan 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 continues to monitor SAF projections and available policy support to deliver this target. This includes IAG's share of mandates on fuel suppliers to supply SAF in the EU and the UK and the suitability of market conditions for voluntary SAF use above our share of these mandates.

IAG expects to use SAF for 70% of its total fuel in 2050, which will contribute to a 42% reduction in lifecycle CO₂ emissions in the same year.

Delivering on our commitment

In 2025, Group airlines used more than 291,000 tonnes of SAF, an increase of 79% versus 2024. This saved more than 796,000tCO₂ on a lifecycle basis compared to using conventional aviation fuel, accounting for 3.3% of IAG's total fuel.

SAF governance in IAG

The Group administers a SAF Management Group comprising of colleagues from IAG Sustainability, Group Finance and representatives from each operating company. The SAF Management Group meets monthly and reports to the SAF Steering Group. 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 customers the opportunity to contribute towards SAF costs to support their own Scope 3 emission reductions. By partnering with its corporate customers, IAG is able to purchase more SAF and reduce its Scope 1 emissions (accounting for the emission reductions from SAF on a lifecycle basis). Corporate customers who purchase SAF Scope 3 emission certificates claim reductions towards their Scope 3 lifecycle emissions from the industry, commensurate to a proportion of their corporate flying. These are typically used to reduce emissions under Scope 3 category 4 (upstream transportation and distribution) or 6 (business travel).

In April 2025, IAG extended our co-funded purchase agreement for SAF with Microsoft by five years, increasing the volume of SAF by 39,000 tonnes (equating to a reduction in lifecycle carbon emissions by approximately 112,000tCO₂). Iberia also launched a dedicated SAF initiative designed to promote collaboration among its corporate customers. Refer to section 'S4 Consumers and End-users' of this Sustainability statement for more information.

Carbon removals

IAG supports the inclusion of carbon removals in industry decarbonisation pathways and external assessments. Based on the latest roadmap, the Group expects to use approximately 130MT of carbon removals between 2025 and 2050 to mitigate its Scope 1 emissions, conditional on clear, globally agreed verification and quality standards for removals and appropriate policy support such as inclusion in emission trading schemes.

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.

Supporting the development of carbon removals

The Group continues to advocate for effective, fair policies that support the development of carbon removal technologies. We responded to the UK's consultation on integrating carbon removals in the UK ETS in 2025, and contributed to the update of A4E's 'Destination 2050' roadmap, which was published in February 2025 and outlines industry expectations for the use of carbon removals towards our 2050 net zero goal. IAG also responded to a UK call for evidence for an independent review on greenhouse gas removals and continues to provide its views on the role of carbon removals in science-based targets under development by the SBTi and ISO.

The UK SAF mandate is a greenhouse gas based scheme, which rewards projects that can capture and store CO₂ or solid carbon as part of the overall production process. We believe that this is the best route for aviation to support the development of carbon removals in the near term. We have continued to engage with regulators to highlight the financial support needed to allow aviation to play its part in growing the future supply of greenhouse gas removals.

In 2025, British Airways worked with members of Sustainable Aviation to develop an advanced market signal purchase for carbon removals to support future supply development.

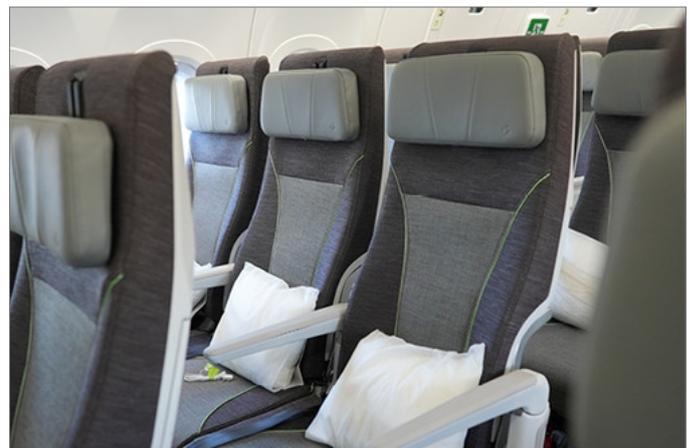
Group airlines continue to offer customers the opportunity to make a financial contribution to support carbon removal projects.

Carbon reductions in our supply chain

One of the key pillars of the IAG's Supply Chain Sustainability Programme focuses on achieving our Scope 3 targets.

IAG Transform launched a supply chain carbon reduction strategy in 2024 by segmenting material Scope 3 emission categories, followed by identifying the suppliers to engage on climate mitigation. The strategy aims to identify and support carbon reduction initiatives across the value chain. This involves improving the quality of emission reporting by reflecting our suppliers' decarbonisation efforts by collecting supplier-specific emissions factors (SSEF) via CDP, asking suppliers to set climate targets aligned with IAG's net zero target, and via capacity building.

As part of IAG's Supply Chain Sustainability Programme, IAG Transform also kicked off a 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. In 2025, IAG Transform expanded the programme by engaging with suppliers across the following procurement categories: aircraft seats, engines, logistics and catering.



Case study: Recaro

In 2025, the Group worked with RECARO under IAG's Supplier Engagement Programme, focusing on the end-of-life treatment of our seats. A joint aircraft seat shredder trial was conducted to evaluate different recycling processes for RECARO-produced seats. Several recycling and transportation scenarios were also compared.

IAG has used this information to identify opportunities to work with suppliers to increase the recycling of materials across the supply chain, which can reduce emissions associated with the end-of-life disposal of aircraft seats in IAG's Scope 3 emissions footprint and support delivery of the Group's targets.

Metrics and targets

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

IAG's transition plan focuses on reducing lifecycle CO₂ 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.

IAG's emission reduction targets are set out in the environmental sustainability policy which is available on the IAG website. These targets are reviewed on a regular basis against available policy support and market conditions, to ensure the Group remains competitive with its peers. IAG continues to advocate balanced regulation that supports decarbonisation while recognising aviation's economic and social importance. Refer to section E1-2 for more information.

The following targets are set to mitigate IAG's material impacts as identified by the 2025 double materiality assessment.

Base year (2019)	2025 target	2030 target	2050 target
Gross Scope 1 GHG emissions (tCO ₂ e)	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 16.8 million tonnes
Gross Scope 3 GHG emissions (tCO ₂ e)	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	N/A	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	Extension of waste reduction and recycling targets to 2030, including a 50% reduction in virgin SUP per ASK	N/A

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 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, 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 net Scope 1 emission reduction target equates to 21.6 million tCO₂e by 2030, or 24.8 million tCO₂e in equivalent gross Scope 1 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 and embedding climate requirements into supplier contract clauses and product specifications.

Carbon intensity reduction targets

In 2021, IAG set a target to reduce the carbon intensity of its aircraft operations by 12% from its 2019 baseline, to 80.0gCO₂/pkm by 2025. This target was first achieved in 2024, and in 2025 the Group delivered a 14% reduction in emissions intensity compared to 2019 (refer to section E1-6 for more information). By 2035, IAG aims to achieve a 39% reduction in gross carbon intensity, increasing to 83% by 2050.

Other targets related to climate change mitigation and adaptation

SAF is part of IAG's transition plan to reduce emissions on a GHG 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 available market supply. IAG continues to advocate for policy support to increase the availability of affordable SAF that delivers the greatest lifecycle emission reductions. IAG stresses that mandates alone are insufficient. Initiatives including reinvesting ETS revenues into the development of SAF supply at a fair cost for airlines, and introducing mechanisms like 'book and claim', can help optimise the use of SAF globally, and are urgently needed to support the delivery of both mandated supply requirements and corporate emission reduction targets.

By 2050, IAG expects to use SAF for 70% of total fuel. IAG is also committed to supporting a variety of innovative carbon removal solutions and by 2050, will use carbon removals only to mitigate any residual emissions from its operations.

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. Refer to E1-6 – Gross Scope 1, 2, 3 and total GHG emissions for emissions intensity per net revenue.

Energy consumption and mix	Unit	2025	2024	vly
Energy consumption from fossil sources				
(1) Fuel consumption from coal and coal products	MWh	-	-	- %
(2) Fuel consumption from crude oil and petroleum products	MWh	110.6	109.9	1 %
of which is from jet fuel	MWh	110.6	109.7	1 %
of which is from gas oil for generators	MWh	-	-	- %
of which is from gas oil for airport vehicles (Gasoleo B)	MWh	0.03	0.04	(3)%
of which is from diesel for generators	MWh	-	-	- %
of which is from diesel for vehicles (Gasoleo A)	MWh	0.01	0.14	(95)%
of which is from petrol	MWh	0.01	0.01	20 %
(3) Fuel consumption from natural gas	MWh	0.13	0.12	8 %
(4) Fuel consumption from other fossil sources	MWh	-	-	- %
(5) Consumption of purchased or acquired electricity, heat, steam and cooling from fossil sources	MWh	0.04	0.05	(24)%
(6) Total fossil energy consumption (calculated as the sum of lines 1 to 5)	MWh	110.8	110.1	1 %
Share of fossil sources in total energy consumption	%	96.6%	98.0%	(1.4)pts
(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	3.77	2.13	77 %
of which is from SAF	MWh	3.77	2.08	81 %
(9) Consumption of purchased or acquired electricity, heat, steam and cooling from renewable sources	MWh	0.18	0.17	5 %
(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), including SAF	MWh	3.9	2.3	71 %
Share of renewable sources in total energy consumption	%	3.4 %	2.0 %	1.4 pts
Total energy consumption (calculated as the sum of lines 6, 7 and 11)	MWh	114.8	112.4	2 %
Share of renewable electricity	%	81%	75%	5 pts
Energy intensity per net revenue				
Total energy consumption from activities in high climate impact sectors per net revenue from activities in high climate impact sectors³	MWh/€	0.0035	0.0035	(1)%

To calculate the energy intensity per net revenue, all fuel consumption associated with the Group's activities is accounted for (as a high climate impact sector) and classified as part of the Group's Scope 1 emissions. This is divided by total Group revenue.

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

	Unit	2025	2024	2019	vly	versus 2019
Scope 1 GHG emissions						
*Total gross Scope 1 GHG emissions	ktCO ₂ e	27,548	27,248	30,475	1 %	(10)%
Emission reductions from the use of SAF	ktCO ₂	796.9	469.3	0.0	70 %	n/a
Flight-only carbon intensity (exclusive of SAF CO ₂ reductions) ¹	gCO ₂ /pkm	79.8	79.4	89.8	1 %	(11)%
*Flight-only carbon intensity (inclusive of SAF CO ₂ reductions) ²	gCO ₂ /pkm	77.5	78.1	89.8	(1)%	(14)%
Emission reduction initiatives (volume of emissions reduced)	ktCO ₂	90.8	114.2	77.4	(20)%	17 %
CO ₂ per revenue tonne kilometre	gCO ₂ e/RTK	775	781	898	(1)%	(14)%
Net Scope 1 emission reductions						
Percentage of Scope 1 GHG emissions from regulated emission trading schemes	%	25.5 %	25.8 %	25.1 %	(0.3)pts	0.4pts
ETS (calculated as emissions above the share of the ETS cap)	ktCO ₂ e	4,607	3,176	3,182	45 %	45 %
CORSIA (2025 data expected by October 2026) ³	ktCO ₂ e	n/a	2,494	n/a	- %	- %
Voluntary offsets (excluding customer contributions)	ktCO ₂ e	14.0	21.5	n/a	(35)%	- %
Total net Scope 1 GHG emissions	ktCO ₂ e	22,325	24,051	26,948	(7)%	(17)%
Other emissions from Scope 1 activities						
Methane (CH ₄)	ktCH ₄	19.6	19.2	18.5	2 %	6 %
Nitrous oxides	ktNO ₂	236.1	230.9	288.1	2 %	(18)%

	Unit	2025	2024	2019	vly	versus 2019
Scope 2 GHG emissions						
Gross location-based Scope 2 GHG emissions	ktCO ₂ e	52.4	53.4	74.5	(2)%	(30)%
Gross market-based Scope 2 GHG emissions	ktCO ₂ e	16.5	12.7	21.3	30 %	(22)%
Scope 2 carbon intensity (location)	gCO ₂ /MWh	0.15	0.16	0.22	(3)%	(32)%
Scope 3 GHG emissions						
*Total gross indirect (Scope 3) GHG emissions	ktCO ₂ e	11,511	11,794	10,674	(2)%	8 %
Category 1: Purchased goods and services	ktCO ₂ e	3,270	3,030	2,939	8 %	11 %
Category 2: Capital goods	ktCO ₂ e	-	-	-	- %	- %
Category 3: Fuel and energy-related production	ktCO ₂ e	5,932	5,787	6,257	3 %	(5)%
Category 4: Upstream transportation and distribution	ktCO ₂ e	258	313	224	(18)%	15 %
Category 5: Waste generated in operations	ktCO ₂ e	20	22	16	(10)%	23 %
Category 6: Business travel	ktCO ₂ e	34	35	35	(3)%	(2)%
Category 7: Employee commuting	ktCO ₂ e	101	103	53	(2)%	92 %
Category 8: Upstream leased assets	ktCO ₂ e	-	-	-	- %	- %
Category 9: Downstream transportation and distribution	ktCO ₂ e	-	-	-	- %	- %
Category 10: Processing of sold products	ktCO ₂ e	-	-	-	- %	- %
Category 11: Use of sold products	ktCO ₂ e	468	1,095	301	(57)%	55 %
Category 12: End-of-life treatment of sold products	ktCO ₂ e	0.1	0.1	-	(29)%	- %
Category 13: Downstream leased assets	ktCO ₂ e	49	62	-	(21)%	- %
Category 14: Franchises	ktCO ₂ e	652	613	839	6 %	(22)%
Category 15: Investments	ktCO ₂ e	727	735	10	(1)%	7296 %
*TOTAL emissions (Scope 1, Scope 2 location-based, Scope 3)	ktCO ₂ e	39,111	39,096	41,224	- %	(5)%
TOTAL emissions (Scope 1, Scope 2 market-based, Scope 3)	ktCO ₂ e	39,075	39,055	41,170	- %	(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 Grammes of CO₂ per passenger kilometre (gCO₂/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. This carbon intensity calculation is used for calculation of IAG's management incentive and includes CO₂ 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 CO₂ footprint.
- 3 Emissions covered under the CORSIA will be included in our Scope 1 net emissions calculation at the end of each phase, when the cancellation of emission units by Group airlines is completed. For emissions from phase 1 (covering 2024-2026 scheme years), net emission reductions will be reported in 2028. Emission volumes reported in 2024 reflect final offsetting obligations communicated by regulators following calculation of the 'Sectoral Growth Factor' by ICAO. Emission volumes for 2025 will be confirmed by November 2026.

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 IPCC Fourth Assessment Report. 2025 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 Department for Environment, Food and Rural Affairs factors definition. For Scope 2 emissions only a market-based factor has been used for Spanish locations due to the availability of reliable data. Other emissions factors (such as the IEA emissions factors) are used in specific cases.

Fuel metrics in more detail

The following metrics below detail our jet fuel consumption, including mandated and voluntary SAF use in 2025.

Fuel metric	Unit	2025	2024	2019	vly	versus 2019
Total jet fuel consumed	MT fuel	8.61	8.55	9.65	1%	(11)%
Total SAF consumed	KT fuel	291.1	162.2	0.0	79%	- %
Of which is mandated	KT fuel	40%	4 %	n/a	36 pts	n/a
Of which is voluntary	KT fuel	60%	96 %	n/a	(36)pts	n/a
EU ETS additional allowances received through the FEETS programme	EU ETS allowances	497,539	-	n/a	-	n/a

Fuels Eligible for ETS Support (FEETS)

In March 2025, the Group airlines applied for the EU SAF support mechanism available under the EU ETS through the FEETS Regulation. This support mechanism aims to promote the uptake of SAF by granting EU ETS emission allowances to airlines for the use of SAF on eligible routes within the scheme. The allowances help bridge the price gap between conventional jet fuel and SAF on flights covered by EU ETS carbon pricing.



During 2024, Group airlines uplifted more than 162,000 tonnes of SAF, of which 29,000 tonnes qualified for EU ETS support. Based on this volume, the Group was awarded 497,539 ETS emissions allowances in September 2025, which volumes were credited to each airline's EU ETS registry account. Based on the 2024 weighted average price of auctions carried out in accordance with

Delegated Regulation (EU) 2023/2830 (5), as published on the common auction platform (€64.74 per allowance), this equated to financial support of €32,201,675. Refer to note 2 of the consolidated financial statements for a description of the financial accounting for EU ETS allowances.

Due to the retrospective nature of this programme, the Group airlines will receive confirmation of EU ETS allowances awarded for SAF volumes uplifted in 2025 as part of their 2026 EU ETS compliance cycle.

Gross emissions by country of activity

The table below shows 2025 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	Scope 2, market-based
Ireland	ktCO ₂ e	2,411.8	2.5	0.3
Spain	ktCO ₂ e	9,682.3	19.6	8.9
United Kingdom	ktCO ₂ e	15,453.5	30.2	7.3
Other	ktCO ₂ e	-	0.1	-

Biogenic CO₂ emissions

The table below shows the volume of biogenic emissions included within IAG's 2025 gross CO₂ emissions, aggregated by scope. Biogenic emissions are treated under the GHG Protocol as emissions that are considered carbon neutral where they arise from the combustion or decomposition of biomass.

Location	Unit	Scope 1	Scope 3
Biogenic CO ₂ emissions	ktCO ₂ e	917.2	3.1

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	Unit	2025	2024	vly
Total revenue (as per the financial statements)	million €	33,213	32,100	3.5 %
Total GHG emissions (location-based) per net revenue	(tCO ₂ e/million €)	830.8	840.0	(1.1)%
Total GHG emissions (market-based) per net revenue	(tCO ₂ e/ million €)	829.7	840.0	(1.2)%

Scope 3 emissions

IAG Transform first partnered with Watershed, a sustainability platform, in 2023 to improve reporting of IAG's Scope 3 Category 1 (purchased goods and services) emissions. In 2024, IAG assessed all 15 categories of Scope 3 emissions, as defined by the global GHG Protocol. The scope of emissions calculations is based on material procurement categories of spend – the two most material categories being jet fuel and purchased goods and services, reported under Scope 3.3 and Scope 3.1, respectively.

During 2025, work has continued to improve the quality of Scope 3 emission calculations from IAG's supply chain. Under the third party code of conduct, suppliers are encouraged to provide IAG with specific emission information where available. IAG reviews the quality of the information received by reviewing the supplier's methodology from well-to-tank emissions and incorporating them into the footprint. Where possible, the Group seeks to re-categorise emissions calculated under Scope 3 Category 1 to other Scope 3 emission categories to reflect the appropriate activity. While the methodology continues to improve, the Group may include emissions from a small number of suppliers across different Scope 3 emission categories.

As more data from suppliers becomes available, values therefore may be restated, and any material restatements will be made in future reports with explanations provided. Where data from suppliers is not available, standardised conversion factors are used.

Changes made to the Group's emissions reporting methodology for the following Scope 3 emission categories in 2025 include:

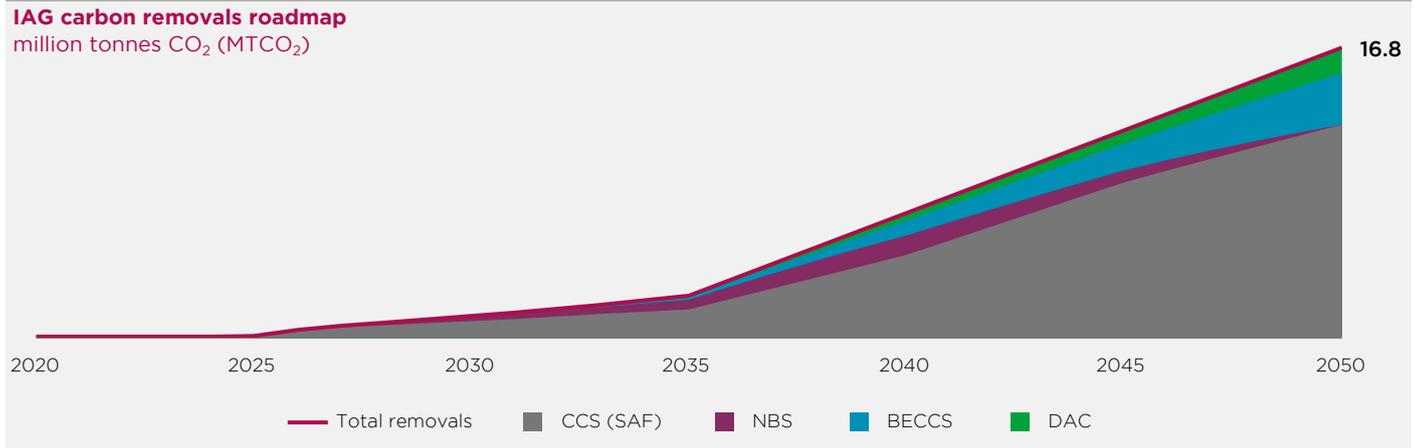
- Scope 3.1 (Purchased goods and services) emissions continue leveraging data from sustainability disclosures made by suppliers via CDP. Where a supplier has reported a high-quality carbon footprint with an external verification, a supplier-specific emissions factor can be used. This year, IAG Transform leveraged publicly available data from Heathrow Airport to replace previous calculations using a spend-based approach. The Group continues to increase the use of activity data where practicable and auditable;
- Scope 3.3 (Fuel- and energy-related activities) emissions now apply the well-to-wake LCA carbon saving of SAF to upstream fuel production, based on the EU Renewable Energy Directive; and
- Scope 3.4 (Upstream transportation and distribution) emissions use activity data by relying on the logistics provider's shipments details.

E1-7 - Carbon removals and mitigation projects financed through carbon credits

Carbon removal solutions extract CO₂ already in the atmosphere and store it in biological or geological ways. IAG uses carbon removals and carbon credits (via mandated use towards obligations in carbon markets and voluntary purchases) to support the delivery of the Group's net zero emissions target. IAG does not produce carbon offsets or carbon removal credits from its operations. Examples of planned carbon removal use in our transition plan 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, for example, underground aquifers;
- Carbon capture and storage (CCS) with SAF production – as above and including the use of by-products that can absorb CO₂; and
- Direct air capture (DAC) – absorbing CO₂ directly from the air using a catalyst.

Carbon removals within our 2050 roadmap



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

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 engagement with carbon removal technologies may involve a combination of forward delivery procurement and project financial support, facilitating the scale-up of carbon removal technologies alongside relevant government support.

When IAG or its operating companies choose to voluntarily purchase credits from 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.

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, ensuring that their inclusion remains fair for all market participants.

Carbon credits cancelled in 2025

Details of carbon credits cancelled by the Group and its operating companies in 2025 are provided in the table below.

Carbon credits cancelled in the reporting year	2025	vly
Total (tCO ₂ e)	35,529	(70)%
Share from removal projects (%)	100%	58 %
Share from reduction projects (%)	-%	(58)%
Share of projects from a verified carbon standard (%)	100%	- %
Share from projects within the EU (%)	-%	- %
Share of carbon credits that qualify as corresponding adjustments (%)	-%	(100)%
Carbon credits planned to be cancelled in the future		71,552 by 2123
Total (tCO₂e) (sum of total carbon credits cancelled in the reporting year and carbon credits planned to be cancelled in the future)		107,081

The volume of carbon credits retired from biogenic sinks or from land-use change (e.g. afforestation, reforestation, forest restoration, urban tree planting, agroforestry, building soil carbon), was 35,529tCO₂e in 2025. The volume of carbon credits from technological (e.g. direct air capture), or hybrid (e.g. bioenergy with CO₂ capture and storage) was 0 tCO₂e in 2025.

In addition to these volumes, British Airways' customers also contributed 1,124tCO₂e in 2025 through contributions made on the Choose platform. Refer to section E1-5 for future carbon credit cancellations expected to comply with the Group's final offsetting obligations under CORSIA. These volumes are not included in the table above.

E1-8 - Internal carbon pricing

IAG applies carbon prices to financial planning and future scenario analysis. The Group's emissions from aviation activities, which represent 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.

Internal carbon price forecasts are prepared based on calculated prices derived from the Group's exposure to external carbon prices. For the period 2026 to 2028, UK ETS prices of £61-65/tCO₂e, EU ETS prices of €87-92/tCO₂e and CORSIA prices of €18-27/tCO₂e 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 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. These metrics are reported in accordance with GRI Standards. In 2025, IAG met its target to reduce noise per LTO by at least 10%, compared with a 2019 baseline. 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	2025	2024	versus 2019	Commentary
Noise per LTO	QC/LTO	0.85	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	9.07	9.08	(14)%	Data remains comparable to previous years, as changes in flight operations, such as reductions in average stage length (which typically increase NOx per LTO), are balanced by the introduction of new aircraft which reduce NOx per LTO
ICAO Chapter 14	% of fleet at standard	68 %	64 %	15 %	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	88 %	82 %	10 %	The improvement is driven by fleet modernisation and deliveries of new aircraft in 2025, including the Airbus A321XLR
CAEP Chapter 8	% of fleet at standard	55 %	49 %	20 %	The improvement is driven by fleet modernisation and deliveries of new aircraft in 2025, including the Airbus A321XLR

Waste management

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

IAG is reporting the following metrics under the 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.

Metric	Unit	2019 base	2025 target	2025	2024	vly
Total waste generated	tonnes	60,194	n/a	49,042	53,735	(9)%
Waste recovered or recycled	tonnes	11,813	n/a	6,429	6,767	(5)%
On-board waste per passenger	kg/pax	0.33	0.26 (-20%)	0.29	0.31	(6)%
Office waste per full-time employee	kg/FTE	95.7	47.8 (-50%)	95.40	73.79	29 %
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%)	1.61	1.40	15 %
On-board waste at hubs recycled/recovered	%	24%	40%	15%	18%	(3)%
Office waste recycled/recovered	%	35%	60%	50%	50%	- %
Maintenance waste recycled/recovered	%	50%	70%	58%	47%	11 %
Cargo waste recycled/recovered	%	63%	80%	57%	78%	(21)%
Total waste recovered or recycled	%	20%	n/a	13%	13%	- %

In 2025, IAG reviewed its waste strategy and extended this plan to 2030, setting new targets and updating our baseline to reflect current waste practices following the COVID-19 pandemic and operational changes incorporated into our operations. We have set new targets for delivery by 2030, compared to a 2025 baseline. These are to:

- Reduce virgin SUP by 50% on a kg/ASK basis;
- Reduce the generation of total waste per unit of activity in each business by 10%; and
- Dispose of at least 80% of the waste generated by our activities appropriately to facilitate its recycling upstream.

These objectives will help drive waste management across IAG's operations, unlocking investment opportunities where available and supporting compliance with UK and EU regulations.

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	2025	2024	vly
Average fleet age	n/a	years	12.6	12.4	2 %

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 75,786 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 IROs 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		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		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
Diversity and inclusion	Inclusive culture		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		Fostering diversity enriches a company’s workforce and enhances organisational performance.	Own operations
	Equal opportunities		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		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 reduces the risk of injury, 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		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		Providing sustainable and competitive remuneration ensures talent retention, boosts job satisfaction and maintains high levels of employee engagement and performance.	Own operations

 Positive impact

S1-1 – Policies related to own workforce diversity and inclusion

Relevant standards: GRI 405-1

Our approach and policies

We are proud of our colleagues across the organisation, whose diverse perspectives and experiences strengthen our innovation, resilience and long-term success. Our aim is to provide a fair, inclusive and respectful workplace where every colleague has access to the same opportunities, regardless of background or identity, and where decisions are based on merit. We want colleagues to grow, develop and contribute meaningfully, supported by fair and transparent approaches to recruitment, development and progression. We hold ourselves to high standards of ethics and accountability. We expect behaviours that build trust, to foster an environment where discrimination has no place and everyone can perform at their best. We value difference and see diversity as central to our culture and performance. Our colleagues span 76 countries, speak dozens of languages and represent different cultures, identities, backgrounds, skills and ways of thinking.

We have a Group-wide Diversity and Inclusion policy, approved by the IAG Board, designed to set out IAG’s formal commitment to fairness, equal opportunities, diversity, inclusion, and a strong sense of belonging across the Group – ensuring every stakeholder is treated with dignity, valued for their differences, and able to thrive. Further, each operating company has its own diversity and inclusion policy and plan, approved and overseen by the operating company’s senior governance body (i.e. its Board and/or Executive Committee as applicable). This 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

We value diversity and measure progress by monitoring the composition and experience of our workforce, as well as our key processes, to ensure fairness. Our goal is to continually improve fairness, sense of belonging and inclusion over the longer term.

In 2022, we set an ambition to increase the gender diversity of our senior leadership and, in 2024, we set a UK ambition for senior leadership ethnicity. Since then, we have seen a 31% increase in the number of senior women, a 9ppt increase in the diversity of our succession pipeline and an 18ppt increase in sense of belonging. Of our senior leaders, 35% are women, and 10% of our UK leaders identify as minority ethnic.

Looking forward, we will demonstrate commitment through actions; focusing on fairness and inclusion, ensuring colleagues have access to the same opportunities, making decisions based on merit and valuing everyone’s unique differences. Through outreach and engagement activities we raise awareness of opportunities in our businesses, especially for underrepresented groups. We listen to and respond to colleague feedback to make our businesses fairer and more inclusive. We ensure our policies, processes and support are inclusive and fair and monitor data to ensure colleagues and candidates are treated fairly. As a global business, we continue to review our approach to ensure we comply with regulatory requirements and reporting obligations.

Collaborating on diversity and inclusion across the Group

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

We continue to partner with Women in Hospitality, Travel and Leisure (WiHTL) and with the International Transport Association (IATA) and are committed to working across our industry to raise awareness about careers in aviation particularly for underrepresented groups.

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 offer a range of policies including job-sharing, maternity, adoption, paternity and shared parental leave to help employees manage co-parenting commitments. Operating companies also provide additional support through online platforms and digital resources that offer 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 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 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 2025, coinciding with a rise in overall headcount. The lost-time injury (LTI) frequency rate increased from 4.0 in 2024 to 4.4 in 2025, reflecting improved reporting practices. While LTI frequency increased, LTI severity decreased from 20.1 in 2024 to 15.9 in 2025. This means that although more incidents were reported, 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, ensuring they are well versed in the areas covered by our code of conduct.

IAG implemented a new human rights policy in 2024, reinforcing 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. In 2025, IAG addressed a number of allegations relating to potential human rights violations. For all investigations that have concluded, no substantiated cases have been identified, consistent with the position in 2024.

IAG is taking steps to prevent incidents of modern slavery within the Group and across its supply chains. The IAG 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 the relevant legislation.

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 that has led to the adoption of The Guidelines for Combatting Trafficking in Persons in the Air Operator Supply Chain (Cir 362) at the ICAO General Assembly in 2025.

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. IAG also works closely with the charitable sector in this area to raise awareness among 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. In 2025, IAG introduced a new anti-money laundering policy to strengthen its approach to identifying, preventing and managing money laundering risks across the Group. The anti-fraud policy was also refreshed to clarify the principles and responsibilities for tackling fraudulent activity. To embed these standards and ensure consistent compliance, mandatory online training was deployed to all relevant employees, reinforcing our commitment to integrity and no tolerance to fraud.

Following the approval of the revised IAG Code of Conduct by the Board of Directors in 2024, further updates were made during 2025 to the anti-bribery and corruption policy and to the competition law policy, strengthening IAG's compliance framework and reinforcing our commitment to ethical business practices across the Group.

Additionally, in November 2025, IAG's modern slavery and human trafficking policy was updated, underscoring IAG's commitment to addressing forced labour and exploitation within its operations and supply chain. The policy aligns with international standards and sets out our approach to identifying, mitigating and addressing modern slavery and human trafficking across the Group.

In response to the evolving regulatory landscape and emerging risks, the Audit and Compliance Committee continued to oversee the implementation of the three-year ethics and compliance plan approved in 2024. During 2025, the Group advanced key initiatives under this plan, reinforcing a risk-based approach to procedures, controls and governance processes. The Board of Directors maintained full visibility of progress and remains committed to embedding a culture of integrity and ethical decision-making across the organisation, in line with IAG's code of conduct.

IAG is committed to encouraging a culture of speaking up and does not tolerate any retaliation against individuals reporting concerns or contributing to internal investigations. The code of conduct and the 'Speak Up' policy outline protections for whistleblowers to ensure that individuals who report concerns in good faith are protected from retaliation. 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. More details on this are available in section 'G1 - Business Conduct' of this Sustainability statement.

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.

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, Ethics and 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 and employees to raise awareness and understanding of the principles that govern the conduct of the Group. A new code of conduct training module was introduced last year to ensure that employees from different parts of the business will be always prepared to make informed decisions.

Metric	Unit	2025	2024	vly
Number of employees who completed annual code of conduct training	#	66,922	56,495	18 %
Number of employees who completed the annual anti-bribery training*	#	12,403	12,088	3 %

*Denotes total training completed over a period of 3 years

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.

84% of the workforce across the Group is covered by collective bargaining agreements.

IAG complies with the 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 'Employees' 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: operations, 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 provide both informal and formal channels for workers and their representatives to raise concerns or needs. These include internal grievance processes, collective complaints through established industrial processes, internal surveys and 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 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

Metric	Permanent contracts			Temporary contracts		
	vly	2025	2024	vly	2025	2024
Men	4%	40,920	39,368	(10)%	1,379	1,538
Women	3%	31,899	30,861	(3)%	1,673	1,731
Total	4%	72,819	70,229	(7)%	3,052	3,269

Metric	Full-time contracts			Part-time contracts		
	vly	2025	2024	vly	2025	2024
Men	5%	33,663	32,189	(1)%	8,636	8,717
Women	3%	21,344	20,666	3 %	12,228	11,926
Total	4%	55,007	52,855	1 %	20,864	20,643

Average headcount by age

Metric	Permanent contracts			Temporary contracts		
	vly	2025	2024	vly	2025	2024
Under 30	9%	13,043	12,004	(3)%	2,144	2,211
30-50	3%	35,327	34,204	(17)%	786	947
Over 50	2%	24,449	24,021	10 %	122	111
Total	4%	72,819	70,229	(7)%	3,052	3,269

Metric	Full-time contracts			Part-time contracts		
	vly	2025	2024	vly	2025	2024
Under 30	2%	11,897	11,690	30 %	3,290	2,525
30-50	3%	26,606	25,717	1 %	9,507	9,434
Over 50	7%	16,504	15,448	(7)%	8,067	8,684
Total	4%	55,007	52,855	1 %	20,864	20,643

Average headcount by employee classification

Metric	Permanent contracts			Temporary contracts		
	vly	2025	2024	vly	2025	2024
Airport operations	2%	16,181	15,796	(42)%	536	929
Cabin crew	3%	23,730	22,958	8 %	1,574	1,463
Corporate functions	4%	16,471	15,832	4 %	748	716
Maintenance	5%	7,486	7,127	20 %	194	161
Pilots	5%	8,951	8,516	-	-	-
Total	4%	72,819	70,229	(7)%	3,052	3,269

Metric	Full-time contracts			Part-time contracts		
	vly	2025	2024	vly	2025	2024
Airport operations	12%	10,084	8,966	(15)%	6,633	7,759
Cabin crew	-%	15,287	15,329	10 %	10,017	9,092
Corporate functions	4%	15,623	15,047	6 %	1,596	1,501
Maintenance	5%	7,283	6,943	15 %	397	345
Pilot	2%	6,730	6,570	14 %	2,221	1,946
Total	4%	55,007	52,855	1 %	20,864	20,643

Description

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

Commentary

Average headcount increased by 3% in 2025 to 75,871, reflecting growth in the business and our ongoing commitment to expanding capacity, enhancing service and building resilience.

The reduction in employees on temporary and part-time contracts within airport operations is due to ground-handling, aligned to operational needs. The 30% increase in part-time employees aged under 30 is largely driven by new entrants in ground-handling, where part-time roles commonly serve as an entry point.

Total number and distribution of employees by gender

Metric	Headcount			Headcount		
	vly	2025	2024	vly	2025	2024
Men	2%	42,349	41,414	- pts	56%	56%
Women	1%	33,437	32,964	- pts	44%	44%
Total	2%	75,786	74,378	- pts	100%	100%

Total number and distribution of employees by region/country

Metric	Headcount			Headcount		
	vly	2025	2024	vly	2025	2024
Europe	2 %	71,306	70,031	- pts	94%	94%
United Kingdom	- %	39,512	39,318	(1 pt)	52%	53%
Spain	3 %	24,845	24,030	1 pt	33%	32%
Ireland	6 %	5,646	5,323	- pts	7%	7%
Rest of Europe	(4)%	1,303	1,360	- pts	2%	2%
Africa, Middle East and South Asia	4 %	2,932	2,831	- pts	4%	4%
North America	3 %	978	945	- pts	1%	1%
Latin America and Caribbean	2 %	335	328	- pts	-%	-%
Asia Pacific	(3)%	235	243	- pts	-%	-%
Total	2 %	75,786	74,378	- pts	100%	100%

Description

The share of headcount across the Group by gender and by region/country on 31 December 2025. 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 2025, with differences in growth rates between men and women reflecting function-specific changes, particularly within maintenance and pilot roles.

Total headcount increased by 2% to 75,786, with growth across key markets in the UK, Spain and Ireland. The 4% increase in Africa, the Middle East and South Asia was largely driven by the continued expansion of customer contact centre operations in India.

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

Metric	Permanent contracts			Temporary contracts		
	vly	2025	2024	vly	2025	2024
Men	2%	40,864	39,950	1%	1,485	1,464
Women	1%	31,658	31,193	-%	1,779	1,771
Total	2%	72,522	71,143	1%	3,264	3,235

Description

Composition is a breakdown of headcount as at 31 December 2025. A temporary employment contract has a defined end date. IAG does not currently employ any workers on non-guaranteed-hours contracts.

Commentary

There was an increase in both permanent and temporary contracts in 2025. Permanent roles include employees on fixed-discontinuous terms, a specific Spanish contractual arrangement for seasonal work. Gender differences reflects changes in workforce composition by role.

Total number and distribution of employees by professional classification

Metric	Headcount			Headcount		
	vly	2025	2024	vly	2025	2024
Airport operations	1%	16,501	16,396	-pts	22%	22%
Cabin crew	2%	25,225	24,615	-pts	33%	33%
Corporate functions	-%	17,144	17,171	-pts	23%	23%
Maintenance	5%	7,809	7,454	-pts	10%	10%
Pilots	4%	9,107	8,742	-pts	12%	12%
Total	2%	75,786	74,378	-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) as at 31 December 2025.

Commentary

In 2025, the distribution of employees by role remained stable compared with the prior year. Headcount increased across all operational areas, while corporate functions remained stable.

Total number of leavers and turnover rate by gender

Metric	Voluntary leavers			Voluntary attrition rate			Non-voluntary leavers			Non-voluntary attrition rate		
	vly	2025	2024	vly	2025	2024	vly	2025	2024	vly	2025	2024
Men	(10)%	2,602	2,885	(0.9)pts	6.2%	7.1%	(36)%	885	1,387	(1.3)pts	2.1%	3.4%
Women	(13)%	2,108	2,417	(1.1)pts	6.3%	7.4%	(38)%	453	727	(0.9)pts	1.3%	2.2%
Total	(11)%	4,710	5,302	(1.0)pt	6.2%	7.2%	(37)%	1,338	2,114	(1.1)pts	1.8%	2.9%

Total number of leavers and turnover rate by age

Metric	Voluntary leavers			Voluntary attrition rate			Non-voluntary leavers			Non-voluntary attrition rate		
	vly	2025	2024	vly	2025	2024	vly	2025	2024	vly	2025	2024
Under 30	(6)%	2,202	2,332	(1.9)pts	14.5%	16.4%	(4)%	470	491	(0.4)pts	3.1%	3.5%
30-50	(11)%	1,826	2,056	(0.7)pts	5.1%	5.8%	(46)%	544	1,016	(1.4)pts	1.5%	2.9%
Over 50	(25)%	682	914	(1.0)pt	2.8%	3.8%	(47)%	324	607	(1.2)pts	1.3%	2.5%
Total	(11)%	4,710	5,302	(1.0)pt	6.2%	7.2%	(37)%	1,338	2,114	(1.1)pts	1.8%	2.9%

Total number of leavers and turnover rate by employee category

Metric	Voluntary leavers			Voluntary attrition rate			Non-voluntary leavers			Non-voluntary attrition rate		
	vly	2025	2024	vly	2025	2024	vly	2025	2024	vly	2025	2024
Airport operations	22 %	1,650	1,358	1.8 pts	9.9%	8.1%	(50)%	727	1,442	(4.3)pts	4.3%	8.6%
Cabin crew	(17)%	1,015	1,218	(1.0)pt	4.0%	5.0%	(26)%	217	294	(0.3)pts	0.9%	1.2%
Corporate functions	(28)%	1,615	2,229	(4.1)pts	9.4%	13.5%	12 %	277	248	0.1 pts	1.6%	1.5%
Maintenance	(21)%	228	287	(0.9)pts	3.0%	3.9%	6 %	50	47	0.1 pts	0.7%	0.6%
Pilots	(4)%	202	210	(0.2)pts	2.3%	2.5%	(19)%	67	83	(0.3)pts	0.7%	1.0%
Total	(11)%	4,710	5,302	(1.0)pt	6.2%	7.2%	(37)%	1,338	2,114	(1.1)pts	1.8%	2.9%

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

In 2025, there were 6,048 leavers, resulting in an overall attrition rate of 8.0%. Of these, 4,710 employees (6.2%) left voluntarily and 1,338 (1.8%) left through non-voluntary attrition. Compared to 2024, voluntary attrition has reduced by 1.0 percentage point, while non-voluntary attrition reduced by 1.1 percentage points. Non-voluntary attrition was higher in the prior year due to legal employee transfers associated with the AENA licence awards for third-party handling services at Spanish airports.

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

Metric	Full-time contracts			Part-time contracts		
	vly	2025	2024	vly	2025	2024
Men	4%	33,528	32,193	(4)%	8,821	9,221
Women	3%	21,092	20,569	- %	12,345	12,395
Total	4%	54,620	52,762	(2)%	21,166	21,616

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

Metric	Full-time contracts			Part-time contracts		
	vly	2025	2024	vly	2025	2024
Europe	4 %	50,748	49,018	(2)%	20,558	21,013
United Kingdom	(4)%	25,894	26,874	9 %	13,618	12,444
Spain	16 %	19,104	16,520	(24)%	5,741	7,510
Ireland	4 %	4,587	4,400	15 %	1,059	923
Rest of Europe	(5)%	1,163	1,224	3 %	140	136
Africa, Middle East and South Asia	4 %	2,807	2,708	2 %	125	123
North America	5 %	634	602	- %	344	343
Latin America and Caribbean	1 %	246	244	6 %	89	84
Asia Pacific	(3)%	185	190	(6)%	50	53
Total	4 %	54,620	52,762	(2)%	21,166	21,616

Description

Composition is a breakdown of headcount as at 31 December 2025. Full-time employees are defined as those working full contractual hours as at 31 December 2025.

Commentary

In 2025, the Group saw a 4% increase in full-time contracts and a 2% decrease in part-time contracts. The most significant change occurred in Spain, where part-time roles fell by 24%, alongside a corresponding 16% rise in full-time contracts, reflecting the transition of ground-handling employees into full-time roles in line with tenure. Contract mix in other regions remained broadly consistent with the prior year.

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

Coverage rate	Collective bargaining coverage		Social dialogue
	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 agreements cover a broad range of employment matters, including remuneration, working time, benefits and occupational health and safety. The coverage rate presented in this section reflects the proportion of employees who are covered by one or more collective agreements. This metric is calculated using headcount at the end of the reporting period.

Commentary

84% of our employees are covered by collective bargaining agreements, including 87% in the UK, 94% in Spain and 82% in Ireland. Coverage rates in these core markets have remained stable year-on-year, reflecting long-standing social dialogue structures and established sectoral arrangements.

In 2017, IAG and employee representatives signed a European Works Council (EWC) agreement, governed by Spanish law. The EWC provides a formal framework for information and consultation on transnational matters, supporting constructive engagement between employees and management across the Group.

S1-9 - Diversity metrics

Total number and distribution of senior leaders by gender

Metric	Headcount			Headcount		
	vly	2025	2024	vly	2025	2024
Men	3 %	154	150	1 pt	65%	64%
Women	(1)%	84	85	(1) pt	35%	36%
Total	1 %	238	235	- pts	100%	100%

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

Metric	Headcount			Headcount		
	vly	2025	2024	vly	2025	2024
Men	3 %	65	63	2 pts	75%	73%
Women	(4)%	22	23	(2)pts	25%	27%
Total	1 %	87	86	- pts	100%	100%

Description

We define senior leaders as employees in IAG grades 0, 1 and 2, or equivalent roles across the Group, including senior executives who report directly to IAG's CEO. We also report the total number and gender distribution of members of the IAG Management Committee and their direct reports. All figures are presented as at 31 December 2025.

Commentary

Senior leader numbers at IAG grades 0, 1 and 2 remained stable in 2025. While overall headcount increased slightly, we saw a modest year-on-year reduction in the proportion of women, reflecting normal movements within small senior-leader populations and changes in team composition during the year. We continue to take a merit-based approach to vacancies, enabling applications from across IAG and externally for most roles.

In 2025, there was also a slight reduction in the representation of women within the IAG Management Committee and their direct reports, reflecting the timing of appointments and natural turnover. We remain focused on developing our leadership pipeline and supporting a merit-based approach.

Total number and distribution of employees by age

Metric	Headcount			Headcount		
	vly	2025	2024	vly	2025	2024
Under 30	4%	15,877	15,310	- pts	21%	21%
30-50	2%	36,130	35,375	- pts	48%	48%
Over 50	-%	23,779	23,693	- pts	31%	32%
Total	2%	75,786	74,378	- pts	100%	100%

Description

The share of headcount across the Group by age (under 30, 30-50 and over 50) as at 31 December 2025.

Commentary

Headcount increased across all age groups in 2025, and the overall age distribution remained broadly unchanged year-on-year. The proportion of employees aged over 50 decreased slightly, reflecting natural attrition, largely within ground-handling roles. Representation among employees under 30 and those aged 30-50 remained stable.

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 84% 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 including voluntary salary sacrifice benefits, making calculations of remuneration understandably complex. Operating companies have processes in place to consolidate and review all elements of remuneration in the context of the minimum wage legislation, and where any issues or potential breaches are identified take action as necessary to address the specific issue and root cause. This includes investing in core people processes and systems to ensure accuracy of reported hours worked and remuneration paid.

S1-12 - Persons with disabilities
Total number and distribution of employees with a disability

Metric	Headcount			Headcount		
	vly	2025	2024	vly	2025	2024
Employees with a disability	12%	1,031	920	0.12pts	1.36%	1.24%

Description

Employees with disabilities are reported as a percentage of total headcount at the end of the year. Collecting disability information is not a legal requirement in the UK or Ireland, unlike in Spain. As a result, disabilities included in this disclosure are medically certified in Spain and self-declared in all other jurisdictions.

Commentary

The percentage of employees with a disability increased slightly from 1.24% in 2024 to 1.36% in 2025. As in previous years, the majority of employees recorded in this category are either based in the UK, where disclosure is self-declared, or have a medically certified disability in Spain, where formal registration processes apply.

S1-14 - Health and safety metrics

100% of 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

Metric	Number of instances	
	2025	2024
Airport operations	1	-
Cabin crew	-	-
Corporate functions	-	1
Maintenance	-	-
Pilots	-	-
Total	1	1

Lost time injuries (LTI)

Metric	Workplace accidents			LTI severity rate			LTI frequency rate		
	vly	2025	2024	vly	2025	2024	vly	2025	2024
Airport operations	11%	999	902	(25)%	23.4	31.2	7%	7.5	7.0
Cabin crew	10%	984	894	(12)%	9.6	10.9	2%	6.2	6.1
Corporate functions	72%	242	141	(41)%	8.7	14.7	70%	1.7	1.0
Maintenance	44%	144	100	13 %	22.0	19.5	35%	2.3	1.7
Pilots	28%	97	76	40 %	11.5	8.2	15%	1.5	1.3
Total	17%	2,466	2,113	(21)%	15.9	20.1	10%	4.4	4.0

Metric	Workplace accidents			LTI severity rate			LTI frequency rate		
	vly	2025	2024	vly	2025	2024	vly	2025	2024
Men	19%	1,320	1,108	(23)%	17.9	23.1	14%	4.0	3.5
Women	14%	1,146	1,005	(19)%	13.6	16.8	7%	4.9	4.6
Total	17%	2,466	2,113	(21)%	15.9	20.1	10%	4.4	4.0

Occupational illness

Metric	Number of instances		
	vly	2025	2024
Men	(16)%	16	19
Women	40 %	7	5
Total	(4)%	23	24

Absenteeism

Metric	Hours absent			Absenteeism rate		
	vly	2025	2024	vly	2025	2024
Airport operations	(12)%	2,167,770	2,466,647	(1.2)pts	8.5%	9.7%
Cabin crew	(13)%	1,815,920	2,084,521	(0.9)pts	5.6%	6.5%
Corporate functions	- %	821,691	820,652	- pts	2.9%	2.9%
Maintenance	- %	556,414	558,418	(0.2)pts	4.2%	4.4%
Pilots	(7)%	573,521	617,843	(0.6)pts	4.4%	5.0%
Total	(9)%	5,935,316	6,548,081	(0.7)pts	5.2%	5.9%

Commentary

There was one recorded fatality in 2025, related to a road traffic incident in Spain during a commute from work. The prior year (2024) also recorded one commuting-related fatality. Under Spanish law, accidents that occur while travelling to or from the workplace are classified as workplace accidents.

In 2025, there were 8,489 workplace accidents (a rate of 75 workplace accidents per one million hours worked). This includes 2,466 workplace accidents that resulted in lost working time.

The lost-time injury (LTI) frequency rate increased from 4.0 in 2024 to 4.4 in 2025. This movement reflects improvements in reporting practices rather than a deterioration in safety performance. During the year, we invested in strengthening our safety culture and the reporting of minor incidents, supporting better identification of potential risks and helping to reduce future incidents.

The severity rate decreased from 20.1 to 15.9, indicating that while more incidents are being reported, they generally result in less working time lost. This suggests that our improved reporting processes are capturing a broader range of lower-severity cases.

There were 23 recorded instances of occupational illness in 2025, broadly in line with the prior year. Given the small number of instances overall, year-on-year movements are sensitive to individual cases and do not indicate a material change in underlying trends. All reported cases are managed in line with established health and safety procedures.

The absenteeism rate decreased from 5.9% in 2024 to 5.2% in 2025, with reductions observed across all job roles. This year-on-year decrease reflects fewer hours lost to sickness and our continued focus on supporting employee wellbeing and attendance. 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 LTIs 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

Category	vly	Overall			Men			Women			Salary gap						
		2025	2024	2023	vly	2025	2024	2023	vly	2025	2024	2023	vly	2025	2024	2023	
Seniority																	
Senior executives	16 %	381,185	329,572	313,457	14 %	404,381	354,303	344,118	20 %	358,771	299,756	299,596	(4.1)pts	11.3 %	15.4 %	12.9 %	
Other management	(5)%	222,169	234,288	234,453	(6)%	249,888	264,485	251,282	(2)%	113,694	116,372	120,206	(1.5)pts	54.5 %	56.0 %	52.2 %	
All other employees	2 %	56,246	55,184	52,279	4 %	57,646	55,187	52,357	(1)%	54,540	55,174	52,184	5.4 pts	5.4 %	- %	0.3 %	
Total workforce	5 %	61,099	58,163	55,476	8 %	64,656	59,630	58,189	- %	56,637	56,455	53,285	7.1 pts	12.4 %	5.3 %	8.4 %	
Age group																	
<30	(1)%	41,251	41,706	39,024	(2)%	39,985	40,871	37,273	(1)%	42,170	42,732	40,307	(0.9)pts	(5.5)%	(4.6)%	(8.1)%	
30-50	6 %	61,418	58,039	56,351	10 %	66,046	59,861	59,255	- %	55,733	55,767	53,638	8.8 pts	15.6 %	6.8 %	9.5 %	
>50	13 %	76,078	67,369	67,108	16 %	80,960	69,780	69,992	10 %	71,712	65,282	64,437	5.0 pts	11.4 %	6.4 %	7.9 %	
Total workforce	5 %	61,099	58,163	55,476	8 %	64,656	59,630	58,189	- %	56,637	56,455	53,285	7.1 pts	12.4 %	5.3 %	8.4 %	

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.

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 2025, 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, 2023 and 2024 non-euro remuneration has been restated using 2025 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 (84%) 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 2025, headcount increased and the workforce composition shifted in ways that moved the median pay point for both men and women. Pilot and maintenance headcount grew faster than other roles, resulting in these professions representing a slightly larger share of the workforce. As pilot and maintenance roles typically exhibit higher gender pay gaps, this change in workforce composition largely explains the year-on-year movement in the Group's salary gap.

At Group level, this contributed to an increase in the median salary gap from 5.3% in 2024 to 12.4% in 2025, and in the mean salary gap from 26.6% to 43.4%.

Pilot pay remains the most significant driver of the gender pay gap, reflecting both the lower number of female pilots and the impact of seniority. The gender pay gap in the 'other management' category is driven by the inclusion of senior pilot roles (captain level) within this group. In 2025, over 190 cadet pilot training positions were opened across Aer Lingus, British Airways and Iberia. These programmes provide financial support, helping to remove barriers to entry and make a career as a pilot more accessible.

Operating companies continue to review people processes to ensure they are inclusive and free from bias. Recruitment and selection decisions are merit-based, open, transparent and fair, encouraging applications from underrepresented groups.

Further details on the steps IAG is taking to promote diversity and inclusion across the Group are provided in section SI-1 of this Sustainability statement.

Board and Management Committee remuneration

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	2025	2024	2023	2022	2021	2020
<i>Board</i>							
Men	28%	952,500	745,467	668,333	836,667	510,167	407,326
Women	7%	162,250	151,000	141,400	138,000	114,600	109,798
<i>Management Committee</i>							
Overall	141%	4,051,315	1,677,819	1,451,375	1,523,328	1,287,780	653,403

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 previous years, 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 that 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 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 2025, the remuneration of seven non-executive directors and the IAG CEO is included, with the same split of four male and four female (2024, nine non-executive directors and the IAG CEO with five male and five female).

The key factors influencing the increased remuneration for directors are:

- The increase in IAG CEO remuneration from 2024 to 2025, driven by following factors:
 - An increase of 3% in basic salary for 2025;
 - Payment of approved 2025 annual incentive award; and
 - The inclusion of an estimated value of the 2023 RSP award, which will vest in full in March 2026, and be released at the end of the normal two-year holding period.
- Non-executive directors' fees remained unchanged in 2025. By contrast, effective 1 January 2024, the additional fee for chairing the Audit and Compliance Committee and the Remuneration Committee were increased (reflecting the complexity and time commitment involved in these roles).
- 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 2024 to 2025. The increase in average Management Committee member remuneration in 2025 was driven by factors such as:

- The release from the holding period of historical 2020 share awards;
- Payment of the approved 2025 Annual Incentive Award;
- The vesting in 2025 of the 2022 Restricted Share Plan (RSP); and
- The vesting of Full Potential Incentive Plan (FPIP), reflecting the achievement of stretch performance targets for 2024.

In 2024 and 2025, there were 10 Management Committee members, seven male and three female. No gender breakout is shown for confidentiality reasons, given the female data set relates to only three employees.

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

This ratio compares the total annual remuneration of the highest-paid individual to the median total annual remuneration of all employees (excluding the highest-paid individual). The table below sets out IAG's CEO pay ratio for 2025 and 2024.

Year	CEO single figure (€'000)	Median pay ratio
2025	7,159	117:1
2024	6,346	109:1

The information in this table follows the 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

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

We monitor concerns reported through formal channels and take appropriate action. In 2025, there were 147 complaints of discrimination relating to employees across the Group that are either under investigation or were found to be unsubstantiated. In addition, 27 incidents were found to be substantiated. This compares with 97 complaints and 23 substantiated incidents in 2024.

The increase in reported cases reflects strengthened reporting channels, enhanced awareness and training, and a culture in which employees and third parties feel confident to raise concerns. Over the past couple of years, IAG has launched a new code of conduct and enhanced training, with continued emphasis on the Speak Up process, helping to ensure reporting mechanisms are accessible and trusted.

Where applicable, we take appropriate action to address issues identified, which may include disciplinary action.

In 2025, IAG paid no fines, penalties or compensation related to incidents of discrimination (2024: £45,000).

There were no reported incidents of severe human rights breaches connected with IAG's own workforce in 2025, and no associated fines, penalties or compensation.

Additional social disclosures required by Spanish Law 11/2018

Relevant standards: GRI-404-1

S1-13 – Training and skills development metrics

Training by gender

Metric	Training hours completed			% of employees trained			Average training hours		
	vly	2025	2024	vly	2025	2024	vly	2025	2024
Men	(11)%	1,752,672	1,968,547	5 pts	95 %	90 %	(16)%	45.1	53.8
Women	(18)%	1,368,402	1,677,638	3 pts	93 %	90 %	(22)%	48.7	62.6
Total	(14)%	3,121,074	3,646,185	4 pts	94 %	90 %	(19)%	46.6	57.5

Training by employee category

Metric	Training hours completed			% of employees trained			Average training hours		
	vly	2025	2024	vly	2025	2024	vly	2025	2024
Airport operations	19 %	673,829	568,156	12 pts	93 %	81 %	3 %	47.7	46.4
Cabin crew	(29)%	1,122,350	1,579,609	(1) pt	93 %	94 %	(31)%	53.0	76.4
Corporate functions	(14)%	653,093	757,217	- pts	94 %	94 %	(16)%	40.7	48.7
Maintenance	(7)%	344,618	371,101	- pts	98 %	98 %	(12)%	46.4	52.5
Pilots	(12)%	327,184	370,102	- pts	97 %	97 %	(15)%	40.0	46.9
Total	(14)%	3,121,074	3,646,185	4 pts	94 %	90 %	(19)%	46.6	57.5

Description

All mandatory and non-mandatory training is included within scope and covers a wide range of topics, including human rights, anti-corruption, flight simulator training and e-learning courses. The percentage of employees trained refers to the proportion of employees who completed training during the reporting period. Average training hours are calculated based on the total training hours completed, divided by the average headcount and prorated to full-time equivalent (FTE).

Commentary

Average training hours declined in 2025, largely reflecting a return to more typical activity levels after exceptionally high volumes in the prior year. In 2024, training hours were elevated by higher recruitment, additional mandatory learning requirements and specific operational initiatives that temporarily increased training needs. In 2025, fewer new-entrant courses, shorter durations for certain mandatory modules and seasonal variations in operational training contributed to lower overall hours. Despite this, the percentage of employees trained increased year-on-year, indicating broader participation across the workforce.

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
© Social external				
Ethical business and regulatory compliance	Protection of whistleblowers		Without protection for whistleblowers, the likelihood that employees would 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		Violating human rights, particularly through cases of human trafficking and modern slavery, has profound and far-reaching effects on individuals, communities and society.	Upstream and own operations
Responsible supply chain	Assurance of ethical practices of suppliers		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		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		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		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

Refer to section 'ESRS G1 Business conduct' for disclosure requirements relating to 'Protection of whistleblowers' and 'Assurance of ethical practices of suppliers'.

 Positive impact  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.

IAG Transform launched its supply chain sustainability programme in 2024 to identify more prevalent negative risks in areas such as uniforms, catering, hotels and on-board 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 that 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 also conducted a third-party review with Deloitte to improve our analysis and assessment of supply chain labour standards. The review delivered 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 identified policies, procedures and other methods for the operationalisation of sustainability measures for current third parties.

Responsible supply chain

Our approach and policies

The IAG Transform Sustainability team focuses on strengthening the Group's approach towards sustainable procurement, with a goal to ensure that sustainability is embedded into purchasing decisions across the Group.

Actions, metrics and targets

In 2025, work has focused on the assessment of the Group's procurement practices to understand how different ESG topics are considered in the supplier selection process. Our framework to assess sustainability across the complete supplier lifecycle includes:

Supplier sustainability scoring

To embed sustainability at the earliest stage of the supplier sourcing process, Group Procurement includes ESG criteria into the supplier evaluation.

Sustainability contract clause

IAG has developed an additional 'sustainability clause' to support delivery of IAG's sustainability programme within the requirements of the third party code of conduct. The clause is included in all contracts with suppliers, including renewed or amended contracts across the Group.

The clause highlights the support of the supplier to achieve IAG's target of net zero Scope 3 emissions by 2050 and the interim target of a 20% reduction of Scope 3 emissions by 2030. It includes an improvement plan to share their emissions data from products and/or services provided to the Group. Finally, it includes an invitation to participate in third party sustainability supply-chain assessments, such as EcoVadis.

Third party code of conduct

IAG places a strong emphasis on its position and responsibilities to workers in the value and supply chain. Recognising the importance of shared values throughout the IAG value chain, IAG published a new third party code of conduct in December 2024. Suppliers are required to adhere to the IAG third party code of conduct, which requires suppliers to apply ethical and legal standards to their employees and subcontractors.

Supplier sustainability assessments

Supplier sustainability assessments are a key component of IAG's Sustainable Procurement Programme. These assessments enable us to identify potential ESG risks within the value chain, understand challenges faced by suppliers, drive continuous improvement and make more informed business decisions by integrating sustainability criteria into our supplier selection and evaluation processes.

Risk-based assessment

In 2025, we identified 12 focus areas (categories) as part of a human rights risk assessment and identified key suppliers in each category for follow-up engagement. IAG mapped all the suppliers in each category and carried out an exercise to source further information from platforms including EcoVadis, Sedex and Moody's indices to support our assessment.

In respect of mitigating modern slavery, the Group has focused on the following areas: ground-handling, catering, uniforms, hotels, on-board products, aircraft and engines, fuel, cleaning, agency workforce, loyalty, call centres and IT services.

Independent supplier sustainability assessment

Where the aforementioned framework still presents an inherent risk in our value chain, an independent supplier sustainability assessment is conducted via EcoVadis, an ESG audit or equivalent.

ESG audits

In 2025, IAG Transform obtained and analysed 63 ESG audits, down from 109 audits obtained in 2024. The audit findings were analysed and remedial actions were implemented, tracked and escalated with identified suppliers, with the support of Group Procurement.

EcoVadis

IAG has partnered with EcoVadis to provide supplier sustainability ratings across four key themes: environment, labour and human rights, ethics and sustainable procurement.

All suppliers

The total number of scorecards received for 2025 is 590. Of these, 392 were reassessed last year and 73% of them improved their scores, with an average increase of 2.9 points in their EcoVadis overall score.

Key suppliers

In 2025, we implemented a new strategy focusing on 146 key suppliers – those representing the highest spend and operational criticality. During the reporting year, we received seven new key supplier assessments. We achieved 75% coverage of our key suppliers through EcoVadis's sustainability assessments.

Through the use of EcoVadis, suppliers whose performance falls below the accepted threshold (45/100) in their sustainability assessment receive a request to complete a Corrective Action Plan (CAP).

IAG collaborates with its key suppliers by discussing challenges and providing targeted support and specific actions to enhance performance. The IAG Transform supply chain sustainability programme continues to prioritise engagement with our key suppliers.

IATA Sustainable Procurement Programme pilot

In 2025, IAG Transform, British Airways and Iberia worked with IATA and other industry partners in a pilot programme to develop the first aviation sector-specific sustainable procurement certification.

Representatives from British Airways, Iberia and IAG Transform participated in the pilot to develop the standard and identify learnings to align the IAG Transform supply chain sustainability programme to the standard's requirements. These efforts were formally recognised at the launch of the certification process during the 2025 IATA World Sustainability Symposium in Hong Kong. IAG received a thank-you plaque from IATA for our contribution.

Supplier engagement initiatives

The IAG Transform sustainability team engages on different ESG topics across the value chain together with procurement and sustainability teams across the Group. For matters relating to the environment, our focus is to identify and support carbon reduction initiatives across the value chain. For more details, refer to E1-3 – Actions and resources in relation to climate change policies.

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. Our approach is integrated into the supply chain sustainability programme and is detailed under the responsible supply chain section of this Sustainability statement.

Actions, metrics and targets

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

- Collaborating with third-party organisations specialising in worker engagement and human rights, including regulatory authorities and charities.
- Commitment to providing accessible channels for concerns to be raised and to ensuring remediation of any negative impacts identified. The Group maintains a whistleblowing mechanism.
- Ongoing work to strengthen the Group's due diligence practices, developing a targeted approach for suppliers operating in high-risk areas/industries.

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 standalone human rights policy in 2024, alongside the existing code of conduct and third party code of conduct.

Actions, metrics and targets

IAG responds to evidence of human rights violations within the supply chain, for example, from external ESG audits carried out on suppliers. In 2025, we received 63 such audits, and any potential human rights violations are subject to corrective actions that we are tracking to resolution.

On receiving an audit report via SEDEX, IAG logs any non-conformities reported in its own audit tracker, including the specific topic and severity. The independent auditor will have agreed corrective actions with target dates for the supplier. Until this date, IAG tracks progress on the action in SEDEX. Any actions that go beyond the agreed date are identified as overdue, and IAG reaches out to these suppliers directly to escalate our concerns. This work is performed by a combination of nominated procurement leads and IAG Transform Sustainability team members.

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. IAG has actively contributed to the ICAO Ad Hoc Working Group on Combatting Trafficking in Supply Chain (AHWG-TSP), an international, joint industry-

regulatory group, which has led to the Guidelines for Combatting Trafficking in Persons in the Air Operator Supply Chain (Cir 362) that were approved by the ICAO general Assembly in 2025.

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 2025, 21 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 refreshed its modern slavery and human trafficking policy in 2025, following the update of the Modern Slavery Registry in 2024. The IAG 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 and relevant legislation in Canada and Australia.

IAG also offers 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 audit reports it has received in 2025 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

In 2025, IAG created a new framework to assess suppliers in 12 key focus areas defined by the Group. These areas include Modern Slavery Act compliance, conformance with modern slavery guidelines, ‘Find it’, ‘Fix it’ and ‘Prevent it’ controls.

The framework’s assessment consists of providing a standardised questionnaire to suppliers, holding in-person interviews, performing structured document analysis and a review of ESG scorecards, audits and publicly available information. From this assessment, a summary report is produced that profiles the supplier’s social performance and indicates if any further actions are required.

As part of the continuous improvement process, the framework will continue to be developed for identified high-risk suppliers, while enhancing supplier on-boarding with industry-specific questionnaires, increasing awareness campaigns and training and sharing best practices across the industry.

Metric	vly	2025	2024
Total number of EcoVadis sustainability assessments	(1)%	590	597
Average overall EcoVadis score of IAG’s suppliers	5 %	63	60
Total number of key suppliers identified	- %	146	n/a
Total number of key suppliers with an EcoVadis scorecard	- %	109	n/a
Average overall EcoVadis score of IAG’s key suppliers	- %	64	n/a
Critical suppliers under regular financial risk monitoring	25 %	15	12
Independent ESG audits received through SEDEX	(42)%	63	109

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.

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		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		New product and service developments generate a positive impact on customer experience, leading to greater customer attraction and satisfaction.	Downstream
	Enhanced customer experience through loyalty programmes		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		Giving customers access to more information in a clearer way allows them to make more confident decisions.	Downstream

 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 participation in 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 sections 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 that concern customer engagement on environmental issues, including emission reductions, are reported into the ISN, SSG and the Environment and Corporate Responsibility 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'. IAG uses this KPI to reflect customer complaints and other feedback in its analysis. 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. Our commitment to sustainability is made available for our customers in the environmental sustainability policy available on the IAG website.

Connecting people, businesses and countries

Our network provides 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. An example of this includes providing customers with information on the sustainability programme of each company in the Group. 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, including contributions to our sustainability programme.



Earning tier points and Avios from SAF contributions

In April 2025, the newly relaunched British Airways Club introduced (in collaboration with software platform Choose) an innovative proposition for its members who can now purchase SAF while earning Avios and tier points.

Customers can also redeem Avios to purchase SAF. This innovative approach not only empowers our customers to make more sustainable choices but also reinforces our commitment to rewarding loyalty in meaningful ways, while supporting the Group's objectives to reduce its carbon emissions.

Enhanced customer experience through new products and investments

Investing in product enhancements to enrich the customer experience aligns with the brand propositions of the Group’s airlines and fosters greater customer attraction, satisfaction and loyalty among passengers. Each airline tailors these enhancements to meet specific customer needs. For example, the Group’s 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

IAG commissioned a study with consultants PwC in 2023 to analyse IAG’s economic impact across the EU and UK. The study took 2019 as the reference period (as 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 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 that 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’s 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, the Group’s airlines offer customers the opportunity to learn more about our business and sustainability programme. Group airlines also continue to offer customers the opportunity to contribute towards climate projects including carbon removals and SAF and community projects.

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 NPS feedback helps guide business priorities during the business-planning stage; contact centre KPIs assess our efficiency, effectiveness and quality of our customer interactions. CSAT engagement rates a customers’ experience on key touchpoints in their customer journey.

Cases related to human rights involving consumers or end-users are not reported for 2025.

Metric	2025 target	2025	2024
IAG NPS	25.5	29.5	22.6

Enhanced customer experience through new products and investments

The Group’s operating companies continue to introduce new products to improve the customer experience. For example, in 2025, IAG Loyalty enhanced the Avios app with new features that help customers easily find Avios redemption availability for their preferred routes and set personalised goals to track their Avios earnings.

For corporate customers, Iberia launched *Círculo SAF* in October, an initiative designed to promote collaboration among its corporate customers to work together to increase the use of SAF. The goal of this initiative is to make it easier for companies from different sectors to participate in a collective effort and link the use of SAF to a portion of the emissions generated by their business travel and freight transport (Scope 3 emissions).

Enhanced customer experience through loyalty programmes

In 2025, IAG Loyalty experienced significant growth in customer engagement with its programmes. Customers earned 13% more Avios and redeemed 9% more than in 2024. This growth was driven by various enhancements to the Group’s airline loyalty programmes.

In April 2025, we introduced new ways to earn tier points beyond flying. For instance, members of the British Airways Club can now earn tier points and Avios by contributing to SAF, spending on their American Express credit card and on their British Airways Holidays package. Additionally, IAG Loyalty launched the Avios Shop in September – a new one-stop-shop platform where members can earn Avios on everyday purchases.

G 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		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		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		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		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		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. A wide selection of employee benefits and recognition schemes have been 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 the Group's long-term strategic goals. 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 84% of the workforce.

IAG complies with 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 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 'Speak Up' (whistleblowing) policy and a consolidated 'Speak Up' 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 reporting concerns or contributing to investigations arising from the independent 'Speak Up' channel or any other format. All relevant reports or concerns received, whether through the independent 'Speak Up' platform or other reporting systems across the Group are expected to be triaged by the Compliance teams to ensure that they are assessed and, where appropriate, investigated in accordance with IAG 'Speak Up' procedures.

The reports received for each operating company are triaged by the Compliance teams and assigned to the 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 2025, IAG received 502 reports through its independent ‘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	2025	2024
‘Speak up’ (whistleblower) reports	26 %	502	399

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 Transform Procurement team leads IAG’s supply chain sustainability programme by delivering in four key areas:

- Sharing the third party code of conduct with suppliers;
- Facilitating independent risk screening and sustainability assessments;
- Coordinating corporate social responsibility audits; and
- Embedding sustainability as standard in the procurement process.

IAG Transform implemented a sustainability committee in 2024 with representation by IAG Transform Sustainability, IAG Transform 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 ISN, SSG and Environmental and Corporate Responsibility 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 Transform 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 Transform 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 Transform, 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 CAP is requested for improvement.

IAG became a SEDEX member in 2023. SEDEX provides data insights to help companies improve ESG performance. Under the third party code of conduct, suppliers are subject to analysis under a labour and human rights protocol such as the SEDEX Members Ethical Trade Audit methodology. IAG aims to understand information about the ethical practices of its suppliers, including audits.

IAG Transform has embedded sustainability aspects into the day-to-day operation of the organisation and includes sustainability targets in the performance objectives of all IAG Transform 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, which was refreshed in 2025. 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 and 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 2025 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 2025, as in 2024.

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	2025	2024	vly
Number of employees who completed annual code of conduct training	#	66,922	56,495	18 %
Number of employees who completed the annual anti-bribery training*	#	12,403	12,088	3 %

*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 2025, as in 2024, 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. Internal governance ensures that wider stakeholder engagement on climate change is consistent with addressing our material issues and environmental goals.

Principles for climate-related engagement

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 membership in organisations working on sustainable initiatives

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 and coordinated net zero roadmap and 10% SAF ambition by 2030. In 2025, IAG was involved with other member airlines to provide funding in partnership with BEV, to launch a new investment fund aimed at addressing the limited availability and high cost of SAF
Air Transport Action Group	Significant airline contributor to global aviation roadmap to net zero, which helped to inform industry priorities for continual advancement of low-carbon solutions
World Economic Forum - Clean Skies for Tomorrow Coalition	Regular contributor to reports on how to scale up SAF production as a low-carbon solution; advocated for 10% SAF ambition by 2030
IATA (represents more than 300 airlines worldwide)	The IAG Sustainability Director represents IAG at the IATA working groups to advance policies for low-carbon solutions. IAG has previously chaired the Safety and Environment Advisory Committee

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, oneworld and ATAG. IAG has also driven and encouraged higher SAF ambitions across JZT, oneworld and WEF. IAG and key trade associations are listed on the EU Transparency Register.

Key stances on climate change

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 carbon removal technologies in carbon markets, by both natural and engineered means. By 2050, we are committed to using only carbon 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.

G1-6 - Payment practices

IAG maintains internally a written procedure for its payment terms to suppliers. The Group's standard payment terms with suppliers are payment within net 30 days of receipt of the invoice meeting the requirements of applicable legislation. In 2025, the average time to pay invoices from the date of the invoice (from invoices posted in 2025) was 39 days. The percentage of payments aligned with standard payment terms was 69%. 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.

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 across the Spanish economy.
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	Founding member. Drove development of the first A4E net zero roadmap in 2021 and supported ReFuelEU consultation responses and other work to advance low-carbon solutions. In 2025, IAG supported the update of the A4E decarbonisation roadmap and participated in working groups looking to develop solutions for non-CO ₂ emissions. IAG has also contributed towards work to review the impact of climate policy in the EU on the industry's competitiveness, including a study published in May 2025.
UK focus	
Sustainable Aviation	Sustainable Aviation is a coalition of UK airlines, airports, aerospace manufacturers, fuel producers and partners all committed to delivering carbon net zero aviation by 2050 and to minimising the impact of aviation noise. IAG is one of 13 members on the council, which governs activities for 44 members. IAG is an active participant in the membership's different workstreams to advance low-carbon solutions.
Jet Zero Taskforce	IAG supported the creation of the UK Government's Jet Zero Strategy in 2022 to deliver net zero UK aviation by 2050. The UK Government launched the JZT in November 2024 to provide strategic leadership and an outcome-focused approach to support the innovation, economic growth and decarbonisation of the UK aviation sector. The British Airways CEO is a member of the plenary group and the IAG Sustainability Director chairs the expert group focused on SAF (known as the SAF Delivery Group). In 2025, the JZT established four task and finish groups to undertake the work programme. The British Airways Director of Sustainability was appointed as the carbon removals task group lead.
Royal Aeronautical Society (RAeS) - Greener by Design group (GbD)	Member of the Executive Committee of GbD.

Additional governance disclosures required under Spanish Law 11/2018

Public subsidies received

Relevant standards: GRI 201-4

	Unit	vly	2025	2024
Total public subsidies	€ million	25 %	197	157
UK ETS and EU ETS allowances at zero cost	€ million	27 %	195	153

Description

Public subsidies are defined as EU ETS, Swiss ETS and UK ETS allowances received at zero cost and those held at prices paid, and personnel training grants, fuel grants and route support grants in the Group.

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 before tax

Relevant standards: GRI 207-4

	Unit	vly	2025	2024
UK	€ million	44 %	2,812	1,946
Spain	€ million	(3)%	1,415	1,460
Republic of Ireland	€ million	82 %	256	141
Other countries	€ million	38 %	22	16

Description

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

Income tax paid

Relevant standards: GRI 207-4

	Unit	vly	2025	2024
UK	€ million	54 %	252	164
Spain	€ million	203 %	227	75
Republic of Ireland	€ million	- %	-	-
Other countries	€ million	50 %	9	6

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.

Commentary

The total net payment of €488 million is less than the tax charge for the Group of €1,163 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, Bermuda, Dominican Republic, France, Germany, Guatemala, Honduras, Hong Kong, India, Italy, Japan, Kenya, Maldives, Netherlands, Nicaragua, Philippines, Poland, Puerto Rico, Singapore, Sweden, Switzerland, and the United States.

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	1-10 and pages 14-17 and 96-150 of the Annual report and accounts
b) Engaging with affected stakeholders in all key steps of the due diligence	ESRS 2 General disclosures	Stakeholder engagement	1-10 and pages 22-27 of the Annual report and accounts
c) Identifying and assessing adverse impacts	ESRS 2 General disclosures, E1 Climate change	Risk management and principal risk factors	1-10, 11-28 and pages 71-89 of the Annual report and accounts
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	11-71 and pages 22-27 of the Annual report and accounts
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	11-70 and pages 22-27 of the Annual report and accounts

2. Phase in reliefs taken

Phase in reliefs under the CSRD are defined within the ESRS. On 26 February 2025, the European Commission adopted a package of proposals called the 'Omnibus package' which aim to simplify future corporate sustainability reporting requirements. In this package, a 'quick-fix' delegated act was adopted on 11 July 2025 that permits 'wave one' undertakings to apply phase in reliefs available for the first year of the preparation of the sustainability statement to the 2025 and 2026 financial years. A joint letter by the CNMV and ICAC released on 19 November 2025 confirmed that this relief would also be eligible for entities regulated under Spanish Law Royal Decree 11/2018.

IAG has applied phase in reliefs to the disclosure requirements below.

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 under 'quick-fix' delegated act	n/a
List of additional relevant ESRS sectors	SBM-1, 40c	Not applicable under 'quick-fix' delegated act	n/a
Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	E1-9	The Group may omit reporting for all information in this disclosure requirement	n/a
Characteristics of non-employees in the undertaking's own workforce	S1-7	The Group may omit reporting for all information in this disclosure requirement	n/a
Social protection	S1-11	The Group may omit reporting for all information in this disclosure requirement	n/a
Health and safety metrics	S1-14, 88e	The Group may omit reporting on non-employees	n/a
Work-life balance	S1-15	The Group may omit reporting for all information in this disclosure requirement	n/a

3. Calculation methodology and factors

Footprint metric	Unit	Description
Carbon emissions and energy consumption		
Scope 1 emissions (gross)	ktCO ₂ e	<p>Direct emissions associated with IAG's operations including use of jet fuel, diesel, petrol, natural gas and halons. Sources of emissions include aircraft engines, aircraft auxiliary power units, ground vehicle engines and boilers.</p> <p>Gross emissions include reductions from SAF, in line with globally recognised accounting standards.</p> <p>SAF emission reductions are calculated using the volume of SAF uplifted, multiplied by the lifecycle analysis (LCA) carbon saving of the fuel, relative to conventional jet kerosene and subtracted from our jet fuel emissions.</p>
Scope 2 emissions	ktCO ₂ e	<p>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.</p> <p>CO₂e is calculated using gCO₂e/kWh factors from national agencies in Ireland, Spain and the UK and IEA national electricity emissions factors.</p>
Scope 3 emissions	ktCO ₂ e	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 and 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	<p>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.</p> <p>SAF produces similar levels of GHGs to conventional aviation fuels when burned, but the GHGs generated are already part of the carbon cycle and are not extracted from the ground specifically for creating aviation fuel. This means that using SAF results in a reduction in GHG emissions compared to the conventional aviation fuel it replaces over the lifecycle of the fuel.</p> <p>IAG uses the lifecycle assessment emissions savings from each batch of SAF received from its supplier using proof of sustainability or proof of compliance information where available. In 2025, regulatory requirements in the EU and the UK for mandated SAF supply obligates suppliers to deliver its sustainability paperwork to airlines after the delivery and payment of each batch. Therefore, for some later batches, this sustainability paperwork has not been received at the time of preparing this sustainability statement. For these batches, an appropriate lifecycle emission reduction has been applied using paperwork received for other batches in the reporting year.</p>
Scope 1 emissions (net)	ktCO ₂ e	Net emissions are calculated based on gross emissions less any carbon savings from EU ETS, Swiss ETS and UK ETS compliance obligations, volumes of offsets purchased to meet 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.
EU ETS SAF allowances received	ktCO ₂	The volume of EU ETS allowances received by Group airlines for the use of SAF claimed under the scheme in the prior year through the participation in the FEETS programme. This support system covers from 50% to 95% of the price difference between fossil kerosene and the eligible SAF used by individual airlines on their flights covered by effective carbon pricing through the EU ETS. A 100% coverage is provided for small airports under EU definition or located in an EU outermost region.
Renewable electricity	MWh	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 ₂ e	Reductions in CO ₂ e 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. It also excludes emission savings from the operation of new fleet compared to the aircraft they replace.
Electricity	MWh	Consumption of electricity across IAG ground facilities, in millions of kWh. This includes usage in main offices, overseas offices, hub airports and maintenance facilities.

Footprint metric	Unit	Description
Energy	MWh	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 (also known as revenue per tonne CO₂e)	tCO ₂ e/€	Calculated by dividing total Group revenue by the sum of Scope 1 emissions and Scope 2 location-based emissions.
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.
Jet fuel consumed	tonnes	Jet fuel used within the aircraft fleet and for engine testing during the reporting year.
SAF 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. 'Mandated SAF' is equivalent to IAG's share of SAF to be consumed to fulfil mandate requirements the EU, the UK, and other jurisdictions. Voluntary SAF denotes SAF used by Group airlines above this share. SAF consumed includes SAF received physically by the Group's airlines, or volumes which the Group has purchased the Scope 1 emission rights for in the reporting year. IAG calculates the volume of SAF consumed based on product transfer documentation, which is aligned to our financial accounting.
CO₂ per revenue tonne kilometre	gCO ₂ e/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 ₂ e/RTK) is an activity statistics indicator commonly used by the aviation industry and third parties including the EU Commission and TPI. This metric represents the distance flown and weight transported associated with the revenue passengers of a flight. The great circle distance, which is the shortest distance between two points on the surface of a sphere, 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 assumed weight of the passenger plus their hand luggage).
Scope 3 emission categories		
Category 1: Purchased goods and services	ktCO ₂ e	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), supplier specific emission factors, for those with CDP disclosures or high quality emissions disclosures with an external verification. 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.
Category 2: Capital goods	ktCO ₂ e	Emissions associated with aircraft manufacture were previously included in this category, now the emissions associated with the purchase of new aircraft will remain under Scope 3.1 as CAPEX is included under the Group's spend.
Category 3: Fuel and energy-related production	ktCO ₂ e	The well-to-tank emissions from jet fuel use, Scope 1 fuel use and Scope 2 electricity kWh. CO ₂ e values are calculated by multiplying the weight or energy content of various fuels by the latest standardised UK Government greenhouse gas conversion factors. Emissions now apply the well-to-wake LCA carbon saving of SAF to upstream fuel production, based on the EU Renewable Energy Directive.
Category 4: Upstream transportation and distribution	ktCO ₂ e	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	ktCO ₂ e	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 ₂ e/tonne conversion factors from international recognised sources (including the UK Government and the US Environmental Protection Agency).
Category 6: Business travel	ktCO ₂ e	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 2025, where such data was available.

Footprint metric	Unit	Description
Category 7: Employee commuting	ktCO ₂ e	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	ktCO ₂ e	Upstream leased assets are those that a company leases for its operations, where the lessor retains ownership and control over the assets. This can include office spaces, machinery and vehicles used in business activities. In 2025, this category was not applicable to IAG. Emissions from upstream leased aircraft used within IAG's operations are included in the Scope 1 emissions.
Category 9: Downstream transportation and distribution	ktCO ₂ e	This category is not applicable to IAG in 2025. Emissions previously captured under this category have been reallocated to category 4, following ongoing review of our emissions accounting for all Scope 3 emissions categories.
Category 10: Processing of sold products	ktCO ₂ e	This category is not applicable to IAG.
Category 11: Use of sold products	ktCO ₂ e	Emissions related to products purchased by IAG Loyalty programme members redeeming Avios for IAG flights are reported under Scope 1 emissions. Product categories reported here include flights on non-IAG carriers, hotel stays and car hire, as these are the most material categories. Emissions associated with aircraft sold during the year are included up until their departure from the Group. 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	ktCO ₂ e	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	ktCO ₂ e	Jet fuel emissions from any aircraft leased to other carriers on a seasonal basis.
Category 14: Franchises	ktCO ₂ e	Emissions from the jet fuel burn of aircraft franchises, such as from Air Nostrum and Emerald Airlines.
Category 15: Investments	ktCO ₂ e	Emissions associated with Group investments (associates, joint ventures and other equity 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)
SUP	Volume	Items made wholly or partly of plastic that are typically intended to be used just once or for a short period of time before they are thrown away.
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.

Footprint metric	Unit	Description
Waste disposal method (as per GRI 306 standards)		
Landfilled	These categories and their definitions are used within the calculation of IAG's waste metrics	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		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 that 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. An aircraft quota count score of 0.5 is generally considered good and indicates that an aircraft is relatively quiet and has a low impact on noise levels around airports. For example, an Airbus A380 has a rating of 2 on take-off (compared to a Boeing 747 operated previously, which had a rating of more than 6), while an Airbus A320neo would have a score of 0.5 on take-off, compared to an Airbus A320 which would have a score of 1.
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)	✓		✓		3-5
ESRS 2 GOV-1 Percentage of Board members who are independent paragraph 21 (e)			✓		3-5
ESRS 2 GOV-4 Statement on due diligence paragraph 30	✓				52
ESRS 2 SBM-1 Involvement in activities related to fossil-fuel-related activities paragraph 40 (d) i	✓	✓	✓		6 and pages 14-17 of the Annual report and accounts
ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii	✓		✓		not material
ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii	✓		✓		not material
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv			✓		not material
ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14				✓	11-28
ESRS E1-1 Undertakings excluded from Paris-aligned benchmarks paragraph 16 (g)		✓	✓		11-28
ESRS E1-4 GHG emission reduction targets paragraph 34	✓	✓	✓		23
ESRS E1-5 Energy consumption from fossil source disaggregated by sources (only 'high-climate-impact' sectors) paragraph 38	✓				24
ESRS E1-5 Energy consumption and mix paragraph 37	✓				24
ESRS E1-5 Energy intensity associated with activities in 'high-climate-impact' sectors paragraphs 40 to 43	✓				24
ESRS E1-6 Gross Scope 1, 2, 3 and total GHG emissions paragraph 44	✓	✓	✓		24
ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55	✓	✓	✓		24
ESRS E1-7 GHG removals and carbon credits paragraph 56				✓	26
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66			✓		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).		✓			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).		✓			not disclosed, subject to phase in
ESRS E1-9 Exposure of the portfolio to climate-related opportunities paragraph 69	✓		✓		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).	✓				not disclosed, subject to phase in
ESRS E1-9 Degree of exposure of the portfolio to climate-related opportunities paragraph 69	✓				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	✓				not material
ESRS E3-1 Water and marine resources paragraph 9	✓				not material
ESRS E3-1 Dedicated policy paragraph 13	✓				not material
ESRS E3-1 Sustainable oceans and seas paragraph 14	✓				not material
ESRS E3-4 Total water recycled and reused paragraph 28 (c)	✓				not material
ESRS E3-4 Total water consumption in m ³ per net revenue from own operations paragraph 29	✓				not material
ESRS 2- IRO 1 - E4 paragraph 16(a)i	✓				not material
ESRS 2- IRO 1 - E4 paragraph 16(b)	✓				not material
ESRS 2- IRO 1 - E4 paragraph 16(c)	✓				not material
ESRS E4-2 Sustainable land/agriculture practices or policies paragraph 24(b)	✓				not material
ESRS E4-2 Sustainable oceans/seas practices or policies paragraph 24(c)	✓				not material
ESRS E4-2 Policies to address deforestation paragraph 24(d)	✓				not material

Disclosure requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU Climate Law reference	Page number
ESRS E5-5 Non-recycled waste paragraph 37(d)	✓				not material
ESRS E5-5 Hazardous waste and radioactive waste paragraph 39	✓				not material
ESRS 2 - SBM3 - S1 Risk of incidents of forced labour paragraph 14(f)	✓				29
ESRS 2 - SBM3 - S1 Risk of incidents of child labour paragraph 14(g)	✓				29
ESRS S1-1 Human rights policy commitments paragraph 20	✓				29-31
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labour Organization (ILO) Conventions 1 to 8, paragraph 21			✓		29-31
ESRS S1-1 Processes and measures for preventing trafficking in human beings paragraph 22	✓				29-31
ESRS S1-1 Workplace accident prevention policy or management system paragraph 23	✓				29-31
ESRS S1-3 Grievance/complaints handling mechanisms paragraph 32(c)	✓				31
ESRS S1-14 Number of fatalities and number and rate of work-related accidents paragraph 88(b) and (c)	✓		✓		36-38
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	✓				36-38
ESRS S1-16 Unadjusted gender pay gap paragraph 97(a)	✓		✓		38-40
ESRS S1-16 CEO pay ratio paragraph 97(b)	✓				38-40
ESRS S1-17 Incidents of discrimination paragraph 103(a)	✓				40
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 104(a)	✓				40
ESRS 2- SBM3 - S2 Significant risk of child labour or forced labour in the value chain paragraph 11(b)	✓				42
ESRS S2-1 Human rights policy commitments paragraph 17	✓				42-44
ESRS S2-1 Policies related to value chain workers paragraph 18	✓				42-44
ESRS S2-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 19	✓		✓		42-44
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labour Organization Conventions 1 to 8, paragraph 19			✓		42-44
ESRS S2-4 Human rights issues and incidents connected to upstream and downstream value chain paragraph 36	✓				42-44
ESRS S3-1 Human rights policy commitments paragraph 16	✓				not material
ESRS S3-1 Non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines paragraph 17	✓		✓		not material
ESRS S3-4 Human rights issues and incidents paragraph 36	✓				not material
ESRS S4-1 Policies related to consumers and end-users paragraph 16	✓		✓		45-46
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17	✓				45-46
ESRS S4-4 Human rights issues and incidents paragraph 35	✓				45-46
ESRS G1-1 United Nations Convention against Corruption paragraph 10(b)	✓				47-48
ESRS G1-1 Protection of whistleblowers paragraph 10(d)	✓				47-48
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws paragraph 24(a)	✓		✓		49
ESRS G1-4 Standards of anti-corruption and anti-bribery paragraph 24(b)	✓				49

Table of contents required by Spanish Law 11/2018

Area	ESRS or GRI reference	Page number
General Information		
Business model description	ESRS 2 GOV-1, ESRS 2 GOV-2, ESRS 2 SBM-1, ESRS 2 SBM-2, ESRS 2 SBM-3, G1-1	29, 42, 45 and pages 14-15 of the Annual report and accounts
Organisation and structure		
Market presence		
Objectives and strategies		
Main factors and trends that may affect future performance		
Reporting framework used	ESRS 2 BP-1	1-10
Materiality assessment	ESRS 2 IRO-1, ESRS 2 IRO-2, ESRS 2 SBM-3	7, 10-11, 23, 42, 45, 47
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	42-46, 29-31
Main risks related to these issues	ESRS 2 IRO-1, ESRS 2 IRO-2, ESRS 2 SBM-3, ESRS 2 GOV-5	42-46, 42, 45 and pages 71-86 of the Annual report and accounts
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	32-35
Total number of employees and distribution by country/region and collective bargaining agreement	S1-6, GRI 2-7	32-35
Total number of employment contracts distribution and annual average distributed by gender, age and job category	S1-6, GRI 405-1, GRI 2-7	32-35
Total number and attrition ratio of dismissals and voluntary leavers by gender, age and job category	S1-6, GRI 401-1	32-35
Average remuneration broken down by gender, age and job category	S1-16, GRI 405-2	36-38
Salary gap	S1-16, GRI 405-2	36-38
Average remuneration of Board members and directors	GRI 2-19, GRI 2-20, GRI 2-21, S1-16	36-38
Policies to allow employees to disconnect from work	S1-1	29-31
Number of employees with disabilities	S1-12	36
Working organisation		
Working hours organisation	S1-1	29-31
Absenteeism rates	S1-14, GRI 403-9	36-38
Measures to promote work-life balance	S1-4, S1-5	32
Health and safety		
Occupational health and safety conditions	S1-14	36-38
Number of workplace accidents and accident rates broken down by gender	S1-14	36-38
Occupational illness cases broken down by gender	S1-14	36-38
Labour relations		
Social dialogue organisation	S1-2	31
Percentage of employees covered by collective agreements broken down by country	S1-3, S1-8	31, 35
Results of collective agreements, especially in the field of health and safety	S1-8	35
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	35
Training		
Policies implemented	S1-1	29-31
Total number of training hours broken down by employee category	S1-13	41
Universal accessibility of people with disabilities		
Universal accessibility of people with disabilities	S1-1, S1-12	29-31, 36

Area	ESRS or GRI reference	Page number
Equality		
Measures taken to promote equal treatment and opportunities between women and men	S1-4, S1-5	29-31, 32
Equality plans	S1-1, S1-4	29-31, 32
Measures taken to promote employment	S1-1, S1-4	29-31, 32
Protocols against sexual harassment and on the basis of gender	S1-1, S1-4	29-31, 32
Integration and universal accessibility for persons with disabilities	S1-1, S1-4	29-31, 32
Policy against all types of discrimination and policy on diversity	S1-1	29-31
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	7-23
Main risks related to these issues	ESRS 2 GOV-5, ESRS 2 IRO-1, ESRS 2 IRO-2, ESRS 2 SBM-3, E1-1	5-23 and pages 71-86 of the Annual report and accounts
Environmental management		
Information of the current and foreseeable impact of the Company's activities on the environment	ESRS 2 SBM-3, E1-1	7, 11-23
Environmental assessment and certification procedure	ESRS 2 GOV-5	5
Resources devoted to environmental risks prevention	ESRS 2 GOV-5, ESRS 2 IRO-1, ESRS 2 IRO-2, ESRS 2 IRO-3, E1-3	5, 11-23
Implementation of the precautionary principle	ESRS 2 GOV-5, ESRS 2 IRO-1, ESRS 2 IRO-2, ESRS 2 IRO-3, E1-3	5, 11-23
Amount of provisions and warranties for environmental risks	ESRS 2 GOV-5, E1-1	5, 11
Pollution		
Measures to prevent, reduce or repair emissions (including noise and light pollution)	GRI 3-3, GRI 305-7, light pollution not material	28
Circular economy and waste prevention and management		
Measures related to prevention, recycling, reuse and other form of waste recovery and disposal	GRI 306-3	28
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	24
Measures to improve energy efficiency	E1-3	28
Use of renewable energy	E1-5	24
Climate change		
Relevant aspects regarding greenhouse gas emissions	E1-5, E1-6	24-26
Measures to adapt to climate change	E1-1	11
Objective related to greenhouse gas emissions reduction	E1-1, E1-4	11, 23
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)	62-70

Area	ESRS or 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	29-31, 47-48
Main risks related to these issues	ESRS 2 IRO-1, ESRS 2 IRO-2, ESRS 2 SBM-3, ESRS 2 GOV-5	5, 42-46 and pages 71-86 of the Annual report and accounts
Specific contents		
Implementation of human rights due diligence procedures	S1-1, S2-1, S2-4, S4-4	29-31, 42-44, 45
Measures to prevent and manage potential human rights abuses	S1-1, S2-1, S2-4, S4-4	29-31, 42-44, 45
Reported cases of human rights violations	S1-17	40
Promotion and compliance with ILO's provisions	S1-2	31
Elimination of forced or compulsory labour	S1-1, S2-1, G1-1	29-31, 42-44, 47-48
Effective abolition of child labour	S1-1, S2-1	29-31, 42-44
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	42-46, 47-48, 48-49
Main risks related to these issues	ESRS 2 IRO-1, ESRS 2 IRO-2, ESRS 2 SBM-3, ESRS 2 GOV-5	5, 42-46 and pages 71-86 of the Annual report and accounts
Specific contents		
Measures to prevent corruption and bribery	S1-1, G1-1, G1-3, G1-4	29-31, 47-48, 48-49
Measures to prevent money-laundering	S1-1, G1-1, G1-3, G1-4	29-31, 47-48, 48-49
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	29-31
Main risks related to these issues	ESRS 2 IRO-1, ESRS 2 IRO-2, ESRS 2 SBM-3, ESRS 2 GOV-5	5, 42-46 and pages 71-86 of the Annual report and accounts
Commitment to sustainable development		
Impact of the Company's activities on employment and local development	S1-1, S2-1, G1-1	29-31, 42-44, 47-48
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	42-44
Consideration of suppliers' and subcontractors' social and environmental responsibility in relations with them	S2-1, G1-2	29-31, 42-44, 47-48
Supervision and audit systems	ESRS 2 GOV-1, ESRS 2 GOV-2, G1-1	47-48
Consumer relationship management		
Measures to protect consumer health and safety	not material	-
Claims systems and complaints	ESRS 2 SBM-3, S4-3	42-46, 45-46
Complaints received and their outcome	S4-4	45-46
Tax information and transparency		
Profits broken down by country	GRI 3-3, 207-4	51
Corporate income tax paid	GRI 3-3 201-1, 207-4	51
Public subsidies received	GRI 201-4, Accounting criteria	51

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), collectively referred to as the EU Taxonomy KPIs, 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 MRO operations.

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 (IFRS) as adopted by the EU. 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 our 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; and (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, as well as the ability to increase the quantification of aligned economic activities for each KPI by the use of SAF, 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 2025

On 4 July 2025, the European Commission adopted Delegated Regulation EU2025/4568, which amended Delegated Regulation EU 2021/2178. The amendments simplify the application of the EU Taxonomy Regulation, aiming to reduce administrative burdens while preserving its climate and environmental goals. The amendments introduce a materiality threshold for the reporting of economic activities for each KPI as well as simplifying the tabular disclosure requirements.

In addition, Delegated Regulation EU 2025/4568 provides specific exceptions to ozone-depleting substances referred to in Annex II of Regulation EU 2024/590, where those substances are used in fire suppression equipment on aircraft.

The Group will continue to monitor ongoing reporting by the sector and any updates and guidance issued by the European Commission.

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 2025 and 2024, the Group's eligible and aligned KPIs were as follows:

Year to 31 December 2025	Eligible		Aligned	
	Absolute € million	% of denominator	Absolute € million	% of denominator
Turnover	31,252	94%	13,874	42%
Capex	2,603	72%	2,158	60%
Opex	2,758	97%	1,874	66%

Year to 31 December 2024	Eligible		Aligned ¹	
	Absolute € million	% of denominator	Absolute € million	% of denominator
Turnover	30,328	94%	11,190	35%
Capex	2,779	78%	2,318	65%
Opex	2,673	98%	1,558	57%

¹ Results for 2024 have been restated to conform with the current basis of presentation, where only economic activities material to the operations of the Group have been disclosed.

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), the Delegated Regulation EU 2025/4568 (enacted 4 July 2025) (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, and (ii) passenger and freight air transport.

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 2025 are set out in the table below:

Identified economic activities of the Group

For 2025, the Group has identified a total of 15 economic activities as eligible for reporting. Of these, under Delegated Regulation EU 2025/4568, two of these economic activities are considered material for reporting purposes, while the remaining 13 economic activities are considered immaterial and not reported against. The eligible economic activities are as follows:

Material economic activities
Aviation
Manufacturing of aircraft (CM)
Passenger and freight air transport (CM)
Immaterial economic activities
Aviation
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 greenhouse gas 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 reuse of end-of-life products and product components (CE)

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

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 (DNSH) 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

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 (UNGPs). The latter includes the principles and rights set out in eight of the ten fundamental conventions identified in the 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 this is embedded within its code of conduct. The Group considers that it complies with the UNGPs.

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 the EU.

Turnover KPI

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

€ million	Year to 31 December	
	2025	2024
Passenger revenue	28,969	28,274
Cargo revenue	1,238	1,234
Other revenue	3,006	2,592
Total taxonomy turnover (denominators)	33,213	32,100

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		Non-assessed activities considered immaterial	
	Absolute € million	% of denominator	Absolute € million	% of denominator	Absolute € million	% of denominator
Year to 31 December 2025						
Passenger and freight air transport	30,207	90.9%	13,874	41.8%	n/a	n/a
Manufacturing of aircraft	1,045	3.1%	-	-%	n/a	n/a
Air transport ground operations	n/a	n/a	n/a	n/a	191	0.6%
Total taxonomy eligible and aligned turnover	31,252	94.0%	13,874	41.8%	191	0.6%

	Eligible		Aligned ¹		Non-assessed activities considered immaterial ¹	
	Absolute € million	% of denominator	Absolute € million	% of denominator	Absolute € million	% of denominator
Year to 31 December 2024						
Passenger and freight air transport	29,508	91.9%	11,190	34.9%	n/a	n/a
Manufacturing of aircraft	820	2.6%	-	-%	n/a	n/a
Air transport ground operations ¹	n/a	n/a	n/a	n/a	159	0.5%
Total taxonomy-eligible and aligned turnover¹	30,328	94.5%	11,190	34.9%	159	0.5%

¹ Results for 2024 have been restated to conform with the current basis of presentation, where only economic activities material to the operations of the Group have been disclosed.

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 eligible and 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.

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:

€ million	Year to 31 December	
	2025	2024
Additions to property, plant and equipment (note 13)	3,064	3,086
Additions to intangible assets (note 17)	535	494
Total taxonomy capex (denominators)	3,599	3,580

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:

Year to 31 December 2025	Eligible		Aligned		Non-assessed activities considered immaterial	
	Absolute € million	% of denominator	Absolute € million	% of denominator	Absolute € million	% of denominator
Passenger and freight air transport	2,603	72.3%	2,158	60.0%	n/a	n/a
Air transport ground operations	n/a	n/a	n/a	n/a	302	8.4%
Total taxonomy eligible and aligned capex	2,603	72.3%	2,158	60.0%	302	8.4%

Year to 31 December 2024	Eligible		Aligned ¹		Non-assessed activities considered immaterial ¹	
	Absolute € million	% of denominator	Absolute € million	% of denominator	Absolute € million	Percentage of denominator
Passenger and freight air transport	2,779	77.6%	2,318	64.7%	n/a	n/a
Air transport ground operations	n/a	n/a	n/a	n/a	240	6.7%
Total taxonomy eligible and aligned capex	2,779	77.6%	2,318	64.7%	240	6.7%

¹ Results for 2024 have been restated to conform with the current basis of presentation, where only economic activities material to the operations of the Group have been disclosed.

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 are 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	
	2025	2024
Maintenance and repair ¹	2,758	2,673
Expenses relating to short-term leases	92	56
Total taxonomy opex (denominators)	2,850	2,729
Other operating expenses outside the scope of the EU Taxonomy Regulation	25,339	25,088
Total operating expenditure per income statement	28,189	27,817

¹ 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 in 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:

Year to 31 December 2025	Eligible		Aligned		Non-assessed activities considered immaterial	
	Absolute € million	Percentage of denominator	Absolute € million	Percentage of denominator	Absolute € million	Percentage of denominator
Passenger and freight air transport	2,758	96.8%	1,874	65.8%	n/a	n/a
Expenses relating to short-term leases	n/a	n/a	n/a	n/a	92	3.2%
Total taxonomy eligible and aligned opex	2,758	96.8%	1,874	65.8%	92	3.2%

Year to 31 December 2024	Eligible		Aligned ¹		Non-assessed activities considered immaterial ¹	
	Absolute € million	Percentage of denominator	Absolute € million	Percentage of denominator	Absolute € million	Percentage of denominator
Passenger and freight air transport	2,673	97.9%	1,558	57.1%	n/a	n/a
Expenses relating to short-term leases	n/a	n/a	n/a	n/a	56	2.1%
Total taxonomy-eligible and aligned opex¹	2,673	97.9%	1,558	57.1%	56	2.1%

¹ Results for 2024 have been restated to conform with the current basis of presentation, where only economic activities material to the operations of the Group have been disclosed.

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 – IAG Sustainability and IAG Finance undertake workshops across the Group annually 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 taken advantage of the alleviation within the EU Taxonomy that any economic activity that represents 10% or less of each of the KPIs is not assessed for taxonomy-alignment. This assessment is performed at an individual economic activity level and by each operating company.

7. Reporting – IAG Sustainability and IAG Finance calculate the associated consolidated KPI metrics for eligibility and alignment.

Understanding the aviation economic activities

The below information reflects the assessment criteria required in 2025.

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:

- The aircraft has zero direct (tailpipe) CO₂ emissions¹;
- As at the date of the Amended Delegated Regulation coming into force, those aircraft determined to be 'compliant aircraft'²;
- 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:
 - Permanently withdrawn from use within six months of delivery of the compliant aircraft; or
 - Permanently withdrawn from the fleet within six months of delivery of the compliant aircraft, in which case the replacement ratio³ is applied;
- 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 11% SAF in 2025⁴ (2024: 9%), 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 aircraft⁵.

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

1 Zero direct CO₂ emissions are not defined but are 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, this is 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 that 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 CO₂ 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 2025, not all manufacturers have, and, accordingly, the Group expects further developments and self-certification during 2026.

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 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 and fire suppressant equipment in the aircraft, have been clarified in the draft commission notice published by the European Commission on 29 November 2024 and Delegated Regulation EU 2025/458 on 4 July 2025 as being exempt from the alignment criteria of the EU Taxonomy Regulation.

Consistent with 2024, the Group considers that there remains uncertainty in the EU Taxonomy Regulation as to whether the Group 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 and 2025.

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 replacement ratio, confirmed by the appointed external expert to the European Commission, to be applied for 2025 was 0.46. 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 11% 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 the aircraft family.

5 As of 31 December 2025, the Group operates 627 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 ASKs and RPKs, but cannot monitor the level of such activity for 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 rotatable 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:

- 1 Major maintenance events for owned aircraft are capitalised as incurred and monitored on a project-by-project basis;
- 2 Major maintenance events for leased aircraft are provided for in advance of the event and monitored on a project-by-project basis; and
- 3 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 2025 and 2024, the Group was unable to meet the DNSH criteria for reporting KPI alignment on the provision of MRO services.

KPIs of non-financial undertakings

As a result of the enactment of Delegated Regulation EU 2025/4568 on 4 July 2025, the reporting tables associated with the Taxonomy have been amended and simplified. The following tables reflect those changes, with comparative information restated, where applicable, to comply with the aforementioned amended and simplified reporting.

Financial year 2025															
KPI (1)	Total (2)	Proportion of Taxonomy-eligible activities (3)	Taxonomy-aligned activities (4)	Proportion of Taxonomy-aligned activities (5)	Climate change mitigation (6)	Climate change adaptation (7)	Water (8)	Circular economy (9)	Pollution (10)	Biodiversity (11)	Proportion of enabling activities (12)	Proportion of transitional activities (13)	Not assessed activities considered non-material (14)	Taxonomy-aligned activities in previous financial year (2024) (15)	Proportion of Taxonomy-aligned activities in previous financial year (2024) (16)
	€ million	%	€ million	%	%	%	%	%	%	%	%	%	%	€ million	%
Turnover	33,213	94.0%	13,874	41.8%	100%	-%	-%	-%	-%	-%	-%	100%	0.6%	11,190	34.9%
Capex	3,599	72.3%	2,158	60.0%	100%	-%	-%	-%	-%	-%	-%	100%	8.4%	2,318	64.7%
Opex	2,850	96.8%	1,874	65.8%	100%	-%	-%	-%	-%	-%	-%	100%	3.2%	1,558	57.1%

Proportion of turnover from products or services associated with taxonomy-aligned economic activities - disclosure covering year 2025

Financial year 2025															
Economic Activities (1)	Code (2)	Taxonomy-eligible KPI (Proportion of taxonomy eligible turnover) (3)	Taxonomy-aligned KPI (monetary value of turnover) (4)	Taxonomy-aligned KPI (Proportion of taxonomy-aligned turnover) (5)	Environmental objective of taxonomy-aligned activities								Enabling activity (12)	Transitional activity (13)	Proportion of Taxonomy-aligned in Taxonomy-eligible (14)
					Climate change mitigation (6)	Climate change adaptation (7)	Water (8)	Circular economy (9)	Pollution (10)	Biodiversity (11)					
	Unit	%	€'m	%	%	%	%	%	%	%	%	%	E	T	%
Manufacturing of aircraft	CCM 3.21	3.1%	-	-%	100%	-%	-%	-%	-%	-%	-%	-%		T	-%
Passenger and freight air transport	CCM 6.19	90.9%	13,874	41.8%	100%	-%	-%	-%	-%	-%	-%		T	46.0%	
Sum of alignment per objective					100%	-%	-%	-%	-%	-%	-%				
Total turnover KPI		94.0%	13,874	41.8%	100%	-%	-%	-%	-%	-%	-%				44.5%

Proportion of capex from products or services associated with taxonomy-aligned economic activities - disclosure covering year 2025

Financial year 2025		Environmental objective of taxonomy-aligned activities											
Economic Activities (1)	Code (2)	Taxonomy-eligible KPI (Proportion of taxonomy-eligible capex) (3)	Taxonomy-aligned KPI (monetary value of capex) (4)	Taxonomy-aligned KPI (Proportion of taxonomy-aligned capex) (5)	Climate change mitigation (6)	Climate change adaptation (7)	Water (8)	Circular economy (9)	Pollution (10)	Biodiversity (11)	Enabling activity (12)	Transitional activity (13)	Proportion of Taxonomy-aligned in Taxonomy-eligible (14)
	Unit	%	€'m	%	%	%	%	%	%	%	E	T	%
Passenger and freight air transport	CCM 6.19	72.3%	2,158	60.0%	100%	-%	-%	-%	-%	-%		T	82.9%
Sum of alignment per objective					100%	-%	-%	-%	-%	-%			
Total capex KPI		72.3%	2,158	60.0%	100%	-%	-%	-%	-%	-%			82.9%

Proportion of opex from products or services associated with taxonomy-aligned economic activities - disclosure covering year 2025

Financial year 2025		Environmental objective of taxonomy-aligned activities											
Economic Activities (1)	Code (2)	Taxonomy-eligible KPI (Proportion of taxonomy-eligible opex) (3)	Taxonomy-aligned KPI (monetary value of opex) (4)	Taxonomy-aligned KPI (Proportion of taxonomy-aligned opex) (5)	Climate change mitigation (6)	Climate change adaptation (7)	Water (8)	Circular economy (9)	Pollution (10)	Biodiversity (11)	Enabling activity (12)	Transitional activity (13)	Proportion of Taxonomy-aligned in Taxonomy-eligible (14)
	Unit	%	€'m	%	%	%	%	%	%	%	E	T	%
Passenger and freight air transport	CCM 6.19	96.8%	1,874	65.8%	100%	-%	-%	-%	-%	-%		T	67.9%
Sum of alignment per objective					100%	-%	-%	-%	-%	-%			
Total opex KPI		96.8%	1,874	65.8%	100%	-%	-%	-%	-%	-%			67.9%