



Corporate Responsibility Report 2015





AENOR Asociación Española de
Normalización y Certificación

SUSTAINABLE VERIFICATION REPORT

VMS-Nº 015/16

The Spanish Association for Standardisation and Certification (AENOR) has verified that the Report of the following firm:

IBERIA, L.A.E., S.A. OPERADORA, SOCIEDAD UNIPERSONAL

Entitled ***CORPORATE SOCIAL REPORT 2015***

Provides a reasonable image and a balanced view of its performance, taking into account not only the data veracity but also the general content of the report.

This external assurance is in accordance with the **Exhaustive Option** of the G4 Guide developed by the Global Reporting Initiative (GRI). The verification has been fulfilled on 31th May, 2016 and no subsequent performances can be considered.

The present verification will be in force, unless it is cancelled or withdrawn upon AENOR's written notification and according to specific terms of the contract-application nº 2015/09925 dated 23th October, 2015 and to the General Regulation of January 2007, which require, amongst other commitments, the permission to visit the installations by the technical services of AENOR to verify the veracity of stated data.

This declaration does not condition the decision that Global Reporting Initiative can adopt to incorporate IBERIA, L.A.E., S.A. OPERADORA, SOCIEDAD UNIPERSONAL, in the "GRI Reports List" which is published in its Web <http://www.globalreporting.org/GRIReports/GRIReportsList/>.

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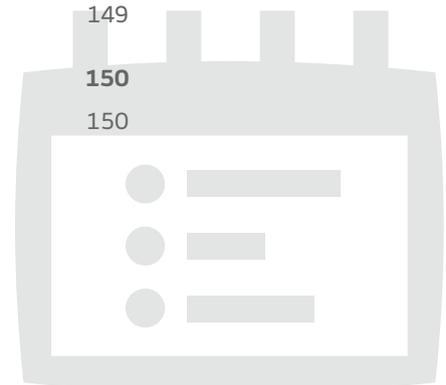
Avelino BRITO
Chief Executive Officer



Content guide

	1. STRATEGY AND ANALYSIS	4
	1.1. Executive Chairman's Statement	4
	1.2. Key achievements	6
	2. ORGANISATIONAL PROFILE	10
	2.1. Brand values	11
	2.2. Air transport activity	14
	2.3. Airport services activity	20
	2.4. Aircraft maintenance activity	26
	2.5. Iberia Express	30
	2.6. IAG	31
	2.7. Corporate Responsibility Policy	34
	2.8. Commitment to quality	39
	2.9. Awards	40
	2.10. Memberships of associations	44
	3. STAKEHOLDER ENGAGEMENT	46
	4. MATERIAL ASPECTS AND BOUNDARIES	50
	5. CR REPORT PROFILE	56
	6. GOVERNANCE	60
	6.1. IAG–Iberia governance structure	62
	6.2. Risk management	66
	6.3. Internal and external audit	66
	6.4. Ethics and integrity	66
	6.5. Grievance mechanisms	67
	7. ECONOMIC PERFORMANCE	68
	7.1. Economic figures	70
	7.2. Innovation management	73
	8. ENVIRONMENTAL	74
	8.1. Energy consumption	76
	8.2. Biodiversity: protection of endangered species	78
	8.3. Climate change: emissions	79
	8.4. Local air quality and noise	80
	8.5. Effluents and waste	81
	8.6. Environmental management	82
	8.7. Environmental projects	83

	9. SOCIAL PERFORMANCE	86
	9.1. Employment	88
	9.2. Labour/management relations	91
	9.3. Occupational health and safety	95
	9.4. Training and education	97
	9.5. Diversity and equal opportunity	103
	9.6. Supplier assessment for labour practices	107
	10. HUMAN RIGHTS	108
	10.1. United Nations Global Compact	110
	10.2. Human rights training	111
	10.3. Responsible procurement	112
	11. SOCIETY	114
	11.1. Key social development actions	117
	11.2. Achievement of the millennium development goals	122
	11.3. Iberia anti-corruption policy	128
	11.4. Public policies of the organisation	130
	11.5. Compliance with rules on anti-competitive behaviour	131
	11.6. Commitment to passenger rights	131
	11.7. Commitment to price transparency	132
	12. PRODUCT RESPONSIBILITY	134
	12.1. Commitment to continuous improvement	136
	12.2. Operating safety	142
	12.3. Quality of service (punctuality and NPS)	143
	12.4. Quality of service (claims)	146
	12.5. Quality of service (airports and aircraft maintenance)	146
	12.6. Customer privacy	148
	12.7. Communication channels	148
	12.8. Advertising ethics	149
	APPENDIX	150
	Global Reporting Initiative (GRI) Indicators	150





1.

Strategy and analysis



1.1 Executive chairman's statement

It is a pleasure to present our Corporate Responsibility report for the year 2015, an important year for the Future Plan 2014-2017. We have reached the halfway point of the implementation of the plan and we can say that we are meeting our goals; both economic and operational, as well as in relation to the cultural transformation of the company.

One of the key achievements of the year was the recovery of all the routes suspended as a result of the company's Transformation Plan, the purpose of which was to return to profitability. In 2014 we recovered the majority of them and in 2015 we returned to Havana and Johannesburg; the only two left to reopen. Furthermore, in our commitment to extending the offering to our customers with profitability and sustainability criteria, in 2015 we also started new long-haul routes to Cali and Medellin, and short-haul routes to Florence, Hamburg, Budapest, Edinburgh, Naples, Budapest, in collaboration with Iberia Express.

Another goal of ours is to constantly renew the fleet in order to increase efficiency and quality. So, in 2015 a new order for a long-haul fleet for Iberia was confirmed, consisting of eight A350-900 and five A330-200 aircraft, adding to the eight aircraft of each model ordered a year earlier. In this process, at the end of the year we received the first of the A330-200 aircraft. These new aircraft, which will substitute the current aircraft to address the projected growth and combine economic efficiency and the possibility of offering a better service to the customer, due to their design and to the incorporation of new long-haul cabins.



Luis Gallego
Chairman

The positive progress of the company as a result of the Future Plan and the agreements with all staff in order to improve productivity not only resulted in new routes and new aircraft. In 2015, for the first time in 11 years, we hired new pilots, 80 of whom joined the company in 2015 and we expect to reach 200 in 2016.

The Handling and Maintenance business areas continue to advance in their transformation process to increase competitiveness and sustainability. In 2015, Handling saw its first results after winning 17 of the 20 licences for supplying handling services to third-parties at Spanish airports for which it bid.

Maintenance is also gradually taking the steps necessary to become more competitive. In the coming months and years we will continue working on transforming this activity in order to provide the best service to Iberia, to the group and to customers at market costs and with excellent quality.

There are two key components for the new Iberia: the people and the customers. For this reason, in 2015 we created two departments for both of these, which report to the Management Committee. In this dual commitment, punctuality is an essential element, as it is the indicator most highly rated by customers and it is also highly influenced by employee attitude. In 2015 our hard work was rewarded. Iberia was the second most punctual international airline in the world, and our subsidiary Iberia Express, the most punctual low-cost airline. As a result of these achievements our Net

Promotor Score (NPS) is increasing and reaching levels we have never reached before. None of this would have been possible without the commitment and hard work of our employees, whom I thank for their dedication.

The end of 2015 left us with positive results and in line with the budget, halfway towards what the results of the Iberia of the future must be. In line with our trend for recovery, our operating profits increased from 50 million euros in 2014 to 222 million in 2015. Thanks to the hard work of everyone involved, we have achieved figures that give us the strength and confidence to take on the challenges ahead.

In this context of change and transformation, Iberia continues to maintain its social commitment and we actively collaborate on social projects with organisations like Envera, Mano a Mano, Make a Wish and Sepla Ayuda. In particular we should mention the international agreement that Iberia has signed with Amadeus and Unicef, through which Iberia customers donated over 200,000 euros, which were allocated to the vaccination programme in Chad and which have helped to protect the lives of 600,000 children. In addition, in Spain, Iberia joined the initiative set up by the Ministry of Health, Social Services and Equality to curb the effects of violence against women.



1. Strategy and analysis



1.2 Key achievements

Iberia is halfway through the Future Plan it implemented in order to transform the company into a competitive company and reach a recognised and sustainable position among national and international airlines.

The achievements of 2015 are the results of this Plan. Thanks to the joint effort of the entire company, it adjusted costs, increased revenue and improved its competitive position, whilst offering a better customer experience.

Below are the most significant achievements for the sustainability of Iberia, grouped into five key categories for the company.

New fleet order

In 2015 Iberia strengthened its commitment to innovation of its equipment in order to offer the best service. Proof of this is a new long-haul fleet order; eight A350-900 and five A330-200 aircraft, in addition to the order placed a year earlier.



29 long-haul aircraft on order, which join the eight A330-300 aircraft added to the fleet between 2013 and 2014



Increased offering

{ More than 20 new routes in 2015

During the year Iberia, along with Iberia Express, increased its seat offering per kilometre by 101%, whilst the number of passengers carried per kilometre grew by 1309%. This growth is the result of the two companies opening new routes to Havana, Cali, Medellin, Florence, Catania, Naples, Edinburgh, Hamburg, Gatwick, Charles de Gaulle, Manchester, Budapest and Funchal, in addition to other destinations.



New long-haul product

In 2015 Iberia made a significant investment to renew the aircraft cabins and to offer a better service and greater comfort during flights. To achieve this it had new aircraft and reconditioned the A304-600. As a result of this, the travel platform Skift ranked the company's business class as the best of all airlines flying between Europe and Latin America.

{ Almost 80% of flights offer the new cabins service

In addition, Iberia presented the new cabins in Brazil, Peru and Costa Rica in order to promote the company in these markets.

Leader in Latin America

Iberia consolidated its leadership in Latin America thanks to the hard work carried out in 2015 to offer its customers new routes (Havana, Cali, Medellin and Puerto Rico) and excellent in-flight service, having new aircraft and cabins that offer greater comfort to do this.

Excellence in punctuality

Iberia and Iberia Express stood out throughout 2015 for their punctuality statistics.

Iberia was the world's most punctual international airline in November and second in August, September and October. Iberia Express was the most punctual low-cost airline in July, August, September, October and November





1. Strategy and analysis



Higher net promotor score

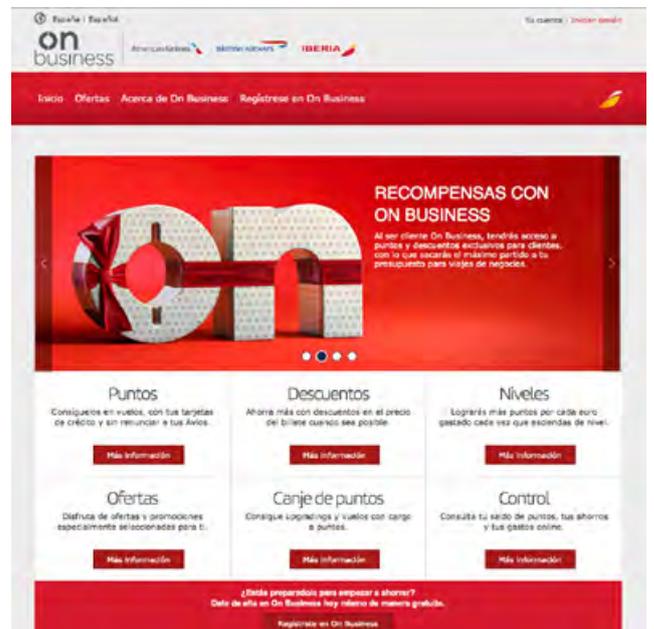
Iberia takes its customers' opinion very seriously because it knows that they are part of the key to the success of the company and in 2015 it multiplied its efforts to improve its quality of service.

Thanks to its punctuality, a better product and an improved fleet, it improved the customer experience and increased its net promotor score by 27.7 points between 2013 and 2015.

The improvement in punctuality in long-haul business class was 17 points and in economy class, 37

New customers, new products

During the year Iberia launched several new products in order to attract new customers and offer a service adapted to their needs. These new products include online auctions to get the best prices; On Business for SMEs; the relaunch of Iberia Joven with new rates for students and children; trips



for pensioners within Mundiplan; tickets with a shared code with Renfe railway; Infinita and Infinita Prime tickets for customers who stand out for their loyalty to Iberia and the Iberia PlusStore for online purchases.



Handling and Maintenance

In these areas there were two key achievements:

- Iberia won 17 of the 20 handling license for which it bid, including the recovery of Barcelona.
- Maintenance serviced the first V2500 engines, for which Iberia earned certification in 2014. In addition, the maintenance model for all IAG companies is now led by Luis Gallego.

Economic results take off

Through the measures implemented and the achievements, Iberia continued improving its results. In the first nine months of 2015 its operating profit reached 196 million euros, almost three times the figure in 2014. However, the company is aware that it is halfway to the targets set out.

Social commitment

In 2015, Iberia renewed its agreement with Unicef, through which customers can make donations via Iberia.com and launched specific campaigns for Universal Children’s Day.



It continued to support organisations like Envera, Mano a Mano and Make a Wish Spain; joined the campaign against violence against women and collaborated with Paralympic athlete Gema Hassen-Bey on her challenge to climb Kilimanjaro, along with other initiatives.





2.

Organisational
profile



2.1 Brand Values

Over the last three years Iberia has undergone a major change driven by its desire to be a unique company.

Iberia is changing to make flying with us a unique experience.

During the renovation process we have held on to the fundamental values that have always made us stand out and be a reference for our customers. Thanks to these values, what we do and how we do it takes on a special significance.

{ We are known to our customers for what we do and how we do it, that is, for our values



2. Organisational profile



Rapport

In the sense of:

The natural **connection** with the Hispanic world that we claim as our own and our distinguishing feature based on our country of origin, history and legacy we share with millions of people.

Our linguistic and cultural **similarity** with them and the empathy between us, always working as a team and naturally recognising people's value.

The close and emotional **bond** in how we express ourselves; the way we experience and feel things, important in both a Latin America and European context.



Drive

In the sense of:

The charismatic **vitality** and dynamism that lead us to invent and reinvent ourselves, adapting to change in order continuously improve.

The **passion** behind our ambition for success and self-improvement, constantly seeking excellence in management to go one step further.

The **ability** to channel resources and focus efforts efficiently and effectively to achieve goals, create value and consolidate our leadership as a company and leading brand in our sector.



Talent

In the sense of:

The **ingenuity** that allows us to apply creativity and imagination to the search for innovative and significant solutions.

The **professionalism** that is recognised and valued in all market research, which we encourage through our training, education and continuous development of top human resources.

Resolute spirit, practical, proven and experienced, with which we demonstrate considerable expertise simply and naturally, responsibly and committed to society.





IBERIA

Bienvenido
Welcome





2.2 Air transport activity

Punctuality and new routes are the mark of leadership

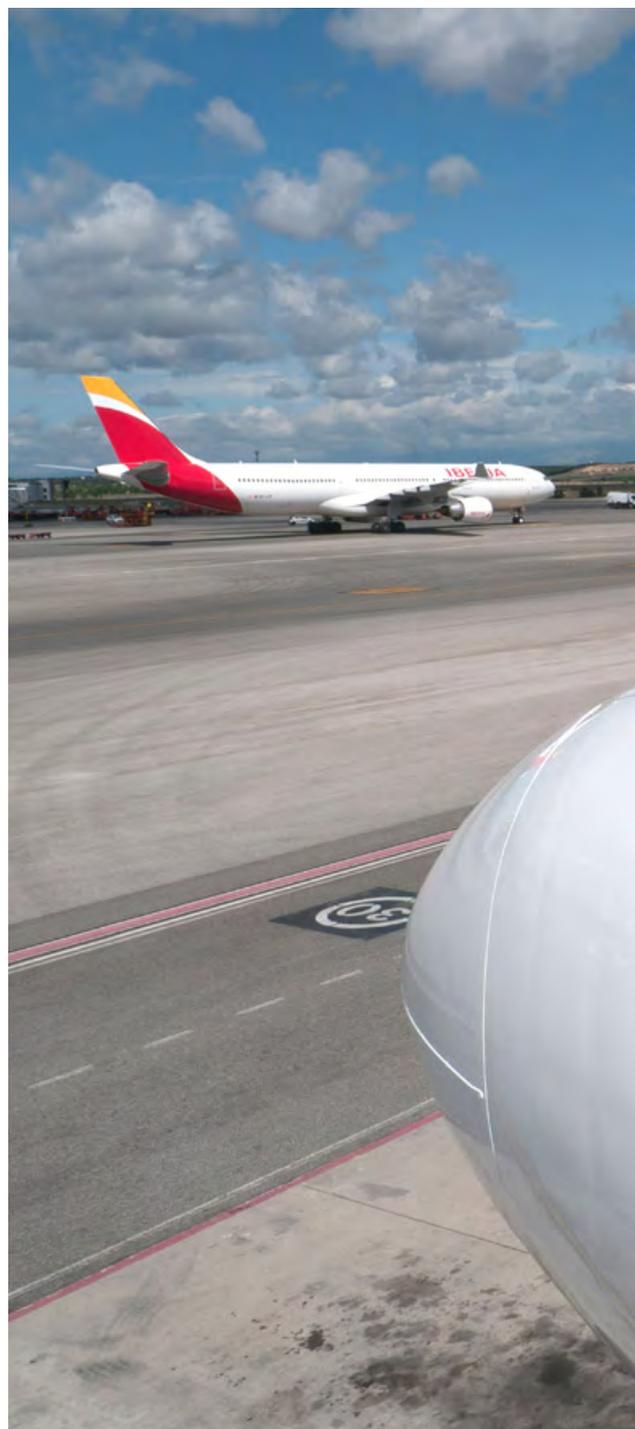
Iberia is the benchmark airline in Spain and leader in routes between Europe and Latin America. In 2015 it was leader in punctuality in Europe and it opened new routes in Latin America, such as Havana, Medellin and Cali; in Europe, connecting Madrid with cities in Italy, Germany and the United Kingdom, to name a few; and Africa with the route to Johannesburg.

Key figures:

- > 119 destinations in 43 countries*
- > 268 destinations in 53 countries with shared code with other companies
- > 136 aircraft
 - > 77 Iberia
 - > 20 Iberia Express
 - > 39 Iberia Regional / Air Nostrum
- > More than 600 flights a day

Iberia operates more than 8,500 flights a day with the other oneworld partners

2015 was a key year for Iberia, as it opened new routes in Europe with direct flights from Madrid to Florence, Naples, Palermo, Catania and Verona in Italy; Manchester and Edinburgh in the United Kingdom; Hamburg in Germany; Funchal in Madeira, Portugal and Budapest in Hungary. It also started new direct flights from Asturias to Tenerife, from Madrid to Paris/Charles de Gaulle and from Madrid to London Gatwick and added 65 flights to 24 routes that were already consolidated. These include New York and Mexico, in transoceanic flights, and Paris Orly, Lisbon, Tel Aviv, Venice, Dublin, Prague, Berlin, Stuttgart, Asturias, the Canary Islands, the Balearic Islands and Galicia, to



*Figures on 31 December 2015, including seasonal routes.





name a few, in short and medium-haul.

The favourable progress reflected in Iberia's results and the positive behaviour of its revenue, within the framework of the Future Plan, allow future growth to be considered, in terms of both fleet and new destinations.

As part of this process of expanding the company's offering, it has started analysing long-haul routes and considering opportunities in America, Asia and Africa.

The destinations being evaluated include Tokyo, Toronto, San Juan de Puerto Rico, Doha, Brasilia, Managua, Guadalajara and Asunción.

According to initial estimates, some of these destinations are closer to profitability than others, but the company wants to further analyse them in order to choose those that are profitable and sustainable.

This study coincides with the expansion of Iberia's fleet with an order for 13 A330-200 long-haul aircraft; the first of which were delivered in 2015, and which will all be delivered between 2016 and 2018.

In addition, 16 A350-900 options have been ordered, which will be converted into firm orders during the period 2018-2021 and will allow the company to replace and expand its long-haul fleet.

The renewal of the fleet and restructuring of the airline are proof of the investment that Iberia is making in the future.





2. Organisational profile



The most punctual airlines

In 2015 Iberia and Iberia Express confirmed their position as the leading airlines in punctuality. Operating 187,538 flights and 88.97% of them on time, Iberia ranked second in the world and first among European airlines.

Iberia, leader in Europe

The improvement in the punctuality index of Iberia Group flights reflects, above all, the commitment of all employees to improve the service. Iberia has also implemented a series of initiatives that range from changes to flight schedules to reviewing all processes leading up to take off, permitting it to rank among the most punctual companies in the world.



Iberia returns to Havana

In June 2015 Iberia resumed one of its most emblematic and oldest routes. After a two-year pause, the company returned to Havana offering the best product on the market. The route started with five flights a week, extending to six in December 2015. The A330 is the aircraft that usually services this line, although for the inaugural flight a 340/600 was scheduled with the new interior, given the expectation aroused.

In 1949 Iberia flew to Havana for the first time

The incorporation of Havana to the long-haul network is a step further in strengthening Iberia's leading position in Latin America. The decision to resume flights to the capital of Cuba was possible thanks to different factors that guarantee profitability of the route: labour agreements, which allow lower costs; an A330 aircraft, more efficient and which saves fuel; a market with higher potential, like the Cuban market, with an interesting opening projection; and a more favourable economic climate in Spain and Europe than when flights were stopped in 2013.





Iberia to return to Johannesburg and San Juan de Puerto Rico

In July 2015 Iberia started analysing long-haul routes with a view to opening new routes between 2016 and 2017. At the end of 2015 it announced that it was to resume direct Iberia flights to San Juan de Puerto Rico during the summer season, from 15th May to 26th October 2016.

The route started operating with A330-200 aircraft with three direct flights a week: Mondays, Wednesdays and Sundays. The flight times are scheduled to allow the best connections with the rest of Spain and Europe (more than 90 destinations), via T4 at Madrid-Barajas airport.

Similarly, it announced that from 1st August 2016 Iberia would resume flights to Johannesburg. By doing this it recovers one of the last routes that it had to stop operating in order to undertake the transformation in 2013.

In this case, there are also three flights a week between the two cities with an A330-300, our most modern aircraft. The South African city thereby becomes the 11th African destination to connect with the rest of the network in Spain, Europe and America.

New Iberia destinations in Colombia

On 3rd July 2015 flights to Cali and Medellin started; two Colombian cities to which Iberia had never flown before. It is a triangular route with three flights a week: Wednesdays, Fridays and Saturdays.





2. Organisational profile



The aircraft flying to these destinations are the new Airbus A330 aircraft that were added to the new long-haul product. Their benefits include seats that convert into two-metre beds in business class, each of them with direct access to the aisle; new larger seats in economy class; a la carte personal entertainment for all seats, Wi-Fi and GSM connectivity, which allows us to offer the best product on the market. As in all routes with Latin America, the new flights to Colombia connect with the group's more than 80 destinations in Spain and Europe via our hub at T4 in Madrid.

First intake of new pilots in 11 years

In 2015 the public announcement to hire new pilots came into effect. It is estimated that around 120 pilots will be hired in the next two years. The first course started in summer 2015.

This is the first announcement in 11 years. The initiative was possible thanks to labour agreements in February 2014, which allow pilots to be hired in market conditions. In previous conditions, costs and productivity made any hire unfeasible.

Current pilots will have more opportunities to ascend to captain

The hiring of new pilots is good news for the company, as it dimensions the staff to current and future needs and allows us to be increasingly competitive. It is also good news for current pilots, as they will have more opportunities to progress to captain, as it is estimated that over the next twelve months more than 100 captain positions will open.







2.3 Airport services activity

Goal: Excellence and safety for customers and employees

For 85 years Iberia Airport Services has been offering a tailored service in the Iberia handling department. Over these years, it has held on to its position as the leading operator in Spain, present in 29 national airports and two international airports (Bata and Malabo, in Equatorial Guinea).

With almost 90 years of experience in airport services, Iberia Airport Services is the benchmark company in the handling business in Spain, in terms of both the number of airports in which it

works and the quality and professionalism with which it provides the service to almost 170 airlines.

Iberia tackles its daily work based on these coordinates:

- > **Excellence:** We seek excellence (more than quality) to guarantee the best customer experience.
- > **Flexibility:** The motto is "every customer is different, every operation is unique." Based on this philosophy of made to measure suit we also ensure efficiency of the processes adapted to the needs of each customer.
- > **Safety:** Of operations and of everyone who works in the airport environment. It is a transversal business principle that has made the company worthy of ISAGO certification,



awarded by IATA as the highest recognition in the industry in terms of safety in ground operations.

> **Commitment to the environment:** The company promotes use of renewable energy, emissions reduction and in short, a more responsible and respectable attitude towards the environment.

With a ground fleet of approximately 8,000 vehicles, Iberia is equipped to guarantee everything from the most simple services to the most complete and sophisticated operations. There are three types of services:

> **Passenger:** Attending airlines' customers in the airport at check-in, boarding, incidents, ticket sales and other special services. To do this, it has a staff focused on excellence and commitment to service.

> **Ramp:** Provide assistance to the aircraft in ground support equipment, passenger and crew transport, steps, de-icing, communication with the cabin, start up, exterior inspection and cleaning. It has the best technology, guaranteeing the utmost punctuality and safety in the service.

> **Operations and cargo:** Managing flight dispatch and cargo transport operations. Iberia has the best automatic classification systems and a specialised team. It is a benchmark service nationally and internationally.

The figures

The year was marked by the outcome of the public ramp license tender and our figures recorded a very positive evolution:

- > 29 national and 2 international airports in operation
- > 340,000 aircraft assisted, 3.5% up on 2014
- > 170 client companies
- > 8,000 ground vehicles
- > More than 83.7 million passengers attended in all the stations in the national network, 6.8% up on 2014



> Approximately 55 million pieces of luggage transported, 5.7% up on 2014

Improvements to the service for children travelling alone

The Airport Services Department provides almost 100,000 services to children travelling alone every year, 36,000 of whom travel through Madrid's Terminal 4.

Given the demand for the service, in 2015 Iberia implemented improvements to the service. Since March, the parent or guardian is notified via text message at take-off and landing, in addition to transit and any other relevant aspect of the journey. In addition, the child will be able to keep their personalised headrest, signed by the crew, as a keepsake.

The departments that have taken part in this project are the Sales Department (particularly Customer Experience, Digital Business, Sales Spain and Revenue Management), the In-flight Service Department, Systems, the Ground Operations Department and the Airport Services Department.



2. Organisational profile



A positive summer for Iberia Airport Services

After the summer the data on aircraft and passengers assisted during the period 1st July to 30th September 2015 were reviewed, also comparing it to the values achieved in the same period in 2014.

The data shows that the summer broke all records:

- > More than 102,000 aircraft assisted, 4% up on the same period in 2014.
- > More than 27.2 million passengers assisted in all the stations in the national network, 8% up on summer 2014.

During 2015 the company maintained its leading position in handling in Spain thanks to winning new licenses to provide the ramp service to third-parties, valid for the next seven years, and the recovery of the Barcelona airport license, where it had been providing services through a UTE (Temporary Union of Enterprises) with Groundforce.

We successfully return to the Barcelona ramp

After nine years, in November 2015 we resumed providing the ramp handling service to third-party companies at El Prat airport.

The license is to provide ramp assistance, that is, the services that are carried out around the aircraft during its layover at the airport: baggage loading and unloading, preparing the load sheet, coordinating all of the equipment involved during the layover, etc.

This achievement can be summed up in the following figures: almost 70,000 flights assisted a year and 840 employees joining Iberia Airport Services.



Balearic Islands handling licenses activated

In December 2015 the ramp handling services for third-party companies were activated in the Balearic Islands airports, through which the service will be provided in Majorca, Ibiza and Menorca for the next seven years. This new license means adding new, more environmentally-friendly equipment at Majorca airport; assisting 10.6 million passengers and more than 46,000 flights and offering a personalised service that allows check-in from hotels and pre-pack.

Madrid and Alicante ramp renewed for seven years



In December the ramp handling license for Madrid and Alicante were renewed for seven years.

In order to provide the service at Barajas airport, the company has a staff of 3,000 employees; 2,400 pieces of equipment; buses, push back steps, electric vehicles, loading equipment, de-icing, tugs, tractors and various types of vehicle and new aircraft assistance equipment, such as more efficient generators, buses, platforms and tractors. With this equipment Iberia Airport Service is reducing the CO₂



emissions of its operations, in line with its commitment to protecting the environment.

In the case of Alicante, it has a staff of 170 and its vehicle fleet is also scheduled for renewal.

Substitution of ramp handling licenses

In September 2015, AENA notified Iberia of the licenses awarded following the ramp handling tender. The licenses implemented are those from Batch 1, which groups various airports with less than one million passengers (Vigo, San Sebastian, Santander, A Coruña, León, Pamplona and Vitoria) and Batch 3 (Badajoz, Córdoba, Gran Canaria, Santa Cruz de la Palma, Melilla, Jerez, Bilbao, Albacete and Granada).

In 2015 agreements were also renewed and signed with new customers to provide handling services.

New stations and customers

In August 2015 the Airports sales team extended the handling contract with the Hungarian company Wizz Air, adding three new stations: Tenerife Sur, Alicante and Malaga. This new business means assisting around 400 flights a year (A320/A321 fleet) at the aforementioned airports.

In addition, a new customer joined Iberia Airport Services' portfolio; Valor Fly, a company that has entrusted it with the assistance of its schedule of two flights a week to Ibiza, from Italy, and other operations in Palma, Mahon and Tenerife Sur.

Renewal of contracts with Vueling and Egyptair

In 2015, the handling contract with Vueling was renewed for three years, which also allows assistance at Barcelona and Jerez, after winning the license for these airports.



Similarly, the contract with Egyptair was renewed, through which the company will continue to provide passenger and aircraft assistance services to the Egyptian company in all of the Spanish airports in which it operates.



For Iberia this agreement means a volume of more than 600 flights a year and a stronger commercial relationship with a significant and historic airline, like Egyptair.





Telemetry to improve performance and safety

Iberia Airport Services has installed a telemetry system in the ground equipment at Barajas airport. This has improved vehicle performance and provided automated information about them.

Furthermore, this device increases the safety of operators and promotes compliance with the platform safety regulations, contributing to achieving the operational safety standards demanded for providing handling services.



New ground equipment has started to arrive

In 2015 Iberia Airport Services renewed its fleet consisting of more than 8,200 pieces of equipment that carry out intense activity every day at all of the airports in the national network: baggage and cargo loading and unloading, push-back, passenger and crew transfer, de-icing, etc.

After the ramp licenses for the coming years were awarded, the company started to tackle an unprecedented investment in planters, platforms, tractors and generators, as well as other equipment, which will allow the company to provide a more efficient service that is more environmentally-friendly.

In addition, a work group from the Airports Department implemented the Awareness and Conservation Plan in Madrid-Barajas and in the rest of the stations in the network.

Pullmantur Air

Iberia Airport Services signed a new handling contract with Pullmantur Air. Since May 2015 at Adolfo Suárez Madrid-Barajas airport it serves Pullmantur Air's passengers and Boeing B747/400 aircraft flying to different corners of America –particularly, the Caribbean– and Europe, maintaining its commitment to the equipment and vehicle fleet used to provide the service.







2.4 Aircraft maintenance activity

Iberia Maintenance is in charge of providing the best solutions to the needs and budgets of its customers. These include Iberia LAE, IAG carriers, like Iberia Express, Vueling, British Airways, Open Skies and Aer Lingus, and a hundred companies worldwide.

Goal: to be the sector benchmark

Its benchmark is to offer an excellent service in the maintenance checks and repair of aircraft, engines and components, minimising costs and the effort required by customers and always with the highest quality standards.

By doing this, Iberia Maintenance is the world's ninth largest maintenance and engineering service provider (excluding manufacturers), second in aeronautical in Spain in terms of revenue

and staff and is the leader in aircraft maintenance services, repair, high technology and aircraft modification.

Its experience helps it to know what airlines need

Every year Iberia Maintenance focuses on maintaining and improving its leading position. By doing this, after 88 years of experience in Iberia and third parties' fleets it continues to focus its effort on reaching full reliability. To achieve this, the Iberia division has almost 3,000 technicians and engineers with extensive experience in the widest range of Maintenance, Repair and Operations (MRO) services and options, which allows it to manage everything from the simplest solutions to the most complex.





Another fact that adds value to this division is its commitment and dedication to improving processes, increasing efficiency and effectiveness and to cutting logistics, engineering and management costs. This effort is essential in an environment and in a market that is constantly evolving and with the demands of globalisation of the aircraft maintenance sector.

Iberia Maintenance is constantly upgrading its integral management services

Iberia Maintenance has earned Environmental Management Certification under the Aenor standard UNE-EN ISO 14001:2004 for aircraft maintenance activities for its facilities in La Muñoza, Madrid, where more than 3,000 employees work.

This certification is one of the most complex from Aenor, for both the size of its facilities and the range of environmental aspects it includes.

The division is also certified by the leading international aviation authorities (The European Aviation Safety Agency, the US Aviation Administration and NATO), as well as by different manufacturers, quality and environmental certification bodies and many other national aviation authorities.

The figures

- > **Engines:** 161 inductions
- > **Auxiliary power units:** 28
- > **Checks:** Total complete overhauls: 385
- > **Components:** Repair of 50,422 aircraft components.
- > **Line Maintenance.** 55 A-checks, in addition to:
 - > 1.273 checks with status data
 - > 17,242 a day
 - > 4,534 transits
 - > 3,434 services/week
 - > 2,275 tear-downs
- > **Iberia Maintenance highlights:**
 - > 22 in Spain, including those based in Madrid and Barcelona, where major maintenance can also be provided
 - > 16 in America
 - > 2 in Africa
 - > 7 in Europe (excluding Spain)

In 2015 the aircraft maintenance sector experienced a fall due to the decrease in activity of the airlines in recent years, which led to a slight fall in the number of overhauls and maintenance tasks carried out at our facilities compared to 2014.



2. Organisational profile



Improvements in the engine components workshop

At the end of 2015 the Components Department of the Technical Division implemented a global improvement project to improve the work carried out in the engine components workshop.

The main goal is to introduce a new culture based on continuous improvement and on good communication between the workshop workers. The project was carried out with the engagement and contributions of all staff. To do this, five study groups with a total of 21 representatives were created, who worked in the following areas and goals:

- > **Storage:** reduce tangible assets.
- > **Layout:** restructure the workshops and workloadso.
- > **Test bench:** improve the working conditions in the workshop.
- > **Tools** needed to carry out the work.

British Airways trusted in Iberia to install the EFB system on its A320 aircraft

The good results achieved and the efficiency of the work done in previous checks has resulted in British Airways



selecting Iberia Maintenance to install the first EFB (Electronic Flight Bag) system in an A320 aircraft from its fleet. Iberia has extensive experience in this work, as this technology has already been installed on approximately 30 A320 aircraft in its fleet.

During the 2015-2016 winter season, 12 aircraft have been received in order to perform C-checks (an extensive and complete module) of its different variants, depending on the aircraft's registration number and its maintenance requirements.



New work for Thomas Cook

The commercial relationship maintained during 2015 between Iberia Maintenance and Thomas Cook intensified with the participation in several quotes for performing the checks of its fleet. Finally, this hard work resulted in C-checks, cabin seat upgrades and the implementation of upgrade programmes and the installation of in-flight entertainment (IFE) systems in various A330, A321 and A319 aircraft.



First V2500-A5 engine: future project made a reality



The V2500 is an engine manufactured by International Aero Engines (IAE) which powers the aircraft in the A320 family (A319, 320 and A321). It is an engine with a future: there are currently more than 5,700 V2500 in service and an additional 1,800 on the order books.

At the end of 2012 Iberia Maintenance, with the support of IAG, started the V2500 Project to certify the engine workshops in the maintenance of the V2500-A5 and to produce the first engine of this kind in our facilities. After a lot of hard work, in 2015 Iberia joined the workshops to which IAE sends its customers' engines for repair. Iberia Maintenance is the first workshop that is not an IAE consortium partner to achieve this.

MRO Americas: new business opportunities

In April 2015 Iberia Maintenance and British Airways Engineering took part with a joint stand at the 20th edition of the MRO Americas exhibition in Miami, which brought together around 12,000 professions, beat attendance records.

The shared stand was attended by representatives of the Sales, Marketing and Engine Maintenance areas.

Great expectation was aroused over the three days of the exhibition with more than 100 visits to the stand and the sales team had the chance to develop new business opportunities and strengthen relations with current customers.

Critical Chain: a new way of working

Since 20105, the Overhaul area has been applying the management model known as Critical Chain, a more efficient way of working driven by the Future Plan. It is not an easy task, considering that the work of Overhaul is characterised by uncertainty.

The checks are planned periodically but the results are essential. Only then is it clear what additional work needs to be performed and therefore, what resources, materials, instruction or planning adjustments will be required.

This uncertainty makes it very difficult to manage the times and synchronise the tasks involved in the check, also disrupting the production plans of each area.

The Critical Chain model establishes common priorities for managing uncertainty

In order to overcome these difficulties, the Critical Chain model implements a new series of priorities, rules and measures that must be accompanied by a change of culture and a change to the roles of staff.





2.5 Iberia Express

Iberia Express is an airline based in Madrid operating short and medium-haul flights since it started operating in March 2012. It was set up to allow the Iberia Group to offer its customers more affordable rates whilst maintaining the quality of service.

The passenger thereby enjoys the same benefits that flying with Iberia represents: flying to major airports, Iberia Plus programme, VIP rooms, in-flight service and entertainment, business class, various flight frequencies, connections to more than 200 destinations, and the safety provided by the company's maintenance, recognised as one of the best in the world.

Iberia Express se sitúa entre las cuatro primeras compañías aéreas de Barajas

Thanks to this good service, Iberia Express has strengthened its position as the

world's most punctual low-cost airline for the second year in a row, with an average 93.5% punctuality rate and it provides service to more than 13 million passengers and 100,000 flights.

In addition, in 2015 it expanded its offering with 15 new routes. Ten of them depart from Madrid (London-Gatwick, Edinburgh, Manchester, Naples, Verona, Paris-Charles de Gaulle, Lyon, Nice, Nantes and Menorca); four from the Canary Islands (Tenerife-Asturias, Gran Canaria-London Heathrow, Tenerife-London Heathrow and Tenerife-Lyon), and one from the Balearic Islands (Majorca-London Heathrow).

Iberia Express operates 39 destinations; 13 national and 26 international.

The airline –100% owned by Iberia– competes efficiently and sustainably in an increasingly difficult market. Iberia Express provides the holding company with direct traffic and connections in a profitable way, thereby supporting Iberia in its long-haul growth.





2.6 IAG

International Airlines Group is one of the largest airline groups in the world, with 525 aircraft flying to 255 destinations and carrying around 95 million passengers a year. It is the third largest group in Europe and sixth in the world in terms of revenue.

The airline sector is gradually moving towards consolidation, although certain regulatory constraints still prevail.

The corporate mission of IAG is to play an important role in the future consolidation of the industry, both regionally and worldwide.

Iberia's decision to join a large international group like IAG is based on the following benefits:

- > Financial strength
- > Fleet renewal opportunities
- > Greater strategic importance
- > Cost and revenue synergies

At the same time, Iberia, due to its market value, offers IAG the following benefits:

- > Firm leadership in the South Atlantic
- > High growth potential
- > Strong cash contributor
- > Exchange of best practices to optimise costs

IAG is progressing and becoming one of the leading groups in the aviation market

Created in 2011, IAG is the holding company of Aer Lingus, British Airways, Iberia and Vueling. The company is registered in Spain and its shares are traded on the London and Spanish stock exchanges.

IAG combines the leading airlines in Ireland, the United Kingdom and Spain, which allows them to expand their presence in the aviation industry while keeping their own brands and operations. The airlines' customers benefit from a larger combined network for passengers and cargo and from an increased capacity to invest in new products and services thanks to their greater financial stability.

IAG seeks benefits for its customers and offers a combined network with more destinations and services





2. Organisational profile



British Airways

British Airways is the United Kingdom's flag carrier, offering integral services, with a vast global network of routes, flying to and from major international destinations. Other factors that make it stand out internationally are the size of its fleet, the number of flights and the premium transport service it offers its customers around the world.

British Airways flies to over 170 destinations in 70 countries. It has a fleet of more than 280 aircraft, including A380 and 787, and carries more than 40 million passengers a year.

Growing stronger towards a more profitable future

The airline has a strong presence at Heathrow, Gatwick and London City airports but its operations base is in Heathrow, more specifically, at Terminal 5, which has been named the best international airport terminal, according to the latest survey carried out by SkyTrax.



Vueling

Vueling was set up in July 2004 with the goal of offering excellent customer service at competitive prices. To do this, it had a fleet of two A320 aircraft and four routes.

Over its 11 years of life, Vueling has experienced significant growth. One of its achievements was to join IAG in April 2013 and become leader in Barcelona–El Prat and Rome–Fiumicino airports.

It now offers a wide network of flights to Spain, Italy, Europe, the Middle East and Africa and focuses on offering a premium service at competitive prices.

It flies to 131 cities in 38 countries with a fleet of 90 aircraft and 21 operations bases.

A reality in the market in 11 years





Aer Lingus

Aer Lingus became the fourth IAG company in August 2015. Its incorporation meant future growth by offering customers new routes and services, whilst maintaining its emblematic brand in Ireland, where it continues to have its base and management team.

} New future for
Ireland's emblem

Aer Lingus was founded in 1936 with the mission of connecting Ireland with the world. Its goal is to offer the best product with excellent customer service and low rates. It currently has a fleet of 50 aircraft operating more than 100 routes from major airports in the United Kingdom, continental Europe and North America. It provides service to approximately 11 million passengers a year, whilst providing efficient global connectivity along with its associate airlines.



IAG Cargo

IAG Cargo is the group's cargo company, and is acknowledged as one of the leading international cargo companies in the world.

It was set up in April 2011 with the merger between Iberia Cargo and British Airways World Cargo, providing customers with access to a single sales force. It was designed around the current and future needs of companies throughout the world.

IAG Cargo customers currently benefit from one of the most extensive and diverse global networks with over 350 destinations, including the 120 largest airports in the world for air cargo. Similarly, IAG Cargo invests to offer its customers a unique portfolio of high quality products that covers its extensive network of destinations.

} Leader in
air cargo transport



Avios

Avios is IAG's shared global rewards currency and is used in its loyalty programmes: Avios Travel Rewards in the United Kingdom and South Africa, British Airways Executive Club and Iberia Plus.

Avios innovates with the incorporation of new formulas to benefit customers and also provides added-value to the airlines. One of its priorities is to implement initiatives that create accumulation opportunities for e-commerce customers.



2.7 Corporate Responsibility Policy

Iberia's Corporate Responsibility policy is based on a series of principles that allow the company to continue growing, in line with the services demands of its customers, within a framework of respect and care for the environment. The company thereby actively collaborates in the social environment and promotes progress of the societies in which it operates.

The goal is to create economic and social value, respect the environment and collaborate with stakeholders

Along this line, in 2015 Iberia kept its Corporate Responsibility management focus up-to-date to adapt it to current trends and align it with current strategic guidelines.

The new Corporate Social Responsibility model considers the economic, social and environmental areas of the company

In 2015 Iberia's Corporate Responsibility policy, which was managed by the Corporate Department, started to report to the Communications and Institutional Relations Department.

The purpose of this change was to expand the perspective of sustainability and promote progress towards a Corporate Social Responsibility Policy. This new concept provides triple value to the company because it considers the economic, environmental and social areas that it impacts.

Iberia keeps all areas informed about its role in terms of the development of Corporate Responsibility in its daily activity.





Department	Area	Responsibility
Sales	Customer experience	Direct contact with customers. Service quality management.
	Marketing	Customer service design. Advertising and brand management.
Production	Operational quality	Operational safety and quality for customers.
	In-flight service and operations	Direct contact with customers in-flight.
Airport services	National and international airports	Direct contact with Customers at airports (passenger and assisted companies).
Technical	Aircraft maintenance	Direct contact with customers in aircraft and engine maintenance work (Iberia and assisted companies).
Strategic planning and finances	Strategic planning	Management and development of corporate strategy.
	Management control and administration	Internal control systems of financial information. Shareholder information.
	Procurement and fleet	Direct contact with suppliers.
	Innovation	Research and development project management.
Communication and Institutional Relations	Internal and external communication	External (customers, stakeholders) and internal (employees) communication systems.
	CSR	Coordination of the Corporate Social Responsibility policy.
		Social action project management (society). Design and implementation of environmental policies.
Network and Alliances development	Alliances and aero-political affairs	Relationship with regulatory bodies, associations and development of strategic alliances.
Legal Department	Legal	Relationship with regulatory bodies. Good governance coordination.
Corporate	Human resources	Direct contact with employees.
	Compliance, corporate risks	Implementation of the anti-corruption and regulatory compliance policy.
	Coordination of emergencies	Crisis contingency plans.





Iberia's CSR policy is defined in the following goals:

- Maintain a leading position in profitability, safety and reliability.
- Earn recognition within society for our transparency, social commitment and protection of human rights.
- Apply the best environmental practices in our business activities, making rational use of natural resources.
- Respond to the major concerns of the company's stakeholders. To do this:
 - Guarantee the best customer service in terms of quality and responsibility, respecting protection of their rights.
 - Create value for our shareholders, fostering respect for the environment and distribution of wealth.
- Support social action initiatives promoted by our employees, engaging other stakeholders.
- Foster personal, labour and social development of our employees within a framework of equal opportunity.
- Promote sustainable development and good management practices among our suppliers and service providers.
- Work together with institutions, public administrations and other companies in the sector on any initiatives considered of interest.
- Participate in cultural, educational, sports social and economic development projects wherever we operate.
- Ensure that these goals are met, with permanent monitoring to identify opportunities to further the company's continuous improvement in CSR management.

Initiatives

The company's commitment to this issue leads it to support the best ethical practices and to participate in the following national and international initiatives, which are used as a permanent reference in their practical application throughout IAG:

➤ **United Nations Global Compact.** Iberia undertakes to meet the 10 principles related to human rights, labour, the environment and anti-corruption, including clauses in our contracts to ensure that they are also met by all our suppliers and service providers.

➤ **The International Labour Organization's Fundamental Conventions.** Iberia applies its general principles, recognising freedom of association and unions and the right to collective bargaining; the elimination of all forms of forced or compulsory labour; the effective abolition of child labour; and the elimination of discrimination in respect of employment and occupation.

➤ **United Nations Millennium Development Goals.** Through its social action, Iberia collaborates on achieving these goals. The goals are: eradicate extreme poverty and hunger; achieve universal primary education; promote gender equality and empower women; reduce child mortality; improve maternal health; combat HIV/AIDS, malaria and other diseases; ensure environmental sustainability; and develop a global partnership for development. Iberia's social actions in 2015 will be discussed in more detail in the corresponding section. 🔍

➤ **Companies for a society free from violence against women programme.** Iberia has joined the protocol set up by the Spanish Ministry of Health, Social Services and Equality to collaborate on supporting and promoting its information campaigns. Taking part in this project demonstrates that the company is committed to equality awareness activities, respect for fundamental rights and the construction of a society free from violence against women.





2. Organisational profile



2.8 Commitment to Quality

Iberia is strongly committed to its customers and offers one of the highest quality services to ensure their satisfaction. This commitment extends to employees and shareholders in order to guarantee the company's sustainability through efficient management of key processes.

In this regard, all of the company's activities are governed by the strictest quality standards.



Area	Main certifications	Scope	Certifying body
Iberia	ISO 9.000	Training and knowledge management	AENOR
	Verification of greenhouse gas emissions	Flight and ground operations	AENOR
	GRI4	Corporate Responsibility Report	AENOR
	AENOR Mark N	Measuring and monitoring the quality of service	AENOR
	Madrid Excelente	Management excellence	AENOR
Iberia Maintenance	Maintenance certifications	National and international agencies (EASA, FAA, etc.)	Qualified Agency
	ISO 9.110 y PECAL	General maintenance activity	AENOR
	ISO 14.000	Environmental management facilities Madrid	AENOR
	ISO 17.025	Meteorological laboratory	AENOR
Iberia airport services	ISO 9.000	National airports activity	AENOR
	ISO 14.000	Environmental management national airports	AENOR



2.9 Awards

The hard work of the company and its employees is acknowledged every year through the awards it receives from various institutions and social agents. Below are some of the most significant from 2015.

Company of the year in the United States

The Spain-United States Chamber of Commerce in Miami gave the Spanish airline its award for its "spectacular transformation" and for its efforts in the development of links between the business networks of Spain and the United States.



"Iberia has changed a lot in the last two years. We present our company with a new brand image, new classes on our long-haul flights, as an airline that still has a lot to do, but a solid base has been established to guarantee its future"



PRNoticias award for best change of image

In November 2015 the PRNoticias.com group gave Iberia the best change of brand award. Every year the group recognises the best professionals and projects in the marketing, communication and media world.

"Iberia's change of image is ultimately a symbol of the transformation of the entire company. Iberia is a Spanish brand, an ambassador brand and we are very excited to be recognised for the change of image"

Customer service, CRC Gold Award

Iberia's customer service received the CRC Gold Award for best phone sales platform, in the framework of Expo Relaciones Clientes 2015. The award was presented by the supplier Sitel.





Best airline according to Condé Nast Traveler

In May Iberia received the award for best airline, awarded by the readers of *Traveler* magazine who vote for the winners of the award.

Award for most ecological operator

This recognition, awarded by Logística Profesional in the third edition of the logistics efficiency and social responsibility awards, rewarded Iberia for its paint project, the Electronic Flight Bag, collaboration on the algae based fuel project and on the IAGOS project.



Recognition in prevention and safety



Coinciding with World Day for Safety and Hygiene, the Mutua Fraternidad–Muprespa presented the 2804 Escolástico Zaldívar awards for Prevention and Safety, in third edition of these awards. During the event, Iberia received second prize in the Large Company category with the project *La simplificación documental como herramienta para la integración efectiva de la prevención en organizaciones complejas*. Telefónica obtuvo el primer premio.



2. Organisational profile



Award for the company's business track record

The Air-Hostess awards, divided into 10 categories, acknowledge the merit of professionals, companies, social organisations and media dedicated to the aviation sector. At the awards ceremony of the 1st Air-Hostess International Aviation Awards Iberia was rewarded for its professional track record.



Punctuality Award

In the 8th edition of the Aviation Awards, Iberia received the award for the most punctual short-haul airline at Brussels airport.

Best customer experience technology project

Contact Center magazine, opinion leader in the technology and contact centre sector, presented Iberia and Nuance the Platinum Contact Center Award for the best IT project of the year in customer experience for its open question project in IVR, headed by the Contact Center Section of the Customer Experience Department, with the support of the Digital Business and Customer Experience area of the Systems Department.

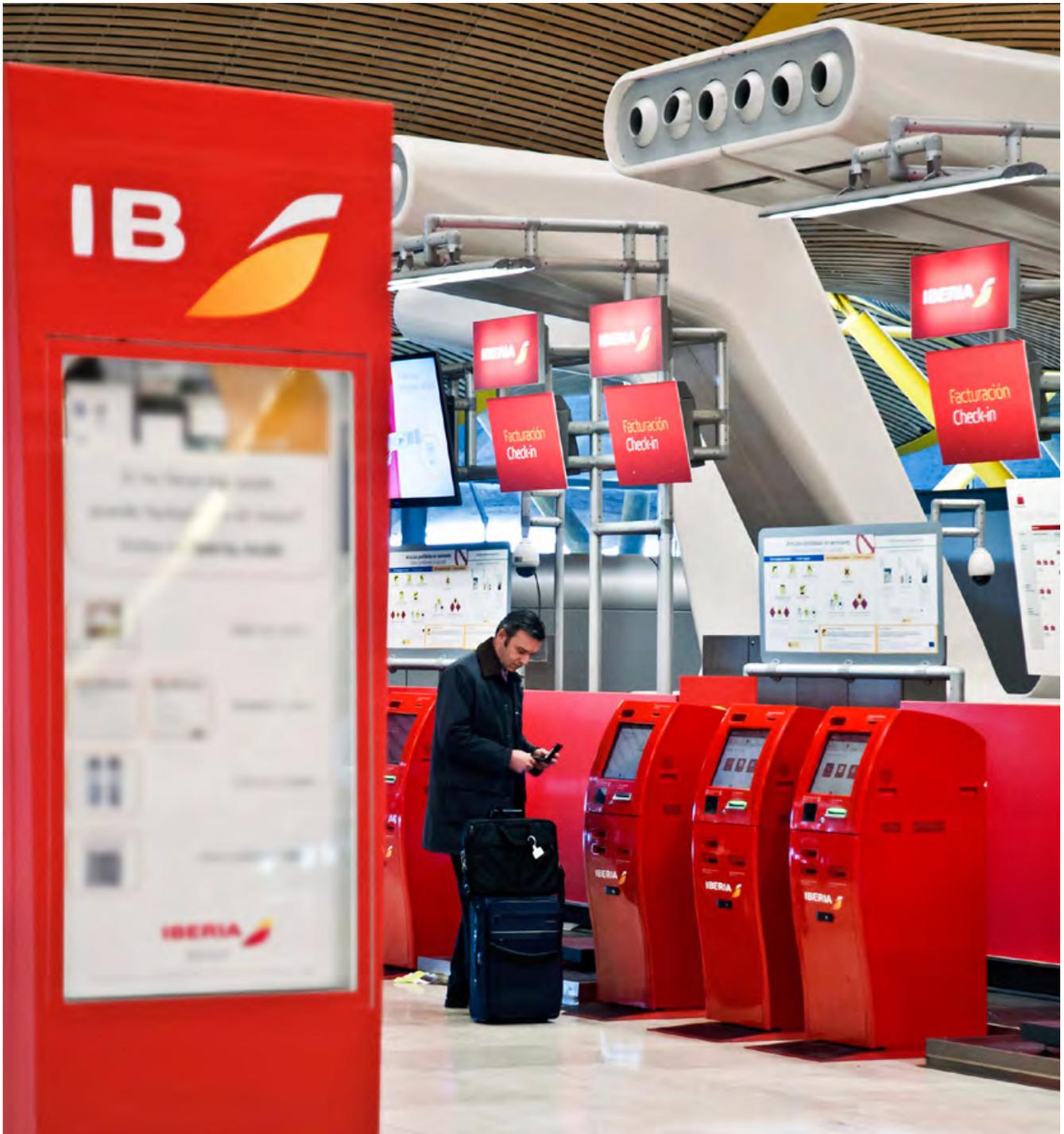
The open question in contact centres is for Iberia (one of the first companies in Europe to implement this technology) a leap forward in optimising and rationalising contact and customer experience through the phone channel, channelling customer queries and operations more flexibility and prioritising those that offer higher value when being served by phone operators.

Luis Gallego, executive of the year

Luis Gallego received the award for executive of the year during the 25th edition of the awards organised by *Ejecutivos* magazine and which also celebrated its 25th anniversary on the same day.

During his speech, Iberia's chairman highlighted the commitment of everyone who works in the Company and who have made its recovery possible. "This award is not mine, it belongs, without a doubt, to Iberia's 17,000 employees who have shown exemplary commitment to the future of the company," he said.





2.10 Memberships of associations

Associations



oneworld

oneworld is one of the three largest world alliances of airline companies in their natural markets.

Since it started it has maintained its vocation of offering its customers a product and service with the highest quality standards. Iberia joined the alliance in 1999, celebrating its 16th anniversary on 1st September 2015. Over these shared years, Iberia has witnessed its expansion.

It reaches over 980 destinations in 150 countries and offers the customer the best services

oneworld is an alliance of 15 front-line companies. In addition to Iberia, it includes Air Berlin, American Airlines, British Airways, Cathay Pacific, Finnair, Japan Airlines, LAN Airlines, TAM Airlines, Malaysia Airlines, Qantas, Qatar Airways, Royal Jordanian, S7 Airlines and Sri Lankan Air, and over 30 subsidiaries.

The companies in the alliance work to offer their customers a unbeatable travel experience, with the highest quality standards and exclusive benefits for frequent flyers, such as the option to earn

and redeem avios/miles across the entire network. Emerald or sapphire frequent flyers can access more than 600 VIP Rooms across the world and also enjoy other benefits, such as higher baggage allowances and priority treatment. Emerald frequent flyers can access fast track security at some airports.



Other organisations

IATA (International Air Transport Association)



Iberia is a member of the International Air Transport Association (IATA), an international organisation that brings together approximately 250 regular airlines, in charge of the vast majority of national and international air traffic. This forum is dedicated to representing the sector internationally, promoting the simplification of operating processes, lowering costs and improving safety. For passengers, IATA is a guarantee of service quality and synonymous

with fair business practices. Iberia has actively collaborated in the association's activities related to Europe, North America and South America.

In September 2015 Barcelona hosted the second edition of the World Financial Symposium, organised by IATA. The event focused on the aviation industry's efforts to contribute to sustained financial health in aviation.

ALTA (Latin American and Caribbean Air Transport Association)



In 2015 the company maintained its participation as an associated member of the Latin American and Caribbean Air Transport Association (ALTA).

ALA (Association of Airlines operating in Spain)



Iberia is a member of the Association of Airlines operating in Spain (ALA) and is represented on the Management Board, the Administrators Committee, the Users Committee and the Safety Committee.

ALA has been functioning for more than 50 years and the vast majority of the regular airlines operating in Spain, both national and international, are members. It currently represents over 70% of the turnover on the Spanish market. Its purposes include overseeing the safety and quality of the services provided by airlines.



Aceta
(Association of Spanish Air Transport Companies)



The company is also on the Management Board of the Association of Spanish Air Companies (Aceta). The company defends the interests of the member companies to the Government and agricultural service providers that affect air transport.

ELFAA (European Low Fares Airline Association)



Iberia, along with Iberia Express and British Airways, joined the European Low Fares Airline Association (ELFAA) in April 2015.

ELFAA defends the interests of the company in Europe and its platform to seek greater liberalisation of air transport

AEA
(Association of European Airlines)



Until April 2015 Iberia was also a member of the Association of European Airlines (AEA). It left due to disagreements with the basic policies of the organisation.



Alliances

Joint Business Agreements benefit both airlines and particularly customers, who have more flight options and more competitive prices. At a time of significant change for the air market, alliances are a major asset for optimising the flight network.

The company has signed different strategic agreements in order to manage the routes operated in certain geographical areas together.

The agreements influence the capacity, schedules, prices, sales

policies and sales conditions, and other variables, resulting in more flight options and a wider sales offering for customers.

Major agreements valid during 2015

Affected market	Partners
MAD-LON	British Airways
Perú and Ecuador	LAN
North Atlantic	British Airways, American Airlines and Finnair



3.

Stakeholder
engagement



Iberia considers identifying the stakeholders and understanding their expectations and needs are essential for guaranteeing business sustainability. In accordance with this strategy the company analyses them to classify them according to their importance for meeting the goals and their capacity to influence the company or be influenced by it.

Iberia's stakeholders are divided into:





3. Stakeholder engagement



The company has approached these groups to assist them and to set out the issues to address. More specifically, it has defined the Corporate Responsibility goals, the communication channels available and the tools to use in relation to each stakeholder.

As a company Iberia will assist stakeholders in relation to the Corporate Responsibility goals

	Breakdown	Goal	Communication Channels	Materiality Analysis
Customers	Airline, airport services and aircraft maintenance customers.	Achieve customer satisfaction with our services. Ensure business sustainability.	- Commercial Communications. - Customer service offices. - Iberia.com - Social Networks. - Call centres. - Claims management. - Events.	- Interviews with key customer service managers. - Complaints analysis.
	Airline associations and alliances.	Defend common interests within the airline industry.	- Direct participation in these associations. - Working groups.	- IATA materiality analysis
Society	Media and society in general.	Maintain permanent interaction with the media. Inform and interact instantly with the digital community.	- Social Networks. - Press Releases. - Corporate Website. - Interviews and meetings with journalists. - Institutional Relations.	- Interviews with External Communications managers. - Centre for Sociological Research studies. - Market study, Madrid Excelente and FTSE4Good.
	Environmental	Protect the environment and our surroundings.	- IAG Annual Report. - Iberia's CR Report.	- Applicable law. - External audits. - Internal and external materiality results.
Regulator	NGOs and social organizations.	Collaborate actively in organizations, especially those related to our employees.	- CSR Communication Channel. - Corporate Website. - Associated NGOs. - Volunteers' information (Intranet).	- Analyse requests from NGOs and foundations.
	Government, AENA, Civil Aviation, ICAO, IATA, national and local governments	Guarantee compliance with the regulations in each area of activity. Maintain a cooperative attitude with regulators in order to help maximize the benefit of regulation for all stakeholders.	- Working groups. - External audits. - Specific press releases.	- Key aspects of applicable regulation.
Employees	EMPLOYEES	Contribute to career development and to employee wellbeing.	- Internal communication channels. - Regular meetings between managers and employees - Grievance mechanisms. - Suggestions box.	- Internal materiality survey. - Workplace Climate Survey.



Suppliers Suppliers and subcontractors	Ensure transparent recruitment processes and maintain a relationship that adds value to all parties. Establish and promote responsible procurement.	- Supplier management systems.	- Interviews with service procurement managers.
Accionistas -IAG shareholders. -Market analysts.	Transmit transparently all relevant corporate and financial information. Fulfil the obligations of corporate governance.	- Shareholder and investor relations office. - Shareholders' Meeting. - Board of Directors. - Quarterly and annual reports. - Market presentations. - IAG website.	- Responsible investing criteria. - Key issues addressed in the Shareholders' Meeting. - Corporate Governance Duties, dependent on the Board of Directors.

Not all stakeholders participate directly in the preparation of this CR Report, but all their opinions are taken into account and in some cases, they are informed of the contents in case they

have any comments or contributions to make before the report is published.





4.

Material aspects
and boundaries



Iberia has followed the recommendations of the Global Reporting Initiative (GRI) to prepare the materiality analysis. The sources are those stated in the previous point.



4. Material aspects and boundaries



Result of the material aspects for each stakeholder

Stakeholder	General aspect	Specific aspect	CR Report section
Customers Airline, airport services and aircraft maintenance customers.	Product responsibility	<ul style="list-style-type: none"> - Products and service categories where safety and health impacts are evaluated. - Customer satisfaction surveys. 	12. Product responsibility
	Economic aspects	<ul style="list-style-type: none"> - Iberia's economic performance. - Company's market presence/weight. - Development of investments and indirect economic impacts. 	7. Economic performance
	Employees	<ul style="list-style-type: none"> - Employee training programmes. 	9. Social performance
Airline associations and alliances.	Environmental	<ul style="list-style-type: none"> - CO₂ emissions and other polluting emissions. - Effluents and waste generation. - Our products and services. - Fines and sanctions for environmental non-compliance. 	8. Environmental
	Product responsibility	<ul style="list-style-type: none"> - Products and service categories where safety and health impacts are evaluated. 	12. Product responsibility
Society Media and Society in general.	Employees	<ul style="list-style-type: none"> - Employees (hiring, welfare benefits, etc.) - Company/employee labour relations. - Composition of the workforce (diversity and equal opportunity). 	9. Social performance
	Product responsibility	<ul style="list-style-type: none"> - Products and service categories where safety and health impacts are evaluated. - Customer satisfaction surveys. - Products subject to public debate or banned. - Substantiated complaints regarding customer privacy and data. 	12. Product responsibility
	Economic aspects	<ul style="list-style-type: none"> - Iberia's economic performance. - Company's market presence/weight. - Development of investments and indirect economic impacts. 	7. Economic performance
	Environmental	<ul style="list-style-type: none"> - Impacts of our operations on biodiversity. - CO₂ emissions and other polluting emissions. - Effluents and waste generation. - Our products and services (environmental impacts). - Environmental assessment of suppliers. 	8. Environmental







4. Material aspects and boundaries



Stakeholder	General aspect	Specific aspect	CR Report section
Society NGOs and social organizations.	Society	- Centres with development programmes for the local community.	11. Society
	Human Rights	- Agreements and contracts containing Human Rights clauses and employee training in this matter. - Operations and suppliers at risk in terms of child labour.	10. Human Rights
	Employees	- Composition of the workforce (diversity and equal opportunity).	9. Social performance
Regulator Government, AENA, Civil Aviation, ICAO, IATA, national and local governments	All	- Complaints and claims on environmental matters. - Grievance mechanisms - Complaints about human rights through formal grievance mechanisms. - Significant fines and sanctions for legal violations. - Fines and sanctions related to the provision and use of the company's products.	Various
	Employees Employees	Employees	- Employees (hiring, welfare benefits, etc.) - Company/employee labour relations. - Protection of employees' health and operating safety. - Employee training programmes. - Composition of the workforce (diversity and equal opportunity).
Corporate Governance		- Company management. Decision-making system.	6. Corporate governance
Suppliers Suppliers and subcontractors	Economic aspects	- Iberia's economic performance.	7. Economic performance
	Environmental	- Environmental assessment of suppliers.	8. Medio ambiente
Shareholders IAG shareholders. Market Analysts	Gobierno corporativo	- Company management. Decision-making system.	6. Corporate governance
	Economic aspects	- Iberia's economic performance. - Company's market presence/weight. Development of investments and indirect economic impacts.	7. Economic performance
	Environmental	- Energy consumption in the development of operations. - Water consumed and recycled. - Impacts of our operations on biodiversity. - CO ₂ emissions and other polluting emissions. - Effluents and waste generation. - Our products and services (environmental impacts).	8. Environmental
	Society	- Centres with development programmes for the local community. - Measures taken by Iberia to combat corruption.	11. Society



Employees are the only stakeholders who have directly participated in the materiality analysis. In addition, existing records and databases showing the company's daily dealings with these stakeholders were analysed and interviews were held with the main managers of the activities directly related to them.

This analysis will be updated annually to ensure that the company is aware of the material aspects of its stakeholders and manages its Corporate Responsibility on the basis thereof.

With regard to the sustainability goals, in 2016 we will analyse the existing methodology with a view to engaging the direct participation of more stakeholders.

{ Points 6-12 of this report will analyse materiality according to the nature of the information





5.

Perfil del

Informe de RC



Every year, Iberia prepares its Corporate Responsibility Report in order to strengthen ties with stakeholders.

The report reflects the commitment transparently and aims to serve as a tool for meeting the information expectations of the different stakeholders of the company, in terms of economic, social and environmental management.

} A tool that brings us closer to our stakeholders



5. CR Report profile



By publishing this report, Iberia complements the financial and corporate governance information presented in the Shareholders' AGM. IAG Annual Report 2015. 

The report is available on IAG's website, along with editions from previous years

Iberia has extensive experience in publishing this type of report. The first report was published in 1994 in order to give an account of its sustainability commitments from an environmental standpoint. Since then it has been reporting information on Corporate Responsibility for the different stakeholders.

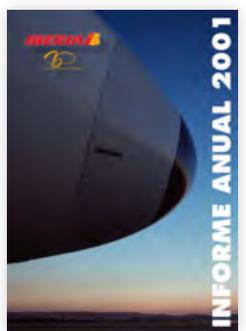
In 1994 Iberia published its first Report on the environment

In 2014 it went a step further and tackled a new challenge: follow the criteria set out in the G4 Guidelines, published by the Global Reporting Initiative (GRI), for preparing extensive sustainability reports. This model also inspired the 2015 report with the certainty that it will increase the interest of its content to stakeholders.

The report follows the G4 Guidelines criteria for preparing sustainability reports

In order to prepare this report information was gathered for the period 1st January to 31st December 2015. The report covers all of Iberia's activities and prioritises material information, without omitting relevant information.

If there are any variations in the scope and cover of the information, they have been indicated within the report. This year there have not been changes in the formula used for calculating the data provided compared to previous reports.







6.

Governance



Materiality

Main stakeholders for whom governance is material:

- > Shareholders or investors
- > Society in general
- > Employees

Main material aspects in order of importance:

- > Society management
- > Decision-making system
- > Ethics and integrity



6.1 IAG – Iberia governance structure

Corporate governance is the set of practices governing and controlling relationships among a company’s stakeholders, such as relationships between Shareholders, the Board of Directors and Executive Management and processes through which these three bodies interact, manage and monitor the future of the company are set out.

Corporate Governance also responds to the demands of the company’s social environment, adhering to the use of good

Representation of corporate governance in IAG and Iberia



social and environmental practices, with special attention to legal and regulatory requirements. In this regard, IAG complies with the applicable legal provisions on corporate governance in the United Kingdom (UK Corporate Governance Code) and Spain (Good Governance Code of Listed Companies).

The bodies involved in corporate governance include the boards of directors of IAG and Iberia, which are responsible for defining the goals and strategies, including approving the general policy lines, preparing the programmes and defining the priorities for carrying out the business activity, as well as promoting and supervising management and fulfilment of the goals established.

The Board of Directors takes note of and approves the Corporate Responsibility report, after reviewing it and presenting it to the Management Committee.

More details on the duties, goals and functioning of corporate governance are available on the IAG website

The many duties of the Board of Directors include approving the business plan and annual budgets; the financing policy and structure; the risk management and supervision policy and the corporate social responsibility policy, in addition to regularly monitoring internal information and control systems.

Iberia is committed to the duties of Corporate Responsibility undertaken in the role performed by various areas of the company.

The duties delegated to each area are detailed in the section on Iberia's CR Policy. [\(Section 2.7\)](#)

The Articles of Association and regulations applicable to the management of these governing bodies are published in the corporate governance section of the IAG website. IAG's Annual Report also contains information on the remuneration policies, the Board diversity policy and other aspects of corporate governance.

Communication with shareholders

The relationship between IAG and the shareholder is essential for the Iberia Group. For this reason, there is a specific area in charge of developing the consultation processes between shareholders and the senior governing body for economic, environmental and social issues.

The different stakeholders (shareholders, analysts, investors, etc.) can check the IAG website for regularly updated economic and financial information.

Shareholders are called to the IAG Shareholders' Annual General Meeting where the managers present the Group's results (annual report and directors' report). In this way, IAG meets its obligation to inform this group.

From these meetings it was deduced that one of the aspects about which shareholders demand more information is remuneration. IAG addresses this issue in the Annual Report and in the specific remuneration report required by the Spanish National Securities Market Commission (CNMV). Similarly, in view of our activity, environmental issues are always of the utmost interest for our shareholders, especially regarding emissions and aircraft fuel consumption efficiency.

Nominations and remuneration policy

The nominations and remuneration policy is the responsibility of the Nominations Committee and the Remunerations Committee, respectively, which report to the IAG Board of Directors.

The terms of reference of this Nominations Committee are set out in the Regulations of the IAG Board of Directors.

The IAG senior executive remuneration policy is public and published on the Group's website

With regards to remuneration, the goal of IAG is to offer global pay packages that are competitive with respect to the market average, which are linked to the business strategy and consider the duties, skills and contribution of each person. Full details can be found in IAG's Annual Report.

Diversity on the Board

The diversity policy of the IAG Board of Directors was approved on 18th June 2014.

IAG is a group committed to the value of diversity and non-discrimination, and this is reflected in the Board's determination to have governance bodies with a diverse composition.

More information about Iberia's diversity data (ratio of men to women holding senior positions) is available in the equal opportunity section of this report.



IAG diversity data for 2015

	No. directors	No. non-executive directors	No. women
IAG Board of Directors	9	8 (88%)	3 (33%)
Iberia Board of Directors	8	0 (0%)	1 (12%)

Iberia diversity data for 2015

	No. members	No. women
Iberia Management Committee	11	2 (18%)

Conflicts of interest

Reputation is an essential aspect of business that is closely linked to customers' and the market's image of the company. Therefore, it is important to identify, control and prevent conflicts of interest. In this respect, IAG has established policies to make sure that there are no conflicts of interest within its governing bodies.

The directors' obligations are defined in the Board of Directors Regulations. The Annual Report analyses fulfilment of these regulations

To comply with this policy, all IAG employees, including Iberia, are bound by the Securities Code of Conduct, which sets out the rules of conduct follow.

Iberia Group also has a Code of Conduct, which regulates the conduct of Iberia directors, executives and employees when carrying out their duties and in their business and professional relationships. The code stipulates that they should prevent any

personal or family interests from interfering in the decisions, activities, services or advice taken, performed or provided on behalf of Iberia Group.

In 2015, as in the previous year, no conflicts of interest were detected in the performance of duties of Iberia’s Board of Directors or Management Committee.



6.2 Risk management

One of Iberia's priority goals is to identify the most significant risks to the company and assess their economic impact, probability and time horizon. To do this, we have the IAG Audit and Compliance Committee. Its main duty is to supervise the effectiveness of internal control of the different group companies. Through its management, control activities are implemented in order to mitigate or eliminate the impact of risks and achieve the goals set.

Iberia reports to the Audit and Compliance Committee through the Business Risk Management System

In addition to the supervision of the Committee, quarterly reports are compiled for Iberia's Board of Directors and Management Committee in order to identify and manage the impacts, risks and opportunities detected through the Business Risk Management System.

Iberia's Board of Directors and Management Committee perform the duties of identifying and managing economic, environmental and social business risks.

In order to guarantee compliance with the Good Governance recommendations of Spain's National Securities Market Commission and the UK Good Governance Code, self-assessment sessions

on Iberia's Business Risk Management System are held.

Further information on the main risks affecting the achievement of the group's goals can be found in the IAG Annual Report 2015.

6.3 Internal and external audit

The transparency requirements of the securities markets are an important issue for providing security to the reliability of financial information. For this reason, and as set out in the financial reporting internal control policy, Iberia has monitoring systems based on the reference framework established by the CNMV.

These internal control systems are configured around a protocol of processes that must be followed by the Board of Directors, the Audit and Compliance Committee, Senior Management and the staff involved.

To support this effort, Iberia has an Internal Audit Department, which is responsible for independent, objective assurance and consultancy.

6.4 Ethics and integrity

Iberia has a Code of Conduct setting out the general guidelines that must govern the conduct of Iberia's directors, executives and employees when carrying out their duties and in their business and professional relationships, acting in accordance with the laws of each country and respecting the ethical principles of their respective cultures.

The code of conduct, which is published in English and Spanish, is one of the pillars of Iberia's crime prevention programme





To guarantee knowledge and compliance with it, various activities are carried out for employees, suppliers and intermediaries. This guarantees that all involved are aware of the principles that govern the conduct of Iberia and its employees in relation to third-parties.

3,000 employees have received online training on the Code of Conduct

In 2015 IAG published the Supplier Code of Conduct, which is applicable to the supply of goods and/or services to either IAG or any IAG company. This code reflects the values IAG demands from its suppliers:

- > Act with honesty and integrity at all times in all our business dealings.
- > Provide a safe working environment where employees are treated with dignity and respect.
- > Seek to minimise and reduce our impact on the environment.
- > Provide supply chain transparency and improve supply chain standards.

In addition, all Iberia employees are bound by the Securities Code of Conduct published by IAG and anti-corruption laws, described in the corresponding section of this report. 🔍

6.5 Grievance mechanisms

Several tools are available to Iberia Group employees to get advice and solve any incident that they may observe.

Employees can contact the compliance area directly

There are also grievance mechanisms handled by an external service provider to guarantee total confidentiality.

All reports are analysed and a Reports Monitoring and Assessment Unit, consisting of Senior Managers of the company, is informed in order to review them and take decisions.

The company firmly undertakes not to take any disciplinary action against the employee who, in good faith, reports a grievance.





7.

Economic
performance



Materiality

Main stakeholders for which economic performance is material:

- > Shareholders or investors
- > Society in general
- > Suppliers

Main material aspects in order of importance:

- > Iberia's economic performance
- > Company's market presence/weight
- > Development of investments and indirect economic impacts



Iberia Group posted an operating profit of 247 million euros, compared to 55 million in 2014

7.1 Economic figures

This point summarises the main economic data demanded by GRI4. For more details of the economic results of the year and the risks and opportunities that may affect them, we recommend reading the IAG Annual Report.

Economic value generated and distributed

Iberia's main contribution to economic and social development is defined by the impacts it has directly or indirectly on the different stakeholders.

Iberia's business activity generates a major economic impact, which directly favours society.

Direct economic value generated (millions of €)	2015
Recurring operating income	4,209
Operating income (including non-recurring)	4,729
Financial assistance received from governments	0*

* 2.2 million grants for training received from governments, 2 million deductions R&D.

Direct economic value distributed (millions of €)	2015
Operating costs (including non-recurring)	4.197
Employee wages and benefits	912
Company's total contribution to pension plans	21
Total amount paid in National Insurance	179
Airport or Air Navigation taxes	326
Taxes paid	466
Donations (cash)	0.09
European investments	0



Business activity

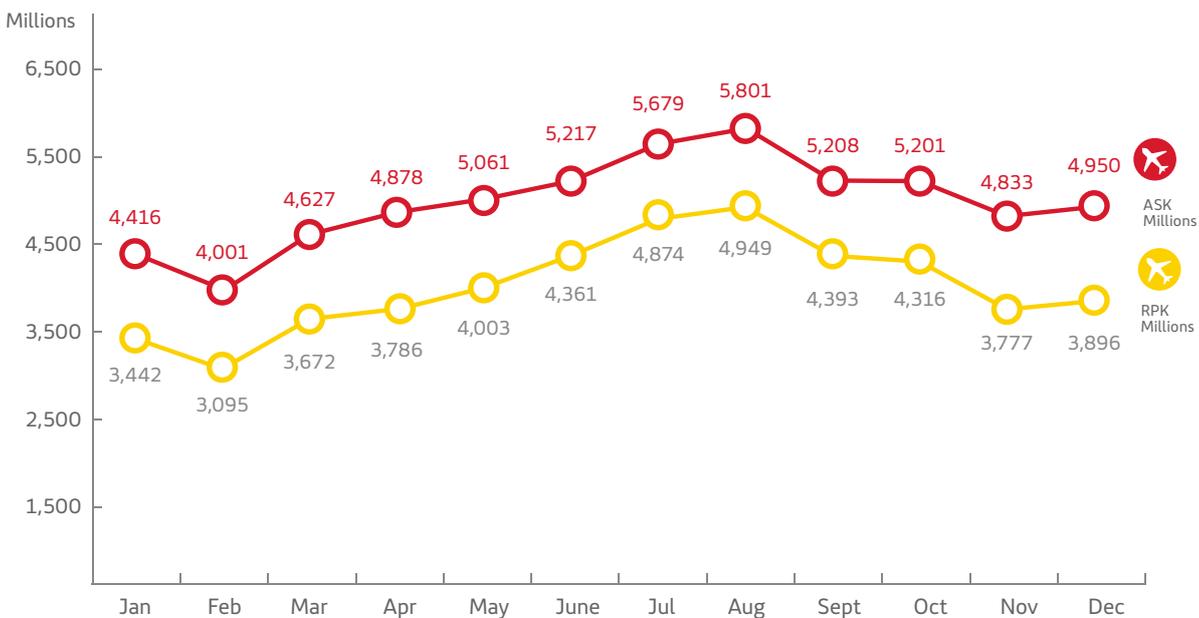
Iberia Group's activity in 2015 shows a growth trend, in terms of both offer and demand. The results of the Future Plan, which implemented efficiency measures in all areas of the company, allowed us to make a more competitive offer, recover routes closed in previous years and open new routes.

The evolution of the main indicators is as follows:

		2015	2014	%
RPK (millions)	Revenue Passenger Kilometre (Demand)	48,569	42,690	+13.8%
ASK (millions)	Available Seat Kilometres (Offer)	59,878	54,321	+10.2%
CTK (millions)	Cargo Tonne Kilometre (Demand)	1,057	999	+6.0%

These indicators are the production units that measure the offer and demand of an airline and are used to standardise this data with that of other companies, with different aircraft, different capacities and different routes.

In 2015 Iberia reported a load factor of 81.1%, 2.5 points up on last year





7. Economic performance



At market level, international load factors reported an upward trend during the year.

Market	No. of Destin-ations	% of the total of Iberia's activity (measured in ASK)
Europe	52	20%
Domestic	32	9%
Latin America	19	54%
Africa and Middle East	11	4%
United States	5	13%

As you can see, 54% of Iberia's capacity, measured in available seat kilometres (ASK), is on flights to and from Latin America.

Iberia operates an average 250 flights a week to 20 destinations in 16 Latin America countries, making it the leader between Europe and Latin America.

In terms of domestic activity, Iberia is second with 27% of total activity (also measured in ASK). The market leader, with a 29% share, is Vueling, which is also an IAG company.

In terms of presence in the Madrid hub, Iberia accounts for 41% of the airport's total activity (measured in ASK).



7.2 Innovation management

Iberia maintains its commitment and active involvement in innovation projects, in accordance with the strategy promoted since 2001.

Iberia has consumed considerable resources in R&D+i management (Research & Development + innovation), and it participates in the negotiations to obtain financial assistance to achieve a better return on projected investment, despite the changes concerning financial assistance.

{ A total of 28 R&D+i projects were managed during 2015

A total of 28 projects were managed in 2015, including tax incentives and direct financial assistance, with a strong technological component and classified as R&D+i by independent experts.

The total amount exceeded 25 million euros. As in previous years, tax savings represented a significant part of the return on investment achieved. The amount deducted for 2015 was over 2 million euros.

In terms of public financing, in 2015 funds from the Centre for the Development of Industrial Technology (CDTI) were obtained in order to implement projects classified as research and development projects, which acknowledges its technological importance. These are the following:



> **COMINPRO15.** New Integrated Platform of Joint Sales and Loyalty Service for Airlines. It aims to develop various technological systems (NGS and CIP) integrated in a shared platform to support the creation of new joint sales and loyalty programmes for SMEs.

> **HANDCONC15.** Development of a Joint Airport Handling and Customer Relations Communication System through multiple technological platforms, software and applications that permit greater efficiency and comfort in passenger flow in airports, as well as generating joint multi-management operations and optimising internal communication processes.

> **INTERNDC15.** Creation of a New International Communications Protocol between Agents and Airlines

according to NDC and the development of the technological tools necessary to standardise the language of communications between airlines and travel agents.

> **OPERCAEF15.** Design and development of operational management processes by reengineering systems and digitalising strategic tools, which includes a new system for simplifying crew management processes, new systems for engineering and maintenance planning and digitisation of the cabin and flight bag to access information via a single platform using tablets.

In total, with an expenditure of 9.5 million euros, 3.75 million euros in financing was obtained, in the form of a soft loan, with a non-refundable tranche of over 750,000 euros.



8.

Environmental



Materiality

Main stakeholders for which the environment is material:

- > Shareholders or investors
- > Society in general
- > Associations
- > Employees

Main material aspects in order of importance:

- > Environmental impacts of our products and services
- > CO₂ emissions and other polluting emissions
- > Environmental assessment of suppliers
- > Impacts of our operations on biodiversity
- > Effluents and waste generation



For years protecting the environment has been one of the corporate priorities of Iberia.

The company constantly strives to achieve a sustainable balance between the development of its activities and its environmental impact

Iberia's business activities (passenger and cargo transport, aircraft maintenance and airport services) have environmental impacts, consume materials and energy and generate waste and effluents.

To guarantee that these impacts are controlled, the company defines and updates a series of measures, including the implementation of environmental management systems; training, motivation and environmental awareness of its employees; periodic internal controls and audits; and collaboration and participation in environmental affairs along with its stakeholders.

8.1 Consumption summary

Internal energy consumption

The company's total internal energy consumption is 64,459,044 Giga-joules, 99% of which are consumed in flight operations, which use aviation kerosene (Jet-A1) as fuel. The rest of the energy is consumed in ground operations, through electricity, natural gas, petrol and different types of diesel consumption.

Commercial aviation fuel (Jet-A1) has very specific characteristics (high freezing point of minus 47 degrees centigrade, high thermal stability, etc.) and there is currently no economically and logistically viable alternative to it. Although specific biofuels for aircraft are available, such as those produced with energy crops (camelina, jatropha or algae) or from the treatment of different types of waste, their high production costs and other technical impediments make them unviable in the short term.

In this respect, Iberia is participating in collaboration with Aena (the Spanish Airport and Air Navigation Authority) and the firm Alga Energy in a pilot project for obtaining biofuel from algae, which are cultivated and processed in a

greenhouse installed at Adolfo Suárez Madrid-Barajas Airport.

In 2015 total electricity consumption (295,861 GJ) was reduced by 3.5% across the company. The reduction in electricity consumption was largely due to implementing energy savings policies, which includes a series of initiatives to reduce energy consumption and the company's carbon footprint.

Iberia received the most ecological operator award for various initiatives and savings and efficiency projects

Heating and air-conditioning consumption, which amounts to 216,366 GJ, remained stable throughout 2015, although production increased compared to the previous year. These improvements are a result of the initiatives already implemented, such as the reduction of the air conditioning timetables and modification of the comfort level temperature in both summer and winter.

Energy consumption outside the company

For energy consumed outside the company the energy used in catering

services and transport of its employees were considered. The total amount is 19,993 GJ.

The type of fuel considered was diesel A, consumed by catering vehicles and the fleet of buses used to transport employees to the La Muñoza industrial park. The calculation is based on the data reported by the catering company and in the case of road transport, by estimating the average consumption of each bus and calculating the number of kilometres travelled per route.

Energy intensity

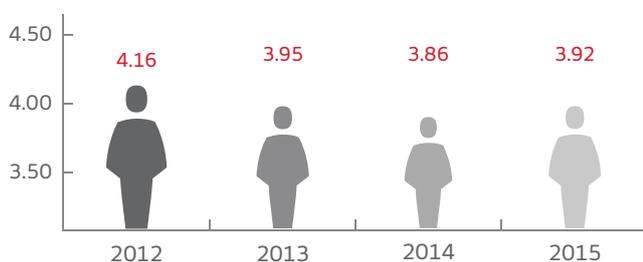
The energy intensity of flight operations is measured in grams of CO₂ emitted per passenger carried.

This data is calculated based on the litres of fuel used by the company during the year, converted to kilograms and converted to emissions (1 kg of kerosene equals 3.15 kg of CO₂), and divided between the data on tonnes per kilometre carried (standard measurement in the aviation sector), which are calculated taking into account the distance of the route, the weight of the passengers (distinguishing, babies, children and adults), baggage and cargo carried. In 2015, the company reached an energy intensity of 87.92 grams of CO₂ per passenger carried, 1.90% lower than in 2014, considered the base year. Energy



intensity in ground operations is measured in tonnes of CO₂ emitted per employee. The different scopes of emissions are calculated (see the ground operations emissions section) and divided between the total employees in the company. In 2015, emissions reach 3.92 tonnes per employee, a similar figure to the previous year.

Emissions per employee TN of CO₂ per ground operations employee



Water consumption

Energy intensity in ground operations is measured in tonnes of CO₂ emitted per employee. The different scopes of emissions are calculated (see the ground operations emissions section) and divided between the total employees in the company. In 2015, emissions reach 3.92 tonnes per employee, a similar figure to the previous year.



8.2 Biodiversity: protection of endangered species

Iberia collaborates closely in the protection of endangered species and does not permit the carriage of these animals on its flights. Similarly, we help different institutions that promote the protection and conservation of endangered species and participate actively in returning unlawfully removed animals to their natural habitats. As an example of this commitment, in 2015 and for the sixth year in succession, Iberia collaborated with the project organised by Fundación Migres for the recovery of these species.



Carla and Tiago, two Spix's macaws, fly home with Iberia Group

Carla and Tiago, two Spix's macaws that were born in captivity in Brandenburg in 2014, flew from Berlin to Madrid with Iberia Express, where they boarded flight Iberia IB6827 to Sao Paulo. The animals flew in the passenger cabin accompanied by their keepers.

Carla and Tiago are part of a project by the German association ACTP to release these endangered birds into their native habitat in 2021. There are only 93 specimens of this species in existence and all of them live in captivity.



8.3 Climate change: emissions

In 2015 the Sustainability Department was created in IAG, which will be responsible for defining the climate change strategy for the coming years and setting CO₂ emissions reduction targets for each operator. In this respect, aware of the importance of the fight against climate change for the well-being of society, Iberia's main environmental target is to reduce CO₂ emissions as a way of achieving sustainable and efficient growth.

In 2015 the company emitted 5,271,562 tonnes of CO₂ in its flight and ground operations, 18.95% more than the previous year, calculated according to the methods established in the Kyoto Greenhouse Gas Protocol. The measures included in the Company's strategy to reduce these emissions are described below:



Flight emissions

Flight emissions

At the end of 2015, the average age of the company's fleet was 10.23 years. During the year, the company took delivery of two A319 aircraft and one Airbus A330-200, used on long-haul international routes, which have latest generation technology to optimise fuel consumption and reduce CO₂ emissions, resulting in final kerosene savings per aircraft of 15% (according to manufacturer's specifications) compared to the Airbus A340-300 they are replacing.

The Fuel Efficiency Support Group, involved with the environment

The Fuel Efficiency Support Group (GSEC) studies projects that help save fuel. Furthermore, in 2015 it published a fuel efficiency guide and carried out various initiatives to highlight the importance of operating aircraft efficiently.



Other measures

In 2015 Iberia continued to apply other measures to reduce fuel consumption and, therefore, CO₂ emissions, such as establishing a Fuel Efficiency Support Group (GSEC) within the Flight Operations Department with voluntary pilots from the different fleets in order to document, debate, develop and publicise fuel-saving initiatives by implementing good practices.

- Reducing use of the Auxiliary Power Unit (APU), used to provide the aircraft with the energy it needs for start-up. This initiative involves fostering maximum use of the ground facilities for both electricity and air conditioning to avoid starting up the APU early. Permanent coordination with the Ground Operations Department has been established to make sure that aircraft are connected to the facilities according to existing contracts.

➤ Other measures include optimising the fuel management system (FMS), seeking the optimum flight level using the Nimbus flight plan system; optimising fuel consumption by improving the policy of closest alternative airports, operating conditions permitting; and the planned reduction of fuel for use of the APU on the ground, adjusting it to the current situation.

Ground emissions

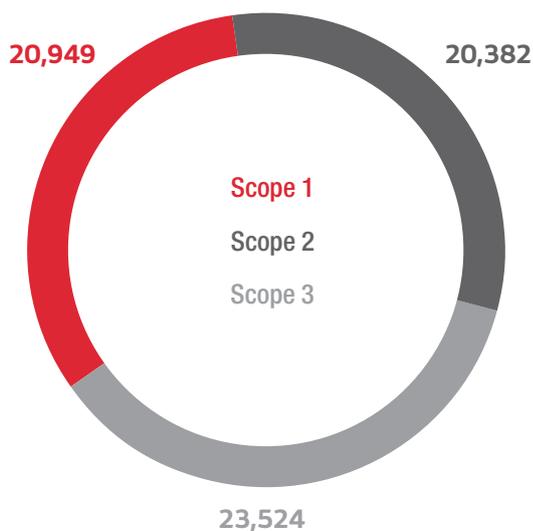
Inventory of ground emissions

The greenhouse gas emissions from Iberia's ground operations account for approximately 1% of the total generated by the company. These emissions can be classified into:

➤ **Direct emissions (Scope 1).** In our case these are emissions from boilers and diesel and natural gas generators; as well as emissions from petrol and diesel vehicles used for aircraft handling tasks. These emissions reached 20,949 tonnes of CO₂.

➤ **Indirect emissions (Scope 2).** Emissions produced during power generation (by different means) used in the company's facilities. These reached 20,382 tonnes.

CO₂ emissions by scope in ground operations (Tn CO₂)



➤ **Other indirect emissions (Scope 3).** Emissions produced by the catering services, by the employee transport routes and the other means of transport used to travel to work. These emissions reached 23,524 tonnes of CO₂. These emissions are estimated, owing to the difficulty of calculating them as the company does not directly control them.

In 2015 direct emissions accounted for 32.3% of the total emissions from ground operations; indirect emissions accounted for 31.42% and the rest corresponded to other indirect emissions (Scope 3).

8.4 Local air quality and noise

In addition to CO₂, Iberia must consider its emissions of other gases and noise corresponding to aircraft landing and take-off manoeuvres at altitudes of less than 900 metres (3,000 feet), called LTO cycles (Landing Take Off). These manoeuvres include approach, landing, take-off, climbing and taxiing of aircraft, when nitrogen oxides (NO_x), carbon monoxide (NO) and unburned hydrocarbons (HC) are emitted.

The standards for emissions of gases such as nitrogen oxide (NO_x) and noise are set by the International Civil Aviation Organisation (ICAO), which is responsible for establishing the maximum emissions of these gases and noise levels for aircraft.

Iberia's fleet fully complies with ICAO NO_x standards (CAEP 1 and 2). With regard to the good practices defined in CAEP 4, its fleet complies 90.8%. Although the most restrictive standards (CAEP 6 and 8) are not applicable to the company's aircraft engines, their level of compliance has been analysed as a good practice exercise and 68% and 25% were achieved, respectively. In the coming years this percentage is expected to rise when the new A-330 and A-350 fleet is introduced.

In terms of noise, in 2015 the situation of Iberia's fleet compared to the corresponding noise standard (Chapter 3) reflects full compliance. In Chapter 4 the fleet reached 42% compliance.

To mitigate the impact of noise in its operations, the company



complies with the operating procedures set out by the Spanish Civil Aviation Authority, making limited use of auxiliary engines in airports, reducing the use of brakes by using the thrust reverse technique and following the routes established by air traffic control for arrival and departure at airports. In addition, in 2015 the company introduced new landing procedures for the short and long haul fleet in order to reduce their impact.

8.5 Effluents and waste

The water used at Iberia's industrial facilities in Madrid is treated at two Wastewater Treatment Plants (EDAR), an industrial wastewater treatment plant which discharges into the Las Rejas Stream with a volume of discharge of 1,317 m³ and an urban wastewater treatment plant which discharges into the River Jarama with a volume of discharge of 71,971 m³. The other facilities use the airport wastewater treatment plants or the mains wastewater treatment plant, in the case of the company's head offices in Madrid. All the discharge parameters of these effluents comply with the limits stipulated by the Integrated Environmental Authorisation in industrial areas and the parameters stipulated by the airport and mains wastewater treatment plants.

In terms of waste production, the situation is as follows:

- > Iberia produced 1648.35 tonnes of municipal solid waste (MSW) in industrial areas, in airport activities and cargo handling.
- > In relation to hazardous waste, 790 tonnes of different types of hazardous waste were produced. The industrial areas, where the MRO operations are carried out, produced 660 tonnes, airport services 127 tonnes and cargo handling 3 tonnes. This waste was delivered to authorised waste management companies, which define the elimination method. Of the total volume, 1.38% was reused, 10.94% was recycled, 23.5% was used in waste to energy and 64.18% was placed in safe landfills.
- > With regard to catering waste on aircraft, in 2015 Iberia continued participating in the IATA Cabin Waste working group, which studies the current situation of all the waste generated on board aircraft, examines the best practices in its recycling and manages and implements pilot experiences on some flights to gather information. The ultimate goal is to develop integral management of this type of waste.



8.6 Environmental management

In 2015 Iberia's CO₂ emissions monitoring and reporting system for its European flights and ground operations (industrial areas) was audited by AENOR, according to the European emissions allowance system.

Iberia's fleet also complied with the international environmental standards established by the International Civil Aviation Organisation (ICAO) on noise emissions and air quality below an altitude of 900 metres in the vicinity of airports.

In its ground activities the company identifies and assesses its environmental aspects and establishes its level of impact. Iberia develops its management strategy in accordance with this assessment. The company has externally certified environmental

systems management and internal management systems and specific procedures that cover all of the activities related to the environment.

The Integrated Quality and Environment System of Iberia's airport services has been certified by AENOR, under ISO 9001 and ISO 14001, respectively. It is a single integrated system that encompasses all of the operations of over 30 stations across the national airport network. Iberia also has a management system for its MRO operations in Madrid and Barcelona certified under ISO 14001, one of the broadest certifications awarded by AENOR in terms of surface and the variety of environmental aspects covered. These certifications require a huge effort in terms of staff and resources, as they demand environmental analysis, adequate documentation, training, awareness and preparation of facilities, and internal and external audits, as well as other aspects.

Environment-related spending totalled 9 million euros. This amount can be broken down into environmental repairs and conservation (one million euros), employee costs associated with environmental management (1 million euros), emissions allowances (six million euros) and environmental tax (one million euros). In addition, environment-related investments in property, plant and equipment totalled three million euros. In 2015 the company did not have any environment-related grievances or fines.

The degree of mitigation of the environmental impact of its goods and services and their packaging is not applicable to air transport. Nevertheless, issuing electronic tickets and boarding cards in both passenger and cargo services and waste management in ground operations have led to considerable savings in resources.



Iberia works jointly with its main service providers to reduce environmental impacts within the supply chain. Most of our suppliers are included under Iberia's environmental certification (ISO 14001) or have their own certified environmental management systems. These systems assess the real and potential environmental aspects and establish controls to mitigate them.

In 2015 Iberia also updated its internal environmental risk map and implemented a supplier environmental rating system, nationally and internationally, to rate the environmental impacts of suppliers and establish priority levels with respect to environmental risk.

8.7 Environmental projects

IAGOS (In-service Aircraft for a Global Observing System)

The IAGOS project, included within the European Strategy Forum on Research Infrastructures, consists of fitting long-haul aircraft with scientific instruments to analyse the chemical atmospheric composition (H_2O , O_3 , CO , CO_2 , NO_x) and air particles (aerosols and clouds), assessing air quality at certain altitudes throughout the world.

Iberia is the first Spanish airline and the third in Europe to collaborate on a scientific project of this scale, having been selected to form part of the project as the leading company in the Europe-Latin America market. A measuring device is installed on one of our Airbus A340 aircraft, analysing the atmospheric composition at high altitudes and above the Atlantic Ocean.

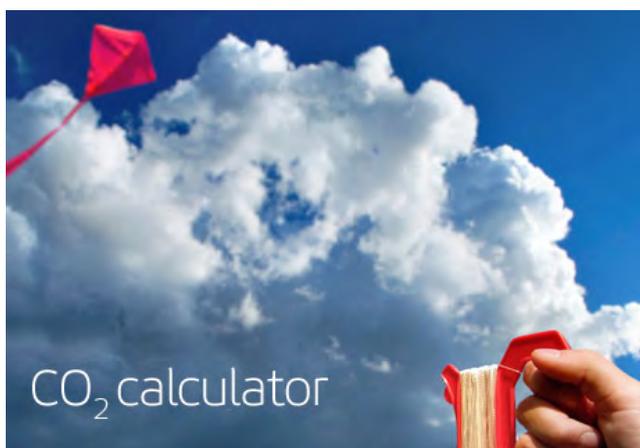
In 2015 this aircraft, registration number EC-GUQ, made its first flights (334 in total) to different destinations in Latin America and Central America. This enables long-term observations and, at the same time, provides almost real-time information for the weather services.

These measurements can be used to make more accurate predictions of the weather conditions in the future and help decide what policies should be adopted to combat climate change.



CO₂ calculator

In its strategy to combat climate change, Iberia provides information to customers and employees about the carbon footprint of their trip. A CO₂ calculator is available at Iberia.com and on the company's website to estimate carbon emissions by journey.



Additionally there is a possibility of making a voluntary donation to assist in the conservation and sustainable management of natural spaces located in areas close to some Spanish airports.

Biofuel from microalgae

Iberia participates with AENA (the Spanish Airport Authority) and the company Alga Energy in a project for producing biofuel from microalgae. The microalgae are cultivated at an experimentation technological plant next to Madrid-Barajas Airport.

The centre researches, experiments with and finds ways to improve the technologies for capturing CO₂ and cultivating microalgae, used to produce biomass, from which biofuels are then obtained. The plant can produce between three and four tonnes of biomass a year.

{ One hectare of algae captures the same amount of CO₂ as 33,000 trees over 22 hectares

Iberia uses the La Muñoza treatment plant for subsequent use as feed for cultivating these organisms. In the near future Iberia will also supply CO₂ from its engine mount test facilities. The goal of this participation is to promote the production of biofuels that will help reduce the CO₂ emissions generated during operation of Iberia's fleet.





Environmental



9.

Social

performance



Materiality

Main stakeholders for which social performance is material:

- > Employees
- > Society in general
- > Shareholders or investors
- > NGOs and social organisations.

Main material aspects in order of importance:

- > Protection of employees' health and operating safety
- > Employee training programmes
- > Employees (hiring, welfare benefits, etc.)
- > Company/employee labour relations
- > Composition of the workforce (diversity and equal opportunity)
- > Equal pay for men and women



9.1 Employment

Iberia has a diverse staff consisting of 16,564 employees divided into five groups, which include National Ground with 71.48% of staff; Cabin Crew, with 18.76% and Pilots with 6.96%.

Company staff details on 31 December 2015

Staff breakdown by group

Group	No. of people	Average age	Average length of service
National Ground	11,840	44.49	16.36
Cabin Crew	3,107	43.83	17.92
Pilots	1,153	47.65	18.80
Local staff	448	45.63	14.29
Spaniards outside national territory	16	43.31	15.88
TOTAL	16,564	44.61	16.76

Staff breakdown by business area

Business area	Ground	Flight	Total
Corporate	546	-	546
Air transport	1,756	4,260	6,016
Airports	7,164	-	7,164
Maintenance	2,838	-	2,838
GENERAL TOTAL	12,304	4,260	16,564

In 2015 the downward trend in the number of staff continued as a result of the labour force adjustment plans largely implemented via early retirements and voluntary redundancies to achieve a more efficient organisation.

	2012	2013	2014	2015
Iberia	20,610	18,103	16,792	16,564



Quality of employment

Iberia is committed to quality, indefinite employment and maintains this purpose in the framework of its goal to build a company with a new air.

Staff breakdown by contract type

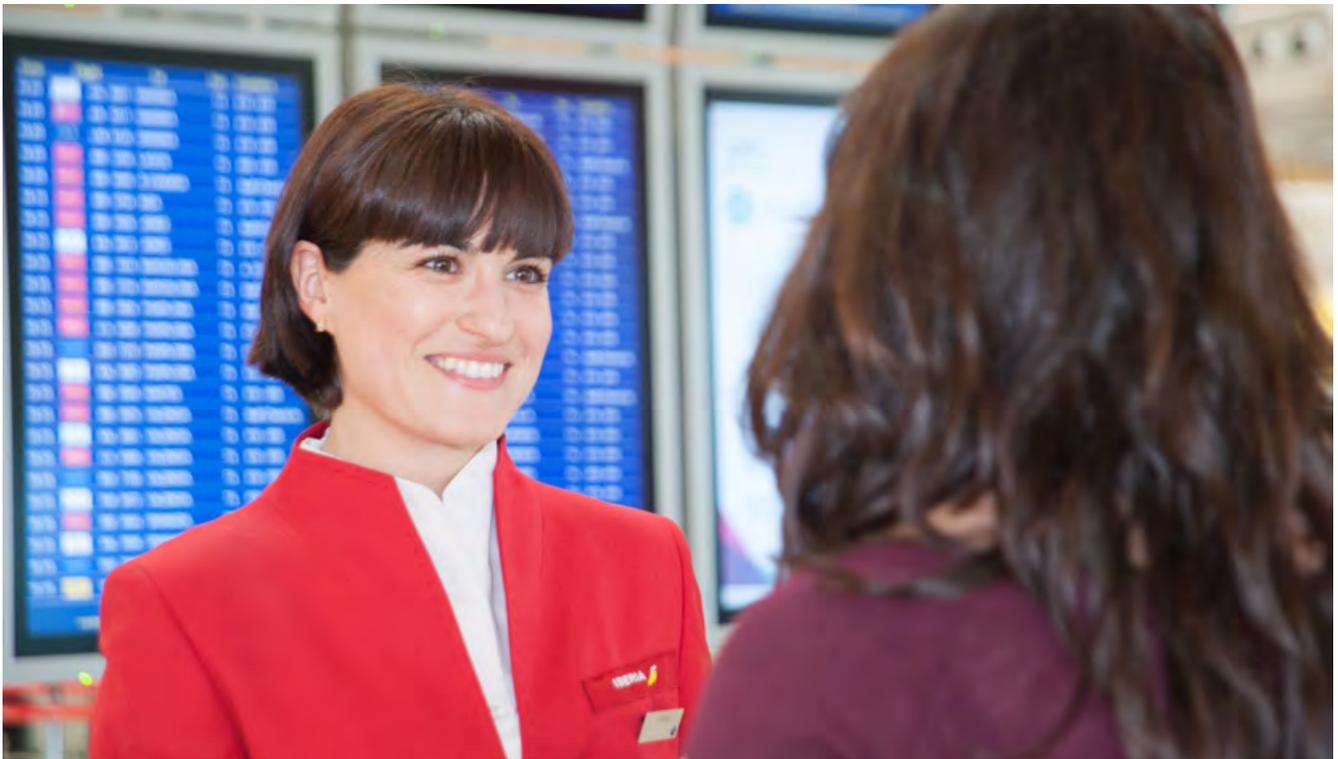
Contract type	No. of people
Indefinite regular timetable	12,156
Indefinite part-time	1,510
Indefinite discontinuous	112
Indefinite irregular timetable	1,485
Temporary	1,301
TOTAL	16,564

Of its total contracts 7.85% are temporary and meet the company's need to adjust workloads due to the seasonal nature of the activity.

48 of the total temporary contracts in 2015 have changed to indefinite contracts

No. of temporary contracts that have changed to indefinite	48
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Employees with temporary contracts enjoy the same welfare benefits as employees with indefinite contracts (healthcare, access to grants, special salaries, luncheon vouchers and free plane tickets, in addition to other benefits).



With regard to salaries, the relationship between salaries in Iberia and the Minimum Wage is:

Minimum wage (euros)	9,080.40
Iberia minimum wage (euros)	14,448.45
Iberia average wage (euros)	46,465.54

The average salary in Iberia is five times higher than the Minimum Wage

Spanish law stipulates when employees are to be given notice and the minimum time of that notice if the company plans to make a substantial change to the working conditions of its employees. Iberia complies with the times stipulated in the laws and regulations applicable generally.

In 2015, 367 formal claims from employees were received and settled (directly or through the unions), including both flight and ground staff in the different committees.

367 formal claims were received and settled in 2015

Employment of people with disabilities

In pursuance of the applicable laws and regulations, Iberia must hire a number of people with disabilities equivalent to no less than 2% of its total staff.

Given the company's complex productive nature, it is especially difficult to incorporate a sufficient number of people with disabilities to meet that quota so the company meets its legal obligation through the alternative measures stipulated by law.

In both cases Iberia guarantees compliance through its collaboration with the Envera Association, the activity of which is described later on in this report.

Iberia collaborates with Special Employment Centres and makes donations and sponsorships in favour of public utility associations

Iberia's Management Committee visits Envera's facilities

On 16th December Iberia's Management Committee held its weekly meeting at Envera's facilities in Colmenar Viejo (Madrid).

The Management Committee had the opportunity to see first-hand the latest activities being carried out at this integral centre for people with intellectual disabilities. Its member took advantage of the event to visit the living nativity that Envera-APMIB organises every Christmas.

Beneficiaries of the Care Homes for the Elderly, the Day Centre for the severely affected and the Occupational Centre recreated different scenes of the nativity. It was an open day in which family and friends also took part.

Iberia's Chairman, Luis Gallego, then took part in the Radio Terrícola radio show, taller del Centro Ocupacional (he Occupational Centre's workshop), where he answered the interviewers' questions.



9.2 Labour/management relations

Union representation

Iberia employees have union freedom in all the countries in which it operates.

Flight staff is represented in the Flight Committee. The union representatives for Ground staff act on a national level through the Inter-Workplace Committee and on a local level through 18 Workplace Committees and a further 13 workplaces nationwide have workers' delegates.

Internationally, Iberia has workers' representatives in a large percentage of the countries in which it operates.

The details of union membership are:



Percentage of union membership through wages

Group	No. of people
Ground	67.23%
Cabin Crew	33.49%
Technical crew (Pilots)	100%



Internal communication

In accordance with Iberia's Future Plan, in 2015 internal communication was an essential tool for driving the company's transformation from the inside towards the outside; it fosters pride of belonging among employees and motivates them to be better brand ambassadors.

In 2015 the goal of internal communication was to align our employees with the business strategy, engaged and of managing the change. A change that facilitates future changes.

Furthermore, after analysing the results of the climate survey carried out in 2014, we detected that employees demanded more direct, close and accessible communication.

For these reasons, the strategic working line in 2015 focuses on boosting internal communication on the ground by applying cascade communication schemes, so that all employees receive first-hand information from their superiors.

Specific direct and constant communications programmes have also been created for the different groups, which adapt to their needs.

We have also been working on new tools that allow us to reach all employees, particularly those who have to travel, making direct communication more difficult (crew, airport or commercial maintenance staff).

The development of a mobile app on the Intranet is also worth highlighting, which includes the most used features and through which employees can stay informed and keep in contact with the company. Roll-out will be complete in early 2016.



Climate survey

At the end of 2014 Participa was launched, our first climate survey. After analysing the results and the additional information gathered during the workshops held as a result of the survey, in the first quarter of 2015 a series of action plans were designed, global for the company and by department.

The main initiatives from the Global Action Plan are:

- > **Definition of the organisational structure (new organization).** The new structure of Network Development and Alliances, the Technical Department, the Carrier's Technical Department and Digital Business has been announced and the People and Customers Department have been created.
- > **Communication of the management team "on the ground".** Breakfast meetings were held with the chairman, which were well received and rated by those who attended



as “an excellent opportunity”. Similarly, the management team was personally and directly involved in announcing the results, taking part in meetings with 85% of employees.

➤ **Improvement to the job posting process.** The posts specify more clearly the duties, requirements and skills required for the post in order to make the profile much clearer. Furthermore, the area or business of the post will offer feedback to every candidate shortlisted and Selection and Talent will give every candidate the opportunity to contact them for more information. Actions have also been implemented to optimise the average duration of the processes.

➤ **Employee profile definition.** The input of all employees who took part in the workshops has been gathered. The new profile, which will be announced shortly, will be integrated in all of the people management process (selection, assessment, training, promotion, rotation, etc.)

➤ **Creation of a recognition policy.** A system has been created to highlight people and teams with outstanding actions, both extraordinary and daily, in the promotion of the company’s strategic priorities. The managers will be in charge of highlighting the differential values provided to the company, following the recommendations of the Recognition Guide.

Similarly, management is progressing in the implementation of the action plans. Examples of this are the work done by Airports to bring communication closer to its areas and offices through projects like monthly debriefings (15-minute informative meetings between supervisors and agents) and roadshows (meetings with station staff), with the direct participation of managers.

Another example is the initiative for optimising processes. Its most ambitious project is RedNova, which proposes implementing actions and initiatives tailored to each station in order to improve operating processes and customer service in each airport in the national network.

The Production Department is working on a schedule to improve productivity and the quality of life of crew.

In the Technical Department actions related to communication are also given priority, as well as the proposals aimed at improving the working environment.

In the corporate areas actions have been carried out to share knowledge with work teams and their interest in the progress of the Future Plan.

We are continuing to work on implementing the actions and assessing their impact on the areas in order to continue improving the workplace climate.



Social funds

Solidarity fund

These funds are used to meet social needs, such as scholarships, grants for children with disabilities and chronically ill children, welfare loans and expenses incurred through sickness, to name a few. The fund is jointly financed in equal proportions by the company and employees, except in the case of cabin crew, who contribute 0.40% of their basic wage and the company contributes a fixed sum.

Ground and flight

The company and each employee make monthly contributions (50% each) through their salary to the pension fund, handled by Mutualidad Montepío Loreto, set up as a private pension and welfare institution in 1970 by the workers in the aviation sector. This fund covers disability and retirement benefits. In the case of flight staff, it also covers long duration temporary disability and death.

Group life insurance

This insurance covers death and permanent disability. In the case of flight staff, it also covers the contingency of permanent loss of licence. It is 60% financed by the company and 40% by the employee.

Other collaborations

Club Iberia

This is a non-profit association that organises leisure and sports activities for company employees and their families, thereby fostering values such as the family, solidarity and teamwork.

The Club Iberia budget is funded mainly by membership fees and an annual contribution from the company, which also provides premises for the Club's offices and facilitates internal communication for all employees via the intranet.



9.3 Occupational health and safety

Iberia has an organisation which deals with and handles occupational accidents, occupational hazard prevention. It has the necessary human resources, facilities, equipment and financial resources, partly owned and partly through arrangements with external companies, entities and specialists.

Iberia has occupational hazard prevention plans and preventive action programmes

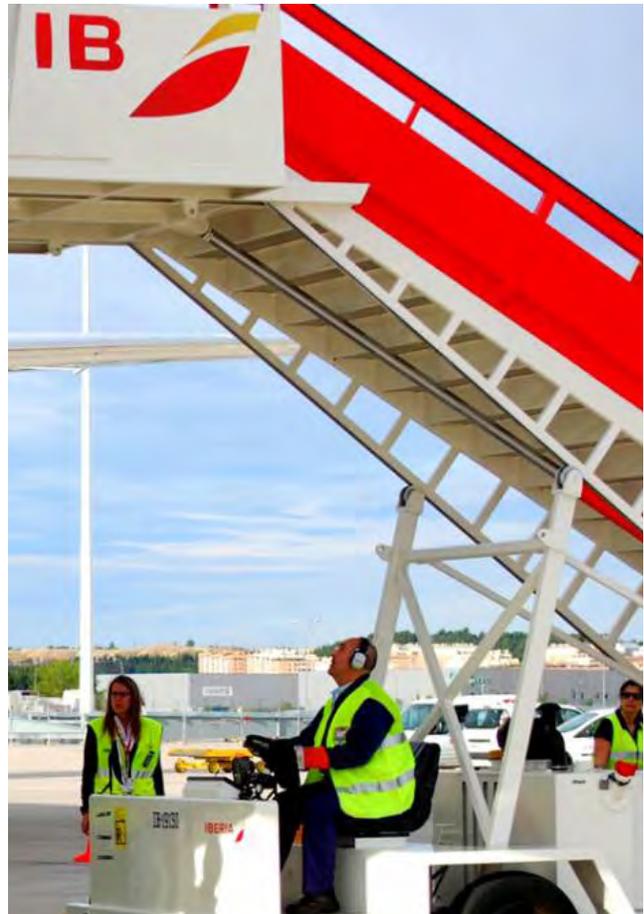
The Prevention Plan is the tool that eases integration of prevention in the company and establishes the necessary procedures to perform preventive activities and include prevention aspects in the different management areas.

Another important function is advising the three types of Health and Safety Committees:

- > Inter-workplace committee.
- > Workplace committees.
- > Flight workplace committee, which is special as this workplace is unique.

Members of Iberia’s Prevention Service sit on all these committees.

Iberia has the internal regulation ‘SH-203. Coordination of business activities’, which responds to all of the obligations that arise from the application of article 24 of the Occupational Hazard Prevention Law and RD 171/2004 that develops this article. In relation to accidents at work and in accordance with the company’s obligations set out in the aforementioned regulation, contractors must report any accidents that occur as a result of the projected risks between companies and investigate it. Depending on the conclusions of the investigation into the accident, the appropriate preventive measures will be adopted. The current version of the regulation does not include the obligation for contractors to report all accidents and therefore, joint statistics for the workplaces where Iberia is the owner are not available.



At Iberia, all jobs have the mandatory risk assessment and the workers have received training and information on the risks and the preventive measures applicable. All risks assessments include risk control actions that ensure that no worker is exposed to the risks classified as ‘significant’ or ‘intolerable’ in accordance with our prevention plan. In addition, and in accordance with the Prevention Services Regulations, the risk assessments identify tasks that require the presence of a ‘preventive resource’, to date there are 14 tasks of this kind, all related to aircraft Maintenance.

Employees who have suffered accidents receive assistance in recovery, support and advice from the Aviation Medical and Assistance area, which applies the appropriate treatments and rehabilitation system for the injuries suffered by each employee.



9. Social performance



No. of occupational health and safety committees	21 committees + 1 Inter-workplace committee
No. of prevention delegates	102; 79 PD with committee +17 PD without committee + 6 PD inter-workplace
% of workers represented on committees	100%
% absenteeism rate due to occupational accidents	0.64% Total Iberia; 0.75% Ground and 0.32% Flight
% accident rate compared to 2014	6.13%
Economic sanctions for breach of prevention laws	1

	Men	Women
Commuting days lost	2,948	1,064
Ordinary days lost	13,372	4,680
No. of fatal accidents	0	0
No. of serious accidents	4	2
No. of minor accidents	635	558

The main objectives of employee training on occupational hazard prevention are those related with:

- > Knowledge of the basic principles, including laws and regulations in order to be able to identify risk factors related to their work.
- > Understanding the risks of their job, and the source, causes and possible effects on health of those risks should they occur.
- > Knowledge of the preventive measures that, when applied to the job, allow the risks to be controlled.

Occupational Hazard Prevention Training 2015

Number of courses	390
Number of students	4,198
Hours of OHP training per employee	3.14



9.4 Personal development

One of the cross-cutting initiatives of Iberia's Future Plan is to generate a cultural change that transforms the company into a modern and sustainable organisation. To achieve this, several initiatives are being implemented around three working areas:

Guarantee employee engagement. To increase and guarantee professional engagement, so that employees take on the challenges, goals and values of the company, thereby achieving greater individual involvement and better team results.

Have the best professionals. It is important to attract and retain talent. To do this we offer a stimulating work environment and recognition and promote development of the employees' potential to increase the company's success.

Improve cross-cutting. We seek to promote cross-cutting and collaboration across the company with a view to transforming Iberia and achieving better results than could be achieved with a classic organisation.

The company continues working to strengthen the leadership of its executives and managers, providing them with tools to help them manage and develop their teams, encouraging feedback on performance focusing on areas of improvement, with a unique style in line with the values of the new Iberia.

To do this, it has a skills profile, with the reference behaviour that company leaders are expected to have:



This profile was mainly for the launch of the first Performance Assessment in 2015, focusing on the managers of Iberia teams, which is used to establish a direct link between variable remunerations and every year measures aspects like communication with people and professional development.

This new assessment was launched before the end of the year, which also includes aspects related to talent, such as measuring the potential of people and their professional mobility.

In addition, in 2015 the performance assessment for all of the company's ground staff was reintroduced.

The assessment is associated to levels of progress and promotion regulated in the collective agreement, which had been frozen after the mediation agreements in 2013. The reintroduction of this assessment allows the evolution of remuneration and the career of the team to be recovered.

All employees have some type of assessment to improve performance and professional development

These assessments, along with the climate survey and engagement mentioned in this report, provide the company with the 360° information that is essential for launching improvement initiatives.

In addition to the assessment processes, the following sections will detail how Iberia achieves personal development goals using talent management tools, such as training and selection.

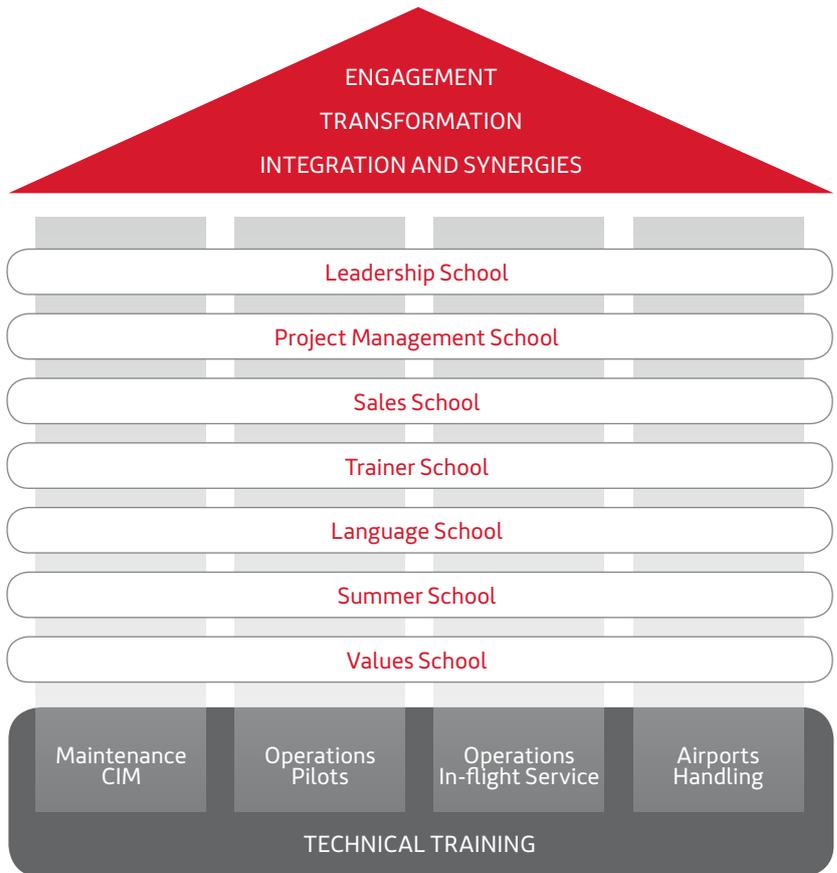
Training

Training; an essential and necessary pillar

Through training Iberia guarantees the qualification of all those who work in the different operating scenarios, in order to respond to sector requirements and quality and safety targets set by the company and applicable regulation.

In this regard, a large investment is made in training and development every year, led by the People Department, which coordinates and designs the company's joint training plan. This plan covers technical/regulated training schemes and skills development training required by the different businesses, perfectly aligned with aviation requirements and the strategic business and company objectives.

In view of the circumstances of air transport, highly regulated and constantly adapting to new procedures and customers' needs, Iberia is clearly committed to ensuring that its employees have the necessary expertise.



This requires a great deal of training in operations, both for new employees and ongoing training (above all, skills, licences and certificates in compliance with laws, regulations and requirements of the sector).

The principles of the training model in Iberia are:

- > **Be a strategic lever of the company:** Iberia culture and values.
- > **Alignment with the business:** improvement of individual and company's performance.
- > **Professional development:** Individual Training plans

The results of training given in 2015 are:

Training data

Number of courses	9,230
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Average no. hours per job category

Superior Group Managers and Technicians	24.1
Pilots	59.3
Cabin Crew	15.7
Technicians / Specialists	34.9
Administrative / Support Services	19.7

	Men	Women
Number of students	64,181	31,194
Hours taught (MONITOR)	31,597	12,104
Hours/student	267,783	128,058

Management Courses and captain training

As a result of the company's need to fill vacancies for captain, a pilots training process started.

The first phase, Management courses, consists of training the pilot in different topics related to laws, regulations and disciplines that they do not usually put into practice as pilots. In the second and third phases they are trained in the technical aspect using a flight simulator and flight training. These courses finalise the process, after the online verification that one of our testers authorises.

After passing all of these tests, the pilot can fly in command with the standard crew.



As a result of the high level of specialisation and the specific nature of the technical know-how, a large part of the training is designed and given by internal instructors, selected from specialised employees in each functional and business area. Iberia is very proud of the high level of its internal training staff.

The important work done at the technical instruction centres is also worthy of special mention.



9. Social performance



Internal trainer refresher courses

En febrero de 2015 se puso en marcha un programa de actualización. In February 2015 a refresher course programme was implemented for internal trainers in the Airport Services Department. It started with the Ramp area, working with 53 monitors, and the Hazardous Goods area, with 51.

The goal of this training is to update the trainers' knowledge and comply with current regulations, as specified in the Ground Operations Manual (GOM) and required by the IATA Safety Audit for Ground Operations (ISAGO). In March the plan was extended to refresher courses for trainers in other areas, such as invoicing, boarding and incidents, load sheet and CIC.



Operations Instruction Centre:

The goal is to train the technical crew (captains and co-pilots) and maintain their qualifications to be able to reach and maintain the high level of expertise required by their duties.

Due to this high level of professionalism of its employees, Iberia has the corresponding qualifications to be able to provide much of the technical training given at this Instruction Centre, complying with all the requirements stipulated by EU OPS, AESA and all applicable regulations nationally and internationally.



Maintenance Instruction Centre (CIM)

The purpose of this centre is to develop and provide the necessary technical training, both basic and refresher, in the Technical Department, covering the maintenance and engineering areas of the company. It provides training on engines, aircraft line maintenance, aircraft components and the skills required to comply with applicable regulations EASA 147 and EASA 145, in addition to other activities.



In-flight Service Instruction Centre

This centre trains the Cabin Crew to operate safely and efficiently, complying with all the requirements stipulated in EU OPS and other requirements of the Spanish Civil Aviation Authority. It also provides training to engage chief flight attendants and cabin crew in the transformation process towards a culture of excellence with a view to improving quality and customer service.



Scholarships and internships

Iberia has agreements with various national and international universities and training schools. Similarly, it collaborates with the government and academic institutions on implementing the education system, offering internships to students and to Vocational Education and university graduates, from both Spain and abroad.

The scholarship programme has a dual goal: give young people their first contact with the labour market and get their contribution to the company's projects

The programme also helps us to detect young professionals with potential and talent for the future of our sector.

Scholarship agreements

Educational Cooperation Students	24
Vocational Education Students	23
Post-graduate scholarships for graduates	25

Internship

Contractual novation to employees	2
Interns hired on work practice	5
People on work practice and relief contracts that have been consolidated	2

Attracting talent

Iberia is constantly seeking talent, both internally and externally, as talent is a critical factor for guaranteeing the company's competitiveness.

Attracting talent for management posts

	Men	Women
No. of employees who joined Iberia in 2015	22	12

Fundación Botín students visit our La Muñeza headquarters

In November we welcomed 35 graduates from the Fundación Botín from various Latin American countries.

The graduates, with outstanding backgrounds in areas like law, public administration, politics, economics, international affairs and international relations and with a promising future, visited our headquarters and attended a breakfast meeting with the chairman, Luis Gallego, to find out first-hand about our transformation process to the new Iberia and our commitment to Latin America. They continued their visit in the La Muñeza facilities, where they saw the work carried out in the maintenance area.



After 11 years, the company also started hiring pilots again for its short-haul and medium-haul fleet. More specifically, in 2015, 38 people were hired to cover the needs arising from the growth of the flight plan due to the improvement measures of the Future Plan.

As regards internal selection, the company has established a series of protocols and skills profiles to detect the professionals with the greatest potential. Once detected, they are supported by personalised training programmes, continuous assessment and professional development and succession plans, where talent is direct towards the field of specialisation or management. They are also included in specialised leadership development programmes to get professionals capable of applying their skills to the circumstances required, at any given time, by the company's businesses and to guarantee smooth take-over of senior positions.

Iberia also has a job posting policy, which is a key tool for supporting mobility and providing equal opportunity when internally filling vacancies within the company. Jobs and their profiles are posted every week, not only in Iberia but also in the group, so

that any employee who believes they meet the requirements of a post can submit an application to be assessed by the recruitment services.

In 2015, 227 jobs were posted and managed, including the following:

- > 339 management jobs, including directors, managers and heads.
- > 24 senior positions.
- > 17 senior operating positions in the businesses.
- > 88 positions for agents or analysts.
- > 13 opportunities in the Production Department for pilots, instructors, day managers, trainers/ verifiers, chief flight attendants and cabin crew supervisors.
- > 46 opportunities in the Group, secondments, etc.



9.5 Diversity and equal opportunity

The company has a policy of hiring local staff, so that, apart from a few positions within the structure of some sales offices, which are held by people sent from Spain, the majority of the company's employees are nationals of the countries in which Iberia operates as a multinational.

Gender diversity

Staff breakdown by classification and gender in 2015

Work Group	Women		Men		Total	
	No.	%	No.	%	No.	%
Senior group of managers and technicians	382	43.86%	489	56.14%	871	5.26%
Administration	2,941	70.26%	1,245	29.74%	4,186	25.27%
Aircraft maintenance assistants	6	4.76%	120	95.24%	126	0.76%
Support services	408	9.58%	3,851	90.42%	4,259	25.71%
Information and communication systems operation and maintenance technicians	3	12.50%	21	87.50%	24	0.14%
Aircraft maintenance technicians	34	1.48%	2,257	98.52%	2,291	13.83%
Facilities maintenance technicians	-	0.00%	4	100.00%	4	0.02%
Ground equipment maintenance technicians	-	0.00%	2	100.00%	2	0.01%
Data processing technicians	3	17.65%	14	82.35%	17	0.10%
Flight/ground staff	29	38.16%	47	61.84%	76	0.46%
National ground (A)	3,806	32.10%	8,050	67.90%	11,856	72%
Local staff	198	44.20%	250	55.80%	448	2.70%
Foreign ground subtotal (B)	198	44.20%	250	55.80%	448	2.70%
Pilots	61	5.29%	1,092	94.71%	1,153	6.96%
Cabin crew	2,213	71.23%	894	28.77%	3,107	18.76%
Flight subtotal (C)	2,274	53.38%	1,986	46.62%	4,260	25.72%
TOTAL (A)+(B)+(C)	6,278	37.90%	10,286	62.10%	16,564	100%



Staff age pyramid by gender:
% women/men in each age group

	Women	Men	Total	% women	% men
< 30	144	603	747	19.28%	80.72%
30 - 50	4,783	6,610	11,393	41.98%	58.02%
> 50	1,351	3,073	4,424	30.54%	69.46%
TOTAL	6,278	10,286	16,564	37.90%	62.10%

With regards to the organisational structure, the breakdown of men and women in management positions is the following:

	Women	Men	Total
Chairman	-	1	1
Management Committee	2	7	9
Director	2	23	25
Senior Manager	1	3	4
Manager	16	35	51
Head	35	57	92
Sales delegate	6	10	16
Supervisor	38	86	124
TOTAL	100	222	322



The salaries of employees covered by collective agreements are established according to their professional rank, length of service and position.

The salaries of employees not covered by collective agreements (management, senior staff) are negotiated between the company and the employee, following criteria of specialisation, experience, duties, etc., with no discrimination on grounds of sex, race or any other criteria.

The differences in salary by structure level is as follows:

	% Average difference men/women
Manager	4.99
Head	-2.22%
Supervisor	-7.73%
TOTAL	-2.20%

Work-life balance policies

Iberia applies reduced working hours for legal guardians to promote childbirth and protect maternity, paternity and care of the elderly, for which 1,889 employees signed up in 2015. The company takes into account the risks that employee’s work may entail for pregnancy and breastfeeding, especially within flight crews, permitting different possibilities for reducing working hours, temporary suspensions of contract and the processing of benefits, all regulated by collective agreements. In 2015 all employees kept their job 12 months after their incorporation following maternity/paternity leave.



Number of employees signed up for Reduced Working Hours for Legal Guardians in 2015

	Women	Men	Total
Ground	247	139	386
Flight	1,018	475	1,493
Cabin crew	983	204	1,187
Pilots	35	271	306



Combatting discrimination and harassment

The Code of Conduct specifies that Iberia undertakes to continue its policy of action based on the development and running of all selection processes with no discrimination on grounds of race, origin, religion, gender, political or union ideas, sex, marital status, age or disability.

Iberia also understands that the careers of its employees are closely linked to their integral personal development. For this reason it promotes employee training and fosters an environment in which equal opportunity is effective and guarantees non-discrimination.

Iberia does not tolerate, under any circumstances any form of sexual harassment, abuse of authority, offence or any other form of hostility

To ensure that these principles are fulfilled, the disciplinary measures established in the collective agreements contemplate these situations as a very serious misconduct

More specifically, the cabin crew and pilots collective agreements state the penalisation of "any conduct or behaviour at work that violates the respect of a person's privacy and dignity through physical or verbal offence, including those of a sexual nature. If such conduct or behaviour occurs from a position of hierarchical superiority, this will be considered an aggravating circumstance."

The Ground collective agreement lists as very serious misconduct "sexual harassment or sexual, verbal or physical aggression directed against the dignity or privacy of persons" and "psychological harassment".

In 2015 Iberia received no claims for discrimination on the grounds of age, race, religion or sex.

> During the year 3 complaints of psychological harassment were dealt with following the protocol in place in the company for this type of complaint.

The company has published protocols for action in case of complaints for psychological harassment and sexual harassment or on the grounds of gender, to guarantee the correct handling of complaints, the corresponding investigations and the appropriate decisions.



9.6 Supplier assessment for labour practices

In Iberia there are workplaces where different companies work together and it is therefore necessary to find an appropriate balance between the health and safety of the employees and flexibility in applying occupational hazard prevention plans. In this situation, a key element for managing prevention programmes is coordination of business activities.

At Iberia coordination of occupational hazard prevention guarantees that the following goals are met:

- > Correct application of the working methods by the companies operating in the workplace.
- > Control of interaction between the different activities performed at the workplace.
- > Adaptation of prevention measures to the hazards in the workplace that could affect the employees of the different companies operating there.

In 2015 the IT tool GICO was implemented.

GICO is an IT tool that eases management and control of the coordination of business activities

After installing GICO on the servers and testing it, a pilot project was set up in which the coordination of business activities with a few selected companies was performed using this application. The goal for 2016 is for all coordination tasks to be performed through this system.

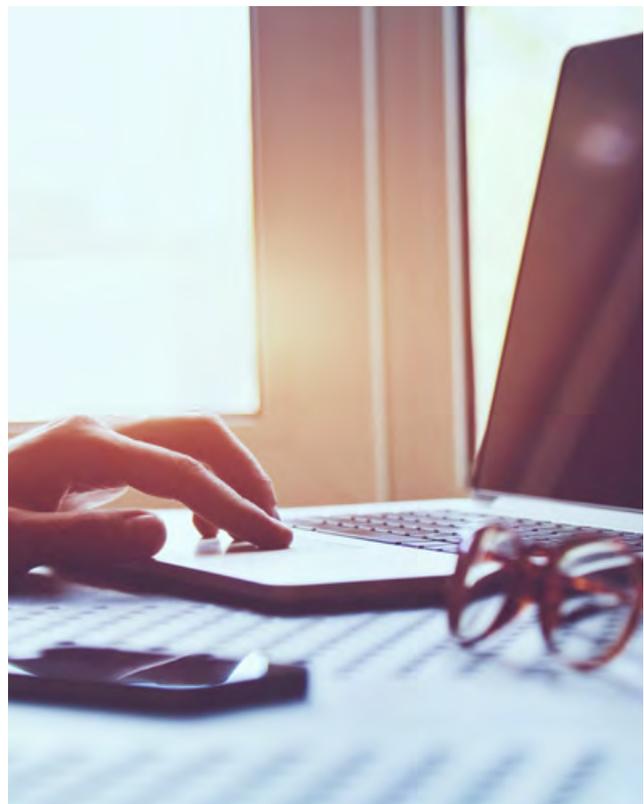
Iberia also has different regulations governing Coordination of Business Activities, including the internal regulation SH-203 on Safety and Hygiene.

This regulation requires both the company and the companies providing services for Iberia to exchange information, using

attached documents, on any occupational hazard that may arise for both Iberia employees and those of the outsourcer as a result of the provision of those services.

Coordination of Business Activities clauses are thus included in all the company's contracts, whereby outsourcers declare that they know and apply the measures required under current occupational hazard prevention provisions and are aware of their obligation to exchange information on occupational hazards, as indicated in Regulation SH-203.

In order to adapt to new needs and improve compliance, in 2015 temporary instructions that update this regulation were published on the Occupational Prevention Portal.





10.

Human
rights



Materiality

Main stakeholders for which human rights are material:

- > Shareholders or investors
- > NGOs and social organisations
- > Society in general

Main material aspects in order of importance:

- > Agreements and contracts containing human rights clauses and employee training in this area
- > Discrimination incidents and actions taken

Iberia is committed to defending and respecting human rights. The Code of Conduct of the Iberia Group explicitly states this commitment to respecting and protecting the human rights and public freedoms recognised in the Universal Declaration of Human Rights and major international agreements. This allows the company to guarantee that the principles set out in these agreements are present in all of its policies.

In 2015 Iberia did not receive any human rights claims (discrimination, freedom of association, child labour, forced labour, etc.) through any of the available channels.

10.1 Principles of the United Nations Global Compact

The United Nations Global Compact arose from the acknowledgement of economic players as drivers of market development and growth globally. The initiative, which companies, unions and organisations of civil society may freely join, seeks to convert Corporate Social Responsibility into the cross axis for tackling globalisation challenges. With this goal in mind, the signees must integrate the Ten Principles of the UN Global Compact into their strategies and operations.

{ The private sector is a key player in resolving globalisation challenges

By joining the Global Compact Iberia voluntarily accepts the commitment to incorporate the Ten Principles in its everyday activities and report to society, publicly and transparently, on the progress it makes in their implementation, through progress reports.

{ Iberia is committed to the Ten Principles of the United Nations Global Compact



Area	Principle	Location in this report
Human Rights	Principle 1. Businesses should support and respect the protection of internationally proclaimed human rights.	Section 10
	Principle 2. Make sure that they are not complicit in human rights abuses.	Section 10
Labour	Principle 3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	Section 9
	Principle 4. The elimination of all forms of forced and compulsory labour.	Section 10
	Principle 5. The effective abolition of child labour.	Section 10
	Principle 6. The elimination of discrimination in respect of employment and occupation.	Section 9
Environment	Principle 7. Businesses should support a precautionary approach to environmental challenges.	Section 8
	Principle 8. Undertake initiatives to promote greater environmental responsibility.	Section 8
	Principle 9. Encourage the development and diffusion of environmentally friendly technologies.	Section 8
Anti-corruption	Principle 10. Businesses should work against corruption in all its forms, including extortion and bribery.	Section 11

10.2 Human Rights training

The social responsibility to respect human rights extends to all companies and Iberia is no exception. For this reason, the group's Code of Conduct establishes respect for human rights and public freedoms recognised in the Universal Declaration of Human Rights.

Consequently, directors, managers and employees must second this commitment within their duties, ensuring compliance of that obligation in the performance of all their professional activities.

In 2015, 737 Iberia employees and executives, selected according to their duties and responsibilities, did the one-hour online course on this code.

The course included the text of the Universal Declaration of Human Rights and an explanation of the international standards that Iberia joined: the United Nations Global Compact; the International Labour Organisation Fundamental Conventions and the Millennium Development Goals.



10.3 Responsible procurement

Procurement and outsourcing management at Iberia was transferred to IAG Global Business Services (IAG GBS) in 2015 in order to modernise work practices and improve their efficiency by creating a new culture to offer the best services to IAG and its group companies.

Management of procurement and outsourcing of services for IAG GBS, which is aligned with Iberia's goals, is regulated by internal procedures and guided by the following general principles:

1. Optimisation of costs
2. Internal customer satisfaction
3. Compliance with the law
4. Work ethically, respecting and protecting all cultures
5. Transparency and confidentiality
6. Innovation and development of creative solutions that provide value
7. Caution and risk management

Procurement at IAG GBS has created a team to monitor responsible procurement in the supply chain of group companies. IAG GBS undertakes to supply goods and services obtained from suppliers who demonstrate ethical principles in the way they run their business and collaborates with them on quality, safety, environmental responsibility and human rights regulations.

It also builds relations with suppliers committed to improving the levels of the supply chain.

The tender process includes a survey that assesses aspects of Corporate Social Responsibility (CSR) and labour policies and regulation, reviewed by the outsourcing area.

IAG GBS also maintains a close relationship with Sedex, a not for profit membership organisation dedicated to driving improvements in responsible and ethical business practices in global supply chains. The outsourcing process therefore includes clauses related to:

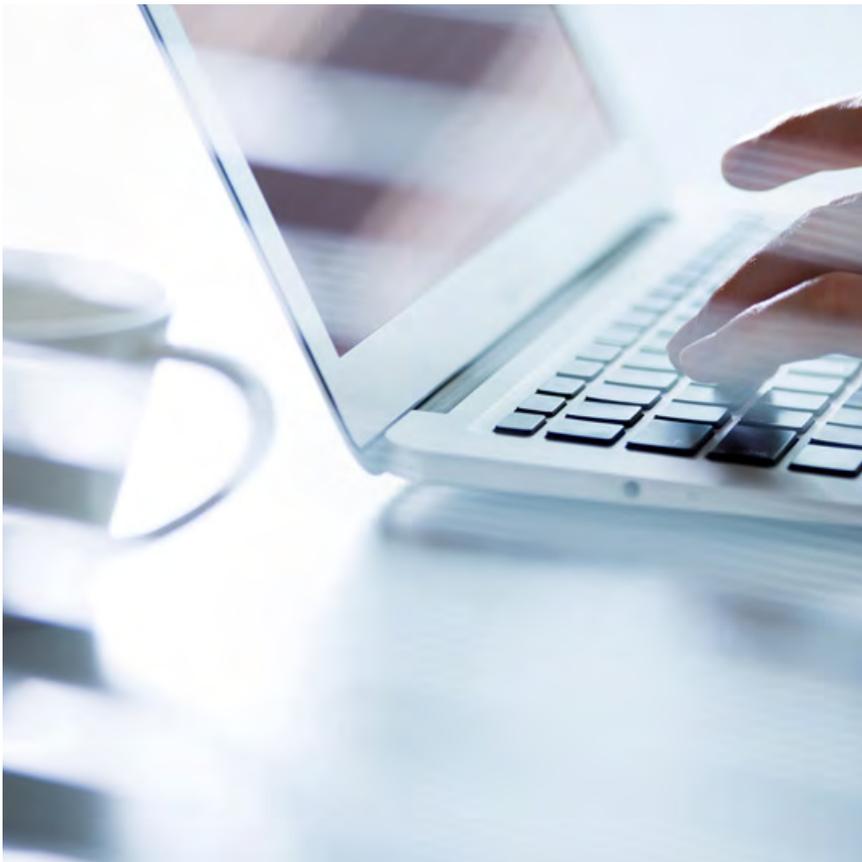
- > Confidentiality Industrial
- > Property
- > Data protection
- > Labour commitment
- > Environmental commitment UN Global
- > Compact Regulatory compliance

Compliance with these clauses is assessed with adequate frequency according to the monitoring information, the level of risk to the company's reputation and criticality for the value chain.

The clauses on the United Nations Global Compact require all suppliers awarded the service to:

- > Support and respect the protection of internationally proclaimed human rights in their respective spheres of influence.
- > Make sure that they are not complicit in human rights abuses.
- > Uphold the freedoms and rights of their employees in the labour area.
- > Support the effective abolition of child labour.
- > Support a precautionary approach to environmental challenges and encourage the development and diffusion of environmentally friendly technologies.
- > Undertake any necessary initiatives to promote greater environmental responsibility.

IAG GBS continued progressing in health and safety and the environment in 2015 by carrying out audits and working with suppliers to be leaders in safety through training and local programmes.





11.

Society



Materiality

Principal stakeholders for which aspects regarding society are material:

- > NGOs and social organisations
- > Shareholders and investors
- > Employees

Principal material aspects in order of importance:

- > Measures taken to fight corruption
- > Centres with development programmes for the local community



Iberia is committed to the Millennium Development Goals approved by the United Nations in 2000 and aims to develop social action that contributes directly or indirectly to achieving them, by contributing funds and resources to solidarity projects and conducting ongoing assessment of the social contributions to bring the company's social action into line with the established strategy.

This section is a compilation of the action taken in 2015. In that period, Iberia detected no significant negative impacts on the local communities.

The details of any significant fines (valued by IAG as those exceeding 20,000 US dollars) can be consulted in the Corporate Responsibility sections of the IAG Annual Report.

11.1 Key social development actions

Iberia supports projects and associations that are in line with Corporate Social Responsibility principles. In 2015, we collaborated in different socially valuable activities with the following organisations and bodies.

Spanish National Transplant Organisation



Iberia is an active supporter of the work of the National Transplant Organisation (ONT), by providing help to make transporting organs to their destination quicker and easier. This helps to ensure the organ's survival and the viability of the transplant.

Iberia makes transporting organs for transplants quicker and easier

The company's efforts in this area were recognised by the ONT in 2014. The company continued its efforts in 2015 and collaborated with all those involved in air traffic to help organs for transplants to reach their destination.



The pleasure of helping with a transplant

On 5 May 2015, Iberia got the news that thanks to the joint collaboration of Iberia, Air Nostrum and AENA, a patient in Bilbao was able to receive a donated organ from Malaga and recovered successfully.

Comprometidos con los demás



Unicef



Iberia, in conjunction with Amadeus, renewed the collaboration agreement with Unicef’s Spanish Committee, which was signed in 2013. Its main aim is to raise funds to support the 100% Let’s Vaccinate Every Child initiative, which provides solutions to fight illnesses such as measles, polio and whooping cough.

As part of the agreement, the Amadeus platforms makes it possible for Iberia.com customers to donate from 3 to 20 euros through just one click when buying a plane ticket on the Iberia web page. Since this agreement began in 2013, more than 87,000 donations have been processed, amounting to a total of 500,000 euros from Iberia customers, thus demonstrating that the programme is a sustainable method of funding large social projects on a global scale.



The agreement with Amadeus and Unicef’s Spanish Committee was renewed for two years



Iberia customers donate 500,000 euros to Unicef

These donations are devoted entirely to Unicef global vaccination campaign, 100% Let's Vaccinate Every Child.

The campaign is endeavouring to increase the number of children receiving essential vaccinations in the world's most far-flung communities and eradicate polio and other illnesses in eight at-risk countries due to their low vaccination rates.



Make a Wish



The Make a Wish organisation devotes itself to granting the wishes of children suffering from serious illnesses, thus enriching their lives through unique, unforgettable experiences. In doing so, it enables young people to overcome negative emotions, such as fear, anguish and loneliness, transforming them into vitality, energy and an eagerness to fight.

Iberia has been collaborating with the organisation's mission since 2001 as the official carrier and contributes to making the dreams of these children come true.

Iberia and Make a Wish: keep making young children's dreams come true

Iberia joined forces with Make a Wish to let Vera fulfil her dream of swimming with dolphins. Vera was not the only one who got to have a unique, hope-filled experience in 2015. Iberia witnessed how many other children could live their dream. Like Arnau, who got to meet his idol, racing driver Fernando Alonso. Iberia's endeavours are possible thanks to the efforts of the crews and the rest of the staff involved in transporting these children.



Iberia Veterans Association



This association, named Asociación de Veteranos de Iberia in Spanish, was created in 1972 and has a long and successful track record. The main purpose of this organisation is to offer all members the opportunity to participate in the different activities organised (cultural activities, sports, outings, travel, etc.) and make available to active employees, those in early retirement and retired workers from Iberia and from other companies in the air transport sector, as well as anyone else who is interested, the various options for participation. It is also involved in charitable activities, such as the Christmas market fundraiser.

AECID



Iberia collaborates with the Spanish International Cooperation and Development Agency (AECID) through agreements that include special discounts for issuing tickets for cargo and passengers on its flights.

Mano a mano



This NGO was founded in 1994 by Iberia employees to make use of the free space in the cargo holds of Iberia flights to send humanitarian aid to countries hit by natural disasters or wars. It delivers the aid without middlemen, i.e. "hand to hand" ("Mano a Mano" in Spanish). Its commitment to helping the less fortunate who are at risk also leads this NGO to arrange flights to bring children and their families to Spain. Once in Spain, they are provided with specialist medical attention and accommodation. It also manages aid projects in developing countries.

Iberia donates plane tickets and cargo space to this NGO and provides the areas and supplies they need for their activities.



First charity run

In 2015, the first charity run took place to commemorate the 25th anniversary of hangar 6 and to support Mano a Mano and Envera.

Envera



The Envera Foundation, formerly known as APMIB, was set up in 1977 by Iberia employees with children with special needs. It focuses on the protection and social and professional integration of people with physical, mental or sensory disabilities. Its mission is to integrate these people into society and the workforce through comprehensive care and assistance throughout their lifetime.

Envera strives to achieve social and professional integration throughout the life cycle of people with disabilities



Trabajamos para que las personas con diversidad funcional tengan también su oportunidad laboral.

This foundation assists 1,500 people with functional diversity and provides 330 care service places. Its special employment centres offer employment to 468 people with disabilities

Among the services it provides, the foundation offers tutelage, social assistance and educational support to people with disabilities who so choose or who have been orphaned or left homeless. At the same time, Envera contributes to their development and provides them with the opportunity to carry out work that is appropriate to their abilities. In 2015, Envera hired 570 people with disabilities through its special employment centres and outsourcing services. In total, the group's Labour Insertion Service advised 140 people and placed 54 people with functional diversity in jobs in other companies.





11.2 Meeting the UN Millennium Development Goals

As part of its commitment to society, Iberia collaborates with different social action organisations to achieve the Millennium Development Goals.

The targets and the projects Iberia is involved in are explained below.

1

Eradicate extreme poverty and hunger

Targets:

- > Halve the proportion of people living on less than 1 dollar a day.
- > Halve the proportion of people who suffer from hunger.

Projects:

- > Donation by Mano a Mano to the San Alfonso María de Ligorio soup kitchens in one of Lima's poorest districts and to orphanages in Santa Anita, Lima, Peru.
- > Remittance by Mano a Mano of humanitarian aid for the soup kitchen of the Basakato Welfare Centre in Equatorial Guinea.
- > Dispatch by Mano a Mano of clothes and food to the Pozo del Tío Raimundo initiative in the Vallecas neighbourhood of Madrid, as part of the soup kitchen project.

- > Collaboration by Mano a Mano with Asociación Plataforma 21, through food donations for the Alameda de Osuna neighbourhood, in Madrid, Spain, to assist around 200 families.
- > Help from Mano a Mano for children at a school in Madrid through grants for school meals.
- > Remittance by Mano a Mano of humanitarian aid for Sacred Hearts Missionary Sisters in Equatorial Guinea.
- > Conveyance of humanitarian aid for different Mano a Mano projects, mainly in Latin America, Africa and Spain.
- > Holding of a Christmas charity market at the Iberia facilities to raise funds for Mano a Mano projects.





Achieve universal primary education

Target:

- Ensure that children everywhere, boys and girls alike, will be able to complete a full course of primary schooling.

Projects:

- Donation by Mano a Mano to the "Accede a un Respiro" association in Alcorcón, Madrid, for children with autism.
- Collaboration by Mano a Mano in transporting books to a school in Guatemala.
- Collaboration by Mano a Mano in transporting books to Peru, donated by a publisher of children's books.
- Collaboration by Mano a Mano in building a computer room and toy libraries in several locations in Lima, Peru.

- Donation by Mano a Mano to the "A Compás del Flamenco" project in Cuba, which aims to teach 130 girls from underprivileged families through Spanish Flamenco dancing.

- Donation by Mano a Mano to the Computation Project of the Dominican Nuns in Cuba, which teaches 400 children in Havana how to use computers.

- Donation by Mano a Mano to collaborate with a nursery in Chambo, Ecuador, by providing individual toys and toy libraries.

- Collaboration with Mano a Mano to create three toy libraries and donation of toys in Equatorial Guinea.

- Collaboration with Mano a Mano in donating toys in the projects being developed in Ecuador.

- Free carriage of PCs by Iberia, in collaboration with Amadeus, for educational and social projects in Africa and South America.

- Sponsorship of Carolina Foundation.

- Collaboration by Mano a Mano in creating two football schools at the port of Haina (at the San Judas Tadeo school and in the Paraíso district) in the Dominican Republic.

- Holding of a Christmas charity market at the Iberia facilities to raise funds for Mano a Mano projects.

- Collaboration by Mano a Mano in organising a multi-cultural children's camp, "Aquí Cabemos Todos", in Los Navalmorales, Toledo.

- Collaboration with the Envera group.

- Collaboration with the dyslexia and family foundation Fundación Dislexia y Familia regarding attendance at several congresses on the American continent.





3

Promote gender equality and empower women

Target:

- Eliminate gender disparity in primary and secondary education.

Projects:

- Donation by Mano a Mano to a sewing workshop at El Pozo del Tío Raimundo, in the Vallecas neighbourhood in Madrid, Spain.
- Sponsorship by Iberia of the Women for Africa Foundation.
- Donation by Mano a Mano to the El Nooman orphanage in El Cairo to create a sewing workshop for 90 girls.
- Signing of the Companies for a Society Free from Gender-Based Violence initiative from the Spanish Ministry of Health and Social Affairs.
- Commemoration of the international day to fight gender-based violence in its in-house media, on 25 November.

Reduce child mortality

Target:

- Reduce by two thirds the under-five mortality rate.

Projects:

- Donation of tickets by Iberia to transport children from disadvantaged backgrounds to Spain for operations or treatment, in collaboration with Mano a Mano.
- Collaboration between Mano a Mano and the Spanish Federation of Parents of Children with Cancer
- Donation and dispatch of hospital material for the hospice in Basakato, Equatorial Guinea.
- Collaboration by Mano a Mano in projects in the Dominican Republic. Through Almacén de Emergencias, aid has been extended to several hospitals in the country, including the Robert Reed Hospital in Santo Domingo, which focuses on child health care, and several health clinics.

- Collaboration by Mano a Mano in Santo Domingo to create sanitary areas in a number of schools in the 27 de Febrero and Los Corales districts.

- Collaboration with Mano a Mano in the Dominican Republic to help associations devoted to children with Down's syndrome.

- Collaboration by Mano a Mano with the Agencia Española del Medicamento (the Spanish medicines authority) in donating and conveying of medicines to Dakar, Senegal.

- Collaboration through Mano a Mano with the Leukaemia foundation, Fundación de la Lucha contra la Leucemia, in Murcia, Spain.

- Micro-donation programme organised by Iberia and Amadeus through which Iberia customers can make donations to Unicef. The campaign is going well; it raised more than 500,000 euros since its launch.

4





5 Improve maternal health

Target:

- > Reduce by three quarters the maternal mortality ratio.

Projects:

- > Donation from Mano a Mano to the medical centre in Ñómalas, Chulucanas-Piura (Peru), for young pregnant women and newborns.
- > Collaboration by Mano a Mano in the Dominican Republic. Through the Emergency Warehouse, help has been extended to several different Hospitals in the country, including the Robert Reed Hospital based in the capital, which is dedicated to health care for children, and several health centres.
- > Collaboration through Mano a Mano with the Leukaemia foundation, Fundación de la Lucha contra la Leucemia, in Murcia, Spain.

6 Combat HIV/AIDS, malaria and other diseases

Target:

- > Have halted by 2015 and begun to reverse the spread of HIV/AIDS.

Have halted by 2015 and begun to reverse the incidence of malaria and other major diseases.

Projects:

- > Collaboration with the AIDS foundation Fundación Lucha contra el Sida.
- > Donation and conveying of materials to build a hospice in Basakato, Equatorial Guinea.
- > Donation of tickets by Iberia to transport children from disadvantaged backgrounds to Spain for operations or treatment, in collaboration with Mano a Mano.
- > Collaboration between Mano a Mano and the Spanish Federation of Parents of Children with Cancer.

- > Collaboration through Mano a Mano with the Leukaemia foundation, Fundación de la Lucha contra la Leucemia, in Murcia, Spain.

- > Collaboration through Mano a Mano with the Women for Africa Foundation to take humanitarian aid to Africa to increase the safety of medical professionals in the fight against Ebola.

- > In the Dominican Republic, we increased help through the Emergency Warehouse to several hospitals in the country, including the Robert Reed Hospital in the capital city, which is dedicated to child patients.

- > Collaboration by Mano a Mano with the Agencia Española del Medicamento (the Spanish medicines authority) for the donation and conveying of medicines to Dakar, Senegal.

- > Collaboration with the dyslexia and family foundation Fundación Dislexia y Familia regarding attendance at several congresses on the America continent.





➤ Collaboration between Iberia and the Spanish National Transplant Organisation (ONT).

➤ Micro-donations programme organised by Iberia and Amadeus through which Iberia customers can make donations to Unicef. The campaign is going well; it raised more than 500,000 euros since its launch.

➤ Collaboration with Make a Wish in its social action activities. Iberia collaborates by providing the transport for the seriously ill children that the foundation takes to different locations to enable them to fulfil their dreams and live an unforgettable experience. Iberia, as the official air carrier, thus helps the children to manage to overcome negative emotions, such as fear, anguish or loneliness, transforming them into vitality, energy and renewed eagerness to fight.

Ensure environmental suitability

Targets:

- Integrate the principles of sustainable development into country policies and programmes and reverse the loss of environmental resources.
- Halve the proportion of the population without sustainable access to safe drinking water and basic sanitation.
- Achieve, by 2020, a significant improvement in the lives of at least 100 million slum dwellers

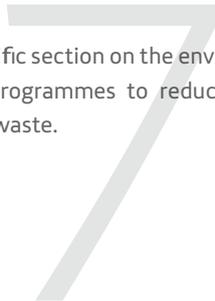
Projects:

- See the specific section on the environment for programmes to reduce emissions and waste.

Develop a global partnership for development

Metas:

- Develop further an open, rule-based, predictable, non-discriminatory trading and financial system.
- Address the special needs of least developed countries.
- Address the special needs of landlocked developing countries and small island developing States.
- Address comprehensively with the debt problems of developing countries.





Projects:

- Commitment to the Global Compact principles.
- CSR framework agreement with Unicef and Amadeus.
- Sponsorship by Iberia of the Spanish International Cooperation and Development Agency (AECID).
- Sponsorship by Iberia of the Carolina Foundation.



11.3 Iberia Anti-Corruption Policy

Iberia's anti-corruption and anti-bribery measures are included within its Crime Prevention Programme.

The Crime Prevention Programme is an active commitment against corruption

The Programme is a set of measures intended to prevent, detect and react to possible offences covered by the Spanish Penal Code. In addition, it is a commitment to permanent surveillance and penalising of unethical conduct and to maintaining effective mechanisms for communication and awareness on the part of all employees to encourage a preventive culture.

Iberia manages this risk through the programme, the general structure of which is designed, in accordance with best practices and applicable international laws, around the following four pillars:

- > Existence of clear policies and adequate risk management
- > Communication and awareness processes for all employees
- > Continuous monitoring of high-risk processes
- > Specific controls in relations with third parties

Iberia has an anti-corruption standard setting out the company's policy, with a clear commitment to ensuring ethical behaviour and compliance with the law by its employees and related third parties. It thus supplements the other related regulations,



including the regulations on conduct with civil servants or the corporate hospitality policy.

This programme regulates employee conduct and complements the Code of Conduct

This standard regulates conduct both in general and in specific situations, such as possible conflicts of interest, the prohibition regarding political activities and appropriate management of donations.

The highest risk indicators, within the countries where Iberia operates, are in Africa and Latin America, and as a result the preventive controls and actions to reduce them have been increased in these countries.

The anti-corruption programme and its goals are assessed and planned for all of IAG in the Compliance Committees, in which Iberia and the other Group companies participate, so that it covers the activity throughout the network.

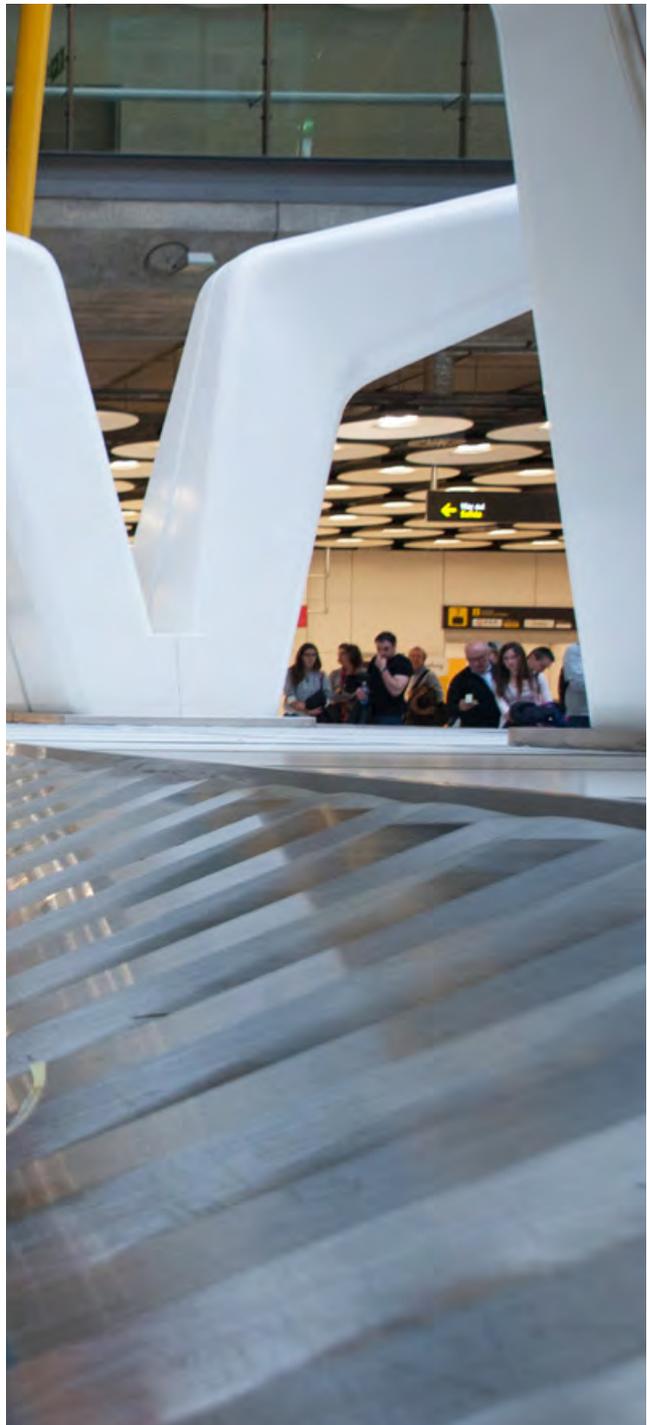
The Compliance Committees supervise the anti-corruption programme.

The Compliance Regulations lay down the obligation for all employees to be familiar with internal regulations and external laws and to ensure compliance. To this end, and to facilitate access to the information, all the regulations are published and made available to all employees following approval by Iberia's bodies.

Iberia publishes the Compliance Regulations so that they are known and observed by everyone

In addition to the traditional channel for communication of regulations, the anti-corruption policies and procedures are explained in the anti-corruption training given, according to criteria and ratings of the employees' positions and duties.

In 2015, the company did not receive any claims or fines for any cases of corruption in the performance of its activities.



Due diligence

In order to comply with the company's anti-corruption policy and internal Compliance Regulations, Iberia regularly carries out due diligence processes (finding and analysing information) on third parties linked to it. In particular, the processes check the suitability of tenderers for contracts and commercial brokers, according to the different criteria established. Those processes assess the transparency, lawfulness and efforts of third parties in fighting corruption and contracting with those third parties is accepted or barred depending on the results.

In 2015, Iberia performed due diligence processes on 113 tenderers and 20 commercial brokers

In addition, the internal anti-corruption and corporate hospitality regulations are sent to suppliers and advisers having existing contracts with different areas of the company.

11.4 Public policies of the organisation

Iberia respects the anti-corruption standard to avoid any potential offences and unethical conduct

According to the Iberia Group's anti-corruption regulations, all activity performed within the group must strictly respect the guidelines established in the applicable laws and regulations, both external and internal (Iberia and IAG), to avoid any potential criminal offences related with that activity (such as corruption between individuals, bribery, alteration of prices in competitive tendering and public auctions, money laundering, corruption in international commercial transactions, etc.) and/or unethical conduct that is not acceptable for the company.

In general, it is strictly forbidden within the Iberia Group to make any kind of donation in cash or in kind to political parties or asso-





ciations. Nor may the cost of their purchases of goods, work or services or any other expenses generated by their activity be covered, in full or in part.

{ No contributions to political parties, in cash or in kind, were recorded in 2015

The constraints established in current legislation regarding incompatibilities of senior officers are scrupulously respected in the hiring of employees and executives.

11.5 Compliance with rules on competition

{ Iberia bases itself on IAG’s antitrust programme to apply policies and procedures in accordance with the rules on competition

The programme for compliance with competition rules and regulations is based on a specific risk matrix at IAG level and is implemented through the senior management’s commitment to the approved compliance strategy.

This is also reflected in the the compliance commitment within the company’s Code of Conduct, the internal guidance for employees through the Competition Compliance Manual and specific guidelines, training initiatives, the internal whistle-blowing channel and process monitoring.

No formal proceedings were instituted against Iberia in 2015 with regard to competition issues.

11.6 Commitment to passenger rights

Iberia remains committed to compliance with the European Aviation Customer Commitment, a code of conduct signed on 2 July 2002 together with the other airlines in the Association of European Airlines (AEA).

The code lays down obligations such as respecting the agreed price, providing any information requested on the operating carrier, reporting any incidents and assisting passengers, expediting the payment of refunds and attending reduced-mobility passengers and minors, among others.

{ Iberia abides by the European code of commitment to its passengers and meets all its obligations



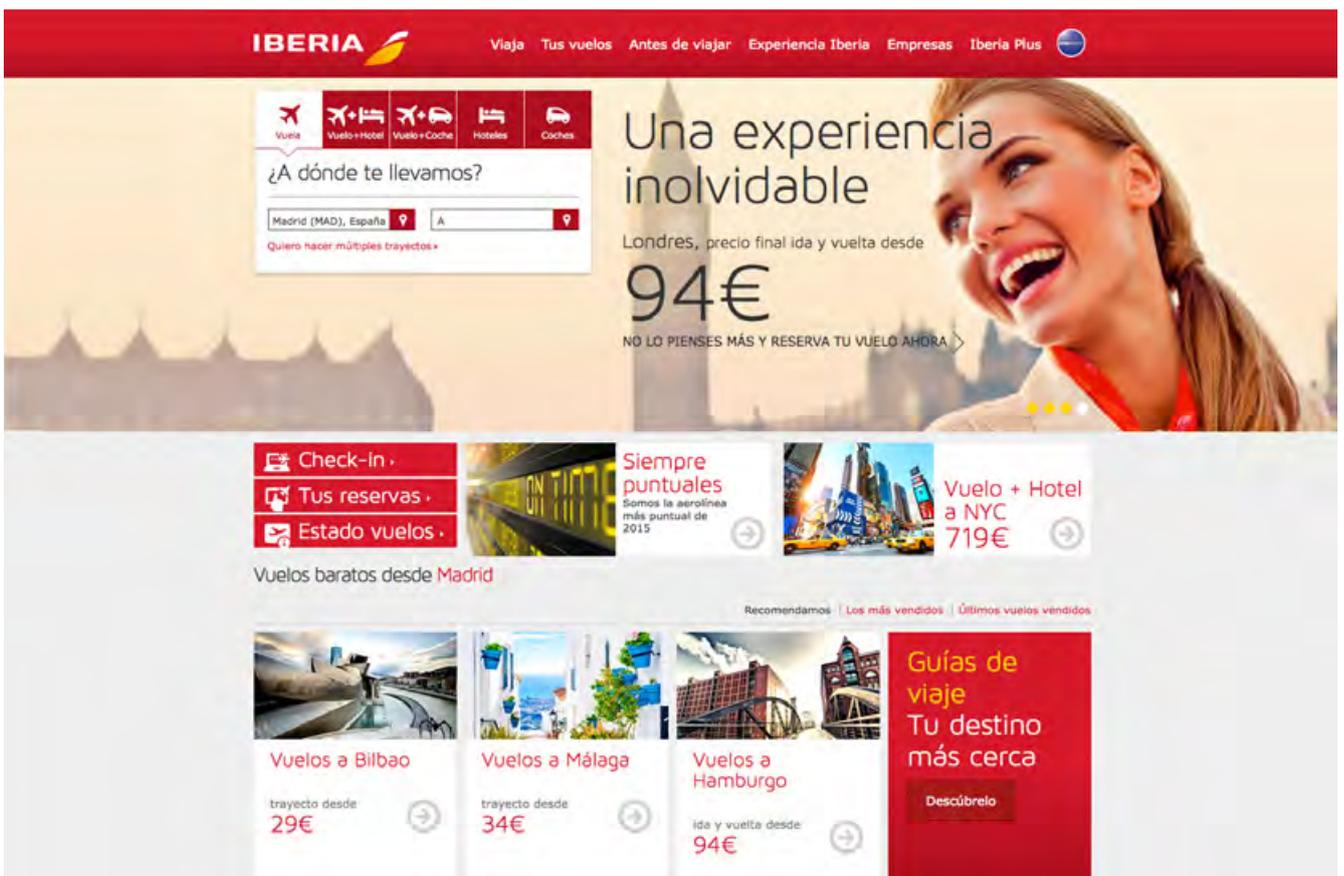
Another important point regarding passenger rights is dealing with customer complaints. Iberia complies with the European regulations on compensation and assistance to passengers in the event of boarding being denied, cancellation or long delay of flights (Regulation (EC) No 261/2004 of the European Parliament and of the Council of 11 February 2004).

"Iberia is one of the European companies that stand out for respecting transparency on their prices."
(Department of Consumers Rights)

11.7 Commitment to price transparency

Iberia publishes the final prices of its tickets, including all the different elements comprising each price, such as fuel surcharges, issue charges or airport taxes, such that the advertised price is the final purchase price of the ticket.

In the checks conducted by the Department of Consumers Rights on compliance with EU legislation of airline ticket sales on Internet, Iberia is one of the European airlines that fully respect that legislation, due to its price information transparency and consumer protection in the services offered on Iberia.com







12.

Product

responsibility



Materiality

Principal stakeholders for whom products responsibility is material:

- > Customers
- > Society at large
- > Shareholders and investors
- > Associations

Principal material aspects in order of importance:

- > Categories of products and services in which safety and impact on health are assessed
- > Customer satisfaction surveys
- > Corroborated complaints regarding privacy of customers and their data



12. Product responsibility



12.1 Commitment to continuous improvement

Iberia pursues excellence with its customers and is committed to continu-

Iberia is committed to exceeding its customers' expectations

ously improving its services to be at the fore of technological advances in the air transport market.

Iberia is undergoing a very important transformation. In business class, this change takes the form of the features offered in long-haul operations. Customers availing themselves of this service have seats that convert into totally flat beds nearly two metres long, with a design offering: greater space as they are set in individual modules, each

with aisle access; multiple nooks in which to store personal items; an à la carte entertainment system, with 15.4-inch tactile screens enabling passengers to choose between the latest film releases, the best TV series, documentaries, a broad range of musical options and several interactive games; Wi-Fi and GSM connectivity; mood lighting to adapt the lighting to the flight's different stages; and menus designed with the help of four of Spain's best chefs, each the recipient of a two-star Michelin rating.





Iberia's business class is rated the second best in Europe and the leader for flights between Europe and Latin America

Thanks to this major commitment, in February 2015 Iberia was recognised for its business class, when it was ranked second best in Europe in the ranking drawn up by US platform Skift, specialising in travelling and a benchmark in the market.

Comfort and on-board entertainment on long-haul flights have also been implemented in tourist class.

The new tourist class seating for long-haul flights provides individual 9-inch tactile screens offering intuitivenavi-

gation and access to current films and international releases.

Other advantages offered by this class are more comfortable seating that make it possible to personalise the screen, connect devices and use them to access the Internet; a wide range of series and documentaries; a menu tailored to customer tastes, including choices of a healthy option and other, more traditional dishes; and a Wi-Fi connection and GSM connectivity throughout the flight.

Customers are satisfied with the new features, which provide comfort, entertainment and quality of service

The improvement in the Iberia service also affects the planes where these new features are to be enjoyed. The new Airbus A330 have been designed especially for the company and the new features are also being installed into the A340 craft.

The attention Iberia pays to its product goes beyond the flight service. The company has an extensive insurance programme through policies taken out with top-level Spanish insurers and reinsurance of maximum solvency in international markets. Thanks to this programme, the company guarantees that coverage levels meet best-practice standards for the air transport market, exceeding in all cases the requirements laid down by the Spanish Air Traffic Law (Ley Española de Navegación Aérea) and international agreements.





oneworld Priority, already available in T4

As part of a joint project of the **oneworld** alliance, the new **oneworld** Priority signage has begun to be installed at all the airports where Iberia operates.

The aim of the new signage is to smooth the way through the airport for the alliance's frequent flyers. The **oneworld** Priority signs identify which services can be used by Iberia customers and those of the alliance's other carriers depending on the level of their frequent flyer card (Emerald, Sapphire or Ruby), in check-in, access to the fast-track security lanes, access to VIP lounges and priority boarding.

New business image at airports

Almost two years after Iberia began updating its brand image at airports, the company went one step further and tackled a new change which will affect its business class image at airports. Without breaking away from the foundations guiding the image of the new Iberia, a new brand for Iberia's business class was designed, with a more elegant image that will help

to increase its visibility and make it stand out from tourist class. The new design includes the new Priority logo for **oneworld**, which will be placed with the brand on the signs for the special customer care services offered by companies in the alliance to those passengers who hold the main loyalty cards.

Collaboration agreement with Lexus

Lexus and Iberia Plus have signed a collaboration agreement through which, as from 1 July 2015, Lexus customers earn Avios when they purchase new vehicles, use the maintenance service, buy accessories or take out insurance or financing through the manufacturer's official dealership network.

The Avios can be swapped later on for plane tickets, night stays in hotels, vehicle rentals or exclusive services with Iberia Plus partners.



IAG confirms orders for 15 A320neo

International Airlines Group (IAG) has transformed 15 options for Airbus 320neo, which were announced in August 2013, into firm orders.

The aircraft are to be delivered in 2021 and 2022 and may be used by any of the group's airlines to replace aeroplanes from its fleet.

These aircraft are modern and boast efficient fuel use, thus providing cost-savings for the fleet and environmental benefits.





Our Black Friday, a top-selling success

Iberia wants to be close to its customers. To this end, on 27 November 2015, it launched the Black Friday campaign which it advertised through social networks, emails to customers, press releases and announcements on its web page.

From launch until the end of the campaign on 3 December, flight searches rose by 21%, purchases by 27% and earnings by 23% compared to the same period in the previous year. Friday 27 November and Monday 30 November

(Cyber Monday) were the days showing the highest volume of visits to iberia.com. The impact of this action constituted 18% of searches and 19% of total purchases during this period.

New software for check-in kiosks at T4

On 2 December, work began on installing the new software at all the kiosks in the T4 check-in area. This software was designed in collaboration with the Ground Operations Department, Madrid-Barajas Airport Management and the Customer Insight and Digital Business areas.



Through this measure, the company is aiming to meet the customer needs it has detected through various focus groups and surveys completed by current and potential customers.

This new software improves the user experience, incorporates new languages, reduces and simplifies the process and cuts check-in times at kiosks.

Defining the passenger cabin for the A350 at the Airbus HQ in Hamburg



On 18 and 19 November 2015, at the Airbus headquarters in Hamburg, a meeting was held for participation in the gratifying, arduous and lengthy process of defining the interior of an aeroplane's passenger cabin.

On this occasion, the participants were working on the A350, which is expected to become the company's new large aeroplane and therefore an emblem of the new Iberia. The Cabin Crew (TCP) Department, alongside other Iberia departments, has a very important role in this task.



12. Product responsibility



Iberia Plus, now Infinita, rewarding loyalty

Iberia wants the travel experience of its best customers to begin before take-off and not to end upon their return.

It has created two lifelong cards, Iberia Plus Infinita and Iberia Plus Infinita Prime. The first is aimed at the more than 700 customers who have accumulated at least 125,000 Elite points since they were first registered on the programme. Iberia Plus Infinita Prime, meanwhile, is reserved for the 105 customers who have accumulated more than 200,000 Elite points.



Auction portal: how much do you want to pay for a flight?

decide how much they pay to fly with us? This original idea sparked the social flight initiative, where tickets for a flight from Madrid to New York were auctioned off on Iberia's Facebook page. After the success of that flight, Iberia began to work on the idea of making online auctions of tickets a regular occurrence. The result of this work has been the launch of an auction portal which kicked off on 18 May 2015.



The main goal is to reach a segment of young customers who are very used to social networks and shopping online. This system offers economical prices without needing a specific destination or date. In addition, the portal benefits traffic on Iberia.com as it shows the best price available for that flight on the website and a direct link to the purchase page.

Iberia, pionera en organizar un vuelo social

Guide to passenger communication

In its efforts to improve processes and make certain aspects of the operation easier in the work of our crew members, the Operations Department has drawn up a guide for passenger communication, in collaboration with several areas of the company (Communication and Customer Management). The main goal of the guide is to help cabin crew to implement routines and guidelines that boost the quality of communication with passengers and customers.

The value of these communications has been demonstrated in operational security aspects and in customer satisfaction indicators (NCP and NPS), as passengers perceive more personalised attention on our flights.



Automated loudspeaker system at boarding gates

Iberia is implementing an automated loudspeaker system at the boarding gates in T4. This new software is being installed in the terminals at the boarding gates and lets our colleagues just click to activate pre-recorded announcements with the boarding information.

Promotion in conjunction with El Corte Inglés: No Pararás de Volar

During the week of 26 October–1 November 2015, an advertising campaign was launched in conjunction with the El Corte Inglés travel division to increase revenues with regard to strategic destinations in Latin America, Europe and Spain.





On Business continues expanding in Latin America

On Business, the new programme aimed at small and medium-sized businesses, continues to expand in Latin America.

Following its launch in November 2015, it has expanded to include the markets of Brazil, Argentina, Chile, Panama, Colombia, Costa Rica, Ecuador, Guatemala, Peru and El Salvador.

In these countries, the companies that sign up to the programme will be able to get On Business points on Iberia, British Airways and American Airlines flights.

They will also have access to direct discounts (at least 5%) and the opportunity to swap their points for upgrades on Iberia and British Airways flights.

Technology brings us closer to our customers

The purser's iPad is a fundamental tool in improving customer satisfaction.

The new version, launched in 2015, boasts a number of improvements and

Cross-cutting collaboration by Iberia departments is key in developing the project

new features, such as the ability to sign up new customers for the Iberia Plus programme, information about customers' on-board baggage and recognition of the new high-value customer categories.

The development of these new features is the fruit of the joint work of several departments at the company, such as the Airports Department, the Customer Experience Department, the Marketing Department, the Ground Operations Department and the On-board Service Department.



12.2 Operating safety

Iberia's Operating Safety Policy is its first and foremost commitment to its customers, the aviation authorities and its employees. This commitment to safety is included in Iberia's Operation Manual and distributed among all employees and suppliers.

One of the key points of this policy is the Safety Management System (SMS), a set of processes implemented within the organisation to obtain and analyse information and make coordinated operating decisions, in order for any safety risks, as there always are risks, that may arise in respect of operations to be mitigated and controlled. In this manner, the company focuses on continuously improving the safety management of all Iberia's operations.

The key tasks in the SMS

- > **Identification of hazards:** Method for identifying any hazards that may arise in our operations.
- > **Safety reporting:** Procedure for all and any employees to report any significant observations regarding safety, such as risks, errors or incidents.
- > **Risk management:** Method for assessing risks and taking actions to mitigate them, depending on the level of risk entailed.



Operational safety is everyone's concern

Operational safety has always been associated with those who are more involved in operations. However, it is a topic of interest for all Iberia employees. With the aim of increasing awareness throughout the workforce about this topic and about how important it is to identify and report any situation that seems unusual in relation to safety, starting in September 2015 the team leading the SMS (Safety Management System) began giving a course on operational safety.

- > **Measuring of indicators:** Periodical monitoring of ratios that are important for safety (impacts in ground handling, errors in maintenance, ground proximity system alerts) to guarantee permanent improvement and maintenance of safety levels.
- > **Compliance supervision:** Checking that mitigating measures are applied.



12.3 Quality of service (punctuality and NPS)

Punctuality

In 2015 we beat the punctuality scores from 2014, demonstrating how well and hard all our employees had worked

In 2015, Iberia and Iberia Express were named once again among the top most on-time airlines in the ranking prepared by Flightstats. Iberia was ranked the second most punctual airline in the world and Iberia Express was leader in the low-cost segment.

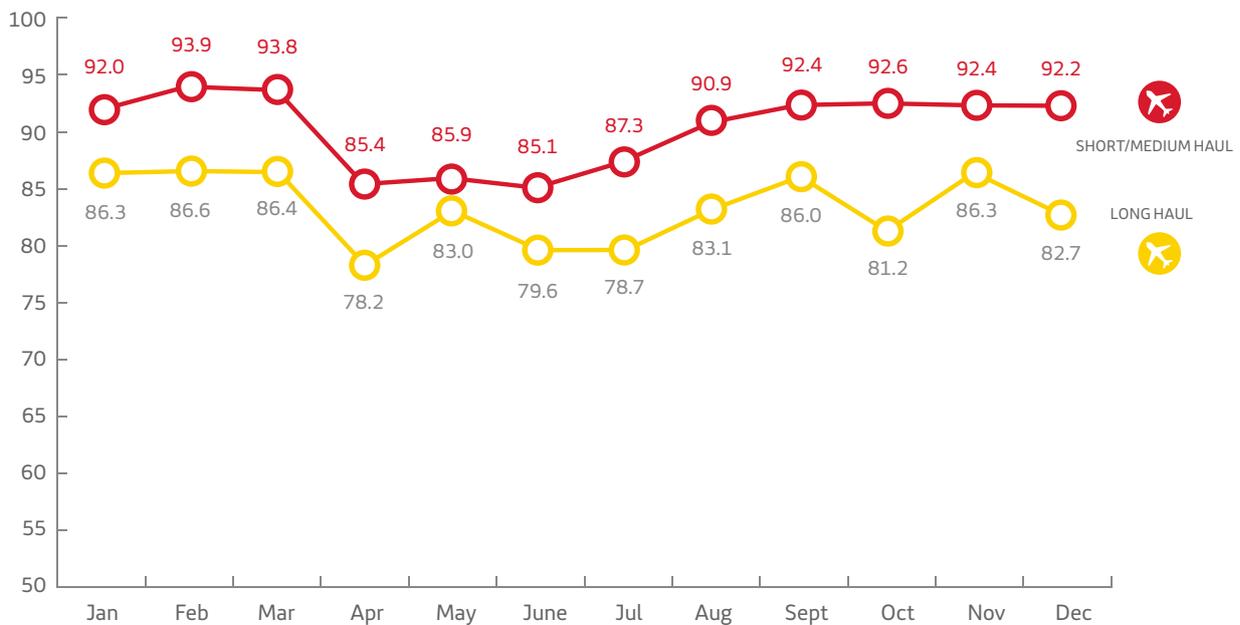
In 2015 Iberia ranked second in the world and first among European airlines, operating 187,538 flights and 88.97% of them on time, up from 88.46% in 2014.

Luis Gallego, chairman of Iberia, stated, "We are especially proud of this great achievement because punctuality has a direct, very positive impact on our customers' travel experience; and because being among the world leaders demonstrates the involvement and commitment of all the employees."

Iberia Express was the world's most punctual low-cost airline for the second year in a row, with 31,355 flights of which 93.50 per cent of them were on time. This position was held for six consecutive months, from July onwards.

Fernando Candela, chairman of Iberia Express, said, "The satisfaction from obtaining this recognition for the second year running is two-fold, because it demonstrates that we have a great team and that we offer our customers one of the world's highest levels of quality."

As for Iberia Operator, for the total number of its short- and medium-haul flights, departure punctuality was 90.2% versus 83.0% for long-haul flights.





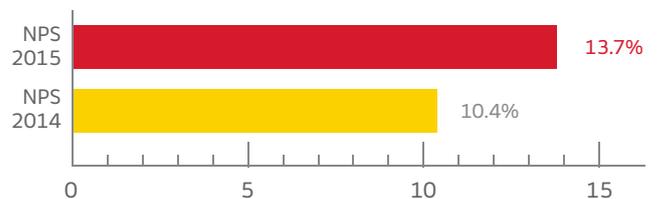
Flight punctuality is one of the values most highly appreciated by passengers, leading Iberia to establish numerous initiatives to improve it, including changes in the flight programme, review of take-off processes, specific rules, watchdog committees, decision-making and cause analysis, and review of operating processes, etc.

Commitment to satisfaction

The main indicator used by Iberia to measure customer perception is the NPS (Net Promoter Score).

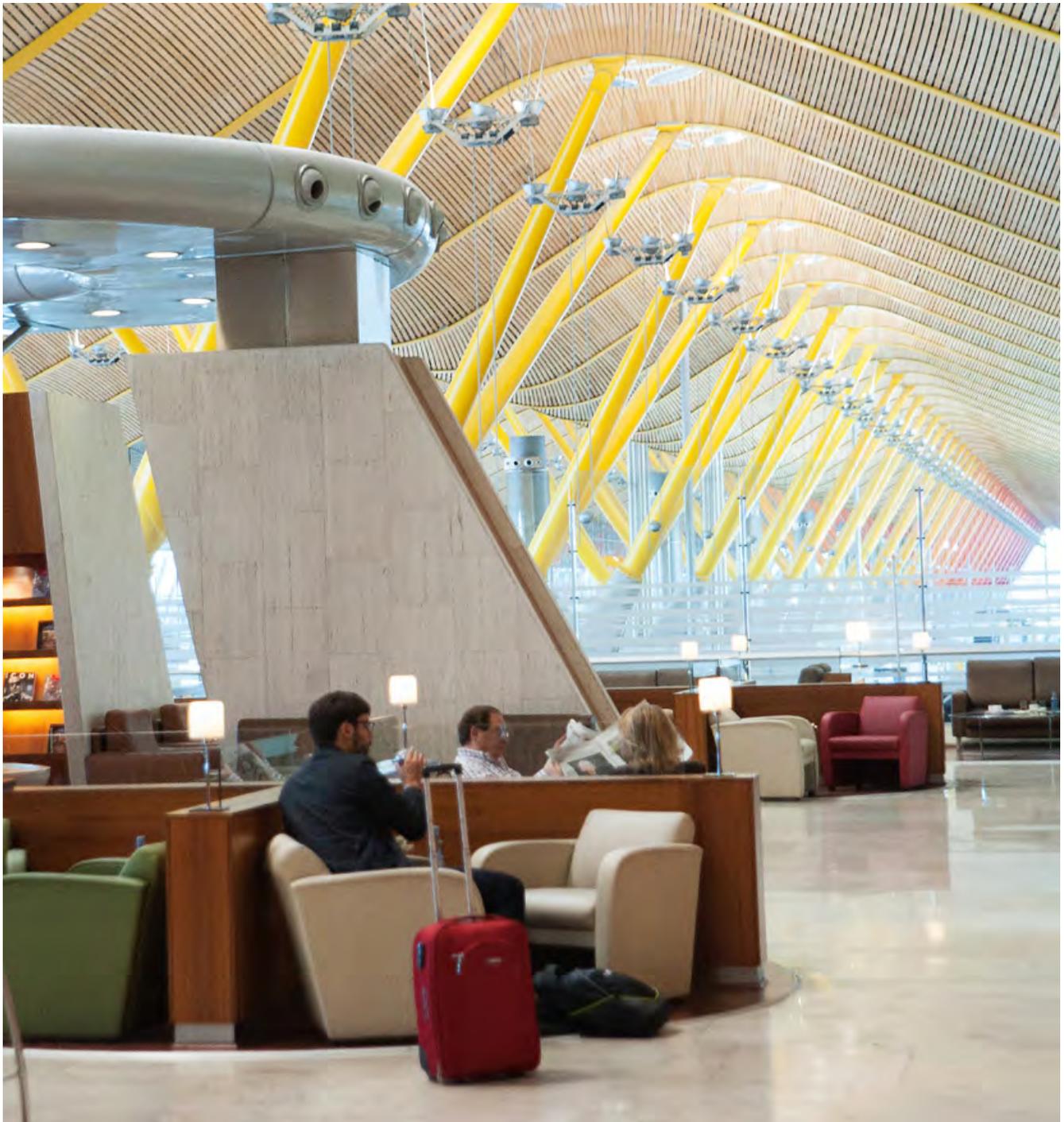
The NPS is a recommendation index drawn up on the basis of the answer to a single question in the survey on journey experience: How likely would you be to recommend Iberia to a relative, friend or acquaintance? (where 0: you would certainly not recommend it, and 10: you would recommend it for sure). If we call customers who answered with a score of 9 or 10 "promoters" and those who gave a score between 0 and 6 "critics", the NPS is calculated as the difference between the proportion of promoters over that of critics.

In 2015 the year ended with a closing NPS score of 13.7%, which shows a significant improvement of 3.3 points over the score in 2014.



In addition, 2015 saw the introduction of a new model to measure customer perception, supported by a survey (Customer Voice) with a more attractive and approachable image, which has increased the volume of impacts to cover virtually all our customers and the frequency of sending it daily. The new model, which polls passengers the day after their trip has finished, allows us to have sample volumes of nearly 20,000 surveys a month, enabling us to obtain more highly detailed measurements.

This evolution of the model was accompanied by certain changes in the NPS calculation criteria. Since 2015 the weighting of our customers' answers in the global NPS calculation depends on the weighting of the revenue of the segment (cabin-haul) to which they belong. If we standardise the NPS calculation criteria in 2014 and 2015, the reported growth of 3.3 points becomes a real growth of 4.4 points.





12. Product responsibility



12.4 Quality of service (claims)

Iberia is committed to establishing quality relationships with its customers and giving them excellent service. An important part of this commitment is suitable handling of customer incidents and claims.

Managing claims well constitutes a key asset of the service

It therefore manages those claims proactively in order to meet the needs of customers as quickly as possible.

In line with this focus, in 2015 response times were shortened by 20% and the year ended with 85% of claims being answered in under 21 days.

The information from managing claims is used by the Customer Experience areas as a source of information for continuous improvement of the service.

CACS-7, etc.) and the Environmental Management System certification under standard UNE-EN ISO 14001:2004 from AENOR for aircraft maintenance activities at the premises in La Muñeza, in Madrid, where nearly 3,000 employees work. This certificate is one of the most extensive issued by AENOR, due both to the size of the facilities and to the variety of environmental aspects contemplated and number of workers involved. Iberia Maintenance is committed to constantly increasing and improving its quality and environmental policies.

The principal service quality indicator is the continual renewal of the different certificates for aircraft MRO

The large number of qualifications of Iberia Maintenance can be seen on its specific website www.iberiamaintenance.com

12.5 Quality of service (airports and MRO)

Quality in the MRO business

The maintenance, repair and overhaul (MRO) business is performed in a highly regulated environment which requires specific certificates linked to permanent audits.

Iberia Maintenance is certified by the major international aviation authorities (such as EASA, the European Aviation Safety Authority, and FAA, the US Federal Aviation Administration), as well as numerous national aviation authorities and leading manufacturers.

In addition, it holds many different quality certificates (AENOR ISO 90001:2008, UNE-EN ISO 9110:2012, ENAC ISO17025,



Quality in the airport business

A total of 79 audits were received in 2015, from 36 customer companies to check compliance with both the applicable laws and the manuals and procedures of each operating company.

The aspects audited include organisation, training, procedures, coordination, loading and unloading of aircraft, check-in and boarding, maintenance of handling equipment, supply of drinking water and cleaning of aircraft. Special mention must be made of the prestigious ISAGO (IATA Safety Audit for Ground Operations) certificate, awarded by IATA.

All deviations detected were remedied satisfactorily within the deadlines established after implementing the corresponding corrective actions.



Iberia Airport Services receives the ISAGO certificate

Iberia was awarded the highest-ranking certificate that can be awarded to an airport service provider in relation to operational safety: the ISAGO certificate awarded by IATA. Thanks to this certificate, the company is in pole position to obtain customers at the 29 airports where it operates.

To qualify for the certificate, Iberia underwent an exhaustive audit of all its protocols, procedures, regulations and rules, and documentation that govern ground operations in order for ISAGO to verify that they fulfilled IATA's regulatory requirements and standards. The certificate reflects the effort and intensive work by the team made up of all the areas of the Airports Department.



12.6 Customer privacy

Iberia ensures the compliance of its obligations in respect of the privacy of its customers' data. The highest quality standards are followed and information security and security policies are applied that comply with applicable legislation, i.e. the Spanish Organic Law on Personal Data Protection (LOPD).

Iberia is committed to its customers' right of privacy and its policies comply with the Spanish data protection law

Demonstrating its commitment are the policies laid down governing access to the various systems to ensure that access is individual and non-transferable. Specifically, they have been designed so that access is only possible in accordance with the profile and duties of each user.

These access formats comply with security standards, as does encrypted storage, which ensures the appropriate use thereof. There is also regular testing and back-up copies are made to prevent information from becoming lost in the event of an incident.

The Data Protection Regulations have also been approved internally, with the aim of guaranteeing awareness of existing obligations to protect data and applicable security measures.

No incidents attributable to Iberia occurred in 2015.

12.7 Communication channels

Iberia is receptive to the involvement and participation of its stakeholders and has several procedures for gathering information to allow it to find out the expectations, opinions and needs of those stakeholders. Between these channels, over the last





few years its social-network-based communication strategies have been consolidated.

Iberia's choice in this sphere has led it to become recognised as one of the best-rated companies in the Spanish digital environment and one of the most active in social networks, as substantiated by the leading online reputation agencies, including TREI, Social Bakers and On Magazine.

For Iberia, since its social network channels opened in 2010, social networks have become a highly useful and interesting forum for participation

The strategy followed on social networks has centred on achieving closer relationships with customers, giving and obtaining useful and interesting information, solving queries and offering specific marketing campaigns that help them to identify with the brand.

Iberia is present on the most popular social networking sites and boasts a considerable number of followers, which positions it as one of the most popular airlines in terms of followers.

It was precisely in order to optimise resources on social networks that in 2015 Iberia created a single Facebook page to bring together in one place all the languages of our customers: Spanish, English, French, German, Italian and Portuguese. This change has signified an improvement in communication as a whole with its supporters and has prevented duplication in the number of fans.

Iberia's presence on main social networks:

Social networks	No. of followers
FACEBOOK	1,415,492
TWITTER	508,899
GOOGLE +	5,445
INSTAGRAM	30,592
PINTERST	1,073
LINKEDIN	40,323
YOUTUBE	9,229
TOTAL	2,011,053

12.8 Advertising ethics

Iberia contributes to strengthening advertising self-regulation

Iberia is committed to respecting its stakeholders' rights and champions responsible advertising based on the ethical principles of the Association for Self-regulation of Commercial Communication (Asociación para la Autorregulación de la Comunicación Comercial, Autocontrol). This association is dedicated to monitoring the advertising industry, ensuring that there are guarantees of confidence and credibility in the commercial community.



Annex

Global Reporting

Initiative Indicators



The Global Reporting Initiative (GRI) is an independent institution that created the first global standard for criteria for preparing sustainability reports for companies that wish to assess their economic, environmental and social performance. It is an official collaborating centre of UNEP, the United Nations Environment Programme.

Created in 1995, until 2002 the GRI was a joint project between the UNEP and CERES (Coalition for Environmentally Responsible Economies). It was conceived with the aim of improving the quality of the sustainability reports prepared, to put them on an equal footing with financial reporting as regards comparability, rigour, credibility, regularity and verifiability. At the current time, it is an independent institution with its own Board of Directors and is based in Amsterdam.

The GRI boasts active participation from representatives from human rights, labour rights, research and environmental organisations, and from corporations, investors and accounting organisations.



GRI G4 Code	General standard disclosures	Location in the report or explanation	Omissions
STRATEGY AND ANALYSIS			
G4-1	Statement from the chairman.	Section 1 of the CR Report	No
G4-2	Provide a description of key impacts, risks, and opportunities.	Section 1 and 6.2 of the CR Report Page 47 the IAG Annual Report 2015	No
PERFIL DE LA ORGANIZACIÓN			
G4-3	Report the name of the organisation.	IBERIA, L.A.E., S.A. OPERADORA, SOCIEDAD UNIPERSONAL	No
G4-4	Report the primary brands, products and services.	IBERIA LINEAS AEREAS IBERIA AIRPORT SERVICES IBERIA MANTENIMIENTO	No
G4-5	Report the location of the organisation's headquarters.	C/ Martínez Villergas, 49 28027, MADRID (SPAIN)	No
G4-6	Report the number of countries where the organisation operates and names of countries where the organisation has significant operations.	43 countries: Spain and Latin America (Argentina, Brazil, Lima, Chile,...) and the US.	No
G4-7	Report the nature of ownership and legal form.	SOCIEDAD ANÓNIMA UNIPERSONAL. It belongs to the shareholders of International Airlines Group (IAG)	No
G4-8	Report the markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries).	Air Transport Business: Spain, Europe, America, Africa and Middle East. Maintenance and Airport Services Businesses: Spain, Europe, America and Africa. From Spain, it assists airlines around the world.	No
Report the scale of the organisation, including:			
	Total number of employees.	Section 9.1 CR Report	No
	Total number of operations.	Punto 2.2, 2.3, 2.4 y 7.1 del IRC	No
G4-9	Net sales (for private sector organisations) or net revenues (for public sector organisations).	Section 2.2, 2.3, 2.4 and 7.1 CR Report	No
	Total capitalisation broken down in terms of debt and equity (for private sector organisations).	Section 7.1 CR Report	No
	Quantity of products or services provided.	Section 2 CR Report	No



GRI G4 Code	General standard disclosures	Location in the report or explanation	Omissions
STRATEGY AND ANALYSIS			
Workforce information			
G4-10	Total number of employees by employment contract and gender.	Section 9.1 and 9.5 CR Report	No
	Report the total workforce by employees, supervised workers and by gender.	Section 9.1 and 9.5 CR Report	No
	Report the total workforce by region and gender.	Section 9.1 and 9.5 CR Report	No
	Report whether a substantial portion of the organisation's work is performed by workers who are legally recognised as self-employed, or by individuals other than employees or supervised workers, including employees and supervised employees of contractors.	Section 9.1 CR Report	No
	Report any significant variations in employment numbers.	Section 9.1 CR Report	No
G4-11	Report the percentage of total employees covered by collective bargaining agreements.	Section 9.2 CR Report	No
G4-12	Describe the organisation's supply chain.	Section 2 CR Report	No
G4-13	Report any significant changes during the reporting period regarding the organisation.	Section 1.2 CR Report	No
G4-14	Report whether and how the precautionary approach or principle is addressed by the organisation.	Section 6.2 CR Report	No
G4-15	List externally developed principles or initiatives to which the organisation subscribes or which it endorses.	Section 10.1, 11.1 and 11.2 CR Report	No
G4-16	List memberships of associations and organisations.	Section 2.10 CR Report	No
IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES			
G4-17	List all entities included in the organisation's financial statements.	Section 5 CR Report	No
G4-18	Explain the process for defining the report content and the aspect boundaries.	Section 4 and 5 CR Report	No
G4-19	List all the material aspects identified in the process for defining report content.	Section 4 CR Report	No
G4-20	For each material aspect, report the aspect boundary within the organisation.	Section 4 CR Report	No



GRI G4 Code	General standard disclosures	Location in the report or explanation	Omissions
IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES			
G4-21	For each material aspect, report the aspect boundary outside the organisation.	Section 4 and 5 CR Report	No
G4-22	Report the effect of any restatements of information provided in previous reports, and the reasons for such restatements.	The materiality analysis carried out in 2014 was considered to compile this Report	No
G4-23	Report significant changes from previous reporting periods in the scope and aspect boundaries.	The materiality analysis carried out in 2014 was considered to compile this Report	No
STAKEHOLDER ENGAGEMENT			
G4-24	Provide a list of stakeholder groups.	Section 3 CR Report	No
G4-25	Report the basis for identification and selection of Stakeholders with whom to engage.	Section 3 CR Report	No
G4-26	Report the organisation's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process.	Section 3 CR Report	No
G4-27	Report key topics and concerns that have been raised through stakeholder engagement, and how the organisation has responded to those key topics and concerns, including through its reporting. Report the stakeholder groups that raised each of the key topics and concerns.	Section 3 CR Report	No
REPORT PROFILE			
G4-28	Reporting period for information provided.	2015	No
G4-29	Date of most recent previous report (if any).	2014	No
G4-30	Reporting cycle.	Annual	No
G4-31	Provide the contact point at the organisation.	responsabilidadcorporativa@iberia.es	No
G4-32	Report the 'in accordance' option chosen.	Comprehensive	No



GRI G4 Code	General standard disclosures	Location in the report or explanation	Omissions
REPORT PROFILE			
G4-33	Report the organisation's policy and current practice with regard to seeking external assurance for the report. If not included in the assurance report accompanying the sustainability report, report the scope and basis of any external assurance provided. Report the relationship between the organisation and the assurance providers. Report whether the highest governance body or senior executives are involved in seeking assurance for the organisation's sustainability report.	Section 5 CR Report	No
GOVERNANCE			
G4-34	Report the governance structure of the organisation.	Section 6.1 CR Report	No
G4-35	Report the process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees.	Section 6.1 CR Report	No
G4-36	Report whether the organisation has appointed an executive-level position or positions with responsibility for economic, environmental and social topics, and whether post holders report directly to the highest governance body.	Section 6.1 CR Report	No
G4-37	Report processes for consultation between stakeholders and the highest governance body on economic, environmental and social topics. If consultation is delegated, describe to whom and any feedback processes to the highest governance body.	Section 6.1 CR Report	No
G4-38	Report the composition of the highest governance body and its committees.	Section 6.1 CR Report 2015 Director Remunerations Report	No
G4-39	Report whether the Chair of the highest governance body is also an executive officer and, if so, his or her function within the organisation's management and the reasons for this arrangement).	Section 6.1 CR Report	No



GRI G4 Code	General standard disclosures	Location in the report or explanation	Omissions
GOVERNANCE			
G4-40	Report the nomination and selection processes for the highest governance body and its committees, and the criteria used for nominating and selecting highest governance body members.	Section 6.1 CR Report	No
G4-41	Report processes for the highest governance body to ensure conflicts of interest are avoided and managed. Report whether conflicts of interest are disclosed to stakeholders.	Section 6.1 CR Report	No
G4-42	Report the highest governance body's and senior executives' roles in the development, approval, and updating of the organisation's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental and social impacts.	Section 6.1 CR Report	No
G4-43	Report the measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social topics.	Section 6.1 CR Report	No
G4-44	Report the processes for evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics. Report whether such evaluation is independent or not, and its frequency. Report whether such evaluation is a self-assessment.	Section 6.2 CR Report	No
G4-45	Report the highest governance body's role in the identification and management of economic, environmental and social impacts, risks and opportunities. Include the highest governance body's role in the implementation of due diligence processes.	Section 6.2 CR Report	No
G4-46	Report the highest governance body's role in reviewing the effectiveness of the organisation's risk management processes for economic, environmental and social topics.	Section 6 CR Report	No
G4-47	Report the frequency of the highest governance body's review of economic, environmental and social impacts, risks and opportunities.	Section 6 CR Report	No



GRI G4 Code	General standard disclosures	Location in the report or explanation	Omissions
GOVERNANCE			
G4-48	Report the highest committee or position that formally reviews and approves the organisation's sustainability report and ensures that all material aspects are covered.	Section 6 CR Report	No
G4-49	Report the process for communicating critical concerns to the highest governance body.	Section 6 CR Report	No
G4-50	Report the nature and total number of critical concerns that were communicated to the highest governance body.	Section 6 CR Report Page 47 the IAG Annual Report 2015	No
G4-51	Report the remuneration policies for the highest governance body and senior executives.	2015 Director Remunerations Report	No
G4-52	Report the process for determining remuneration. Report whether remuneration consultants are involved in determining remuneration and whether they are independent of management. Report any other relationships which the remuneration consultants have with the organisation.	2015 Director Remunerations Report	No
G4-53	Report how stakeholders' views are sought and taken into account regarding remuneration, including the results of votes on remuneration policies and proposals, if applicable.	2015 Director Remunerations Report	No
G4-54	Report the ratio of the annual total compensation for the organisation's highest paid individual in each country of significant operations to the median annual total compensation for all employees (excluding the highest-paid individual) in the same country.	2015 Director Remunerations Report	No
G4-55	Report the ratio of percentage increase in annual total compensation for the organisation's highest-paid individual in each country of significant operations to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual) in the same country.	2015 Director Remunerations Report	No



GRI G4 Code	General standard disclosures	Location in the report or explanation	Omissions
GOVERNANCE			
G4-56	Describe the organisation's values, principles, standards and norms of behaviour such as codes of conduct and codes of ethics.	Section 6.4 CR Report	No
G4-57	Report the internal and external mechanisms for seeking advice on ethical and lawful behaviour, and matters related to organisational integrity, such as helplines or advice lines.	Section 6.5 CR Report	No
G4-58	Report the internal and external mechanisms for seeking advice on ethical and lawful behaviour, and matters related to organisational integrity, such as helplines or advice lines.	Section 6.5 CR Report	No

GRI G4 Code	Specific standard disclosures	Location in the report or explanation	Omissions
DISCLOSURES ON MANAGEMENT APPROACH			
G4-DMA	Identification, management and evaluation of material aspects.	Section 4 CR Report	No
ECONOMIC			
Economic performance			
G4-EC1	Report the direct economic value generated and distributed (EVG&D) on an accruals basis. To better assess local economic impacts, report EVG&D separately at country, regional, or market levels, where significant. Report the criteria used for defining significance.	Section 7.1 CR Report The investment data, following the criteria of GRI4 guidelines, represents investments not related to the business activity.	No
G4-EC2	Report risks and opportunities posed by climate change that have the potential to generate substantive changes in operations, revenue or expenditure.	Section 8.3 CR Report	No



GRI G4 Code	Specific standard disclosures	Location in the report or explanation	Omissions
ECONOMIC			
Economic performance			
	<p>Where the plan's liabilities are met by the organisation's general resources, report the estimated value of those liabilities. Where a separate fund exists to pay the plan's pension liabilities, report:</p> <ul style="list-style-type: none"> • The extent to which the scheme's liabilities are estimated to be covered by the assets that have been set aside to meet them • The basis on which that estimate has been arrived at • When that estimate was made. 		
G4-EC3	<p>Where a fund set up to pay the plan's pension liabilities is not fully covered, explain the strategy, if any, adopted by the employer to work towards full coverage, and the timescale, if any, by which the employer hopes to achieve full coverage. Report the percentage of salary contributed by employee or employer. Report the level of participation in retirement plans (such as participation in mandatory or voluntary schemes, regional or country-based schemes, or those with financial impact).</p>	Section 7.1 CR Report	No
	<p>Report the total monetary value of financial assistance received by the organisation from governments during the reporting period, including, as a minimum:</p> <ul style="list-style-type: none"> • Tax relief and tax credits • Subsidies • Investment grants, research and development grants, and other relevant types of grants • Awards 		
G4-EC4	<ul style="list-style-type: none"> • Royalty holidays • Financial assistance from Export Credit Agencies (ECAs) • Financial incentives • Other financial benefits received or receivable from any government for any operation. <p>Report the information above by country. Report whether, and the extent to which, the government is present in the shareholding structure.</p>	Punto 7.1 y 7.2 del IRC	No



GRI G4 Code	Specific standard disclosures	Location in the report or explanation	Omissions
ECONOMIC			
Market presence			
G4-EC5	<p>When a significant proportion of the workforce is compensated based on wages subject to minimum wage rules, report the ratio of the entry level wage by gender at significant locations of operation to the minimum wage.</p> <p>Report whether a local minimum wage is absent or variable at significant locations of operation, by gender. In circumstances in which different minimums could be used as a reference, report which minimum wage is being used.</p> <p>Report the definition used for 'significant locations of operation'.</p>	Section 9.1 CR Report	No
G4-EC6	<p>Report the percentage of senior management at significant locations of operation that are hired from the local community.</p>	Section 9.1 CR Report	No
Indirect economic impacts			
G4-EC7	<p>Report the extent of development of significant infrastructure investments and services supported.</p> <p>Report the current or expected impacts on communities and local economies. Report positive and negative impacts where relevant. Report whether these investments and services are commercial, in-kind, or pro bono engagements.</p>	Section 7.1 CR Report	No
G4-EC8	<p>Report examples of the significant identified positive and negative indirect economic impacts the organisation has. Report the significance of the impacts in the context of external benchmarks and stakeholder priorities, such as national and international standards, protocols, and policy agendas.</p>	Section 7.1 CR Report	No



GRI G4 Code	Specific standard disclosures	Location in the report or explanation	Omissions
ECONOMIC			
Procurement practices			
G4-EC9	Report the percentage of the procurement budget used for significant locations of operation spent on suppliers local to that operation.	Not applicable due to the activity of Iberia	No
ENVIRONMENTAL			
Materials			
G4-EN1	Report the total weight or volume of materials that are used to produce and package the organisation's primary products and services during the reporting period.	Not applicable. Section 8.6 CR Report	No
G4-EN2	Report the percentage of recycled input materials used to manufacture the organisation's primary products and services.		No
Energy			
	Report total fuel consumption from non-renewable sources in joules or multiples, including fuel types used.	Section 8.1 CR Report	No
	Report total fuel consumption from renewable fuel sources in joules or multiples, including fuel types used.	Section 8.1 CR Report	No
Report in joules, watt-hours or multiples, the total:			
G4-EN3	• electricity consumption;	Section 8.1 CR Report	No
	• Heating consumption;;	Section 8.1 CR Report	No
	• Cooling consumption	Section 8.1 CR Report	No
	• Steam consumption.	Section 8.1 CR Report	No
Report in joules, watt-hours or multiples, the total:			
	• Electricity sold.	Section 8.1 CR Report	No



GRI G4 Code	Specific standard disclosures	Location in the report or explanation	Omissions
ENVIRONMENTAL			
Energy			
G4-EN3	• Heating sold;	Section 8.1 CR Report	No
	• Cooling sold;	Section 8.1 CR Report	No
	• Steam sold.	Section 8.1 CR Report	No
G4-EN4	Report energy consumed outside of the organisation, in joules or multiples.	Section 8.1 CR Report	No
G4-EN5	Report the energy intensity ratio.	Section 8.1 CR Report	No
	Report the organisation-specific metric (the ratio denominator) chosen to calculate the ratio.	Section 8.1 CR Report	No
	Report the types of energy included in the intensity ratio: fuel, electricity, heating, cooling, steam, or all.	Section 8.1 CR Report	No
	Report whether the ratio uses energy consumed within the organisation, outside of it or both.	Section 8.1 CR Report	No
G4-EN6	Report the amount of reductions in energy consumption achieved as a direct result of conservation and efficiency initiatives, in joules or multiples.	Section 8.1 CR Report	No
	Report the types of energy included in the reductions: fuel, electricity, heating, cooling, and steam vapour.	Section 8.1 CR Report	No
G4-EN7	Report the reductions in the energy requirements of sold products and services achieved during the reporting period, in joules or multiples.	Section 8.3 CR Report	No
Water			
G4-EN8	Report the total volume of water withdrawn.	Section 8.1 CR Report	No
G4-EN9	Report the total number of water sources significantly affected by withdrawal by type.	Not applicable. Section 8.1 CR Report	No



GRI G4 Code	Specific standard disclosures	Location in the report or explanation	Omissions
ENVIRONMENTAL			
Water			
G4-EN10	Report the total volume of water recycled and reused by the organisation.	Not applicable. Section 8.1 CR Report	No
	Report the total volume of water recycled and reused as a percentage of the total water withdrawal reported under Indicator G4-EN8.	Not applicable. Section 8.1 CR Report	No
Biodiversity			
Report the following information for each operational site owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas:			
G4-EN11	• Geographic location;	Not applicable. Section 8.2 CR Report	No
	• Subsurface and underground land that may be owned, leased, or managed by the organisation;	Not applicable. Section 8.2 CR Report	No
	• Position in relation to the protected area (in the area, adjacent to, or containing portions of the protected area) or the high biodiversity value area outside protected areas;	Not applicable. Section 8.2 CR Report	No
	• Type of operation (office, manufacturing or production, or extractive);	Not applicable. Section 8.2 CR Report	No
	• Size of operational site in km ² ;	Not applicable. Section 8.2 CR Report	No
	• Biodiversity value characterised by: the attribute of the protected area or high biodiversity value area outside the protected area (terrestrial, freshwater, or maritime ecosystem); listing of protected status (such as IUCN Protected Area Management Categories, Ramsar Convention, national legislation).	Not applicable. Section 8.2 CR Report	No
G4-EN12	Report the nature of significant direct and indirect impacts on biodiversity.	Not applicable. Section 8.2 CR Report	No
	Report significant direct and indirect positive and negative impacts with reference to the following:		
	• Species affected.	Not applicable. Section 8.2 CR Report	No
	• Extent of areas impacted;	Not applicable. Section 8.2 CR Report	No



GRI G4 Code	Specific standard disclosures	Location in the report or explanation	Omissions
ENVIRONMENTAL			
Biodiversity			
G4-EN12	• Duration of impacts;	Not applicable. Section 8.2 CR Report	No
	• Reversibility or irreversibility of the impacts.	Not applicable. Section 8.2 CR Report	No
G4-EN13	Report the size and location of all habitat protected areas or restored areas, and whether the success of the restoration measure was or is approved by independent external professionals.	Not applicable. Section 8.2 CR Report	No
	Report whether partnerships exist with third parties to protect or restore habitat areas distinct from where the organisation has overseen and implemented restoration or protection measures.	Not applicable. Section 8.2 CR Report	No
	Report on the status of each area based on its condition at the close of the reporting period.	Not applicable. Section 8.2 CR Report	No
	Report standards, methodologies, and assumptions used.	Not applicable. Section 8.2 CR Report	No
G4-EN14	Report the total number of IUCN Red List species and national conservation list species with habitats in areas affected by the operations of the organisation, by level of extinction risk.	Not applicable. Section 8.2 CR Report	No
Emissions			
G4-EN15	Report gross direct (Scope 1) GHG emissions in metric tonnes of CO ₂ equivalent, independent of any GHG trades, such as purchases, sales, or transfers of offsets or allowances.	Section 8.3 CR Report	No
	Report gases included in the calculation (whether CO ₂ , CH ₄ , N ₂ O, HFC, PFC, SF ₆ , NF ₃ , or all).	Section 8.3 CR Report	No
	Report biogenic CO ₂ emissions in metric tonnes of CO ₂ equivalent separately from the gross direct (Scope 1) GHG emissions.	Section 8.3 CR Report	No



GRI G4 Code	Specific standard disclosures	Location in the report or explanation	Omissions
ENVIRONMENTAL			
Emissions			
G4-EN16	Report gross energy indirect (Scope 2) GHG emissions in metric tonnes of CO ₂ equivalent, independent of any GHG trades, such as purchases, sales, or transfers of offsets or allowances.	Section 8.3 CR Report	No
G4-EN17	Report gross other indirect (Scope 3) GHG emissions in metric tonnes of CO ₂ equivalent, excluding indirect emissions from the generation of purchased or acquired electricity, heating, cooling, and steam consumed by the organisation (these indirect emissions are reported in Indicator G4-EN16). Exclude any GHG trades, such as purchases, sales, or transfers of offsets or allowances.	Section 8.3 CR Report	No
	Report gases included in the calculation, if available.	Section 8.3 CR Report	No
	Report biogenic CO ₂ emissions in metric tonnes of CO ₂ equivalent separately from the gross direct (Scope 3) GHG emissions.	Section 8.3 CR Report	No
G4-EN18	Report other indirect (Scope 3) emissions categories and activities included in the calculation.	Section 8.3 CR Report	No
	Report the GHG emissions intensity ratio.	Section 8.3 CR Report	No
	Report the organisation-specific metric (the ratio denominator) chosen to calculate the ratio.	Section 8.3 CR Report	No
	Report the types of GHG emissions included in the intensity ratio: direct (Scope 1), energy indirect (Scope 2), other indirect (Scope 3).	Section 8.3 CR Report	No
	Report gases included in the calculation.	Section 8.3 CR Report	No
G4-EN19	Report the amount of GHG emissions reductions achieved as a direct result of initiatives to reduce emissions, in metric tonnes of CO ₂ equivalent.	Section 8.3 CR Report	No



GRI G4 Code	Specific standard disclosures	Location in the report or explanation	Omissions
ENVIRONMENTAL			
Emissions			
G4-EN19	Report gases included in the calculation (whether CO ₂ , CH ₄ , N ₂ O, HFC, PFC, SF ₆ , NF ₃ o todos ellos).	Section 8.3 CR Report	No
	Report the chosen base year or baseline and the rationale for choosing it.	Section 8.3 CR Report	No
	Report standards, methodologies, and assumptions used.	Section 8.3 CR Report	No
	Report whether the reductions in GHG emissions occurred in direct (Scope 1), energy indirect (Scope 2), other indirect (Scope 3) emissions.	Section 8.3 CR Report	No
G4-EN20	Report production, imports, and exports of ODS in metric tonnes of CFC-11 equivalent.	Section 8.3 CR Report	No
	Report substances included in the calculation.	Section 8.3 CR Report	No
	Report standards, methodologies, and assumptions used.	Section 8.3 CR Report	No
	Report the source of the emission factors used.	Section 8.3 CR Report	No
Report the amount of significant air emissions, in kilograms or multiples for each of the following:			
G4-EN21	• NO _x	Section 8.4 CR Report	No
	• SO _x	Not applicable. Section 8.4 CR Report	No
	• Persistent organic pollutants (POP)	Not applicable. Section 8.4 CR Report	No
	• Volatile organic compounds (VOC)	Section 8.4 CR Report	No
	• Hazardous air pollutants (HAP)	Not applicable. Section 8.4 CR Report	No
	• Particulate matter (PM)	Not applicable. Section 8.4 CR Report	No
	• Other standard categories of air emissions identified in relevant regulations.	Not applicable. Section 8.4 CR Report	No



GRI G4 Code	Specific standard disclosures	Location in the report or explanation	Omissions
ENVIRONMENTAL			
Emissions			
G4-EN21	Report standards, methodologies, and assumptions used. Report the source of the emission factors used.	Section 8.4 CR Report	No
Effluents and waste			
Report the total volume of planned and unplanned water discharges by:			
	• Destination;	Section 8.5 CR Report	No
	• Quality of the water including treatment method;	Section 8.5 CR Report	No
G4-EN22	• Whether it was reused by another organisation.	Not applicable. Section 8.5 CR Report	No
	Report standards, methodologies, and assumptions used.	Section 8.5 CR Report	No
Report the total weight of hazardous and non-hazardous waste, by the following disposal methods:			
	• Reuse;	Section 8.5 CR Report	No
	• Recycling;	Section 8.5 CR Report	No
	• Composting;	Section 8.5 CR Report	No
	• Recovering, including energy recover;	Section 8.5 CR Report	No
	• Incineration (mass burn);	Section 8.5 CR Report	No
G4-EN23	• Deep well injection;	Section 8.5 CR Report	No
	• Landfill;	Section 8.5 CR Report	No
	• On-site storage;	Section 8.5 CR Report	No
	• Other (to be specified by the organisation).	Section 8.5 CR Report	No
Report how the waste disposal method has been determined:			
	Disposed of directly by the organisation or otherwise directly confirmed;	Section 8.5 CR Report	No



GRI G4 Code	Specific standard disclosures	Location in the report or explanation	Omissions
ENVIRONMENTAL			
Effluents and waste			
G4-EN23	• Information provided by the waste disposal contractor;	Section 8.5 CR Report	No
	• Organisational defaults of the waste disposal contractor.	Section 8.5 CR Report	No
	Report the total number and total volume of recorded significant spills.	Section 8.5 CR Report	No
For spills that were reported in the organisation's financial statements, report the additional following information for each such spill:			
	• Location of spill;	Not applicable. Section 8.5 CR Report	No
	• Volume of spill	Not applicable. Section 8.5 CR Report	No
Material of spill, categorised by:			
G4-EN24	• Oil spills (soil or water surfaces);	Not applicable. Section 8.5 CR Report	No
	• Spills of wastes (soil or water surfaces);	Not applicable. Section 8.5 CR Report	No
	• Fuel spills (soil or water surfaces);	Not applicable. Section 8.5 CR Report	No
	• Spills of chemicals (mostly soil or water surfaces);	Not applicable. Section 8.5 CR Report	No
	• Other (to be specified by the organisation).	Not applicable. Section 8.5 CR Report	No
	Report the impacts of significant spills.	Not applicable. Section 8.5 CR Report	No
Report the total weight for each of the following:			
G4-EN25	• Hazardous waste transported;	Not applicable. Section 8.5 CR Report	No
	• Hazardous waste imported;	Not applicable. Section 8.5 CR Report	No
	• Hazardous waste exported;	Not applicable. Section 8.5 CR Report	No
	• Hazardous waste treated.	Section 8.5 CR Report	No
	Report the percentage of hazardous waste shipped internationally.	Not applicable. Section 8.5 CR Report	No



GRI G4 Code	Specific standard disclosures	Location in the report or explanation	Omissions
ENVIRONMENTAL			
Effluents and waste			
	Report water bodies and related habitats that are significantly affected by water discharges based on the criteria described in the Compilation section below.	Section 8.5 CR Report	No
Adding information on:			
G4-EN26	• Size of water body and related habitat;	Not applicable. Section 8.5 CR Report	No
	• Whether the water body and related habitat is designated as a protected area (nationally or internationally);	Not applicable. Section 8.5 CR Report	No
	• Biodiversity value (such as total number of protected species).	Not applicable. Section 8.5 CR Report	No
Products and services			
G4-EN27	Report quantitatively the extent to which environmental impacts of products and services have been mitigated during the reporting period. If use-oriented figures are employed, report the underlying assumptions regarding consumption patterns or normalisation factors.	Section 8.1, 8.3 and 8.4 CR Report	No
G4-EN28	Report the percentage of reclaimed products and their packaging materials for each product category. Report how the data for this Indicator has been collected.	Not applicable. Section 8.6 CR Report	No
Compliance			
Report significant fines and non-monetary sanctions in terms of:			
	• Total monetary value of significant fines	Section 8.6 CR Report	No
	• Total number of non-monetary sanctions	Section 8.6 CR Report	No
G4-EN29	• Cases brought through dispute resolution mechanisms.	Section 8.6 CR Report	No
	Where organisations have not identified any non-compliance with laws or regulations, a brief statement of this fact is sufficient.	Section 8.6 CR Report	No



GRI G4 Code	Specific standard disclosures	Location in the report or explanation	Omissions
ENVIRONMENTAL			
Transport			
	Report the significant environmental impacts of transporting products and other goods and materials for the organisation’s operations, and transporting members of the workforce. Where quantitative data is not provided, report the reason.	Section 8.1 CR Report	No
G4-EN30	Report how the environmental impacts of transporting products, members of the organisation’s workforce, and other goods and materials are mitigated.	Section 8.1 CR Report	No
	Report the criteria and methodology used to determine which environmental impacts are significant.	Section 8.1 CR Report	No
Overall			
Report total environmental protection expenditures by:			
G4-EN31	• Waste disposal, emissions treatment, and remediation costs;	Section 8.6 CR Report	No
	• Prevention and environmental management costs	Section 8.6 CR Report	No
Supplier environmental assessment			
G4-EN32	Report the percentage of new suppliers that were screened using environmental criteria.	Section 10.3 CR Report	No
	Report the number of suppliers subject to environmental impact assessments.	Section 10.3 CR Report	No
	Report the number of suppliers identified as having significant actual and potential negative environmental impacts.	Section 10.3 CR Report	No
G4-EN33	Report the significant actual and potential negative environmental impacts identified in the supply chain.	Section 10.3 CR Report	No
	Report the percentage of suppliers identified as having significant actual and potential negative environmental impacts with which improvements were agreed upon as a result of assessment.	Section 10.3 CR Report	No



GRI G4 Code	Specific standard disclosures	Location in the report or explanation	Omissions
ENVIRONMENTAL			
Supplier environmental assessment			
G4-EN33	Report the percentage of suppliers identified as having significant actual and potential negative environmental impacts with which relationships were terminated as a result of assessment, and why.	Section 10.3 CR Report	No
Environmental grievance mechanisms			
	Report the total number of grievances about environmental impacts filed through formal grievance mechanisms during the reporting period.	Section 8.6 CR Report	No
Of the identified grievances, report how many were:			
G4-EN34	• Addressed during the reporting period;	Section 8.6 CR Report	No
	• Resolved during the reporting period.	Section 8.6 CR Report	No
	Report the total number of grievances about environmental impacts filed prior to the reporting period that were resolved during the reporting period.	Section 8.6 CR Report	No
LABOUR PRACTICES AND DECENT WORK			
Employment			
G4-LA1	Report the total number and rate of new employee hires during the reporting period, by age group, gender and region. Report the total number and rate of employee turnover during the reporting period, by age group, gender and region.	Section 9.1 and 9.5 CR Report	No



GRI G4 Code	Specific standard disclosures	Location in the report or explanation	Omissions
LABOUR PRACTICES AND DECENT WORK			
Employment			
G4-LA2	<p>Report the benefits which are standard for full-time employees of the organisation but are not provided to temporary or part-time employees, by significant locations of operation. These include, as a minimum:</p> <ul style="list-style-type: none"> • Life insurance • Health care • Disability and invalidity coverage • Parental leave • Retirement provision • Stock ownership • Others <p>Report the definition used for 'significant locations of operation'.</p>	Section 9.1 and 9.5 CR Report	No
	Report the total number of employees that were entitled to parental leave, by gender	Section 9.5 CR Report	No
	Report the total number of employees that took parental leave, by gender	Section 9.5 CR Report	No
G4-LA3	Report the total number of employees who returned to work after parental leave ended, by gender.	Section 9.5 CR Report	No
	Report the total number of employees who returned to work after parental leave ended who were still employed twelve months after their return to work, by gender.	Section 9.5 CR Report	No
	Report the return to work and retention rates of employees who took parental leave, by gender.	Section 9.5 CR Report	No



GRI G4 Code	Specific standard disclosures	Location in the report or explanation	Omissions
LABOUR PRACTICES AND DECENT WORK			
Labour/management relations			
G4-LA4	Report the minimum number of weeks' notice typically provided to employees and their elected representatives prior to the implementation of significant operational changes that could substantially affect them. For organisations with collective bargaining agreements, report whether the notice period and provisions for consultation and negotiation are specified in collective agreements.	Section 9.2 CR Report	No
Occupational health and safety			
G4-LA5	Report the level at which each formal joint management-worker health and safety committee typically operates within the organisation. Report the percentage of the total workforce represented in formal joint management-worker health and safety committees.	Section 9.3 CR Report	No
	Report types of injury, injury rate (IR), occupational diseases rate (ODR), lost day rate (LDR), absentee rate (AR) and work-related fatalities, for the total workforce (that is, total employees plus supervised workers), by region and gender.	Section 9.3 CR Report	No
G4-LA6	Report types of injury, injury rate (IR), occupational diseases rate (ODR), lost day rate (LDR), absentee rate (AR) and work-related fatalities for independent contractors working on-site to whom the organisation is liable for the general safety of the working environment, by region and gender.	Section 9.3 CR Report	No
	Report the system of rules applied in recording and reporting accident statistics.	Section 9.3 CR Report	No



GRI G4 Code	Specific standard disclosures	Location in the report or explanation	Omissions
LABOUR PRACTICES AND DECENT WORK			
Occupational health and safety			
G4-LA7	Report whether there are workers who are involved in occupational activities who have a high incidence or high risk of specific diseases.	Section 9.3 CR Report	No
G4-LA8	Report whether formal agreements (either local or global) with trade unions cover health and safety. If yes, report the extent, as a percentage, to which various health and safety topics are covered by these agreements.	Section 9.3 CR Report	No
Training and education			
G4-LA9	Report the average hours of training that the organisation's employees have undertaken during the reporting period, by gender and employee category.	Section 9.4 CR Report	No
G4-LA10	Report on the type and scope of programmes implemented and assistance provided to upgrade employee skills. Report on the transition assistance programs provided to facilitate continued employability and the management of career endings resulting from retirement or termination of employment.	Section 9.4 CR Report	No
G4-LA11	Report the percentage of total employees by gender and by employee category who received a regular performance and career development review during the reporting period.	Section 9.4 CR Report	No



GRI G4 Code **Specific standard disclosures** **Location in the report or explanation** **Omissions**

LABOUR PRACTICES AND DECENT WORK

Diversity and equal opportunity

G4-LA12	<p>Report the percentage of individuals within the organisation’s governance bodies in each of the following diversity categories:</p> <ul style="list-style-type: none"> • Gender • Age group: under 30 years old, 30-50 years old, over 50 years old • Minority groups • Other indicators of diversity where relevant <p>Report the percentage of employees per employee category in each of the following diversity categories:</p> <ul style="list-style-type: none"> • Gender • Age group: under 30 years old, 30-50 years old, over 50 years old • Minority groups • Other indicators of diversity where relevant 	Section 9.5 CR Report	No
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Equal remuneration for women and men

G4-LA13	<p>Report the ratio of the basic salary and remuneration of women to men for each employee category, by significant locations of operation. Report the definition used for ‘significant locations of operation’.</p>	Section 9.5 CR Report	No
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Supplier assessment for labour practices

G4-LA14	<p>Report the percentage of new suppliers that were screened using labour practices criteria.</p>	Section 9.6 CR Report	No
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GRI G4 Code	Specific standard disclosures	Location in the report or explanation	Omissions
LABOUR PRACTICES AND DECENT WORK			
Supplier assessment for labour practices			
G4-LA15	<p>Report the number of suppliers subject to impact assessments for labour practices. Report the number of suppliers identified as having significant actual and potential negative impacts for labour practices. Report the significant actual and potential negative impacts for labour practices identified in the supply chain.</p> <p>Report the percentage of suppliers identified as having significant actual and potential negative impacts for labour practices with which improvements were agreed upon as a result of assessment. Report the percentage of suppliers identified as having significant actual and potential negative impacts for labour practices with which relationships were terminated as a result of assessment, and why.</p>	Section 9.6 CR Report	No
Labour practices grievance mechanisms			
G4-LA16	<p>Report the total number of grievances about labour practices filed through formal grievance mechanisms during the reporting period.</p> <p>Of the identified grievances, report how many were:</p> <ul style="list-style-type: none"> • Addressed during the reporting period • Resolved during the reporting period <p>Report the total number of grievances about labour practices filed prior to the reporting period that were resolved during the reporting period.</p>	Section 9.5 CR Report	No
HUMAN RIGHTS			
Investment			
G4-HR1	<p>Report the total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening. Report the definition of 'significant investment agreements' used by the organisation.</p>	Punto 10.3 del IRC	No



GRI G4 Code	Specific standard disclosures	Location in the report or explanation	Omissions
HUMAN RIGHTS			
Investment			
G4-HR2	<p>Report the total number of hours in the reporting period devoted to training on human rights policies or procedures concerning aspects of human rights that are relevant to operations.</p> <p>Report the percentage of employees in the reporting period trained in human rights policies or procedures concerning aspects of human rights that are relevant to operations.</p>	Section 10.2 CR Report	No
Non-discrimination			
G4-HR3	<p>Report the total number of incidents of discrimination during the reporting period.</p> <p>Report the status of the incidents and the actions taken with reference to the following:</p> <ul style="list-style-type: none"> • Incident reviewed by the organisation • Remediation plans being implemented • Remediation plans have been implemented and results reviewed through routine internal management review processes • Incident no longer subject to action. 	Section 9.5 and 10 CR Report	No
Freedom of association and collective bargaining			
G4-HR4	<p>Report operations and suppliers in which employee rights to exercise freedom of association or collective bargaining may be violated or at significant risk either in terms of:</p> <ul style="list-style-type: none"> • Type of operation (such as manufacturing plant) and supplier. • Countries or geographical areas with operations and suppliers considered at risk. <p>Report measures taken by the organisation in the reporting period intended to support rights to exercise freedom of association and collective bargaining.</p>	Section 9.2 and 10.3 CR Report	No



GRI G4 Code	Specific standard disclosures	Location in the report or explanation	Omissions
HUMAN RIGHTS			
Child labour			
G4-HR5	<p>Report operations and suppliers considered to have significant risk for incidents of:</p> <ul style="list-style-type: none"> • Child labour • Young workers exposed to hazardous work <p>Report operations and suppliers considered to have significant risk for incidents of child labour either in terms of:</p> <ul style="list-style-type: none"> • Type of operation (such as manufacturing plant) and supplier • Countries or geographical areas with operations and suppliers considered at risk. <p>Report measures taken by the organisation in the reporting period intended to contribute to the effective abolition of child labour.</p>	Section 10.3 CR Report	No
Forced or compulsory labour			
G4-HR6	<p>Report operations and suppliers considered to have significant risk for incidents of forced or compulsory labour either in terms of:</p> <ul style="list-style-type: none"> • Type of operation (such as manufacturing plant) and supplier • Countries or geographical areas with operations and suppliers considered at risk <p>Report measures taken by the organisation in the reporting period intended to contribute to the elimination of all forms of forced or compulsory labour.</p>	Section 10.3 CR Report	No
Security practices			
G4-HR7	<p>Report the percentage of security personnel who have received formal training in the organisation's human rights policies or specific procedures and their application to security.</p> <p>Report whether training requirements also apply to third party organisations providing security personnel.</p>	Section 10.2 CR Report	No



GRI G4 Code	Specific standard disclosures	Location in the report or explanation	Omissions
HUMAN RIGHTS			
Indigenous rights			
	Report the total number of identified incidents of violations involving the rights of indigenous peoples during the reporting period. Report the status of the incidents and the actions taken with reference to:		
G4-HR8	<ul style="list-style-type: none"> • Incident reviewed by the organisation • Remediation plans being implemented • Remediation plans have been implemented and results reviewed through routine internal management review processes • Incident no longer subject to action 	Section 10 CR Report	No
Assessment			
G4-HR9	Report the total number and percentage of operations that have been subject to human rights reviews or human rights impact assessments, by country.	Section 6.4, 6.5 and 10.3 CR Report	No
Supplier human rights assessment			
G4-HR10	Report the percentage of new suppliers that were screened using human rights criteria.	Section 10 CR Report	No
	Report the number of suppliers subject to human rights impact assessments. Report the number of suppliers identified as having significant actual and potential negative human rights impacts. Report the significant actual and potential negative human rights impacts identified in the supply chain.		
G4-HR11	Report the percentage of suppliers identified as having significant actual and potential negative human rights impacts with which improvements were agreed upon as a result of assessment. Report the percentage of suppliers identified as having significant actual and potential negative human rights impacts with which relationships were terminated as a result of assessment, and why.	Section 10.3 CR Report	No



GRI G4 Code	Specific standard disclosures	Location in the report or explanation	Omissions
HUMAN RIGHTS			
Human rights grievance mechanisms			
G4-HR12	<p>Report the total number of grievances about human rights impacts filed through formal grievance mechanisms during the reporting period.</p> <p>Of the identified grievances, report how many were:</p> <ul style="list-style-type: none"> • Addressed during the reporting period • Resolved during the reporting period. <p>Report the total number of grievances about human rights impacts filed prior to the reporting period that were resolved during the reporting period.</p>	Section 10 CR Report	No
SOCIETY			
Local communities			
G4-SO1	<p>Report the percentage of operations with implemented local community engagement, impact assessments, and development programmes.</p>	Section 11 CR Report	No
G4-SO2	<p>Report operations with significant actual and potential negative impacts on local communities, including:</p> <ul style="list-style-type: none"> • The location of the operations. • The significant actual and potential negative impacts of operations. 	Section 11 CR Report	No
Anti-corruption			
G4-SO3	<p>Report the total number and percentage of operations assessed for risks related to corruption. Report the significant risks related to corruption identified through the risk assessment.</p>	Section 11.3 CR Report	No



GRI G4 Code	Specific standard disclosures	Location in the report or explanation	Omissions
SOCIETY			
Anti-corruption			
G4-S04	<p>Report the total number and percentage of governance body members that the organisation’s anti-corruption policies and procedures have been communicated to, broken down by region.</p> <p>Report the total number and percentage of employees that the organisation’s anti-corruption policies and procedures have been communicated to, broken down by employee category and region.</p> <p>Report the total number and percentage of business partners that the organisation’s anti-corruption policies and procedures have been communicated to, broken down by type of business partner and region.</p> <p>Report the total number and percentage of governance body members that have received training on anti-corruption, broken down by region.</p> <p>Report the total number and percentage of employees that have received training on anti-corruption, broken down by employee category and region.</p>	Section 11.3 CR Report	No
G4-S05	<p>Report the total number and nature of confirmed incidents of corruption. Report the total number of confirmed incidents in which employees were dismissed or disciplined for corruption. Report the total number of confirmed incidents when contracts with business partners were terminated or not renewed due to violations related to corruption.</p> <p>Report public legal cases regarding corruption brought against the organisation or its employees during the reporting period and the outcomes of such cases.</p>	Section 11.3 CR Report	No
Public policy			
G4-S06	<p>Report the total monetary value of financial and in-kind political contributions made directly and indirectly by the organisation by country and recipient/beneficiary.</p> <p>Report how the monetary value of in-kind contributions was estimated, if applicable.</p>	Section 11.4 CR Report	No



GRI G4 Code	Specific standard disclosures	Location in the report or explanation	Omissions
SOCIETY			
Anti-competitive behaviour			
G4-S07	Report the total number of legal actions pending or completed during the reporting period regarding anti-competitive behaviour and violations of anti-trust and monopoly legislation in which the organisation has been identified as a participant. Report the main outcomes of completed legal actions, including any decisions or judgements.	Section 11.5 CR Report	No
Compliance			
G4-S08	Report significant fines and non-monetary sanctions in terms of: <ul style="list-style-type: none"> • Total monetary value of significant fines • Total number of non-monetary sanctions • Cases brought through dispute resolution mechanisms. If the organisation has not identified any non-compliance with laws or regulations, a brief statement of this fact is sufficient. Report the context against which significant fines and non-monetary sanctions were incurred.	Section 11.5 CR Report	No
Supplier assessment for impacts on society			
G4-S09	Report the percentage of new suppliers that were screened using criteria for impacts on society.	Section 10.3 CR Report	No
G4-S010	Report the number of suppliers subject to assessments for impacts on society. Report the number of suppliers identified as having significant actual and potential negative impacts on society. Report the significant actual and potential negative impacts on society identified in the supply chain. Report the percentage of suppliers identified as having significant actual and potential negative impacts on society with which improvements were agreed upon as a result of assessment. Report the percentage of suppliers identified as having significant actual and potential negative impacts on society with which relationships were terminated as a result of assessment, and why.	Section 10.3 CR Report	No



GRI G4 Code Specific standard disclosures Location in the report or explanation Omissions

SOCIETY

Grievance mechanisms for impacts on society

G4-SO11	<p>Report the total number of grievances about impacts on society filed through formal grievance mechanisms during the reporting period.</p> <p>Of the identified grievances, report how many were:</p> <ul style="list-style-type: none"> • Addressed during the reporting period • Resolved during the reporting period. <p>Report the total number of grievances about impacts on society filed prior to the reporting period that were resolved during the reporting period.</p>	Section 11 CR Report	No
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PRODUCT RESPONSIBILITY

Customer health and safety

G4-PR1	<p>Report the percentage of significant product and service categories for which health and safety impacts are assessed for improvement.</p>	Section 12 CR Report	No
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G4-PR2	<p>Report the total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services within the reporting period, by:</p> <ul style="list-style-type: none"> • Incidents of non-compliance with regulations resulting in a fine or penalty • Incidents of non-compliance with regulations resulting in a warning • Incidents of non-compliance with voluntary codes <p>If the organisation has not identified any non-compliance with regulations and voluntary codes, a brief statement of this fact is sufficient.</p>	Section 12 CR Report	No
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GRI G4 Code	Specific standard disclosures	Location in the report or explanation	Omissions
PRODUCT RESPONSIBILITY			
Product and service labelling			
G4-PR3	<p>Report whether the following product information is required by the organisation's procedures for product information and labelling:</p> <ul style="list-style-type: none"> • The sourcing of components of the product or service • Content, particularly with regard to substances that might produce an environmental or social impact • Safe use of the product or service • Disposal of the product and environmental/social impacts • Others (explain) <p>Report the percentage of significant product or service categories covered by and assessed for compliance with such procedures.</p>	<p>Section 8.1 and 12.2 CR Report</p> <p>The on board catering service is managed by specific suppliers.</p>	No
G4-PR4	<p>Report the total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labelling, by:</p> <ul style="list-style-type: none"> • Incidents of non-compliance with regulations resulting in a fine or penalty • Incidents of non-compliance with regulations resulting in a warning • Incidents of non-compliance with voluntary codes 	Section 11.7 CR Report	No
G4-PR5	<p>Report the results or key conclusions of customer satisfaction surveys (based on statistically relevant sample sizes) conducted in the reporting period relating to information about:</p> <ul style="list-style-type: none"> • The organisation as a whole • A major product or service category • Significant locations of operation 	Section 12.3, 12.4 and 12.5 CR Report	No



GRI G4 Code	Specific standard disclosures	Location in the report or explanation	Omissions
PRODUCT RESPONSIBILITY			
Marketing communications			
G4-PR6	<p>Report whether the organisation sells products that are:</p> <ul style="list-style-type: none"> • Banned in certain markets • The subject of stakeholder questions or public debate <p>Report how the organisation has responded to questions or concerns regarding these products.</p>	Iberia does not operated in locations subject to public debate therefore no questions have arisen.	No
G4-PR7	<p>Report the total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by:</p> <ul style="list-style-type: none"> • Incidents of non-compliance with regulations resulting in a fine or penalty • Incidents of non-compliance with regulations resulting in a warning • Incidents of non-compliance with voluntary codes 	Section 12.8 CR Report	No
Customer privacy			
G4-PR8	<p>Report the total number of substantiated complaints received concerning breaches of customer privacy, categorised by:</p> <ul style="list-style-type: none"> • Complaints received from outside parties and substantiated by the organisation • Complaints from regulatory bodies <p>Report the total number of identified leaks, thefts, or losses of customer data.</p> <p>If the organisation has not identified any substantiated complaints, a brief statement of this fact is sufficient.</p>	Section 12.6 CR Report	No
Compliance			
G4-PR9	<p>Report the total monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.</p> <p>If the organisation has not identified any non-compliance with laws or regulations, a brief statement of this fact is sufficient.</p>	Section 12.4 CR Report	No

