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COMMUNICATION ON PROGRESS

This is our Communication on Progress in implementing the principles of the United Nations Global Compact and supporting broader UN goals.

We welcome feedback on its contents.

1. Letter from the General Manager

I am pleased to present to you the Air Europa Sustainability Report 2018 which is based on the 10 Principles of the United Nations Global Compact and which reflects and embodies the airline's commitment to all stakeholders. The data and information it collects reveal the effort and daily work of those of us who are part of the company.

With the aim of improving the airline's image and brand, as well as improving relations with the rest of the sectors involved, Air Europa, always based on the principle of transparency, publishes its Corporate Social Responsibility Report annually since 2012.

The 2018 report highlights that this was a more than exceptional financial year when it closed with a profit of 70 million euros.

The airline's growth has been particularly notable both in the number of flights operated, more than 97,000; and in the number of passengers transported, more than 11 million placed their trust in us.

Once again, Air Europa reaffirms its firm commitment to sustainability. This is reflected both in the incorporation of the new 787 "Dreamliners", and with the various measures that have been adopted to contribute to the development of the new 787 "Dreamliners", sustainable growth and development and thus set us up as a model airline that is respectful and committed to the environment.

There are many factors that need to be addressed in the aviation sector and we have both the responsibility and the duty to be the agents of change, driving the aviation sector and trying to mitigate the impact on our environment.

2018 was a year of growth, in which we achieved notable achievements in various scenarios such as the creation of Air Europa Cargo; the opening of new routes or our consolidation in Latin America, moving forward with the creation of Air Europa Cargo to be the strongest flight choice between America and Europe.

At Air Europa, we are flying towards this sustainable future and, throughout this financial year, many initiatives, actions and training workshops were launched to make employees aware of the importance of the fight against climate change.

Despite the constant challenge posed by the aviation sector, together we are optimistic and have the strength to continue to overcome difficulties, facing complex scenarios, and continue to create a sustainable future.

Thank you all for your commitment and professionalism.



María José Hidalgo
CEO of Air Europa

2. Profile of the Organisation

Air Europa is a Spanish airline with more than 30 years of uninterrupted service. It was founded in 1985 as part of the Globalia Business Corporation for passenger transport. From an initial consolidated structure dedicated to the charter market in Spain, Europe, America and Asia, it has evolved to fully enter the scheduled flight market, positioning itself among the leading private airlines in Europe and taking on challenges that have led the company to constantly improve its levels of safety, competitiveness, productivity and quality.

Currently, Air Europa is one of the main Spanish airlines, with more than three thousand employees operating in more than 40 countries. Its main operation is the connection between Europe and America, especially Central and South America.

Vanguardism and technological modernity have been the keys to Air Europa's commitment to continue growing, always under the maxims of safety, effectiveness, efficiency and quality, key pillars in the company's development.

Our corporate values are aligned with the Sustainable Development Objectives and the 10 Principles of the United Nations Global Compact based on four key pillars such as human rights, labour, the environment and anti-corruption.

Air Europa is divided into several locations: a corporate facilities park in Lluçmajor (Mallorca) and a building located

in Pozuelo de Alarcón, Madrid, both shared with the rest of the companies that form part of the Globalia Group. The maintenance hangar for the Air Europa and Air Europa Express fleets is located at Palma de Mallorca airport.

Air Europa has been a member of the SkyTeam Alliance since 2010.

According to IATA, the air accident rate in 2018 was the lowest in five years. This means that aviation continues to remain a strategic sector and an increasingly sophisticated safe environment, with high added value for society.

As the data show, the aviation sector continues to be a strategic sector of great social importance and undoubted economic impact in our country in general, and as an indispensable support for the tourism sector in particular.

The continued growth of the sector has brought economic benefits and better connectivity in Europe, as well as increased investment in new technologies.

Challenges such as terrorist attacks, movements against climate change, artificial intelligence, the price of fuel or the regulation of emissions at a global level, make airlines capable of being resilient in their sector and adapting to new times. The great advantage of aviation is its competitiveness and maturity, as well as its experience and evolution in areas such as aircraft maintenance or airport innovation and the current security environment they provide.



Company growth and expansion plan

Consolidating itself among the best airlines in the world is Air Europa's objective, and to this end, the airline is developing an ambitious and complete growth and modernisation plan that includes incorporating the best and most revolutionary aircraft into its fleet, increasing its network of destinations and offering its passengers the best services in order to make all of them live a unique experience on board.

In 2018, Air Europa continues to develop the growth and expansion plan in which it has been immersed for some years, with the aim of positioning itself as a reference airline between America and Europe and being the most solid flight option between the two continents, at the same time as modernising its fleet. It also reinforces its presence in Latin America with new routes from Madrid.

The constant modernisation of the fleet, as part of the company's ambitious growth plan, has enabled Air Europa to incorporate the first Boeing 787-8 in 2016, which ended in 2018 with a total of 8 aircraft. It is worth highlighting the arrival of two more aircraft corresponding to the B738 fleet and the first Boeing 787-9.

Thanks to the investment effort that the company is making, we can boast of having a fleet with an average age of 7 years and which is among the youngest in Europe. In addition, the new Boeing 787-9 Dreamliner fleet, a technology leader, offers exceptional environmental performance, reducing not only the acoustic impact, but also the emissions emitted, in order to achieve more sustainable and efficient flights than other aircraft of similar size.



Air Europa HUB

The Air Europa Adolfo Suárez Madrid - Barajas Hub is the airline's hub allowing it to operate domestic, Schengen, and long-haul flights through terminals T1, T2 and T3. It also offers you a great advantage in unifying your operations more efficiently with the airlines of the SkyTeam alliance, of which you have been a member since 2010. Together with AENA, Air Europa is working to improve the services it offers its passengers, such as security checks, lounges, connections, distances and transfers.

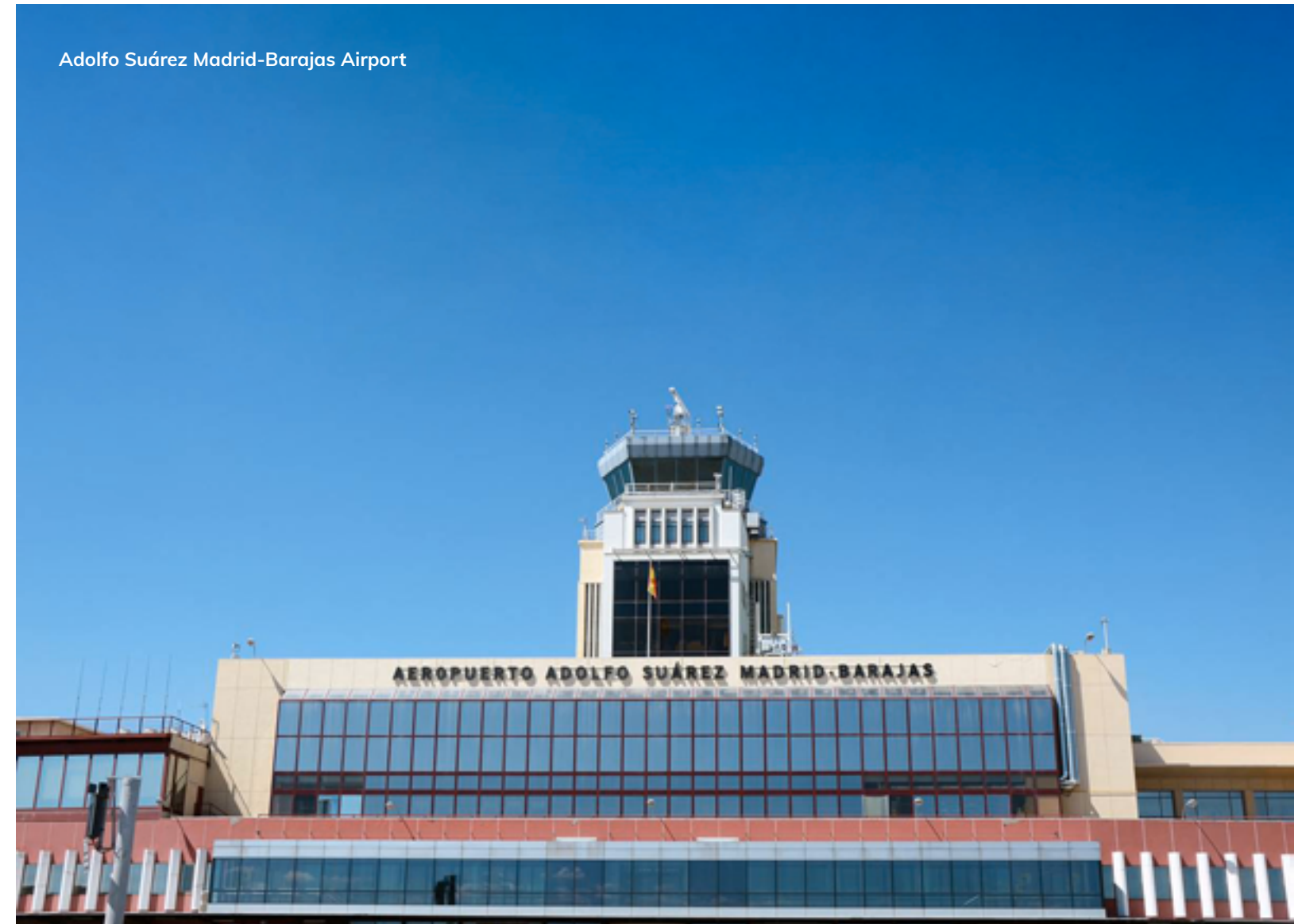
Air Europa, as the SkyTeam airline that moves the

largest volume of passengers in Madrid, is the Home Carrier and leads projects from the Hub that improve connections and access for passengers of the other airlines that are part of SkyTeam.

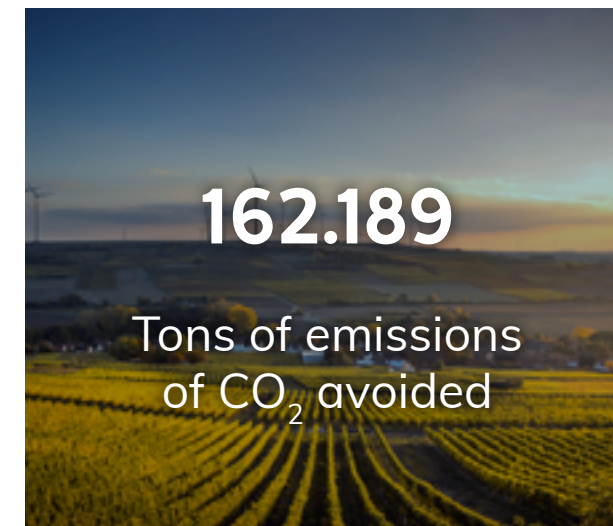
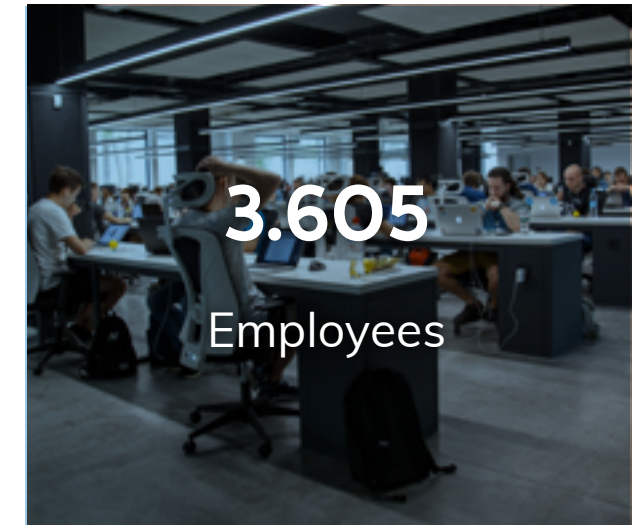
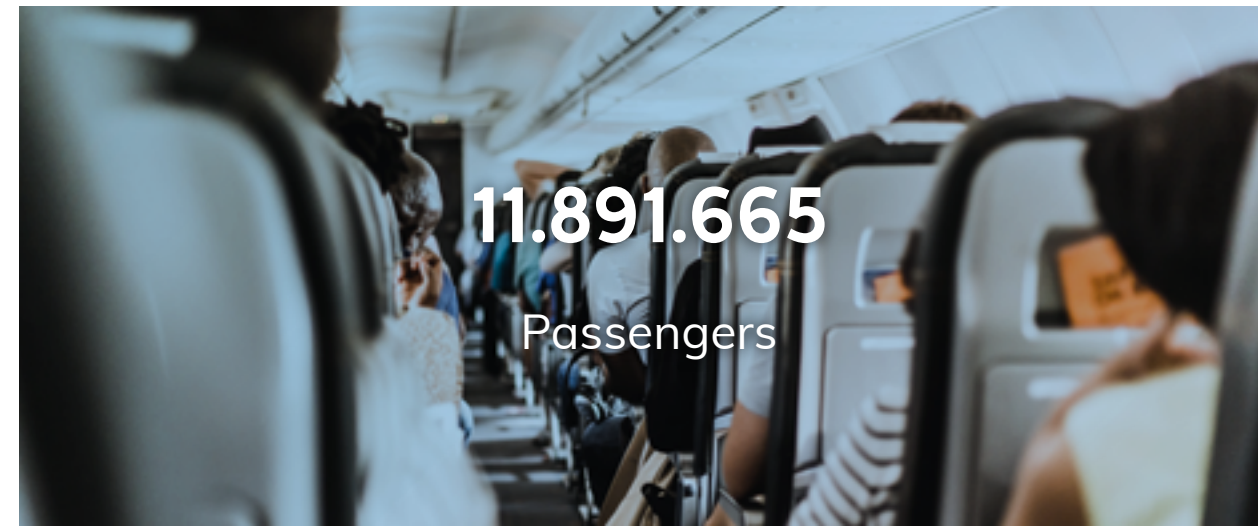
According to AENA data, Madrid-Barajas Adolfo Suárez is the airport with the highest volume of passenger traffic in AENA's network, and the fifth in the EU. In 2018, it has experienced an increase in both passenger traffic and the number of operations.

Air Europa's objective is to achieve an efficient, accessible and functional HUB for its passengers.

Adolfo Suárez Madrid-Barajas Airport



2.1 Air Europa in 2018





2.2 Economic Data

The company's financial situation is presented below:

2018

Net sales	2.114.520.000 €
Net assets	81.022.000 €
Long-term debts	7.340.000 €
Short-term debts	53.775.000 €



KPMG

Audit services, legal and fiscal advice.

The company's accounts are public, audited by **KPMG** and can be consulted in the **Commercial Register**.



New York: A dream come true.

2.3 2018 Milestones

30th Anniversary of Air Europa as the first Spanish airline to make an ETOPS flight by covering the Madrid-New York route with a Boeing 757-200.

In 2018, Air Europa celebrates the 30th anniversary of its first transoceanic flight with a twinengine aircraft, an operation that marked a milestone in the history of aviation when, in 1988, it became the first Spanish airline to take an ETOPS flight, a certification that allows it to cover long-range routes with commercial twin-engine aircraft.



New fleet

Continuing with the company's growth plan, in early 2018, Air Europa receives the first Boeing 787-9 Dreamliner. A long-range aircraft with increased passenger capacity and cargo.

A more modern and efficient aircraft combined with an innovative and more personalized design, the new Boeing manages to improve the features that were being offered in this fleet. The renewed Business Class stands out for its comfort and privacy. In addition to this, there is also a reduction in emissions and acoustic impact.



Air Europa Cargo

Air Europa has experienced the need to take control of the marketing of cargo on its aircraft, operated from Air Europa's HUB at Adolfo Suarez Madrid-Barajas airport.

The evolution of the sector, the advance of technology and the good results of the company have not arrived alone, the effort and quality of work of the human team that is part of Air Europa contribute to continuously improve its performance. In 2018, Air Europa goes one step further and reinforces its growth by betting on new business lines and new market opportunities, creating Air Europa Cargo. It is expected to create strategic synergies to help develop new services.

Air Europa Cargo is already present in more than 58 destinations in almost 30 countries, connected weekly by Air Europa flights.

With the aim of adding value to the brand and improving the service provided to the customer, intensive work has been done to generate the infrastructure needed to implement this service, with the selection of a professional and experienced network of cargo terminals, handling agents and sales.



New Routes

New routes open to Dusseldorf and Venice.

We consolidate our presence in the Canary Islands.

The flight Madrid - Quito is inaugurated as part of the triangular route to Guayaquil.

Acknowledgements

Air Europa has been recognised as the most efficient European network airline in the world by the German environmental organisation, Atmosfair, on the basis of CO₂ emissions per transport service. In addition, Air Europa Express also ranks second in the ranking of the most efficient regional airlines in the world and first in Europe.

Air Europa has been recognized as "Airline of the Year" (2018) by the Latin American Travel Association (LATA).

Once again, Air Europa reaffirms its commitment to the United Nations Global Compact by releasing the Progress Report.

The Iberian Business Travel Association (IBTA) nominated Air Europa for the Best Airline for business travel to the North Atlantic.

2.4 Fleet

Thanks to the company's innovative spirit and its firm commitment to sustainable development, Air Europa can boast of operating one of the most modern fleets in Spain.

Air Europa demonstrates a clear commitment to innovation with the fleet renewal plan as part of the company's business strategy to remain one of the most modern and efficient airlines in the world.

Fleet	Numbers of Planes
Boeing 787-8/9	10 aircraft
Boeing 737-800	22 aircraft
Airbus 330-200/300	12 aircraft
Embraer 195	11 aircraft
ATR 72-500	6 aircraft



Boeing 787-9 Dreamliner

- ✈ Length 62,8 m
- ✈ Wingspan 60,1 m
- 🌐 Range 14.700Km
- 👤 30 (Bussines) + 303 (Tourist)



Boeing 787-8 Dreamliner

- ✈ Length 56,7 m
- ✈ Wingspan 60,1 m
- 🌐 Range 14.700Km
- 👤 22 (Bussines) + 274 (Tourist)



Airbus 330-200/300

- ✈ Length 58,8 m
- ✈ Wingspan 60,3 m
- 🌐 Range 12.500Km
- 👤 24 (Bussines) + 275 (Tourist)



Boeing 737-800

- ✈ Length 39,5 m
- ✈ Wingspan 34,3 m
- 🌐 Range 4.630Km
- 👤 8 (Bussines) + 172 (Tourist)



Embraer 195

- ✈ Length 38,67 m
- ✈ Wingspan 28,72 m
- 🌐 Range 3.428Km
- 👤 8 (Bussines) + 112 (Tourist)



ATR 72-500

- ✈ Length 27,16 m
- ✈ Wingspan 27,05 m
- 🌐 Range 1.650Km
- 👤 4 (Bussines) + 64 (Tourist)



2.5 Air Europa around the World

Air Europa has a clear, renewed market strategy and is committed to the American continent to drive the company's growth.

We are present in 3 continents: Europe, America and Africa

97.203

Flights

11.891.665

Passengers Transported



Air Europa 2018 Destinations

3. Ethics and Integrity

One of the company's strongest values.

At Air Europa we have developed a Code of Conduct with the aim of providing our employees with guidance on Air Europa's business ethics and good behaviour, in accordance with the highest ethical standards.

Our Code applies to each and every Air Europa employee and becomes a guide that helps us to maintain a culture of responsibility, honesty and integrity, confirming our business values and contributing to our business success.

Those of us who work at Air Europa constantly strive to achieve success in everything we do. Moving forward on the path to excellence means fulfilling the commitments we make to all stakeholders who come together in our business.

Our Mission

Our mission is to respond to the air transport needs of society and ensure, with the highest levels of security and customer service, the transport of our passengers and goods.

Future Vision

To be the airline of reference in Spain and in the destinations we operate with the goal of achieving excellence.

Values

We are committed to our Customers, we base on continuous improvement to try to achieve excellence with Operational Safety as a basic pillar and we rely on Innovation to make a more Sustainable world



Principles

In line with the 10 principles promoted by UN Global Compact, an initiative to which Air Europa adhered in 2012, the company is committed to aligning its strategies and operations with the areas of human rights, labour standards, the environment and anti-corruption.

- 01. Air Europa supports and respects the protection of internationally recognized fundamental human rights within its sphere of influence.
- 02. Air Europa ensures that it is not complicit in the violation of human rights.
- 03. Air Europa supports freedom of association and recognises the right to collective bargaining.
- 04. Air Europa supports the elimination of all forms of forced or compulsory labour under duress.
- 05. Air Europa supports the elimination of child labour.
- 06. Air Europa supports the abolition of discrimination in employment and occupation.
- 07. Air Europa maintains a precautionary approach that favours the environment.
- 08. Air Europa encourages initiatives that promote greater responsibility environmental.
- 09. Air Europa encourages the development and diffusion of environmentally friendly technologies with the environment.
- 10. Air Europa works against corruption in all its forms, including extortion and bribery.

4. Certificates

The Management Systems department of Air Europa is responsible for implementation and monitoring of the different management standards that the company has implemented and that it verifies through annual audits and inspections.

Certificates

2001

Quality Management System

Air Europa is committed to leadership in Quality, being the first airline in Spain to achieve ISO 9001 Quality Management Systems certification, extending the scope to all its operational areas in 2006.

2006

Environmental Management System

In 2006, Air Europa was certified in ISO 14001 Environmental Management System. Air Europa is aware of the importance that the Environment has in the sustainable development of its activity, and as a manifesto of its environmental commitment, systematically integrates environmental criteria and requirements aimed at preventing the environmental impact of all our activities as well as a tool that helps us not only to comply with environmental legislation, increasingly demanding, but also to implement the necessary controls to keep our employees trained, to have identified the environmental aspects generated as a result of Air Europa's activity and to measure the results.

IOSA

Ahead of safety standards, Air Europa was certified as an IOSA (IATA Operational Safety Audit) company in January 2006.

2012

EMAS (Eco Management Audit System)

We are aware of the impact our airline's operations and activities have on the environment. With the aim of promoting continuous improvement in the company's environmental performance, Air Europa is certified in 2012 according to the EMAS regulation by implementing a Community Management System and Environmental Audit. This certification places us at the forefront of the world as a respectful airline company concerned with the care of the environment.

2014

Information Security Management System

Since 2014, the Management Systems department has been ISO 27001 certified and uses the department as a Logistics Operator for the Armed Forces.

In terms of Information Security Management, the system is based on the pillars of confidentiality, integrity and availability of information, promoting its protection and generating trust among customers and users.

2018

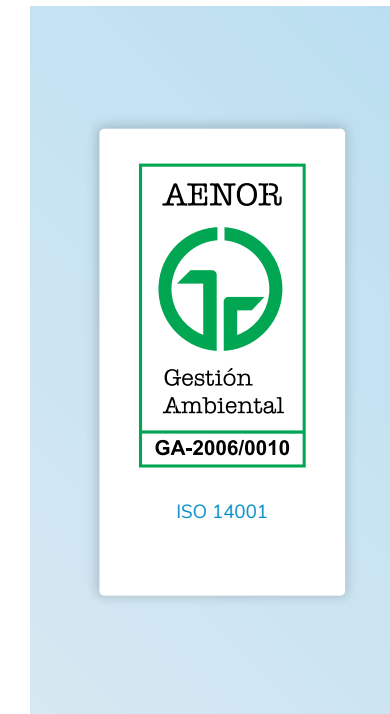
Occupational Health and Safety Management System

One of the news regarding certificates in 2018 was the transfer to ISO 45001:2018 Occupational Health and Safety. As part of Air Europa's Integrated Management System, this certification reaches the scope of Logistics Operator for the Armed Forces, at the same time as it serves to guarantee our employees safe and healthy workplaces.

In 2018, the Occupational Health and Safety Committee is created with the clear idea of involving and motivating all employees in health and safety matters, reinforcing consultation and participation.



Quality Management
ISO 9001



Environmental Management
ISO 14001



IOSA
IATA Operational Safety Audit



EMAS
Eco Management Audit System



Information Security Management
System
ISO 27001



Health and Safety Management
System
ISO 45001

5. Product



Entertainment



On-board Service



SUMA



Skypriority



VIP lounges



5. Product

Entertainment

In 2018, the on-board entertainment system undergoes remarkable changes that positively favor the experience of our customers. The content and especially the children's content is expanded with books, videos and song.

Air Europa continues to improve the traveler experience on all its short- and medium-radio flights. To this end, it has launched On The Air, a streaming service that allows passengers to enjoy audiovisual content, games, and information about the destination they are travelling to on their own devices for free.

The tool, designed to make passengers' travel more enjoyable, can be used on smartphones, laptops and personal tablets.

On-board service



Healthy food menu
Designed by Martín Berasategui

Quality service on board is key to improving the passenger experience. At Air Europa, we adapt to the demands of society at all times, meeting all passengers' needs. Food that is allergen-free and suitable for intolerant people can now be found on our flights. According to the new Food Information Act, we prevent any passenger from suffering an on-board poisoning or allergic reaction. We enjoy continuously improving our services and ecological products and with certificate of origin of quality, thought directly for the pleasure of our passengers.

Our suppliers are leaders in restoration and quality assurance offering the best standards in Hygiene and Food Safety. Air Europa aims to become a gastronomic reference airline contributing to a healthy and healthy passenger diet. For this reason, we have renewed the menus of long-distance flights, continuing with the ecological and healthy line, and we have also reinforced the business menu with new and nutritious dishes prepared by the prestigious chef, holder of eight Michelin stars, Martín Berasategui.

One of Air Europa's objectives is that customers feel served and satisfied, there are many measures that have been implemented during 2018 as the service of snacks in business class long radio, new gastronomic menu to surprise our passengers, new online service Skyshop, new cosmetic kit with amenities for long flights.

Air Europa in line with its commitment to climate change joins the battle against plastic. From the area of services on board we want to reduce the environmental impact of flights by making them more sustainable. In 2018, work has begun on different measures that will completely eliminate the single-use plastic found inside airplanes, and replace them with other recycled materials and environmentally sustainable.

Suma

SUMA is Air Europa's loyalty programme. It was launched in December 2015 and since then has become a benchmark for being one of the most generous in the aeronautical sector. Air Europa SUMA allows passengers to earn Miles to be exchanged for flights from Air Europa, the SkyTeam alliance partner airlines and the products and services of its non-airline partners.





SkyPriority

SkyPriority is a product developed within the SkyTeam Alliance. Air Europa belongs to the SkyTeam alliance and has been a full member since 2010. Together with the other airlines in the alliance, we work hand in hand to offer the best service, more destinations and more frequency to our passengers through code-sharing, which translates into better travel options and benefits.

SkyPriority offers select customers a range of specialized services within the airport, such as priority at check-in counters, priority baggage delivery and priority security checks at some airports, priority at ticket offices. All this will make your travel between the alliance airlines easier, faster and more agile, reducing waiting times in queues.



Salas VIP

With a presence in most of Spain, we have VIP lounges adapted to the needs of our passengers, so that their waiting hours become a relief. Our services range from special work areas to slogans or printers, and everything adapted to people with reduced mobility.

In 2018, two new lounges have been contracted in Europe, Venice and Dusseldorf, as well as improvements in the rest of the national lounges.

6. Safety and Maintenance Area

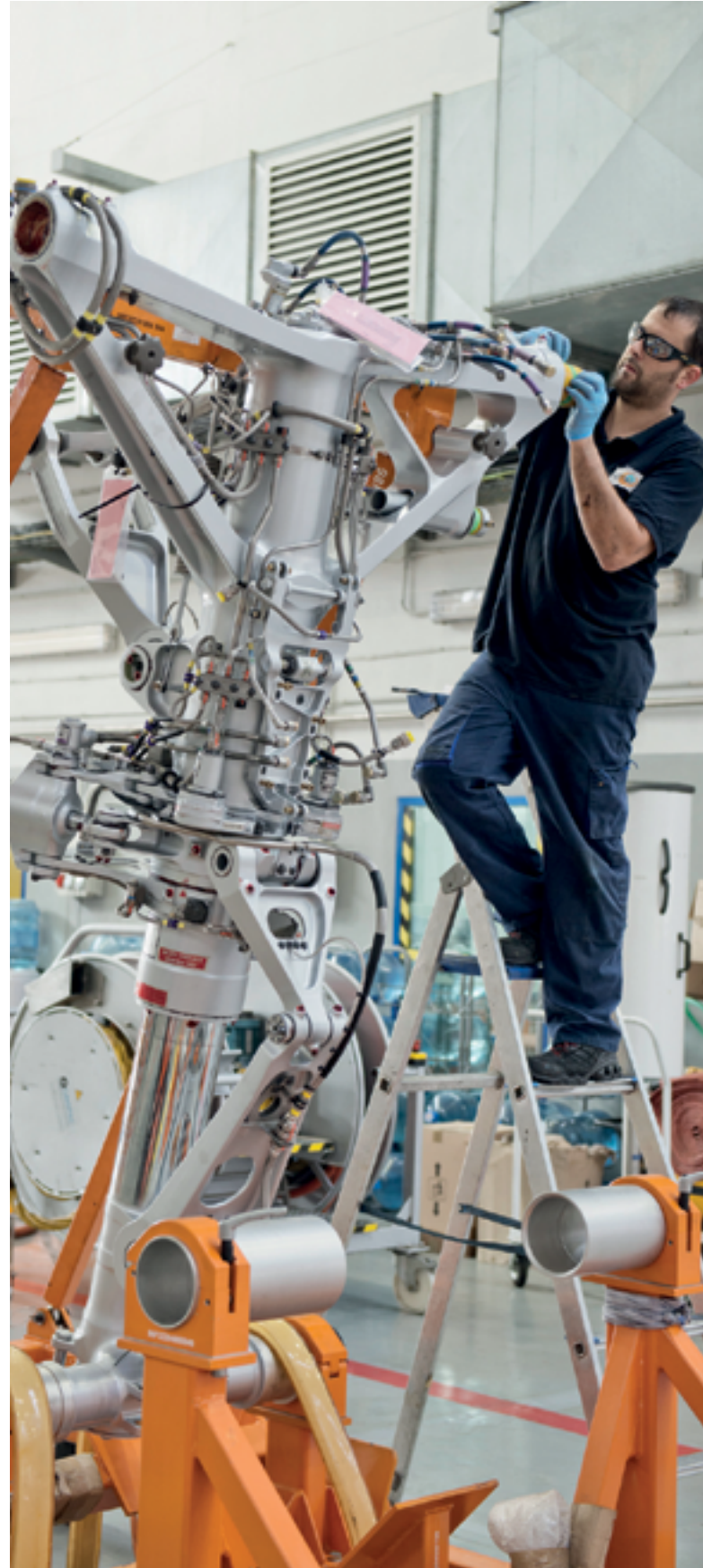
Maintenance Area

Air transport is subject to a large number of factors that require the joint work of all actors involved. The year 2018 has not been as exceptional as 2017 in terms of international security, but the airplane is still a safe form of transport, now more than ever. We are aware of the importance of continuing to improve safety standards and contribute to increasing the competitiveness of the industry by safeguarding the interests and rights of passengers.

Since Air Europa exists, safety has been and is a strategic pillar of the company and a key part of the corporate social responsibility commitment.

So much is the commitment to safety that we want to demonstrate our commitment to ensure that our operations comply with strict international safety requirements. For this reason, Air Europa has been IOSA registered since 2006 (IATA Operational Safety Audit). This certification accredits that our airline is governed by the highest global safety standards, demanded worldwide, as it satisfies more than 900 IOSA requirements in the operational areas of the company. At Air Europa we know that experience and rigorous aircraft maintenance is essential to ensure the safety of our flights. Our goal is to achieve an efficient system that allows us to implement an effective and coordinated management, including proactive communication between all stakeholders.

In 2018 the maintenance area has introduced a new work methodology seeking improvements, reducing costs and optimizing efforts, without forgetting customer satisfaction.



MAINTENANCE TRAINING AND DEVELOPMENT IN 2018

193 courses

4.119 hours



7. Our Stakeholders

Stakeholders of the organization are all those persons, companies, institutions or other agents that affect or are affected by the activities operated by Air Europa, as well as by its decisions taken.

The criteria followed for the identification and definition of Stakeholder requirements are set out in the Air Europa Integrated Management System Manual.

Air Europa periodically manages the conduct of a study and analysis of Stakeholders' needs and expectations.

For years, surveys have helped us to understand our stakeholders and their impressions of the company, the results are analyzed so that those involved can take appropriate action in their respective areas of work.

Air Europa Stakeholders are:



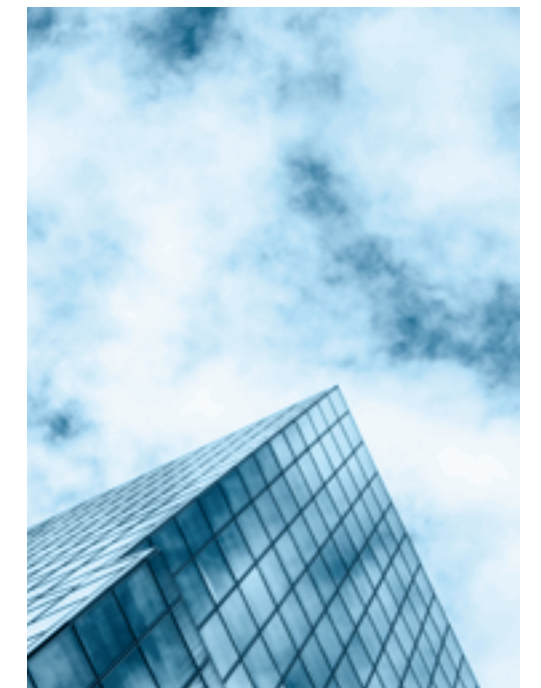
Passengers



Employees



Suppliers



Institution



“People will forget what you said, they’ll forget what you did, but they’ll never forget how you made them feel.”

municate to our customers. Our passengers have always expressed their opinions on the issues that have concerned them, now we also listen to them, analysing each detail they transmit to us, with the clear objective of continuing to work and develop initiatives that improve the customer experience as a differentiating element, and at the same time allow us to manage their perception of the company.

On the other hand, in order to continue evaluating our customer satisfaction index, the first surveys based on the NPS (Net Promoter Score) reference standard are launched in 2018, allowing us to know the degree of customer satisfaction with the airline in order to continue improving it. In 2018, different measures that have been implemented in order to improve the customer experience must be highlighted, many of them carried out in the Hub of Madrid related to the suitcase scanner, VIP lounges, advances in the web and online checkin, among others.

The SUMA loyalty program rewards the most loyal passengers through different actions. In 2018, 20 Platinum customers with 2 companions were invited with free cinema tickets for the film Hotel Transilvania 3.

Results of corporate social responsibility surveys

Air Europa customers are our passengers and we know that maintaining a close relationship with our stakeholders is essential to know their expectations and properly manage their perception of the company. In order to carry out this communication, corporate social responsibility surveys are carried out, and with them, we try to know which are the priorities of our clients or which are the issues of greatest concern and how they impact the company.

The results have been positive and passengers have indicated with their responses that aspects have been the best valued and those that need to be improved.

Of the results of the survey, concern for climate change is the most significant aspect that most concerns passengers, followed by the proper management of hazardous and urban waste. Conversely, noise prevention is the least valued action.

As a sustainable airline, passengers demand innovation and development, environmental practices and ethics and responsibility.

7.1.1 Passengers

At Air Europa we work to offer the best service to our customers and guarantee them a unique experience based on quality, efficiency, effectiveness, safety and modernity.

Every day we strive to improve the experience of our passengers in all moments of the journey, from Pre-flight, Ground, In-flight and Post-flight. Putting the passenger at the center of everything we do, has led us

to develop AE-Motion, a new philosophy that seeks to continually exceed the expectations of the passenger. This innovative project is based on the pillars of communication, motivation, training and follow-up-analysis, and seeks to integrate all areas of the company to improve the travel experience. A key figure in this project is the Ambassador, who develops the role of reference model of the airline’s values in his job, motivating and spreading the AE-Motion culture to the rest of the colleagues. In this way, we ensure that everyone understands and conveys the feeling we want to com-



7.1.2 Employees

We are proud of the team we are part of at Air Europa.

We know that the effort and dedication of our employees is the basis for the company's progress and success.

The best-valued and most recognized companies are those that not only perform well but also have the highest employee satisfaction

In the area of corporate social responsibility and the importance of caring for and safeguarding the health of each and every one of the members of the organisation, it has adopted a Protocol for action against unwanted conduct, aimed at preventing, correcting and punishing any conduct of harassment and/or discrimination in the workplace. This framework of action is applicable and affects each and every one of its members regardless of their position or area of activity.

Through the Globalia Employee Portal, all the people who work in the company are interconnected and updated at all times of all the changes that occur in GLOBALIA and each of its companies.

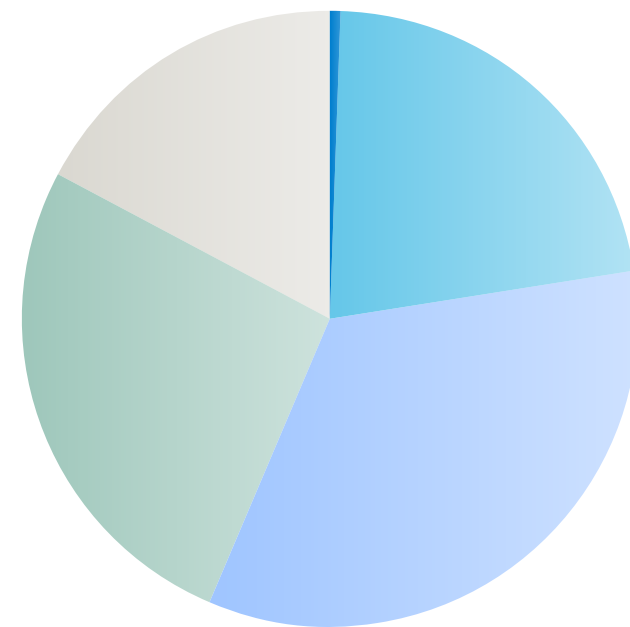


Men

49,6%

Professional category Men

Directors	0,7%
Employees	22%
Pilots	33,8%
CCM	26,3%
TMA	17,1%



- Directors
- Employees
- Pilots
- CCM
- TMA

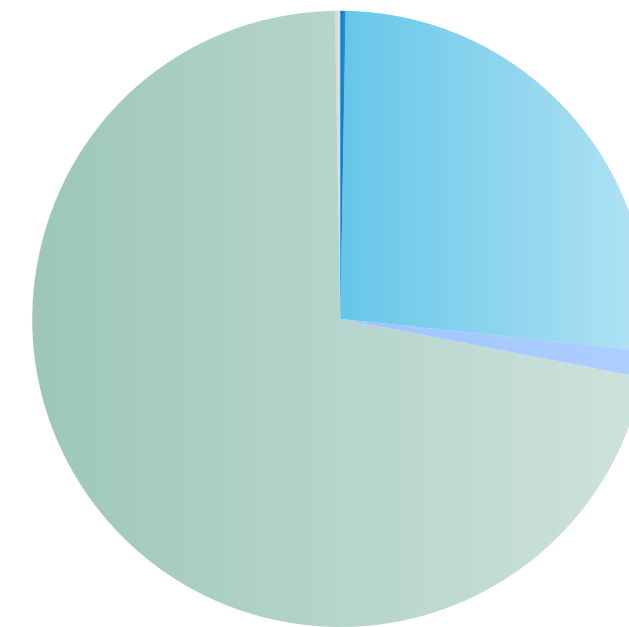


Women

50,4%

Professional category Women

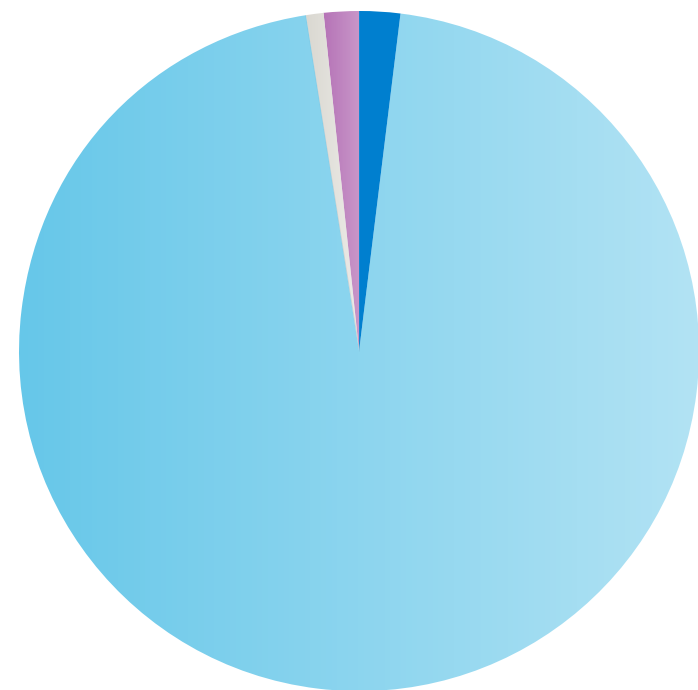
Directors	0,3%
Employees	26,6%
Pilots	1,2%
CCM	71,7%
TMA	0,2%



- Directors
- Employees
- Pilots
- CCM
- TMA

Contracts**Type of contract****Percentage**

Eventual	2,02%
Fixed	95,66%
Fixed discontinuous	0,01%
Interim	0,71%
Partial retirement	0,10%
Internships	1,50%



- Eventual
- Fixed
- Fixed discontinuous
- Interim
- Partial retirement
- Internships

Formación

Training and Instruction in a company like Air Europa is fundamental for the effective development of the service offered. Each Management establishes the training needs related to its labour requirements and environmental aspects for each job and provides such training to its employees if necessary. All employees whose position may affect both flight safety and airport security have knowledge, training and experience appropriate to their position and Air Europa ensures that these individuals keep their training and skills up to date through refresher courses and/or other methodologies.

In 2018, nearly 647 courses were taught, spread over a total of 15,408 hours and with 4,048 students in various areas such as flight, engineering and quality, among others.

The Cabin Crew received 263 courses and a total of 6,132 hours

Results of corporate social responsibility surveys

Through the annual corporate social responsibility survey we know the opinion of employees on different matters such as the environment, sustainable development, health and safety at work, conciliation.

Employees are a very large group, with a greater number of responses to be analysed, which allows us to obtain a fairly representative sample and to be able to analyse the needs and expectations of each of them more rigorously.

As in other groups, the aspect of Climate Change is the greatest concern, as opposed to noise prevention, which ranks last. In terms of their job expectations in the company, opportunities for professional and personal development, equality and infrastructure and material resources were the three most voted aspects.



7.1.3 Suppliers

We are aware that the relationship with our suppliers is vital to pursuing our objectives and promoting a culture of corporate sustainability. One of the keys to the smooth running of our activities and daily operations is the collaboration and teamwork we carry out with our suppliers in Spain and in all the countries in which we operate.

The benefits of being part of the Globalia Group translate into the support and backing that Air Europa obtains from the rest of the companies that make up the holding, such as the handling company, Groundforce, Artes Gráficas, Globalia Mantenimiento, Centro De Atención Telefónica, Globalia Formación and Air Europa Express, among others.

The communication and the direct relationship with each one of them are based on trust, stability, knowledge in the sector and the ethics involved in working with the common values of a corporation. With the aim of establishing a framework of trust and collaboration between Globalia and its suppliers or contractors, the Supplier Code of Ethics is drawn up in order to strengthen solid commercial relations.

Purchasing and Supplier Evaluation

In accordance with the company's supplier contracting and evaluation procedures, and as an essential part of our commitment to sustainable development, Air Europa encourages suppliers and contractors to adhere to environmentally friendly behaviour, confidentiality and corporate social responsibility.

The company, as established in its internal procedures, selects preferentially those suppliers that have environmental and/or quality certifications.

According to the characteristics of each supplier,

our team of auditors and inspectors carry out periodic controls to verify the degree of compliance with the standards that the company has established.

In 2018, 84 supplier audits were carried out.

Results of the Corporate Social Responsibility Surveys

Air Europa maintains a very close relationship with its suppliers and, as every year, in 2018 we wanted to know their expectations of the company, with the aim of satisfying their needs and adding value to the supply chain. We asked the questions to find out your opinion on sustainable development objectives, your satisfaction as a supplier with Air Europa and your involvement with environmental aspects. 85.7% of the suppliers surveyed were aware of the sustainable development goals (SDG) and rated their satisfaction with Air Europa with a score of 4.54 points out of a maximum of 5.

Suppliers voted for the 5 most important SDGs for their companies with the following result: first, health and well-being, second, the end of zero poverty and hunger which obtained the same score, third, responsible production and consumption, followed fourth, gender equality, and finally, action for climate and peace, justice and institutions.

They assessed the environmental aspects in order of importance, choosing with the highest score the aspect of climate change, which continues to be the most important concern of all our Interest Groups, followed by the proper management of hazardous and urban waste. However, they leave for last place the environmental aspect of Noise Prevention.

We can deduce that our suppliers are increasingly committed to sustainable development and climate change.





7.1.4 The Institutions

Air Europa's relationship with the Public Administration is continuous, not only because of the regulatory compliance to which the company is subject, but also because of the important collaborations that allow us to reach fruitful agreements between both parties for the good of all.

It is worth mentioning the close relationship that is maintained with the institutions, where the sharing of experiences allows us to work together and address the challenges we face.

Air Europa regularly receives inspections and audits from different Authorities and Public Administrations.

Meetings

Air Europa was part of the collaborative working group formed by ENAIRE, AENA/Madrid-Barajas and Barcelona-El Prat Airport and the main airlines operating at these airports, an AENA initiative that uses the framework established by EUROCONTROL, called Collaborative Environmental Management (CEM) designed to establish collaborative synergies that bring together the views of all interested parties in the search for solutions that solve common problems, based on compliance with a series of mandatory specifications.

We are working together in the environmental field and in particular with the minimization of noise and atmospheric emissions through initiatives such as studies of marginally compliant aircraft, the promotion of the use of landings with continuous descent (CDA), possible improvements in trajectories or the possibility of the use of biofuels in airports.

Results of the Corporate Social Responsibility Survey

The participation of institutions remains low as in previous years. Regulatory compliance and the implementation of measures for sustainable development are the most valued responses. They consider that as an airline, biofuel should be used as an alternative to fossil fuels.

8. Environment

8.1 Environmental Management

As a sign of our commitment to the environment, Air Europa has implemented two environmental certifications that it maintains and continually renews.

The Environmental Management System, approved by the General Management, is made up of the entire organizational structure, responsibilities, procedures, processes and resources (material and human) available to Air Europa to carry out the management of its operations and comply with the requirements of the ISO 14001:2015 standard and the EMAS Regulation.

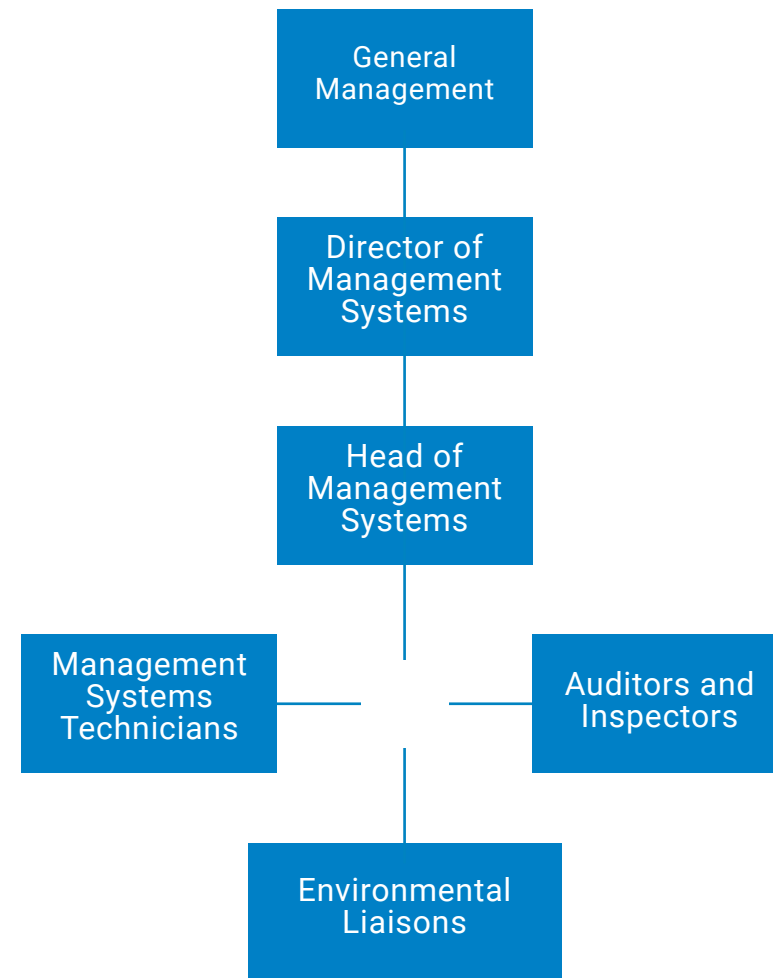
The main objective of the Environmental Management System is to implement the company's Environmental Policy, ensure compliance with current environmental legislation, manage environmental aspects, control indicators and achieve the proposed objectives through continuous improvement to minimize the environmental impact generated by all activities, focusing on reducing the consumption of natural resources (paper, water, electricity, fuel, etc.), on the proper management of waste and on optimizing procedures to reduce both noise and greenhouse gas emissions.

Air Europa's Integrated Management System is made up of the Integrated Management System Policy and documents, the objective of which is to standardise the activities contemplated in the Management System and avoid inconsistencies that could subsequently give rise to problems or deficiencies in the performance of these activities. The System's documentation is accessible to all personnel who need it to carry out their activities on Air Europa. For this, the company has a document management program called Platon that is used by all Air Europa employees, either through a web environment or through the employee portal.

An Environmental Statement is drawn up annually

to inform our stakeholders about our environmental performance and its evolution.

Environmental Organization



In 2018, Air Europa has received no fines or sanctions for non-compliance with environmental laws or regulations.

Legal Requirements

The evaluation of compliance with environmental legal requirements is carried out biannually by the staff of the Management Systems Department. During 2018 there have been no significant legislative changes.

8.2 Environmental aspects

The direct, indirect and potential environmental aspects associated with the company's activities and services are evaluated annually. Currently, the company has identified 156 environmental aspects. The Environmental Statement is public and details in depth each and every one of these aspects and their indicators.

Atmospheric Emissions

Reducing air pollution as much as possible is a priority for Air Europa. In the sector we are known, among other things, for the effort and firm commitment that the company has made, in the acquisition of the most modern aircraft, which undoubtedly results in a more efficient use of fuel, given that our fleet is one of the most modern in the world, with an average age of less than seven years among all fleets.

In the development of the company's operations, the emission of polluting compounds into the atmosphere can be generated.

In the case of emissions from aircraft engines, these are controlled by measuring flight times and fuel consumption for each flight. By 2019, the goal of reducing CO₂ emissions will continue.

A 2.88% reduction in atmospheric emissions has

been achieved for all Air Europa flights in 2018 compared to 2017. This means a total of 0.721 Kg CO₂/TKT.

Waste

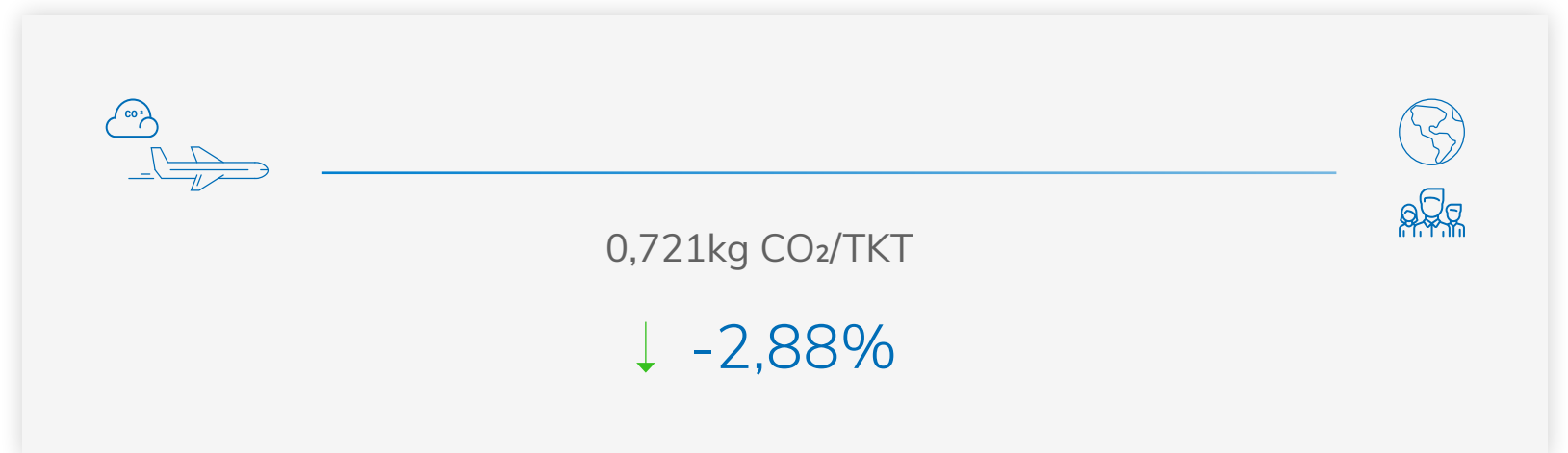
In the development of the activity all the company generates waste. Its inadequate segregation and storage, its delivery to unauthorized managers or its release into the environment, pose a serious threat to the environment and people's health.

Waste must be managed in accordance with legislation, complying with legal requirements for handling, labelling, storage and delivery to authorised managers.

Air Europa generates different types of waste, all of which are monitored regularly.

Urban waste: organic matter, containers, paper, glass, etc. Organic matter, containers, paper, glass, etc. In offices and on airplanes, Air Europa carries out a strict segregation of each waste fraction, allowing almost all the waste generated to be recycled.

Special and hazardous wastes: The aeronautical maintenance activity produces a significant amount of hazardous wastes, which at Air Europa are managed by an authorized waste manager, so that we can ensure legal compliance and minimum impact on the environment. The three most frequently generated wastes in the maintenance area are contaminated empty containers, motor oil and absorbents.



Natural Resources

The consumption of certain raw materials or energy leads to the depletion of natural resources. Its inefficient management, in addition to entailing an additional expense for the activity, may have relevant impacts for the Environment at a global level.

We are committed to guaranteeing the responsible use of natural resources: paper, water and electricity. Through the Manual of Good Environmental Practices, we contribute to the awareness of all employees.

One of the company's objectives is to reduce paper consumption in all Air Europa facilities, including sales offices at airports and on aircraft.

In 2018, the consumption of paper by employees fell by 8% compared to 2017 and by 26% compared to 2016 (starting point).

Two-year paper consumption:

The whole organisation



4.18 kg paper/employee

↓ **26.01%**

Environmental Emergencies

The Environment area is responsible for planning a calendar of simulations, which will be carried out every year. Environmental emergency drills are carried out at the maintenance bases, autohandling and in maintenance instruction.





8.3 Environmental training of workers

In order to develop an optimal work performance, it is intended that all employees of the company become aware of the need to have an environmental system in place. To achieve this, each area is given environmental training appropriate to its job.

In 2018, new training was given to crews through onboard waste segregation workshops and the Social Networks department.



On-board segregation workshops

In 2018, the management systems department promoted training sessions for all Air Europa and Air Europa Express crews, with the aim of recalling the basic rules of recycling, reviewing the most common errors and providing material to optimize the segregation of waste that is carried out in our airplanes.

The workshops were held in the signature rooms of the airports where the crew is based: MAD, LPA, PMI, BCN, AGP and TFN and consisted of delivering a Practical Guide to Waste on board and a game consisting of introducing cards with the most common waste on board in the corresponding container.

The benefits of this training have been as follows:

- Resolution of doubts
- Improved segregation of waste generated.
- Increase in crew knowledge and confidence in waste segregation.
- Increased environmental awareness.
- Improved communication and relationship with crews.
- Compilation of the difficulties that the TCP have when it comes to carrying out waste segregation. .

In 2019, training on waste and good practices will be planned for maintenance technicians.

1. The EFB Project

Consists of replacing flight bags with paper documentation with electronic documentation, which means 60 kg less weight in an aircraft.

2. In the A330 fleet the rails of the Crew Rest.

Curtains have been dismantled helping to reduce the weight in this fleet. The weight has been reduced by 8 kg per aircraft.

3. Optimise maintenance procedures.

In order to be more efficient, the processes and procedures in the maintenance area are being reviewed.

4. Certifications.

Commitment to environmental management through ISO 14001 and EMAS standards. .

Environmental policy.

5. Disposal of single-use plastic.

The on-board services and environment department is working to find alternatives to plastic and make flights more sustainable.

6. Base Coat Clear Coat.

We use the latest generation of fuselage protective primers, reducing the weight of the aircraft by making aircraft fly more efficiently.

7. Smart Fuel Application.

Fuel consumption analysis tool that allows to relate different variables, allowing better practices in operations that reduce emissions.

8. Disassembly of sliding carpet.

The dismantling of the sliding carpet has helped to reduce the weight of the airplanes.

9. Catering load adjustment .

Studies are carried out to determine the real catering load needs according to the fleet. The results allow us to load the aircraft with just the right amount reducing its weight.

10. Water load reduction.

Adjust the water load that is deemed necessary for its use, without the need to load more than necessary, and thus reduce the weight of the aircraft and make an efficient management.

11. On-Board Segregation Inspections.

The aim is to optimise the segregation of the waste generated on board and facilitate its subsequent recycling.

12. Digital Transformation to the MIT Area

Improvement, Innovation and Transformation focused on continuous improvement throughout the Maintenance Management



8.4 Objectives 2019

Each year the company establishes specific lines of action to advance towards the objectives established and which enable us to fulfil our commitment. Ambitious measures have been defined around the pillars of sustainability, climate change, innovation and technology. We are convinced that the objectives set for 2019, in line with the company's strategy, contribute to the development and progress of society.

Reduce 10% of emissions from the B737 fleet.

Reduce 10% of the fuel consumption of our long-range fleet.

The necessary steps will be taken to make the leap to the electric vehicle.

Improve the management of hazardous waste in the maintenance area.

Improve the management of waste segregated on board at airports.



9. Commitment to Sustainable Development Objectives



SUSTAINABLE DEVELOPMENT GOALS



9. Commitment to Sustainable Development Objectives



SDG 1. End Poverty.

La Matica Project - AEA Solidaria. We collaborate with social programs whose main objective is to eradicate extreme poverty in the world and at the local level.



SDG 3. Health and Wellbeing.

In 2018 we were certified in ISO 45001:2018 Safety and Health at Work.



SDG 9. Industry, Innovation and Infrastructure.

In 2018, we received the first Boeing 787-9 Dreamliner, a more modern and efficient aircraft than another aircraft of a similar size



SDG 10. Reducing Inequalities

Air Europa celebrates the 8th International Corporate Volunteer Week led by Forética..



SDG 12. Responsible production and consumption.

We promote sustainable behaviour throughout the company. In 2018, the goal of reducing paper consumption in two years is reached. Achieving a reduction of 26%, the equivalent of the surface area of 96 Olympic swimming pools.



SDG 13. Climate action.

On-board waste segregation workshops / Initiatives implemented in 2018. See point 8 Environment.



SDG 14. Underwater Life.

We promote the continuous search for sustainable and innovative solutions that allow us to face the plastic crisis that our oceans are suffering.



SDG 16. Peace, justice and strong institutions.

In 2018, the Gifts and Entertainment Policy is adopted as a measure to fight corruption and bribery.

10. Social Action

Corporate Volunteering

The objective is clear: to encourage corporate volunteering among employees as a key tool for investment in the community.

Once again this year, Air Europa is celebrating the 8th International Corporate Volunteering Week, during which various activities have been carried out:

·Collection of food, clothes, toys and other accessories for the S.O.S. Mama Association (Mallorca).

·Transfer of animals adopted from different cities on company flights.

·Visit to the Lluçmajor facilities of two 6th grade classes of a school located in a marginal neighbourhood of the city of Palma.

In order to raise awareness among the students, a talk was given on the environment and the different actions that the company carries out in favour of the environment were explained to them.

Before the visit, the students were asked to draw a picture relating aviation to the environment. The drawings were put to a vote by the workers and the three students with the most voted drawings were given different prizes, for example, a T-shirt, cap and football signed by Leo Messi.

Workshops at Montesión School

We would like to highlight the Hands-on project with Montesión school in Palma de Mallorca, where the aim is to bring the world of work closer to young people, particularly the operation of an airline, in a fun way, teaching them to lose their fear of social barriers because everyone can be what they set out to be.



Workshop at Montesión school





Campaign for the collection of earplugs

In 2018, Air Europa joins the project “Caps for a new life” promoted by the SEUR Foundation, whose work focuses on financing medical treatment for children with serious health problems through the collection of plastic caps.

Thanks to the collaboration of more than 13 million people, it has been possible for more than 140 children to receive 1 million euros with the collection of 4,000 tons of tampons.

The caps are collected at Air Europa’s corporate offices. From mid 2018 until the end of the year 104 kg of caps were collected.

Battery collection campaign

In 2018, Air Europa’s corporate offices installed a collection point for batteries and accumulators, in order to contribute to public awareness in the separation of batteries from the rest of the waste.

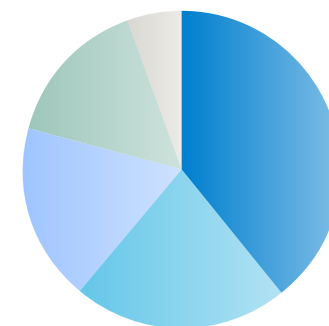
World Cleanup Day!

On September 15, 2018, Air Europa joins the World Clean Up Day initiative, the largest civil mobilization of cleanliness on the planet aimed at combating the global problem of solid waste. This year, 17 million people in 158 countries attended the event.

The company organised a waste collection day on the coast of Lluçmajor (Mallorca) with the help of its workers. A total of 30 volunteers, including children and organisers, collected 165kg of waste (rejection 65kg; glass 36kg; plastics 30kg; cans 25kg; iron 9kg).



Waste collection



● Rejection	39,39%	● Glass	21,82%
● Plastics	18,18%	● Can	15,15%
● Iron	5,45%		

Animaarea

Animaarea is a non-profit project that seeks solidarity transfers for dogs and cats from animal shelters and shelters. The NGO was born in 2017. More than 180 employees of Air Europa, Air Europa Express and Groundforce have collaborated in this initiative.



La Matica Centre Project

Intervention on behalf of children and young people | Boca Chica, Dominican Republic.

Project objective in 2018

Air Europa continues to collaborate with AEA Solidaria in the construction of the La Matica centre, which has a social canteen, a multifunctional classroom, an ecological orchard, a sports court and a home for volunteers. Thus, it contributes to the protection and care of children and adolescents, fighting for the prevention and reduction of sexual exploitation of children and adolescents in the municipality of Boca Chica. Air Europa collaborates for the future of Matica and last year many activities were carried out in order to raise money for this project.

