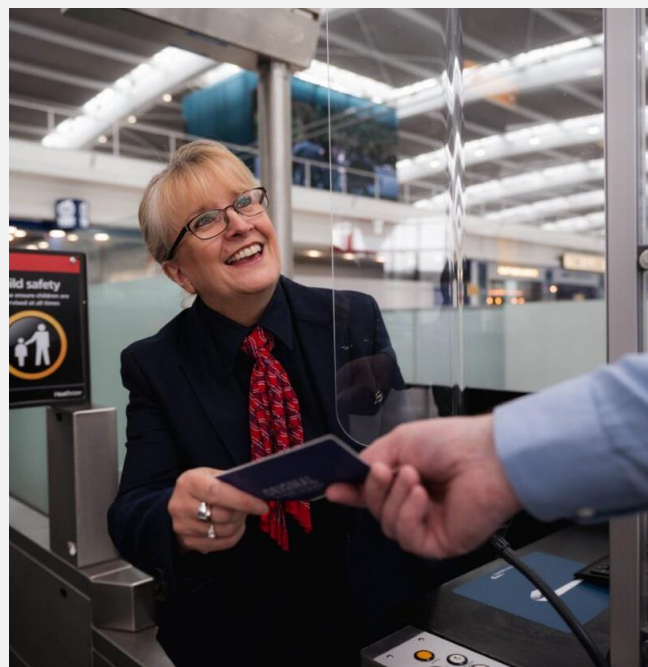
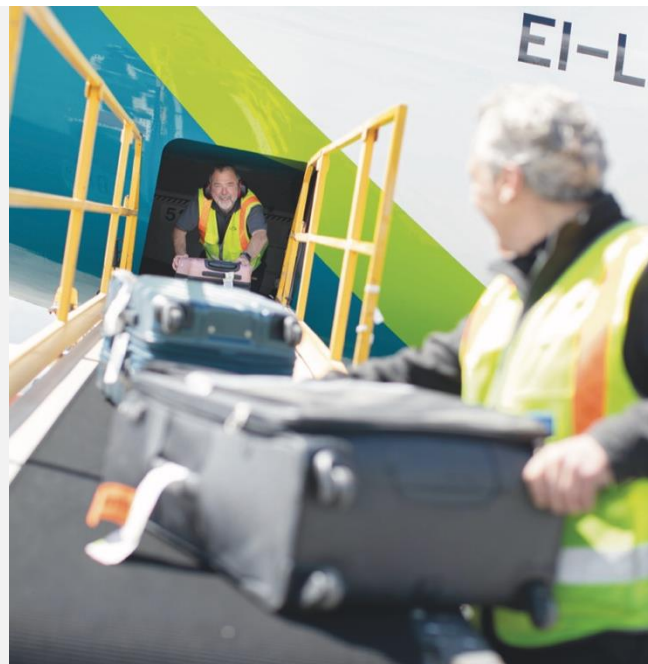


# Modern Slavery & Human Trafficking Statement

This report was approved by the Board of Directors of IAG, in May 2024 in compliance with section 11(4)(b)(ii) of the Fighting Against Forced Labour and Child Labour in Supply Chains Act 2023 and section 54 of the UK Modern Slavery Act 2015.



# Introduction

This statement is made under section 54 of the UK Modern Slavery Act 2015 (MSA) and similar legislation to outline IAG's focus on the identification and prevention of modern slavery and human trafficking within our business and supply chains.

IAG is one of the world's largest airline groups with a fleet of 582 aircraft as of 31 December 2023. IAG is the parent company of Aer Lingus, British Airways, IAG Cargo, IAG GBS, IAG Loyalty, Iberia, LEVEL and Vueling (the 'operating companies').

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

IAG employs over 71,794 employees across the globe and operates to over 250 destinations in 91 countries. In addition to our own extensive footprint, we have a large and complex supply chain, both in our normal bases of operation, London, Barcelona, Madrid and Dublin, across the outstations to which our airline operators fly to and beyond.

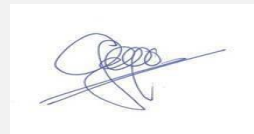
As an international business, we touch every corner of the globe and last year we carried over 115 million passengers on our network. The scale, nature and footprint of our business presents specific challenges and risks with modern slavery and human trafficking.

This statement sets out a high-level summary of the activity within the Group to protect people from these risks.

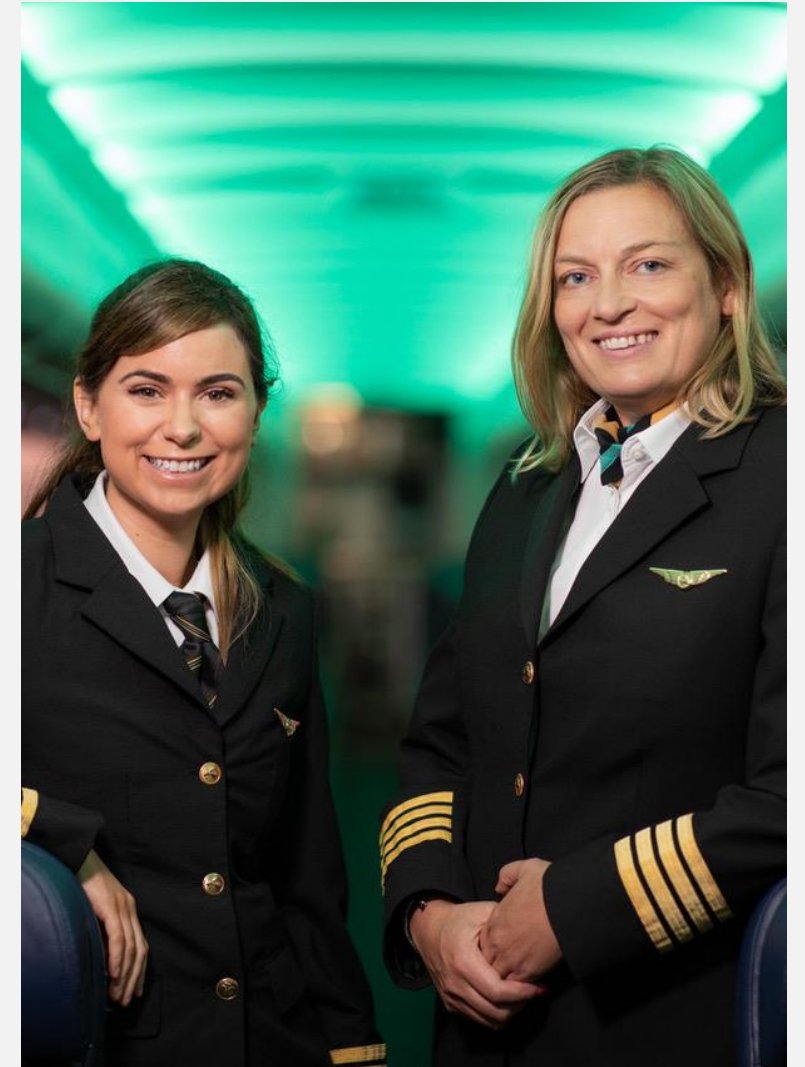
The focus on tackling modern slavery and human trafficking runs much deeper across our organisation and further information and detail of this work can be requested here: [Group Modern Slavery Team](#).

We recognise the evolving nature and patterns of modern slavery and human trafficking and will continue to review our policies, processes and training to ensure they are fit for purpose. During 2024 and beyond we will continue to assess the risk in our business and supply chain, develop our approach for tackling modern slavery and continue to monitor and report our progress.

**Luis Gallego**  
**Chief Executive Officer, IAG**  
**30 May 2024**



I attest that the information in the report is true, accurate and complete in all material respects for the purposes of the Act and that I have the authority to bind IAG.



# Policies

IAG's sustainability programmes are coordinated at Group level to develop and implement policy and strategy, establish targets and programmes, and ensure appropriate governance and accountability across all operating companies.

IAG's zero-tolerance approach to modern slavery is outlined in our Modern Slavery Group Instruction (the Policy'). This Policy applies to all persons working for us or on our behalf and is communicated to all suppliers, contractors and business partners at the outset of our business relationship with them.

IAG's Group Code of Conduct (the "Code") outlines key principles, ensuring that everyone working within the Group is aware and understands the behaviours that are expected of them. The Code outlines the Group's commitment to integrity as a core principle for all our business activities.

The Code applies to everyone who works for IAG, its operating companies and their subsidiaries, including all employees, officers and company directors. Training and communications activities are carried out to ensure awareness and understanding of the principles that govern the conduct of the Group.

Any breaches of the Code may result in disciplinary action being taken. The code is available at this link.

The Policy is underlined by IATA Resolution denouncing human trafficking – passed at IATA's 74th Annual General Meeting in Sydney in June 2018. The Resolution reaffirms airlines' commitment to support governments and law enforcement to prevent human trafficking through awareness raising, staff training and reporting suspicious behaviour.

Our policies, and the work to bring them to life, are critical priorities for our business leaders, who are supported by dedicated Procurement, Sustainability, Legal and Compliance Teams which sit centrally and within each operating company. These teams ensure that IAG's Policy on modern slavery & human trafficking is disseminated widely across the Group and that any trends and risks are properly tracked and addressed.

As part of the wider oversight the Operating Companies' and IAG's Management Committees receive updates on compliance issues, and the Safety, Environment & Corporate Responsibility of the IAG Board (SECR) meet every quarter to oversee progress and address any concerns. An update was presented to SECR in December 2023.



Regular updates are also provided to IAG's sustainability network, and the issues of Modern Slavery and Human Trafficking are now a central part of IAG Ethics & Compliance Framework that came into force in 2024.

# Monitoring the supply chain – priorities

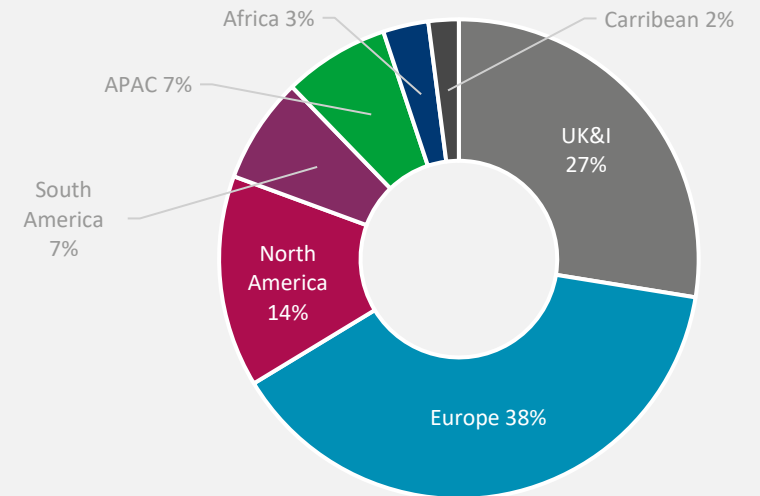
IAG has over 16000 suppliers, and goods and services sourced by the Group come from all parts of the world. IAG is committed to procuring goods and services from suppliers who demonstrate ethical principles in the way they conduct their business. We expect our suppliers to provide a fair, safe and healthy environment for their workforce.

Our top 100 suppliers account for over 70% of our spend and 79% of our first-tier suppliers are based in our key markets in Europe, UK and Ireland and North America.

The risk of modern slavery and human trafficking is prevalent across the world. To maximise impact, IAG has adopted a targeted approach to assess the risks of modern slavery type practices and human trafficking, and to address these risks effectively.

This approach needs to adapt to the changing landscape and patterns of these practices, focussing on specific geographies, routes and industries from time to time. The approach also needs to be tailored to address supply chain risks that sit behind our Tier 1 suppliers.

Goods and services from certain regulated and professional activities e.g. the supply of fuel, regulatory & airport fees and engineering & maintenance services represent over 65% of our annual spend, excluding the cost of acquiring and leasing aircraft. Whilst the risks of modern slavery and human trafficking can still exist in these areas, they are likely to be lower than other sectors.



#### In addition to a rigorous procurement process when suppliers are selected and onboarded IAG is working to ensure that:

- i. all suppliers are aware of our policies and standards and commit to adhere to them.
- ii. there is full and regular mapping of our supply chain, not just where the majority of spend is located.
- iii. there is an effective and dynamic way of identifying high risk suppliers, looking at the industry in question and the location where the work it is carried out and using information and intelligence from reliable international sources.
- iv. there is a focus on unregulated and manual activities, where the risk relating to temporary and casual labour may be more prevalent.
- v. the risk assessment extends to industries that have complex and lengthy supply chains, so that these areas can be given further scrutiny and analysis.
- vi. a collaborative approach is taken with all internal and external stakeholders to identify and mitigate risks, using our leverage as a customer for services and goods.
- vii. we have an effective system for complaints and issues to be raised and discovered for investigation, for remediation and for tracking and recording trends across our supply chain.
- viii. we work collaboratively with industry groups such as ICAO and IATA, national enforcement agencies and other partners.
- ix. we have a skilled and effective team focussed on this important area.

# Our Team

IAG is committed to having the right people, teams and skills in place to scope out and manage risks and the resource, expertise and oversight to confront modern slavery and human trafficking.

IAG GBS provides a centralised procurement function for the Group and has a dedicated Supply Chain Sustainability Programme which consists of four key aspects relating to the suppliers:

- Supplier Code of Conduct
- Risk screening
- Corporate Social Responsibility (CSR) Audits
- Joint programmes to promote sustainability initiatives

This centralised function allows IAG GBS, to set strategy, increase awareness, set expectations, provide analytical information and report and manage risk. We monitor risks of modern slavery and human trafficking within the supply chain at various stages of the procurement process and during the life of contracts.

British Airways Holidays Limited runs its own Responsible Sourcing Programme, aligned with IAG GBS strategy to address the unique needs of their business model and supply chain, including commercial partners on destination products

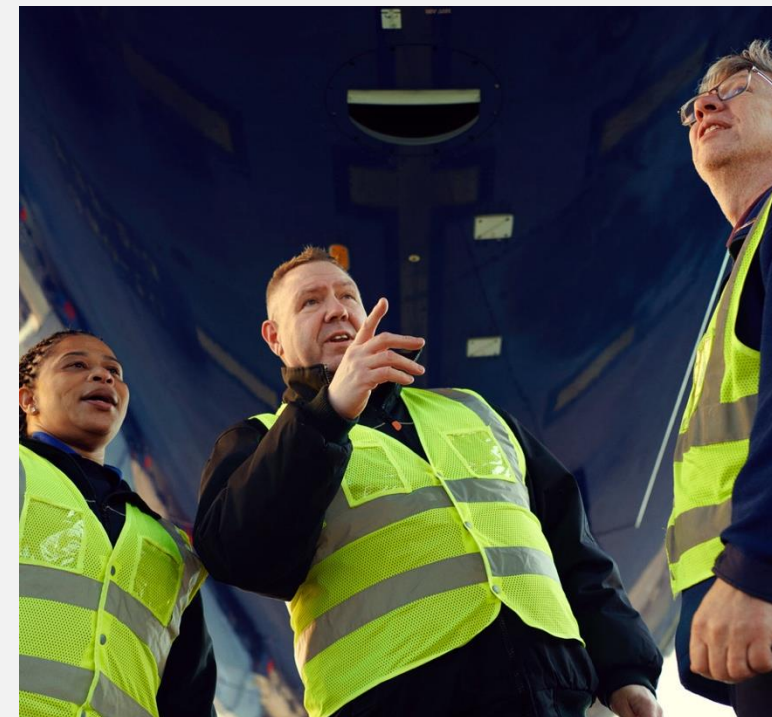
IAG's policies in relation to modern slavery & human trafficking are brought to the attention of all potential suppliers at an early stage of the procurement process.

The **IAG Supplier Code of Conduct** is shared with all suppliers and clarifies the standards of behaviour expected from them. The Code expressly prohibits the use of any form of forced, involuntary or child labour, human trafficking and modern slavery alongside broader requirements about respecting the human rights and working conditions for their employees. The Supplier code is available via this [link](#) and suppliers have a contractual commitment to meet them.

IAG works closely with ECOVADIS, a world leader in mapping out global risks and provide alerts in relation to developments within our supply chain. This provides suppliers' sustainability performance scorecards which covers issues such as labour and human rights, working conditions and social dialogue. In 2023, 568 new scorecards were completed, highlighting 74 cases for further analysis. In total these scorecards cover more than 70% of our supplier footprint by spend and over 3000 of our first-tier suppliers.

IAG also proactively identify supply categories where goods or services are potentially sourced in high-risk areas and industries and work with our suppliers in these areas to better understand how they manage risks in their own business and supply chains.

The Procurement and Compliance Teams assess any suppliers identified as having potentially higher levels of risk and implement a mitigation plan where necessary. Any issues are flagged to the risk owners within the Group to jointly take appropriate action. This will include direct engagement with the supplier and where necessary on-site audits are carried out.



These teams have been given specific training on identifying and tackling modern slavery and human trafficking type risks.

We reserve the right to terminate supplier contracts where a supplier engages in any activity, practice or conduct that would constitute an offence under sections 1, 2 or 4 of the UK Modern Slavery Act. However, in the first instance we would work with our suppliers and those impacted by their actions to identify the issues and remedy the situation, where that is possible.

# Mapping out risks

## SEDEX Partnership

IAG partnered with SEDEX in 2023 to better assess and map out human rights risks and plan mitigation and remediating actions, using our leverage and influence to raise standards.

Our suppliers have been notified of our partnership with SEDEX and the Supplier Code of Conduct and asked to review their own processes to ensure that the issue of Human Rights and Corporate Social Responsibility is a top priority for them and their suppliers.

In 2023 the majority of IAG's core and active suppliers went through a risk assessment based on SEDEX's RADAR methodology ([link](#)), combining country and industry sector risk information from various sources including the International Labour Organisation ("ILO"), The International Trade Union Confederation's (ITUC) Global Rights Index and the United Nations Development Programme with the data collected from supplier sites and location within the SEDEX platform.

This assessment allows us to prioritise additional assessments, risk management, and improvement efforts depending on the most common issues using data sources that examine issues such as forced labour, child labour, freedom of association, gender inequality, health, safety and hygiene and wages.

This process will extend to all suppliers in 2024 and continue beyond, complementing and enhancing the work that is currently done with ECOVADIS to produce supplier score cards and map risks.



## Tackling high risk suppliers

Through the SEDEX assessment, 522 of our key suppliers were identified as potentially "high-risk". These suppliers were predominately located in South America, Asia, and Africa, operating in sectors such as accommodation and food services, as well as transportation and storage.

Based on this assessment IAG's procurement team is taking the following measures in relation to these suppliers:

- a review of the publicly available information of labour & human rights policies, supplier code of conduct and whistleblowing procedures.
- an assessment as to whether suppliers have a valid ECOVADIS scorecard and Corrective Action Plans.
- a Self-Assessment Questionnaire, the response to which would identify those suppliers for whom further audits are required.
- a request for details of any audit processes undertaken including the most recent labour & human rights audit in relation to their own operations and/or that of their supply chains.
- confirmation as to how each supplier has communicated our Supplier Code of Conduct and the method for raising complaints to their own employees and within their own supply chain.
- a further wave of "high risk" suppliers will be identified in 2024 using this process and the same steps will be taken on an ongoing basis.

We have reviewed the Speak Up channels and the complaints made in 2023. There are no complaints regarding human trafficking and modern slavery. We envisage the wider dissemination of our NAVEX reporting process in 2024 will give rise to more cases to investigate. Complaints that are received are fully investigated and addressed.



# Focus areas

The catering, accommodation and uniform categories present higher risks given the labour and industry profile within these sectors and the complexity and geographical spread of their supply chains.

## Hotels

There are specific risk factors in relation to the accommodation sector, being labour intensive activities with high levels of temporary, seasonal and migrant workers across visible and less visible roles. Supply chains in this sector include franchised operations that procure products and services and develop policies locally. The sector comes with the risk of child labour as well as human trafficking within hotels.

In 2023 a Human Rights Impact Assessment (HRI) was carried out by BA Holidays on behalf of IAG into its main hotel suppliers, which included interviews and survey with internal and external stakeholders, site visits and a gap analysis on commitments made in relation to the UN Guiding Principle for Business and Human Rights.

A Sustainability Steering Committee was set up to focus specifically on hotels and over 100 commercial supply chain colleagues were trained on the HRI Impact Assessment objectives and the IAG Supplier Code of Conduct.

IAG has also collaborated with SHIFT, a leading centre of expertise on the UN Guiding Principles on Business and Human Rights to build capacity and a strategy/roadmap for further compliance work in this area in 2024 and beyond across our hotel supply and value chains.

Our main hotel suppliers are members of the Sustainable Hospitality Alliance through which hotel members commit to raise awareness of human rights risks, embed human rights into corporate governance, and address risks arising in the labour supply chain and during construction.

In 2023 we were alerted to one issue in relation to workers at a hotel overseas, which we followed up with the relevant organisation.

## Catering

IAG carried over 115 million customers in 2023 and provided meals in the air and on the ground in our lounges. These meals are prepared at our main bases of operation but also at various outstations on our network.

Most of our catering is carried out by a small number of suppliers, with our top 5 suppliers representing 66% of our spend in this category. Given the complexity of the catering supply chain and food sourcing this area presents challenges in understanding and tackling modern slavery and human trafficking risks,

We are working with our main suppliers to ensure that risks within their own operations and supply chains are mapped and addressed and that all suppliers involved in the production and supply of our catering products understand and follow our policies and standards.



## Uniforms

With almost 56,000 operational colleagues, IAG sources tens of thousands of new and replacement uniform items each year. These items and the raw materials to produce them are sourced from Europe, Bangladesh, China, India, Morocco, Indonesia, Sri Lanka, Pakistan.

Our suppliers in these areas have made several commitments to source items ethically and in a sustainable way, demonstrated through their membership of the Ethical Trading Initiative and the Mi ESG Hub and we are in regular contact with them for evidence of this.

## Supply Chain Networks

We have created stakeholder networks for our key suppliers in these areas to capture best practices and encourage cross industry knowledge sharing and compliance activities.

These networks are used to ensure that they have the correct policies and safeguards in place, and that they are committed to our Supplier Code of Conduct across these businesses and through their supply chains.

For 2024 we are working towards regular meetings with the key suppliers in all these areas to map supply chains, to identify areas of risk, to facilitate dialogue on the steps they are taking to tackle modern slavery and human trafficking in their operations and supply chains and to agree on remedial actions where necessary.

# Human trafficking

IAG is taking steps to prevent human trafficking. Human trafficking is of particular concern to IAG and to the wider aviation industry, as the Group transports millions of passengers every year and has tens of thousands of suppliers across the world.

Operating airlines work closely with governments and the airports in which they operate to ensure that any suspected trafficking on our flights is identified, reported and dealt with appropriately. IAG also supports the 2018 IATA resolution denouncing human trafficking and reaffirming its commitment to tackle this issue.

IAG has been an active member of the ICAO-ONHCR Ad Hoc Working Group on Combating Trafficking in Supply Chain, an international, joint industry-regulatory group assisting in the development of guidance material on combating trafficking in persons in the supply chain of air operators.

Our ground handling, cabin crew and flight crew will have exposure to potential human trafficking situations. Guidance and support is provided to these teams to identify, handle and report any concerns.

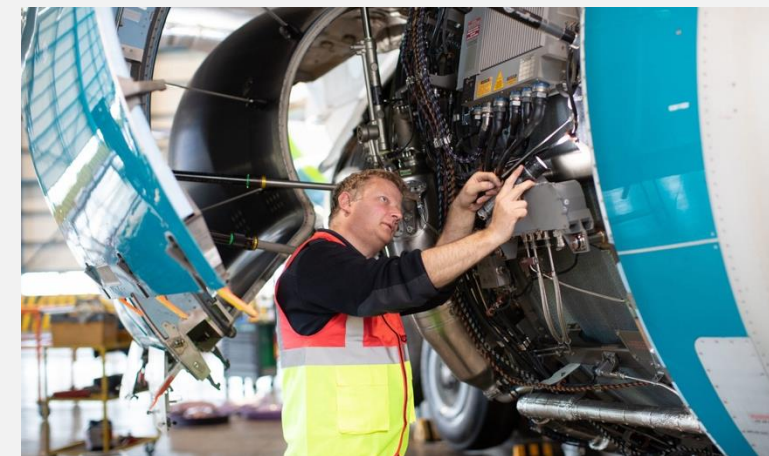
Specific training is provided to our cabin and flight crew to raise awareness of human trafficking. We promote the joint ICAO-OHCHR **Guidelines for Training Cabin Crew on Identifying and Responding to Trafficking in Persons** and **Guidelines on Reporting Trafficking in Persons by Flight and Cabin Crew**. This guidance has now been incorporated in an online training module available to all our frontline

colleagues, alongside IATA's #Eyesopen, which is designed to raise awareness among passengers, airlines and governments, of the risks of human trafficking.

Our operating companies intend to run an awareness campaign in 2024 in addition to standard training courses to highlight the extent of the issue and the practical steps that our staff can take. This includes signposting to sources of information on our dedicated Intranet site and support and guidance for our colleagues.

We have clear processes in place to ensure that our staff know how and where to report any suspected incidences of modern slavery. Our airlines continue to work closely with relevant authorities, governments and airports to ensure that all suspected human trafficking on our flights is reported. In 2023 we received 15 reports of suspected human trafficking, all of which were reported to the authorities.

Most of our overall passenger traffic pass through our inhouse ground handling teams every year mainly in the UK, Spain, the USA and India. By equipping these teams with the necessary training, resources and support we can provide further safeguards against criminal activity.



This year we are extending the training and awareness campaign to five of our key ground handling suppliers who together represent 31% of our overall operation. In 2024 we will require that all our ground handling teams take colleagues through the same training process. Our focus will be on airports and routes where evidence of potential human trafficking is more prevalent so that colleagues in these areas are alive to the risks.

We work closely with local law enforcement bodies and immigration authorities to share information and trends.

In 2023, we also worked with our leisure offer suppliers, including destination tourist boards, hotels, and car rental and experience providers, to understand trafficking in these industries. We aim to build more capacity in this area, alongside a strategy, policy, remedies, and grievance systems for the supply chains in these areas.



# Our people

The number of people employed across the Group as of 31 December 2023 was 71,784, based around the world. The majority of this population is based in the UK, Ireland, Spain, with significant groups of employees in the USA, Canada and India.

We are committed to ensuring high labour standards for all of the employees within our Group companies in all countries and to provide a safe and positive working environment in which all employees can realise their potential.

IAG group companies have robust policies that address issues such as the elimination of discrimination, health & safety, working time and reward. These policies comply with the conventions of the International Labour Organization (ILO), covering subjects that are considered as fundamental principles and rights at work including the freedom of association and the effective recognition of the right to collective bargaining.

The Group works with a number of Trade Unions across its operation and collective bargaining arrangements are in place for 89 per cent of the IAG's workforce. Our operating companies consult on a regular basis with employee representative bodies, including trade unions and works councils.

IAG also has a European Works Council which brings together representatives from the different European Economic Area (EEA) countries in which the Group has operations. In the ILO Report for the Technical Meeting on a Green, Sustainable and Inclusive Economic Recovery for the Civil Aviation Sector (Geneva, 24–28 April 2023) IAG was recognised for best practice on engagement and collective bargaining.

Resources are available across the Group for employees to report grievances or any alleged or actual wrongdoing. A whistleblowing channel provided by NAVEX is available throughout the Group where concerns can be raised on a confidential basis. This external and independent service is available to all our employees and to others working in our supply chain.



The IAG Audit and Compliance Committee receive a report on complaints to our whistleblowing channels on an annual basis. Each company in IAG has its own communication channels adapted to its culture and profile. Communication with employees are through both formal and informal channels, which include performance reviews, specific consultations, employee forums, internal social networks, local cascade meetings, newsletters, workshops, engagement surveys and confidential and independent Speak Up channels.

IAG, its operating companies and subsidiaries ensure that our colleagues are aware of and understand our focus and commitment to tackle modern slavery and human trafficking and that they are fully engaged and involved in our collective efforts to do so.

# Awareness and training

Detailed materials relating to human trafficking and modern slavery are available to employees on our intranet page.

All training programmes are implemented at operating company level and each is responsible for determining the specific courses that are mandatory within their organisation, the frequency with which training courses must be completed and the employees required to attend.

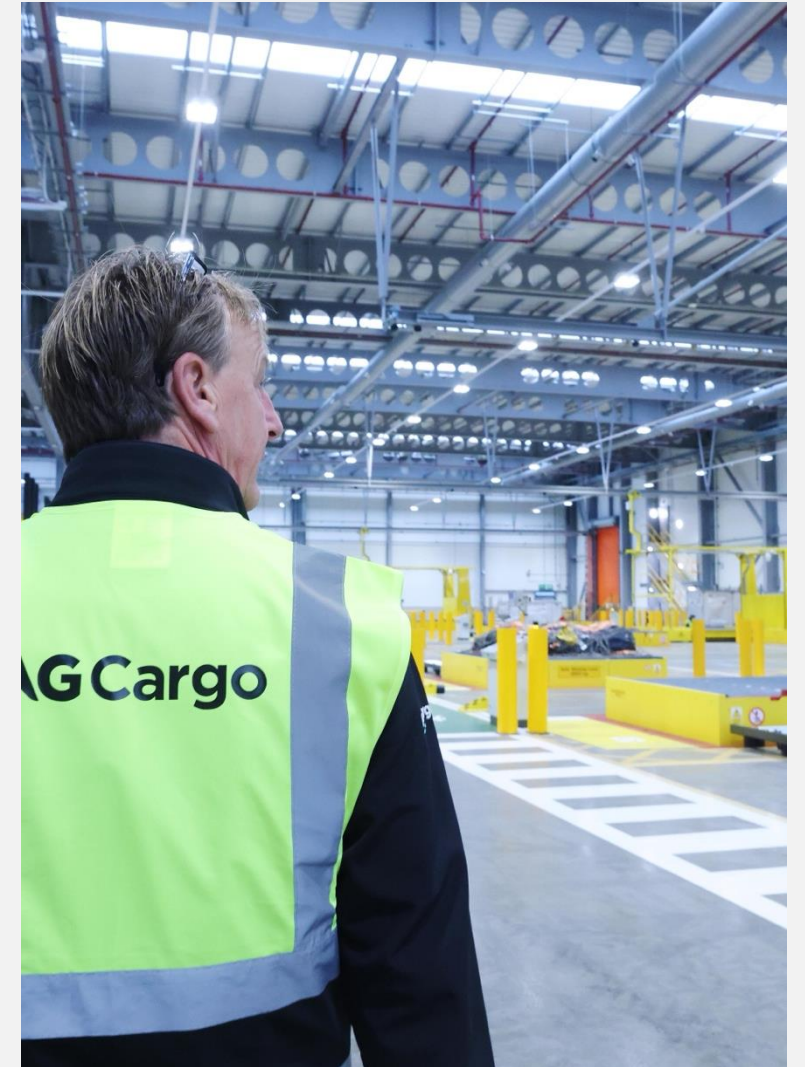
All operating companies run a core corporate training course on the Code of Conduct. Modern slavery and human trafficking is also incorporated into compliance and operational training delivered through the year.

We have also partnered with Tribe, a charity that will support us in raising awareness of modern slavery and human trafficking issues with colleagues, whilst involving them in their work to support the victims of these practices.

We have also created stakeholder networks within our procurement function and supply chain to continue the dialogue and explore areas of improvement in addition to our normal supplier management processes.

**To supplement our Code of Conduct Training we have launched:**

- a specific e-learning module for our cabin crew, pilots and airport colleagues that highlights the practical issues that they may come across at work and how to identify and report issues in line with the relevant ICAO/ONHCR guidance.
- a bespoke “in person” training session on tackling modern slavery and human trafficking for colleagues who work within our procurement function.
- a general awareness campaign in our offices and airport sites to raise the profile of the issue with our operational colleagues.
- an intranet site that captures various safeguarding topics, including modern slavery and human trafficking and its causes and impact.



# Next steps

We will continue with and strengthen our ongoing commitment to tackling modern slavery and human trafficking and to address broader human rights issues.

During 2024 and beyond we plan to:

- Continue to develop our approach for tackling Modern Slavery at all levels within our supply chains across the Group, particularly in high-risk areas.
- Provide targeted Modern Slavery awareness materials for all Procurement staff and other employees who work with suppliers and continue to build capacity and culture of respecting human rights
- Regularly update the Group boards and management committees on Modern Slavery/Human Trafficking and validate salient issues with stakeholders so that directors and key individuals understand their role and accountability in eradicating Modern Slavery from our business and our supply chains.
- Ensure that all new supplier contracts and those coming up for renewal contain Modern Slavery clauses and that our suppliers continue to adhere to our Supplier Code of Conduct and promote it within their supply chains;
- Ensure that our suppliers have effective plans and procedures for monitoring and address risks within their own supply chains and improve the tracking and management systems, the remedies process and grievance access for workers.
- Continue the awareness campaign and updating of crew/staff manuals on procedures for identifying potential cases of human trafficking on our flights and centralise the reporting and tracking of issue;
- Continue to work with other companies/industry bodies to share knowledge, learning and best practice, building upon the work that IAG has supported in 2023 and this year the ICAO Ad Hoc Working Group on Combatting Trafficking in Supply Chain, an international, joint industry-regulatory group composed of experts from states, air operators and international organizations to develop guidance material on combatting trafficking in an air operator's supply chain.
- establish a human rights strategy and specific policies for IAG and its supply chain.

For 2024 we are planning a modern slavery/human trafficking summit to bring together various stakeholders across our industry, enforcement bodies, charities and industry leaders to share challenges and best practice in this area and further promote the work being carried out in this area.

