

# WELCOME ON BOARD OUR MOST IMPORTANT JOURNEY YET

At British Airways, we're on a journey to create a better, more sustainable future. We call it BA Better World. With a focus on **People, Planet and Responsible Business**, we're building on decades of work to transform our business and I'm pleased to share our latest achievements. Despite the global pandemic continuing to impact our industry, we've made significant progress, with several major milestones in 2021 including:

- Our BA Better World programme launch positioned sustainability at the heart of BA's core strategy.
- We invested in ZeroAvia, our hydrogen propulsion partner in an effort to accelerate the development of 50+ seater aircraft capable of running on zero emissions hydrogen electric power.
- We took delivery of the first direct supplies of sustainable aviation fuel (SAF) including enough to power all our flights from London to Scotland for the duration of COP26 and our first transatlantic flight operated on 35% SAF.
- In addition to the existing option for customers to offset their emissions, we annouced that they can also purchase sustainable aviation fuel in combination with high-quality carbon offsets to reduce their carbon footprint, directly from their seat on board.
- We partnered with Phillips 66, making us the first airline in the world to use SAF produced on a commercial scale in the UK and partnered with LanzaJet, which will see us invest in LanzaJet's first commercial scale facility in the USA and acquire cleaner burning SAF from the plant.
- We sent two relief flights to India with essential supplies to help during the COVID-19 crisis.
- We hit £26M raised and over 863,000 people reached since 2010 though Flying Start - our partnership with Comic Relief.

Take a look at <u>this video</u> for a summary of our BA Better World work in 2021.

In the 'looking ahead' section of this report you can get a glimpse of our plans for 2022, including:

- More opportunities for customers to choose low carbon products.
- BA Better World Community Fund launch in partnership with Crowdfunder.
- Getting into action on our gender and ethnic diversity programmes.
- New products on board that reduce waste and single use plastics.

We look forward to collaborating further with our customers, colleagues and partners to share more positive news and new initiatives this year. We couldn't do this without you.

BA Better World - welcome on board our most important journey yet.



Carrie Harris

Head of Sustainability British Airways



# Supporting UN Sustainable Development Goals to 2030

We're aligned to the IAG vision and two global frameworks, one of which is the UN Sustainable Development Goals (SDGs). The UN has 17 SDGs to support as part of the global 2030 Agenda for Sustainable Development. We've identified 8 SDGs we're focusing on which can best influence change. You will notice the icons representing the SDGs throughout this report.

















# PEOPLE



Through our BA Better World programme, we aim to create a great place to work where everyone can thrive. Diversity, inclusion and mental health were particular focus areas in 2021. Here are some of our achievements:

- We made commitments to improve our recruitment processes including 100% open recruitment, diverse shortlisting and diverse interview panels.
- Following on from a successful trial in 2019, we launched a
  Reverse Mentoring programme for ethnic minority colleagues
  up to our Management Committee level. This forms part of
  our wider race strategy to improve diversity at senior levels but
  also to increase awareness and understanding of the day-to-day
  experience of being from an ethnic minority.
- We celebrated Black History Month including colleague and senior leader videos and interviews, an all-Black gate team and a webinar from Tessy Ojo OBE, Chief Executive The Diana Award UK.
- We held a popular menopause webinar with Lisa Snowdon on World Menopause Day and launched a menopause networking group and workshops.
- We continued to prioritise colleague mental health with a renewal of the mindfulness app UNMIND, accessible for all colleagues.
- We continued to engage colleagues through our network groups and champion groups in sustainability, and with factsheets on climate change, diversity, equity and inclusion, resources and waste and community investment.
- We celebrated the support of all BA colleagues with sustainability awards in December.

### **TARGETS**

- We set targets to increase female representation at senior levels to 40% by 2025, along with targets to increase our ethnic diversity at senior levels to 12% by 2025 and 14% by 2030 to reflect the UK working population. Below is five-year trend data on our gender and ethnicity diversity in the senior levels of management.
- Our targets take into account the UK working age population as well as reflecting projected recruitment, turnover and size of the management population.
- To ensure leaders are accountable for improving diversity in the organisation, we have set targets at department level, as well as for BA as a whole.
- To ensure our target setting is robust and meaningful we are reviewing the data colleagues can share with us, adding additional categories such as gender identity. We are taking steps to encourage colleagues to share their D&I data, to give the fullest possible picture of our organisation.

We know diverse teams produce better outcomes, and that's why diversity, inclusion and equity are key pillars of our BA Better World sustainability strategy and are critical to the long-term success of our business.

YEAR (DATA CAPTURED 31 <sup>ST</sup> DEC)	PERCENTAGE FEMALE IN SENIOR LEVELS (DIRECTOR, BAND 1 AND BAND 2)	PERCENTAGE ETHNIC MINORITY IN SENIOR LEVELS
2017	37.2%	7.8%
2018	37.4%	7.8%
2019	38.9%	8.6%
2020	37.7%	8.9%
2021	37.9%	10.1%
2025 Target	40%	12%

In 2021 there was a change to how we calculated data for gender statistics for senior levels, excluding colleagues who work for other IAG operating companies. In 2022 we propose to make the same change for calculation of ethnicity at senior levels.

These changes are intended to provide a more representative view of the BA colleague population, by excluding BA contracted colleagues who work for other IAG operating companies. This is likely to result in a small change in the number reported.

# PEOPLE











In 2021, we asked our colleagues whether they feel we are taking the right steps to be more sustainable as a company, and 40% of respondents said yes. We aim to improve this score and others related to the sense of belonging among our colleagues through our BA Better World and People transformation activities and engagement programmes in the coming years.



"I'm Gerald, a Technical Engineer within Commercial & Supply chain. I guess I'm no longer fresh at BA as I've been here for 3.5yrs! As my friends and colleagues know, I'm passionate about change, diversity & inclusion. Why don't we do things a different way? That's why I'm an active member of our Be ME network group, a reverse mentor to our management committee and enjoy going to colleges to show underrepresented groups what a great career in aviation could look like for them."

Gerald Ojo **Technical Engineer** 



To mark Black History Month, colleagues from our Be ME group created a video sharing their views on how to improve inclusivity, based on their experiences.









### **CLIMATE ACTION**

In 2021, we published Flightpath Net Zero, a quantified roadmap and video explaining our short, medium and long term solutions to get to net zero emissions by 2050 or sooner. Our Flightpath Net Zero plan, shown below, illustrates that we will achieve our goal through a combination of efficiencies, investments in new technology, sustainable aviation fuel (SAF), carbon offsets and removals. We made good progress in each of these areas in 2021.

### **OUR FLIGHTPATH TO NET ZERO**

- If no improvements are made to efficiency, then aviation's carbon emissions would grow over time as demand for air travel increases. (Top grey line on graph).
- By investing in new aircraft, changing how we fly and, in time, introducing new low- and zero-emissions aircraft, we will deliver about a third of our emissions reductions by 2050.
   (Red wedge on graph).
- A further third of emission reductions will come from switching to sustainable aviation fuel, meeting about 50% of our fuel needs by 2050. (Grey wedge on graph).
- The final third will come from robust carbon reductions and removals in other sectors. (Blue wedge on graph).
- We're also offering our customers the opportunity to fly carbon neutral today, that could mean together we could reach our destination sooner. (Aqua wedge on graph).

# Emissions reductions from more efficient aircraft and operations Emissions reductions from sustainable aviation fuel Emissions reductions from verified carbon offsets and removals Emissions reductions from engaging customers in flying carbon neutral removals OCCURRENT OF THE PROJECTE OF THE PROJEC

### SUSTAINABLE AVIATION FUEL (SAF)

SAF is produced from sustainable feedstocks and is similar in chemistry to traditional fossil jet fuel. Using SAF results in a reduction in carbon emissions compared to the traditional jet fuel it replaces over the lifecycle of the fuel and can drop straight into existing fuel supply infrastructure and aircraft. It has the potential to provide a lifecycle carbon reduction of more than 80% compared to the traditional jet fuel it replaces.

While we expect SAF to be a major contributor to the decarbonisation of aviation, it is in short supply with only approximately 0.04% of the SAF needed to reach our emission reduction goals available today. In 2021, we took further critical steps to ensure future supply and in an industry first, we began offering customers the opportunity to purchase SAF, along with offsets. However, further Government support is required to scale up this market.

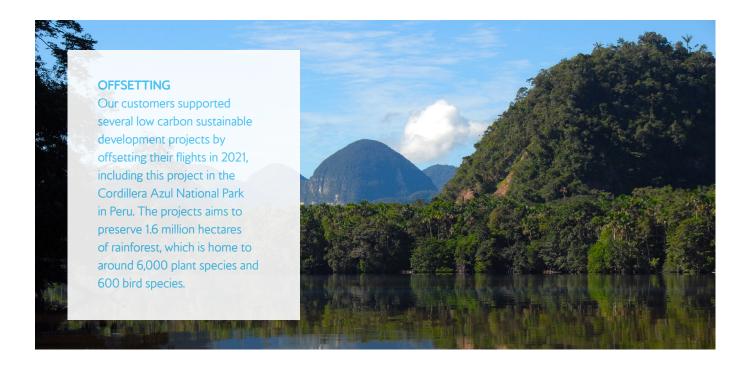
- In February, we invested in <u>SAF technology provider LanzaJet</u> and agreed to purchase SAF from its U.S. plant in 2022.
- In September, we led the first ever BA flight powered directly from SAF, teaming up with NATS, Heathrow, Glasgow Airport, Airbus and bp to demonstrate how the industry is moving towards a <u>Perfect Flight</u> using today's decarbonisation technology. We reduced CO<sub>2</sub> emissions by 62% compared to the original Perfect Flight more than a decade ago.
- In November, we sourced SAF with respect to all our flights between London, Glasgow and Edinburgh during COP26.
- We also flew the <u>first transatlantic flight powered by SAF</u> at a 35% blend
- We introduced a global first with customers now able to offset international flights and purchase SAF from their seats on board.
- In December we annouced a <u>new partnership with Phillips 66</u> to offtake SAF from its Humber refinery.

Customers can offset or purchase SAF here: BA Fly Carbon Neutral









# **OFFSETTING**

- We continue to offset emissions on all our flights within the UK.
- Customers can now also offset onboard our international flights through our free .air WIFI platform.

# **FUTURE TECHNOLOGY**

 We invested in <u>ZeroAvia</u>, our hydrogen propulsion partner in an effort to accelerate the development of 50+ seater aircraft capable of running on zero emissions hydrogen electric power.

### **INTIATIVIES**

In parallel with IAG we completed a Taskforce for Climate-related Financial Disclosures (TCFD) climate-related risk assessment for British Airways to assess the cost and opportunities of the low carbon transition. BA's assessment fed into IAG and the results are disclosed in the IAG Annual Report and Accounts 2021.

We also agreed an innovative sustainability-linked loan which ties our sustainability performance to favourable financial terms.

Our carbon emissions data is below. Our emissions intensity in 2021 remianed higher than in pre-pandemic years mainly as a result of lower passenger load factors. We anticipate emissions intensity recovering well as we emerge from the pandemic, supported by new fuel-efficient additions to our aircraft fleet and the retirement of older aircraft including all of our Boeing 747s.











				770	
METRIC	UNITS	DESCRIPTION			
Scope 1 CO <sub>2</sub> e emissions	Tonnes carbon dioxide equivalent (CO <sub>2</sub> e)	Direct emissions associated with British Airways operations including use of jet fuel, diesel, petrol, natural gas, and halon. Sources of emissions include aircraft engines, boilers, auxiliary power units and ground vehicle engines. These emissions are primarily CO <sub>2</sub> but other greenhouse gasses (GHGs) such as methane and nitrogen oxide are also reported as part of the CO <sub>2</sub> - equivalent metric.	2017 2018	2019	<b>-17.5%</b> -17.5%  -18.2073  -19.2072  -19.2072  -19.2082
Net scope 1 CO <sub>2</sub> e emissions	Tonnes carbon dioxide equivalent (CO <sub>2</sub> e)	Net emissions are calculated by subtracting the emission allowances purchased above the EU ETS (Emissions Trading Scheme) cap and voluntarily purchased offsets.	17,401,221	2019	-18.4%  568/180' 2020 2021
Scope 2 location- based emissions	Tonnes carbon dioxide equivalent (CO <sub>2</sub> e)	Emissions associated with electricity use in, for example, offices, lounges, data centres and hangars.	2017 2018	2019	-14.3% 31.337 2020 2021
Scope 2 market- based emissions	Tonnes carbon dioxide equivalent (CO <sub>2</sub> e)	Market-based emissions are based on the carbon intensity of electricity purchased from suppliers.	2017 2018	2019	-9.3% -9.3% 80 90 2020 2021











METRIC	UNITS	DESCRIPTION	
Scope 3 emissions	Tonnes carbon dioxide equivalent (CO <sub>2</sub> e)	Indirect emissions associated with key products and services within our supply chain.	2017 2018 2019 2020 2021
Emissions intensity (jet fuel)	Grammes of CO <sub>2</sub> e per passenger kilometre (gCO <sub>2</sub> /pkm)	Calculated by dividing total jet fuel or scope 2 location-based emissions by total passenger-km, assuming one cargo-tonne-km is equivalent to 10 passenger-km.	-8.0% -8.0% 5017 2018 2019 2020 2021
Renewable electricity	%	The share of electricity generated by renewable sources such as solar power and wind, based on volumes procured from renewable electricity suppliers. In cases where electricity sources were unavailable, the source of electricity is assumed to be the national grid.	-1.2% %08 %E8 %28 %28 2017 2018 2019 2020 2021









METRIC	UNITS	
Reduction in GHG emissions from initiatives	Tonnes CO <sub>2</sub> e	2017 2018 2019 2020 2021 2018 2019 2020 2021
Jet fuel usage	Million tonnes	-17.6%  -17.6%  162/626/5  2017 2018 2019 2020 2021
Energy itensity	Grammes of CO <sub>2</sub> e per passenger kilometre (gCO <sub>2</sub> /pkm)	-8.5%  -8.5%  -8.5%  2017 2018 2019 2020 2021
Electricity	kWh	-6.7%  -6.79%  181,592,675  163,595,501  121,612341  2017  2018  2019  2020  2021



# RESOURCES









We're committed to protecting the environment, eliminating single-use plastic where sustainable alternatives exist and reducing food waste. Working towards implementing a circular economy, we aim to keep our resources in use for as long as possible through innovative product design, re-use and recycling and through partnerships with our suppliers.

Safety measures that we had to put in place to protect the health of customers and crew because of Covid-19 have set our work back across the entire aviation industry. We are now pleased to be continuing with our commitment to reduce single-use plastics on our flights, with initiatives such the use of paper banding on our Club World blankets and duvets, which we first introduced before the pandemic, removing over 10m items of plastic off our flights in total once fully rolledout in Club (47 tonnes of plastic per year)

Reducing food waste means less pressure on natural resources, water supplies and land where food is grown, as well as cutting greenhouse gas emissions from production, transportation and disposal. We are focused on reducing waste and ensuring that, where it is unavoidable it is disposed of responsibly, minimising the use of landfill and incineration and increasing re-use and

recycling. We segregate recyclable materials on board including glass, plastic bottles, newspapers and cans on inbound flights and we send less than one per cent of our non-catering waste from our Heathrow and Gatwick operations to landfill.

Additional achievements in 2021 include:

### **FOOD WASTE**

• Surplus food and blankets were donated to charity including a local wildlife rescue project.

### **WASTE EFFICIENCY**

- New targets were set at group level for onboard, office and maintenance waste.
- Waste auditing exercises were held in our engineering offices and hangars, and we are expanding soft plastic recycling in the hangars at Heathrow.
- We are streamlining waste collection in our head office and trialling the collection of more waste streams for recycling.

### SUSTAINABILITY ON BOARD

We are working hard to reduce single-use plastic on board and are actively seeking to source sustainable alternatives where possible.

NEW AMENITY KITS

= 6.5 tonnes of plastic saved

BAMBOO SWIZZLE STICKS

= 45 tonnes of plastic saved

EAR BUDS

= 11.5 tonnes of plastic saved











METRIC	UNITS	DESCRIPTION					
					17,837	-10	.1%
Onboard waste at hub airports	'000 tonnes	Onboard catering waste including volumes later recycled and recovered at Heathrow and Gatwick.	No data available	No data available	2019	2020	2021
						-5	5%
Onboard waste per passenger at hub airports	Kg/pax	Onboard catering waste generated per passenger, including volumes later recycled and recovered at Heathrow and Gatwick. Passenger numbers are based on those inbound and outbound passengers who have their waste processed at London Heathrow and Gatwick.	No data available	No data available	2019	2020	50 O
						-22	.8%
Overall waste	'000 tonnes	Includes waste from all streams – onboard, office, cargo and maintenance waste – and an extrapolation of waste processed at overseas caterers.	No data available	No data available	2019	2324	2021 2021
						10	)%
Overall re-used, recycled and recovered	%	Proportion of waste re-used, recycled and recovered excluding incineration	No data available	No data available	2019	2020	2021







# **COMMUNITY INVESTMENT**

We're very proud of our commitment to investing in communities across our network both in the UK and overseas and through our BA Better World sustainability programme we are striving to provide even more life-changing opportunities and sustainable solutions.

In 2021 we continued our Flying Start partnership with Comic Relief, as well as our commitments to supporting communities in times of crisis and supporting our colleagues in their personal endeavours.

# **AID FLIGHTS**

To support the COVID-19 response, we sent two aid flights to India with over 50 tonnes of urgent lifesaving oxygen cylinders, oxygen concentrators, respirators, and blood oxygen saturation monitors, along with care packages for families in need, donated by British Airways.





Here's a thank you video from Oxfam







### **DISASTERS EMERGENCY COMMITTEE**

As part of our commitment to help communities respond in times of crisis we work with partners, including the Disasters Emergency Committee (DEC), to ensure that vital relief gets to where it's needed most as quickly as possible, using the breadth and scale of our network.

In 2021, we supported the Afghanistan Appeal with a financial contribution to support the appeal's relief efforts to deliver emergency food to families, support healthcare facilities to treat malnutrition and provide winter kits to help displaced families keep warm.



## **VOLUNTEERING**

4,500 of our colleagues volunteered in 2021, including 3,100 for Project Wingman – enabling aviation industry professionals to support the COVID-19 response.

In addition, many of our colleagues also supported the NHS at local vaccination centres.

Gatwick and Heathrow Cabin Crew colleagues volunteered at the Crawley vaccination centre and completed their 50,000th vaccine!



### **DONATIONS**

We donated over 633,000 end-of-range products such as blankets, amenity kits and t-shirts to charity projects across the UK supporting over 80 organisations. These organisations included Surplus to Supper, London and Slough Run, Giving World and Trussell Trust.

"Surplus is more than just food and all about community. We are proud to be reaching all demographics of our community using your BA donations. Our goal to support and equip local frontline charities making a difference. The Afghanistan and central Asian association based in Feltham do a fantastic job. We delivered pallets of BA blankets and boxes of the t-shirts with amenity kits for the charity to give to the people as they enter the UK as they navigate the different options available to them. We appreciate all your hard work in making this happen and the opportunity in allowing us to help people directly on the front line reacting to local active communities".

Claire Hopkins
Director of Operations
Surplus to Supper Trust CIO

### **COMIC RELIEF**

Since June 2010, we've worked in partnership with Comic Relief to help give disadvantaged children and young people the chance to have a brighter future. So far, thanks to our customers and colleagues, we've raised over £26 million and reached more than 863,400 people.

In 2021, we raised £1,003,454.66.











### **PAYROLL GIVING**

In 2021, 2,913 employees donated more than £900,000 to 566 charities through our Payroll Giving scheme.

The top cause supported was Pilots Together with 519
BA employees donating over £25,000 per month.



"The level of support shown by BA employees for UK charities, in particular Pilots Together, during the pandemic has been incredible, especially given the uncertainty facing the aviation industry. The fact that they are still showing such empathy for others during this time underlines the community spirit of British Airways and our thanks goes to each and every one of them."

Suzie Power Director of Payroll Giving UK

# **MATCH FUNDING**

Our Match Funding Programme is a scheme for our British Airways colleagues to request funding for a charity they are personally supporting through volunteering or fundraising. Our colleagues can apply for up to £250. We re-introduced Match Funding in 2021 after a brief pause due to the pandemic.

- 120 successful colleague applications
- £24,698.82 match funded
- 48 charities benefited

"I would just like to say thank you so much for arranging a donation to FareShare! It's so lovely to know that BA values the effort I put in to raising money for my charity. It makes me feel far more valued as an employee."

Sarah Schuere
HR Operations Executive









### NOISE AND LOCAL AIR QUALITY

We're committed to minimising the impact of noise from our aircraft on local communities by investing in new aircraft that have a smaller noise footprint than the aircraft they replace, training our pilots to follow quieter approach and departure procedures and regularly monitoring the noise performance of our aircraft fleet. We also engage with regulators, airports, communities and other stakeholders to explore opportunities to reduce the noise of our operations.

Local air quality at the airport and in the vicinity is affected by multiple sources of emissions including aircraft, as well as ground vehicles and equipment and installations both inside and outside the airport perimeter. Emissions from aircraft engines must meet the standards set by the ICAO Committee on Aviation Environmental Protection (CAEP) and so newer aircraft engines are relatively less polluting than those they replace as engine technology improves.

# AVERAGE NOISE AND NO, PER FLIGHT

METRIC	UNITS	DESCRIPTION					
Average noise per flight	Quota Count (QC) per flight	The average noise per flight reduced in 2020 and 2021 due to the retirement of our 747 fleet and the introduction of quieter aircraft. Average noise per flight considering arrival and departure noise for each aircraft type. Based on the number of flights of all aircraft which operated during the year, including leased aircraft. Quota Count (QC) values from the UK Government are a relative categorisation based on certified noise levels.	2017	2018	2019	<b>-11.</b>	<b>6%</b>
Average NOx per flight	Kg per flight	Average emissions of the air pollutant nitrogen oxide (NOx) as aircraft take off and land. The calculation considers the engine certifications and aircraft types of all aircraft which operated during the year, including leased aircraft, referencing information from the ICAOemissions database. The average NOx per flight in 2020 and 2021 increased due to the impact of the pandemic on the schedule and an increased proportion of flights being operated by longhaul aircraft.	No data available	2018		3.6 2020	2021









# PERCENTAGE OF AIRCRAFT FLEET THAT MEET ICAO TECHNOLOGY STANDARD FOR NOISE

METRIC	UNITS	DESCRIPTION				
Noise Chapter 14	%	ICAO Noise Standards compare aircraft noise against standardised limits that are a combination of lateral approach, and flyover noise levels. Chapter 14 applies to new aircraft certified from January 1, 2017.	2017	2018	2019	NO ANGE %ZZ

# PERCENTAGE OF AIRCRAFT FLEET THAT MEET ICAO TECHNOLOGY STANDARD FOR NO.

METRIC	UNITS	DESCRIPTION					
CAEP 6	%	ICAO committee on aviation environmental protection (CAEP) standards are for NOx emissions from aircraft engines. Higher standards	2017	2018		<b>2r</b>	2021
CAEP 8	%	are more stringent. The ČAEP 6 NOx standard applies to engines manufactured from January 1, 2008, and the CAEP 8 standard applies to engines manufactured from January 1, 2014.	2017	2018	2019	2020	<b>pt</b>

# LOOKING

AHEAD



From creating a great place for our people to work to reducing our emissions and waste and contributing to the communities we serve, we're working hard to build a thriving, resilient, responsible business.

This year our priority actions are:

- · Building awareness of and engaging our people and customers in our BA Better World sustainability programme.
- Continuing to invest in technology solutions and work with partners to accelerate low carbon innovation to reduce our reliance on fossil fuels including through sustainable aviation fuels, low carbon aircraft and negative emissions technologies.
- Introducing more changes to our products and services in our lounges and on board our aircraft including delicious new plant-based menu options, reducing single-use plastics and introducing new ways for customers to offset emissions associated with their flights.
- Expanding our diversity and inclusion programme with initial focus on improving gender and ethnic diversity through leadership, mentoring and reverse mentoring programmes as well as upgrading our people policies.
- Improving internal governance and focus on sustainability with a new dedicated Board committee and embedding sustainability principles across the business.
- Launching our exciting new BA Better World Community Fund in partnership with Crowdfunder.

All of this is in the context of our new business strategy, A Better BA, which positions sustainability as one of our five top business priorities for the coming years. Welcome on board BA Better World, our most important journey yet.

