

The use of SAF as a key element of the decarbonization strategy of Iberia

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IAG: Flightpath Net Zero

In October 2019, IAG released its climate strategy **Flightpath Net Zero** with which the Group aims to become **climate neutral by 2050**.

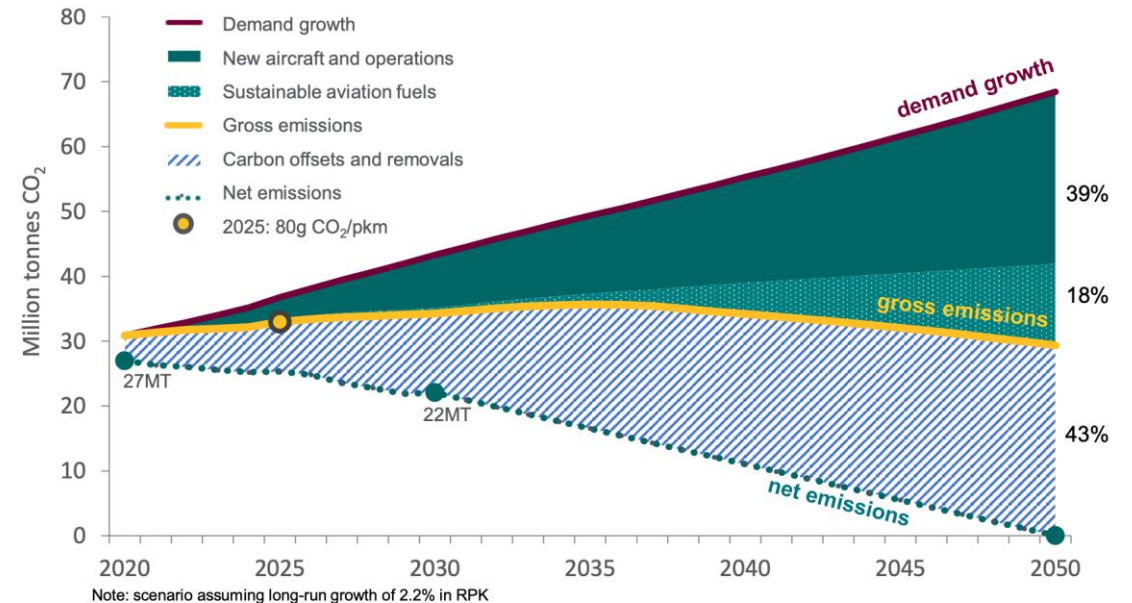


1. **10% efficiency (passenger/Km) by 2025**
2. **20% net emissions by 2030**
3. **Net zero emissions by 2050**

This strategy is based on **different measures** to help us neutralize our climate impact in the long term.

- This strategy responds to **the shareholders demands**, wanting more sustainable investments
- Aligned **with IPCC recommendations** (1.5°C)
- **SAF & offsetting** are essential to achieve the final target
 - SAF: 18% CO₂ reduction by 2050 w/20% blend)
 - **Investment of \$400M** in the next 20 years
- **Waste** plays a key role within the strategy

IAG pathway to net zero CO₂ by 2050



IAG



Difficulties & Opportunities

Our experience with SAF:

- 2011: MAD-BCN (REPSOL)
- 2017: TLS-MAD (TOTAL)

Difficulties:

- Not much operational development in the last 10 years
- Skyrocketing price (x3 Jet A1)
- Lack of a clear legal framework
 - Global harmonization of SAF criteria
- Not enough production to satisfy demand
 - In 2020, only 0,015% of total demand

Opportunities:

- Operational with current aircraft – easy implementation
- GHG from SAF can be at least 80% lower than traditional jet fuel
- Circular economy benefits:
 - Waste to fuel
 - CO2 capture to fuel
- Social impact: new industry
- Innovation & Technological development



The screenshot shows a news article from the website CincoDías, under the 'Empresas' section. The article is titled 'Iberia y Repsol realizan el primer vuelo español con biocombustible' and includes a sub-headline 'SUPONE UN AHORRO DE EMISIONES DEL 20%'. A small '5D' logo is visible on the right. The main text of the article states: 'La aerolínea Iberia operó este lunes el primer vuelo español propulsado por biocombustibles a bordo de un avión modelo A320 que despegó del aeropuerto de Madrid-Barajas a las 11.00 horas y aterrizó sin incidencias sobre las 12.00 horas en el aeropuerto de Barcelona-El Prat.'



IATA's principles

The aviation industry is committed to **ambitious emissions reduction goals**. SAF have been identified as one of the **key elements** in helping achieve these goals.

- Maximise environmental integrity (same level of environmental stringency)
- Minimise competitive distortion
- Cost-efficient (for both, government and industry)
- Adopt globally-recognized sustainability standards and work to harmonize global standards
- Not trigger the creation/raise of other general revenues or suppress the demand of air travel
- Should be easy to implement (by airlines) & administer (by governments)
- Governmental support is essential to using sustainable aviation fuels to achieve the industry's climate goals



Conclusions

Cooperation

- Cooperation is key for the development of SAF
- Governmental support is key to its success
- Integration of the Agenda 2030: SDG17



Operational

- Harmonize global standards
- Work closely with stakeholder to faster development & implementation
- Support the development of new technologies to facilitate the reduction of its production cost



Thank you