



Through the use of second-generation biofuels

Cepsa and the Iberia Group seal an ambitious strategic alliance to decarbonize air transport on a large scale

- **The two major Spanish companies are joining forces to develop and produce sustainable aviation biofuels (SAF) on a large scale from waste, recycled used oils, and other sustainable plant-based feedstocks (2nd generation bios)**
- **The agreement, which also includes Iberia Express, contemplates other alternative energy sources such as renewable hydrogen and electricity to promote sustainable mobility in aircraft and ground fleets (vehicles for supply, baggage loading and unloading, aircraft assistance, and runway towing)**
- **Cepsa, one of Spain's market leaders in aviation fuel supply, becomes a strategic supplier to Iberia. With this agreement, the airline secures preferential access to a scarce fuel (biojet) and a competitive advantage for both customers and investors (thanks to better ratings on sustainability indexes)**
- **The Iberia Group bases its sustainability strategy on three pillars: more efficient operations, a more sustainable travel experience for its customers, and a commitment to research and development of sustainable fuels and other technologies that will contribute to the decarbonization of the aviation industry**

The Chairmen of Iberia and Iberia Express and the CEO of Cepsa today signed an agreement to help decarbonize the airline industry through R&D into sustainable fuels and other alternative energies such as renewable hydrogen and electricity with the aim of promoting sustainable mobility for aircraft and the fleet of airport ground vehicles.

For all three companies, the development of sustainably sourced aviation fuels (SAF) is a priority for moving towards an increasingly low-carbon industry and contributing to the achievement of the 2030 Agenda. This project, which includes SAF research and flight testing, contributes to Sustainable Development Goals 7 (Ensure access to affordable, reliable and modern energy services), 8 (Promote inclusive and sustained economic growth, employment and decent jobs) and 13 (Take urgent action to combat climate change and its impacts).

Cepsa is working on an ambitious plan to green all its businesses and become an industry leader in the energy transition. In addition, the company has extensive experience in this field: it has been producing biofuels in its refineries for more than 10 years and is



developing pioneering studies worldwide to convert waste and used oils into fuels from renewable sources with a high energy value.

For Maarten Wetselaar, CEO of Cepsa, *"This alliance illustrates our commitment to sustainability and our strong resolve to support our customers by providing them with viable solutions that accelerate their energy transition. As a leader in the supply of fuels to the airline industry, we share with the Iberia Group the common goal of promoting the decarbonization of transport as a tool in the fight against climate change."*

As part of the IAG Group, Iberia and Iberia Express have committed to achieving net zero emissions by 2050 and to operating a minimum of 10% of their flights with sustainably sourced fuels by 2030.

To achieve this, the Iberia Group is focusing its environmental strategy on three areas: more efficient operations including fleet renewal plans, reducing fuel consumption, and using electric ground vehicles, among others; a more sustainable travel experience for customers through the digitalization of services, the progressive elimination of plastics on-board, improving waste management, and carbon footprint offsetting; and its commitment to the ecological transition of aviation, especially by collaborating in the research and development of sustainable fuels.

"To decarbonize the aviation sector, the development, production, and distribution of sustainably sourced fuels at affordable prices and in sufficient quantity to supply airlines is essential. We are confident that this agreement with Cepsa will contribute to that goal," said Javier Sanchez-Prieto, Iberia's Chairman and CEO.

For its part, Iberia Express, as a short and medium-haul low-cost airline within the Iberia Group, will also support the transition to alternative jet fuel sources as part of this initiative. Carlos Gómez, CEO of Iberia Express, said *"it is time to create synergies between companies that have the same objective: developing our business and operations while minimizing our environmental impact. This agreement is an important step on our path towards more sustainable air transport, in line with our joint commitment to the decarbonization of the sector."*

Sustainable fuels

Aviation biofuels have a key role to play in the decarbonization of tourism and air transport. Compared to conventional fuel, SAF can reduce aviation emissions by up to 80% over conventional kerosene during its life cycle, according to the International Air Transport Association.

Other benefits include boosting the circular economy, increasing energy independence (and with it the security of supply) and ensuring an important driver of the Spanish economy (200,000 quality jobs). In addition, these fuels can be used immediately with existing supply infrastructures and without the need for fleet renewals.

To achieve the goal of net-zero carbon emissions growth from 2020, the International Air Transport Association (IATA) is promoting the use of sustainable biofuels, among other initiatives, because of the significant reduction in CO₂.



This agreement between Cepsa and the Iberia Group is in line with the European Commission's *Fit for 55* climate package, which includes a legislative initiative called '*RefuelEU Aviation*' that aims to boost the supply and demand of aviation biofuels in the European Union to 2% use by 2025, 5% by 2030, and 63% by 2050.

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