



2004/2005

Corporate Responsibility Report

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In recent years, we have become accustomed to dealing with major threats to the viability and success of our business. This year has been no exception. We have had to cope with a high fuel price, against a market background of fierce competition and excess global airline capacity.

The fact that we have continued to improve our profit margins – and have moved a step closer to our 10 per cent margin target – is a reflection of the hard work put in across the airline. I am pleased that this year we have been able to provide a financial recognition of this effort to all our employees, through the employee reward incentive programme.

Financial success is critical to us. Our ability to survive and invest for the future depends upon it. But the way we do business is also vitally important. This report reviews our progress and performance in managing our business responsibly over the last year. It shows how we aim to meet the concerns of key stakeholders – and the way we show respect for future generations through our approach to the environment.

This year, we have set out our report slightly differently from previous editions. We have organised it around the key goals we have set as a business, as part of 'The BA Way'. 'The BA Way' describes the type of business which British Airways aims to be, the values which underpin our approach, and the measures by which we will gauge success.

We recognise that we will only succeed in business in partnership with key stakeholders – our investors, our employees, our customers and the communities within which we operate. The report sets out how we are working with these partners to create a sustainable business for the longer term.

With our employees, we are currently in the middle of a major programme of employee involvement and engagement. This is designed to ensure our people have a shared understanding of our business challenges and opportunities, and how their role contributes. A key element of this programme is the opportunity to participate in an Owing our Future workshop, at which 'The BA Way' and our key strategies and plans are discussed in detail. By the end of April 2005,

10,500 employees had attended Owing our Future.

For both our customers and our employees, safety and security are key issues, and they remain a top priority within our business. One of our five 'BA Way' measures is the percentage of our customers who feel safe with British Airways. Our objective is to be totally safe and secure.

We pay regard also to the impact our operations have on the wider community. A survey-based measure of community respect is therefore another of our key 'BA Way' metrics. We work to support communities around our major bases – especially Heathrow – and globally, through our community investment programme and our Change for Good partnership with UNICEF.

This includes providing help in a crisis when it is desperately needed. The Asian Tsunami, which struck on 26 December 2004, had a devastating impact on life and property. British Airways made a one-off donation of £1 million in cash and cargo space to support the relief effort and our customers and employees also responded generously. £800,000 was donated by our customers through Change for Good in January 2005 alone.

We recognise that we will not win the respect of the wider community if we do not seriously address the environmental impacts of aviation. We have a longstanding programme of measures designed to reduce our noise and emissions footprint at the airports where we operate, focussing particularly on our main Heathrow base. We are also actively involved with international initiatives aimed to help the industry manage its key environmental issues.

On the issue of climate change, we have played a leading role in encouraging the industry and policy-makers to embrace an approach which includes emissions trading. British Airways is currently the only airline

trading emissions in the voluntary United Kingdom government scheme and we support the inclusion of aviation into emissions trading within the European Union. At the Aviation and Environment summit in Geneva in March 2005, I urged the global aviation industry to think about new ways of working together to reduce our impact on climate change, or risk facing additional taxation.

Taking a responsible approach to social and environmental issues remains crucial to our business performance and its future success. This report reviews our performance and progress over the last year, but it also highlights major challenges ahead. More details are available on our website at www.ba.com/responsibility.

We are committed to work to meet these challenges, to ensure that our business is both profitable and sustainable over the longer term.



Rod Eddlyugh
Chief Executive

Overview

British Airways is one of the world's leading airlines. Our network provides passenger and freight services to 149 destinations in 72 countries around the world, and we are part of the oneworld alliance which serves 558 destinations in 130 countries.

British Airways' airline network is centred on the United Kingdom, where over 85 per cent of our workforce is based. Our airline operations comprise mainline passenger and cargo services operated from the London airports and services operated by our regional subsidiary, British Airways CitiExpress. The British Airways Group also includes a number of smaller subsidiaries engaged in aviation-related activities.¹

Our airline network generates economic value by meeting the demand for business and leisure travel. We provide vital arteries for trade and investment, as well as leisure travel opportunities for individuals and families. In 2004/05, British Airways earned over £7.8 billion in revenue, 3.3 per cent up on the previous year. Eighty three per cent of this revenue was generated from passenger traffic, 6 per cent from cargo and 11 per cent from other activities (including fuel surcharges). We carried over 35 million passengers and nearly 900,000 tonnes of cargo to destinations in Europe, the Americas and throughout the world.

At the end of March 2005, we had 290 aircraft in service, compared to 291 in March 2004. We have a relatively young aircraft fleet, which brings environmental and efficiency benefits. The average age of our aircraft fleet is 8.5 years, compared with a global average of about 11 years.

British Airways aims to manage its business responsibly. One of our key responsibilities is to our shareholders – ensuring that we generate a sustainable return on the capital employed in our business and can invest for future growth. We have set a target of a 10 per cent operating margin to ensure an adequate financial return and continue to make progress towards this goal. We also have responsibilities to other stakeholders – our employees, our customers and the communities affected by our operations.

Airlines generate major social and economic benefits but also have significant impacts on the environment and on communities around airports. This report sets out the steps we are taking to address these issues. We recognise that major challenges remain, but key areas of progress include:

British Airways key group statistics

Measure	2004/05	2003/04	Change (%)
Turnover (£m)	7,813	7,560	+3.3
Operating profit (£m)	540	405	+33.3
Operating margin (%)	6.9	5.4	+1.5 pts
Manpower (MPE)	47,472	49,072	-3.3
Passengers (m)	35.7	36.1	-1.1
Cargo (000 tonnes)	877	796	+10.2
Available Tonne Km (m)	22,565	21,859	+3.2
Revenue Tonne Km (m)	15,731	14,771	+6.5
Revenue Passenger Km (m)	107,892	103,092	+4.7
Passenger Load Factor	74.8	73.0	+1.8

Aircraft Fleet (at 31 March 2005)

Aircraft type	Number	Average age (years)
Boeing 747	57	10.8
Boeing 777	43	6.3
Boeing 767	21	12.1
Boeing 757	13	10.5
Boeing 737	33	13.1
Airbus A321	6	0.5
Airbus A320	26	7.7
Airbus A319	33	4.4
Regional Jets*	49	6.6
deHaviland Canada DHC-8	9	8.4
Group Total	290	8.5

* 28 Embraer RJ145, 16 Avro RJ100 and five British Aerospace 146

- A further step towards our operating margin target, with a 1.5 percentage point increase to 6.9 per cent;
- The roll-out of our employee engagement programme, with 10,500 employees attending an Owning our Future workshop by the end of April 2005;
- Awarded the Gold Standard in the annual 'Race for Opportunity' benchmarking, the first time we have achieved this level of achievement;
- Continuing to maintain the highest standards of safety and security for our customers and employees, and a record of zero fatalities in work-related health and safety incidents;
- Hitting our £20 million donations target on the tenth anniversary of Change for Good;
- A 3.9 per cent improvement in fuel efficiency, bringing the improvement since 1990 to 27.4 per cent – more than 90 per cent towards our 1990-2010 efficiency target;
- Joining the BAA Clean Vehicles Programme at London Heathrow, and achieving a silver standard for the performance of our fleet of ground vehicles;
- Launch of the British Airways waste initiative, targeting two per cent per annum waste reduction per passenger and an increase in our recycling/recovery rate to 40 per cent;
- A further reduction in the global noise impact of our aircraft fleet, coupled with a good track record of operational performance to reduce noise;
- Continued successful participation in the United Kingdom Emissions Trading Scheme and encouraging progress towards bringing aviation within emissions trading within the European Union.

¹ The data in this report will normally cover British Airways Group or British Airways airline operations, and does not cover franchises and alliance partners. Occasionally, data relates solely to United Kingdom operations or to London Heathrow. This is made clear where it is the case.

Building a sustainable business

In 2004/05 we made further progress towards financial sustainability, by increasing our operating profit margin to 6.9 per cent. A 10 per cent operating margin remains our financial target. However, we will only achieve and sustain this if we can work successfully in partnership with all our key stakeholders.

Market background

Global air traffic rebounded strongly in 2004, though air fares have remained under strong downward pressure from vigorous competition. Figures from the International Civil Aviation Organisation (ICAO) show that international scheduled air travel rose by more than 15 per cent in 2004, the fastest growth in any calendar year for more than 25 years. This was the first year to see traffic volumes surpass the level of the previous peak year in 2000. Freight traffic also recorded a double-digit increase in 2004.

This rebound in air travel in 2004 was founded on a year of strong global economic growth. Passenger traffic growth in the Middle East and Asia was also boosted by comparison with a weak performance in 2003 as a result of the war in Iraq and the Severe Acute Respiratory Syndrome (SARS) epidemic in the Far East. Air travel has continued to grow at a more moderate – but still healthy – pace in the first few months of 2005.

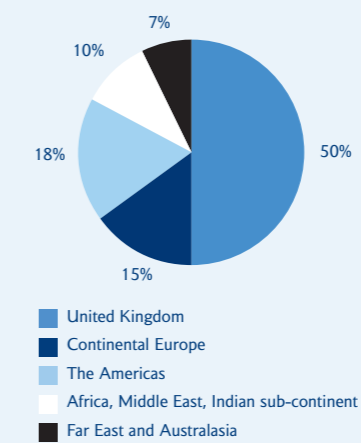
The recovery in air traffic has been accompanied by stiff competition in all markets, maintaining the strong downward pressure on yields. Meanwhile rising fuel costs have disrupted the normal cyclical recovery in airline profitability, despite substantial reductions in non-fuel costs. According to the International Air Transport Association (IATA), the airline industry's fuel bill in 2005 is expected to be nearly \$40 billion more than in 2003. As a result, it expects its member airlines to make losses of \$6 billion in 2005, on top of cumulative losses of \$36 billion between 2001 and 2004.

British Airways' performance in 2004/05

Despite modest capacity growth, British Airways' passenger traffic volumes (RPK's) rose by nearly five per cent in 2004/05 as a whole, resulting in a 1.8 percentage point rise in passenger seat factor to 74.8 per cent. However, even after two years of

growth, British Airways' traffic remains well below its level four years earlier. This reflects the strategic downsizing of the airline between 1998 and 2002, which left capacity in 2004/05 still more than 15 per cent lower than in 2000/01.

Revenues by region of sale 2004/05



Operating revenues rose more than three per cent to £7.8 billion in 2004/05, but strong competitive pressures caused average passenger yields to fall 4.4 per cent (before the impact of fuel surcharges). For British Airways, 2004/05 was the first year of revenue growth following three years of declining turnover, though total operating revenue remains nearly £1.5 billion lower than in 2000/01.

Along with other airlines, British Airways has had to battle against stiff cost headwinds. Fuel costs have risen by a third (nearly £300 million) in the last two years to £1.1 billion, up from less than 11.5 per cent of total operating expenditure in 2002/03 to 15.5 per cent in 2004/05. Employee costs rose by 4.3 per cent to £2.3 billion in 2004/05 as pension and wage increases were only partially offset by manpower reductions and other efficiencies.

Due to a successful restructuring programme, British Airways has made substantial reductions in costs during the period since 2000. The good progress continued last year, when non-fuel unit costs were cut by a further 4.5 per cent. As a result, the airline's profitability improved again in 2004/05. The operating margin (operating profit as a percentage of revenues) rose to 6.9 per cent in 2004/05, up from 5.4 per cent in 2003/04 and 3.8 per cent in 2002/03. We are making good progress towards our target of a 10 per cent operating margin, which is necessary to deliver an adequate return to shareholders and to finance new investment.

Business Plan priorities

The airline market in the United Kingdom remains fiercely competitive. No frills carriers continue to consolidate their presence in European markets, and now account for more than a third of all shorthaul flights from London's airports. As a result, British Airways has seen its share of passengers in the United Kingdom shorthaul market fall from more than 30 per cent in 1998 to about 20 per cent in 2004. Even among business travellers, corporate cost consciousness has allowed no frills airlines to carry an increasing share of the market, and the proportion of business travellers flying in the premium cabins of the network carriers, such as British Airways' Club Europe, has continued to decline.

Longhaul services also face vigorous competition. As the market recovers, competitor airlines are beginning to order new aircraft and start new intercontinental services. In particular, Middle East carriers are undertaking rapid expansion of their hubs. Ailing American carriers are able to offload costs under the protection of the United States Chapter 11 bankruptcy laws.

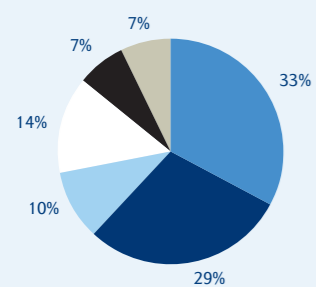
Despite the challenging market conditions, British Airways' total revenue is expected to improve by four to five per cent in 2005/06. But there are also major cost headwinds. British Airways' fuel bill is expected to rise by a further £400 million in the financial year 2005/06, while the pension fund will continue to require large company contributions for the foreseeable future.

British Airways' business plan for the two years ending in March 2007 identifies three priority areas. The first is 'Fit for 5' – being ready to move to Terminal 5. This presents an opportunity to secure a better future for the airline – offering the prospect of a superior customer experience and enabling significant change to improve the efficiency of our operations.

Second, we are making targeted investment in products and in training for employees. This includes investment in the air and on the ground, where we are applying new technology (such as on-line check-in) to ease the travel experience and speed passengers through the airport. It also includes a renewed focus on training and employee engagement.

Third, we need to continue to reduce our cost base to ensure it is competitive in the global airline market.

Deployment of revenues 2004/05



- Supplier (exc fuel & charges)
- Employee costs
- Capital costs
- Fuel
- User charges
- Operating profit (pre-tax)

Longer-term growth prospects

Looking beyond Terminal 5, British Airways is working to support the plans for future development which have been supported by the 2003 White Paper, "The Future of Air Transport". This recommended the building of a third runway at Heathrow, and consideration of better use of the existing runways at Heathrow by 'mixed mode operations'. Mixed mode – enabling airlines to use each runway for both take off and landing – would add to runway capacity over the longer term and in the short term it could also reduce congestion and delays.

The government is working with key stakeholders to establish the environmental implications of this expansion, through its Project for the Sustainable Development of Heathrow. British Airways is actively contributing to this work, particularly through the monitoring and modelling of the impact of aircraft on local air quality (see page 14 for more details).

Working with stakeholders – 'The BA Way'

In developing our business plans over the next couple of years, and over the longer term, it is essential for us to work in partnership with our stakeholders to deliver sustainable business performance.

We need to work closely with our employees and suppliers as we seek to contain costs, deliver improved service standards and remain competitive in the global marketplace. We need to work closely with our customers to identify the product investment and service quality improvements which will generate value in the years ahead. And we need to work closely with local communities and government to ensure that the continued operation and expansion of our business is socially and environmentally sustainable.

'The BA Way', which was launched within British Airways just over a year ago, embodies this stakeholder-driven approach. It contains three main elements – our formula for business success, our values and our business goals.

This year's British Airways Corporate Responsibility Report aims to reflect 'The BA Way' framework, particularly focussing on our business goals. In addition to our financial target, 'The BA Way' includes four other business goals: employee motivation; safety and security; customer advocacy; and community respect. These goals form the basis of the remaining sections of this report.

Corporate Responsibility Board

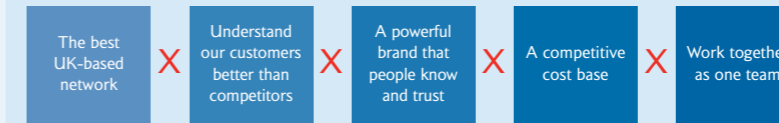
In 2003, British Airways established an internal Corporate Responsibility Board (CRB) to improve our co-ordination and management of social and environmental issues. The objectives of the CRB are to strengthen British Airways' corporate reputation, to act as a 'corporate conscience' and to be a catalyst for action in terms of its broader responsibilities to society.

The CRB met four times in 2004/05, under the chairmanship of our general counsel, a member of the British Airways Leadership Team. It includes senior managers with responsibility for environment, health, safety and security, corporate governance, risk management, procurement, diversity, community relations and customer issues (see inside front cover). It also includes an independent member Mark Goyder, Director of Tomorrow's Company – who has been a valuable addition to the team.

The issues considered by the CRB in 2004/05 include diversity policy, environmental policy and priorities, HIV/Aids, ethical cargo, community investment strategy and the company travel plan. Now it has been operating for two years, the Board has also established itself more clearly as the corporate forum for social and environmental issues and is now acting as a clearer focus for corporate decision-taking.

In early 2005, we have undertaken a number of "challenge sessions" focussing on three key issues for British Airways – our community impact around Heathrow, climate change, and diversity policy. External speakers were invited to the Board to present an objective and challenging assessment of corporate policies and practice in these three areas. The CRB will be developing a programme of action in response to these three sessions and we will report more fully next year on how we plan to address the challenges put to us by external stakeholders.

The BA Way



= Service that matters for people who value how they fly

Our values



Our goals

Goal	Measure
Profitability	Operating margin
Customer advocacy	Customers who recommend British Airways
Safety and security	Customers who feel safe with British Airways
Respected company	Community stakeholders who respect British Airways
Employee motivation	Employees who feel motivated to deliver our goals

Survey of stakeholder views

In August 2004, we conducted a quantitative piece of research with 100 community stakeholders to establish their view of British Airways' policy, practice and reporting on social and environmental issues. The research was conducted in the form of a questionnaire and focus group discussions including:

- Environment and sustainability groups,
- Local authorities and community groups around Heathrow,
- Groups representing minority interests,
- London and South East economic development organisations.
- Politics/government,
- Policy and non-profit organisations,
- The media,

This research showed a generally high level of regard for British Airways' social and environmental policies and performance, but also a "communications gap", in that many stakeholders were unaware of our detailed action plans. There was also concern among community groups around Heathrow that British Airways did not have enough concrete plans to address their concerns.

Our approach to future reporting will aim to address these concerns. In particular, we plan to use the internet more effectively to provide a more diverse range of information on our social and environmental performance. Our printed report will become a summary which points people towards this wider array of information. Our 2004/05 report will be a step in this direction, with a more comprehensive and detailed web report to accompany the printed version, please go to www.ba.com/responsibility.

Responsible procurement

The majority of British Airways' expenditure reflects the costs we incur in paying our suppliers. So our approach to responsible management does not end with our own employees and operations. We need to ensure that our suppliers are also pursuing responsible business practices, and that we are treating them fairly.

We are beginning to focus on this issue, but recognise that there is more we can do. The first step has been to improve communication. The 'Supplier Gateway' is a portal, which provides access to both general and specific information. The gateway is a repository of information, which is shared by both suppliers and British Airways buyers. Information available on the supplier gateway includes corporate standards, policies and guidance

notes for suppliers – and this provides an opportunity to communicate the social and environmental policies we expect our suppliers to follow.

All sourcing activity is required to evaluate a total cost of ownership and a risk assessment of goods/services being purchased. This ensures that longer-term costs (e.g. environmental liabilities) are not neglected in the procurement assessment. We continue to ensure that all new contracts and those under renewal reflect our Responsible Procurement standards. Any issues are discussed at the Procurement Compliance Steering Group. This is a group of specialists, key account managers and members of the procurement team who have a responsibility to mitigate environmental and social impacts. This year we distributed an updated "Supplier Guide" booklet to further support the needs of our suppliers. In 2005/06 we are planning a package of presentations and communications to our buyers to ensure that they are familiar with our priorities, objectives and targets.

Payment performance

We value our suppliers' ability in providing goods and services to our requirements therefore we strive to fulfil our commitment to pay on time. British Airways is a signatory to the Confederation of British Industry (CBI) code of practice on supplier payment and is committed to the payment of its suppliers to agreed terms. The number of days' purchases in creditors as at 31 March 2005 in accordance with the provisions of the Companies Act (1985) was 55 days. This compares with a figure of 49 days for 2003/04 and an average of 52 days for the last five years.

We regularly monitor our payment performance of all purchasing contracts (excluding purchasing from overseas stations), which was at 67% in 2004 (70% in 2003). Initiatives in development to reach our target of 90% include:

- restructured organisation, where we have merged Accounts Payable with Procurement team to have end to end process control in one place.
- working with areas of the business where new systems have been implemented to remove blockages and recover backlogs.
- restructured team with new/simpler processes and clear focus on output measures.
- progressive migration to order based processes.

Working together as one team

Our 'BA Way' goal is that employees are motivated to deliver our business goals. That can only be achieved if we work together as one team – to provide a service that matters for people who value how they fly.

Our employees are critical to the success of our company. In 2004/05, the average number of employees in the Group, in manpower equivalents (MPE), fell by 3.3 per cent to 47,472 and productivity (ATKs per MPE) improved by 6.7 per cent. This improvement in productivity reflects a great deal of effort which our employees have put into promoting the success of our business.

The airline has recently been through the most difficult years of its history. We have survived and are now beginning to build our profits back to a sustainable level for the longer term. The work effort of our employees and the service they have provided to customers have been critical to this achievement. These efforts will be rewarded this year as all our people share in the £45 million bonus generated by our employee incentive schemes.

Employee involvement

Qualitative research by an independent research company was conducted between December 2003 and January 2004. The results gave us a clear steer on the areas that employees wanted the business to focus on. This led to the strategies that are being delivered as part of the employee involvement programme, including 'The BA Way', Owing our Future and the further development of management and leadership capabilities.

The research also prompted a new employee research programme called the Employee Feedback Programme (EFP), which began in November 2004. A sample survey, conducted online was sent to 6000 randomly selected employees. The survey was managed, designed and hosted by MORI to guarantee respondent anonymity.

From this survey, we know that currently 58 per cent of employees feel motivated to help British Airways achieve its business goals. We have used this result as a baseline and are currently developing our target for employee motivation. Future surveys will provide quantitative results allowing us to track how our employees are feeling over time and to see whether the employee involvement programme is focussed in the right areas to meet employees' needs.

Owning our future

In order to create a dialogue with employees about the business challenges and opportunities, a full programme of communications, involvement and feedback activities has been implemented over the last two years. A strong focus has been placed on strategies designed to ensure our people have a shared understanding of the challenges and opportunities, and how their role contributes.

An Owing our Future workshop has been created, run by British Airways people for British Airways people, which everyone in the airline will attend and at which business challenges, 'The BA Way' and our key strategies and plans are discussed in detail. To date 10,500 employees have attended Owing our Future. As a key part of British Airways comprehensive internal communications, an emphasis is being placed on face to face communication and investment is being made in training for the people managers and supervisors who deliver this day to day.

Regular feedback is solicited from British Airways employees through a formal employee feedback programme and the output and actions that result from this shape and drive the direction and emphasis of the work on employee involvement.

The Industrial Relations Change programme

The airline also seeks to deliver a permanent step change in employee and trade union involvement and is therefore closely aligning the employee involvement objectives, strategies and plans with those of the Industrial Relations Change Programme.

British Airways continues to recognise and value the importance of maintaining good industrial relations with the four recognised trade unions, which are AMICUS, BALPA, GMB and the TGWU. Around 90 per cent of all United Kingdom employees are covered by collective agreements.

The relationships we have with our trade unions are developed via a network of negotiating and consultative opportunities. For example, the British Airways Trade Union Council (BATUC) provides an opportunity for our most senior trade union representatives to meet regularly with the chief executive and other directors to share, involve and consult on a broad range of business issues.

The industrial relations department has continued to work in conjunction with line managers from across the business during the period on improving employee relations and industrial relationships through the Industrial Relations Change Programme. This programme is designed to strengthen links between the airline and the unions and to develop better ways of working together. This initiative continues to be endorsed by the chief executive and trade unions and via the ongoing process of joint engagement and establishing joint action teams. We will be rolling out industrial relations training for our people managers and employee representatives in 2005.

Agreement was reached with our trade unions on pay covering a three-year period 2004 to 2006 inclusive. This meant that our bargaining agenda could concentrate on issues such as preparing for our move to Terminal 5 in 2008. The importance of Terminal 5 and what it means to the future of British Airways cannot be underestimated. The new terminal and the benefits it brings provide an opportunity to secure the



Employees take part in an Owing our Future workshop

airline's future. 2008 is just the moving date. We need to be ready by the end of 2006, so that the final year can be used to carry out testing and prepare everyone for the big move.

We continue to consult with our trade unions on the introduction of employment policy to comply with changing employment legislation and the requirements of our business. We reached a collective agreement with our trade unions last year on the introduction of a new absence policy. The new policy is focussed on reducing the average absence rate down to 10 days per annum from the current average of 17 days per annum through a robust and fair management of absence which came in to effect in October 2004. Early indications are very positive and we will be reporting our progress in more detail in our 2005/06 report.

A Drugs and Alcohol policy enabling testing of United Kingdom based employees was also successfully introduced for our employees which has been implemented with the agreement of our Trade Unions.

Training

The training department has supported the employee involvement programme by coordinating and facilitating the Owing our Future workshops. The workshop objectives are to a) increase understanding of the 'The BA Way', strategy and future direction b) improve understanding of other departments challenges & perspectives c) encourage employees to want to be part of and contribute to British Airways future d) provide a forum for employees where they will consider that their ideas are listened to, understand where their job fits in and feel accountable.

In addition a range of management training was provided during the year. One example of this was the training given to all people managers on the absence management policy, with 2,600 managers attending the workshops in 2004/05.

This year the training team reached their target to deliver 33 per cent of all training on-line. This has given employees more choice and reduced costs, saving the airline over £9 million. The next goal is to increase the number of places and ways employees can access online courses, in particular looking at providing access beyond the workplace. Online enables more employees to access developmental training than a wholly classroom-based programme. We expect the proportion of online learning to

remain broadly at the same level as we continue a blend of delivery options to achieve optimal effectiveness, with face-to-face training remaining the prime delivery method.

By February 2008 over 5,000 employees will have received training in preparation for the opening of Terminal 5. The training department is currently looking at the most effective and efficient way to train and educate employees to work in the new terminal.

Diversity and inclusion

A key part of 'The BA Way' is our commitment to diversity and inclusion that is an integral part of the culture of our company. We have an open and honest working environment, which encourages people to reach their full potential and which recognises everyone's contribution to the business. Promoting diversity is a continuing priority for our business.

We joined the 'Stonewall Diversity Champions' programme in January 2005. This is the United Kingdom's leading good practice forum on sexual orientation issues in the workplace and underlines our commitment to supporting our gay and lesbian members of our workforce. We featured in the first top 100 corporate equality index run by Stonewall.

We also continue to benchmark with other key lobby groups and companies. Our score in the annual 'Race for Opportunity' benchmarking announced in May 2005 improved significantly from 69 per cent last year to 84 per cent this year. This is our first Gold Standard and reflects our continued work on racial equality across the company.

One of the key initiatives this year was to re communicate our 'Dignity at Work – Harassment and Bullying' policy. We wanted employees to understand the impact of their behaviour on other people and be tolerant of people who have different values, religions or beliefs to their own. To see the booklet we produced please go to www.ba.com/responsibility.

We continue to run employee groups on race and disability to listen and consider the issues and priorities from different groups of employees. This helped us to revise our priorities and to introduce changes in response to the Disability Discrimination Act. We have also introduced a new e-learning training module for our front line employees and managers called 'Disability Confident' which enables employees to deal with attitudes and behaviours towards disabled customers and employees to help make them more confident in understanding the needs of disabled people.

One of our biggest forthcoming challenges will be to implement the forthcoming age legislation and ensure that the impact for both the business and our employees is clear. As well as a steering group chaired by our director for people we have three working groups who are considering the impact for different parts of the business. Once the final legislation is defined we will embark on a major communication and engagement campaign to ensure that our employees understand all the potential changes.

Pensions

The company has three main pension schemes. Two of these, Airways Pension Scheme (APS) and New Airways Pension Scheme (NAPS), are defined benefit schemes and are closed to new members. The new scheme, the British Airways Retirement Plan (BARP) is a defined contribution scheme. In light of the December 2003 consultation paper "Simplifying the taxation of pensions: the Government's Proposals", a review of the Group's United Kingdom pension arrangements is underway. Exploratory talks are taking place with trade unions and managers to find solutions to address pension funding. British Airways remains committed to its existing pension schemes but the funding increases present a substantial additional cost burden. Ways to reduce the cost burden are being explored.

Employment legislation

During the 2004/05 financial year, 40 new claims were filed against British Airways group companies, from a total workforce averaging 47,472. Only five of these 40 claims are outstanding. Two of these relate to pension scheme arrangements that applied in Dan Air Limited and the other three have been brought under miscellaneous jurisdictions. Of the other 35 claims filed during this financial year, 25 have been withdrawn, struck out by the Tribunals for lack of merit or jurisdiction, or successfully defended by British Airways at a hearing. The Company has settled just eight cases: six were settled for no financial payment or an amount under £1,000 and two for between £1,000 and £10,000.

Ensuring safety and security

The safety and security of our customers and employees in the air and on the ground is paramount to British Airways and at the heart of our business. We work continuously to ensure that our customers are totally safe and secure with British Airways – and our record has been consistent with that objective.

Safety and security

There is a strong culture of safety and security across British Airways, which is supported by well-defined reporting and management processes. This year British Airways has continued to invest in and develop its security arrangements. The airline now spends in excess of £120 million on security each year and frequently exceeds the security requirements of both the United Kingdom government and state legislation overseas.

British Airways believes that excellent ground security is at the heart of achieving comprehensive security in the air and works very closely with all relevant airport authorities, government regulators and security and law enforcement agencies around the world. Our experienced team of security experts travels the world auditing every airport to which the airline flies. If any concerns emerge during the audit, British Airways implements additional security measures to ensure that security levels in place are commensurate with our own high standards.

We have continued to invest in training on safety and security for our employees. Recent examples include Owing our Safety workshops for all flight crew following the corporate Owing our Future programme, an enhanced operational integrity programme for Gatwick based Boeing 737 crews and the introduction of operational safety notices to highlight safety issues and 'lessons learnt' from incidents across the industry.

Employee health and safety

The move to Terminal 5 is a significant opportunity for British Airways to eliminate some of the existing health and safety risks that are associated with operating in Heathrow's extremely busy and congested airport. We have introduced a project known as 'Fit for 5' which focusses on a number of key areas that will benefit from the new working environment, including safety. During the transition phase it is important that we maintain a focus on our existing operations. We have therefore maintained the same key performance indicators for the last 12 months.

Key performance indicator	2004/05 performance
Zero fatalities to British Airways employees or contractors	There have been no fatal injuries involving British Airways employees or contractors
Zero convictions for health and safety offences	British Airways has received no convictions or prosecutions
Zero enforcement notices (or overseas equivalent) served by the Health and Safety Executive	No enforcement notices were served on British Airways
Total number of days lost due to all causes of injury to be reduced by 30 per cent by 2010	Working days lost from work related injury and ill health averaged 4,300 days per 100,000 employees in 2004/05
Total number of major injuries to be reduced by 10 per cent by 2010	Since the introduction of the Revitalising Health and Safety targets, British Airways has reduced the number of Major injuries from 66 per year to 24. We have exceeded the target that was set and we continue with our drive to reduce the number of Major injuries to zero.

The total number of safety related incidents that were reported in the 12-month period has declined (see table below) though the number of reported serious injuries has increased. This may however, reflect improved reporting. A serious injury is one that results in absence from work. With the introduction of a more robust absence management policy we are now better able to identify incidents which fall into this category.

Number of safety incidents by severity	2004/05			
	Minor*	Serious*	Major*	Fatal*
2002/03	6,271	454	40	0
2003/04	5,677	405	22	0
2004/05	5,248	594	24	0

(*for definitions see page 20)

Stress management

Stress is an important factor which may affect employee health, well-being and safety. British Airways has a "Stress Management Policy", led by the People Department and available to all employees via the British Airways Intranet. A Corporate Stress Working Group, comprising senior representatives from People Department, Health Services and Safety Services has reviewed British Airways' policies and procedures against the Health & Safety Executive's targets and standards for tackling work related stress. Examples of current preventive strategies include management training, employee involvement programmes and using absence management data to identify areas of possible concern.

For further information on key health and safety initiatives within British Airways please go to www.ba.com/responsibility.

Improving industry safety

In April 2004, a British Airways cabin crew employee fell from the doorway of a 737 aircraft that was parked on stand at Paris Charles de Gaulle airport. The crew member suffered three fractured vertebrae as a result of the incident. This was followed by three reports of doors being operated in a manner that could have resulted in similar incidents. A thorough investigation was carried out which prompted some minor changes to the British Airways operating procedures. Through the course of the last 12 months a number of other airlines have had crew injured when they have fallen out of aircraft doors and in one case this led to a fatality. British Airways is committed to working with the industry to improve the safety of employees and contractors who are involved in the operation of airport doors. We have supported the establishment of a working group to explore the possibility of agreeing a standard method for door opening that will be adopted by all airlines.

Valuing our customers

British Airways carried over 35 million airline customers in 2004/05. Our objective is to delight our customers so that they want to fly with us again and recommend us to their friends. Our goal is therefore to increase the number of customers who recommend British Airways.

Good customer service remains our raison d'être on the ground and in the air. This is reflected in the 50 awards British Airways received last year.

Understanding our customers better than competitors is a critical element of our British Airways success formula. We receive feedback in many ways, spontaneously through customer compliments and complaints and through periodic research. The information is gathered via customer self-completion on board, face-to-face group discussions, telephone surveys or on line. This research covers perceptions of British Airways in the market place, reactions to product development and customer satisfaction. This data is regularly reviewed across the company to ensure appropriate actions take place either with current delivery or for future product and service investment.

Customer satisfaction performance

The ultimate customer accolade is a word of mouth recommendation. We measure customers' likelihood to recommend British Airways through our Global Performance Monitor (GPM), an onboard survey of approximately 50,000 customers each month followed up with a post-arrival telephone sample survey. Recommendation is driven by whether a customer is satisfied with their experience with British Airways and whether they think it is good value for money.

Top 5 customer complaints 2004/05*

Complaint	Percentage of total	
	2003/04	2004/05
1. Mishandled baggage	20.0	22.0
2. Flight disruptions	14.0	18.0
3. Reservations	5.0	7.0
4. In-flight entertainment	10.0	6.0
5. Executive Club	8.0	5.0

* The categorisation of complaints has been updated following the introduction of a new recording system that includes complaints worldwide.

On average 61 per cent of our customers were likely to recommend British Airways in 2004/05 – in line with 2003/04 – and we are working hard to reach our target of 65 per cent.

Continued and sustained progress in all areas of diversity will help to ensure the British Airways workforce reflects our customer base. We reviewed the issues that our disabled customers faced whilst travelling with us in 2004 and through listening, we have learnt more about what we can do to ensure that their journey is made easier with British Airways.

For more information on our overall performance in this area please see the key performance indicators on page 18 and go to www.ba.com/responsibility.

Customer health and wellbeing

British Airways puts the highest priority on the health and wellbeing of its customers, while they are in our care. We are actively involved in the investigation and consideration of aviation health issues, and have been at the forefront of aviation health research.

Deep Vein Thrombosis (DVT)

British Airways provides its customers with up-to-date information on concerns about air travel and health, including the risk of DVT and the measures that can be taken to reduce the risk, through its 'Well being in the air' programme. This includes comprehensive pre-flight information for passengers and their medical advisers on the website and in information leaflets, as well as the onboard announcements, video and in-flight magazine. The results of the World Health Organisation research into travel-related DVT, are expected during 2005, and will enable us to update our advice based on the most comprehensive evidence available.

For more information on the advice we give and research on health issues please go to www.ba.com/health.

Threat of pandemic flu

Experts in communicable diseases remain concerned about the persistence of avian ('bird') flu in Asia and the threat that changes in the virus could lead to a flu pandemic. British Airways has established a contingency planning group to ensure we can deal with a possible pandemic. The group is working with the United Kingdom government and public health authorities, as well as other airlines, airport authorities and non-government organisations, to ensure a co-ordinated response. The International Air Transport Association (IATA) is working closely with World Health Organisation (WHO) communicable diseases experts to address the issues affecting international air travel should a pandemic occur.

Onboard food safety

In March 2005 British Airways received the Gold Mercury Award (sponsored by the International Flight Catering Association and The International Inflight Service Association) for high standards of airborne food safety.

Onboard food temperature checks developed by British Airways Health Services Food Safety team in conjunction with two manufacturers make British Airways the industry leader in onboard food safety. 'T Sticks' and 'Smart Labels' are two new unique tools. 'T Sticks' are disposable thermometers that enable flight crew to see when food is hot enough to serve and 'Smart Labels' are temperature sensitive labels that monitor the safety of cold foods throughout the flight and may be checked at any time before the meal service. These low cost innovations have enabled the airline to extend its European return catering network thus helping Inflight Services to reduce costs.

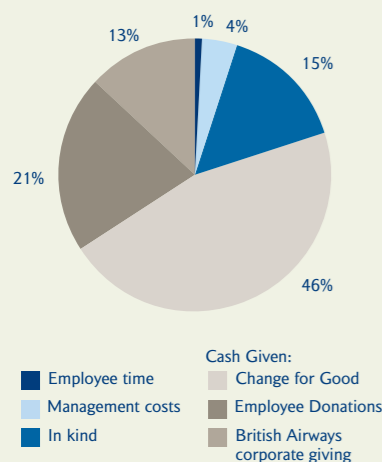
Supporting communities

British Airways aims to be a good neighbour, working to support local communities and respect the environment. Our 'BA Way' goal is to be respected by the communities we serve. Effective programmes to support local communities and improve our environmental performance are essential to meet this goal.

Our 2004 sample survey of 100 community stakeholders from a variety of community, government and environmental backgrounds told us that 74 per cent of them respect British Airways. We will continue to work hard to meet our target of 80 per cent. This section describes how we support the communities that we impact in destinations that we serve, both in the United Kingdom and overseas through our community investment programme.

British Airways continues to be a member of the both the London Benchmarking Group (LBG) and Business in the Community's Percent Club. The LBG's benchmarking model is used to assess our total contributions to the community. Business in the Community reported our total contribution for the year ending 31 March 2005 as £6 million (2004, £4 million). British Airways direct charitable donations (cash donations to charity) for the year to 31 March 2005 were £830,000 (of which £500,000 was a direct cash donation to UNICEF for the Tsunami Relief effort) (2004: £396,398).

How we invest in the communities we serve



Our community investment programme

Last year's review of the community investment strategy has ensured that we have continued to focus our resources on the British Airways Board approved priorities of education and youth development, supporting our employees, sustainable tourism, environment and heritage. This year we were able to support over 130 community and conservation programmes worldwide. Our most significant donation this year was to the Tsunami relief programme in January 2005. For more information please see p11 of the report and go to www.ba.com/responsibility.

Our emphasis in 2004/05 has been on working more closely with our community stakeholders at Heathrow. We have consulted with and shared our community strategy with our partners in the surrounding boroughs of Heathrow. We are now working on developing strategic partnership programmes that we have run that will enable us to assess the impact of our investments within the Heathrow community.

The Community Learning Centre – we are soon to welcome our 30,000th child to the Community Learning Centre at Heathrow where we offer programmes for local children, young people and adult learners to support their education and skill development needs. Examples of successful partnership programmes that we have run through the Community Learning Centre this year are:

Language Awards – our language programme continues to grow with a further 1,047 students receiving awards this year (4,012 in total). We have now trained 66 teachers to deliver the 'British Airways Flag Award' that provides students with a work related dimension to their language learning at GCSE level.

British Airways Communities and Conservation programme has this year provided over 900 travel awards to a wide range of charitable and not for profit organisations that work in destinations that we fly to.

The euro traveller challenge

– developed in partnership with PricewaterhouseCoopers (PwC) for Key Stage Three pupils (12 to 14 year olds). The objective was to set a work related business challenge for the students to solve working alongside employee volunteers from both companies. The students from Hayes Manor School and Mellow Lane School in Hillingdon visited PwC's head office to present their findings to employees from both companies and to Stephen Twigg, then Minister for London Schools. The project has formed part of the London Challenge Initiative receiving recognition from the Department for Education and Skills (DfES).

The British Airways Environmental Awards for schools

– British Airways awarded £60,000 to 24 schools in the three boroughs of Ealing, Hillingdon and Hounslow to run an environmental awards programme in partnership with the local Education Business Partnerships. The Awards will be allocated to Year 10 pupils to carry out environmental projects within their own school or community covering issues such as energy efficiency, recycling and wildlife. The awards aim to increase environmental awareness and local action whilst providing educational benefits to the participating pupils.

British Airways Community Volunteering Awards

– we continue to support the volunteering activities that our employees engage in through these awards. This year British Airways donated over £90,000 to a range of charities supported by our employees.

British Airways Giving Scheme saw 4,319 of our current and retired United Kingdom employees donate £636,489 directly from their payroll to their chosen charities.

Race for Life – British Airways employees have been organising and taking part in Race for Life for the past 12 years raising money for Cancer Research United Kingdom. To date, over £500,000 has been raised. Last year Cancer Research United Kingdom awarded British Airways its "Outstanding commitment from a company" award in 2004.



Change for Good collection envelope

Change for Good – The British Airways Change for Good programme in partnership with UNICEF continues to flourish, with the total amount raised reaching the £20 million mark this year. In 2004/05 Change for Good raised £2.7 million through the donation of customers' loose change onboard our flights and a £500,000 corporate donation from British Airways. In May, Her Majesty The Queen launched the 10th anniversary year setting the scene for a year of high profile activities. We have more cabin crew involved in the programme than ever, with over 1,700 signed up to be volunteer representatives for Change for Good during their flights. In October 2004, Change for Good hit the high street for the first time in partnership with Travelex and HSBC to collect old Eurozone currencies that are no longer valid. Customers were able to deposit the unused currency at any United Kingdom branch of HSBC until June 2005.

In July, Change for Good was awarded the 'Most Effective Corporate Relationship' award by the Institute of Fundraising and the magazine Professional Fundraising. Change for Good was praised for its longevity, scale and the close involvement of cabin crew.

During the year Change for Good funds have been spent on a variety of projects such as water and sanitation in Huambo, one of the most war-affected provinces in Angola. Funds have also gone to emergency relief situations such as the devastation caused by the hurricanes in the Caribbean, the conflict in Sudan and the earthquake in Iran.

British Airways investment of Change for Good funds in 2004/05

Project	Description	Change for Good funding
Bangladesh	Dhaka – Provide basic education to urban working children aged 10 to 14 over five years.	£500,000
Angola	Huambo – Water and Sanitation projects.	£220,000
Nigeria	Abuja – Funding of two playgrounds at Kuje School.	£5,600
Emergencies		
South East Asia	Tsunami Emergency Relief.	£1,800,000
Sudan	Crisis in Darfur.	£75,000
Caribbean	Emergency assistance after the hurricanes.	£50,000
Bangladesh	For victims of the floods.	£75,000

For more information on country projects supported by Change for Good please visit www.ba.com/responsibility.

The Tsunami – in the early hours of 26 December 2004 South East Asia was severely impacted by the tragic events of the Asian Tsunami. Through the Change for Good Programme, British Airways customers raised over £800,000 in January, all of which was given directly to projects to support the recovery of the affected areas. In the same month our employees donated £51,000 directly from their own pay and British Airways gave a one off donation of £1 million (£500,000 in cash and £500,000 in cargo). Through UNICEF, who worked with governments, local communities and other organisations, funds were used to ensure that children were protected by providing clean water and sanitation, vaccinating against disease, providing education and healthcare and protecting children against exploitation.



Tourism for Tomorrow – The Tourism for Tomorrow awards recognise and promote the world's leading examples of best practice in responsible tourism development. This year the World Travel and Tourism Council ran and hosted the awards inviting the winner to a ceremony in April 2005 in New Delhi, India during the 5th Global Travel & Tourism Summit. There were 86 applications from across the world for the four award categories – conservation, global tourism business, investor in people and destination. British Airways sponsored the destination award and presented it to Jurassic Coast, United Kingdom.

We would like to thank all our customers and employees who kindly donated through Change for Good and the British Airways Giving Scheme.



Children in Tamil Nadu, India, play together (UNICEF)

Respecting the environment

Aviation has significant environmental impacts on local communities around airports and on the global climate. British Airways aims to limit and reduce its environmental impact where possible, and is active within the airline community to encourage good practice and progressive policies.

Our approach

British Airways has a corporate policy for environmental issues, which sets out the need to:

- identify significant environmental aspects and impacts;
- introduce appropriate management systems;
- set objectives and targets for improvements;
- meet or exceed relevant regulations;
- use resources efficiently;
- ensure employees are appropriately trained and advised;
- engage with stakeholders.

Within this framework, the responsibility for environmental management within British Airways rests with individual departments and subsidiaries. Our corporate Environmental Management System provides a framework for co-ordinating this activity and ensuring that appropriate arrangements are in place to manage our main environmental impacts.

Our key impacts and priority areas continue to be noise, local air quality, climate change and waste and resource use. This year we have reviewed the elements of our Environmental Management System and are in the process of rewriting our Environmental Manual and procedures to reflect a revised corporate quality framework.

Environmental compliance issues are managed at departmental level through compliance boards. Corporate issues are reviewed through the Environmental Compliance and Management Group. This group meets every two months and is attended by key representatives from the main operational departments: Cargo, Customer Services and Operations, Engineering, Flight Operations, Procurement, Property, Quality Management and Terminal 5. Our major environmental risks are also reflected in the

corporate risk register. Environmental policy and performance is reviewed at our quarterly internal Corporate Responsibility Board and then annually by the British Airways Board.

This year we maintained ISO 14001 for our headquarters (Waterside), combined centre for operations (Compass Centre) and British Airways Component Engineering. Individual departments are encouraged to pursue accreditation where appropriate.

Stakeholder dialogue

We seek to promote 'best practice' within the industry and encourage a better understanding of our business with external groups to ensure an accurate assessment of our environmental impacts.

We continue to actively participate in airport consultative committee groups and the government's Aircraft Noise Monitoring Advisory Committee (ANMAC). This year we have contributed to the Project for the Sustainable Development of Heathrow – a group considering the adequacy of measurement data to enable pollutant concentrations in the vicinity of Heathrow airport to be monitored and modeled. We have also contributed to 'Sustainable Aviation' a cross-sectoral initiative to implement a strategy for the sustainable development of aviation over the long term. The strategy, which was launched on 20 June 2005, includes commitments on key environmental challenges of aviation, including limitation of climate change, noise and local emissions.

On the broader international stage, British Airways is actively involved with various environmental groups contributing to the development of policy by the United Nations body ICAO (International Civil Aviation Organisation). These include the Emissions Trading Task Force which is likely to have a major influence on the application of emissions trading within aviation to deal with climate change impacts.

We have also started to involve our corporate customers in a dialogue on environmental issues. In response to the growing interest of business in the

environmental aspects of air travel, we held an Environment Forum in March 2005 to explain to our key corporate clients our policies and programmes for managing the environmental impacts of aviation.

Terminal 5

As our business prepares to transition from our current operations into Terminal 5, we have a unique opportunity to find new ways to improve the environmental performance of our operations at Heathrow Airport – our major base.

Our Terminal 5 strategy mitigates our key environment risks and government conditions from the Public Inquiry, through the development, design, delivery, and operations at Terminal 5. The strategy focusses on three key issues, and we are already trialling initiatives to explore the scope for improved performance.

- Reducing noise and emissions, through more efficient use of aircraft, ground operations and vehicle movements. This includes reduction in the use of aircraft auxiliary power units (APUs) on turnarounds, consolidating ground vehicle movements and logistics, improving the efficiency of surface transport for employees and passengers and upgrading our ground vehicle fleet to abate emissions.
- Exploiting innovative design for energy, water and waste management, including the installation and monitoring of energy and water efficient technologies, and utilisation of non-potable water where appropriate. We aim to incorporate best practise waste management, and maintain the principles of segregation at source for our key waste streams.
- Maximising the use of sustainable resources by ensuring designed space maximises the use of natural daylight and adhering to the T5 materials strategy, which eliminates the use of non-sustainable wood, PVC and specified refrigerants in the construction, furnishings and fittings of our accommodation.

Noise reduction

Objective: "To minimise the noise impact of our operations, on the community and in other sensitive areas, such as ground operations and inside aircraft cabins."

Noise is a major environmental and social impact for the aviation industry. In a number of surveys of residents living in the vicinity of airports, noise continues to be identified as the most important environmental issue above both local air quality and climate change.

British Airways continues to support the application of International Civil Aviation Organisation's (ICAO) "Balanced Approach" for noise mitigation. This comprises four elements: noise at source, operational procedures, land use planning measures, and operational restrictions.

British Airways' main contribution to noise reduction is through our investment in quieter aircraft and the development of better operating procedures. We continue to lobby for others to accept their full responsibilities with regard to land use planning and operational restrictions. In particular, we welcome the review by the Office of the Deputy Prime Minister (ODPM), of Planning and Policy Guidance note 24 (PPG24) that deals with noise and planning conditions, and trust that the new Strategy note (PPS 24) will contain adequate safeguards against inappropriate noise sensitive developments close to the airport.

Our operations (and noise impact) continue to be centred on our main base at Heathrow which together with Gatwick, New York (JFK), and Manchester airports accounts for over half of our total airport noise impact.

Noise impact of British Airways aircraft operations by airport

Airport	Percentage of British Airways global noise 2004/05
Heathrow	36.5
Gatwick	10.4
New York – JFK	2.5
Manchester	1.8
Singapore	1.7
Edinburgh	1.6
Glasgow	1.5
Paris – CDG	1.1
Amsterdam	1.1
Aberdeen	0.9

Our noise performance

This year, we have again improved the noise performance of our aircraft fleet. This is demonstrated by the improvement in our noise indicator, key performance indicators (page 18), which shows which shows a reduction in total noise relative to last year, and also the average QC per movement which is now below QC1.0.

One reason for this has been the introduction of the Airbus A321 that is known for its low noise impact. This aircraft is a "stretch" version of the A320 and A319 aircraft that provides the backbone of the British Airways short-haul fleet at Heathrow.

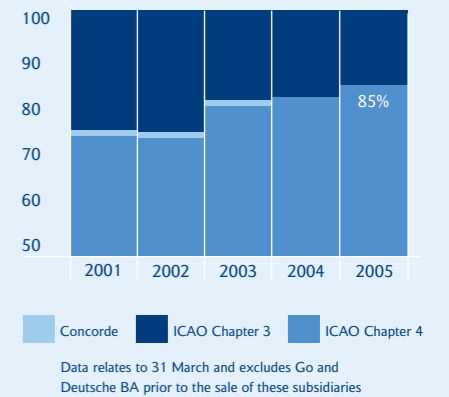
Operationally, we continue to maintain the high performance levels attained in previous years. In this respect, our performance in keeping to the tracks specified by air traffic control remains above 95 per cent on track at Heathrow airport, and at Gatwick, where the maximum track height is lower, 98.6 per cent were on track. At Manchester airport, our performance rose to 95.2 per cent, on track, and generated a commendation from the airport operator. At the same airport, our wholly owned subsidiary, British Airways CitiExpress, won an award for consistency of track-keeping performance.

We continue to support the 'Silent Aircraft Initiative' aiming to promote the benefits of Continuous Descent Approaches 'CDA's) approaches to the USA and other parts of the world. This year, we have improved our performance of Continuous Descent Approaches CDA's at airports where they are allowed, recognising that Air Traffic Control (ATC) also has a significant effect on the achievability of these procedures. At Heathrow 94 per cent of our arrivals followed CDA approaches and 86 per cent at Gatwick also followed this procedure – this remains around 10 per cent better than the average performance at Heathrow and Gatwick airports.

In order to refine these procedures further, representatives from British Airways Flight Operations and Environmental Affairs, have been actively involved in the first review of the Code of Practice on Arrivals Noise, which has subsequently been presented to ANMAC and a second issue of the "Code" is now being developed. The Arrivals Code of Practice can be found at www.caa.co.uk.

For departure noise, a similar Code of Practice has been initiated along with BAA, and two meetings have so far been held. This will be much more complex than that for arrivals, as there are numerous interdependencies and trade-offs to identify, for example with local air quality and climate change emissions.

Mainline fleet conforming to international noise standards (per cent)



Night movements

The second stage of the government's consultation on night restrictions at the London airports, due in summer 2004, was delayed by legal proceedings, and has yet to take place. The legal challenge centred on the arrivals QC grouping of Rolls Royce powered Boeing 747-400 aircraft of the type operated by British Airways. It was claimed that measurements showed that these exceeded their QC ranking by a significant amount, and should be reclassified as QC 4 or QC 8. However, a report to the court written by the CAA's Environmental Research and Consultancy Department (ERCD), who conducted the original analysis, confirmed that the 747-400's operated by British Airways fell wholly within the QC 2 ranking where they were originally placed.

British Airways will respond positively to the second stage of the consultation, pointing to the need to balance the requirements of the aviation industry with those of the local communities and this will be discussed in next year's report.

Noise research and next steps

British Airways continues to promote the use of new technology to help improve the noise climate around airports. At Heathrow we have trialled new procedures aimed at producing better track-keeping along the problematic 09R Compton route. This route provides a particular challenge as it entails a sharp right turn close to the runway, and does not conform to international requirements for departure route design. Feedback on a workable design for a new procedure has been sent to the CAA Directorate of Airspace Policy (DAP) and we are now awaiting their comments before we can put this into full time operation.

The initial trial of Precision Area Navigation (P-RNAV) approaches at Heathrow has

continued for the whole of last year and has been a great success. British Airways aircraft have flown a total of 224 P-RNAV approaches using Boeing 777 and 747-400 which are aircraft fitted with this equipment, following a continuous descent approach from cruise flight levels (25,000 ft) down to the runway. A similar trial at Gatwick started in May 2005. British Airways will be the first operator to take part, initially with Boeing 777s but hopefully extending to other types later in the year.

As aircraft have become ever more efficient and quiet, manufacturers and operators are increasingly coming across trade-offs between different environmental impacts. It is important to identify what interdependencies exist and how each is affected by different designs and operational techniques. To address these issues, ICAO's Committee on Environmental Protection (CAEP) working group 2 (operations) and a special task group looking at design issues (WG1-3), will look specifically at trade-offs between noise, local air quality and climate change emissions. British Airways is active in both these groups.

Local air quality management

Objective: "To reduce the air quality impact of our operations, and to ensure that emissions affecting local air quality are managed in a balanced way to achieve national standards."

Local air quality, in terms of nitrogen dioxide concentration (a component of NOx), has been identified in the government's White Paper on the "Future of Air Transport" as one of the greatest environmental impacts affecting communities local to airports. In this respect the government suggested that aircraft were the major (but not the only) source of these emissions.

We recognise the importance of NOx emissions from our activities and have for a number of years sought to reduce emissions from our aircraft fleet. However, aircraft emissions are not just improved by new aircraft purchases and engine technology. In this respect we believe that a similar process to the ICAO "Balanced Approach" for noise mitigation could be used to manage local air quality as well. However, such a scheme would be more complex as airport air quality is affected by both aircraft and road traffic (probably the dominant source at Heathrow).

NOx impact of British Airways aircraft operations by airport

Airport	Percentage of British Airways NOx emissions
Heathrow	39.8
Gatwick	6.7
New York – JFK	2.6
Singapore	1.5
Manchester	1.4
Edinburgh	1.2
Glasgow	1.2
Chicago – ORD	1.2
Boston	0.9
Paris – CDG	0.7

N.B. emissions below 1,000ft. Data relates to 2004/05.

As with noise, most of our local air quality impact continues to be at Heathrow and Gatwick airports, owned by BAA. This year, with BAA, we initiated a Code of Practice for Departures, addressing local air quality impacts and trade-off issues with both noise and climate change emissions. These additional effects will need to be included in any future code.

We are also working with the engine and airframe manufacturers to quantify what improvements can be expected from future aircraft types, and to ensure that the requirements of British Airways are understood.

Local air quality – aircraft impacts

This year, NOx emissions from our aircraft at Heathrow have risen slightly, due to changes to our operations and fleet mix. To help reduce our NOx emissions from our aircraft fleets, we have invested in low NOx technology engines for our larger long-haul aircraft types: the Boeing 747-400, and Boeing 777-200. Retrofitting the "-T" engine modification to our 747 RB211-524G engines has been ongoing for some time and these are now being supplemented by the "DAC II" combustor modification to the GE 90 engines on our 777-200 fleet as well. The reductions in NOx associated with the DAC II modification are about 6.5 per cent, or two kilograms per departure.

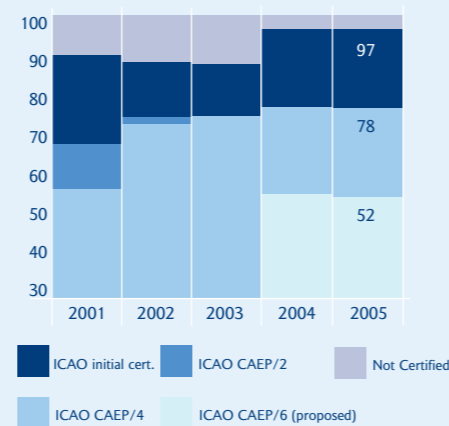
A significant amount of our current aircraft fleet already meets the latest NOx standard for aircraft engine emissions with 78 per cent meeting the CAEP/4 standard (for new engine types from January 2004), and 52 per cent meeting the CAEP/6 standard which will apply to new engine types from January 2008.



As noted earlier, we have continued to improve our performance of Continuous Descent Approaches (CDAs), which has the double benefit of reducing noise and low level emissions related to local air quality. We are committed to identifying and removing the remaining obstacles to optimising CDA profiles, and to fully realise the environmental improvements that result.

We continue to examine ways to minimise our ground level emissions from aircraft. We have just conducted a trial to reduce the use of the Auxiliary Power Unit (APU) to a maximum of 15 minutes before departure. (The APU is a small gas turbine located in the tail of the aircraft, and used to supply electrical power and bleed air for aircraft systems.) Preliminary results were encouraging. The facilities available on Terminal 5 stands should significantly reduce APU running (which contribute between 10 and 20 per cent of the ground level NOx emissions from aircraft), providing an environmental benefit when Terminal 5 opens.

Mainline subsonic fleet conforming to international NOx emissions standards (per cent)



Data relates to 31 March and excludes Go and Deutsche BA prior to the sale of these subsidiaries

Local air quality – vehicle impacts

In August 2004, British Airways signed up to the BAAs Clean Vehicles Programme (CVP) at Heathrow. The CVP helps identify and deliver practical improvements in the environmental performance of vehicle fleets. These improvements cover many aspects relating to vehicle usage, from investing in alternative fuels to developing employee travel plans and promoting car sharing. British Airways received a silver award, the second tier of the five tiers in the CVP framework.

We are now 'going for gold' and will be putting initiatives in place over the next twelve months to improve our fuel data management, emissions modelling and driver awareness. At Heathrow, a new fuel management system is being installed which will greatly improve the quality of fuel consumption data.

British Airways is also participating in a study with BAA Heathrow and Millbrook test and development centre to establish the typical duty cycle for airport vehicles, to enable more accurate measurement and modelling of exhaust emissions. We are also supporting trials of battery-powered vehicles at Heathrow (see below).



Research and next steps

This year we have continued to work with local stakeholders, although the work of the steering group chaired by British Airways has largely been taken on by the government's "Project for the Sustainable Development of Heathrow" (PSDH). British Airways is actively involved with the air quality part of this initiative, and are actively involved on two of the project's panels: panel two – ambient measurement, and panel three – emissions source. Further details can be found on the Department for Transport website.

Similarly, British Airways is also active in ICAO CAEP's working group two (operations) where a considerable amount of work is being carried out to identify how aircraft operational practises affect local air quality at and around airports. In March 2004, we also supported a measurement campaign carried out by scientists from the

Institute for Meteorology and Climate Research (IMK-IFU), Germany, to measure the emissions of aircraft engines and APUs at Heathrow's Terminal 4.

We have continued to monitor the concentration of nitrogen dioxide along a transect, to the north of Heathrow airport, and have now completed two years of monitoring. The results continue to show a sharp "drop-off" in nitrogen dioxide concentration just north of the airport boundary, with a "bulge" in the area of Harlington village and then rising again to a higher level between Shepiston Lane and the M4 motorway. The analysis is carried out independently for British Airways by netcen, and is available along with the results of other monitoring in the Heathrow area at www.heathrowairwatch.org.uk.

Improving public transport access

Road traffic is the major cause of air quality problems around Heathrow airport, so we are keen to promote alternative modes of transport for our employees. We have just published our second Company Travel Plan, for details please go to www.ba.com/responsibility.

British Airways' new company travel plan is designed to:

- Minimise our surface access impact on the environment and local community by pursuing measures that address road congestion and related local air quality problems where we can make a difference.
- Provide a policy framework that encourages bus and rail transport providers to expand high quality public transport links to the airport, operated when and where they are needed (a vital issue as 85 per cent of our employees work shifts).
- Support our ability to continue to attract and retain high quality employees to work at Heathrow.

Terminal 5 will have an excellent public transport interchange integrated into the terminal. British Airways is supporting its development by supporting new rail services which will widen the Heathrow catchment area for public transport access. This includes Heathrow Connect (a stopping service from West London), Airtrack (a new rail link from T5 to the west and south of Heathrow) and Crossrail – which will provide better links to central London and Docklands.

Climate Change

Aviation contributes to climate change through its carbon dioxide emissions and other effects in the upper atmosphere. Although the effect of CO₂ is well quantified the contribution of elements such as NOx, water vapour, particles and the formation of clouds is less clear. British Airways supports a long-term strategy to limit aviation's climate change contribution based on robust science, sound economics and well-developed policy instruments. We are working with United Kingdom, European and worldwide industry partners to develop this strategy.

Aircraft fuel efficiency

Objective: "To be efficient in our use of fuel and energy and to promote an international framework to limit the contribution of aviation to climate change based on emissions trading."

Minimising fuel consumption is important both in terms of reducing business cost and in tackling climate change. Key factors influencing aircraft fuel efficiency are fleet renewal, air traffic management and load factors.

In the late 1990s, British Airways set a target for a 30 per cent improvement in our aircraft fuel efficiency over the period 1990 to 2010. We have now achieved more than 90 per cent of that improvement, with a 27.4 per cent improvement registered by 2004/05. We remain on course to meeting our target of a 30 per cent improvement in aircraft fuel efficiency by 2010, but if we meet this target earlier than planned, we will set a new target for a future 20 year period.

British Airways' fuel consumption has declined from 3.9 to 3.8 litres per 100 passenger kilometres over the last year. At the Geneva Aviation and Environment Summit in March 2004, airlines committed to strive to achieve by 2008 an overall average fleet fuel efficiency of four litres per passenger kilometre. British Airways' current performance already surpasses this target.

Ground energy efficiency

During the year, British Airways' property department, working with its facilities management service provider has initiated a review of its energy efficiency strategy, beginning with a pilot study at our Heathrow maintenance facility, to identify energy saving initiatives.

Over the latest period, CO₂ emissions from United Kingdom properties have reduced by 12 per cent from 142,603 to 127,922 tonnes. This reflects continuing

Independent assurance

rationalisation of our property portfolio. The target to reduce energy consumption in buildings and facilities by two per cent per annum between 2000 and 2006 has been surpassed. Within the ongoing energy efficiency strategy review, we propose to set new targets for improving energy efficiency per passenger.

British Airways Property CO₂ emissions for the UK Emissions Trading Scheme (UKETS)

Calendar Year	CO ₂ emissions (tonnes)
UKETS Baseline*	159,262
2002	140,455
2003	142,603
2004	127,922

* Note: UKETS Baseline is the average of emissions in 1998, 1999 & 2000

Emissions trading

We believe emissions trading is the most economically efficient and environmentally effective mechanism for dealing with the growth of aviation greenhouse gas emissions.

British Airways has participated in the voluntary United Kingdom Emissions Trading Scheme since 2002 covering emissions from our domestic air services and United Kingdom properties. For 2004, the third year of compliance, we reported a 23 per cent reduction in our contribution to the United Kingdom CO₂ inventory, compared to the 1998-2000 baseline. Participation in this trial scheme has been a valuable learning experience in preparation for any mandatory trading schemes at European Union or global level.

Over the last year, British Airways has actively contributed to the development of climate change policy within the Association of European Airlines (AEA), including feasibility assessment of linking aviation with the European Union Emissions Trading Scheme. We will continue to work with our European partners to proactively influence the European Commission in its policy development on aviation and climate change.

At the international level, we are also supporting the continuation of discussions within the UN International Civil Aviation Organisation to establish a global framework for the involvement of aviation in emissions trading worldwide, through participation in the ICAO Emissions Trading Task Force.

Non-CO₂ atmospheric effects

Whilst research has provided a robust understanding of the scale and climate impacts of aircraft CO₂, there is less scientific consensus of the extent of the climatic effect of NO_x and contrails during cruise. Improvements in technology and associated international standards are appropriate mechanisms for limiting the effects of NO_x. However, research into atmospheric composition and the non-CO₂ effects of aviation should be prioritised. British Airways is committed to this research and is a partner in the European Union project – IAGOS – to directly measure atmospheric composition.

Carbon offsets

There is growing interest from corporate customers, government and individual travellers, in offsetting the carbon impacts of their air travel. British Airways is keen to work with its customers to meet their requirements, including making provision for carbon offsets. However, we do not see this as a substitute for coherent industry action to reduce the impact of aviation on carbon emissions and climate change.

Waste and resource use

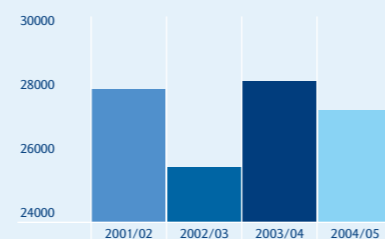
Objective: 'To reduce waste and effluent, manage waste and effluent streams responsibly and be efficient in our use of resources.'

British Airways has identified waste reduction and management as a key area for our environment programme. In support of this, we launched a waste initiative in January 2005. We are now committed to a two per cent per annum reduction in waste per passenger and a 40 per cent recycling/recovery rate by 2010. The waste reduction and recycling recovery rate targets apply to all waste at Heathrow and Gatwick, excluding cabin waste, which is handled by the airport authorities.

Individual departments have contributed projects to help deliver the targets, e.g. the Engineering department has reduced the number of hazardous materials by 10 per cent and has just started to recycle used aerosol cans. We recycle plastic cups from vending machines and have increased the amount of office paper recovered for recycling. The waste initiative has been communicated through articles in the British Airways employee newspaper and on the company intranet. This year we will establish baseline data to allow performance monitoring against our targets.

We produced over 27,000 tonnes of waste at Heathrow and Gatwick. The two per cent improvement year on year represents a reduction in several waste streams at Heathrow and Gatwick in particular, liquid waste from our maintenance operation. This includes waste from British Airways activities and facilities and our catering waste handled by service partners. It does not include cabin waste which is disposed via the airport waste stream and for which there is no specific measurement available. Of this total, some 5,000 tonnes is hazardous waste that requires special treatment before final disposal. It is difficult to obtain reliable waste volumes worldwide because most of the waste is disposed of through the airport company waste stream. Where data is available, we aim to collect waste data from other locations worldwide.

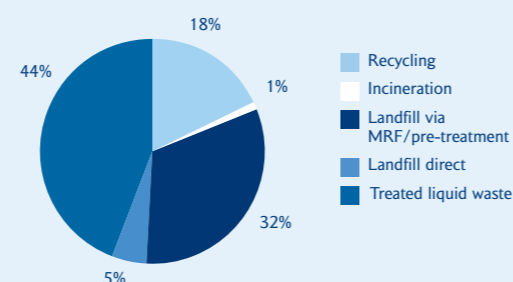
Waste at Heathrow and Gatwick (Total tonnes)



Recycling initiatives

We recycled over 2,000 tonnes of material in 2004/05 at Heathrow and Gatwick (additional information is on the website). This included materials recycled through our waste contractor's Material Recovery Facility near Heathrow. A number of recycling projects are being carried out including: recycling of polythene at our World Cargo Centre, recovery of waste oils and solvents from our Engineering operations and the recycling of cooking oils from our employee restaurants. We have recently provided desk-top trays to improve the amount of paper recovered for recycling in offices at Heathrow. We continue to sell surplus aircraft catering equipment to employees.

Waste management at Heathrow and Gatwick (tonnes)



The Reassurance Network was commissioned to provide external assurance of the British Airways 2004/2005 Corporate Responsibility Report, covering: the accuracy, completeness and relevance of information and the extent to which British Airways has responded to its own previous commitments and to the expectations of its key stakeholders. A more detailed assurance statement is available at www.britishairways.com/responsibility.

As part of a broader assurance programme we have also reviewed the sub-set of management and governance systems that relate to corporate responsibility and have provided a separate internal report to British Airways' Corporate Responsibility Board.

The contents of this report are the responsibility of the directors of British Airways. Our statement has been prepared in accordance with a scope and methodology that takes into account emerging good practice and standards in this area, including the AA1000S assurance standard.

Scope and methodology

The assurance process included a review of policies, procedures, surveys, minutes and other relevant documentation. Interviews were carried out with 34 British Airways managers. We have sought to match the level of verification with the potential significance of the information to British Airways' business objectives, its stakeholders and the report's wider readership. External parties were contacted where necessary to validate data. Financial data was cross referenced to the separately audited Annual Report.

The verification of British Airways' overseas operations, including its franchises has been limited to a review of information collected by head office. We shall be reviewing British Airways' operations in New York later this year to provide recommendations for the improved management and assurance of international corporate responsibility.

Accuracy and quality of content

We are satisfied that the data and statements made in the report have been prepared on the basis of robust and objective processes and are sufficiently accurate, up-to-date and suitable for readers of the report to form balanced opinions on British Airways' activities and performance in relation to corporate responsibility.

Completeness, relevance and responsiveness

In assessing the significance of areas included in the report we have reviewed the company risk register and have questioned key corporate directors and managers on incidents reported and issues arising during the reporting period. It is our view that the report presents a representative account of British Airways' management of significant social and environmental risks and impacts.

This year, British Airways has reported in the context of its internal management framework, "The BA Way". As in previous years its main focus is on its primary areas of operation in the United Kingdom. Some highly significant areas such as safety and security are already highly developed and co-ordinated internationally. However, one in seven employees works outside the United Kingdom, a significant proportion of British Airways' environmental emissions and wastes are generated overseas and a wide range of suppliers provide materials and services around the world. We have suggested that more consideration should be given to future reporting on key overseas operations and non-core aspects which could be of wider corporate interest to stakeholders e.g. the management of wastes.

This year British Airways' survey of 100 United Kingdom-based stakeholders confirmed the need to focus on impacts around Heathrow airport with a lesser need to provide assurance on British Airways' wider business conduct. Our recommendations to broaden the scope of coverage need to be taken in this context. It may however be useful to research the opinions of a wider, more international group of stakeholders next year. We are not aware of any major issues raised by any of British Airways' stakeholder groups that have not been included in this report and regard British Airways as achieving a high level of responsiveness to issues identified as significant.

Of the 48 commitments made in the 2003/04 report, British Airways has fulfilled 44 with three being the subject of ongoing work. One target, on time payment of suppliers, has not been met.

Key developments

During the course of our work we have identified a number of key developments relating to British Airways' management of corporate responsibility during the past year:

- "The BA Way" has been communicated

across the company as the main vehicle for achieving business goals. It is anticipated that corporate responsibility will progressively be managed and reported in the context of "The BA Way" framework.

- Environmental and social priorities have been incorporated into the corporate risk register which is in the process of being linked more directly to British Airways' internal audit programme.
- A new Code of Conduct and Statement of Business Principles have been incorporated into British Airways' Standing Instructions.
- Progress has been made on trialling the application of environmental and labour standards to supplier contracts. British Airways acknowledges that the full integration of these issues into the procurement process is a priority.
- The Corporate Responsibility Board has established itself as the central body, not only for setting policy but also for establishing operational requirements and systems for the management of corporate responsibility issues.
- British Airways is driving industry-wide co-operation to improve health and safety standards in key operational areas, has maintained its investment in global security systems and has tightened its standards and procedures relating to drugs and alcohol.
- British Airways is working to influence the aviation industry to take a more proactive role in responding constructively to the global warming challenge.

THE REASSURANCE NETWORK LTD

Paul Werman and Malcolm Guy
The Reassurance Network
May 2004

Key performance indicators

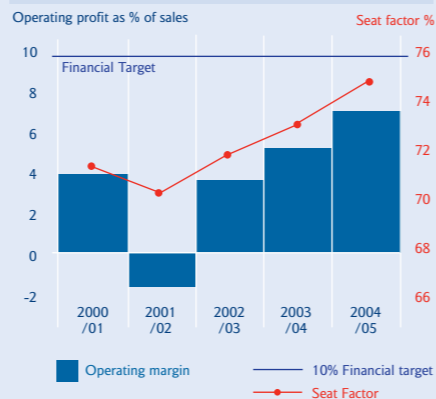
Market and financial

British Airways achieved an operating margin of 6.9 per cent in 2004/05, up from 5.4 per cent in 2003/04 and 3.8 per cent in 2002/03. This is still short of the target rate of 10 per cent, necessary to deliver an adequate return to shareholders over the long term. Passenger seat factor on British Airways' flights rose to 74.8 per cent in 2004/05.

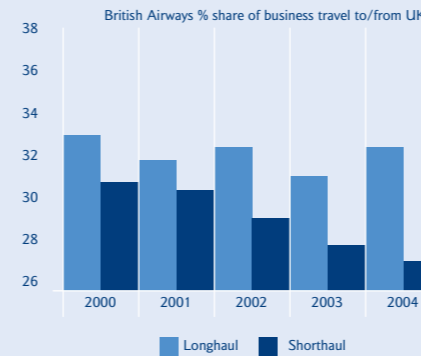
The business travel market is an important one for British Airways, and we carried nearly 30 per cent of all business travellers flying to, from or within the United Kingdom in 2004. Our share of business travellers (across all cabins) has fallen steadily over the last few years on shorthaul services as the "no frills" carriers have expanded their networks to appeal to cost-conscious business travellers. Our share of the longhaul business travel market increased in 2004, benefitting from British Airways' product leadership in areas such as the installation of flat bed seats in business class cabins and the introduction of premium economy products such as "World Traveller Plus".

British Airways saw a five per cent rise in passenger traffic in 2004. This was much less than the 14 per cent rise experienced by the global airline industry, which was boosted by rapid growth in traffic carried by Asian and Middle Eastern carriers compared with 2003 levels that were depressed by the effects of Severe Acute Respiratory Syndrome (SARS) and the Iraq war. British Airways' relatively low traffic growth was restrained by its modest pace of capacity expansion of just over two per cent. The levels of British Airways' capital and labour productivity – measured by real revenue per unit of capital and labour employed – have both improved since 2001. This reflects the impact of more efficient utilisation of both labour and capital, due to continued business restructuring.

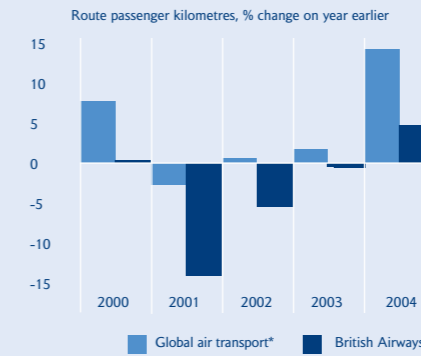
British Airways' operating margin and seat factor



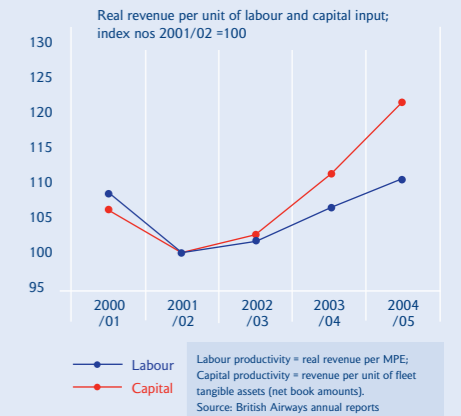
British Airways' share of business travel market



British Airways and global traffic trends



British Airways' labour and capital productivity



People, customers and communities

This year British Airways' strategy has focussed on the five goals of 'the BA Way'. Those goals are supported through the four key indicators representing different aspects of our performance in the areas of employees, community, customers and safety.

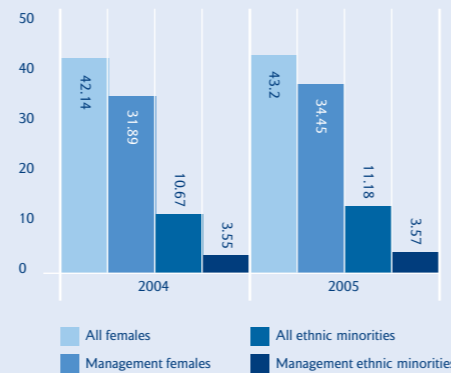
We have seen an increase in both the proportion of female employees as well as the number of female managers following a proactive programme of engagement with female employees. These results are also mirrored within our ethnic minority group where both the number of ethnic minority employees and the proportion in management has increased versus last year. Our internal focus groups will continue to listen to the needs of these groups to support future opportunities and initiatives.

Change for Good has this year seen a record level of contributions. The increase can be attributed to the generous public donations and the British Airways' corporate donation following the Asian Tsunami in January 2004.

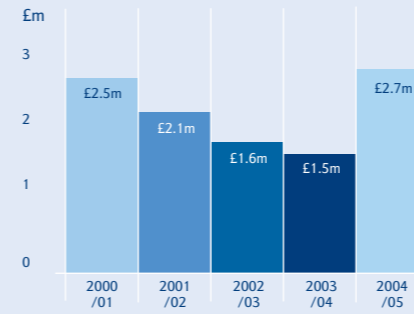
In its 10th anniversary year there have been a number of activities taking place to drive the continued success of the partnership with UNICEF. Customers remain at the heart of our business and we work hard to better understand their needs so that we can do all we can to help them choose British Airways in the future.

We continue to work towards the Revitalising Health and Safety initiative target of reducing the number of working days lost from work related injury and ill health by 30 per cent by 2010. Our target is being reviewed in the light of these changes.

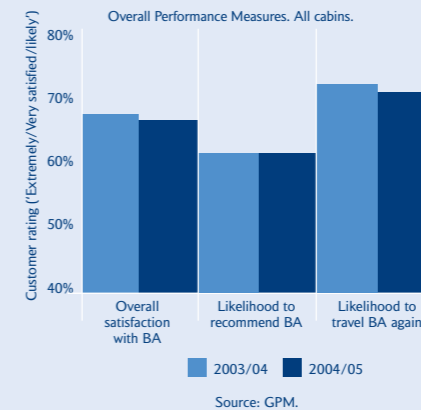
Diversity trends 2004/05; UK only



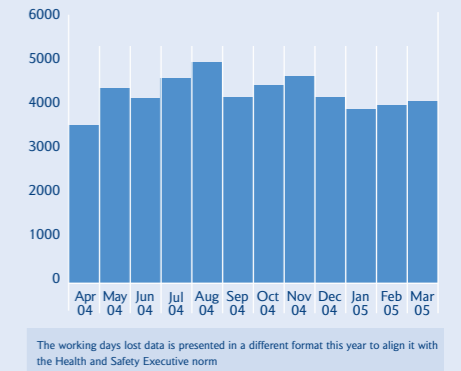
Community – Change for Good



Key customer measures



Working days lost from work related injury and ill health per 100,000 employees



Environmental

In 2004/05, our overall noise and emissions performance continues to improve through the introduction of new aircraft and changes to operational procedures. Although there has been a slight increase in the overall emissions of carbon dioxide and nitrogen oxide at Heathrow, there has been a consistent year-on-year improvement in fuel efficiency.

Our global noise indicator, measured in terms of QC equivalent (the method used for classifying the night noise impact at the London airports), shows further reduction. There has been steady improvement over the last five years of over 25 per cent.

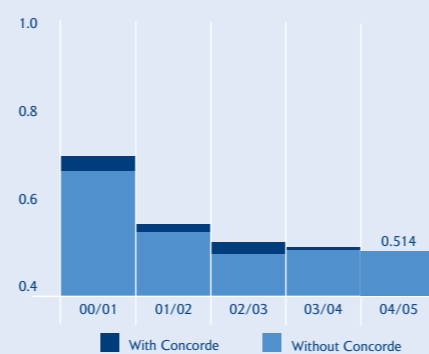
Emissions of carbon dioxide have increased slightly compared to last year. This is mainly due to the increased flying programme as a result of the generally improving market conditions, however, this rise should be set against continued improvements in fuel efficiency.

British Airways fuel efficiency has improved by almost four per cent relative to last year, reflecting our commitment to this important issue and our target of a 30 per cent improvement by 2010 (relative to 1990).

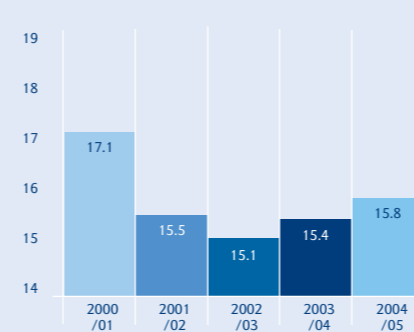
NOx emissions from our aircraft operations at Heathrow have increased slightly this year. This reflects changes in the fleet mix and flights being operated out of our main base. The levels are, however, still almost nine per cent lower than they were five years ago.

With the introduction of new European Union Air Quality legislation, our NOx emissions at Heathrow will be a major focus for improvement in the years ahead.

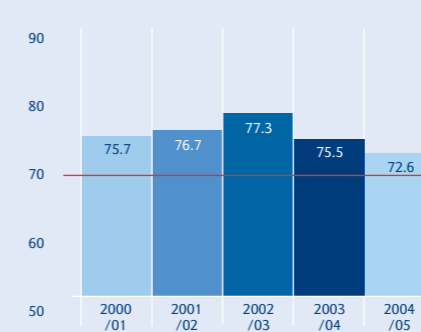
Total noise energy (million QC equivalents)



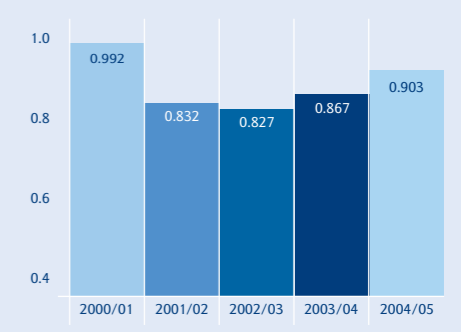
Aircraft carbon dioxide emissions (million tonnes)



Aircraft fuel efficiency (index of fuel use per RTK, 1990=100)



Index of NOx emissions to 1000 feet at Heathrow airport (British Airways mainline)



The above indicators reflect British Airways worldwide performance. We have indicated where this is not the case in the body of the report.

Glossary

List of abbreviations

AEA	Association of European Airlines	FSAS	Future Size And Shape
APS	Airways Pension Scheme	FTSE	Financial Times Stock Exchange (Index)
APU	Auxiliary Power Unit	GPM	Global Performance Monitor
ATC	Air Traffic Control	HSE	Health & Safety Executive
ANMAC	Aircraft Noise Monitoring Advisory Committee	IATA	International Air Transport Association
ATM	Air Traffic Management	ICAO	International Civil Aviation Organisation
BARP	British Airways Retirement Plan	LGW	London Gatwick Airport
BASIS	British Airways Safety Information System	LHR	London Heathrow Airport
BATUC	British Airways Trade Union Council	NAPS	New Airways Pension Scheme
BEAM	British Airways Emissions from Aircraft Model	NATS	National Air Traffic Services
BRS	Business Response Scheme	QC	Quota Count, noise category value
CAA	Civil Aviation Authority	SARS	Severe Acute Respiratory Syndrome
CDA	Continuous Descent Approach	UNICEF	United Nations Children's Fund
DVT	Deep Vein Thrombosis	WHO	World Health Organisation

Explanation of terms

Abbreviation	Full name	Explanation
ASKs	Available seat kilometres	The number of seats made available for sale multiplied by the distance flown
ATKs	Available tonne kilometres	The number of tonnes of capacity available for the carriage of revenue load (passengers and cargo) multiplied by the distance flown
LTIs	Lost time injuries	An injury which results in the employee having one or more days off work through injury
Mainline		This includes British Airways and all of its wholly-owned subsidiary undertakings
MPE	Manpower equivalents	Number of employees adjusted for part-time workers, overtime and contractors
RPKs	Revenue passenger kilometres	Number of revenue passengers multiplied by the distance flown in kilometres
RTKs	Revenue tonne kilometres	The revenue load (passengers and cargo) in tonnes multiplied by the distance flown in kilometres

Health and safety reporting categories for incidents in the workplace

Fatal injury :	Death of an employee
Major injury :	Any injury defined as Major by the HSE or an injury that renders the employee unable to return to normal duties after permanent disablement
Serious injury :	An injury, other than Major, that is reportable to the HSE or any injury that renders an individual unable to continue normal duties, but from which a full recovery could be expected after a sufficient period of recuperation
Minor injury :	An injury where the individual is able to continue normal duties after receiving first aid



Member organisations and external reporting awards 2004/05.

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0870 55 111 55

Flight arrival and departure information.

To contact Customer Relations by email please use the feedback page on our website www.ba.com

For further information on British Airways' social and environmental issues and programmes, additional data and to download a copy of this and/or previous reports please visit our website: www.ba.com/responsibility

For other relevant information visit:

www.ba.com/health

www.ba.com/tourism

www.ba.com/runways

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